Rush System for Health

Consolidated Financial Statements as of and for the
Years Ended June 30, 2022 and 2021,
Single Audit Supplementary Report as of and
for the Year Ended June 30, 2022, and
Independent Auditor's Report

RUSH

RUSH SYSTEM FOR HEALTH

TABLE OF CONTENTS

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees of
Rush University System for Health
Chicago, IL

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Rush System for Health (the "System", "RUSH"), which comprise the consolidated balance sheets as of June 30, 2022 and 2021, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of RUSH as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of RUSH and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about RUSH's ability to continue as a going concern one year after the date the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of RUSH's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about RUSH's ability to continue as a going concern for a reasonable period of time.

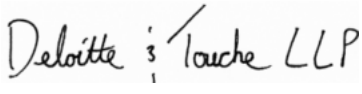
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying financial responsibility schedule, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the schedule of expenditures of state awards are presented for purposes of additional analysis and are 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 GAAS. In our opinion, the financial responsibility schedule, the schedule of expenditures of federal awards, and the schedule of expenditures of state awards are fairly stated, in all material respects, in relation to the 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 27, 2022 on our consideration of Rush's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the RUSH's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the RUSH's internal control over financial reporting and compliance.



Chicago, IL

October 27, 2022, except with respect to the in relation to opinion on the schedule of expenditures of federal awards, as to which the date is March 24, 2023

RUSH SYSTEM FOR HEALTH
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)

	As of June 30, 2022	As of June 30, 2021
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 519,998	$ 441,652
Accounts receivable for patient services	370,352	364,311
Other accounts receivable	60,906	55,769
Self-insurance trust—current portion	41,257	43,670
Other current assets	129,500	103,854
Total current assets	1,122,013	1,009,256
ASSETS LIMITED AS TO USE AND INVESTMENTS:		
Investments	1,357,270	1,738,921
Limited as to use by donor or time restriction or other	700,219	748,897
Self-insurance trust—less current portion	126,857	131,177
Total assets limited as to use and investments	2,184,346	2,618,995
PROPERTY AND EQUIPMENT—NET	1,692,868	1,619,887
OPERATING LEASE RIGHT-OF-USE ASSETS	106,929	131,459
POSTRETIREMENT AND PENSION BENEFIT ASSETS	45,582	65,694
OTHER NONCURRENT ASSETS	92,978	92,478
TOTAL ASSETS	$5,244,716	$5,537,769
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	$ 75,470	$ 64,183
Accrued expenses	437,689	455,323
Postretirement and pension benefit liabilities	2,044	2,275
Estimated third-party settlements payable and advances payable	285,026	393,910
Current portion of accrued liability under self-insurance programs	58,941	59,227
Current portion of long-term debt	12,703	12,216
Short-term operating lease liability	24,630	26,027
Total current liabilities	896,503	1,013,161
LONG-TERM LIABILITIES:		
Accrued liability under self-insurance programs—less current portion	272,616	242,975
Postretirement and pension benefit liabilities	96,716	92,941
Long-term debt—less current portion	905,559	921,802
Obligations under financing leases and other financing arrangements	1,509	3,226
Long-term operating lease liabilities	86,025	108,467
Other long-term liabilities	75,858	159,132
Total long-term liabilities	1,438,283	1,528,543
Total liabilities	2,334,786	2,541,704
NET ASSETS:		
Without donor restrictions	1,930,783	1,980,607
With donor restrictions	979,147	1,015,458
Total net assets	2,909,930	2,996,065
TOTAL LIABILITIES AND NET ASSETS	$5,244,716	$5,537,769

See notes to the consolidated financial statements.

RUSH SYSTEM FOR HEALTH
CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
(Dollars in thousands)

	For the Years Ended June 30,	
	2022	**2021**
REVENUE:		
Patient service revenue	$ 2,702,767	$ 2,574,590
Tuition and educational programs revenue	91,240	87,235
Research revenue and net assets released from restriction and used for research and other operations	170,304	155,870
Other revenue	204,121	181,366
Total revenue	3,168,432	2,999,061
EXPENSES:		
Salaries, wages and employee benefits	1,603,325	1,516,253
Supplies, utilities and other	974,480	903,588
Insurance	57,703	70,484
Purchased services	258,523	217,905
Depreciation and amortization	148,188	149,422
Interest and fees	30,609	33,234
Total expenses	3,072,828	2,890,886
OPERATING INCOME	95,604	108,175
NON-OPERATING (LOSS) INCOME		
Investment (loss) income and other—net	(138,592)	193,926
Contributions without donor restrictions	3,533	3,944
Fundraising expenses	(9,343)	(9,926)
Change in fair value of interest rate swaps	7,228	4,668
Total non-operating (loss) income	(137,174)	192,612
(DEFICIT) EXCESS OF REVENUES OVER EXPENSES	$ (41,570)	$ 300,787

(Continued)

RUSH SYSTEM FOR HEALTH
CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
(Dollars in thousands)

	For the Years Ended June 30,	
	2022	**2021**
NET ASSETS WITHOUT DONOR RESTRICTIONS:		
(Deficit) excess of revenues over expenses	$ (41,570)	$ 300,787
Net assets released from restrictions used for the purchase of property and equipment	14,141	41,385
Postretirement related changes other than net periodic postretirement cost	(40,342)	64,215
Other	17,947	5,059
(Decrease)/increase in net assets without donor restrictions	(49,824)	411,446
NET ASSETS WITH DONOR RESTRICTIONS:		
Pledges, contributions and grants	187,570	110,377
Net assets released from restrictions	(176,675)	(141,240)
Net realized and unrealized (losses) gains on investments	(47,206)	225,526
(Decrease)/increase in net assets with donor restrictions	(36,311)	194,663
(DECREASE)/INCREASE IN NET ASSETS	(86,135)	606,109
NET ASSETS—Beginning of period	2,996,065	2,389,956
NET ASSETS—End of period	$ 2,909,930	$ 2,996,065

See notes to the consolidated financial statements. (Concluded)

RUSH SYSTEM FOR HEALTH
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)

	For the Years Ended June 30, 2022	2021
OPERATING ACTIVITIES:		
(Decrease) Increase in net assets	$ (86,135)	$ 606,108
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	148,188	149,422
Non-cash operating lease expense	618	1,316
Postretirement related changes other than net periodic postretirement cost	40,342	(64,215)
Change in fair value of interest rate swaps	(7,228)	(4,668)
Net unrealized and realized losses (gains) on investments	207,695	(407,123)
Restricted contributions and investment income received	(27,137)	(26,544)
Investment losses (gains) on trustee held investments	6,010	(7,299)
Loss on sale of property and equipment	5,533	4,434
Changes in operating assets and liabilities:		
Accounts receivable for patient services	(6,041)	(16,292)
Accounts payable and accrued expenses	(12,234)	91,023
Estimated third-party settlements payable	(108,884)	(21,796)
Pension and postretirement costs	(16,686)	(2,187)
Accrued liability under self-insurance programs	29,355	35,788
Other changes in assets and liabilities	(119,775)	88,281
Net cash provided by operating activities	53,621	426,248
INVESTING ACTIVITIES:		
Additions to property and equipment	(211,682)	(173,502)
Acquisition of Rush Oak Brook Orthopaedic Center	-	(13,205)
Investment in Joint Venture	-	(6,678)
Purchase of investments	(2,834,598)	(3,238,677)
Sale of investments	3,057,953	2,928,398
Net cash provided by (used in) investing activities	11,673	(503,664)
FINANCING ACTIVITIES:		
Proceeds from restricted contributions and investment income	27,137	26,544
Payment on line of credit	-	(75,000)
Payment of long-term debt	(12,181)	(12,768)
Payment of obligations on finance lease liabilities	(862)	(896)
Payment on other financing arrangements	(1,042)	2,710
Net cash provided by (used in) provided by financing activities	13,052	(59,410)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	78,346	(136,826)
CASH AND CASH EQUIVALENTS—Beginning of period	441,652	578,478
CASH AND CASH EQUIVALENTS—End of period	$ 519,998	$ 441,652
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Right of use assets obtained in exchange for new operating lease liabilities	$ 2,760	$ 2,319
Cash paid for interest	$ 33,371	$ 38,794
Noncash additions to property and equipment	$ 6,998	$ 18,471

See notes to consolidated financial statements.

1. ORGANIZATION AND BASIS OF CONSOLIDATION

Rush System for Health ("RUSH") is a multihospital health system with operations that consist of several diverse activities with a shared mission of patient care, education, research, and community service. RUSH consists of an academic medical center, Rush University Medical Center ("RUMC"), two community hospitals, Rush Copley Medical Center ("RCMC") and Rush Oak Park Hospital ("ROPH"), that each serve distinct markets in the Chicago, Illinois, metropolitan area and Rush Health, a physician hospital organization and clinically integrated network. RUMC, RCMC, and ROPH are all Illinois not-for-profit corporations exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Effective March 1, 2017, RUMC and RCMC reorganized their operations under a common corporate parent, Rush System for Health, d/b/a Rush University System for Health (the "System Parent"), an Illinois not-for-profit corporation, which is exempt from federal income taxes under Section 501(c)(3) of the Code. The System Parent, RUMC, RCMC and certain of its subsidiaries, and ROPH comprise the RUSH Obligated Group (the "RUSH Obligated Group" or the "Obligated Group") pursuant to the Master Trust Indenture, dated as of May 29, 2020, as amended and as entered into by each member of the Obligated Group. The members of the RUSH Obligated Group are jointly and severally liable for all debt issued under the Master Trust Indenture.

Rush University Medical Center

RUMC, the largest member of RUSH, is an academic medical center comprising Rush University Hospital ("RUH") and Rush University, located in Chicago, Illinois, and ROPH, located in Oak Park, Illinois.

RUH—A 727-licensed bed acute care, rehabilitation, and psychiatric hospital in Chicago, Illinois. RUH also includes a faculty practice plan, Rush University Medical Group, which employed 696 physicians as of June 30, 2022.

Rush University—A graduate health sciences university that educates students in health-related fields. This includes over 2,800 students in Rush Medical College, the College of Nursing, the College of Health Sciences, and the Graduate College. Rush University also includes a research operation with $213,860 and $192,421 in annual research expenditures during fiscal years 2022 and 2021, respectively.

ROPH—A 165-licensed bed acute care hospital located in Oak Park, Illinois, eight miles west of RUH. ROPH includes an employed medical group, Rush Oak Park Physicians Group (ROPPG), which employed 63 physicians as of June 30, 2022. RUMC is the sole corporate member of ROPH.

Rush Copley Medical Center

RCMC is the sole corporate member of Copley Memorial Hospital, Inc. ("CMH"), Rush Copley Medical Group NFP ("RCMG"), Copley Ventures, Inc. ("Ventures"), and Rush Copley Foundation, Inc. ("Foundation").

CMH—A 210-bed licensed acute care hospital located in Aurora, Illinois. CMH provides inpatient, outpatient, and emergency care services for residents of Aurora and surrounding communities in the far western suburbs of Chicago, Illinois.

RCMG—Established to own, operate, control, and otherwise coordinate the activities of physician practice health and medical services and to provide certain physician billing and administrative services. As of June 30, 2022, RCMG employed 87 physicians.

Ventures—Holds title to property for rental purposes and holds ownership of the Rush Copley Healthplex, a health and fitness center.

Foundation—Solicits contributions to support health care activities in the market area, including, but not limited to, those of CMH.

Rush Health

Rush Health is RUSH's physician hospital organization and clinically integrated network that is comprised of both RUSH related and owned entities, which includes RUMC, ROPH, RCMC, and non-related independent providers such as Riverside Healthcare in Kankakee. Non-related independent providers comprise 10% of the organization's membership. Rush Health has approximately 2,421 affiliated providers (1,377 physicians and 1,044 Advanced Practice Providers). Effective August 12, 2019, the System Parent became the sole corporate member of Rush Health, an Illinois-not-for-profit taxable corporation that provides payor and employer contracting, data aggregation and analysis, care coordination, and quality and process improvement services to its members. Prior to this, Rush Health was treated as a joint venture and any income was recorded using the equity method of accounting. Rush Health and Riverside Health System are not members of the Obligated Group.

COVID-19 Pandemic Update

In March 2020, the World Health Organization declared the novel coronavirus disease 2019 ("COVID-19") outbreak a global pandemic. Throughout fiscal year 2022, the COVID-19 surge continued to materially impact RUSH and has impacted the business and financial condition of the RUSH Obligated Group. Management continues to monitor the developments with respect to the COVID-19 pandemic and intends to follow requirements from the Centers for Disease Control and other applicable federal, state, and local regulatory agencies.

As of October 13, 2022, the Johns Hopkins University Corona Virus Resource Center Tracker reported the United States to have the second largest number of 28-day confirmed cases at approximately 1.3 million. Of the United States counties, Cook County, Illinois has the fourth largest number of confirmed cases at approximately 1.4 million. As a result of the ongoing COVID-19 impact, RUSH and other systems nationally are facing workforce challenges. RUSH has made its labor force a priority and implemented crisis pay, retention and signing bonuses, and other labor initiatives. These workforce strategies will continue to impact operating expenses. RUSH continues its efforts to mitigate the financial impacts as it works to maintain elective surgical cases and manage non-COVID related expenses.

RUSH has been provided some relief based on payments made to hospitals as a result of the Coronavirus Aid, Relief, and Economic Security ("CARES") Act and the American Rescue Plan Act ("ARPA"). These various payments of $84,497 and $61,200 were recorded as other revenue in the consolidated statements of operations and changes in net assets during the years ended June 30, 2022 and 2021, respectively. In fiscal year 2020, RUSH also received advanced payments from Medicare of $231,700 which were recorded within estimated third-party settlements and advances payable in the consolidated balance sheets. During fiscal year 2021, RUSH paid back $39,228 of advanced payments from Medicare and $192,472 remained outstanding as of June 30, 2021. Throughout fiscal year 2022, RUSH has paid back an additional $158,571 of advanced payments from Medicare and $33,900 remains outstanding as of June 30, 2022. The remaining amount will be repaid in fiscal year 2023 and is recorded within estimated third party settlements and advances payable in the consolidated balance sheet.

RUSH continues to work with local and city officials to deliver the COVID-19 vaccine to our community, patients and employees, following the guidelines outlined by the state and local departments of public health.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been presented in conformity with accounting principles generally accepted in the United States of America (GAAP).

Basis of Consolidation

Included in RUSH's consolidated financial statements are all of its wholly owned or controlled subsidiaries. All significant intercompany transactions have been eliminated in consolidation.

The supplemental consolidating balance sheet and consolidating statement of operations and changes in net asset as of and for the year ended June 30, 2022, are presented for the purpose of additional analysis of RUSH's fiscal year 2022 consolidated financial statements taken as a whole.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements

In March 2021, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Updates ("ASU") No. 2021-03—*Intangibles—Goodwill and Other (Topic 350): Accounting Alternative for Evaluating Triggering Events,* which provides not-for-profit entities with an accounting alternative to perform the goodwill impairment triggering event evaluation as required in Subtopic 350-20 as of the end of the reporting period, whether the reporting period is an interim or annual period. An entity that elects this alternative is not required to monitor for goodwill impairment triggering events during the reporting period but, instead, should evaluate the facts and circumstances as of the end of each reporting period to determine whether a triggering event exists and, if so, whether it is more likely than not that goodwill is impaired. An entity that does not elect the accounting alternative for amortizing goodwill and that performs its annual impairment test as of a date other than the annual reporting date should perform a triggering event evaluation only as of the end of the reporting period. ASU No. 2021-03 was effective for RUSH beginning on July 1, 2021. The ASU did not have a material impact on the consolidated financial statements.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* ASU No. 2020-07 which requires contributed nonfinancial assets to be presented as a separate line item in the statements of operations and changes in net assets. Additional disclosures around qualitative information and any policies on monetization, description of any donor-imposed restrictions and a description of valuation techniques are also required. ASU No. 2020-07 was effective for RUSH beginning on July 1, 2021. The ASU did not have a material impact on the consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-14, Compensation-*Retirement Benefits-Defined Benefit Plans*. The ASU modifies the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. The ASU allows entities to remove disclosures over accumulated comprehensive income and certain information about plan assets. The ASU also requires entities to add disclosures over reasons for significant gains and losses affecting the benefit obligation and any explanation for other significant changes in the benefit obligation or plan assets. ASU No. 2018-14 was effective for RUSH beginning on July 1, 2021. See Footnote 12 for further disclosure.

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles—Goodwill and Other* (Topic 350): *Simplifying the Test for Goodwill Impairment*. The ASU No. 2017-04 eliminates Step 2 from the goodwill impairment test. The annual, or

interim, goodwill impairment test is performed by comparing the fair value of a reporting unit with its carrying amount. An impairment charge should be recognized for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. The ASU also eliminates the requirements for any reporting unit with a zero or negative carrying amount to perform a qualitative assessment and, if it fails that qualitative test, to perform Step 2 of the goodwill impairment test. RUSH will still have the option to perform the qualitative assessment for a reporting unit to determine if the quantitative impairment test is necessary. ASU No. 2017-04 was effective for RUSH beginning on July 1, 2021. The ASU did not have a material impact on the consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* which requires the application of a current expected credit loss ("CECL") impairment model to financial assets measured at amortized cost (including trade accounts receivable), net investments in leases, and certain off-balance-sheet credit exposures. Under the CECL model, lifetime expected credit losses on such financial assets are measured and recognized at each reporting date based on historical, current, and forecasted information. Furthermore, the CECL model requires financial assets with similar risk characteristics to be analyzed on a collective basis. ASU No. 2016-13 was originally effective on July 1, 2021. However, ASU No. 2019-10, *Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842),* delayed the effective date of this new standard for RUSH to July 1, 2023. RUSH is currently reviewing the requirements of the standard and evaluating the impact on the consolidated financial statements.

Cash and Cash Equivalents

Cash and investments having an original maturity of 90 days or less when purchased are considered to be cash and cash equivalents. These securities are so near maturity that they present insignificant risk of changes in value.

Patient Service Revenue and Patient Accounts Receivable

Patient service revenue is reported at the amount that reflects the consideration to which RUSH expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and governmental programs), and others, and includes variable consideration for retroactive revenue adjustments due to settlement of audits, review, and other investigations. Revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by RUSH. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected charges. RUSH believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients at RUSH receiving inpatient acute care services. For outpatient services, the performance obligation is satisfied as the patient simultaneously receives and consumes the benefits provided as the services are performed. In the case of these outpatient services, recognition of the obligation over time yields the same result as recognizing the obligation at a point in time. RUSH measures the performance obligation from inpatient admission, or the commencement of an outpatient service, to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge or completion of the outpatient services. RUSH also sells certain goods to patients and customers in a retail setting. The performance obligation is satisfied at a point in time, and revenue is generally recognized when goods are provided to the customer. Any unsatisfied or partially unsatisfied performance obligations at the end of the period are primarily related to inpatient acute care services provided at the end of the reporting period. The performance obligations for these contracts are completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period. Amounts related to health care services provided to patients which have not been billed and that do not meet the conditions of an unconditional right to payment at the end of the reporting period are contract assets. Contract asset balances consist primarily of health care services provided to patients who are still receiving inpatient care at RUSH at the end of the year. Such amounts totaled $16,271 and $18,135 at June 30, 2022 and 2021, respectively, and are included within other current assets in the accompanying consolidated balance sheets.

Consistent with RUSH's mission, care is provided to patients regardless of their ability to pay. RUSH provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Such amounts determined to qualify as charity care are not reported as revenue.

RUSH determines the transaction price based on standard charges for goods and services provided, reduced by explicit price concessions which consist of contractual adjustments provided to third-party payors and discounts provided to uninsured patients in accordance with RUSH's policy as well as implicit price concessions provided to patients. RUSH determines its estimates of contractual adjustments and discounts based on contractual agreements, published rates, its discount policies and historical experience. RUSH determines its estimate of implicit price concessions based on its historical collection experience. Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. RUSH determines its estimate of implicit price concessions for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts and implicit price concessions. RUSH has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances, such as copays and deductibles. The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts RUSH expects to collect based on its collection history with those patients. For the years ended June 30, 2022 and 2021, implicit price concessions totaled approximately $72,029 and $117,017 respectively.

RUSH uses a portfolio approach to account for categories of patient contracts as a collective group rather than recognizing revenue on an individual contract basis. The portfolios consist of major payor classes for inpatient revenue and major payor classes and types of services provided for outpatient revenue. Based on historical collection trends and other analysis, RUSH believes that revenue recognized by utilizing the portfolio approach approximates the revenue that would have been recognized if an individual contract approach were used.

Inventory

Medical supplies, pharmaceuticals, and other inventories are stated at the lower of cost or net realizable value and are included in other current assets in the accompanying consolidated balance sheets.

Fair Value of Financial Instruments

Financial instruments consist of cash and cash equivalents, investments, derivative instruments, accounts receivable, accounts payable, accrued expenses, estimated third-party settlements, and debt. The fair value of cash and cash equivalents, accounts receivable, accounts payable, accrued expenses, and estimated third-party settlements approximated their financial statement carrying amount as of June 30, 2022 and 2021 because of their short-term maturity.

Assets Limited as to Use and Investments

Assets limited as to use consist primarily of investments limited as to use by donors, assets held by trustees under debt or other agreements and for self-insurance, and board designated assets set aside for a specified future use. Investments in equity and debt securities with readily determinable fair values are measured at fair value using quoted market prices or model-driven valuations.

Alternative investments consist of limited partnerships that invest primarily in marketable securities (hedge funds), real estate, limited partnerships that invest in nonmarketable securities (private equity) and private debt. Investments in hedge funds and private equity funds are generally not marketable and may be divested only at specified times. Alternative investments are reported at net asset value (NAV) which approximates fair value.

Pending transactions are recorded based on trade date but for those transactions that have not settled. They are reported within the investment balance and fair value table at the pending purchase and sale amount.

Investment income or loss (including interest, dividends, realized and unrealized gains and losses, and changes in cost-based valuations) is reported within non-operating (loss) income within the accompanying consolidated statements of operations and changes in net assets, net of investment related expenses, unless the income or loss is restricted by donor or interpretation of law. Investment gains and losses on RUSH's endowment and trustee-held funds are recognized within net assets with donor restrictions. Income earned on tax-exempt borrowings for specific construction projects is offset against interest expense capitalized for such projects.

Derivative Instruments

Derivative instruments, specifically interest rate swaps, are recorded in the consolidated balance sheets as either assets or liabilities at their respective fair values. The change in the fair value of derivative instruments is reflected in non-operating (loss) income in the accompanying consolidated statements of operations and changes in net assets. Net cash settlements and payments, representing the realized changes in the fair value of the interest rate swaps, are included in interest expense in the accompanying consolidated statements of operations and changes in net assets and as operating cash flows in the accompanying consolidated statements of cash flows.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at fair value at the date of receipt. Expenditures that substantially increase the useful life of existing property and equipment are capitalized. Routine maintenance and repairs are expensed as incurred. Depreciation expense, including amortization of finance lease assets, is recognized over the estimated useful lives of the assets using the straight-line method. Buildings and building service equipment assets have an estimated useful life of 10 to 80 years, moveable equipment assets have an estimated useful life of 5 to 10 years, and computer software and hardware assets have an estimated useful life of 3 to 15 years.

Assets derived from finance leases are included in property and equipment with the related liability classified in either other current liabilities or other long-term liabilities in the consolidated balance sheets according to the expected timing of lease payments.

Operating Lease Right of Use Assets and Lease Liabilities

RUSH determines if an arrangement is a lease or contains a lease at inception through review of the underlying agreement and determination of whether an identifiable asset exists that RUSH has the right to control. Leases result in the recognition of Right-of-Use (ROU) assets and lease liabilities in the consolidated balance sheets. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. RUSH determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. RUSH has made a policy election to use a risk-free rate using a period comparable with the lease term for the initial and subsequent measurement of all lease liabilities. RUSH has also elected a policy to combine lease and non-lease components in its measurement of ROU assets and lease liabilities.

The lease term will include options to extend or to terminate the lease only if RUSH is reasonably certain to exercise the option. Lease expense is generally recognized on a straight-line basis over the lease term.

RUSH has elected not to record leases with an initial term of twelve months or less in the consolidated balance sheets. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Asset Retirement Obligations

RUSH recognizes the fair value of a liability for legal obligations associated with asset retirements in the period in which it is incurred if a reasonable estimate of the fair value of the obligation can be made. When the liability is initially recorded, RUSH capitalizes the cost of the asset retirement obligation by increasing the carrying amount of the related long-lived asset. The liability is accreted to its present value each period, and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the cost to settle an asset retirement obligation and the liability recorded is recognized as a gain or loss in the consolidated statements of operations and changes in net assets. Asset retirement obligations are reported in other long-term liabilities in the accompanying consolidated balance sheets and amounted to $25,739 and $24,576 as of June 30, 2022 and 2021, respectively.

Ownership Interests in Other Health-Related Entities

RUSH has a majority ownership interest in a number of subsidiaries, which provide outpatient surgical services. An ownership interest of more than 50% in another health-related entity in which RUSH has a controlling interest is consolidated. As of June 30, 2022 and 2021, noncontrolling interests in consolidated subsidiaries amounted to $4,144 and $2,617 respectively. The amounts related to noncontrolling interests are recorded in net assets without donor restrictions, and as the amounts are not material, they are not separately presented in the accompanying consolidated financial statements. RUSH also has affiliations with and interests in other organizations that are not consolidated. These organizations primarily provide outpatient health care and managed care contracting services. An ownership interest in another health-related entity of at least 20%, but not more than 50%, in which RUSH has the ability to exercise significant influence over the operating and financial decisions of the investee, is accounted for on the equity basis, and the income (loss) is reflected in other revenue. An ownership interest in a health-related entity of less than 20%, in which RUSH does not have the ability to exercise significant influence over the operating and financial decisions of the investee, is carried at cost or estimated net realizable value and reported within other assets, which is not material to the consolidated financial statements.

Debt Issuance Costs

Debt issuance costs, net of amortization, is computed using the effective interest method over the life of the related debt and is reported within long-term debt in the consolidated balance sheets. Unamortized debt issuance costs amounted to $6,704 and $7,483 as of June 30, 2022 and 2021, respectively.

Other Assets

Other assets include investments in joint ventures accounted for on the equity basis, unconditional promises to contribute, goodwill, insurance recoveries, and other intangible assets. RUSH continually evaluates the recoverability of the carrying value of long-lived assets, such as goodwill, by assessing assets for impairment.

Other Long-Term Liabilities

Other long-term liabilities include asset retirement obligations, employee benefit plan liabilities for certain defined contribution and supplemental retirement plans other than defined benefit pension plans, liabilities for derivative instruments, and other long-term obligations.

Net Assets

Net assets are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions—Net assets without donor restrictions are resources available to support operations. The only limits on the use of these assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in

the course of business. The net assets without donor restrictions of RUSH are primarily derived from annual excess of revenue over expenses and net assets released from donor restrictions for operations. Voluntary resolutions by the Board to designate a portion of its net assets without donor restrictions for specific purposes are presented as board-designated. Because these designations are voluntary and may be reversed by the Board at any time, board-designated net assets are included under the caption "without donor restriction."

Net Assets With Donor Restrictions—Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature, whereby the organization must continue to use the resources in accordance with the donor's instructions.

Contributions

Unconditional contributions and promises to contribute cash and other assets (pledge receivable) are reported at fair value at the date the promise is received. Fair value is estimated as the net present value of the estimated future cash flows of such awards. Estimated future cash flows due after one year are discounted using interest rates commensurate with the time value of money concept. Net unconditional promises to contribute are reported in current assets and other noncurrent assets in the accompanying consolidated balance sheets and amounted to $10,711 and $9,402 and $31,393 and $28,071, as of June 30, 2022 and 2021, respectively.

Conditional contributions are recorded as revenue when the conditions are met. Contributions are conditional when there are barriers that RUSH must overcome to be entitled to the funds. RUSH has received approximately $180,996 and $124,526 of conditional contributions whose conditions have not been met as of June 30, 2022 and 2021, respectively. Of the fiscal 2022 amount, approximately $130,130 relates to federal, state, and local grant awards where RUSH expects to meet the condition of incurring allowable expenditures under the various grants within the next twelve months. Another $50,866 is related to awards from foundations and other not-for-profit organizations where RUSH expects to recognize the contribution once the conditions have been met.

Unconditional contributions and conditional contributions whose conditions have been met are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, the restricted net assets are released as net assets without restrictions and reported in the consolidated statements of operations as other revenue (if time restricted or restricted for operating purposes) or reported in the consolidated statements of changes in net assets as net assets released from restrictions used for purchase of property and equipment (if restricted for capital acquisitions). Donor-restricted contributions for operating purposes whose restrictions are met within the same year as either received or the same year as the condition is met are reported as other revenue in the accompanying consolidated statements of operations and changes in net assets.

RUSH is the beneficiary of several split-interest agreements, primarily perpetual trusts held by others, which are recorded in assets limited as to use within the accompanying consolidated balance sheets. RUSH recognizes its interest in these trusts based on either RUSH's percentage of the fair value of the trust assets or the present value of expected future cash flows to be received from the trusts, as appropriate, based on each trust arrangement.

(Deficit) Excess of Revenues over Expenses

The consolidated statements of operations and changes in net assets include (deficit) excess of revenues over expenses as a performance indicator. (Deficit) excess of revenues over expenses includes all changes in net assets without donor restrictions, net of investment related expenses, except for contributions of (and assets released from donor restrictions related to) long-lived assets, and other items that are required by GAAP to be reported separately (such as postretirement-related changes other than net periodic postretirement costs, and the cumulative effect of changes in accounting principle).

Non-Operating (Loss) Income

Non-operating (loss) income includes items not directly associated with patient care or other core operations of RUSH. Non-operating (loss) income consists primarily of investment returns without donor restrictions, endowment investment income appropriated for use, the difference between total investment return and amount allocated to operations for investments designated for self-insurance programs, investment income or loss (including interest, dividends, and realized and unrealized gains and losses), net of investment related expenses, on all other investments unless restricted by donor or interpretation of law, changes in the fair value of interest rate swaps, gains and losses on derivative contracts, pension settlement expenses, contributions without donor restrictions, and fundraising expenses.

Consideration of Events Subsequent to the Consolidated Balance Sheet Date

RUSH has evaluated events occurring subsequent to the consolidated balance sheet date through October 27, 2022, the date the consolidated financial statements were issued. There were no significant subsequent events through this date, with the exception of the item below.

Effective July 20, 2022, Rush Real Estate Holdings, LLC and Select Illinois Holdings, Inc established a new joint venture, RSH Property Ventures, LLC. The purpose is to develop and construct a new hospital facility subject to long-term leases to RUSH Select Hospital JV.

3. PATIENT SERVICE REVENUE

The mix of patient service revenue recognized during the years ended June 30, 2022 and 2021, by major payor source and by lines of business, was as follows:

	June 30, 2022				
	Hospitals	Physician	Clinical Joint	Total	%
Medicare	$ 458,213	$ 57,407	$ 17,540	$ 533,160	19.7%
Medicare Managed Care	173,271	24,980	-	198,251	7.3%
Medicaid	54,379	3,431	1,539	59,349	2.2%
Medicaid Managed Care	325,905	36,624	25,186	387,715	14.4%
Managed Care	357,723	61,926	43,192	462,841	17.1%
Blue Cross	680,460	94,444	16,368	791,272	29.3%
Commercial, Self-Pay, and Other	230,816	31,192	8,171	270,179	10.0 %
Total Patient Service Revenue	$ 2,280,767	$ 310,004	$ 111,996	$ 2,702,767	100.0 %

	June 30, 2021				
	Hospitals	Physician	Clinical Joint	Total	%
Medicare	$ 459,920	$ 57,389	$ 17,514	$ 534,823	20.8%
Medicare Managed Care	131,046	11,734	-	142,780	5.6%
Medicaid	53,418	10,854	3,698	67,970	2.6%
Medicaid Managed Care	283,508	34,851	17,127	335,486	13.0%
Managed Care	339,464	76,818	27,677	443,959	17.2%
Blue Cross	696,442	81,539	19,272	797,253	31.0%
Commercial, Self-Pay, and Other	221,162	19,147	12,010	252,319	9.8 %
Total Patient Service Revenue	$ 2,184,960	$ 292,332	$ 97,298	$ 2,574,590	100.0 %

The 2021 table was updated to reflect the 2022 presentation which included consolidating RUH, ROPH and CMH into one line, Hospitals.

Agreements with third-party payors typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

Medicare and Medicare Managed Care: Certain inpatient acute care services are paid at prospectively determined rates per discharge based on clinical, diagnostic, and other factors. Certain services are paid based on cost-reimbursement methodologies subject to certain limits. Physician services are paid based upon established fee schedules. Outpatient services are paid using prospectively determined rates.

Medicaid and Medicaid Managed Care: Medicaid services are generally paid at prospectively determined rates per discharge, per occasion of service.

Blue Cross, Managed Care, Commercial, and Other: Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

The health care 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 and unasserted at this time. Federal 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 revenues from patient services. Management believes that RUSH is in substantial compliance with current laws and regulations.

Laws and regulations governing payment programs are complex and subject to interpretation. Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care using the most likely outcome method. These settlements are estimated based on the terms of the payment agreements with the payor, correspondence from the payor and historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as new information becomes available or as years are settled or are no longer subject to such audits, reviews and investigations. As a result, there is a reasonable possibility that recorded estimated third-party settlements could change by a material amount.

RUSH has filed formal appeals relating to the settlement of certain prior year Medicare cost reports. The outcome of such appeals cannot be determined at this time. Any resulting gains will be recognized in the consolidated statements of operations and changes in net assets when realized.

4. CHARITY CARE

RUSH has an established charity care policy and maintains records to identify and monitor the level of charity care it provides.

RUMC patients with a family income between 201% and 400% of the current federal poverty level are eligible to apply for charity care and receive a discount of either 100% or 75%, depending on their family income. Additionally, uninsured patients with family income between 201% and 600% of the current federal poverty level automatically receive a 68% discount while uninsured patients with a family income above 600% of the current federal poverty level receive a 50% discount. RUMC also provides free care to all uninsured patients whose family income is 200% or less of the current federal poverty level.

RCMC provides free care to all patients who apply and provide documents supporting income and asset levels of less than 200% of the current-year federal poverty level, a 30% discount to all uninsured patients regardless of ability to pay, and discounts balances to patients under 600% of the poverty level. Interest-free payment plans are also provided.

Charity care includes the estimated cost of unreimbursed services provided and supplies furnished under its charity care policy and the excess of cost over reimbursement for Medicaid patients. The estimated cost of charity care provided is determined using a ratio of cost to gross charges and multiplying that ratio by the gross unreimbursed charges associated with providing care to charity patients.

In December 2008, the Centers for Medicare and Medicaid Services approved the Illinois Hospital Assessment Program (the "Program") to improve Medicaid reimbursement for Illinois hospitals. This Program increased net patient service revenue in the form of additional Medicaid payments and increased supplies, utilities, and other expense through a tax assessment from the State of Illinois. In fiscal year 2014, the State of Illinois approved a new enhanced assessment program providing additional funding to RUSH. The net benefit to RUSH from the Program was $89,914 and $51,229 during the years ended June 30, 2022 and 2021, respectively. For the years ended June 30, 2022 and 2021, the Medicaid payment of $156,292 and $123,248 was included in patient service revenue, representing 6% of the patient service revenue for fiscal years 2022 and 2021, respectively, and the tax assessment of $66,378 and $72,019 respectively, was included in supplies, utilities, and other expenses within the consolidated statements of operations and changes in net assets.

The following table presents the level of charity care and unreimbursed Medicaid services provided for the years ended June 30, 2022 and 2021:

	2022	2021
Excess of allocated cost over reimbursement for services provided to hospital Medicaid patients—net of net benefit under the Program	$ 134,386	$ 136,869
Estimated costs and expenses incurred to provide charity care in the hospitals	29,473	24,286
Total	$ 163,859	$ 161,155

Beyond the cost to provide charity care and unreimbursed services to hospital Medicaid patients, RUSH also provides substantial additional benefits to the community, including educating future health care providers, supporting research into new treatments for disease, and providing subsidized medical services in response to community and health care needs, as well as other volunteer services. These community services are provided free of charge or at a fee below the cost of providing them.

5. ASSETS LIMITED AS TO USE AND INVESTMENTS

Assets limited as to use and investments consist primarily of marketable equity and debt securities, which are held in investment pools to satisfy the investment objectives for which the assets are held or to satisfy donor restrictions. RUSH also holds certain investments in alternative investments consisting of hedge funds, real estate investments, private equity funds, and private debt.

Following is a summary of the composition of assets limited as to use and investments as of June 30, 2022 and 2021:

	2022	2021
Marketable securities and short-term investments	$ 160,782	$ 288,742
Fixed income securities	453,963	682,072
Public equity securities	406,401	359,729
Fund investments (mutual/commingled)	887,931	1,017,055
Alternative investments	363,835	272,019
Other	(78,283)	6,063
Total investments	2,194,629	2,625,680
Beneficial interest in trusts	30,974	36,985
Total assets limited as to use and investments	2,225,603	2,662,665
Less amount reported as current assets	(41,257)	(43,670)
Assets limited as to use and investments—noncurrent	$ 2,184,346	$ 2,618,995

As of June 30, 2022 and 2021, RUSH has commitments to additional alternative investments totaling $96,045 and $81,465, respectively.

It is RUMC's intent to maintain a long-term investment portfolio to support its self-insurance program. Accordingly, the total return on investments restricted for the self-insurance program is reported in the consolidated statements of operations and changes in net assets in three separate line items. The investment return allocated to operations, reported in other revenue, is determined by a formula designed to provide a consistent stream of investment earnings to support the self-insurance provision reported in insurance expense in the accompanying consolidated statements of operations and changes in net assets. This allocated return, 4.5% for the years ended June 30, 2022 and 2021, approximates the real return that RUSH expects to earn on its investments over the long term and totaled $7,927 and $6,741 for the years ended June 30, 2022 and 2021, respectively. The difference between the total investment return and the amount allocated to operations is reported in nonoperating (loss) income and totaled $(23,724) and $16,851 for the years ended June 30, 2022 and 2021, respectively. There is no guarantee that the investment return expected by management will be realized. For the years ended June 30, 2022 and 2021, the total annual investment return was approximately -8.9% and 7.2%, respectively.

The composition and presentation of investment income and the realized and unrealized gains and losses on all investments, net of investment related expenses, for the years ended June 30, 2022 and 2021, are as follows:

	2022	2021
Interest and dividends	$ 45,160	$ 31,137
Net realized gains on sales of securities	69,121	101,925
Unrealized (losses) gains—without donor restrictions	(190,705)	135,910
Unrealized (losses) gains—with donor restrictions	(101,300)	151,469
	$ (177,724)	$ 420,441
Reported as:		
Other revenue	$ 8,074	$ 989
Nonoperating income	(138,592)	193,926
Net assets with donor restrictions—net realized and unrealized (losses) gains on investments	(47,206)	225,526
	$ (177,724)	$ 420,441

6. FAIR VALUE MEASUREMENTS

As of June 30, 2022 and 2021, RUSH held certain assets and liabilities that are required to be measured at fair value on a recurring basis, including marketable securities and short-term investments, certain restricted, trusteed and other investments, derivative instruments, and beneficial interests in trusts.

Valuation Principles

Under FASB Accounting Standard Codification 820, *Fair Value Measurement*, fair value is defined as an exit price, representing 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. The valuation techniques used to measure fair value are based upon observable and unobservable inputs. Observable inputs generally reflect market data from independent sources and are supported by market activity, while unobservable inputs are generally unsupported by market activity. The three-level valuation hierarchy, which prioritizes the inputs used in measuring fair value of an asset or liability at the measurement date, includes:

Level 1 Inputs—Quoted prices (unadjusted) for identical assets or liabilities in active markets. Securities typically priced using Level 1 inputs include listed equities and exchange-traded mutual funds.

Level 2 Inputs—Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in nonactive markets, and model-driven valuations whose inputs are observable for the asset or liability, either directly or indirectly. Securities typically priced using Level 2 inputs include government bonds (including US treasuries and agencies), corporate and municipal bonds, collateralized obligations, interest rate swaps, commercial paper, currency options, and pending transactions.

Level 3 Inputs—Unobservable inputs for which there is little or no market data available are based on the reporting entity's own judgment or estimation of the assumptions that market participants would use in pricing the asset or liability. The fair values for securities typically priced using Level 3 inputs are determined using model-driven techniques, which include option-pricing models, discounted cash flow models, and similar methods. The Level 3 classification includes beneficial interests in trusts.

Fair Value Measurements at the Consolidated Balance Sheet Date

The following tables present RUSH's fair value hierarchy for its financial assets and liabilities measured at fair value or NAV, which approximates fair value, on a recurring basis as of June 30, 2022 and 2021:

Fair Value Measurements as of June 30, 2022	Level 1	Level 2	Level 3	Valued @ NAV	Total Fair Value
Marketable securities and short-term investments	$ 127,568	$ 33,214	$ -	$ -	$ 160,782
Fixed Income Securities:					
U.S. Government and Agency securities	-	349,772	-	-	349,772
Corporate Bonds	-	86,448	-	-	86,448
Asset Backed Securities and Other	-	17,743	-	-	17,743
Public Equity Securities	406,401	-	-	-	406,401
Fund Investments (Mutual/Commingled):					
Fixed Income Funds	262,231	-	-	-	262,231
Public Equity Funds	221,303	-	-	322,072	543,375
Multi Asset Class Funds	44,614	-	-	37,711	82,325
Alternative Investments:					
Hedge Funds	-	-	-	68,910	68,910
Private Equity Partnerships	-	-	6,022	288,903	294,925
Other:					
Derivative Assets	-	(387)	-	-	(387)
Trustee-held Investments	-	-	30,974	-	30,974
Pending Transactions	-	(91,885)	-	-	(91,885)
Total investments	$1,062,117	$394,905	$36,996	$717,596	$2,211,614
Obligations under interest rate swap agreements	$ -	$ (6,782)	$ -	$ -	$ (6,782)
Total liabilities at fair value	$ -	$ (6,782)	$ -	$ -	$ (6,782)

Fair Value Measurements as of June 30, 2021	Level 1	Level 2	Level 3	Valued @ NAV	Total Fair Value
Marketable securities and short-term investments	$ 64,597	$ 224,145	$ -	$ -	$ 288,742
Fixed Income Securities:					
U.S. Government and Agency securities	-	358,521	-	-	358,521
Corporate Bonds	-	311,623	-	-	311,623
Asset Backed Securities and Other	1,020	10,909	-	-	11,929
Public Equity Securities	359,729	-	-	-	359,729
Fund Investments (Mutual/Commingled):					
Fixed Income Funds	79,219	161,036	-	-	240,255
Public Equity Funds	267,510	-	-	429,955	697,465
Multi Asset Class Funds	19,816	-	-	59,518	79,334
Alternative Investments:					
Hedge Funds	-	-	-	-	-
Private Equity Partnerships	-	-	-	153,308	153,308
Private Debt	-	-	-	118,711	118,711
Other:					
Derivative Assets	156	1,315	-	-	1,471
Trustee-held Investments	-	-	36,985	-	36,985
Pending Transactions	-	(10,777)	-	-	(10,777)
Total investments	$792,047	$1,056,772	$36,985	$761,492	$2,647,296
Obligations under interest rate swap agreements	$ -	$ (14,009)	$ -	$ -	$ (14,009)
Other derivative liabilities	-	(253)	-	-	(253)
Total liabilities at fair value	$ -	$ (14,262)	$ -	$ -	$ (14,262)

Level 3 Rollforward

A rollforward of the amounts in the consolidated balance sheets for financial instruments classified by RUSH within Level 3 of the fair value hierarchy is as follows:

	Interest in Trusts
Fair value—June 30, 2020	$ 29,685
Actual return on investments—Realized and unrealized gains and (losses)	7,300
Purchases	-
Sales	-
Fair value—June 30, 2021	36,985
Actual return on investments—Realized and unrealized gains and (losses)	(6,011)
Purchases	-
Sales	-
Fair value—June 30, 2022	$ 30,974

During the fiscal year 2022 and 2021, there were no transfers in Level 3 investments.

Investments in Entities that Report Fair Value Using NAV

Included within the fair value table above are investments in certain entities that report fair value using a calculated NAV or its equivalent. These investments consist of public equity funds within fund investments and hedge fund of funds, private equity partnerships, and private debt within alternative investments. The NAV instruments listed in the fair value measurement tables use the following valuation techniques and inputs as of the valuation date:

Marketable Securities and Short-Term Investments—Marketable securities and short-term investments classified as NAV are invested in a short-term collective fund that serves as an investment vehicle for cash reserves. Fair value was determined using the calculated NAV as of the valuation date, based on a constant price. These funds are invested in high quality and short-term money market instruments with daily liquidity.

Fund Investments—Investments within this category consist of fixed income, public equity, and multi-asset funds. The fair value of fixed income and public equity funds classified at NAV are primarily determined using the calculated NAV at the valuation date under a market approach. This includes investments in commingled funds that invest primarily in domestic and foreign equity securities whose underlying values have a readily determinable market value or based on a NAV. Multi-asset funds include investments in fund of funds that seek to provide both capital appreciation and income by investing in both traditional and alternative asset funds. The asset allocation is driven by the fund manager's long-range forecasts of asset-class real returns. Investments in this category classified as NAV are held in a commingled fund that invests primarily in global equity and bond mutual funds. Included in this category is a multistrategy hedge fund, priced on the last business day of each calendar month. The values for underlying investments are estimated based on many factors, including operating performance, balance sheet indicators, growth, and other market and business fundamentals. The underlying investment strategies can include long-short, global macro, fixed-income and currency hedges, and other tactical opportunity-related strategies.

Alternative Investments—Investments within this category consist primarily of hedge fund of funds, private equity partnerships, and private debt. The hedge fund of funds consists of diversified investments including equity long/short, credit long/short, event-drive, relative value, global opportunities, and other multistrategy funds. Hedge fund of funds investments are valued based on RUSH's ownership interest in the NAV of the respective fund as estimated by the general partner, which approximates fair value. Private equity and private debt partnerships are valued based on the

estimated fair values of the nonmarketable private equity and private debt partnerships in which it invests, which is an equivalent of NAV.

The following table summarizes RUSH's unfunded commitments that report fair value using NAV as of June 30, 2022:

Entities that Report Fair Value Using NAV	Unfunded Commitments (In Thousands)	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Fund Investments (Mutual/Commingled)	None	Daily/Monthly	1-15 days
Alternative Investments:			
Hedge Funds	None	Quarterly	65-95 days
Private Equity Partnerships	$ 44,267	Not currently redeemable	N/A
Private Debt	51,778	Not currently redeemable	N/A
Total	$ 96,045		

7. ENDOWMENT FUNDS

RUSH's endowment consists of more than 500 individual funds, which are established for a variety of purposes. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

RUSH has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring preservation of the original value of the gift as of the gift date absent explicit donor stipulations to the contrary. As a result of this interpretation, RUSH classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of any subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, RUSH considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

a. The duration and preservation of the fund
b. The purposes of the organization and the donor-restricted endowment fund
c. General economic conditions
d. The possible effect of inflation and deflation
e. The expected total return from income and the appreciation of investments
f. Other resources of the organization
g. The investment policies of the organization

Endowment Investment and Spending Policies

RUSH has adopted endowment investment and spending policies to preserve purchasing power over the long term and provide stable annual support to the programs supported by the endowment, including professorships, research and education, free care, student financial aid, scholarships, and fellowships. Approximately 16% of RUSH's endowment is available for general purposes for the years ended June 30, 2022 and 2021.

RUMC has an Investment Committee with the authority discharged from the RUMC Board of Trustees to oversee its investment portfolio and approve the investment policy for RUMC and ROPH. RCMC has a Finance Committee with the authority to oversee its investment portfolio and approve its investment policy. The System Parent Board of Trustees, as a whole, maintains ultimate oversight and control over the investment policies and practices of its subsidiaries, through the discharge of its reserved powers over RUMC, RCMC, and ROPH.

The asset allocation policy reflects the objective with allocations structured for capital growth and inflation protection over the long term. The current asset allocation targets and ranges as well as the asset allocation as of June 30, 2022 and 2021, are as follows:

Asset Class	Target Allocation and Range	Percentage of Endowment Assets 2022	2021
Public Equity	60% (+/- 10%)	56 %	65 %
Fixed Income	15% (+/- 10%)	7	8
U.S. Treasuries	10% (+/- 10%)	8	8
Private Equity	15% (+/- 10%)	21	19
Cash	-	8	0

To achieve its long-term rate of return objectives, RUSH relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current income (interest and dividends). The expected long-term rate of return target of the endowment given its current asset allocation structure is approximately 7.0%. Actual returns in any given year may vary from this amount. RUSH has established market-related benchmarks to evaluate the endowment fund's performance on an ongoing basis.

The System Parent Board of Trustees approves the annual spending policy for program support. In establishing the annual spending policy, RUSH's main objectives are to provide for intergenerational equity over the long term, the concept that future beneficiaries will receive the same level of support as current beneficiaries on an inflation-adjusted basis, and to maximize annual support to the programs supported by the endowment. The spending rate was 4.0% for the fiscal years ended June 30, 2022 and 2021, and income from the endowment fund provided $23,940 and $22,056 of support for RUSH's programs during the fiscal years ended June 30, 2022 and 2021, respectively.

Composition of Endowment Fund and Reconciliation

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

	Without Restrictions	With Restrictions	Total
Donor-restricted endowment funds	$ -	$ 774,181	$ 774,181
Board-designated endowment funds	13,605	-	13,605
Total funds	$ 13,605	$ 774,181	$ 787,786

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

	Without Restrictions	With Restrictions	Total
Endowment net assets—June 30, 2021	$ 14,074	$ 827,939	$ 842,013
Contributions		18,108	18,108
Net investment return	(383)	(47,742)	(48,125)
Transfer of endowment appreciation	(86)	(24,124)	(24,210)
Endowment net assets—June 30, 2022	$ 13,605	$ 774,181	$ 787,786

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

	Without Restrictions	With Restrictions	Total
Donor-restricted endowment funds	$ -	$ 827,939	$ 827,939
Board-designated endowment funds	14,074	-	14,074
Total funds	$ 14,074	$ 827,939	$ 842,013

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

	Without Restrictions	With Restrictions	Total
Endowment net assets—June 30, 2020	$ 12,719	$ 639,377	$ 652,096
Contributions	-	11,225	11,225
Net investment return	1,656	199,798	201,454
Transfer of endowment appreciation	(301)	(22,461)	(22,762)
Endowment net assets—June 30, 2021	$ 14,074	$ 827,939	$ 842,013

Fund Deficiencies

RUSH monitors the accumulated losses on investments within net assets with donor restriction to be maintained in perpetuity to determine whether the endowment corpus has been impaired. The endowment funds are invested in an investment pool, which also includes investments with net assets restricted by donors for a specific time period or purpose and investments within net assets without donor restrictions. Endowments were not impaired for the fiscal year ended June 30, 2022 and 2021.

8. PROPERTY AND EQUIPMENT—NET

Property and equipment—net as of June 30, 2022 and 2021 consisted of the following:

	2022	2021
Land and buildings	$ 2,277,272	$ 2,255,444
Equipment	976,650	1,010,051
Construction in progress	359,863	229,663
Total	3,613,785	3,495,158
Less accumulated depreciation	(1,920,917)	(1,875,271)
Property and equipment—net	$ 1,692,868	$ 1,619,887

Property and equipment—net includes financing leases of $4,891 in equipment as of June 30, 2022 and 2021, respectively. Accumulated depreciation on leased equipment amounted to $2,542 and $1,774 as of June 30, 2022 and 2021, respectively.

RUSH continues to make campus improvements and has a number of construction projects planned with a Master Facility Plan that began in fiscal year 2017. As of June 30, 2022 and 2021, RUSH had construction commitments outstanding of $186,412 and $186,598, respectively.

In October 2018, RUMC received approval by the Illinois Health Facilities & Services Review Board to build an eleven-story building of approximately 530,000 square feet for the provision of outpatient services, plus an attached 900-space parking facility (the "Joan and Paul Rubschlager Building" or the "Rubschlager Building"). An enclosed, fourth-floor walkway will connect it to RUMC's tower hospital building. The Rubschlager Building will further the mission to improve health of the individuals and diverse communities it serves through the integration of outstanding patient care, education, research, and community partnerships. Among the outpatient clinical services to be provided are radiation therapy, infusion therapy, integrative medicine, and imaging. The Rubschlager Building will also serve as a primary site for clinical research and teaching programs offered through Rush University; with medical students, residents, and fellows as well as nursing students, imaging and radiation therapy technology students and physicists actively engaged in the building's patient care and research activities. Construction and the groundbreaking occurred on June 12, 2019, and the Rubschlager Building is projected to open in fiscal year 2023. The approved cost of the Rubschlager Building is approximately $473,000.

9. LONG-TERM DEBT AND CREDIT ARRANGEMENTS

RUSH's long-term debt is issued under a Master Trust Indenture, which established the Obligated Group composed of RUMC, RCMC, and the System Parent. The Obligated Group is jointly and severally liable for the obligations issued under the Master Trust Indenture. Each Obligated Group member is expected to pay its allocated share of the debt issued on its behalf. As of June 30, 2022 and 2021, such issuances are secured by a pledge of gross receipts, as defined, of the Obligated Group members.

A summary of RUSH's long-term debt as of June 30, 2022 and 2021, is as follows:

			Amount Outstanding at June 30,	
Illinois Finance Authority Revenue Bonds	**Interest Rates**	**Final Maturity Date**	**2022**	**2021**
Fixed-rate revenue bonds:				
Series 2015 A/B	5.00%	November 15, 2039	$ 428,195	$ 438,315
Variable-rate revenue bonds:				
Series 2016	Average of 1.12% and 1.09% in FY2022 and FY2021, respectively	November 1, 2045	50,000	50,000
Total tax-exempt debt			478,195	488,315
Other Debt:				
2020 Taxable Bonds	3.92%	November 15, 2029	330,000	330,000
ROBOC	4.75%	March 5, 2026	37,820	38,930
Series 2019	1.78%	September 1, 2045	34,867	35,818
Total par value of debt			880,882	893,063
Less current portion of long-term debt			(12,703)	(12,216)
Debt Issuance Costs			(6,704)	(6,440)
Less unamortized premium			44,084	47,395
Long-term debt			$ 905,559	$ 921,802

Under its various indebtedness agreements, the Obligated Group is subject to certain financial covenants, including maintaining a minimum historical debt service coverage and maximum annual debt service coverage ratios; maintaining minimum levels of days cash on hand; limitations on selling, leasing, or otherwise disposing of Obligated Group property; and certain other nonfinancial covenants. Management believes the Obligated Group was in compliance with its financial covenants as of June 30, 2022 and 2021.

Annual maturities of outstanding long-term debt are as follows:

Years Ending June 30	
2023	$ 12,703
2024	13,510
2025	14,143
2026	20,866
2027	22,054
Thereafter	797,606
Total	$ 880,882

Lines of Credit Arrangements

During fiscal year 2021, the Obligated Group held two lines of credit. A three-year line for $75,000 with a maturity date of December 2022 and a one-year line for $25,000 with a maturity date of April 2021. During fiscal year 2022, RUSH renegotiated and amended the existing three-year line by increasing the limit to $100,000 and extending the maturity date to December 2024. As of June 30, 2022, no amounts were drawn or outstanding on this line of credit and the full amount of the line of credit was available for use. The line of credit fee for the year ending June 30, 2022 was $95,052 and recorded to interest and fees on the statement of operations.

10. DERIVATIVES

Derivatives Policy

The Obligated Group uses derivative instruments, specifically interest rate swaps, to manage its exposure to changes in interest rates on variable rate borrowings. The use of derivative instruments exposes the Obligated Group to additional risks related to the derivative instrument, including market, credit, and termination, as described below, and the Obligated Group has defined risk management practices to mitigate these risks.

Market risk represents the potential adverse effect on the fair value and cash flow of a derivative instrument due to changes in interest rates or rate spreads. Market risk is managed through ongoing monitoring of interest rate exposure based on set parameters regarding the type and degree of market risk that the Obligated Group will accept. Credit risk is the risk that the counterparty on a derivative instrument may be unable to perform its obligations during the term of the contract. When the fair value of a derivative contract is positive (an asset to the Obligated Group), the counterparty owes the Obligated Group, which creates credit risk. Credit risk is managed by setting stringent requirements for qualified counterparties at the date of execution of a derivative transaction and requiring counterparties to post collateral in the event of a credit rating downgrade or if the fair value of the derivative contract exceeds a negotiated threshold. Termination risk represents the risk that the Obligated Group may be required to make a significant payment to the counterparty if the derivative contract is terminated early. Termination risk is assessed at onset by performing a statistical analysis of the potential for a significant termination payment under various scenarios designed to encompass expected interest rate changes over the life of the proposed contract. The test measures the ability to make a termination payment without a significant impairment to the Obligated Group's ability to meet its debt or liquidity covenants.

Board approval is required to enter or modify any derivative transaction. Management periodically reviews existing derivative positions as its risk tolerance and cost of capital changes over time.

Interest Rate Swap Agreements

The Obligated Group has two interest rate swap agreements (the "Swap Agreements"), which were designed to synthetically fix the interest payments on its Series 2006A Bonds. Under the Swap Agreements, the Obligated Group makes fixed-rate payments equal to 3.945% to the swap counterparties and receives variable-rate payments equal to

68% of London InterBank Offered Rate (1.215% and 0.0631% as of June 30, 2022 and 2021, respectively) from the swap counterparties, each calculated on the notional amount of the Swap Agreements. As of June 30, 2022 and 2021, the Swap Agreements had a notional amount of $63,200 and $67,400, respectively, ($31,600 and $33,700 in notional amount with each counterparty, respectively). Following the refinancing of the Series 2006A Bonds into the Series 2016 Bonds, the Obligated Group used $50,000 in notional amount of the Swap Agreements to synthetically fix the interest on the Series 2016 Bonds. The Swap Agreements each expire on November 1, 2035, and amortize annually commencing in November 2012. The Swap Agreements are secured by obligations issued under the Master Trust Indenture.

The Swap Agreements also require either party to post collateral in the form of cash and certain cash equivalents to secure potential termination payments. The amount of collateral that is required to be posted is based on the relevant party's long-term credit rating. Based on its current rating, the Obligated Group is required to post collateral with the swap counterparties in the event that the market value of the Swap Agreements exceeds $(30,000) or $(15,000) for each Swap Agreement. As of June 30, 2022 and 2021, the Obligated Group had no collateral posted under Swap Agreements.

The fair value of the Swap Agreements as of June 30, 2022 and 2021, was as follows:

		June 30	
	Reported As	**2022**	**2021**
Obligations under Swap Agreements	Other long-term liabilities	$ (6,781)	$ (14,009)
Collateral posted under Swap Agreements	Other current assets	-	-
Obligations under Swap Agreements—net		$ (6,781)	$ (14,009)

The fair value of the Swap Agreements reported in RUSH's consolidated balance sheets in other long-term liabilities as of June 30, 2022 and 2021, includes an adjustment for the Obligated Group's credit risk and may not be indicative of the termination value that RUSH would be required to pay upon early termination of the Swap Agreements.

Management has not designated the Swap Agreements as hedging instruments. Amounts recorded in the accompanying consolidated statements of operations and changes in net assets for the Swap Agreements allocated to RUSH for the fiscal years ended June 30, 2022 and 2021, were as follows:

		Fiscal Years Ended June 30	
	Reported As	**2022**	**2021**
Change in fair value of interest rate swaps	Non-operating income (loss)	$ 7,228	$ (4,668)
Net cash payments on interest rate swaps	Interest expense	2,405	2,843

11. LEASES AND OTHER FINANCING ARRANGEMENTS

RUSH has entered into the following lease arrangements:

Finance Leases

RUMC is party to certain financing leases and long-term financing arrangements relating to medical and office equipment and buildings. Expiration of leases ranges from 2022 to 2033. Assets acquired under financing lease arrangements are included in property and equipment—net in the accompanying consolidated balance sheets. Termination of leases generally is prohibited unless there is a violation under the lease agreement.

Total financing lease assets and liabilities in the consolidated balance sheets were $2,289 and $3,136 at June 30, 2022 and 2021, respectively.

Operating Leases

RUSH leases office space and medical space that expire in various years through 2033. These leases generally contain renewal options for periods ranging from 5 to 10 years and require RUSH to pay all executory costs (property taxes, maintenance, and insurance). Lease payments generally have an escalating fee schedule, which range from a 1.0% to 3.0% increase each year. Termination of these leases is generally prohibited unless there is a violation under the lease agreement. A portion of the leased space is subleased under leases expiring over the next five years.

Short-Term Leases

RUSH leases certain equipment, medical space, and office space with a lease term of less than twelve months. Short-term lease expense is not material to RUSH and is recognized when paid within supplies, utilities, and other in the accompanying statements of operations and changes in net assets.

All Leases

RUSH's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

As of June 30, 2022, RUSH has not entered into any additional operating and finance leases for equipment, office space or medical space that have not yet commenced.

Lease cost and other required information related to operating leases for the year ended June 30, 2022 are as follows:

	2022	2021
Lease cost:		
Operating lease cost	$ 29,738	$ 27,556
Short-term and variable lease cost	18,187	14,924
Total operating, short-term, and variable lease cost	$ 47,925	$ 42,480
Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ (29,206)	$ (26,563)
Right-of-use assets obtained in exchange for new operating lease liabilities	2,760	2,319
Operating leases		
Weighted-average remaining lease term	5.70	6.33
Weighted-average discount rate	1.90 %	1.89 %

Annual maturities of lease liabilities at June 30, 2022, are as follows:

	Operating Leases
2023	$ 24,630
2024	26,359
2025	19,357
2026	14,031
2027	12,276
Thereafter	20,500
Total future undiscounted lease payments	117,153
Less interest	6,498
Lease liabilities	$ 110,655

12. PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS

RUMC maintains a defined benefit pension plan, defined contribution plans, and other postretirement benefit plans that together cover substantially all of RUMC's employees.

Prior to January 1, 2012, RUMC had two defined benefit pension plans, the Retirement Plan and the Pension Plan (collectively, the "Defined Benefit Pension Plans"), covering substantially all of its employees. Benefits are based on the years of service and the employee's final average earnings, as defined. Plan assets and obligations are measured as of June 30 (the "Measurement Date") each year.

Effective as of the close of business on December 31, 2011, the Pension Plan, representing certain union employees, was amended to freeze benefit accruals for all participants. No additional benefits will accrue, and no additional individuals will become plan participants in the Pension Plan as of January 1, 2012. Also, effective December 31, 2011, the Pension Plan was merged into the Retirement Plan with all accrued benefits of the Pension Plan participants preserved as part of the merger. Effective January 1, 2012, the Retirement Plan was amended to include eligible union members previously covered by the Pension Plan.

Effective January 1, 2015 (the "effective date"), a new defined benefit plan was established. This new plan (the "Pre-2015 Separations Plan" or the "Pre-2015 Plan") is a spin-off of the current Retirement Plan. The Retirement Plan's benefit obligation and assets attributable to participants who terminated employment prior to January 1, 2015, with a vested benefit were transferred to the Pre-2015 Plan as of the effective date.

In addition to the pension programs, RUMC also provides postretirement health care benefits for certain employees (the "Postretirement Healthcare Plans"). Further benefits under the Postretirement Healthcare Plans have been curtailed since 2010.

Obligations and Funded Status

For the Retirement Plan, the funded status of the qualified pension plan decreased by $5.3 between June 30, 2021 and June 30, 2022. Accumulated other comprehensive income changed from ($102.9) at June 30, 2021 to ($117.9) at June 30, 2022. The significant contributing factors to the change include: the Plans' assets earned a negative return of $93.9, against the expected return of $36.0. The discount rate increased by 175 basis points from 3.10% to 4.85% resulting in a decrease in benefit obligation of $103.9.

During the year, RUMC underwent an experience analysis and updated the following assumptions in which details can be found in the Retirement Plan Data, Assumptions, Methods and Provisions as of January 1, 2022, dated August 2022: Withdrawal rates were updated resulting in an increase in the benefit obligation of $4.2. Retirement rates were updated resulting in a decrease in the benefit obligation of $5.2. The form of payment for active and terminated vested participants was updated which resulted in an increase in the benefit obligation of $3.6. The benefit commencement age for active and terminated vested participants with a cash balance benefit was updated from age 65 to age 50 resulting in a decrease in the benefit obligation of $13.3.

For the Pre-2015 Plan, the funded status of the qualified pension plan decreased by $20.1 between June 30, 2021 and June 30, 2022. Accumulated other comprehensive income changed from ($119.6) at June 30, 2021 to ($145.7) at June 30, 2022. The significant contributing factors to the change include: The Plans' assets earned a negative return of $76.6, against the expected return of $21.0. The discount rate increased by 190 basis points from 2.95% to 4.85% resulting in a decrease in benefit obligation of $69.7.

The tables below set forth the accumulated benefit obligation, the change in the projected benefit obligation, and the change in the plan assets of the Defined Benefit Pension Plans and Postretirement Healthcare Plans (collectively, the "Plans"). The tables also reflect the funded status of the Plans as of the Measurement Date and amounts recognized in the consolidated balance sheets as of June 30, 2022 and 2021.

	Defined Benefit Pension Plans			
Obligations and Funded Status **Year ended June 30, 2022**	**Retirement Pension Plan**	**Supplemental Pension Plan**	**Retirement Plan Pre 2015**	**Postretirement Healthcare Plan**
Actuarial present value of benefit obligations—accumulated benefit obligation	$ 530,483	$ 3,827	$ 350,839	$ -
Change in projected benefit obligations:				
Projected benefit obligation—beginning of measurement period	$ 647,250	$ 4,440	$ 431,733	$ 6,145
Service costs	30,912	-	-	247
Interest costs	20,520	102	12,328	193
Employee contributions	-	-	-	77
Special termination benefits	-	-	-	-
Plan settlements	-	(190)	-	-
Actuarial gain (loss)	(111,590)	(525)	(68,771)	(1,297)
Benefits paid	(24,596)	-	(24,452)	(468)
Projected benefit obligation—end of measurement period	$ 562,496	$ 3,827	$ 350,838	$ 4,897
Change in plan assets:				
Fair value of plan assets—beginning of measurement period	$ 562,149	$ -	$ 497,427	$ -
Actual return on plan assets	(93,948)	-	(76,555)	-
Employer contributions	28,500	190	-	391
Plan participant contributions	-	-	-	77
Plan settlements	-	(190)	-	-
Benefits paid	(24,596)	-	(24,452)	(468)
Fair value of plan assets—end of measurement period	$ 472,105	$ -	$ 396,420	$ -
Accrued benefit liability (asset)	$ 90,391	$ 3,827	$ (45,582)	$ 4,897

Obligations and Funded Status Year ended June 30, 2021	Defined Benefit Pension Plans Retirement Pension Plan	Supplemental Pension Plan	Retirement Plan Pre 2015	Postretirement Healthcare Plan
Actuarial present value of benefit obligations—accumulated benefit obligation	$ 606,423	$ 4,440	$ 431,733	$ 6,145
Change in projected benefit obligations:				
Projected benefit obligation—beginning of measurement period	$ 613,370	$ 4,052	$ 442,875	$ 6,008
Service costs	27,544	-	-	228
Interest costs	18,902	121	12,655	184
Employee contributions	-	-	-	104
Special termination benefits	-	-	-	-
Plan settlements	-	-	-	-
Actuarial gain (loss)	8,789	267	(30)	123
Benefits paid	(21,355)	-	(23,767)	(502)
Projected benefit obligation—end of measurement period	$ 647,250	$ 4,440	$ 431,733	$ 6,145
Change in plan assets:				
Fair value of plan assets—beginning of measurement period	$ 477,281	$ -	$ 492,691	$ -
Actual return on plan assets	83,223	-	28,503	-
Employer contributions	23,000	-	-	398
Plan participant contributions	-	-	-	104
Plan settlements	-	-	-	-
Benefits paid	(21,355)	-	(23,767)	(502)
Fair value of plan assets—end of measurement period	$ 562,149	$ -	$ 497,427	$ -
Accrued benefit liability (asset)	$ 85,101	$ 4,440	$ (65,694)	$ 6,145

The actuarial cost method used to compute the Defined Benefit Pension Plans liabilities and expenses is the projected unit credit method.

The components of net periodic pension cost for the Plans were as follows:

Components of Net Periodic Pension Cost Year Ended June 30, 2022	Defined Benefit Pension Plans Retirement Pension Plan	Supplemental Pension Plan	Retirement Plan Pre 2015	Postretirement Healthcare Plan
Net periodic pension cost comprised of the following:				
Service cost	$ 30,912	$ -	$ -	$ 247
Interest cost on projected benefit obligation	20,520	102	12,327	193
Expected return on plan assets	(36,018)	-	(21,036)	-
Amortization of prior service cost and other actuarial amounts	(598)	-	-	-
Recognized actuarial loss (gain)	3,994	148	2,774	(272)
Special termination benefit recognized	-	-	-	-
Recognized settlement loss	-	12	-	-
Net periodic pension cost (credit)	$ 18,810	$ 262	$ (5,935)	$ 168

Components of Net Periodic Pension Cost Year Ended June 30, 2021	Defined Benefit Pension Plans Retirement Pension Plan	Supplemental Pension Plan	Retirement Plan Pre 2015	Postretirement Healthcare Plan
Net periodic pension cost comprised of the following:				
Service cost	$ 27,544	$ -	$ -	$ 228
Interest cost on projected benefit obligation	18,901	120	12,654	185
Expected return on plan assets	(26,750)	-	(22,982)	-
Amortization of prior service cost and other actuarial amounts	(665)	-	-	-
Recognized actuarial loss (gain)	9,656	80	3,057	(756)
Special termination benefit recognized	-	-	-	-
Recognized settlement loss	-	-	-	-
Net periodic pension cost (credit)	$ 28,686	$ 200	$ (7,271)	$ (343)

The tables below sets forth the change in the accrued benefit liability of the Plans:

Accrued Benefit Liability As of June 30, 2022	Defined Benefit Pension Plans Retirement Pension Plan	 Supplemental Pension Plan	 Retirement Plan Pre 2015	Postretirement Healthcare Plan
Accrued benefit liability—beginning of measurement period	$ 85,101	$ 4,440	$ (65,694)	$ 6,145
Fiscal year activity:				
Net periodic pension cost	18,810	262	(5,935)	168
Employer contributions	(28,500)	(190)	-	(391)
Postretirement-related changes and other net periodic postretirement costs:				
Actuarial gain (loss)	18,376	(525)	28,821	(1,297)
Reclassification adjustment for losses reflected in periodic expense	(3,395)	(148)	(2,774)	271
Settlement (gain) / loss recognized	-	(12)	-	-
Accrued benefit liability (asset)—end of measurement period	$ 90,392	$ 3,827	$ (45,582)	$ 4,896
Recognized in the consolidated balance sheets as follows:				
Noncurrent assets	$ -	$ -	$ (45,582)	$ -
Current liabilities	-	2,044	-	355
Noncurrent liabilities	90,392	1,783	-	4,541
Total	$ 90,392	$ 3,827	$ (45,582)	$ 4,896

Accrued Benefit Liability As of June 30, 2021	Defined Benefit Pension Plans Retirement Pension Plan	 Supplemental Pension Plan	 Retirement Plan Pre 2015	Postretirement Healthcare Plan
Accrued benefit liability—beginning of measurement period	$ 136,090	$ 4,050	$ (49,815)	$ 6,008
Fiscal year activity:				
Net periodic pension cost	28,686	201	(7,271)	(343)
Employer contributions	(23,000)	-	-	(399)
Postretirement-related changes and other net periodic postretirement costs:				
Actuarial gain (loss)	(47,684)	267	(5,551)	123
Reclassification adjustment for losses reflected in periodic expense	(8,991)	(79)	(3,057)	756
Accrued benefit liability (asset)—end of measurement period	$ 85,101	$ 4,439	$ (65,694)	$ 6,145
Recognized in the consolidated balance sheets as follows:				
Noncurrent assets	$ -	$ -	$ (65,694)	$ -
Current liabilities	-	2,275	-	469
Noncurrent liabilities	85,101	2,164	-	5,676
Total	$ 85,101	$ 4,439	$ (65,694)	$ 6,145

In accordance with FASB guidance regarding accounting for defined benefit pension and other postretirement plans, all previously unrecognized actuarial losses and prior service costs are reflected in the consolidated balance sheets. The postretirement-related charges other than net periodic benefit cost related to the Defined Benefit Pension Plans and Postretirement Healthcare Plans are included as a separate (decrease) increase to net assets without donor restrictions and total $(40,342) and $64,215 for fiscal years 2022 and 2021, respectively. For fiscal year 2022, this amount includes actuarial losses arising during fiscal year 2021 of $45,375 and a reclassification adjustment for losses reflected in periodic expense in fiscal year 2022 of $6,046. For fiscal year 2021, this amount includes actuarial gains arising during fiscal year 2020 of $52,845 and a reclassification adjustment for losses reflected in periodic expense in fiscal year 2021 of $11,371.

The Defined Benefit Pension Plans and Postretirement Healthcare Plans items not yet recognized as a component of periodic pension and postretirement medical plan expense, but included within net assets without donor restrictions as of and for the years ended June 30, 2022 and 2021, are as follows:

	Defined Benefit Pension Plans			
Year ended June 30, 2022	**Retirement Pension Plan**	**Supplemental Pension Plan**	**Retirement Plan Pre 2015**	**Postretirement Healthcare Plan**
Unrecognized prior service credit	$ -	$ -	$ -	$ -
Unrecognized net actuarial (loss) gain	(117,929)	(252)	(145,691)	1,372
Total	$ (117,929)	$ (252)	$ (145,691)	$ 1,372

	Defined Benefit Pension Plans			
Year ended June 30, 2021	**Retirement Pension Plan**	**Supplemental Pension Plan**	**Retirement Plan Pre 2015**	**Postretirement Healthcare Plan**
Unrecognized prior service credit	$ 599	$ -	$ -	$ -
Unrecognized net actuarial (loss) gain	(103,547)	(938)	(119,644)	346
Total	$ (102,948)	$ (938)	$ (119,644)	$ 346

Assumptions

The actuarial assumptions used to determine benefit obligations at the measurement date and net periodic benefit cost for the Plans are as follows:

Assumptions Used to Determine Benefit Obligations and Net Periodic Benefit Cost

	Defined Benefit Pension Plans			
As of June 30, 2022	**Retirement Pension**	**Supplemental Pension Plan**	**Retirement Plan Pre 2015**	**Postretirement Healthcare Plan**
Discount rate—benefit obligation	4.85 %	4.85 %	4.85 %	4.85 %
Discount rate—pension expense	3.10	3.10	2.95	3.10
Rate of increase in compensation levels	5.57	-	-	-
Expected long-term rate of return on plan assets	6.40	-	4.35	-
Health care cost trend rate (initial)	-	-	-	5.60
Health care cost trend rate (ultimate)	-	-	-	4.00
Year the rate reaches ultimate trend rate	-	-	-	2045

Assumptions Used to Determine Benefit Obligations and Net Periodic Benefit Cost

	Defined Benefit Pension Plans			Postretirement
As of June 30, 2021	**Retirement Pension Plan**	**Supplemental Pension**	**Retirement Plan Pre 2015**	**Healthcare Plan**
Discount rate—benefit obligation	3.10 %	3.10 %	2.95 %	3.10 %
Discount rate—pension expense	3.05	3.05	2.95	3.05
Rate of increase in compensation levels	5.57	-	-	-
Expected long-term rate of return on plan assets	5.75	-	4.80	-
Health care cost trend rate (initial)	-	-	-	5.80
Health care cost trend rate (ultimate)	-	-	-	4.50
Year the rate reaches ultimate trend rate	-	-	-	2037

The discount rate used is based on a spot interest rate yield curve based on a broad group of corporate bonds rated AA or better as of the Measurement Date. RUMC uses this yield curve and the estimated payouts of the Plans to develop an aggregate discount rate. The estimated payouts are the sum of the payouts under the Defined Benefit Pension Plan(s) and the Postretirement Healthcare Plans. For fiscal years 2022 and 2021, the discount rate was estimated under a bond model approach, which is based on a hypothetical bond portfolio whose cash flow from coupons and maturities match the year-by-year Plans' cash flows using bonds rated AA or better.

For the years ended June 30, 2022 and 2021, the actual rate of return on plan assets was -16.05% and 2.7%, respectively.

Plan Assets

RUMC's investment objective for its Defined Benefit Pension Plans is to achieve a total return on plan assets that meets or exceeds the return on the plan's liability over a full market cycle with consideration of the plan's current funded status. Investment risk is effectively managed through diversification of assets for a mix of capital growth and capital protection across various investment styles. The asset allocation policy reflects this objective with allocations to return generating assets (e.g., equity and alternative investments, consisting of hedge funds and limited partnerships) and interest rate hedging assets (e.g., fixed-income securities).

All of the plan's assets are measured at fair value. Fair value methodologies used to assign plan assets to levels of FASB's valuation hierarchy are consistent with the inputs described in Note 6. Fair value methodologies used to value interests in public equity funds and private equity limited partnerships that hold restricted securities and are not publicly traded are based on RUMC's ownership interest in the NAV of the respective fund as estimated by the general partner, which approximates fair value. RUMC routinely monitors and assesses methodologies and assumptions used in valuing these interests.

The fair value of the Defined Benefit Pension Plan assets as of June 30, 2022 and 2021, is as follows:

Fair Value Measurements as of June 30, 2022	Level 1	Level 2	Level 3	Valued @ NAV	Total Fair Value
Marketable securities and short-term investments	$ 20,670	$ 43,266	$ -	$ -	$ 63,936
Fixed Income Securities:					
U.S. Government and Agency securities	-	167,410	-	-	167,410
Corporate Bonds	-	283,354	-	-	283,354
Asset Backed Securities and Other	-	56,676	-	-	56,676
Public Equity Securities	62,365	1,240	-	-	63,605
Fund Investments (Mutual/Commingled):					
Fixed Income Funds	-	52,424	-	-	52,424
Public Equity Funds	10,000	-	-	194,845	204,845
Multi Asset Class Funds	-	-	-	-	-
Alternative Investments:					
Hedge Funds	-	-	-	-	-
Private Equity Partnerships	-	-	-	14,002	14,002
Other:					
Derivative Assets	-	10,530	-	-	10,530
Pending Transactions	-	(48,569)	-	-	(48,569)
Total Plan Assets	$ 93,035	$ 566,331	$ -	$ 208,847	$ 868,213
Liabilities					
Derivative Liabilities	$ (140)	$ (4,315)	$ -	$ -	$ (4,455)
Total Liabilities at Fair Value	$ (140)	$ (4,315)	$ -	$ -	$ (4,455)

Fair Value Measurements as of June 30, 2021	Level 1	Level 2	Level 3	Valued @ NAV	Total Fair Value
Marketable securities and short-term investments	$ 12,534	$ 283	$ -	$ -	$ 12,817
Fixed Income Securities:					
U.S. Government and Agency securities	-	322,727	-	-	322,727
Corporate Bonds	-	390,886	-	-	390,886
Asset Backed Securities and Other	-	27,453	-	-	27,453
Public Equity Securities	98,856	1,080	-	-	99,936
Fund Investments (Mutual/Commingled):					
Fixed Income Funds	-	77,650	-	-	77,650
Public Equity Funds	10,633	-	-	222,241	232,874
Multi Asset Class Funds	-	-	-	-	-
Alternative Investments:					
Hedge Funds	-	-	-	-	-
Private Equity Partnerships	-	-	-	16,405	16,405
Other:					
Derivative Assets	-	3,365	-	-	3,365
Pending Transactions	-	(125,868)	-	-	(125,868)
Total Plan Assets	$122,023	$697,576	$ -	$238,646	$1,058,245
Liabilities					
Derivative Liabilities	$ -	$ (4,055)	$ -	$ -	$ (4,055)
Total Liabilities at Fair Value	$ -	$ (4,055)	$ -	$ -	$ (4,055)

As of June 30, 2022 and 2021, the defined benefit pension plan's commitments for additional contributions to alternative investments totaled $5,026 and $5,049, respectively.

Cash Flows

RUMC expects to make estimated contributions to and benefit payments from its Defined Benefit Pension Plans and Postretirement Healthcare Plans for the years ending June 30 as follows:

	Defined Benefit Pension Plans	Postretirement Healthcare Plans
Expected contributions in 2023	$ 30,044	$ 355
Estimated Benefit Payments		
2023	$ 85,376	$ 355
2024	68,981	412
2025	69,517	452
2026	70,586	477
2027	71,028	491
2028 through 2032	364,310	2,421
Total	$ 729,798	$ 4,608

Other Postretirement Benefit Plans

Both RUMC and RCMC maintain a voluntary tax-deferred retirement savings plan. Under these defined contribution plans, employees may elect to contribute a percentage of their salary, which may be matched in accordance with the provisions of the plans. Other provisions of the plans may provide for employer contributions to the plans based on eligible earnings, regardless of whether the employee elects to contribute to the plan. Maximum annual contributions are limited by federal regulations. Employer contributions to these Plans were $29,614 and $18,121 for the years ended June 30, 2022 and 2021, respectively.

RUMC also sponsors a noncontributory defined contribution plan covering selected employees ("457(b) Plan"). Contributions to the 457(b) Plan are based on a percentage of qualifying compensation up to certain limits as defined by the provisions of the 457(b) Plan. The 457(b) Plan assets and liabilities totaled $35,081 and $40,526 as of June 30, 2022 and 2021, respectively, and are included in investments—less current portion and other long-term liabilities in the accompanying consolidated balance sheets. The assets of the 457(b) Plan are subject to the claims of the general creditors of RUMC.

Both RUMC and RCMC also sponsor supplemental retirement plans for certain management employees (the "Plans"). The RUMC plans include a supplemental plan, which was frozen as of December 31, 2014, and replaced with the Executive Retirement Plan. The Plans are noncontributory and annual benefits are credited to each participant's account based on a percentage of qualifying compensation, as defined by the provisions of the plan. Assets set aside to fund the supplemental plans amounted to $8,420 and $9,948 as of June 30, 2022 and 2021, respectively, and are included in investments—less current portion in the accompanying consolidated balance sheets. These supplemental retirement plans are currently funded at 81% of benefits accrued.

RUMC also maintains a frozen nonqualified supplemental defined benefit retirement plan for certain management employees, which is unfunded. Benefits under the supplemental defined benefit plan, which were curtailed as of December 31, 2004, are paid when incurred from operating funds.

It is RUSH's policy to meet the requirement of the Employee Retirement Income Security Act of 1974 and the RUMC's policy to meet the requirements of the Pension Protection Act of 2006.

13. CONCENTRATION OF CREDIT RISK

RUSH grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of patient accounts receivable from patients and third-party payors as of June 30, 2022 and 2021, was as follows:

	2022	2021
Medicare	17 %	14 %
Medicare Managed Care	8	6
Medicaid	3	4
Medicaid Managed Care	14	16
Managed Care	23	23
Blue Cross	31	31
Commercial	3	3
Self-pay	1	3
Total	100 %	100 %

14. COMMITMENTS AND CONTINGENCIES

Professional Liability

RUSH maintains insurance programs, including both self-insured and purchased insurance arrangements, for certain professional liability claims. Self-insured risks are retained in varying amounts according to policy year and entity. For fiscal years from 2021 to 2022, RUMC maintained a general liability self-insurance risk of $5,000 each and every claim and a professional liability self-insurance risk of $10,000 each and every claim, with a $15,000 annual aggregate buffer, excess the $10,000. For the fiscal year ending June 30, 2022, self-insured retentions are now uniform across RUSH, with RCMC paying its own self-insured retention as part of this overall self-insured retention. RUSH also maintains excess liability insurance coverage with combined reinsured limits of $130,000 per occurrence and in the aggregate for general liability, professional liability, and other lines of liability coverage. RUMC has an established irrevocable trust fund to pay claims and related costs, which is recorded within the self-insurance trust in the accompanying consolidated balance sheets.

Starting on January 1, 2010, RCMC implemented a self-insurance program for professional and general liability claims. RCMC self-insured risks are retained at $2,000 per claim and $10,000 annual aggregate with a $1,000 per claim and $1,000 aggregate buffer. RCMC also maintains excess liability insurance coverage utilizing the RUMC self-insurance risk of $10,000 each and every claim, with a $15,000 annual aggregate buffer, excess the $10,000. Amounts above these specified self-insured limits are insured through the RUSH excess liability insurance coverage with combined reinsured limits of $130,000 per occurrence and in the aggregate.

RUSH has employed an independent actuary to estimate the ultimate costs of claim settlements. Self-insured liabilities are based on the actuarial estimate of losses using RUSH's actual payout patterns and various other assumptions. RUSH's self-insured liabilities of $331,557 and $288,099 as of June 30, 2022 and 2021, respectively, are recorded as noncurrent and current liabilities in the accompanying consolidated balance sheets, as appropriate, and based on the estimated present value of self-insured claims that will be settled in the future. If the present value method was not used, RUSH's liability for self-insured claims would be approximately $44,676 and $45,184 higher than the amounts recorded in the consolidated balance sheets as of June 30, 2022 and 2021, respectively. The discount rates used in calculating the present value by RUSH was 4.0% for fiscal years ended June 30, 2022 and 2021. Insurance recoveries are presented separately within noncurrent and current assets in the accompanying consolidated balance sheets, as appropriate. As of June 30, 2022 and 2021, no insurance recoveries were recorded.

Senate Bill 72 was signed and passed into law imposing a prejudgment interest on all personal injury and wrongful death cases in Illinois, effective July 1, 2021 at a rate of 6% per year. RUSH's financial statements include professional liability reserves of $15,921 and $14,510 for fiscal year ended June 30, 2022 and 2021, respectively.

RUSH is subject to various other regulatory investigations, legal proceedings, and claims that are incidental to its normal business activities. In the opinion of management, the amount of ultimate liability with respect to professional liability matters and other actions will not have a material adverse effect on the consolidated financial position or results of operations of RUSH.

15. UNCONDITIONAL PROMISES TO CONTRIBUTE

Included in other assets are the following unconditional promises to contribute as of June 30, 2022 and 2021:

	2022	2021
Unconditional promises to contribute before unamortized discount and allowance for uncollectibles	$ 48,559	$ 42,622
Less unamortized discount	(702)	(184)
Less allowance for uncollectibles	(6,456)	(4,965)
Net unconditional promises to contribute	$ 41,401	$ 37,473
Amounts due in:		
Less than one year	$ 18,974	$ 17,894
One to five years	29,265	23,793
More than five years	320	935
Total unconditional promises to contribute	$ 48,559	$ 42,622

16. NET ASSETS

Net assets without donor restrictions as of June 30, 2022 and 2021, consist of the following:

Net Assets Without Donor Restrictions	2022	2021
Non-Board designated	$ 1,917,178	$ 1,966,534
Board designated	13,605	14,073
Total net assets without donor restrictions	$ 1,930,783	$ 1,980,607

Net assets with donor restrictions as of June 30, 2022 and 2021, were available for the following purposes:

Net Assets With Donor Restrictions	2022	2021
Restricted for specified purpose:		
Construction and purchase of equipment	$ 10,217	$ 17,419
Health education	21,288	17,243
Research, charity and other	546,180	580,861
Unappropriated endowment appreciation available for operations	75,415	84,709
Total funds designated for specified purpose	$ 653,100	$ 700,232
Endowments, perpetual in nature, the income from which is expendable for the following specified purposes:		
Health education	$ 197,536	$ 192,901
Research, charity and other	88,670	79,240
Operations	39,841	43,085
Total endowment net assets	326,047	315,226
Total net assets with donor restrictions	$ 979,147	$ 1,015,458

During fiscal years 2022 and 2021, net assets were released from donor restrictions for purchasing property and equipment of $14,141 and $41,385, respectively, and incurring expenses of $160,804 and $99,855, respectively, both

of which satisfied the restricted purposes of the donors. Net assets released from restriction used in operations are included in other revenue in the accompanying consolidated statements of operations and changes in net assets.

17. JOINT VENTURES AND OTHER AFFILIATIONS

Investments in unconsolidated joint ventures, accounted for using the equity method, totaled $12,665 and $15,494 as of June 30, 2022 and 2021, respectively, and are included in other noncurrent assets in the accompanying consolidated balance sheets. Income recognized from these joint ventures, reported in other revenue, was $7,442 and $5,971 during the years ended June 30, 2022 and 2021, respectively.

18. FUNCTIONAL EXPENSES

The consolidated financial statements present certain expenses that are attributed to more than one program or supporting function. Operating expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Certain expenses are attributable to more than one functional area, and are therefore allocated on a reasonable basis that is consistently applied. Employee benefits are allocated based on factors of either salary expenses or hours worked. General and administrative expenses primarily include legal, finance, and human resources activities. Overhead costs that include items such as professional services, office expenses, information technology, interest, insurance, occupancy and other similar expenses are allocated on a variety of factors, including relative costs, square footage, full-time equivalents, and direct labor costs among others.

The expenses reported in the consolidated statement of operations for the year ended June 30, 2022, supported the following programs and functions:

	Healthcare Services	Academic & Research Activity	General & Administrative Support	Total
Salaries, Wages & Employee Benefits	$ 1,259,915	$ 188,666	$ 154,744	$ 1,603,325
Supplies, Utilities & Other	813,471	101,194	59,815	974,480
Insurance	54,761	-	2,942	57,703
Purchased Services	178,671	24,781	55,071	258,523
Depreciation and Amortization	147,748	-	440	148,188
Interest	30,609	-	-	30,609
Total	$ 2,485,175	$ 314,641	$ 273,012	$ 3,072,828

The expenses reported in the consolidated statement of operations for the year ended June 30, 2021, supported the following programs and functions:

	Healthcare Services	Academic & Research Activity	General & Administrative Support	Total
Salaries, Wages & Employee Benefits	$ 1,188,497	$ 173,045	$ 154,711	$ 1,516,253
Supplies, Utilities & Other	757,347	91,702	54,539	903,588
Insurance	68,436	-	2,048	70,484
Purchased Services	151,474	17,823	48,608	217,905
Depreciation and Amortization	149,136	-	286	149,422
Interest	33,032	-	202	33,234
Total	$ 2,347,922	$ 282,570	$ 260,394	$ 2,890,886

19. GOODWILL

The changes in the carrying amount of goodwill, included in other assets in the consolidated balance sheets, for the years ended June 30, 2022 and 2021, were as follows:

	2022	2021
Beginning balance	$ 19,835	$ 19,835
Acquisition of goodwill	-	-
Impairment charge	-	-
Ending balance	$ 19,835	$ 19,835

There was no goodwill impairment change during the years ended June 30, 2022 and 2021.

20. LIQUIDITY

RUSH's financial assets available within one year of the consolidated balance sheet date for general expenditures are as follows:

	2022	2021
Current Assets:		
Cash and cash equivalents	$ 519,998	$ 441,652
Accounts receivable for patient services	370,352	364,311
Other accounts receivable	28,843	28,769
Other current assets	19,583	19,147
Total current assets for general expenditures:	938,776	853,879
Current Assets excluded due to inability to either liquidate those assets or use them for general expenditures:		
Other accounts receivable		
Grant related receivables	16,602	12,485
Tuition loan receivables	15,460	16,548
Other	-	(2,033)
Other current assets		
Self Insurance	41,257	43,670
Other	109,918	84,707
Total current assets excluded:	183,237	155,377
Total current assets:	$ 1,122,013	$ 1,009,256
Investments	860,332	855,551
Total	$ 1,799,108	$ 1,709,430

RUSH has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Certain other current assets within the accompanying consolidated balance sheets have been excluded from the liquidity table above due to the inability to either liquidate those assets or use them for general expenditures and other obligations, such as prepaid assets, grant related receivables, and tuition loan receivables. As described in Note 7, RUSH's endowment consists of donor restricted funds established for a variety of purposes, with income from endowments being restricted for specific purposes. The Finance Committee of the Board of Trustees for

RUMC and ROPH and the Finance Committee for RCMC approves the annual endowment spending rate to be used for general purposes for each entity, respectively. As described in Note 9, RUSH also has a $100,000 line of credit available for working capital.

The 2021 table was updated to reflect the 2022 presentation which provides further details of the excluded items in the liquidity table above.

21. INFORMATION USED IN DETERMINING DEPARTMENT OF EDUCATION'S FINANCIAL RESPONSIBILITY COMPOSITE SCORE

Section 498(c) of the Higher Education Act of 1965, as amended, requires for-profit and non-profit institutions to annually submit audited financial statements to the Department of Education (ED) to demonstrate they are maintaining the standards of financial responsibility necessary to participate in the Title IV programs. One of many standards which ED utilizes to gauge the financial responsibility of an institution is a composite of three ratios derived from an institution's audited financial statements.

The financial information below provides the correspondence between certain values presented in RUSH's consolidated financial statements and the values as they are included in the determination of the ratios used by ED to gauge RUSH's financial responsibility:

	2022 Total
Land, building and equipment, net	
Net book value of assets in service before June 30, 2019 (Pre-implementation):	
Land/Bldg	$ 955,441
Equipment	64,615
Total	$ 1,020,056
Net book value of assets in service after June 30, 2019 (Post-implementation):	
Land/Bldg	$ 150,120
Equipment	162,828
Total	$ 312,948
Construction in Progress	$ 359,864
Land, Building and equipment, net	$ 1,692,868
Intangible Assets as of June 30, 2022	$ 416
Unsecured related party receivables as of June 30, 2022	$ 766

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SUPPLEMENTAL INFORMATION

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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 Auditor's Report

To the Board of Trustees of Rush System for Health

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 (*Government Auditing Standards)*, the consolidated financial statements of Rush System for Health (the "System", "RUSH"), which comprise the consolidated balance sheets as of June 30, 2022 and 2021, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated October 27, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the RUSH's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the RUSH's internal control. Accordingly, we do not express an opinion on the effectiveness of the RUSH'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 consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

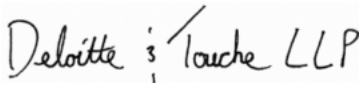
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the RUSH'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 consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed

no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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



Chicago, IL

October 27, 2022

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Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

To the Board of Trustees of Rush System for Health:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Rush System for Health's (the "System", "RUSH") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of RUSH's major federal programs for the year ended June 30, 2022. RUSH's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, RUSH complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of RUSH and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of RUSH's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to RUSH's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on RUSH's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about RUSH's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding RUSH's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the System's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of RUSH's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

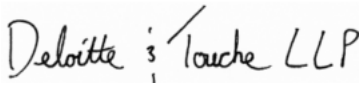
Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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



Chicago, IL

March 24, 2022

RUSH SYSTEM FOR HEALTH
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal ALN Number	Federal Grantor/ Pass-through Grantor's Number	Federal Expenditures	Sub recipients
Research and Development:				
U.S. Department of Health and Human Services:				
National Institute of Health	93.RD		59,464,839	10,818,020
National Institute of Health:COVID				
COVID-Chicago Preventionand Intervention Epicenter II CPIE-II	93.084		521	
Alcohol misuse: An independent risk factor that increases the incidence and severity of COVID-19	93.273		303,303	
COVID-Great Lakes Node of the Drug Abuse Clinical Trials Network	93.279		86,163	28,648
Mitigating COVID-19 transmission in U.S. jails	93.855		236,354	137,682
Alive Church Network: Increasing COVID-19 Testing in Chicago African American testing deserts	93.310		850,381	14,471
Covid 19 cytokine storm	93.847		513,740	
Impact of COVID-19 on AD Occurrence: A Biracial Intergenerational Population Study	93.866		400,505	
Effects of Face Masks on Word Learning in Preschool-Age Children	93.865		62,393	29,427
Passed through Age Options:				
Mental Health Services	93.RD	402-03-2419	20,198	
Passed through Beth Israel:				
Establishing Sleep Apnea as a non-cognitive phenotype of brainstem ADRD pathologies in older adults	93.866	R01AG071638	108,066	
Passed through Argus Cognitive Inc:				
ARGUS-MDS: Automated, Quantitative and Scalable System for Social Processes in Behavioral Health	93.242	R44MH121965	204,569	
Passed through Augusta University:				
Mechanisms of Estrogen Signaling and Neuroprotection	93.853	R56NS109908	4,641	
Passed through University of Alabama:				
Social and Emotional Learning Study Groups for Educators of Students with Emotional and Behavioral Disorders (SELSG+)	84.423	S423A200114	237,772	
Identifying therapeutic targets that confer synaptic resilience to Alzheimer's disease	93.866	R01AG061800	153,023	
Role of vitamin D in the prevention and progression ofurinary incontinence	93.847	R01DK115473	39,880	
Passed through Banner Health:				
Neurobiology of Mild Cognitive Impairment in the Elderly	93.866	P01AG014449	60,369	
Passed through Children's Hospital:				
Impact of Well-Timed vs. Mis-timed Sleep Extension on Adolescents' Dietary Intake	93.837	R01HL147915	14,199	
Passed through Social and Scientific Systems:				
A Multicenter Platform Trial of Putative Therapeutics for the Treatment of COVID-19 in Hospitalized Adults (BET)	93.RD	75N91019D000024	8,636	
Passed through University of Minnesota:				
Soluble aSyn is a modulator of AD pathophysiology	93.866	RF1AG044342	7,514	
Passed through National Fragile Foundation:				
FORWARD Registry and Database	93.RD	U01DD001298	27,538	
Passed through New York University:				
Developmental Origins of Kidney Function in Early Life and Environmental Risks.	93.113	R01ES032214	28,606	
Passed through Purdue University:				
Childhood Misfortune and Adult Health among Black, White,and Hispanic Americans	93.866	R01AG043544	19,162	
Disparities in the Life Course Origins of Cognitive Decline	93.866	RF1AG068388	16,428	
Passed through University of Pennyslvania:				
Modulation of Inflammation in Osteoarthritis via CD14-mediated pattern recognition	93.846	R01AR075737	98,017	
Impact of Daytime vs. Delayed Eating Schedule on Weight and Metabolic Markers Among Obese Persons: An Examinationof Circadian Mechanisms.	93.847	5R01DK117488	80,204	
CONNECT - TBI	93.853	U54NS115322-02	18,325	
Passed through Wake Forest University Health:				
The POINTER Neurovascular Ancillary Study	93.866	R01AG066910	4,741	
Alzheimer's Gut Microbiome Project	93.RD	U19AG063744	8,087	
US POINTER Imaging Ancillary Study	93.866	R01AG062689	166,401	
POINTER-zzz: Sleep Ancillary to U.S. Study to Protect Brain Health through Lifestyle Intervention to Reduce Risk ofAlzheimer's Disease	93.866	R01AG064440	8,964	
Passed through University of Texas:				
Clinical Pathological Study of Cognitive Impairment in Essential Tremor	93.853	R01NS086736	21,095	
Passed through City of Hope:				
PA-20-070 "Development of evidence-based decision supportfor the management of COVID19"	93.226	R01HS024917	93,574	
Passed through Hektoen:				
MACS/WIHS Combined Cohart Study; Cook County Clinical Research Site (CC_CRS)	93.837	U01HL146245	14,572	
MACS/WIHS Combined Cohort Study; Cook County Clinical Research Site (CC_CRS)	93.837	U01HL146245	17,098	
MACS/WIHS combined cohort study: cook countyclinical research site (CC_CRS)	93.837	U01HL146245	123,080	
Passed through University of Hawaii:				
Profiling genome-wide circulating ncRNAs for the early detection of lung cancer	93.394	R01CA223490	44,102	
Passed through University of Mississippi:				
Jackson Heart Study Coordinating Center	93.RD	HHSN268201800010I	17,763	
Passed through University of Maryland:				
Cooling to Help Injured Lungs (CHILL Phase IIb Randomized Control Trial of Therapeutic Hypothermia in Patients with ARDS	12.420	W81XWH2010432	16,463	
Passed through University of Colorado:				
A National Center for Digital Health Informatics Innovation	93.350	7U24TR002306-05	25,956	
Passed through University of Virginia:				
Systems Genetics of Bone Regeneration	93.846	1R01AR079179-01A1	66,244	
Passed through Ohio State University:				
Parent training for parents of toddlers born very premature: A factorial design to test web delivery and telephone coaching	93.865	R01HD104072	55,865	
Passed through Edgewater Safety Systems:				
Development of Memesto, a wearable repetitive message and music therapy device that senses and reduces agitation in persons with AD/ADRD.	93.866	R43AG074725	87,567	
Passed through Fred Hutchinson Cancer Center:				
CoVid-19 Prevention Network (COVPN)- Site Preparedness funding -Chicago- Rush Protocol Specific Site	93.855	UM1AI068614	94,200	
Passed through Medical Research Analytics and Informatics Alliance (MRAIA):				
COVID-19-BAA Secondary and Antimicrobial-Resistant infections Risk, and Antimicrobial Use among COVID-19 Infected Patients: A Multicenter Evaluation (SARS-Risk)	93.RD	75D30120C09927	36,205	
Passed through Pacific Northwest Nat'l Lab (PNNL):				
ProMoTr: A Proteomics Center for MoTrPAC Statement of Work	93.RD	U24DK112349	56,640	
Passed through Pro Change Behavior Systems:				
FHIR-ed Up for Tobacco Cessation	93.838	R43HL156588	7,217	

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Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal ALN Number	Federal Grantor/ Pass-through Grantor's Number	Federal Expenditures	Sub recipients
Passed through Van Andel Research Institute:				
Combining synucleinopathy and mitochondrial deficits in a novel mouse model of Parkinsons disease	93.853	R21NS106078	34,129	
Passed through University of Utah:				
Circadian and sleep pathways to cardiometabolic disease risk: role of neurobehavioral processes	93.233	R01HL141706	39,983	
Center For the Structural Biology of Cellular Host Elementsin Egress, Trafficking, and Assembly of HIV (CHEETAH Center)	93.859	P50AI1150464	16,088	
Passed through Loyola University:				
METS-Sleep: Sleep timing, gut microbiota andcardiometabolic risk across the Epidemiologic Transition	93.233	R01HL148271	23,540	
Passed through Dignitiy Health:				
Neurobiology of Mild Cognitive Impariment in the Elderly	93.866	P01AG014449	49,242	
Passed through DePaul University:				
Preventing Suicide in African American Adolescents	93.242	1R01MH118382	86,778	
Passed through Fox Chase Chem Diversity Center:				
Riluzole prodrugs for melanoma and ALS	93.395	2R44CA156781	26,961	
Passed through Heartland Health Center:				
Advanced Nursing Education Nurse Practitioner Residency	93.247	T14HP33133	160,672	
Passed through University of Kentucky:				
Prebiotics Intervention to Reduce Alzheimer's Disease Risk via Brain-Gut Axis in an APOE4 Mouse Model	93.866	RF1AG062480	788	
Role of impaired cognitive states & risk factors inconversion to mixed dementias	93.866	R01AG038651	86,616	
Passed through Wright State University:				
Differential clearance of pyroglutamate abeta througharachnoid meningeal lymphatics in AD	93.866	R01AG064226	41,939	
Passed through Wistar Institute:				
BEAT-HIV: Delaney Collaboratory to Cure HIV-1 Infection by Combination Immunotherapy	93.855	AI164570	27,814	
Role of Intestinal Barrier Integrity in Modulating the Host Glycome During COVID-19	93.847	R01DK123733	16,460	
SialicnAcid Modulation of HIV-associatedChronic Inflammaging	93.866	R01AG062383	20,020	
Glycomic Modulation of Gut MicrobiomeDuring HIV Infection	93.847	R01DK123733	252,532	
Passed through Hennepin Healthcare Research:				
ASPirin in Reducing Events in the Elderly eXTensionASPREE	93.866	U19AG062682	145,694	16,939
ASPirin in Reducing Events in the Elderly eXTensionASPREE	93.866	U19AG062682	71,625	
Passed through CDC:				
Candida auris, an emerging fingal pathogen of high concern	93.RD	75D30118C02900	178,328	
Evaluating emergence of resistance and changesin clinical pathogens following introduction of chlorhexidine bathing	93.RD	75D30119C06549	87,377	48,034
Innovative Support for Patients with SAR SARSCOV2 Infections(INSPIRE) Registry	93.RD	75D30120C08008	1,225,578	
Innovative Support for Patients with SAR SARSCOV2 Infections(INSPIRE) Registry	93.RD	75D30120C08008	3,037,157	3,037,157
Innovative Support for Patients with SAR SARSCOV2 Infections(INSPIRE) Registry	93.RD	75D30120C08008	402,490	388,240
Evaluating SARS-CoV-2 vaccine effectiveness among healthcare personnel during early phase, post-introduction vaccination	93.RD	75D30121F00001	85,112	
Passed through Columbia University:				
Metformin in Alzheimer's dementia Prevention (MAP)	93.866	R01AG062624	18,100	
Metformin in Alzheimer's dementia prevention (MAP)	93.866	R01AG062624	33,105	
Microglia antigen presentation in the CNS of Alzheimer's disease	93.866	R01AG067581	33,903	
Multi-omic network directed proteoform discovery, dissection and functional validation to prioritize novel AD therapeutic targets	93.866	U01AG061356	241,000	
Interrogation of a human microglia phenotype associated with Alzheimer's disease	93.866	RF1AG072471	43,283	
NIA Late Onset of Alzheimer's Disease (LOAD)Family Based Study	93.866	U24AG056270	42,978	
Convergence of myeloid susceptibility protein function in Alzheimer's disease	93.866	R01AG058852	22,314	
Metformin in Alzheimer's dementia Prevention (MAP)	93.866	R01AG062624	19,034	
Blood Pressure and ADRD in African AmericansThe Jackson Heart Study	93.866	R01AG066134	15,147	
Multi-omic network directed proteoform discovery, dissectionand functional validation to prioritize novel AD therapeutictargets	93.866	U01AG061356	694,875	
Discovery and validation of genetic variants affecting microglial activation in Alzheimer's disease	93.866	RF1AG070438	48,245	
Metformin in Alzheimer's dementia Prevention (MAP)	93.866	R01AG062624	127,046	
Passed through Northwestern University:				
Study in Parkinson Disease of Exercise Phase 3 Clinical Trial: SPARX3	93.853	U01NS113851	26,449	
Community Intervention to Reduce CardiovascuLar Disease in Chicago (CIRCL-Chicago)	93.840	UG3HL154297	36,978	
The effects of capsinoids on brown adipose tissue recruitment and activation in obesity	93.847	R01DK112281	11,900	
Functionally Defining HIV-Host Interactions During the Early HIV-1 Lifecycle	93.855	R01AI150998	196,140	
Glutamate receptor signaling pathways in the circuit integration of adult-born neurons.	93.853	R01 NS115471	31,698	
Technology Enabled Services for Coordinated Care of Depression in Healthcare settings	93.242	P50MH119029	123,912	
PA-20-072: Supplement toA Chicago center of excellence in learning health systems research training (ACCELERAT)	93.226	K12HS026385	15,942	
Expansion of SARS-CoV-2 Testing Supplement, Chicago ClinicalTrials Unit	93.855	UM1AI069471		
Successful Clinical Response In Pneumonia Therapy (SCRIPT) Systems Biology Center	93.855	U19AI135964	11,891	
Chicago Clinical Trial Unit	93.855	UM1AI069471	18,266	
Myocardial Vulnerability to Ischemia-Induced Dysfunction and Heart Failure: The Impact of HIV/SIV, ART and Targeted Immunotherapy	93.837	R01HL154862	22,236	
Genetic modifiers of the Mediterranean-DASH dieton MRI Amongst a Diverse Population with Cognitive Complaint Intervention for Neurodegenerative Delay (MIND) response	93.866	R01AG065398	156,961	
Effect of ACA Medicaid Expansion on Diabetes: Diagnosis Treatment, Patient Compliance, & Health Outcomes	93.945	U18DP0061020	1,196	
Food Allergy Outcomes Related to White and African American Racial Differences (FORWARD)	93.855	R01AI130348	159,247	
A Family Genetic Study of Language in Autism	93.173	R01DC010191	2,219	
Core Center for Clinical Research at NU	93.846	P30AR072579	716	
Molecular mechanisms underlying behavioral and psychological symptoms in Alzheimers disease	93.866	R01AG062249	170,617	
Lupus Intervention Fatigue Trial (LIFT)	93.846	R01AR071091	155	
A Family- Genetic Study of Autism and Fragile X Syndrome	93.242	R01 MH91131	107,026	
Passed through University of Chicago:				
CTSA Grant	93.350	UL1TR002389	64,723	
Chicago Chronic Condition Equity Network (C3EN)	93.307	P50MD017349-01	135,113	
Chicago Chronic Condition Equity Network (C3EN)	93.307	P50MD017349-01	71,398	
Chicago Chronic Condition Equity Network (C3EN)	93.307	P50MD017349-01	28,620	
Chicago Chronic Condition Equity Network (C3EN)	93.307	P50MD017349-01	181,245	
Chicago Chronic Condition Equity Network (C3EN)	93.307	P50MD017349-01	16,109	
ITM 2.0: Advancing Translational Science in Metropolitan Chicago	93.350	TL1TR002388	257,481	
NIH Community Engagement Alliance (CEAL) Against COVID-19 Disparities	93.838	OT2HL156812	65,461	
Genotype-Quided therapy for atrial fibrillation	93.837	R01 HL 148444	80,879	
ITM 2.0: Advancing Translational Science in MetropolitanChicago	93.350	TL1TR002388	11,047	

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Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal ALN Number	Federal Grantor/ Pass-through Grantor's Number	Federal Expenditures	Sub recipients
Targeted Healthcare Engineering for Systems Interventions In Stroke (THESIS)	93.226	R18HS027264	37,355	
ITM 2.0: Advancing Translational Science in MetropolitanChicago	93.350	UL1TR002389	1,626	
ITM 2.0: Advancing Translational Science in MetropolitanChicago	93.350	UL1TR002389	217,425	
ITM 2.0: Advancing Translational Science in MetropolitanChicago	93.350	UL1TR002389	47,449	
Chicago Center for Youth Violence Prevention	93.136	U01CE002712	3,781	
Advancing Translational Science in Metropolitan Chicago-KL2 Component	93.350	KL2TR002387	79,635	
ITM 2.0: Advancing Translational Science in Metropolitan Chicago	93.350	UL1TR002389	683,854	
Chicago Metropolitan Asthma Consortium forSevere/exacerbation-prone Asthma	93.838	1UG1HL139125	71,680	
Adaptive testing of cognitive function based on multidimensional item response theory	93.866	R56AG066127	96,793	
Illinois Precision Medicine Consortium	93.368	OT2OD026557	714,790	
Passed through University of Illinois:				
State Maternal Health Innovation Prrogram	93.110	U7AMC33720	24,344	
Discovery of novel smHDACS inhibitors for the treatment of schistosomiasis	93.855	R21AI46512	54,099	
The Role of Mid-life Psychosocial Stressors,Social Resources and Physiological Dysregulation	93.866	R21AG065654	13,720	
Leadership Education in Neurodevelopmental and Related Disorders Training Program	93.110	T73MC11047	5,022	
Diet Modulation of Bacterial Sulfur & Bile Acid Metabolism and Colon Cancer Risk	93.393	1R01CA204808	(15,028)	
Leadership Education in Neurodevelopmental and Related Disabilities Training Program	93.110	T73 MC11047-09-00	11,689	
Center for Health Equity Research (CHER)	93.307	U54MD012523	17,449	
AHEC Point of Service Maint & Enhancement	93.107	U77HP26847	14,844	6,574
A Dynamic Environmental Exposure Approach to Study Behaviorsin Mid-Life.	93.866	R01AG062180	15,967	
Investigation of CXCR7 Signaling in EGFR TK1 resistant NSCLC	93.396	R01CA230778	(8,725)	
Diet Modulation of bacterial sulfur & bile acidmetabolism and colon cancer risk	93.393	R01CA204808	1,492	
Passed through Westat Inc:				
NICHD International and domestic Pediatric and Maternal HIV Studies Coordinating Center	93.RD	HHSN275201300003C HHSN275201800001I	178,760	
NICHD International and Domestic Pediatric andMaternal HIV Studies Coordinating Center	93.RD	HHSN275201300003C HHSN275201800001I	26,063	16,815
Passed through Yale University:				
Molecular Networks Underlying Resilience toAlzheimer's Disease Among APOE E4 Carriers	93.866	R01AG057912	94,217	
Passed through University of Montreal:				
Exploring the role of IL-32 as a potential biomarkeran therapeutic target in premature cardio-vasculardiseases during HIV-infection	93.866	R01AG054324	1,568	
Passed through University of California: USC, UC Davis, California Instiitute of Technology, Children Hosp LA, UCLA				
Angelman Syndrome Natural History Study	93.103	R01FD0060033	12,083	
A Cognitive Test Battery for Intellectual Disabilities	93.865	R01HD076189	71,846	
AIDS Clinical Trials Group for Research on Therapeutics for HIV and Related Infections ACTG LOC: Spec Lab A5369/A5371	93.855	UM1AI068636	106,796	
UC Davis Alzheimer's Disease Center	93.866	P30AG072972	63,725	
AIDS Clinical Trial Group Laboratory Center (ACTG LC)	93.855	UM1AI106701	372,590	
Impact of Reproductive Aging On HIV Persistence and Inflammation	93.855	R56 AI158293-01A1	42,536	
AIDS Clinical Trial Group Laboratory Center (ACTG LC)	93.855	UM1AI106701	91,226	
Unraveling the intersection of synaptic biology, lifestyle, and cognitive resilience	93.866	R01AG072475	25,526	
Effects of traumatic brain injury and post traumatic stress disorder on Alzheimer's disease in Veterans using ADNI	12.420	W81XWH-12-2-0012	14,348	
Combination anti-amyloid therapy for preclinical Alzheimer's disease	93.866	R01AG061848	10,618	
The A3 Study; Ante-Amyloid prevention of Alzheimer's disease	93.866	R01AG054029	11,246	
The A3Study: Ante-Amyloid prevention of Alzheimer's disease	93.866	5R01AG054029	13,355	
AIDS Clinical Trials Group- PROTOCOL PIFA5401	93.855	UM1AI068636	80,350	
Global Alzheimer's Platform Trial-Ready Cohort for Preclinical/Prodromal Alzheimer's Disease	93.866	R01AG053798	2,468	
Lifecourse exposure to community violence and risk risk of cognitive decline, Alzheimer's Disease, and related dementias among African-Americans	93.866	R01AG067525	18,877	
The Clinical Significance of Incidental White Matter Lesionson MRI Amongst a Diverse Population with Cognitive Complaint (INDEED)	93.853	U19NS120384	32,073	
A Cognitive Test Battery for Intellectual Disabilities	93.865	R01HD076189	116,677	
UC Davis Alzheimer's Disease Core Center	93.866	P30AG010129	9,435	
The Clinical Significance of Incidental White Matter Lesions on MRI Amongst a Diverse Population with Cognitive Complaint	93.853	U19NS120384	258,583	
Evaluating Changes in Skin Cultures and Skin Microbiome Due to Chlorhexidine vs. Soap Bathing in Patients Requiring Acute or Long Term Care in Healthcare Facilities	93.RD	75D30119C06582	11,701	
Alzheimer's Disease Neuroimaging Initiative (ADN13)	93.866	U19AG24904	22,789	
Ethnic-specific Effects of Mitochondrial DNA Variants and Environmental Factors on Cognitive Functioning and Dementia	93.866	R01AG068405	45,782	
Alzheimer's Disease Neuroimaging Initiative 2 (ADNI2)	93.866	U01AG024904	64,343	
Alzheimer's Disease Cooperative Study - A4 Study	93.866	U19 AG010483	47,532	
AKAP-dependent regulation of Cardiac SR Ca handling	93.837	R01HL133832	11,128	
CD40 Autoantibody and FSGS Recurrence	93.847	R01DK109720	120,267	
Racial Differences in Decision Making among OlderAdults	93.866	R01AG055430	344,894	
Alzheimer's Clinical Trial Consortium (ACTC)	93.866	U24AG057437	162,758	
Early vascular contributions to dementia risk inAfrican-Americans	93.866	RF1AG050782	20,631	
Global Alzheimer's Platform Trial-Ready Cohort forPreclinical/Prodromal AD	93.866	R01AG053798	41,039	
Passed through University of Washington:				
Literacy Development for Preschoolers with Hearing Loss	93.172	R01DC017984	80,049	
AIDS and Aging Research Platform (AARP)	93.866	R33AG067069	29,371	
ADNI Psychometrics	93.866	R01AG029672	23,722	
Passed through Emory University:				
Novel Bayesian statistical tools for integrating multi-omics data to help elucidate the genomic etiology of complexphenotypes	93.859	R35GM138313	18,210	
Understanding the Molecular Mechanisms of Depression andPsychological Well-being in Alzheimer's Disease	93.866	R01AG056533	148,235	
Preparation for End-of-Life Decision Making in Mild Alzheimer's Disease	93.866	R01AG057714	20,815	
Brain - Plasma Proteomics Biomarker Discoveryand Validation int eh US and UK	93.866	RF1AG057471		
Roybal Translational Research Center to PromoteContext-Specific Caregiving Master	93.866	P30AG064200	18,431	
Elucidating the Role of Plasma Cholesterol inAlzheimer's Disease using Mendelian	93.866	R56AG062633	18,917	
The Mechanism of Arenavirus Entry into Cells	93.855	R01AI053668	85,887	
Passed through Albert Einstein College of Medicine:				
Integrated Analysis of CVD Risk in HIV: GutMicrobiota, Immune Function and Metabolites	93.837	R01HL140976	7,548	
Immunophenotyping for precision medicine for cadiovasculardisease in people living wit HIV	93.837	R01HL148094	20,583	

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Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal ALN Number	Federal Grantor/ Pass-through Grantor's Number	Federal Expenditures	Sub recipients
Passed through Johns Hopkins:				
IMPAACT 2019 - Phase I/II Study of the Pharmacokinetics, Safety, and Tolerability of Abacavir/Dolutegravir/Lamivudine Dispersible and Immediate Release Tablets in HIV-1-Infected Children Less than 12 Years of Age	93.855	UM1AI068632	420	
HOPE in Action: A Clinical Trial of HIV-to-HIV Liver Liver Transplantation	93.855	U01AI138897	5,000	
HOPE in Action: A clinical trial of HIV-to-HIV deceased donor kidney transplantation	93.855	U01AI134591	146	
LOC - IMPAACT Leadership Group	93.855	UM1 AI068632	109,926	
ADalimumab Vs. conventional ImmunoSupprEssion for uveitis(ADVISE) Trial	93.867	UG1EY028091	872	
LOC - IMPAACT Leadership Group	93.855	UM1AI068632	11,602	
Passed through Brigham and Women's Hospital:				
AIDS Clincial Trial Group Network	93.855	AI068636	1,385,985	
Fractal motor activity regulation and the risk for Alzheimers disease in middle to old age adults	93.866	R01AG059867	39,248	
Integrative Motor Activity Biomarker for the Riskof Alzheimer's Risk	93.866	RF1AG064312	78,357	
Alliance for Clinical Trials in Oncology Operations Center	93.395	U10CA180821	75,055	
Passed through Massachusetts General Hospital:				
Phase II/III Trial of Pre-Operative Image Guided Intensity Modulated Proton Radiation Therapy (IMPT) or Photon (IMRT) with Simultaneously Integrated Boost to the High Risk Margin for Retroperitoneal Sarcomas	93.RD	218209	29,956	
Prospective Study of the Gut Microbiome in Aging	93.886	RF1AG067744	22,812	
Randomized Trial to Prevent Vascular Events in HIV - REPRIEVE	93.837	U01 HL23336	5,519	
Recurrent Hemorrhagic Stroke in Minority Populations	93.853	R01NS093870	23,516	
Dynamin, actin and microtubules: cystiskeletal crosstalk in podocytes	93.847	R01DK093773	26,363	
Passed through Great Lakes Hemophilia:				
Regional Program	93.184	H30 MC24052	36,606	
Public Health Surveillance for Bleeding Disorders	93.080	NU27 DD001155-01-00	29,891	
Passed through University of Florida:				
The role of elevated BIN1 expression in Alzheimer's disease	93.866	RF1AG056061	138,599	
Dignity Therapy RCT led by Nurses of Chaplains for Elderly Cancer Outpatients	93.395	R01CA200867	15,280	
Genome-wide profiling of brain 6mA methylome in AD	93.866	R01AG064786	132,519	
Passed through University of Pittsburgh:				
The Study of Women's Health Across the Nation (SWAN): The Impact of Midlife and the Menopause Transition on Health on Health and Functioning in Early Old Age	93.866	3U19AG063720-02S2	7,054	
The Study of Women's Health Across the Nation (SWAN):The Impact of Midlife and the Menopause Transiti	93.866	U19AG063720	768,226	
Building Up	93.310	U01GM132133	5,054	
SIV Pathogenesis in African Green Monkeys and Pigtailed Macaques	93.837	R01HL117715-13A1	39,209	
Passed through University of Michigan/Michigan State:				
Role of SuPAR in the Intersection between Cardiovascular and Kidney Disease	93.837	R01HL153384	18,837	
COVID-C3PO: Clinical Trial of COVID-19 Convalescent Plasmain outpatients.	93.RD	OT2HL156812	373	
Genetic Silencing of Striatal CaV1.3 Calcium Channels as a Potent Antidyskinetic Therapy for PD	93.853	R01NS110398	399	
SWAN Genomic Analyses and SWAN Legacy	93.866	U01AG017719	4,531	
Passed through Vanderbilt University:				
Sex-Specific Genetic Drivers of Alzheimer's Disease Endophenotypes	93.866	1R01AG073439	21,356	
Stress and Opioid Misuse Risk: The Role of Endogenous Opioid and Endocannabinoid Mechanisms	93.279	1R01DA050334-01A1	38,135	
BRAIN-ICU 2 Study: Bringing to light the risk factors and incidence of neuropsychological dysfunction (dementia) in ICU Survivors, 2nd study	93.866	R01AG058639	269,877	
Genetic Drivers of Resilience to Alzheimer's Disease	93.866	R01AG059716	43,527	
Neuroprotective Effects of Vascular Endothelial Growth Factor in Alzheimer's Disease	93.866	R01AG061518	40,659	
A randomized, double-blind, placebo-controlled trial of urate-elevating inosine treatment to slow clinical decline in early Parkinson disease.	93.866	R01AG058639	476,249	
Proteomics of Hypertension and Alzheimer's Disease inAfrican American	93.866	R01AG064950	111,423	
Passed through Sunnybrook Research Institute:				
Sleep, Cicadian Rhythms, and Mechanisms of Cognitive Declinein the Human Brain	93.866	R01AG052488	289,642	
Passed through Washington University:				
Bidirectional interactions between sleep and Alzheimer's disease: Functional dissection of the brain transcriptome in humans and Drosophila	93.866	RF1AG070436	64,772	
Exploiting Integrin Signaling to Overcome Resistanceto Immunotherapy	93.395	R01CA244938	50,528	
Passed thru George Washington University:				
Progress in Diabetes Genetics in Youth (ProDiGY) Data Analysis under the TODAY2 Phase 2 (T2P2) Study	93.847	U01DK061230	14,680	
Passed thru University of North Carolina at Chapel Hill:				
Data, Modeling, and Coordination Center for PrecISE Network	93.838	U24HL138998	69,518	
Oxidative Stress and the Development of Osteoarthritis	93.866	R01 AG044034	29,383	
Passed thru Harvard School of Public Health:				
Targeting REST in Alzheimer's Disease	93.866	R01AG069042	24,667	
Optimism and Exceptional Longevity	93.866	R01AG053273		
Optimism and Exceptional Longevity (SUPPLEMENT)	93.866	R01AG053273	30,262	
Safety and Healthcare Epidemiology Prevention Research Development (SHEPheRD) Program	93.823	200-2011-24037/2011-N-13526	241,298	
Passed thru University of Indiana:				
National Cell Repository for Alzheimer's Disease (NCRAD)	93.866	U24 AG021886	27,292	
Passed through Baylor College of Medicine:				
Functional Validation of the CD1AP Susceptibility Network inAlzheimer's Disease	93.866	R01AG050631	47,830	
Mechanisms of couplon-linked skeletal muscle myopathies	93.846	R01AR072602	149,746	
Passed through Boston University/Boston Childrens Hospital:				
Air Pollution and Alzheimer's Dementia: Neuropathologic and Olfactory Mechanisms in Multi-Ethnic Longitudinal Cohorts	93.866	R01AG067497	94,099	
Air pollution and noise exposures in relation to dementia:from brain imaging markers to clinical disease	93.866	R01AG065359	118,721	
Passed through Boston Childrens Hospital:				
Cumulus: A Universal Research Sidecar for a SMART Learning Healthcare System	93.345	90AX0031/01-00	25,775	
Development of Synaptopathies Associated with TSC, PTEN, SHANK3 Mutations	93.853	2U54NS092090	34,804	
Passed through Oregon Health and Science Institute:				
Personality and Health: A Longitudinal Study	93.866	R01AG020048	36,264	
Passed through Rutgers University:				
Myocardial Ischemia and Transfusion MINT	93.839	5U01HL133817	4,012	
Asain Resource Centers for Minority Aging Research RCMAR	93.866	P30AG059304	3,243	

(Continued)

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal ALN Number	Federal Grantor/ Pass-through Grantor's Number	Federal Expenditures	Sub recipients
Passed through Lurie Childrens Hospital:				
Employing eSBI in a Community-based HIV Testing Environment for at-risk Youth	93.279	R01 DA041071	72	
Passed through NeuroNext- Novartis and Massachusetts General Hospital:				
Effects of AFQ056 on Language Learning in Young Childrenwith Fragile X Syndrome (FXS)	93.853	U01NS096767	68,103	
Passed through NCI-NCTN (ECOG, ALLIANCE, NRG, SWOG)				
A Randomized Phase III Study of ibrutinib plus obinutuzumab versus ibrutinib plus venetoclax and obinutuzumab in untreated older patients with chronic lymphocytic leukemia	93.RD	A041702	4,038	
The CompassHER2 Trials (COMprehensive Use of Pathologic Response ASSessment to Optimize Therapy in HER2-Positive Breast Cancer): CompassHER2 Residual Disease (RD) A Double- Blinded, Phase III Randomized Trial of T-DM1 and Placebo Com	93.RD	A011801	430	
A randomized phase II trial of radium-223 and cabozantinib in patients with advanced renal cell carcinoma with bone metastasis (RadiCaL)	93.RD	A031801	821	
Preoperative THP and postoperative de-escalation in patients who achieve a pathologic complete response	93.RD	EA1181	22	
A Phase II Randomized Study of Adjuvant Versus Neoadjuvant Pembrolizumab for Clinically Detectable Stage III-IV High Risk Melanoma	93.RD	S1801	1,684	
Phase II Trial of SMO/AKT/NF2 Inhibitors in Progressive Meningiomas with SMO.AKT/NF2 Mutations	93.RD	A071401	36	
Limited Stage small cell lung cancer (LS-SCLC): a phase II/III randomized study of chemoradiation vs chemoradiation plus atezolizumab	93.RD	NRG-LU005	17,851	
S1806: PHASE III RANDOMIZED TRIAL OF CONCURRENT CHEMORADIOTHERAPY WITH OR WITHOUT ATEZOLIZUMAB IN LOCALIZED MUSCLE INVASIVE BLADDER	93.RD	S-1806	311	
Parallel Phase III Randomized Trials for High Risk Prostate Cancer Evaluating De-Intensification for Lower Genomic Risk and Intensification of Concurrent Therapy for Higher Genomic Risk with Radiation (PREDICT-RT*)	93.RD	NRG-GU009	50	
A Randomized Double Blind Phass III Study of Ibrutinib During and Following autologous Stem Cell Transplantation vs Placebin Patients with Relapsed or Refractory Diffuse Large B-cellLymphoma of the Activated B-cell Subtype	93.RD	A051301	(168)	
Phase III Randomized Trial of Standard Systemic Therapy vs Standard Systemic Therapy plus Definitive Treatment of thePrimary Tumor in Metastatic Prostate Cancer	93.RD	S1802	24	
A Phase III, Randomized Study of Nivolumab (Opdivo) or Brentuximab Vedotin (Adcetris) Plus AVD in Patients(Age >/= 12 Years) With Newly Diagnosed AdvancedStage Classical Hodgkin Lymphoma	93.RD	S1826	2,360	
A Randomized Phase II Study of Nivolumab after combined modality therapy in high risk anal cancer	93.RD	EA2165	98	
Phase III randomized trial of hypofrationated post mastectomy radiation with breast reconstruction	93.RD	A221505	9	
Phase III randomized adjuvant study of pembrolizumab in muscle invasive and locally advanced urothelial carcinoma (AMBASSADOR) versus observation	93.RD	A031501	273	
A Phase II Study of Cabozantinib Combination with Nivolumab and Ipilimumab in Rare GenitourinaryTumors	93.RD	A031702	1,304	
Phase II/III Trial of Adjuvant Radiotherapy and AndrogenDeprivation Following Radical Prostatectomy with orwithout Adjuvant Docetaxel	93.RD	NRG-GU002	242	
A Phase I and Expansion Cohort Study of Adjuvant Cisplatin,Intensity-Modulated Radiotherapy, and MK-3475 in High-RiskHead and Neck Squamous Cell Carcinoma	93.RD	NRG-HN003	245	
Randomized phase III trial evaluating the role of weight los in adjuvant treatment of overweight and obese women with early breast cancer	93.RD	A011401	7	
A Randomized trial of Regional Radiotherapy in Biomarker Low Risk Node Positive Breast Cancer	93.RD	CCTG MA.39	102	
ALCHEMIST: Adjuvant Lung Cancer Enrichment Marker Identification and Sequencing Trial	93.RD	COG ARST1321	230	
Phase III Comparison of Thoracic Radiotherapy Regimens in Patients with Limited Small Cell Lung Cancer Also Receiving Cisplatin and Etoposide	93.RD	CALBG-30610	53	
A Randomized Phase II Study Comparing Single-agent Olaparib single agent cediranib and the combo of cediranib/olaparib in women with recurrent, persisitent or metastic endometrial cancer	93.RD	NRG-GY012	420	
A Phase IB Trial of Neoadjuvant AMG232 Concurrent with Preoperative Radiotherapy in Wild-type P53 Soft Tissue Sarcoma (STS)	93.RD	NRG-DT001	1,814	
A Randomized, Phase III trial to Evaluate the Efficacy and Safety of MK-3475 as Adjuvant Therapy for Triple Receptor Negative Breast Cancer with >1 CM Residual Invasive Cancer or Positive Lymph Nodes After Neoadjuvant Chemotherapy	93.RD	S1418	419	
Phase III to trial to evaluate the efficacy of addition ofinotuzumab ozogamin to frontline therapyin young adultswith newly diagnosed precurso B-cell ALL	93.RD	A041501	348	
A Randomized Phase III Study of a targeted therapy comboversus ibrutinib and obinutuzumab in Untreated YoungerPatients with Chrinuc Lymphocytic Leukemia (CLL)\	93.RD	EA9161	203	
Colorectal Cancer Metastatic dMMRImmuno-Therapy (COMMIT) Study	93.RD	NRG-GI004	49	
Randomized phase II trial in early relapsing orrefractory follicular lymphoma	93.RD	S1608	3,578	
Passed through IIT:				
Gradient Hydrogels to Promote MSC Differentiatiation for Osteochondral Defect Repair	93.846	R21AR074072-02	23,366	
Clinical Test of an Intracortical Visual Prothesis System	93.853	UH3NS095557	134,649	
Comprehensive Probabilistic Atlas of the Brain of Older Adults without Dementia	93.866	R01AG052200	38,130	
In-vivo MRI-based prediction of TDP43 pathologyin aging	93.866	R01AG064233	274,884	
Passed through Tufts University:				
Vitamins D and K Neuropathologically-Defined Alzheimer and Other Dementias in Older Persons	93.866	AG051641	87,576	
Passed through Mt. Sinai:				
A multiscale investigation of the living human brain	93.866	R01AG069976	93,982	
Elucidating Genetic and Environmental Second Hits in Racial and Ethnic Minorities with APOL1 High-Risk Genotypes	93.847	R01DK127139	40,695	
Peripheral and Brain Levels of Advanced Glycation End Products AGEs and Incident Alzheimers Disease and Neuropathy	93.866	R01AG053446	322,496	
Integrative Network Modeling of Cognitive Resilience toAlzheimer's Disease	93.866	R01AG057907	62,422	
Leveraging Existing Aging Research Networks to Investigate TBI and AD/ADRD risk (LEARN TBI & AD)	93.866	R01AG061028	243,632	
Passed through University of Wisconsin:				
Harnessing adaptive NK cell transfer to deplete viral reservoirs	93.855	R01AI161816	239,486	
Data Driven Strategies for Substance Misuse Identification in Hospitalized Patients	93.279	R01DA051464	20,670	
The Neighborhoods Study: Contextual Disadvantage and Alzheimer's Disease and Related Dementias (ADRD)	93.866	R01AG070883	44,098	
Center for Financial Security Retirement and Disability Research Consortium	96.007	RDR18000001	42,353	
FMR1 Premutation Phenotypes in Population-Based and Clinically-Ascertained Samples	93.865	R01HD082110	14,366	
APOLLO - Upper Midwest	93.847	U01DK116092	36,533	
Passed through Medical College of Wisconsin:				
Environmental Sound Recognition Before and After Cochlear Implantation in Adults	93.173	R21DC018871	16,550	

(Continued)

RUSH SYSTEM FOR HEALTH
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal ALN Number	Federal Grantor/ Pass-through Grantor's Number	Federal Expenditures	Sub recipients
Passed through Duke University:				
A Phase 2b, Multicenter, Randomized, Open-Label, Assessor Blinded Superiority Study to Compare the Efficacy and for the Completion of Treatment of Patients with Complicated S. aureus Bacteremia	93.855	5UM1AI104681	1,207	
PRagmatic EValuation of evENTs And Benefits of Lipid-lowering in oldEr Adults (PREVENTABLE) - Administration & Trial Management	93.866	5U19AG065188	25,717	
PRagmatic EValuation of evENTs And Benefits of Lipid-lowering in oldEr Adults (PREVENTABLE) - Clinical Sites Core	93.866	5U19AG065188	1,557	
Metabolomic signatures for disease sub-classification and target prioritization in AMP-AD	93.866	U01AG061359	40,102	
Alzheimer's Gut Microbiome Project	93.866	U19AG063744	237,581	46,478
PRagmatic EValuation of evENTs And Benefits of Lipid-lowering in oldEr Adults (PREVENTABLE)	93.866	U19AG065188	72,465	
Clinical Research Steering Committee agreement(PREVENTABLE)	93.866	U19AG065188	(2,475)	
Passed through University of Cincinnati:				
Multi-arm Optimization of Stroke Thrombolysis MOST Stroke Trial	93.853	U01NS100699	710	
AtRial Cardiopathy and Antithrombotic Drugs in prevention After cryptogenicstroke ARCADIA	93.853	U01NS095869	405	
Passed through Intl Rett Syndrome:				
Rett Syndrome, MECP2 Duplications, and Rett-related Disorder Natural History	93.242	U54HD061222	8,465	
Passed through Cleveland Clinic:				
Dementia with Lewy Bodies Consortium	93.853	U01NS100610	66,884	
Passed through California Pacific Medical Center:				
Trial of Parkinson's And Zoledronic Acid (TOPAZ)	93.RD	P-165	176	
Total U.S. Department of Health and Human Services			86,264,444	14,588,485
U.S. Army Medical Research Acquisition Activity:				
Rational Targeting of TTK/MPS1 in HER2-Negative Breast Cancer	12.420	W81XWH-22-1-0134	75,609	
Objective Phenotyping in Cervical Dystonia	12.420	W81XWH-17-1-0394	1,215	
Targeting Diet-Microbiome Interactions in thePathogenesis of Parkinson's Disease	12.420	W81XWH-17-1-0587	82,115	
Passed through National Science Foundation:				
Collaborative Research:RAPID:Molecular underpinnings that define volatile compound signature of the lung	47.074	2031754	11,412	
Passed through NASA:				
Single-Source, Biomarkers as Predictors of Resiliency and Susceptibility to Stress in Space Flight	43.003	80NSSC20K0243	69,972	
Passed through University of Melbourne:				
The Role of an Aggrecan 32mer Fragment in Post-Traumatic Osteoarthritis	12.420	W81XWH-16-1-0706	58,724	
Total U.S. Army Medical Research Acquisition/NASA/NSF			299,047	-
Department of Education:				
Validation of a Spanish-Language Social ReasoningAssessment for Spanish-Speaking English Language Learners	84.305	R305A200463	164,582	
Web-based assessment of social-emotional skills in middle school	84.305	R305A200220	368,236	
Web-Based Assesment of Social-Emotional Learning in Grades Four to Six	84.305	R305A160053	44,422	
VESIP: Virtual Environment for Social information processing assessment tool for Upper Elementary and Middle School Children	84.305	R305A150189	451	
Total Department of Education			577,691	-
TOTAL RESEARCH AND DEVELOPMENT			87,141,182	14,588,485
Stimulus Act:				
Provider Relief Fund	93.498		59,341,087	
Higher Education Emergency Relief Fund: Student Portion	84.425E	P425E202465	786,652	
Higher Education Emergency Relief Fund: Institutional Portion	84.425F	P425F200797	1,292,341	
Uninsured Covid Testing and Treatment	93.461		1,983,687	
			63,403,767	-
Student Financial Assistance:				
U.S. Department of Education:				
Stafford Loan	84.268	P268K5336	43,313,264	
Grad Plus	84.268	P268K5336	24,041,015	
Parent Loans for Undergraduate Students	84.268	P268K5336	83,113	
Perkins Loan	84.038	P038A031271	-	
Perkins Loan-outstanding loan bal. at measurement date	84.038		1,251,899	
Pell Grant Program	84.063	P063P125336	226,377	
Supplemental Educational Opportunity Grant	84.007	P007A121271	82,497	
Federal Work Study	84.033	P033A121271	317,607	
Total U.S. Dept of Education			69,315,772	-
U.S. Department of Health and Human Services:				
Loans for Disadvantaged Students-outstanding loan bal. at measurement date	93.342		416,493	
Nursing Student Loan-Undergraduate-outstanding loan bal. at measurement date	93.364		22,222	
Nursing Student Loan-Graduate-outstanding loan bal. at measurement date	93.364		382,658	
Primary Care Loan/HPSL-outstanding loan bal. at measurement date	93.342		85,089	
Nurse Faculty Loan Program-outstanding loan bal. at measurement date-ARRA	93.408		70,173	
Nurse Faculty Loan Program-outstanding loan bal. at measurement date	93.264		628,638	
Nursing Student Loan	93.364	E4 DHP19180	75,148	
Nurse Faculty Loan Program	93.264	E01 HP28838	80,749	
Total U.S. Department of Health and Human Services			1,761,170	-
TOTAL STUDENT FINANCIAL ASSISTANCE			71,076,942	-
Other Federal Assistance:				
U.S. Department of Housing and Urban Development (HUD):				
Older Adults Home Modification Grant Program	14.921		68,056	
U.S. Department of Health and Human Services:				
Nurse Anesthetist Traineeships	93.124		33,130	
Passed through State of Illinois Department of Human Services:				
Opioid SOR Program	93.788	43CAC03497	1,110,223	158,735
Opioid SOR 2 Program	93.788	43CAC03652	1,534,852	
Passed through City of Chicago-Chicago Department of Public Health:				
Regional Innovative Public Health Laboratory (RIPHL)	93.323	1209639	2,316,480	

(Continued)

RUSH SYSTEM FOR HEALTH
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal ALN Number	Federal Grantor/ Pass-through Grantor's Number	Federal Expenditures	Sub recipients
CDPH-DATAHUB	93.323	140117	2,082,779	
ELC Program Contact Tracing	93.323	138120	916,615	
ELC Program Contact Tracing	93.323	138120	88,799	
Healthy Chicago Equity Zone	93.268	PO160569-169026/194141	551,977	421,212
Expanded HIV Testing for Disproportionately affected populations	93.940	30597	64,208	
Connect Chicago Covid 19	93.323	140819/170857	3,068,393	
Passed through State of Illinois Department of Public Health:				
Regional Perinatal Network	93.994	26380067J	359,105	
School Based Health Center	93.994	26380038J	528,456	
Total Other Federal Assistance			12,723,073	579,947
TOTAL EXPENDITURES OF FEDERAL AWARDS			234,344,964	15,168,432

(Concluded)

RUSH SYSTEM FOR HEALTH
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED JUNE 30, 2022

State Grantor/Pass-through Grantor/Program or Cluster Title	State Grantor/ Pass-through Grantor's Number	State Expenditures
Passsed through the Illinois Department of Public Health:		
Alzheimer's Disease-Awareness of available service	23282002J	249,999
Family Planning Program	26180068J	150,000
School Based Health Center	26380038J	25,824
Genetic Counseling/Clinical Services	23788110J	132,592
Sickle Cell Program	23788304J	42,237
Regional Perinatal Network	26380067J	-
Total Illinois Department of Public Health		600,652
Passed through City of Chicago-Chicago Department of Public Health:		
Community Breast Health Services	PO 124632	34,805
Total Illinois Department of Public Health		34,805
Passed through the Illinois Department of Human Services:		
Child Care Restoration Grant Program	B25232	226,222
Early Intervention Services	FCSAO05147	3,897,852
Total Illinois Department of Human Services		4,124,074
Passed through the Illinois Department of Transportation:		
State and Community Highway Safety	343-29056	139,346
State and Community Highway Safety	343-20895	40,070
		179,416
TOTAL EXPENDITURES OF STATE AWARDS		4,938,947
TOTAL EXPENDITURES FEDERAL AND STATE AWARDS		$ 239,283,911

1. BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of Federal Awards and State Awards (the "Schedules") include the federal and state grant activity of Rush System for Health (the "System" or "Rush"). The information in the Schedules is presented in accordance with the requirements of U.S. Office of Management and Budget Uniform Guidance, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award.

2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Expenditures reported on the Schedules are presented on the accrual basis of accounting. Such expenditures are recognized following cost principles contained in OMB Uniform Guidance in 2 CFR Part 200 wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. Rush did not elect to utilize the de minimis indirect cost rate as allowed under Uniform Guidance.

3. LOANS WITH CONTINUING REQUIREMENTS

The outstanding balances as of June 30, 2022 for those loan programs for which the Federal Government imposes continuing compliance requirements are as follows:

Perkins Loan	1,251,899
Loans for Disadvantaged Students	416,493
Nursing Student Loan-Undergraduate	22,222
Nursing Student Loan-Graduate	382,658
Primary Care Loan/HPSL	85,089
Nurse Faculty Loan Program—ARRA	70,173
Nurse Faculty Loan Program	628,638

4. NONCASH ASSISTANCE

Rush did not receive any noncash federal awards or in-kind contributions during fiscal year 2022. In addition, Rush did not have any federal insurance in effect during the year ended June 30, 2022, to specifically cover federal expenditures.

5. PROVIDER RELIEF FUNDING BY PROVIDER AND TIN

Rush received Provider Relief Funding for the following subsidiaries and Tax Identification Numbers ("TIN"):

Provider	TIN
Copley Memorial Hospital	36-2170840
Health Delivery Management	36-4085751
Rush Copley Medical Group	36-3235315
Rush Copley Orthopedics	61-1801175
Rush Copley Surgicenter	38-4012268
Rush Oak Park Hospital	36-2183812
Rush Oak Park Hospital (SNF)	36-2183812
Rush Surgicenter	36-3853026
Rush University Medical Center	36-2174823

RUSH SYSTEM FOR HEALTH

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

Part I—Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified Internal control over financial reporting:

• Material weakness(es) identified?	Yes	X	no
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	Yes	X	none reported
• Noncompliance material to consolidated financial statements noted?	Yes	X	no

Federal Awards

Internal control over major programs:

• Material weakness(es) identified?	Yes	X	no
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	Yes	X	none reported

Type of auditors' report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 of OMB Uniform Guidance?	Yes	X	no

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
93.461	Uninsured Covid Testing and Treatment
93.498	Provider Relief Fund
84.425	Higher Education Emergency Relief Fund

Dollar threshold used to distinguish between type A and type B programs: $3,000,000

Auditee qualified as low-risk auditee?	X	Yes	no

Part II—Financial Statement Findings

None noted

Part III—Federal Award Findings and Questioned Costs

None noted

RUSH SYSTEM FOR HEALTH

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022

No findings reported for the year ended June 30, 2021

RUSH SYSTEM FOR HEALTH

SUPPLEMENTAL SCHEDULE - FINANCIAL RESPONSIBILITY SCHEDULE
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

Financial Statement Reference	Primary Reserve Ratio Expendable Net Assets Financial Statement Line Item Reference	Amounts	Amounts
Consolidated Balance Sheet - Net Assets without donor restrictions	Net Assets without donor restrictions	$ -	$ 1,930,783
Consolidated Balance Sheet - Net Assets with donor restrictions	Net Assets with donor restrictions	-	979,147
Note 21 to the Consolidated Balance Sheet - Related party receivable and related party note disclosure	Secured and Unsecured related party receivables	766	-
Note 21 to the Consolidated Balance Sheet - Related party receivable and related party note disclosure	Unsecured related party receivables	-	766
Consolidated Balance Sheet - Land, building, and equipment - net	Land, Building and equipment - net (includes Constuction in progress)	1,692,868	-
Note 21 to the Consolidated Balance Sheet - Land, building and equipment pre-implementation	Land, building and equipment - pre-implementation	-	1,020,056
Note 21 to the Consolidated Balance Sheet - Land, building and equipment post-implementation with outstanding debt for original purchase	Land, building and equipment - post-implementation with outstanding debt for original purchase	-	312,948
Note 21 to the Consolidated Balance Sheet - Land, building and equipment - Net - Construction in progress	Constuction in progress	-	359,864
Consolidated Balance Sheet - Lease right-of-use assets - net	Lease right-of-use asset - net	106,929	-
Note 21 to the Consolidated Balance Sheet - Goodwill	Intangible Assets	-	416
Consolidated Balance Sheet - Accrued postretirement benefit obligation	Postretirement and pension liabilities	-	96,716
Consolidated Balance Sheet - Loans and bonds payable	Long-term debt - for long term purposes	905,559	-
Consolidated Balance Sheet - Loans and bonds payable	Long-term debt - for long term purposes pre-implementation	-	508,962
Consolidated Balance Sheet - Loans and bonds payable (prior year)	Long-term debt - for long term purposes post-implementation	-	396,597
Consolidated Balance Sheet - Lease right-of-use asset liability	Lease right-of-use asset liability	86,025	-

Financial Statement Reference	Primary Reserve Ratio Total Expenses and Losses Financial Statement Line Item Reference	Amounts	Amounts
Consolidated Statement of Operations and Changes in Net Assets - Total Operating Expenses (Total from Consolidated Statement of Acitvities prior to adjustments)	Total expenses without donor restrictions- taken directly from Statement of Activities	$ -	$ 3,072,828
Consolidated Statement of Operations and Changes in Net Assets - Without Donor Restrictions - Total operating expenses, Loss on disposal of property and equipment, Change in fair value of interest interest swap agreements, Other components of periodic postretirement benefit cost	Non-Operating and Net Investment (loss)	-	(137,174)
Consolidated Statement of Operations and Changes in Net Assets - Without Donor Restrictions - Fundraising expenses, Debt rate lock settlement, and loss on debt refunding	Other losses	-	(9,343)
Consolidated Statement of Operations and Changes in Net Assets - Without Donor Restrictions - Pension - related changes other than net periodic costs	Pension-related changes other than net periodic costs	-	(40,342)

(Continued)

RUSH SYSTEM FOR HEALTH

SUPPLEMENTAL SCHEDULE - FINANCIAL RESPONSIBILITY SCHEDULE
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

	Equity Ratio Modified Net Assets		
Financial Statement Reference	**Financial Statement Line Item Reference**	**Amounts**	**Amounts**
Consolidated Balance Sheet - Net Assets without donor restrictions	Net Assets without Donor Restrictions	$ -	$ 1,930,783
Consolidated Balance Sheet - Net Assets with donor restrictions	Net Assets with Donor Restrictions	-	979,147
Note 21 to the Consolidated Balance Sheet - Goodwill	Intagible Assets	-	416
Note 21 to the Consolidated Balance Sheet - Related party receivable and related party note disclosure	Secured and unsecured related party receivables	766	-
Note 21 to the Consolidated Balance Sheet - Related party receivable and related party note disclosure	Unsecured related party other assets	-	766
Consolidated Balance Sheet - Total Assets	Total Assets	-	5,244,716
Consolidated Balance Sheet - Lease right-of-use assets pre-implementation	Lease right-of-use asset pre-implementation	-	106,929
Note 21 to the Consolidated Balance Sheet - Goodwill	Intangible Assets	-	416
Note 21 to the Consolidated Balance Sheet - Related party receivable and related party note disclosure	Secured and unsecured related party receivables	766	-
Note 21 to the Consolidated Balance Sheet - Related party assets and related party note disclosure	Unsecured related party other assets	-	766

	Net Income Ratio		
Financial Statement Reference	**Financial Statement Line Item Reference**	**Amounts**	**Amounts**
Consolidated Statement of Operations and Changes in Net Donor Restrictions - Changes in Net Assets	Change in Net Assets without Donor Restrictions	$ -	$ (49,824)
Consolidated Statement of Operations and Changes in Net Assets - Without Donor Restrictions - Total operating revenues, Contribution for nonoperating purpose, Allocation of endowment income to operations, Changes in value of split interest agreements, Other nonoperating activities - net assets released from retriction, Postretirement benefit plan related changes, other than net periodic postretirement benfit cost	Total Revenues and Gains Without Donor Restrictions	-	3,168,432
			(Concluded)