Rush System for Health

Consolidated Financial Statements as of and for the
Years Ended June 30, 2021 and 2020,
Single Audit Supplementary Report as of and
for the Year Ended June 30, 2021, and
Independent Auditors' Report

RUSH

RUSH SYSTEM FOR HEALTH

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of Rush System for Health:

We have audited the accompanying consolidated financial statements of Rush System for Health (the "System"), which comprise the consolidated balance sheets as of June 30, 2021 and 2020, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the System as of June 30, 2021 and 2020, 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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 28, 2021 on our consideration of the System'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 System'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 System's internal control over financial reporting and compliance.

Deloitte & Touche LLP

Chicago, IL

October 28, 2021, except with respect to the in-relation-to opinion on the schedule of expenditures of federal awards, as to which the date is September 28, 2022

RUSH SYSTEM FOR HEALTH

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands)

	As of June 30, 2021	As of June 30, 2020
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 441,652	$ 578,478
Accounts receivable for patient services	364,311	348,019
Other accounts receivable	55,769	59,102
Self-insurance trust—current portion	43,670	30,629
Other current assets	103,854	105,047
Total current assets	1,009,256	1,121,275
ASSETS LIMITED AS TO USE AND INVESTMENTS:		
Investments	1,738,921	1,241,061
Limited as to use by donor or time restriction or other	748,897	560,763
Self-insurance trust—less current portion	131,177	105,509
Total assets limited as to use and investments	2,618,995	1,907,333
PROPERTY AND EQUIPMENT—NET	1,619,887	1,611,645
OPERATING LEASE RIGHT-OF-USE ASSETS	131,459	157,785
POSTRETIREMENT AND PENSION BENEFIT ASSETS	65,694	-
OTHER NONCURRENT ASSETS	92,478	93,603
TOTAL ASSETS	$ 5,537,769	$ 4,891,641
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	$ 64,183	$ 77,663
Accrued expenses	455,323	368,241
Postretirement and pension benefit liabilities	2,275	-
Estimated third-party settlements payable and advances payable	393,910	415,706
Current portion of accrued liability under self-insurance programs	59,227	44,135
Current portion of long-term debt	12,216	11,775
Short-term operating lease liability	26,027	26,342
Total current liabilities	1,013,161	943,862
LONG-TERM LIABILITIES:		
Accrued liability under self-insurance programs—less current portion	242,975	222,279
Postretirement and pension benefit liabilities	92,941	95,924
Long-term debt—less current portion	921,802	900,160
Line of credit	-	75,000
Obligations under financing leases and other financing arrangements	3,226	41,499
Long-term operating lease liabilities	108,467	133,120
Other long-term liabilities	159,132	89,841
Total long-term liabilities	1,528,543	1,557,823
Total liabilities	2,541,704	2,501,685
NET ASSETS:		
Without donor restrictions	1,980,607	1,568,626
With donor restrictions	1,015,458	821,330
Total net assets	2,996,065	2,389,956
TOTAL LIABILITIES AND NET ASSETS	$ 5,537,769	$ 4,891,641

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, 2021	2020
REVENUE:		
Patient service revenue	$ 2,574,590	$ 2,233,576
Tuition and educational programs revenue	87,235	81,530
Research revenue and net assets released from restriction and used for research and other operations	155,870	164,949
Other revenue	181,366	176,538
Total revenue	2,999,061	2,656,593
EXPENSES:		
Salaries, wages and employee benefits	1,516,253	1,425,626
Supplies, utilities and other	903,588	810,953
Insurance	70,484	66,163
Purchased services	217,905	257,076
Depreciation and amortization	149,422	156,862
Interest and fees	33,234	28,437
Total expenses	2,890,886	2,745,117
OPERATING INCOME (LOSS)	108,175	(88,524)
NON-OPERATING INCOME (LOSS)		
Investment income and other—net	193,926	15,917
Contributions without donor restrictions	3,944	901
Fundraising expenses	(9,926)	(12,995)
Pension settlement expense	-	(40,445)
Debt rate lock settlement	-	(62,500)
Change in fair value of interest rate swaps	4,668	(3,896)
Loss on debt refunding	-	(75)
Total non-operating income (loss)	192,612	(103,093)
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	$ 300,787	$ (191,617)

(Continued)

RUSH SYSTEM FOR HEALTH

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
(Dollars in thousands)

	For the Years Ended June 30, 2021	2020
NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Excess (deficit) of revenues over expenses	$ 300,787	$ (191,617)
Net assets released from restrictions used for the purchase of property and equipment	41,385	2,021
Postretirement related changes other than net periodic postretirement cost	64,215	(12,794)
Cumulative effect of change in accounting principle—Adoption of ASU No. 2016—02, *Leases*	-	34,532
Other	5,059	9,416
Increase/(decrease) in net assets without donor restrictions	411,446	(158,442)
NET ASSETS WITH DONOR RESTRICTIONS:		
Pledges, contributions and grants	110,377	162,349
Net assets released from restrictions	(141,240)	(162,045)
Net realized and unrealized gains (losses) on investments	225,526	(16,651)
Increase/(decrease) in net assets with donor restrictions	194,663	(16,347)
INCREASE/(DECREASE) IN NET ASSETS	606,109	(174,789)
NET ASSETS—Beginning of period	2,389,956	2,564,745
NET ASSETS—End of period	$ 2,996,065	$ 2,389,956

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, 2021	2020
OPERATING ACTIVITIES:		
Increase (decrease) in net assets	$ 606,108	$ (174,789)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	149,422	156,862
Non-cash operating lease expense	1,316	1,497
Cumulative effect of change in accounting principle	-	(34,532)
Postretirement related changes other than net periodic postretirement cost	(64,215)	12,794
Change in fair value of interest rate swaps	(4,668)	3,896
Net unrealized and realized (gains) losses on investments	(407,123)	13,983
Restricted contributions and investment income received	(26,544)	(24,593)
Investment (gains) losses on trustee held investments	(7,299)	54
Gain on sale of property and equipment	4,434	25,004
Changes in operating assets and liabilities:		
Accounts receivable for patient services	(16,292)	45,025
Accounts payable and accrued expenses	91,023	38,336
Estimated third-party settlements payable	(21,796)	228,431
Pension and postretirement costs	(2,187)	35,406
Accrued liability under self-insurance programs	35,788	18,169
Other changes in assets and liabilities	88,281	(19,698)
Net cash provided by operating activities	426,248	325,845
INVESTING ACTIVITIES:		
Additions to property and equipment	(173,502)	(220,640)
Acquisition of Rush Oak Brook Orthopaedic Center	(13,205)	-
Acquisition of of physician practices	-	(605)
Investment in Joint Venture	(6,678)	-
Purchase of investments	(3,238,677)	(4,165,767)
Sale of investments	2,928,398	4,135,096
Net cash used in investing activities	(503,664)	(251,916)
FINANCING ACTIVITIES:		
Proceeds from restricted contributions and investment income	26,544	24,593
Payment on line of credit	(75,000)	(36,500)
Proceeds from issuance of long-term debt	-	75,000
Proceeds from debt issuance	-	(27,460)
Proceeds from capital lease	-	366,500
Payment of long-term debt	(12,768)	(14,270)
Payment of obligations on finance lease liabilities	(896)	(2,524)
Proceeds from other financing arrangements	2,710	271
Net cash (used in) provided by financing activities	(59,410)	385,610
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(136,826)	459,539
CASH AND CASH EQUIVALENTS—Beginning of period	578,478	118,939
CASH AND CASH EQUIVALENTS—End of period	$ 441,652	$ 578,478
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Right of use assets obtained in exchange for new operating lease liabilities	$ 2,319	$ 3,556
Cash paid for interest	$ 38,794	$ 30,574
Net asset transfer of newly affiliated entity	$ -	$ 8,651
Noncash additions to property and equipment	$ 18,471	$ 20,829

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 687 physicians as of June 30, 2021.

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 $192,421 and $192,885 in annual research expenditures during fiscal years 2021 and 2020, respectively.

ROPH—A 185-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 70 physicians as of June 30, 2021. 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, 2021, RCMG employed 101 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 2,200 affiliated providers (1,792 physicians and 470 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

The Novel Corona Virus 2019 ("COVID-19") pandemic has materially impacted the hospitals and operations that comprise the system for which RUSH serves, and has impacted the business and financial condition of the RUSH Obligated Group. On March 18, 2020, the Centers for Medicare & Medicaid Services formally recommended that health care providers delay all elective surgeries and non-essential medical, surgical, and dental procedures during the pandemic. Governor Pritzker's Executive Order no. 2020-19 then required a cancellation of all elective surgeries and non-emergency care through May 11, 2020. Beginning May 11, 2020, the Illinois Department of Public Health ("IDPH") provided updated guidelines that hospitals and Ambulatory Surgical Treatment Centers may begin to perform elective procedures. RUSH followed IDPH guidelines and began the process of performing such elective and non-emergency procedures. 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.

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. CARES payments of $61,200 and $86,000 were recorded as other revenue in the consolidated statements of operations and changes in net assets during the years ended June 30, 2021 and 2020, respectively. In fiscal year 2020, RUSH also received advanced payments from Medicare of $231,700 which has been recorded within estimated third-party settlements and advances payable in the consolidated balance sheets. During fiscal year 2021, RUSH has paid back $39,228 of advanced payments from Medicare and $192,472 remains outstanding as of June 30, 2021. Of this amount, $149,441 is estimated to be repaid in fiscal year 2022 and is recorded within estimated third-party settlements and advances payable. The remaining $43,031 will be repaid in fiscal year 2023 and is recorded within other long-term liabilities in the consolidated balance sheet.

As of October 8, 2021, the Johns Hopkins University Corona Virus Resource Center Tracker reported the United States to have the largest number of confirmed cases at approximately 44.4 million. Of the United States counties, Cook County, Illinois has the fourth largest number of confirmed cases at approximately 625,647. RUSH continues its efforts to mitigate the financial impacts as it works to increase elective surgical cases and manage non-COVID related expenses. During fiscal year 2021, volumes returned to pre-pandemic levels in August 2020 and have remained relatively consistent since then.

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, 2021, are presented for the purpose of additional analysis of RUSH's fiscal year 2021 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

Effective July 1, 2020, RUSH adopted ASU No. 2018-13, *Fair Value Measurement* (Topic 820): *Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement*. The ASU removes, modifies, and adds certain disclosure requirements on fair value required by Topic 820. The ASU did not have a material impact on the consolidated financial statements.

Effective July 1, 2020, RUSH adopted ASU No. 2018-15, *Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract.* This aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The ASU did not have a material impact to the consolidated financial statements.

In March 2021, the FASB issued 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. RUSH is planning to adopt this ASU in fiscal year 2022 and does not expect that it will 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 of the standard.

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 requires contributed nonfinancial assets to be presented as a separate line item in the statement of activities. 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 is effective for RUSH beginning on July 1, 2021. RUSH is currently reviewing the requirements of the standard and evaluating the impact of the standard.

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. RUSH is currently reviewing the requirements of the standard and evaluating the impact of the standard, which is required to be implemented in fiscal year 2022.

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. RUSH is currently reviewing the requirements of the standard and evaluating the impact of the standard, which is required to be implemented in fiscal year 2022.

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 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 $18,135 and $20,025 at June 30, 2021 and 2020, 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, 2021 and 2020, implicit price concessions totaled approximately $117,017 and $95,277, 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, 2021 and 2020 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.

Investment income or loss (including interest, dividends, realized and unrealized gains and losses, and changes in cost-based valuations) is reported within non-operating income (loss) 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 income (loss) 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 5 to 7 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 $24,576 and $23,383 as of June 30, 2021 and 2020, 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, 2021 and 2020, noncontrolling interests in consolidated subsidiaries amounted to $2,617 and $5,403, 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 $7,483 and $6,875 as of June 30, 2021 and 2020, 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 $9,402 and $12,174 and $28,071 and $31,730 as of June 30, 2021 and 2020, 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 $124,526 and $102,481 of conditional contributions whose conditions have not been met as of June 30, 2021 and 2020, respectively. Of the fiscal 2021 amount, approximately $98,974 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 $25,552 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.

Excess (Deficit) of Revenues over Expenses

The consolidated statements of operations and changes in net assets include excess (deficit) of revenues over expenses as a performance indicator. Excess (deficit) 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 Income (Loss)

Non-operating income (loss) includes items not directly associated with patient care or other core operations of RUSH. Non-operating income (loss) 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, losses on extinguishment of debt, 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 28, 2021, the date the consolidated financial statements were issued. There were no significant subsequent events through this date, with the exception of the item below.

Announced September 28, 2021, RUSH and DispatchHealth entered into an arrangement to bring high-acuity, in-home medical care to Chicago. The arrangement is focused on expanding care delivery options and giving patients access to convenient acute healthcare in the home at a lower cost. The DispatchHealth and RUSH arrangement will bring acute care to those patients who often struggle with access to care in their time of need. Beginning October 7, 2021 patients will have access to care that can treat common to complex injuries and illnesses in the home.

3. PATIENT SERVICE REVENUE

The mix of patient service revenue recognized during the years ended June 30, 2021 and 2020, by major payor source and by lines of business, was as follows:

June 30, 2021	RUH	ROPH	CMH	Physician Groups	Clinical Joint Ventures & Other	Total	
Medicare	$ 337,984	$ 35,167	$ 86,770	$ 57,389	$ 17,514	$ 534,823	20.8%
Medicare Managed Care	85,077	11,452	34,517	11,734	-	142,780	5.5%
Medicaid	44,718	1,437	7,263	10,854	3,698	67,970	2.6%
Medicaid Managed Care	226,402	16,963	40,143	34,851	17,127	335,486	13.0%
Managed Care	240,290	26,766	72,408	76,818	27,677	443,959	17.2%
Blue Cross	535,016	42,359	119,066	81,539	19,272	797,253	31.0%
Commercial, Self-Pay, and Other	175,767	24,697	20,698	19,147	12,010	252,319	9.8%
Total Patient Service Revenue	$ 1,645,254	$ 158,841	$ 380,865	$ 292,332	$ 97,298	$ 2,574,590	100.0%

June 30, 2020	RUH	ROPH	CMH	Physician Groups	Clinical Joint Ventures & Other	Total	
Medicare	$ 319,399	$ 33,148	$ 69,057	$ 49,081	$ 12,226	$ 482,911	21.6%
Medicare Managed Care	57,201	6,726	23,651	8,488	-	96,066	4.3%
Medicaid	45,813	1,391	9,755	4,131	2,199	63,289	2.8%
Medicaid Managed Care	159,105	10,490	35,395	32,356	19,618	256,964	11.5%
Managed Care	484,678	36,597	99,584	54,631	7,065	682,555	30.6%
Blue Cross	217,509	22,450	71,965	64,798	13,999	390,721	17.5%
Commercial, Self-Pay, and Other	183,716	21,973	15,600	26,498	13,283	261,070	11.7%
Total Patient Service Revenue	$ 1,467,421	$ 132,775	$ 325,007	$ 239,983	$ 68,390	$ 2,233,576	100.0 %

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 $51,229 and $43,162 during the years ended June 30, 2021 and 2020, respectively. For the years ended June 30, 2021 and 2020, the Medicaid payment of $123,248 and $106,576 was included in patient service revenue, representing 5% of the patient service revenue for fiscal years 2021 and 2020, respectively, and the tax assessment of $72,019 and $63,414, 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, 2021 and 2020:

	2021	2020
Excess of allocated cost over reimbursement for services provided to hospital Medicaid patients—net of net benefit under the Program	$ 136,869	$ 163,821
Estimated costs and expenses incurred to provide charity care in the hospitals	24,286	32,024
Total	$ 161,155	$ 195,845

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, 2021 and 2020:

	2021	2020
Marketable securities and short-term investments	$ 288,742	$ 57,663
Fixed income securities	682,072	518,924
Public equity securities	359,729	206,368
Fund investments (mutual/commingled)	1,017,055	920,591
Alternative investments	272,019	199,758
Other	6,063	4,973
Total investments	2,625,680	1,908,277
Beneficial interest in trusts	36,985	29,685
Total assets limited as to use and investments	2,662,665	1,937,962
Less amount reported as current assets	(43,670)	(30,629)
Assets limited as to use and investments—noncurrent	$ 2,618,995	$ 1,907,333

As of June 30, 2021 and 2020, RUSH has commitments to additional alternative investments totaling $81,465 and $94,429, 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, 2021 and 2020, approximates the real return that RUSH expects to earn on its investments over the long term and totaled $6,741 and $6,718 for the years ended June 30, 2021 and 2020, respectively. The difference between the total investment return and the amount allocated to operations is reported in nonoperating income (loss) and totaled $16,851 and ($4,206) for the years ended June 30, 2021 and 2020, respectively. There is no guarantee that the investment return expected by management will be realized. For the years ended June 30, 2021 and 2020, the total annual investment return was approximately 7.2% and 1.5%, 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, 2021 and 2020, are as follows:

	2021	2020
Interest and dividends	$ 31,137	$ 42,884
Net realized gains on sales of securities	101,925	62,147
Unrealized gains (losses) — without donor restrictions	135,910	(61,267)
Unrealized gains (losses) — with donor restrictions	151,469	(38,268)
	$ 420,441	$ 5,496
Reported as:		
Other operating revenue	$ 989	$ 6,230
Nonoperating income	193,926	15,917
Net assets with donor restrictions — net realized and unrealized gains (losses) on investments	225,526	(16,651)
	$ 420,441	$ 5,496

6. FAIR VALUE MEASUREMENTS

As of June 30, 2021 and 2020, 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, 2021 and 2020:

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)

Fair Value Measurements as of June 30, 2020	**Level 1**	**Level 2**	**Level 3**	**Valued @ NAV**	**Total Fair Value**
Marketable securities and short-term investments	$ 32,518	$ 5,026	$ -	$ 20,119	$ 57,663
Fixed Income Securities:					
U.S. Government and Agency securities	-	160,114	-	-	160,114
Corporate Bonds	-	302,372	-	-	302,372
Asset Backed Securities and Other	-	56,438	-	-	56,438
Public Equity Securities	206,368	-	-	-	206,368
Fund Investments (Mutual/Commingled):					
Fixed Income Funds	151,267	-	-	-	151,267
Public Equity Funds	182,583	138,316	-	311,983	632,882
Multi Asset Class Funds	100,487	-	-	35,955	136,442
Alternative Investments:					
Hedge Funds	-	-	-	6,091	6,091
Private Equity Partnerships	-	1,469	-	112,904	114,373
Private Debt	-	-	-	79,294	79,294
Other:					
Derivative Assets	-	335	-	-	335
Trustee-held Investments	-	-	29,685	-	29,685
Pending Transactions	-	(4,245)	-	-	(4,245)
Total investments	$ 673,223	$ 659,825	$ 29,685	$ 566,346	$ 1,929,079
Obligations under interest rate swap agreements	$ -	$ (18,678)	$ -	$ -	$ (18,678)
Total liabilities at fair value	$ -	$ (18,678)	$ -	$ -	$ (18,678)

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, 2019	$ 29,739
Actual return on investments — Realized and unrealized losses	(54)
Purchases	-
Sales	-
Fair value — June 30, 2020	29,685
Actual return on investments — Realized and unrealized losses	7,300
Purchases	-
Sales	-
Fair value — June 30, 2021	$ 36,985

During the fiscal year 2021 and 2020, 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, 2021:

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	$ 29,932	Not currently redeemable	N/A
Private Debt	51,533	Not currently redeemable	N/A
Total	$ 81,465		

7. ENDOWMENT FUNDS

RUSH’s endowment consists of more than 400 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% and 18% of RUSH's endowment is available for general purposes for the years ended June 30, 2021 and 2020, respectively.

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, 2021 and 2020, are as follows:

Asset Class	Target Allocation and Range	Percentage of Endowment Assets 2021	2020
Global equity	60% (+/- 5%)	65 %	57 %
Multi Asset Fund	10% (+/- 5%)	8	6
Private equity	15% (+/- 5%)	19	18
Fixed income	15% (+/- 5%)	9	18
Cash	--	0	1

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, 2021 and 2020, and income from the endowment fund provided $22,056 and $21,089 of support for RUSH's programs during the fiscal years ended June 30, 2021 and 2020, respectively.

Composition of Endowment Fund and Reconciliation

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

The endowment net asset composition by type of fund as of June 30, 2020, consisted of the following:

	Without Restrictions	With Restrictions	Total
Donor-restricted endowment funds	$ -	$ 639,377	$ 639,377
Board-designated endowment funds	12,719	-	12,719
Total funds	$ 12,719	$ 639,377	$ 652,096

Changes in endowment net assets for the fiscal year ended June 30, 2020, consisted of the following:

	Without Restrictions	With Restrictions	Total
Endowment net assets — June 30, 2019	$ 13,026	$ 640,339	$ 653,365
Contributions	-	12,858	12,858
Net investment return	(126)	7,296	7,170
Transfer of endowment appreciation	(181)	(21,116)	(21,297)
Endowment net assets — June 30, 2020	$ 12,719	$ 639,377	$ 652,096

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, 2021 and impaired by $536 for the fiscal year ended and 2020.

8. PROPERTY AND EQUIPMENT—NET

Property and equipment—net as of June 30, 2021 and 2020 consisted of the following:

	2021	2020
Land and buildings	$ 2,255,444	$ 2,251,906
Equipment	1,010,051	975,529
Construction in progress	229,663	133,989
Total	3,495,158	3,361,424
Less accumulated depreciation	(1,875,271)	(1,749,779)
Property and equipment — net	$ 1,619,887	$ 1,611,645

Property and equipment—net includes financing leases of $4,891 and $2,854 in equipment as of June 30, 2021 and 2020, respectively. Accumulated depreciation on leased equipment amounted to $1,774 and $936 as of June 30, 2021 and 2020, 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, 2021 and 2020, RUSH had construction commitments outstanding of $186,598 and $187,045, 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 2022. 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, 2021 and 2020, 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, 2021 and 2020, is as follows:

			Amount Outstanding at June 30,	
Illinois Finance Authority Revenue Bonds	**Interest Rates**	**Final Maturity Date**	**2021**	**2020**
Fixed-rate revenue bonds:				
Series 2015 A/B	5.00%	November 15, 2039	$ 438,315	$ 448,175
Variable-rate revenue bonds:				
Series 2016	Average of 1.09% and 2.24% in FY2021 and FY2020, respectively	November 1, 2045	50,000	50,000
Total tax-exempt debt			488,315	498,175
Other Debt:				
2020 Taxable Bonds	3.92%	November 15, 2029	330,000	330,000
ROBOC	4.75%	March 5, 2026	38,930	-
Series 2019	1.78%	September 1, 2045	35,818	36,752
Line of Credit	3.20%	December 31, 2022	-	75,000
Mortgage loan, collateralized by fitness center	4.40%	May 2021	-	980
Total par value of debt			893,063	940,907
Less current portion of long-term debt			(12,216)	(11,775)
Debt Issuance Costs			(6,440)	(6,875)
Less unamortized premium			47,395	52,903
Long-term debt			$ 921,802	$ 975,160

In the third quarter of fiscal year 2020, the Obligated Group marketed a $330,000 taxable bond offering for the purposes of funding the construction of the Joan and Paul Rubschlager Building, retiring the Series 2011 bonds, and general corporate purposes. On February 14, 2020, RUSH entered into a $250,000 Treasury Interest rate lock with a reference yield of 2.06% and 30 years with its lead underwriting bank with the purpose of protecting RUSH from an adverse increase in interest rates. Subsequent to the rate lock but preceding the pricing of the bond offering, the breakout of COVID-19 pandemic precipitated the second largest two-month decline in 30-year rates over the last 30 years. The resulting decline in rates led to an adverse outcome whereas the rate lock was unwound on April 16, 2020, at a loss of $62,500 at a 30-year rate of 1.196%. The rate lock was a cash outflow and was recorded as a one-time non-operating loss within the consolidated statement of operations and changes in net assets in fiscal year 2020.

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, 2021 and 2020.

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

Years Ending June 30	
2022	$ 12,216
2023	12,703
2024	13,510
2025	14,143
2026	20,866
Thereafter	819,625
Total	$ 893,063

Lines of Credit Arrangements

In fiscal year 2020, the Obligated Group executed a $25,000 line of credit, with a maturity date of April 2021. No amounts were drawn on the $25,000 line of credit as of June 30, 2020 and 2021. In fiscal year 2020, the Obligated Group also had an existing three-year line of credit of $75,000 that was fully drawn. On October 9, 2020, the Obligated Group repaid its $75,000 line of credit that was due on December 31, 2022. As of June 30, 2021, no amounts were drawn or outstanding on this line of credit and the full amount of the line of credit was available for use.

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 (0.0631% and 0.066% as of June 30, 2021 and 2020, respectively) from the swap counterparties, each calculated on the notional amount of the Swap Agreements. As of June 30, 2021 and 2020, the

Swap Agreements had a notional amount of $67,400 and $71,500, respectively ($33,700 in notional amount with each counterparty). 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, 2021 and 2020, the Obligated Group had no collateral posted under Swap Agreements.

The fair value of the Swap Agreements as of June 30, 2021 and 2020, was as follows:

		June 30	
	Reported As	**2021**	**2020**
Obligations under Swap Agreements	Other long-term liabilities	$ (14,009)	$ (18,678)
Collateral posted under Swap Agreements	Other current assets	-	-
Obligations under Swap Agreements — net		$ (14,009)	$ (18,678)

The fair value of the Swap Agreements reported in RUSH's consolidated balance sheets in other long-term liabilities as of June 30, 2021 and 2020, 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, 2021 and 2020, were as follows:

		Fiscal Years Ended June 30	
	Reported As	**2021**	**2020**
Change in fair value of interest rate swaps	Nonoperating (loss) income	$ (4,668)	$ 3,896
Net cash payments on interest rate swaps	Interest expense	2,843	2,129

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 2021 to 2026. Assets acquired under financing lease arrangements are included in property and equipment—net in the accompanying consolidated balance sheets. Termination of the leases generally are prohibited unless there is a violation under the lease agreement.

Total financing lease assets and liabilities in the consolidated balance sheets were $3,136 and $1,713 at June 30, 2021 and 2020, 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, 2021, 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, 2021 are as follows:

	2021	**2020**
Lease cost:		
Operating lease cost	$ 27,556	$ 30,729
Short-term and variable lease cost	14,924	345
Total operating, short-term, and variable lease cost	$ 42,480	$ 31,074
Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ (26,563)	$ (29,233)
Right-of-use assets obtained in exchange for new operating lease liabilities	2,319	3,556
Operating leases		
Weighted-average remaining lease term	6.33	7.00
Weighted-average discount rate	1.89 %	1.88 %

Annual maturities of lease liabilities at June 30, 2021, are as follows:

	Operating Leases
2022	$ 27,692
2023	25,095
2024	23,645
2025	18,979
2026	13,186
Thereafter	34,451
Total future undiscounted lease payments	143,048
Less interest	8,554
Lease liabilities	$ 134,494

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.

RUMC offered an enhanced retirement opportunity ("ERO") to certain RUMC and ROPH employees meeting eligibility requirements during fiscal year 2019. Some of these employee settlements occurred in fiscal year 2020 with a cash payout of $691. During fiscal year 2020, RUMC, on behalf of the defined benefit plans for RUMC and ROPH, continued to de-risk its open defined benefit plan for certain eligible employees. RUMC completed a risk transfer of certain retiree liabilities to an insurance company that went into effect June 1, 2020. In fiscal year 2020, the risk transfer was for $125,900 of plan assets and liabilities that resulted in a one-time non-cash settlement of $40,445. The settlement is included in non-operating losses within the consolidated statement of operations and changes in net assets. In fiscal year 2021, there were no settlements, curtailments or changes to the plan.

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

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 reflects the funded status of the Plans as of the Measurement Date and amounts recognized in the consolidated balance sheets as of June 30, 2021 and 2020.

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

Obligations and Funded Status **Year ended June 30, 2020**	**Defined Benefit Pension Plans**	**Postretirement Healthcare Plan**
Actuarial present value of benefit obligations — accumulated benefit obligation	$ 1,023,587	$ 6,008
Change in projected benefit obligations:		
Projected benefit obligation — beginning of measurement period	$ 1,079,493	$ 6,296
Service costs	23,765	221
Interest costs	38,678	236
Employee contributions	-	250
Special termination benefits	-	-
Plan settlements	(128,817)	-
Actuarial gain (loss)	100,474	(471)
Benefits paid	(53,296)	(524)
Projected benefit obligation — end of measurement period	$ 1,060,297	$ 6,008
Change in plan assets:		
Fair value of plan assets — beginning of measurement period	$ 1,037,654	$ -
Actual return on plan assets	96,266	-
Employer contributions	18,164	274
Plan participant contributions	-	250
Plan settlements	(128,817)	-
Benefits paid	(53,296)	(524)
Fair value of plan assets — end of measurement period	$ 969,971	$ -
Accrued benefit liability	$ 90,326	$ 6,008

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, 2021**	**Defined Benefit Pension Plans**			**Postretirement Healthcare Plan**
	Retirement Pension Plan	**Supplemental Pension Plan**	**Retirement Plan Pre 2015**	
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)

Components of Net Periodic Pension Cost **Year Ended June 30, 2020**	**Defined Benefit Pension Plans**	**Postretirement Healthcare Plan**
Net periodic pension cost comprised of the following:		
Service cost	$ 23,765	$ 221
Interest cost on projected benefit obligation	38,678	236
Expected return on plan assets	(58,989)	-
Amortization of prior service cost and other actuarial amounts	(665)	-
Recognized actuarial loss (gain)	10,546	(548)
Special termination benefit recognized	-	-
Recognized settlement loss	40,445	-
Net periodic pension cost (credit)	$ 53,780	$ (91)

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

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 expen:	(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
	$ 85,101	$ 4,439	$ (65,694)	$ 6,145

Accrued Benefit Liability **As of June 30, 2020**	**Defined Benefit Pension Plans**	**Postretirement Healthcare Plan**
Accrued benefit liability — beginning of measurement period	$ 41,839	$ 6,296
Fiscal year activity:		
Net periodic pension cost	53,780	(91)
Employer contributions	(18,164)	(274)
Postretirement-related changes and other net periodic postretirement costs:		
Actuarial gain (loss)	63,196	(471)
Reclassification adjustment for losses reflected in periodic expense	(50,325)	548
Accrued benefit liability — end of measurement period	$ 90,326	$ 6,008
Recognized in the consolidated balance sheets as follows:		
Accrued expenses	$ -	$ -
Noncurrent liabilities	90,326	6,008
	$ 90,326	$ 6,008

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 $64,215 and $(12,794) for fiscal years 2021 and 2020, respectively. 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. For fiscal year 2020, this amount includes actuarial gains arising during fiscal year 2019 of $62,727 and a reclassification adjustment for losses reflected in periodic expense in fiscal year 2020 of $49,778.

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, 2021 and 2020, are as follows:

	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

Year ended June 30, 2020	**Defined Benefit Pension Plans**	**Postretirement Healthcare Plan**
Unrecognized prior service credit	$ 1,264	$ -
Unrecognized net actuarial (loss) gain	(289,890)	1,226
Total	$ (288,626)	$ 1,226

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			**Postretirement**
As of June 30, 2021	**Retirement Pension Plan**	**Supplemental Pension Plan**	**Retirement Plan Pre 2015**	**Postretirement 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

Assumptions Used to Determine
Benefit Obligations and Net Periodic Benefit Cost

As of June 30, 2020	Defined Benefit Pension Plans: Retirement Pension Plans	Defined Benefit Pension Plans: Retirement Plan Pre 2015	Postretirement Healthcare Plan
Discount rate — benefit obligation	3.05 %	2.95 %	3.05 %
Discount rate — pension expense	3.75	3.65	3.75
Rate of increase in compensation levels	5.57	-	-
Expected long-term rate of return on plan assets	6.75	5.25	-
Health care cost trend rate (initial)	-	-	6.00
Health care cost trend rate (ultimate)	-	-	4.50
Year the rate reaches ultimate trend rate	-	-	2038

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 2021 and 2020, 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, 2021 and 2020, the actual rate of return on plan assets was 2.7% and 10.1%, 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, 2021 and 2020, is as follows:

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)

Fair Value Measurements as of June 30, 2020	**Level 1**	**Level 2**	**Level 3**	**Valued @ NAV**	**Total Fair Value**
Marketable securities and short-term investments	$ -	$ -	$ -	$ 16,454	$ 16,454
Fixed Income Securities:					
U.S. Government and Agency securities	-	358,733	-	-	358,733
Corporate Bonds	103,611	387,855	-	-	491,466
Asset Backed Securities and Other	-	34,382	-	-	34,382
Public Equity Securities	61,915	-	-	-	61,915
Fund Investments (Mutual/Commingled):					
Public Equity Funds	51,559	1,082	-	98,796	151,437
Multi Asset Class Funds	9,480	-	-	-	9,480
Alternative Investments:					
Private Equity Partnerships	-	-	-	14,259	14,259
Other:					
Derivative Assets	-	2,866	-	-	2,866
Pending Transactions	432	(164,484)	-	(23)	(164,075)
Total Plan Assets	$ 226,997	$ 620,434	$ -	$ 129,486	$ 976,917
Liabilities					
Derivative Liabilities	$ -	(6,946)	-	-	(6,946)
Total Liabilities at Fair Value	$ -	$ (6,946)	$ -	$ -	$ (6,946)

As of June 30, 2021 and 2020, the defined benefit pension plan's commitments for additional contributions to alternative investments totaled $5,049 and $4,960, 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 2022	$ 24,775	$ 349
Estimated Benefit Payments		
2022	$ 62,344	$ 349
2023	59,301	396
2024	62,076	443
2025	62,095	468
2026	63,361	485
2027 through 2031	325,105	2,493
Total	$ 634,282	$ 4,634

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 $18,121 and $25,358 for the years ended June 30, 2021 and 2020, 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 $40,526 and $31,350 as of June 30, 2021 and 2020, 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 $9,948 and $10,154 as of June 30, 2021 and 2020, respectively, and are included in investments—less current portion in the accompanying consolidated balance sheets. These supplemental retirement plans are currently funded at 91% 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, 2021 and 2020, was as follows:

	2021	2020
Medicare	14 %	14 %
Medicare Managed Care	6	6
Medicaid	4	11
Medicaid Managed Care	16	17
Managed Care	23	23
Blue Cross	31	23
Commercial	3	3
Self-pay	3	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 2020 to 2021, 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, 2021, self-insured retentions are now uniform across the 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 $288,099 and $266,066 as of June 30, 2021 and 2020, 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 $45,184 and $22,510 higher than the amounts recorded in the consolidated balance sheets as of June 30, 2021 and 2020, respectively. The discount rates used in calculating the present value by RUSH was 4% for fiscal years ended June 30, 2021 and 2020. Insurance recoveries are presented separately within noncurrent and current assets in the accompanying consolidated balance sheets, as appropriate. As of June 30, 2021 and 2020, 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 impact based on actuarial valuation is an increase in professional liability reserves by $14,510 for fiscal year ended June 30, 2021.

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, 2021 and 2020:

	2021	2020
Unconditional promises to contribute before unamortized discount and allowance for uncollectibles	$ 42,622	$ 50,250
Less unamortized discount	(184)	(359)
Less allowance for uncollectibles	(4,965)	(5,987)
Net unconditional promises to contribute	$ 37,473	$ 43,904
Amounts due in:		
Less than one year	$ 17,894	$ 21,121
One to five years	23,793	28,589
More than five years	935	540
Total unconditional promises to contribute	$ 42,622	$ 50,250

16. NET ASSETS

Net assets without donor restrictions as of June 30, 2021 and 2020, consist of the following:

Net Assets Without Donor Restrictions	**2021**	**2020**
Non-Board designated	$ 1,966,534	$ 1,555,907
Board designated	14,073	12,719
Total net assets without donor restrictions	$ 1,980,607	$ 1,568,626

Net assets with donor restrictions as of June 30, 2021 and 2020, were available for the following purposes:

Net Assets With Donor Restrictions	**2021**	**2020**
Restricted for specified purpose:		
Construction and purchase of equipment	$ 17,419	$ 54,602
Health education	17,243	20,453
Research, charity and other	580,861	391,292
Unappropriated endowment appreciation available for operations	84,709	58,052
Total funds designated for specified purpose	$ 700,232	$ 524,399
Endowments, perpetual in nature, the income from which is expendable for the following specified purposes:		
Health education	$ 192,901	$ 182,187
Research, charity and other	79,240	75,350
Operations	43,085	39,394
Total endowment net assets	315,226	296,931
Total net assets with donor restrictions	$ 1,015,458	$ 821,330

During fiscal years 2021 and 2020, net assets were released from donor restrictions for purchasing property and equipment of $41,385 and $2,021, respectively, and incurring expenses of $99,855 and $160,024, 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 $15,494 and $8,383 as of June 30, 2021 and 2020, 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 $5,971 and $4,029 during the years ended June 30, 2021 and 2020, respectively.

Effective December 1, 2020, RUMC entered into a new joint venture with Select Medical Corporation to form RUSH-SELECT, LLC. RUMC contributed capital of $6,678 for a 26.5% ownership interest in the RUSH-SELECT,LLC joint venture. The investment in the joint venture is accounted for using the equity method.

Effective December 15, 2020, RUMC purchased the additional interest in the Rush Oak Brook Orthopaedic Center, LLC joint venture for $13,205 which increased our investment from 65% to 100%. In fiscal years 2021 and 2020, the joint venture was consolidated into RUSH's results given our ownership in both years.

Effective February 1, 2021, RUSH and Ann & Robert H. Lurie Children's Hospital of Chicago ("Lurie Children's") executed agreements to form a clinical affiliation to advance pediatric care for the children of the Chicago area. RUSH and Lurie Children's will jointly manage RUMC's pediatric inpatient services, which include the pediatric intensive care unit, neonatal intensive care unit and newborn services, inpatient and outpatient pediatric cardiology services, and inpatient and outpatient pediatric hematology/oncology services, as well as outpatient pediatric services at other Rush locations, excluding RCMC.

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, 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

The expenses reported in the consolidated statement of operations for the year ended June 30, 2020, supported the following programs and functions:

	Healthcare Services	Academic & Research Activity	General & Administrative Support	Total
Salaries, Wages & Employee Benefits	$ 1,123,369	$ 163,428	$ 138,829	$ 1,425,626
Supplies, Utilities & Other	661,619	103,713	45,621	810,953
Insurance	62,828	-	3,335	66,163
Purchased Services	181,343	9,142	66,591	257,076
Depreciation and Amortization	156,700	-	162	156,862
Interest	28,404	-	33	28,437
Total	$ 2,214,263	$ 276,283	$ 254,571	$ 2,745,117

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, 2021 and 2020, were as follows:

	2021	2020
Beginning balance	$ 19,835	$ 20,730
Acquisition of goodwill	-	605
Impairment charge	-	(1,500)
Ending balance	$ 19,835	$ 19,835

There was no goodwill impairment change during the year ended June 30, 2021. A goodwill impairment charge for $1,500 was recorded during the year ended June 30, 2020, related to deteriorating operating results caused by the pandemic.

20. LIQUIDITY

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

	2021	2020
Current Assets:		
Cash and cash equivalents	$ 441,652	$ 578,477
Accounts receivable for patient services	364,311	348,019
Other accounts receivable	28,769	33,605
Other current assets	19,147	20,909
Total current assets	853,879	981,010
Investments	855,551	900,170
Total	$ 1,709,430	$ 1,881,180

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 $75,000 line of credit available for working capital.

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:

Land, building and equipment, net	
Net book value of assets in service after June 30, 2019	**Total**
(Pre-implementation):	
Land/Bldg	$ 1,010,876
Equipment	105,579
Total	$ 1,116,455
Net book value of assets in service after June 30, 2020	
(Post-implementation):	
Land/Bldg	$ 130,946
Equipment	142,823
Total	$ 273,769
Construction in Progress	$ 229,663
Land, Building and equipment, net	$ 1,619,887
Intagible Assets as of June 30, 2021	$ 74
Unsecured related party receivables as of June 30, 2021	$ 822

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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*

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, the consolidated financial statements of Rush University System for Health (the “System”), which comprise the consolidated balance sheets as of June 30, 2021 and 2020, 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 28, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the System’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 opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System’s internal control. Accordingly, we do not express an opinion on the effectiveness of the System’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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the System’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 System'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.

Deloitte & Touche LLP

Chicago, IL

October 28, 2021

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB UNIFORM GUIDANCE

To the Board of Trustees of Rush System for Health:

Report on Compliance for Each Major Federal Program

We have audited Rush University System for Health's (the "System") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the System's major federal programs for the year ended June 30, 2021. The System's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the System's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the System's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the System complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the System is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the System's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the System's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Deloitte & Touche LLP

Chicago, IL

September 28, 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		$ 56,962,694	$ 10,189,906
National Institute of Health:COVID				
COVID-Chicago Prevention and Intervention Epicenter II CPIE-II	93.084		599,479	108,083
Alcohol misuse: An independent risk factor that increases the incidence and severity of COVID-19	93.273		164,652	
COVID-Great Lakes Node of the Drug Abuse Clinical Trials Network	93.279		88,799	28,370
Mitigating COVID-19 transmission in U.S. jails	93.855		70,660	
Alive Church Network: Increasing COVID-19 Testing in Chicago African American testing deserts	93.310		360,630	10,210
Passed through Age Options:				
Mental Health Services	93.RD	402-03-2419	73,094	
Passed through Adaptive Health:				
Integrating a Suite of Mental Health Apps for Depression in a Healthcare Setting	93.242	2R44MH114725	7,557	
Passed through Altius Institute:				
ENCODE mapping center—A comprehensive catalog of DNaseI Hypertension Sites	93.172	UM1HG009444	6,820	
Passed through Argus Cognitive Inc:				
ARGUS-MDS: Automated, Quantitative and Scalable System for Social Processes in Behavioral Health	93.242	R44MH121965	71,034	
ARGUS-MDS: Automated, Quantitative and Scalable System for Social Processes in Behavioral Health	93.242	R44MH121965	34,807	
Passed through Augusta University:				
Mechanisms of Estrogen Signaling and Neuroprotection	93.853	R56NS109908	61,323	
Passed through University of Alabama:				
Identifying therapeutic targets that confer synaptic resilience to Alzheimer's disease	93.866	R01AG061800	154,068	
Role of vitamin D in the prevention and progression of urinary incontinence	93.847	R01DK115473	31,457	
Passed through University of Arizona:				
Building a Novel Predictive Networks for High-throughput, In-silico Key Driver Prioritization to Enhance Drug Target Discovery in Amp-AD and M2OVE-AD	93.866	RF1AG057457	7,468	
Passed through Broad Institute:				
A Catalog of Cell Types and Genomic Elements in Tissues, Organoids and Disease	93.172	UM1HG009390	27,128	
Passed through Banner Health:				
Neurobiology of Mild Cognitive Impairment in the Elderly	93.866	P01AG014449	58,648	
Passed through Children's Hospital:				
Impact of Well-Timed vs. Mis-timed Sleep Extension on Adolescents' Dietary Intake	93.837	R01HL147915	16,659	
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	3,796	
Passed through University of Minnesota:				
Restore: Improving Sexual Outcomes of Gay and Bisexual Prostate Cancer Survivors	93.393	R01CA218657	9,838	
Passed through University of Miami:				
Mechanisms of Early Recurrence in Intracranial Atherosclerotic Disease (MyRIAD)	93.853	R01NS084288	2,325	
Passed through MCHC:				
MCHC - Chicago Hospital Council Subaward Agreement	93.889	12102602	8,000	
Passed through National Fragile Foundation:				
FORWARD Registry and Database	93.RD	NA	12,678	
Passed through New York University:				
Developmental Origins of Kidney Function in Early Life and Environmental Risks.	93.113	R01ES032214	28,888	
Passed through Purdue University:				
Childhood Misfortune and Adult Health among Black, White, and Hispanic Americans	93.866	R01AG043544	15,062	
Disparities in the Life Course Origins of Cognitive Decline	93.866	RF1AG068388	11,170	

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RUSH SYSTEM FOR HEALTH

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YEAR ENDED JUNE 30, 2021

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 University of Pennsylvania:				
Impact of Daytime vs. Delayed Eating Schedule on Weight and Metabolic Markers Among Obese Persons: An Examination of Circadian Mechanisms.	93.847	5R01DK117488	$ 157,674	$ -
CONNECT—TBI	93.853	U54NS115322-02	3,577	
Passed through Wake Forest University Health:				
US POINTER Imaging Ancillary Study	93.866	R01AG062689	47,275	
POINTER-zzz: Sleep Ancillary to U.S. Study to Protect Brain Health through Lifestyle Intervention to Reduce Risk of Alzheimer's Disease	93.866	R01AG064440	6,359	
Passed through University of Texas:				
Clinical Pathological Study of Cognitive Impairment in Essential Tremor	93.853	R01NS086736	18,961	
Passed through City of Hope:				
PA-20-070 "Development of evidence-based decision support for the management of COVID19"	93.226	R01HS024917	67,448	
Passed through Hektoen:				
MACS/WIHS Combined Cohart Study; Cook County Clinical Research Site (CC_CRS)	93.837	U01HL146245	12,122	
MACS/WIHS Combined Cohort Study; Cook County Clinical Research Site (CC_CRS)	93.837	U01HL146245	28,164	
Passed through University of Hawaii:				
Profiling genome-wide circulating ncRNAs for the early detection of lung cancer	93.394	R01CA223490	90,206	
Passed through University of Mississippi:				
Jackson Heart Study Coordinating Center	93.RD	HHSN268201800010I	14,647	
Passed through Van Andel Research Institute:				
Promoting survival of dopamine neurons in models of Parkinson disease using a novel transcriptional regulator	93.853	R21NS105436	230	
Combining synucleinopathy and mitochondrial deficits in a novel mouse model of Parkinsons disease	93.853	R21NS106078	61,713	
Passed through University of Utah:				
Circadian and sleep pathways to cardiometabolic disease risk: role of neurobehavioral processes	93.233	R01HL141706	28,854	
Center For the Structural Biology of Cellular Host Elements in Egress, Trafficking, and Assembly of HIV (CHEETAH Center)	93.859	P50AI1150464	88,800	
Passed through Loyola University:				
METS-Sleep: Sleep timing, gut microbiota and cardiometabolic risk across the Epidemiologic Transition	93.233	R01HL148271	22,662	
Passed through Dignity Health:				
Neurobiology of Mild Cognitive Impairment in the Elderly	93.866	P01AG014449	32,586	
Passed through DePaul University:				
Preventing Suicide in African American Adolescents	93.242	1R01MH118382	216,208	
Passed through Fox Chase Chem Diversity Center:				
Riluzole prodrugs for melanoma and ALS	93.395	2R44CA156781	76,377	
Passed through Heartland Health Center:				
Advanced Nursing Education Nurse Practitioner Residency	93.247	T14HP33133	251,128	
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	4,317	
Role of impaired cognitive states & risk factors in conversion to mixed dementias	93.866	R01AG038651	73,721	
Passed through Wright State University:				
Differential clearance of pyroglutamate a beta through arachnoid meningeal lymphatics in AD	93.866	R01AG064226	39,350	
Passed through Wistar Institute:				
Role of Intestinal Barrier Integrity in Modulating the Host Glycome During COVID-19	93.847	R01DK123733	98,345	
SialicnAcid Modulation of HIV-associated Chronic Inflammaging	93.866	R01AG062383	12,489	
Glycomic Modulation of Gut Microbiome During HIV Infection	93.847	R01DK123733	90,377	
Passed through Hennepin Healthcare Research:				
ASPirin in Reducing Events in the Elderly eXTensionASPREE	93.866	U19AG062682	224,851	
ASPirin in Reducing Events in the Elderly eXTensionASPREE	93.866	U19AG062682	35,037	

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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 CDC:				
Evaluating emergence of resistance and changes in clinical pathogens following introduction of chlorhexidine bathing	93.RD	75D30119C06549	$ 208,711	$ 163,794
Innovative Support for Patients with SAR SARSCOV2 Infections(INSPIRE) Registry	93.RD	75D30120C08008	1,960,300	
Innovative Support for Patients with SAR SARSCOV2 Infections (INSPIRE) Registry	93.RD	75D30120C08008	412,527	398,277
Innovative Support for Patients with SAR SARSCOV2 Infections (INSPIRE) Registry	93.RD	75D30120C08008	127,223	127,223
Evaluating SARS-CoV-2 vaccine effectiveness among healthcare personnel during early phase, post-introduction vaccination	93.RD	75D30121F00001	13,345	
Passed through Hektoen Institute:				
MACS/WIHS combined cohort study: cook county clinical research site (CC_CRS)	93.837	U01HL146245	57,846	
Passed through Columbia University:				
Pathway Discovery, Validation for Alzheimer's Disease and Compound Identification for Alzheimer's Disease	93.866	U01 AG046152	15,503	
Pathway Discovery, Validation and Compound Identification for Alzheimer's Disease	93.866	U01 AG046152	(11,213)	
NIA Late Onset of Alzheimer's Disease (LOAD) Family Based Study	93.866	U24AG056270	44,777	
Pathway Discovery, Validation for Alzheimer's Disease and Compound Identification for Alzheimer's Disease	93.866	U01 AG046152	1,856	
Deconstructing and modeling the single cell architecture of the Alzheimer brain	93.866	1RF1AG057473	602	
Convergence of myeloid susceptibility protein function in Alzheimer's disease	93.866	R01AG058852	38,877	
Metformin in Alzheimer's dementia Prevention (MAP)	93.866	R01AG062624	18,785	
Blood Pressure and ADRD in African Americans The Jackson Heart Study	93.866	R01AG066134	19,591	
Multi-omic network directed proteoform discovery, dissection and functional validation to prioritize novel AD therapeutic targets	93.866	U01AG061356	462,593	
Discovery and validation of genetic variants affecting microglial activation in Alzheimer's disease	93.866	RF1AG070438	28,069	
Metformin in Alzheimer's dementia Prevention (MAP)	93.866	R01AG062624	17,905	
Passed through Northwestern University:				
The effects of capsinoids on brown adipose tissue recruitment and activation in obesity	93.847	R01DK112281	8,138	
Functionally Defining HIV-Host Interactions During the Early HIV-1 Lifecycle	93.855	R01AI150998	208,093	
Glutamate receptor signaling pathways in the circuit integration of adult-born neurons.	93.853	R01 NS115471	26,098	
Technology Enabled Services for Coordinated Care of Depression in Healthcare settings	93.242	P50MH119029	56,016	
PA-20-072: Supplement to A Chicago center of excellence in learning health systems research training (ACCELERAT)	93.226	K12HS026385	4,969	
Expansion of SARS-CoV-2 Testing Supplement, Chicago Clinical Trials Unit	93.855	UM1AI069471	299,900	
Successful Clinical Response In Pneumonia Therapy (SCRIPT) Systems Biology Center	93.855	U19AI135964	14,387	
Chicago Clinical Trial Unit	93.855	UM1AI069471	1,210	
Myocardial Vulnerability to Ischemia-Induced Dysfunction and Heart Failure: The Impact of HIV/SIV, ART and Targeted Immunotherapy	93.837	R01HL154862	22,806	
Genetic modifiers of the Mediterranean-DASH dieton MRI Amongst a Diverse Population with Cognitive Complaint Intervention for Neurodegenerative Delay (MIND) response	93.866	R01AG065398	26,450	
Effects of Spaceflight on Gastrointestinal Microbiota in Mice: Mechanisms and Impact on Multi-System Physiology	43.007	NNX15AL05G	6,104	
Chicago Clinical Trials Unit	93.855	UM AI069471	342,535	
SPORE in Prostate Cancer	93.397	P50CA180995	5,170	
Food Allergy Outcomes Related to White and African American Racial Differences (FORWARD)	93.855	R01AI130348	118,229	
A Family Genetic Study of Language in Autism	93.173	R01DC010191	50,339	

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Synaptic Substrates of Age-Dependent Memory Deficits	93.866	2RF1AG017139	$ (33,405)	$ -
Core Center for Clinical Research at NU	93.846	P30AR072579	9,201	
Molecular mechanisms underlying behavioral and psychological symptoms in Alzheimer's disease	93.866	R01AG062249	168,856	
Lupus Intervention Fatigue Trial (LIFT)	93.846	R01AR071091	1,721	
A Chicago center of excellence in learning health systems research training (ACCELERAT)	93.226	K12HS026385	61,757	
A Family-Genetic Study of Autism and Fragile X Syndrome	93.242	R01 MH91131	73,648	
Predoctoral and postdoctoral training program in aging and dementia	93.866	T32AG020506	(4,297)	
Passed through University of Chicago:				
ITM 2.0: Advancing Translational Science in Metropolitan Chicago	93.350	TL1TR002388	155,823	
Targeted Healthcare Engineering for Systems Interventions In Stroke (THESIS)	93.226	R18HS027264	12,888	
ITM 2.0: Advancing Translational Science in Metropolitan Chicago	93.350	UL1TR002389	61,876	
ITM 2.0: Advancing Translational Science in Metropolitan Chicago	93.350	UL1TR002389	126,823	
ITM 2.0: Advancing Translational Science in Metropolitan Chicago	93.350	UL1TR002389	46,751	
Chicago Center for Youth Violence Prevention	93.136	U01CE002712	51,198	
Advancing Translational Science in Metropolitan Chicago-KL2 Component	93.350	KL2TR002387	393,065	
ITM 2.0: Advancing Translational Science in Metropolitan Chicago	93.350	UL1TR002389	779,563	
Chicago Metropolitan Asthma Consortium for Severe/exacerbation-prone Asthma	93.838	1UG1HL139125	47,532	
Adaptive testing of cognitive function based on multidimensional item response theory	93.866	R56AG066127	100,537	
Predictive Analytics Applied to Integrated Administrative Emergency Response Datasets in Chicago	93.242	1R01MH117168	12,204	
Illinois Precision Medicine Consortium	93.368	OT2OD026557	707,159	
CTSA Grant	93.350	UL1TR002389	9,343	10,000
Passed through University of Illinois:				
Discovery of novel smHDACS inhibitors for the treatment of schistosomiasis	93.855	R21AI46512	2,659	
The Role of Mid-life Psychosocial Stressors, Social Resources and Physiological Dysregulation	93.866	R21AG065654	1,204	
Leadership Education in Neurodevelopmental and Related Disorders Training Program	93.110	T73MC11047	5,022	
The Effect of Penile Microbiome on BV, GUD and Genital Epithelial Trauma	93.855	R01 AI110369	(5,258)	
Plasticity Circuits in Alzheimer's Disease	93.866	R01 AG033570	109	
Integrated Mechanisms of Cardiac Maladaptation	93.837	P01HL062426	121,395	
Diet Modulation of Bacterial Sulfur & Bile Acid Metabolism and Colon Cancer Risk	93.393	1R01CA204808	104,194	
Mediterranean Diet, Weight Loss, and Cognition in Obese Older Adults	93.837	R01HL129153	15,672	
Leadership Education in Neurodevelopmental and Related Disabilities Training Program	93.110	T73 MC11047-09-00	62	
Center for Health Equity Research (CHER)	93.307	U54MD012523	9,337	
AHEC Point of Service Maint & Enhancement	93.107	U77HP26847	27,840	12,776
A Dynamic Environmental Exposure Approach to Study Behaviors in Mid-Life.	93.866	R01AG062180	14,982	
Investigation of CXCR7 Signaling in EGFR TK1 resistant NSCLC	93.396	R01CA230778	16,892	
An innovative mobile health intervention to improve self-care in patients with heart failure	93.361	R1NR0118281	1,383	
Center for Health Equity Research (CHER)	93.307	U54MD012523	75	
Diet Modulation of bacterial sulfur & bile acid metabolism and colon cancer risk	93.393	R01CA204808	28,660	

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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 Westat Inc:				
NICHD International and domestic Pediatric and Maternal HIV Studies Coordinating Center	93.RD	HHSN275201300003C HHSN275201800001I	$ 111,020	$ -
NICHD International and Domestic Pediatric and Maternal HIV Studies Coordinating Center	93.RD	HHSN275201300003C HHSN275201800001I	37,828	37,828
Passed through Yale University:				
Molecular Networks Underlying Resilience to Alzheimer's Disease Among APOE E4 Carriers	93.866	R01AG057912	103,401	
Passed through University of Montreal:				
Exploring the role of IL-32 as a potential biomarker an therapeutic target in premature cardio-vascular diseases during HIV-infection	93.866	R01AG054324	26,891	
Passed through University of California: USC, UC Davis, California Institute of Technology, Children Hosp LA, UCLA				
AIDS Clinical Trials Group - PROTOCOL	93.855	UM1AI068636	390,000	
AIDS Clinical Trials Group - PROTOCOL PIFA5401	93.855	UM1AI068636	274,278	
Global Alzheimer's Platform Trial-Ready Cohort for Preclinical/Prodromal Alzheimer's Disease	93.866	R01AG053798	35,350	
Life course exposure to community violence and risk of cognitive decline, Alzheimer's Disease, and related dementias among African-Americans	93.866	R01AG067525	9,310	
The Clinical Significance of Incidental White Matter Lesionson MRI Amongst a Diverse Population with Cognitive Complaint (INDEED)	93.853	U19NS120384	10,221	
A Cognitive Test Battery for Intellectual Disabilities	93.865	R01HD076189	81,073	
UC Davis Alzheimer's Disease Core Center	93.866	P30AG010129	71,362	
The Clinical Significance of Incidental White Matter Lesions on MRI Amongst a Diverse Population with Cognitive Complaint	93.853	U19NS120384	58,982	
CD40 Autoantibody and FSGS Recurrence	93.847	R01DK109720	31,169	
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	11,160	
Alzheimer's Disease Neuroimaging Initiative (ADN13)	93.866	U19AG24904	127,211	
Ethnic-specific Effects of Mitochondrial DNA Variants and Environmental Factors on Cognitive Functioning and Dementia	93.866	R01AG068405	32,217	
Alzheimer's Disease Neuroimaging Initiative 2 (ADNI2)	93.866	U01AG024904	44,604	
Alzheimer's Disease Cooperative Study - A4 Study	93.866	U19 AG010483	24,985	
AKAP-dependent regulation of Cardiac SR Ca handling	93.837	R01HL133832	117,743	
CD40 Autoantibody and FSGS Recurrence	93.847	R01DK109720	166,386	
Racial Differences in Decision Making among Older Adults	93.866	R01AG055430	362,605	
Nonlinear Models of Cognition Preceding AD and non-AD in a Biracial Population Sample	93.866	R01AG051635	34,770	
Laboratory Center, AIDS Clinical Trails Group (ACTG) LC2/3	93.855	UM1AI106701	160,252	
Alzheimer's Clinical Trial Consortium (ACTC)	93.866	U24AG057437	147,786	
Early vascular contributions to dementia risk in African-Americans	93.866	RF1AG050782	31,692	
Preserving Cognitive Resilience: A Biracial Parent-Offspring Study	93.866	R01AG058679	173,826	
Factors Influencing Decline in AD Trends in a Biracial Population Study	93.866	RF1AG057532	37,977	
Laboratory Center, AIDS Clinical Trials Group (ACTG)LC 2/3	93.855	UM1AI106701	25,615	
Leadership and Operations Center, Aids Clinical Trials Group	93.855	UM1AI068636	58,815	
Global Alzheimer's Platform Trial-Ready Cohort for Preclinical/Prodromal AD	93.866	R01AG053798	24,660	
Passed through University of Washington:				
Literacy Development for Preschoolers with Hearing Loss	93.172	R01DC017984	28,482	
AIDS and Aging Research Platform (AARP)	93.866	R33AG067069	18,755	
ADNI Psychometrics	93.866	R01AG029672	29,644	
Passed through Emory University:				
Novel Bayesian statistical tools for integrating multi-omics data to help elucidate the genomic etiology of complex phenotypes	93.859	R35GM138313	9,230	

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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
Roybal Translational Research Center to Promote Context-Spec Caregiving of Community-Dwelling Persons Living with Alzheimer's Disease or Related Disorders (Pilot Core)	93.866	P30AG064200	$ 106,838	$ -
Clinical Studies of Dystonia and Related Disorders	93.853	U54 NS065701	8,812	
Understanding the Molecular Mechanisms of Depression and Psychological Well-being in Alzheimer's Disease	93.866	R01AG056533	88,863	
Preparation for End-of-Life Decision Making in Mild Alzheimer's Disease	93.866	R01AG057714	29,429	
Brain - Plasma Proteomics Biomarker Discovery and Validation int eh US and UK	93.866	RF1AG057471	5,989	
Roybal Translational Research Center to Promote Context-Specific Caregiving Master	93.866	P30AG064200	22,003	
Elucidating the Role of Plasma Cholesterol in Alzheimer's Alzheimer's Disease using Mendelian	93.866	R56AG062633	75,382	
The Mechanism of Arenavirus Entry into Cells	93.855	R01AI053668	94,151	
Passed through Albert Einstein College of Medicine:				
Integrated Analysis of CVD Risk in HIV: GutMicrobiota, Immune Function and Metabolites	93.837	R01HL140976	29,269	
Immunophenotyping for precision medicine for cardiovascular disease in people living wit HIV	93.837	R01HL148094	22,622	
Passed through Johns Hopkins:				
HOPE in Action: A clinical trial of HIV-to-HIV deceased donor kidney transplantation	93.855	U01AI134591	12,475	
LOC - IMPAACT Leadership Group	93.855	UM1 AI068632	157,732	
ADalimumab Vs. conventional ImmunoSupprEssion for uveitis (ADVISE) Trial	93.867	UG1EY028091	5,495	
LOC - IMPAACT Leadership Group	93.855	UM1AI068632	104,331	
Older American Independence Center	93.866	P30AG021334	1,403	
Passed through Brigham and Women's Hospital:				
AIDS Clinical Trial Group Network	93.855	AI068636	1,246,533	
Fractal motor activity regulation and the risk for Alzheimer's disease in middle to old age adults	93.866	R01AG059867	28,366	
Integrative Motor Activity Biomarker for the Risk of Alzheimer's Risk	93.866	RF1AG064312	69,830	
Alliance for Clinical Trials in Oncology Operations Center	93.395	U10CA180821	55,545	
Passed through Massachusetts General Hospital:				
Randomized Trial to Prevent Vascular Events in HIV - REPRIEVE	93.837	U01 HL23336	35,659	
Recurrent Hemorrhagic Stroke in Minority Populations	93.853	R01NS093870	46,177	
Dynamin, actin and microtubules: cystiskeletal crosstalk in podocytes	93.847	R01DK093773	35,879	
Passed through Great Lakes Hemophilia:				
Regional Program	93.184	H30 MC24052	36,381	
Public Health Surveillance for Bleeding Disorders	93.080	NU27 DD001155-01-00	35,458	
Passed through University of Florida:				
The role of elevated BIN1 expression in Alzheimer's disease	93.866	RF1AG056061	162,031	
Genome-wide Profiling of Brain DNA Hydroxymethylome in Alzheimer's Disease	93.866	RF1AG052476	247,022	
Dignity Therapy RCT led by Nurses of Chaplains for Elderly Cancer Outpatients	93.395	R01CA200867	104,740	
Neuroimaging Biomarkers in Parkinsonism:Differentiating Subtypes and Tracking Disease Progression	93.853	U01NS102038	186	
Genome-wide profiling of brain 6mA methylome in AD	93.866	R01AG064786	79,718	
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 and Functioning in Early Old Age preaward approved 7/2/20	93.866	U19AG063720	450,033	
Building Up	93.310	U01GM132133	24,946	
Signaling Mechanisms of Focal Adhesion Protein Kindlin-2 in Chondrogenesis	93.846	R01 AR068950	1,261	
SIV Pathogenesis in African Green Monkeys and Pigtailed Macaques	93.837	R01HL117715-13A1	38,324	

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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 University of Michigan/Michigan State:				
Role of SuPAR in the Intersection between Cardiovascular and Kidney Disease	93.837	R01HL153384	$ 18,876	$ -
COVID-C3PO: Clinical Trial of COVID-19 Convalescent Plasmain outpatients.	93.RD	OT2HL156812	4,648	
Systems Biology of Clostridium Difficile Infection	93.855	U01AI124255	136,271	
Genetic Silencing of Striatal CaV1.3 Calcium Channels as a Potent Antidyskinetic Therapy for PD	93.853	R01NS110398	193,844	
Bright light treatment at home to improve symptom management of fibromyalgia syndrome	93.361	R21NR016930	3,167	
SWAN Genomic Analyses and SWAN Legacy	93.866	U01AG017719	4,809	
Passed through Vanderbilt University:				
BRAIN-ICU 2 Study: Bringing to light the risk factors and incidence of neuropsychological dysfunction (dementia) in ICU Survivors, 2nd study	93.866	R01AG058639	176,717	
Genetic Drivers of Resilience to Alzheimer's Disease	93.866	R01AG059716	47,185	
Neuroprotective Effects of Vascular Endothelial Growth Factor in Alzheimer's Disease	93.866	R01AG061518	35,950	
A randomized, double-blind, placebo-controlled trial of urate-elevating inosine treatment to slow clinical decline in early Parkinson disease.	93.866	R01AG058639	169,466	
Proteomics of Hypertension and Alzheimer's Disease in African American	93.866	R01AG064950	61,066	
Passed through Sunnybrook Research Institute:				
Sleep, Cicadian Rhythms, and Mechanisms of Cognitive Decline in the Human Brain	93.866	R01AG052488	188,040	
Passed thru Washington University:				
Washington University & BJC Epicenter for Prevention of Healthcare Associated Infections	93.084	U54CK000482	26,643	
Exploiting Integrin Signaling to Overcome Resistance to Immunotherapy	93.395	R01CA244938	124,924	
Passed thru University of North Carolina at Chapel Hill:				
Data, Modeling, and Coordination Center for PrecISE Network	93.838	U24HL138998	1,205	
Oxidative Stress and the Development of Osteoarthritis	93.866	R01 AG044034	32,442	
The Role of Human Gut Microbiota in HIV-1 Rectal Acquisition, Replication and Pathogenesis	93.855	R01AI123010	12,378	
Passed thru Harvard School of Public Health:				
Optimism and Exceptional Longevity	93.866	R01AG053273	36,583	
Optimism and Exceptional Longevity (SUPPLEMENT)	93.866	R01AG053273	41,335	
Safety and Healthcare Epidemiology Prevention Research Development (SHEPheRD) Program	93.823	200-2011-24037/2011-N-13526	(16,891)	
Passed thru University of Indiana:				
National Cell Repository for Alzheimer's Disease (NCRAD)	93.866	U24 AG021886	22,373	
Passed through Baylor College of Medicine:				
Functional Validation of the CD1AP Susceptibility Network in Alzheimer's Disease	93.866	R01AG050631	96,215	
Mechanisms of couplon-linked skeletal muscle myopathies	93.846	R01AR072602	162,106	
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	105,302	
Air pollution and noise exposures in relation to dementia:from brain imaging markers to clinical disease	93.866	R01AG065359	89,403	
Passed through Boston Childrens Hospital:				
Development of Synaptopathies associated with TSC, PTEN and SHANK3	93.853	U54 NS092090	(988)	
Development of Synaptopathies Associated with TSC, PTEN, SHANK3 Mutations	93.853	2U54NS092090	23,946	
Passed through Oregon Health and Science Institute:				
ORCATECH Collaborative Aging (in Place) Research Using Technology (CART)	93.866	1U2CAG054397-01	(37,463)	
Personality and Health: A Longitudinal Study	93.866	R01AG020048	33,987	
Passed through Rutgers University:				
Asian Resource Centers for Minority Aging Research RCMAR	93.866	P30AG059304	4,240	

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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 Lurie Childrens Hospital:				
Employing eSBI in a Community-based HIV Testing Environment for at-risk Youth	93.279	R01 DA041071	$ 60,549	$ -
Passed through NeuroNext - Novartis and Massachusetts General Hospital:				
Effects of AFQ056 on Language Learning in Young Children with Fragile X Syndrome (FXS)	93.853	U01NS096767	14,902	
Effects of AFQ056 on Language Learning in Young Children with Fragile X Syndrome (FXS)	93.853	U01NS096767	234,622	
Passed through NCI-NCTN (ECOG, ALLIANCE, NRG, SWOG)				
DART: Dual Anti-CTLA-4 and ANTI-PD-1 Blockade in Rare Tumors	93.RD	S1609	(2,584)	
Androgen Deprivation Therapy and High Dose Radiotherapy with or without whole-pelvic in Unfavorable Intermediate or favorable High Risk Prostate Cancer: A Phase III Randomized Trial	93.RD	RTOG-0924	42	
A Phase I Study with an Expansion Cohort of the Combination of Ipilimumab and Brentuximab Vedotin in Patients with Relapsed/Refractory Hodgkin	93.RD	E4412	43	
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	1,368	
Phase III Randomized Trial of Standard Systemic Therapy vs Standard Systemic Therapy plus Definitive Treatment of the Primary Tumor in Metastatic Prostate Cancer	93.RD	S1802	39	
A Phase III, Randomized Study of Nivolumab (Opdivo) or Brentuximab Vedotin (Adcetris) Plus AVD in Patients (Age >/= 12 Years) With Newly Diagnosed Advanced Stage Classical Hodgkin Lymphoma	93.RD	S1826	1,119	
A Randomized Phase II Study of Nivolumab after combined modality therapy in high risk anal cancer	93.RD	EA2165	4,500	
Randomized Phase II/III study of venetoclax (ABT 199) plus chemoimmunotherpay for MYC/BCL2 double-hit and doubleexpressing lymphomas	93.RD	A051701	124	
Phase III randomized trial of hypofrationated post mastectomy radiation with breast reconstruction	93.RD	A221505	18	
Phase III randomized adjuvant study of pembrolizumab in muscle invasive and locally advanced urothelial carcinoma (AMBASSADOR) versus observation	93.RD	A031501	66	
A Phase II Study of Cabozantinib Combination with Nivolumab and Ipilimumab in Rare Genitourinary Tumors	93.RD	A031702	761	
Phase III Trial of Enzalutamide versus Enzalutamide, Abriaterone and Prednisone for Castration Resistant Metastic Prostate Cancer	93.RD	A031201	(1,513)	
A Phase III Randomized Trial Comparing High Dose Interferonto MK-3475 (Pembrolizumab) in Patients with High Risk Resected Melanoma	93.RD	S1404	83	
A Randomized Phase III Trial of Dabrafenib + Trametinib Followed by Ipilimumab + Nivolumab at Progression vs Ipilimumab + Nivolumab followed by Dabrafenib + Trametinib at Progression in Patients with Advanced BRAFV600 Mutant Melano	93.RD	EA6134	69	
A Randomized Phase II/III Study of the Combination of Cediranib & Olaparib Compared to Cediranib or Olaparib Alone or Standard of Care Chemo in Women with Recurrent Platinum-Resistant or Refractory Ovarian, Fallopian tube or	93.RD	NRG-GY005	390	
Phase II/III Trial of Adjuvant Radiotherapy and Androgen Deprivation Following Radical Prostatectomy with or without Adjuvant Docetaxel	93.RD	NRG-GU002	97	
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	(510)	

(continued)

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal ALN Number	Federal Grantor/ Pass-through Grantor's Number	Federal Expenditures	Sub recipients
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	$ 126	$ -
A Randomized trial of Regional Radiotherapy in Biomarker Low Risk Node Positive Breast Cancer	93.RD	CCTG MA.39	1,475	
ALCHEMIST: Adjuvant Lung Cancer Enrichment Marker Identification and Sequencing Trial	93.RD	COG ARST1321	(312)	
Phase III Comparison of Thoracic Radiotherapy Regimens in Patients with Limited Small Cell Lung Cancer Also Receiving Cisplatin and Etoposide	93.RD	CALBG-30610	183	
A Randomized Phase II Study Comparing Single-agent Olaparib single agent cediranib and the combo of cediranib/olaparib in women with recurrent, persistent or metastic endometrial cancer	93.RD	NRG-GY012	97	
A Phase IB Trial of Neoadjuvant AMG232 Concurrent with Preoperative Radiotherapy in Wild-type P53 Soft Tissue Sarcoma (STS)	93.RD	NRG-DT001	717	
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	3,721	
Phase III to trial to evaluate the efficacy of addition of inotuzumab ozogamin to frontline therapy in young adults with newly diagnosed precurso B-cell ALL	93.RD	A041501	1,260	
A Randomized Phase III Study of a targeted therapy comboversus ibrutinib and obinutuzumab in Untreated Younger Patients with Chrinuc Lymphocytic Leukemia (CLL)\	93.RD	EA9161	6,174	
A Randomized Phase III Clinical Trial Evaluating Post-Mastectomy Chestwall and Regional Nodal XRT and Post-Lumpectomy Regional Nodal XRT in Patients with Positive AxilNodes before Neoadjuvant Chemo who Convert to Pathologically	93.RD	NSABP-B-51/RTOG-1304	13	
Colorectal Cancer Metastatic dMMRImmuno-Therapy (COMMIT) Study	93.RD	NRG-GI004	58	
Randomized phase II/III trail of radiotherapy with concurredurvalumab vs radiotherapy with concurrent cetuximab inpatients with stage III-IVB head and neck cancer with acontraindiction to cisplatin	93.RD	NRG-HN004	245	
Randomized phase II trial in early relapsing orrefractory follicular lymphoma	93.RD	S1608	(231)	
Passed through IIT:				
Clinical Test of an Intracortical Visual Prothesis System	93.853	UH3NS095557	54,754	
Comprehensive Probabilistic Atlas of the Brain of Older Adults without Dementia	93.866	R01AG052200	86,798	
In-vivo MRI-based prediction of TDP43 pathology in aging	93.866	R01AG064233	198,378	
Passed through Tufts University:				
Vitamins D and K Neuropathologically-Defined Alzheimer and Other Dementias in Older Persons	93.866	AG051641	291,930	
Passed through Mt. Sinai:				
Understanding the molecular mechanisms that contribute ton europsychiatric symptoms in Alzheimer Disease	93.866	R01AG067025	56,060	
A multiscale investigation of the living human brain	93.866	R01AG069976	21,856	
Elucidating Genetic and Environmental Second Hits in Racial and Ethnic Minorities with APOL1 High-Risk Genotypes	93.847	R01DK127139	8,131	
Peripheral and Brain Levels of Advanced Glycation End Products AGEs and Incident Alzheimer's Disease and Neuropathy	93.866	R01AG053446	270,800	
Integrative Network Modeling of Cognitive Resilience to Alzheimer's Disease	93.866	R01AG057907	56,020	
Leveraging Existing Aging Research Networks to Investigate TBI and AD/ADRD risk (LEARN TBI & AD)	93.866	R01AG061028	214,465	

(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 University of Wisconsin:				
Data Driven Strategies for Substance Misuse Identification in Hospitalized Patients	93.279	R01DA051464	$ 162,269	$ -
The Neighborhoods Study: Contextual Disadvantage and Alzheimer's Disease and Related Dementias (ADRD)	93.866	R01AG070883	7,070	
Center for Financial Security Retirement and Disability Research Consortium	96.007	RDR18000001	112,958	
FMR1 Premutation Phenotypes in Population-Based and Clinically-Ascertained Samples	93.865	R01HD082110	13,021	
APOLLO - Upper Midwest	93.847	U01DK116092	37,140	
Passed through Mclean Hospital:				
Human iPSC-based Personalized Cell Therapy of PD	93.853	R01NS070577	43,810	
Passed through University of Kansas:				
The Effects of Parenting on the Development and Behavior of FXS Adolescents	93.865	R01HD084563	7,954	
Passed through Thomas Jefferson:				
Optimizing Ultrasound Enhanced Delivery of Therapeutics	93.394	R01CA199646	8,218	
Passed through Hospital for Special Surg:				
Mechnobiological Risk Factors for Initiation of Post Traumatic Osteoarthritis	93.846	R01 AR066635	22,557	
Passed through Duke University:				
Metabolomic signatures for disease sub-classification and target prioritization in AMP-AD	93.866	U01AG061359	41,940	
Alzheimer's Gut Microbiome Project	93.866	U19AG063744	267,875	110,533
Pragmatic Evaluation of events and Benefits of Lipid-lowering in older Adults (PREVENTABLE)	93.866	U19AG065188	31,781	
Clinical Research Steering Committee agreement (PREVENTABLE)	93.866	U19AG065188	3,521	
Passed through Cleveland Clinic:				
Dementia with Lewy Bodies Consortium	93.853	U01NS100610	99,894	
Passed through California Pacific Medical Center:				
Trial of Parkinson's And Zoledronic Acid (TOPAZ)	93.RD	P-165	7,590	
Total U.S. Department of Health and Human Services			79,050,887	11,197,000
U.S. Army Medical Research Acquisition Activity:				
Objective Phenotyping in Cervical Dystonia	12.420	W81XWH-17-1-0394	96,596	
Targeting Diet-Microbiome Interactions in the Pathogenesis of Parkinson's Disease	12.420	W81XWH-17-1-0587	125,307	
Passed through National Science Foundation:				
Collaborative Research:RAPID:Molecular underpinnings that define volatile compound signature of the lung	47.074	2031754	63,543	
Passed through NASA:				
Single-Source, Biomarkers as Predictors of Resiliency and Susceptibility to Stress in Space Flight	43.003	80NSSC20K0243	161,876	
Passed through University of California:				
Effects of traumatic brain injury and post traumatic stress disorder on Alzheimer's disease in Veterans using ADNI	12.420	W81XWH-12-2-0012	11,269	
Passed through University of Melbourne:				
The Role of an Aggrecan 32mer Fragment in Post-Traumatic Osteoarthritis	12.420	W81XWH-16-1-0706	154,895	
Total U.S. Army Medical Research Acquisition/NASA/NSF			613,486	-
Department of Education:				
Validation of a Spanish-Language Social Reasoning Assessment for Spanish-Speaking English Language Learners	84.305	R305A200463	92,151	41,704
Web-based assessment of social-emotional skills in middle school	84.305	R305A200220	215,366	

(continued)

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal ALN Number	Federal Grantor/ Pass-through Grantor's Number	Federal Expenditures	Sub recipients
Web-Based Assessment of Social-Emotional Learning in Grades Four to Six	84.305	R305A160053	$ 147,669	$ -
VESIP: Virtual Environment for Social information processing assessment tool for Upper Elementary and Middle School Children	84.305	R305A150189	90,957	
Total Department of Education			546,143	41,704
TOTAL RESEARCH AND DEVELOPMENT			80,210,516	11,238,704
Stimulus Act:				
Provider Relief Fund	93.498		85,841,836	
Higher Education Emergency Relief Fund: Student Portion	84.425E	P425E202465	491,502	
Higher Education Emergency Relief Fund: Institutional Portion	84.425F	P425F200797	454,035	
Uninsured Covid Testing and Treatment	93.461		8,508,324	
			95,295,697	
Student Financial Assistance:				
U.S. Department of Education:				
Stafford Loan	84.268	P268K5336	41,189,488	
Grad Plus	84.268	P268K5336	20,476,208	
Parent Loans for Undergraduate Students	84.268	P268K5336	61,593	
Perkins Loan	84.038	P038A031271		
Perkins Loan-outstanding loan bal. at measurement date	84.038			
Pell Grant Program	84.063	P063P125336	202,246	
Supplemental Educational Opportunity Grant	84.007	P007A121271	219,377	
Federal Work Study	84.033	P033A121271	467,181	
Total U.S. Dept of Education			62,616,093	
U.S. Department of Health and Human Services:				
Loans for Disadvantaged Students-outstanding loan bal. at measurement date	93.342		740,183	
Nursing Student Loan-Undergraduate-outstanding loan bal. at measurement date	93.364		24,638	
Nursing Student Loan-Graduate-outstanding loan bal. at measurement date	93.364		447,919	
Primary Care Loan/HPSL-outstanding loan bal. at measurement date	93.342		436,545	
Nurse Faculty Loan Program-outstanding loan bal. at measurement date-ARRA	93.408		105,602	
Nurse Faculty Loan Program-outstanding loan bal. at measurement date	93.264		825,342	
Nursing Student Loan	93.364	E4 DHP19180	87,238	
Nurse Faculty Loan Program	93.264	E01 HP28838	63,610	
Total U.S. Department of Health and Human Services			2,731,077	
TOTAL STUDENT FINANCIAL ASSISTANCE			65,347,170	
Other Federal Assistance:				
U.S. Department of Health and Human Services:				
Nurse Anesthetist Traineeships	93.124		45,488	
Passed through State of Illinois Department of Human Services:				
Opioid SOR Program	93.788	43CZC03497	1,014,983	
Opioid SOR 2 Program	93.788	43CZC03652	829,536	
Passed through City of Chicago-Department of Family and Support Services:				
City of Chicago Health Promotion Services	93.044	68760-3	11,947	
City of Chicago Health Promotion Services for Older Adults Program	93.043	142384	4,763	
Health Promotion-Nutrition Program	93.044	72269	3,578	
Health and Wellness Promotion	14.218	85553	5,011	
Health and Wellness Promotion	14.218	97697	720	

(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 City of Chicago-Chicago Department of Public Health:				
Regional Innovative Public Health Laboratory (RIPHL)	93.323	1209639	$ 485,564	$ -
CDPH-DATAHUB	93.323	140117	350,797	
ELC Program Contact Tracing	93.323	138120	468,881	
IHA - Hospital Preparedness Program	93.889	138615	199,460	
Expanded HIV Testing for Disproportionately affected populations	93.940	30597	65,211	
ASPR Hospital Preparedness Program Ebola Response Program	93.817	32949	240,768	
Passed through State of Illinois Department of Public Health:				
School Based Health Center	93.667	06380038H	20,502	
Total Other Federal Assistance			3,747,209	
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 244,600,592	$ 11,238,704

(concluded)

RUSH SYSTEM FOR HEALTH
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

State Grantor/Pass-through Grantor/Program or Cluster Title	State Grantor/ Pass-through Grantor's Number	State Expenditures
Passed through the Illinois Department of Public Health:		
SBHC-Crane	16380085I	$ 22,911
SBHC-Simpson	16380086I	23,470
SBHC-OrrKipp	16380087I	24,225
Family Planning Program	06180067H	118,027
School Based Health Center	06380038H	294,778
Genetic Counseling/Clinical Services	13788111I	72,000
Sickle Cell Program	13788304I	19,577
Regional Perinatal Network	06380007H	327,587
Total Illinois Department of Public Health		902,575
Passed through City of Chicago-Chicago Department of Public Health:		
Community Breast Health Services	PO 124631	5,393
Community Breast Health Services	PO 124632	962
Total Illinois Department of Public Health		6,355
Passed through the Illinois Department of Human Services:		
Child Care Restoration Grant Program	B25232	407,223
Early Intervention Services	1FCSZO05147	3,840,558
Total Illinois Department of Human Services		4,247,781
Passed through the Illinois Department of Transportation:		
State and Community Highway Safety	343-16439	78,179
State and Community Highway Safety	343-20895	182,998
		261,177
TOTAL EXPENDITURES OF STATE AWARDS		$ 5,417,888
TOTAL EXPENDITURES FEDERAL AND STATE AWARDS		$ 250,018,480

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, 2021 for those loan programs for which the Federal Government imposes continuing compliance requirements are as follows:

Perkins Loan	$ 1,983,889
Loans for Disadvantaged Students	526,327
Nursing Student Loan-Undergraduate	23,765
Nursing Student Loan-Graduate	396,571
Primary Care Loan/HPSL	149,998
Nurse Faculty Loan Program—ARRA	71,906
Nurse Faculty Loan Program	701,868

4. NONCASH ASSISTANCE

Rush did not receive any noncash federal awards or in-kind contributions during fiscal year 2021. In addition, Rush did not have any federal insurance in effect during the year ended June 30, 2021, 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
Affiliated Plastic Surgery	74-3222564
Associates in Internal Medicine	91-2022080
Consultants in Endocrinology	91-1780046
Copley Memorial Hospital	36-2170840
Department of Behavioral Sciences	26-2555993
Dermatology Patient Services	91-1779986
Geriatric Care Partners (Rush Senior Care Group)	91-1780037
Gynecological Care Group	91-1780163
Health Delivery Management	36-4085751
Lifetime Medical Associates	91-1961419
Pulmonary Critical Care Medicine	91-1780143
Road Home Program-Center for Veterans and their Families	46-4718530
Rush Alzheimer's Disease Center	91-1780140
Rush Ambulatory Behavioral Health	26-0517095
Rush Associates in Women's Health	36-4115908
Rush Breast Imaging Services	91-2135545
Rush Center for Congenital & Structural Heart Disease	26-0388296
Rush Copley Cardiovascular Consultants, LLC	27-3234201
Rush Copley Hospitalists	61-1787188
Rush Copley Medical Group	36-3235315
Rush Copley Orthopedics	61-1801175
Rush Copley Surgicenter	38-4012268
Rush Oak Park ER Physicians	36-4576174
Rush Oak Park Hospital	36-2183812
Rush Oak Park Hospital (SNF)	36-2183812
Rush Oak Park Nocturnists	90-0633182
Rush Oak Park Physicians Group Family Medicine	45-4089626
Rush Oak Park Physicians Group Adult Medicine	45-4089582
Rush Oak Park Physicians Group Anchor	80-0771998
Rush Oak Park Physicians Group Elmwood Park	45-4083432
Rush Oak Park Physicians Group for Diabetes and Endocrine	45-4089823
Rush Oak Park Physicians Group Lake Street	46-2117612
Rush Oak Park Physicians Group North Riverside	45-4083503
Rush Otolaryngology Head and Neck Surgery	20-5493250
Rush Pediatric Medical Service Plan	91-1780120
Rush University Critical Care Specialists	91-2146399
Rush University Emergency Services Phys. Group	91-1779996
Rush University Family Physicians formerly Neighborhood Family Practice	91-1780148
Rush University Hypertension Center (RPSLMC)	91-1780115
Rush University Internists	91-1780160

Provider	TIN
Rush University Medical Center	36-2174823
Rush University Medical Center Division of Hematology Oncology and Section of Medical Oncology	91-1780102
Rush University Pediatric Cardiac Surgeons	26-2000614
Rush University Primary Care	30-0118339
Rush University Primary Care - Lincoln Park	91-2022072
Rush University Surgeons	91-1937384
Rush University Urology	27-2813809
Rush Universtiy Internal Medicine (Hedburg & Assoc)	91-1780109
Surgicenter	36-3853026
University Cardiologists	36-3588450
University Cardiovascular Surgeons	91-1930476
University Consultants in Allergy & Immunology	91-1780088
University Family Physicians Southwest	91-1874166
University Gastroenterologists	91-2020018
University Hepatologists	91-2020017
University Infectious Diseases	91-1924293
University Nephrologists	90-0102849
University Neurologists	91-1780074
University Neurosurgery	51-0562695
University Physical Medicine & Rehabilitation	20-4672892
University Radiation Medicine	91-1780071
University Rheumatologists	91-1780068
University Thoracic Surgeons	20-5260309
University Transplant Program	91-1897100

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

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
Various	Research and Development
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, 2021

Part II—Financial Statement Findings

The following schedule contains the finding reference number and title for each of the findings included in the June 30, 2020 report. The letters under the heading Corrective Action indicates the following:

F - Prior Year finding was fully remediated in the Current Year; R -Repeated during Current Year

Reference Number		Title		Corrective Action
2020-001		Accounting and management of fixed assets		F

Part III—Federal Award Findings and Questioned Costs

None noted.

RUSH SYSTEM FOR HEALTH

SUPPLEMENTAL SCHEDULE—FINANCIAL RESPONSIBILITY SCHEDULE
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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	$ -	$ 1,980,607
Consolidated Balance Sheet—Total net assets with donor restrictions	Net assets with donor restrictions	-	1,015,458
Note 21 to the Consolidated Balance Sheet—Related party receivable and related party note disclosure	Secured and Unsecured related party receivable	822	-
Note 21 to the Consolidated Balance Sheet—Related party receivable and related party note disclosure	Unsecured related party receivable	-	822
Consolidated Balance Sheet—Land, buildings, and equipment—net	Land, building and equipment—net (includes Construction in progress)	1,619,887	-
Note 21 to the Consolidated Balance Sheet—Land, building and Equipment—pre-implementation	Land, building and equipment pre-implementation	-	1,116,455
Note 21 to the Consolidated Balance Sheet—Land, building and Equipment—post-implementation without outstanding debt for original purchase	Land, building and equipment post-implementation without	-	273,769
Note 21 to the Consolidated Balance Sheet—Land, Building and Equipment—Net—Construction in progress	Construction in progress	-	229,663
Consolidated Balance Sheet—Lease right-of-use assets—net	Lease right-of-use asset—net	131,459	-
Note 21 to Consolidated Balance Sheet—Goodwill	Intangible assets	-	74
Consolidated Balance Sheet—Accrued postretirement benefit obligation	Post-employment and pension liabilities	-	92,941
Consolidated Balance Sheet—Loans and bonds payable	Long-term debt—for long term purposes	921,802	-
Consolidated Balance Sheet—Loans and bonds payable	Long-term debt—for long term purposes pre-implementation	-	523,465
Consolidated Balance Sheet—Loans and bonds payable (current year), Less Consolidated Balance Sheet—Loans and bonds payable (prior year)	Long-term debt—for long term purposes post-implementation	-	398,337
Consolidated Balance Sheet—Lease right-of-use of asset liability	Lease right-of-use asset liability	108,467	-

(Continued)

SUPPLEMENTAL SCHEDULE—FINANCIAL RESPONSIBILITY SCHEDULE
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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 Activities prior to adjustments)	Total expenses without donor restrictions—taken Consolidated Statement of Operations and Changes	$ -	$ 2,890,886
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 rate swap agreements, Other components of net periodic postretirement benefit cost	Non-Operating gain	-	192,612
Consolidated Statement of Operations and Changes in Net Assets Fundraising expenses, Debt rate lock settlement, and loss on debt refunding	Other losses	-	(9,926)
Consolidated Statement of Operations and Changes in Net Assets—Pension-related changes other than periodic pension	Pension-related changes other than net periodic costs	-	64,215

Financial Statement Reference	Equity Ratio Modified Net Assets Financial Statement Line Item Reference	Amounts	Amounts
Consolidated Balance Sheet—Net Assets Without Donor Restrictions	Net Assets Without Donor Restrictions	$ -	$ 1,980,607
Consolidated Balance Sheet—Total Net Assets With Donor	Net Assets With Donor Restrictions	-	1,015,458
Note 21 to the Consolidated Balance Sheet—Goodwill	Intangible assets	-	74
Note 21 to the Consolidated Balance Sheet—Related party receivable and Related party note disclosure	Secured and Unsecured related party receivables	822	-
Note 21 to the Consolidated Balance Sheet—Related party receivable and Related party note disclosure	Unsecured related party receivables	-	822

(Continued)

RUSH SYSTEM FOR HEALTH

SUPPLEMENTAL SCHEDULE—FINANCIAL RESPONSIBILITY SCHEDULE
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

Financial Statement Reference	Equity Ratio Modified Assets Financial Statement Line Item Reference	Amounts	Amounts
Consolidated Balance Sheet—Total Assets	Total Assets	$ -	$ 5,537,769
Consolidated Balance Sheet—Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation	-	131,459
Note 21 to the Consolidated Balance Sheet—Goodwill	Intangible assets	-	74
Note 21 to the Consolidated Balance Sheet—Related party receivable and Related party note disclosure	Secured and Unsecured related party receivables	822	-
Note 21 to the Consolidated Balance Sheet—Related party receivable and Related party note disclosure	Unsecured related party receivables	-	822

Financial Statement Reference	Net Income Ratio Financial Statement Line Item Reference	Amounts	Amounts
Consolidated Statement of Operations and Changes in Net Donor Restrictions—Change in Net Assets	Change in Net Assets Without Donor Restrictions	$ -	$ 411,446
Consolidated Statement of Operations and Changes in Net Assets—Without Donor Restrictions—Total operating revenues, Contributions for nonoperating purpose, Allocation of endowment income to operations, Change in value of split interest agreements, Other nonoperating activities, Net assets released from restriction, Postretirement benefit plan related changes, other than net periodic postretirement benefit cost	Total Revenues and Gains Without Donor Restrictions	-	2,999,061

(Concluded)