

Rush System for Health

Consolidated Financial Statements as of and for the
Years Ended June 30, 2023 and 2022,
Single Audit Supplementary Report as of and
for the Year Ended June 30, 2023, and
Independent Auditor's Report

RUSH SYSTEM FOR HEALTH

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Rush System for Health (the "System", "RUSH"), which comprise the consolidated balance sheets as of June 30, 2023 and 2022, 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 consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of RUSH as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

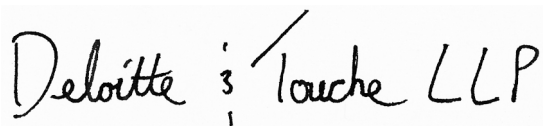
In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2022 on our consideration of Rush's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the RUSH's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the RUSH's internal control over financial reporting and compliance.

The image shows a handwritten signature in black ink. The signature reads "Deloitte" followed by a vertical separator consisting of a vertical line with a horizontal bar at the top and bottom, and the word "Touche LLP" to the right.

Chicago, IL

October 27, 2023 (except for Long-term debt for long-term purposes outstanding as of June 30, 2023 included in Footnote 21, as to which the date is December 15, 2023).

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

	<u>As of June 30,</u>	
	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 439,952	\$ 519,998
Accounts receivable for patient services	407,284	370,352
Other accounts receivable	62,664	60,906
Self-insurance trust—current portion	57,209	41,257
Other current assets	<u>151,168</u>	<u>129,500</u>
Total current assets	<u>1,118,277</u>	<u>1,122,013</u>
ASSETS LIMITED AS TO USE AND INVESTMENTS:		
Investments	1,375,233	1,357,270
Limited as to use by donor or time restriction or other	759,914	700,219
Self-insurance trust—less current portion	<u>121,836</u>	<u>126,857</u>
Total assets limited as to use and investments	<u>2,256,983</u>	<u>2,184,346</u>
PROPERTY AND EQUIPMENT—NET	1,880,229	1,692,868
OPERATING LEASE RIGHT-OF-USE ASSETS	100,237	106,929
POSTRETIREMENT AND PENSION BENEFIT ASSETS	7,195	45,582
OTHER NONCURRENT ASSETS	<u>131,315</u>	<u>92,978</u>
TOTAL ASSETS	<u>\$5,494,236</u>	<u>\$5,244,716</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 101,119	\$ 75,470
Accrued expenses	406,405	437,689
Postretirement and pension benefit liabilities	2,811	2,044
Estimated third-party settlements payable and advances payable	286,348	285,026
Current portion of accrued liability under self-insurance programs	69,229	58,941
Current portion of long-term debt	13,510	12,703
Short-term operating lease liability	<u>26,128</u>	<u>24,630</u>
Total current liabilities	<u>905,550</u>	<u>896,503</u>
LONG-TERM LIABILITIES:		
Accrued liability under self-insurance programs—less current portion	313,019	272,616
Postretirement and pension benefit liabilities	2,082	96,716
Long-term debt—less current portion	888,512	905,559
Obligations under financing leases and other financing arrangements	41,899	1,509
Long-term operating lease liabilities	78,471	86,025
Other long-term liabilities	<u>85,227</u>	<u>75,858</u>
Total long-term liabilities	<u>1,409,210</u>	<u>1,438,283</u>
Total liabilities	<u>2,314,760</u>	<u>2,334,786</u>
NET ASSETS:		
Without donor restrictions	2,118,371	1,930,783
With donor restrictions	<u>1,061,105</u>	<u>979,147</u>
Total net assets	<u>3,179,476</u>	<u>2,909,930</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$5,494,236</u>	<u>\$5,244,716</u>

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,	
	2023	2022
REVENUE:		
Patient service revenue	\$ 2,916,374	\$ 2,702,767
Tuition and educational programs revenue	95,356	91,240
Research revenue and net assets released from restriction and used for research and other operations	194,507	170,304
Other revenue	<u>154,244</u>	<u>204,121</u>
Total revenue	<u>3,360,481</u>	<u>3,168,432</u>
EXPENSES:		
Salaries, wages and employee benefits	1,727,199	1,603,325
Supplies, utilities and other	1,091,348	974,480
Insurance	73,518	57,703
Purchased services	273,045	258,523
Depreciation and amortization	143,248	148,188
Interest and fees	<u>26,964</u>	<u>30,609</u>
Total expenses	<u>3,335,322</u>	<u>3,072,828</u>
OPERATING INCOME	<u>25,159</u>	<u>95,604</u>
NON-OPERATING INCOME (LOSS)		
Investment income (loss) and other—net	93,465	(138,592)
Contributions without donor restrictions	2,556	3,533
Fundraising expenses	(12,437)	(9,343)
Change in fair value of interest rate swaps	<u>3,017</u>	<u>7,228</u>
Total non-operating income (loss)	<u>86,601</u>	<u>(137,174)</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	<u>\$ 111,760</u>	<u>\$ (41,570)</u>

(Continued)

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

	For the Years Ended June 30,	
	2023	2022
NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Excess (deficit) of revenues over expenses	\$ 111,760	\$ (41,570)
Net assets released from restrictions used for the purchase of property and equipment	11,218	14,141
Postretirement related changes other than net periodic postretirement cost	56,408	(40,342)
Other	<u>8,200</u>	<u>17,947</u>
Increase/(Decrease) in net assets without donor restrictions	<u>187,586</u>	<u>(49,824)</u>
NET ASSETS WITH DONOR RESTRICTIONS:		
Pledges, contributions and grants	117,498	187,570
Net assets released from restrictions	(111,460)	(176,675)
Net realized and unrealized gains (losses) on investments	<u>75,922</u>	<u>(47,206)</u>
Increase/(Decrease) in net assets with donor restrictions	<u>81,960</u>	<u>(36,311)</u>
INCREASE/(DECREASE) IN NET ASSETS	269,546	(86,135)
NET ASSETS—Beginning of period	<u>2,909,930</u>	<u>2,996,065</u>
NET ASSETS—End of period	<u>\$3,179,476</u>	<u>\$2,909,930</u>

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,	
	2023	2022
OPERATING ACTIVITIES:		
Increase (Decrease) in net assets	\$ 269,546	\$ (86,135)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	143,248	148,188
Non-cash operating lease expense	11	618
Postretirement related changes other than net periodic postretirement cost	(56,408)	40,342
Change in fair value of interest rate swaps	(3,017)	(7,228)
Net unrealized and realized (gains) losses on investments	(160,938)	207,695
Restricted contributions and investment income received	(26,717)	(27,137)
Investment (gains) losses on trustee held investments	(1,813)	6,010
(Gain) loss on sale of property and equipment	(48)	5,533
Changes in operating assets and liabilities:		
Accounts receivable for patient services	(36,932)	(6,041)
Accounts payable and accrued expenses	(1,369)	(12,234)
Estimated third-party settlements payable	1,322	(108,884)
Pension and postretirement costs	928	(16,686)
Accrued liability under self-insurance programs	50,692	29,355
Other changes in assets and liabilities	(53,319)	(119,775)
Net cash provided by operating activities	<u>125,186</u>	<u>53,621</u>
INVESTING ACTIVITIES:		
Additions to property and equipment	(333,564)	(211,682)
Purchase of investments	(1,124,899)	(2,834,598)
Sale of investments	<u>1,199,064</u>	<u>3,057,953</u>
Net cash (used in) provided by investing activities	<u>(259,399)</u>	<u>11,673</u>
FINANCING ACTIVITIES:		
Proceeds from restricted contributions and investment income	26,717	27,137
Payment of long-term debt	(12,703)	(12,181)
Payment of obligations on finance lease liabilities	(1,245)	(862)
Proceeds (payments) on other financing arrangements	<u>41,398</u>	<u>(1,042)</u>
Net cash provided by (used in) provided by financing activities	<u>54,167</u>	<u>13,052</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(80,046)	78,346
CASH AND CASH EQUIVALENTS—Beginning of period	<u>519,998</u>	<u>441,652</u>
CASH AND CASH EQUIVALENTS—End of period	<u>\$ 439,952</u>	<u>\$ 519,998</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Right of use assets obtained in exchange for new operating lease liabilities	<u>\$ 21,052</u>	<u>\$ 2,760</u>
Cash paid for interest	<u>\$ 31,988</u>	<u>\$ 33,371</u>
Noncash additions to property and equipment	<u>\$ 3,999</u>	<u>\$ 6,998</u>

See notes to consolidated financial statements.

RUSH SYSTEM FOR HEALTH
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED JUNE 30, 2023 AND 2022
(Dollars in thousands)

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 738-licensed bed acute care, rehabilitation, and psychiatric hospital in Chicago, Illinois. RUH also includes a faculty practice plan, Rush University Medical Group, which employed 774 physicians as of June 30, 2023.

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 \$240,430 and \$213,860 in annual research expenditures during fiscal years 2023 and 2022, 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 79 physicians as of June 30, 2023. 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-licensed bed 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, 2023, RCMG employed 85 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 2,539 affiliated providers. Effective August 12, 2019, the System Parent became the sole corporate member of Rush Health, an Illinois-not-for-profit taxable corporation that provides payor and employer contracting, data aggregation and analysis, care coordination, and quality and process improvement services to its members. Prior to this, Rush Health was treated as a joint venture and any income was recorded using the equity method of accounting. Rush Health and Riverside Health System are not members of the Obligated Group.

COVID-19 Pandemic Update

In March 2020, the World Health Organization declared the novel coronavirus disease 2019 ("COVID-19") outbreak a global pandemic. RUSH has experienced surges of COVID-19 patients in its hospitals throughout the pandemic. COVID-19 has materially impacted the hospitals and operations that comprise the system for which RUSH serves and has impacted the business and financial condition of RUSH. In May 2023, the WHO declared an end to the global Public Health emergency.

Throughout the pandemic, 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, the American Rescue Plan Act ("ARPA"), Illinois General Assembly Public Act 102-115 Hospital Pandemic Recovery Stabilization Payment ("Stabilization") and Federal Emergency Management Agency ("FEMA") funds. These various payments of \$21.7 and \$84.5 million were recorded as other revenue in the consolidated statements of operations and changes in net assets during the years ended June 30, 2023 and 2022, respectively.

Additionally, in fiscal year 2020, RUSH also received advanced payments from Medicare of \$231.7 million which were recorded within estimated third-party settlements and advances payable in the consolidated balance sheets. RUSH paid back all of the advanced payments from Medicare in these years: fiscal year 2021 - \$39.2 million, fiscal year 2022 - \$158.6 million and fiscal year 23 - \$33.9 million.

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 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, 2023, are presented for the purpose of additional analysis of RUSH's fiscal year 2023 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.

Accounting Pronouncements

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

Cash and Cash Equivalents

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

Patient Service Revenue and Patient Accounts Receivable

Patient service revenue is reported at the amount that reflects the consideration to which RUSH expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and governmental programs), and others, and includes variable consideration for retroactive revenue adjustments due to settlement of audits, review, and other investigations. Revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by RUSH. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected charges. RUSH believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients at RUSH receiving inpatient acute care services. For outpatient services, the performance obligation is satisfied as the patient simultaneously receives and consumes the benefits provided as the services are performed. In the case of these outpatient services, recognition of the obligation over time yields the same result as recognizing the obligation at a point in time. RUSH measures the performance obligation from inpatient admission, or the commencement of an outpatient service, to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge or completion of the outpatient services. RUSH also sells certain goods to patients and customers in a retail setting. The performance obligation is satisfied at a point in time, and revenue is generally recognized when goods are provided to the customer. Any unsatisfied or partially unsatisfied performance obligations at the end of the period are primarily related to inpatient acute care services provided at the end of the reporting period. The performance obligations for these contracts are completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period. Amounts related to health care services provided to patients which have not been billed and that do not meet the conditions of an unconditional right to payment at the end of the reporting period are contract assets. Contract asset balances consist primarily of health care services provided to patients who are still receiving inpatient care at RUSH at the end of the year. Such amounts totaled \$23,268 and \$16,271 on June 30, 2023 and 2022, 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, 2023 and 2022, implicit price concessions totaled approximately \$67,303 and \$72,029, 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, 2023 and 2022 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 funds, private equity and private debt. Alternative investments are reported at net asset value (NAV) which approximates fair value. Transactions are recorded based on trade date except for those transactions that have not settled yet and shows as pending. They are reported within the investment balance and fair value table at the pending purchase and sale amount.

Investment income or loss (including interest, dividends, realized and unrealized gains and losses, and changes in cost-based valuations) is reported within non-operating 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 3 to 15 years.

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

Operating Lease Right of Use Assets and Lease Liabilities

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

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

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

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

Asset Retirement Obligations

RUSH recognizes the fair value of a liability for legal obligations associated with asset retirements in the period in which it is incurred if a reasonable estimate of the fair value of the obligation can be made. When the liability is initially recorded, RUSH capitalizes the cost of the asset retirement obligation by increasing the carrying amount of the related

long-lived asset. The liability is accreted to its present value each period, and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the cost to settle an asset retirement obligation and the liability recorded is recognized as a gain or loss in the consolidated statements of operations and changes in net assets. Asset retirement obligations are reported in other long-term liabilities in the accompanying consolidated balance sheets and amounted to \$26,813 and \$25,739 as of June 30, 2023 and 2022, 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, 2023 and 2022, noncontrolling interests in consolidated subsidiaries amounted to \$12,449 and \$4,144, 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, are 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 \$5,989 and \$6,704 as of June 30, 2023 and 2022, respectively.

Other Noncurrent 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 \$12,450 and \$10,711 and \$33,585 and \$31,393 as of June 30, 2023 and 2022, 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 \$179,343 and \$180,996 of conditional contributions whose conditions have not been met as of June 30, 2023 and 2022, respectively. Of the fiscal 2023 amount, approximately \$133,921 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 \$45,422 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, contributions without donor restrictions, and fundraising expenses.

Consideration of Events Subsequent to the Consolidated Balance Sheet Date

RUSH has evaluated events occurring subsequent to the consolidated balance sheet date through October 27, 2023, the date the consolidated financial statements were issued. There were no significant subsequent events through this date, with the exception of the item below.

In August 2023, a new Clinical Decision Unit was opened at Rush Copley Medical Center to provide specialized care for patients needing observation. The 15,000-square-foot unit's total cost is \$21,000 with \$7,300 funded by a grant from the State of Illinois' Capital Development Board.

3. PATIENT SERVICE REVENUE

The mix of patient service revenue recognized during the years ended June 30, 2023 and 2022, by major payor source and by lines of business, was as follows:

	June 30, 2023				
	Hospitals	Physician Groups	Clinical Joint Ventures &	Total	%
Medicare	\$ 484,740	\$ 60,887	\$ 6,381	\$ 552,008	18.9 %
Medicare Managed Care	209,310	32,811	30,727	272,848	9.4
Medicaid	66,277	6,714	2,488	75,479	2.6
Medicaid Managed Care	346,542	41,366	32,704	420,612	14.5
Managed Care	343,082	68,630	32,992	444,704	15.2
Blue Cross	712,330	106,095	16,197	834,622	28.6
Commercial, Self-Pay, and Other	<u>259,888</u>	<u>47,722</u>	<u>8,491</u>	<u>316,101</u>	<u>10.8</u>
Total Patient Service Revenue	<u>\$ 2,422,169</u>	<u>\$ 364,225</u>	<u>\$ 129,980</u>	<u>\$ 2,916,374</u>	<u>100.0 %</u>
	June 30, 2022				
	Hospitals	Physician Groups	Clinical Joint Ventures &	Total	%
Medicare	\$ 458,213	\$ 57,407	\$ 17,540	\$ 533,160	19.7%
Medicare Managed Care	173,271	24,980	-	198,251	7.3
Medicaid	54,379	3,431	1,539	59,349	2.2
Medicaid Managed Care	325,905	36,624	25,186	387,715	14.4
Managed Care	357,723	61,926	43,192	462,841	17.1
Blue Cross	680,460	94,444	16,368	791,272	29.3
Commercial, Self-Pay, and Other	<u>230,816</u>	<u>31,192</u>	<u>8,171</u>	<u>270,179</u>	<u>10.0</u>
Total Patient Service Revenue	<u>\$ 2,280,767</u>	<u>\$ 310,004</u>	<u>\$ 111,996</u>	<u>\$ 2,702,767</u>	<u>100.0 %</u>

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 100% or 75%. Additionally, uninsured patients with family income between 201% and 600% of the current federal poverty level automatically receive an 80% 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 300% 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.

The following table presents the level of charity care and unreimbursed Medicaid services provided for the years ended June 30, 2023 and 2022:

	2023	2022
Excess of allocated cost over reimbursement for services provided to hospital Medicaid patients—net of net benefit under the Program	\$ 186,247	\$ 134,386
Estimated costs and expenses incurred to provide charity care in the hospitals	<u>28,704</u>	<u>29,473</u>
Total	<u>\$ 214,951</u>	<u>\$ 163,859</u>

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.

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 expense through a tax assessment from the State of Illinois. The net benefit to RUSH from the Program was \$86,733 and \$89,914 during the years ended June 30, 2023 and 2022, respectively. For the years ended June 30, 2023 and 2022, the Medicaid payment of \$168,660 and \$156,292 was included in patient service revenue, representing 5.8% of the patient service revenue for fiscal years 2023 and 2022, respectively, and the tax assessment of \$81,927 and \$66,378, respectively, was included in supplies, utilities, and other expenses within the consolidated statements of operations and changes in net assets.

5. ASSETS LIMITED AS TO USE AND INVESTMENTS

Assets limited as to use and investments consist primarily of 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, private equity, and private debt.

Following is a summary of the composition of assets limited as to use and investments as of June 30, 2023 and 2022:

	2023	2022
Marketable securities and short-term investments	\$ 28,857	\$ 160,782
Fixed income securities	471,143	453,963
Public equity securities	475,685	406,401
Mutual funds	606,959	887,931
Alternative investments	695,454	363,835
Other	<u>3,307</u>	<u>(78,283)</u>
 Total investments	 2,281,405	 2,194,629
 Beneficial interest in trusts	 <u>32,787</u>	 <u>30,974</u>
 Total assets limited as to use and investments	 2,314,192	 2,225,603
 Less : amount reported as current assets	 <u>(57,209)</u>	 <u>(41,257)</u>
 Assets limited as to use and investments—noncurrent	 <u>\$ 2,256,983</u>	 <u>\$ 2,184,346</u>

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, 2023 and 2022, approximates the real return that RUSH expects to earn on its investments over the long term and totaled \$7,612 and \$7,927 for the years ended June 30, 2023 and 2022, respectively. The difference between the total investment return and the amount allocated to operations is reported in nonoperating income (loss) and totaled \$4,813 and \$(23,724) for the years ended June 30, 2023 and 2022, respectively. There is no guarantee that the investment return expected by management will be approximately 7.2% and -8.9%, 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, 2023 and 2022, are as follows:

	2023	2022
Interest and dividends	\$ 41,832	\$ 45,160
Net realized gains on sales of securities	5,020	69,121
Unrealized gains (losses)—without donor restrictions	77,189	(190,705)
Unrealized gains (losses)—with donor restrictions	<u>54,201</u>	<u>(101,300)</u>
	<u>\$ 178,242</u>	<u>\$ (177,724)</u>
 Reported as:		
Other revenue	\$ 8,855	\$ 8,074
Nonoperating income	93,465	(138,592)
Net assets with donor restrictions—net realized and unrealized gains (losses) on investments	<u>75,922</u>	<u>(47,206)</u>
	<u>\$ 178,242</u>	<u>\$ (177,724)</u>

6. FAIR VALUE MEASUREMENTS

As of June 30, 2023 and 2022, 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, trustee 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.

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.

Fixed Income Securities: Fixed income securities consist primarily of U.S. government and agency securities, corporate bonds, and asset-backed securities, all of which are classified as Level 2. The fair value of investments in U.S. government and agency securities and corporate bonds was primarily determined using techniques consistent with the market approach, including matrix pricing and significant observable inputs of institutional bids, trade data, broker and dealer quotes, discount rates, issues spreads, and benchmark yield curves. The asset-backed securities encompass collateralized bond obligations, collateralized loan and mortgage obligations any other asset-backed securities. The fair value of these securities was determined using techniques consistent with market and income approach, such as discount cash flows and matrix pricing. Repurchase agreements are valued using a market-based approach and are carried at amortized cost, which approximates fair value.

Public equity securities: Public equity securities consists of common and preferred stock. The fair values of common and preferred stock are determined by obtaining quoted prices from a nationally recognized exchange (Level 1 inputs). Other preferred stocks are valued based on recent bid prices or average of recent bid and asked prices when available (Level 2 inputs), and, if not available, they are valued through matrix pricing models developed by sources considered by management to be reliable.

Mutual Funds: The fair values of mutual fund investments are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs). The fair values of the mutual fund investments that are based on their net asset values, as reported by the managers and as supported by the unit prices of actual purchase and sale transactions occurring as of or close to the financial statement date (Level 2 inputs). Investments in the collective trust fund can be redeemed immediately at net assets value per share.

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.

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, 2023 and 2022:

Fair Value Measurements as of June 30, 2023	Level 1	Level 2	Level 3	Total Fair Value
Assets				
Marketable securities and short-term investments	\$ 29,055	\$ -	\$ -	\$ 29,055
Fixed Income Securities:				
U.S. Government and Agency securities	-	306,766	-	306,766
Corporate Bonds	107	62,118	-	62,225
Asset backed securities and other	-	91,620	6,157	97,777
Public Equity Securities	472,326	3,359	-	475,685
Mutual Funds	557,411	7,837	-	565,248
Other assets	-	-	35,608	35,608
Total assets at fair value	<u>\$ 1,058,899</u>	<u>\$ 471,700</u>	<u>\$ 41,765</u>	\$ 1,572,364
Investments Valued at NAV				\$ 741,540
Pending Trades				<u>(9,876)</u>
Total assets				<u>\$ 2,304,028</u>
Liabilities				
Obligations under interest rate swap agreements	\$ -	\$ (3,764)	\$ -	\$ (3,764)
Derivative liabilities	194	(509)	-	(315)
Total liabilities at fair value	<u>\$ 194</u>	<u>\$ (4,273)</u>	<u>\$ -</u>	<u>\$ (4,079)</u>

Fair Value Measurements as of June 30, 2022	Level 1	Level 2	Level 3	Total Fair Value
Assets				
Marketable securities and short-term investments	\$ 127,568	\$ 33,214	\$ -	\$ 160,782
Fixed Income Securities:				
U.S. Government and Agency securities	-	349,772	-	349,772
Corporate Bonds	-	86,448	-	86,448
Asset backed securities and other	-	17,743	6,022	23,765
Public Equity Securities	406,401	-	-	406,401
Mutual Funds	528,148	-	-	528,148
Other assets	-	(387)	30,974	30,587
Total assets at fair value	<u>\$ 1,062,117</u>	<u>\$ 486,790</u>	<u>\$ 36,996</u>	\$ 1,585,903
Investments Valued at NAV				\$ 717,596
Pending Trades				<u>(91,885)</u>
Total assets				<u>\$ 2,211,614</u>
Liabilities				
Obligations under interest rate swap agreements	\$ -	\$ (6,782)	\$ -	\$ (6,782)
Total liabilities at fair value	<u>\$ -</u>	<u>\$ (6,782)</u>	<u>\$ -</u>	<u>\$ (6,782)</u>

The 2022 table was updated to reflect the 2023 presentation which simplifies the composition of investments.

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:

	Total
Fair value—June 30, 2021	\$ 42,617
Actual return on investments—Realized and unrealized (losses) and gains	(6,121)
Purchases	500
Sales	<u>-</u>
Fair value—June 30, 2022	36,996
Actual return on investments—Realized and unrealized gains and (losses)	1,904
Purchases	2,865
Sales	<u>-</u>
Fair value—June 30, 2023	<u>\$ 41,765</u>

During the fiscal year 2023 and 2022, 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 common collective trusts, hedge funds, private equity, and private debt. The NAV instruments listed in the fair value measurement tables use the following valuation techniques and inputs as of the valuation date:

Common Collective Trusts—Commingled funds formed from the pooling of investments under common management. Unlike a mutual fund, these investments are not registered investment companies and therefore are exempt from registering with the Securities and Exchange Commission. Underlying investments within this category consist of public

equity securities. The fair value of common collective trusts classified at NAV are primarily determined using the calculated NAV at the valuation date under a market approach.

Alternative Investments—Investments within this category consist primarily of hedge funds, private equity and private debt. Hedge fund 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 investments and unfunded commitments that report fair value using NAV as of June 30, 2023:

Entities that Report Fair Value Using NAV	Fair Value at June 30, 2023	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Common Collective Trusts	\$392,041	None	Daily/Monthly	1-15 days
Alternative Investments:				
Hedge Funds	71,385	None	Quarterly	65-95 days
Private Equity	<u>278,114</u>	<u>107,593</u>	Not currently redeemable	N/A
Total	<u>\$741,540</u>	<u>\$107,593</u>		

Entities that Report Fair Value Using NAV	Fair Value at June 30, 2022	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Common Collective Trusts	\$322,072	None	Daily/Monthly	1-15 days
Alternative Investments:				
Hedge Funds	106,621	None	Quarterly	65-95 days
Private Equity	<u>288,903</u>	<u>96,045</u>	Not currently redeemable	N/A
Total	<u>\$717,596</u>	<u>\$ 96,045</u>		

7. ENDOWMENT FUNDS

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

Interpretation of Relevant Law

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

- a. The duration and preservation of the fund
- b. The purposes of the organization and the donor-restricted endowment fund

- c. General economic conditions
- d. The possible effect of inflation and deflation
- e. The expected total return from income and the appreciation of investments
- f. Other resources of the organization
- g. The investment policies of the organization

Endowment Investment and Spending Policies

RUSH has adopted endowment investment and spending policies to preserve purchasing power over the long term and provide stable annual support to the programs supported by the endowment, including professorships, research and education, free care, student financial aid, scholarships, and fellowships. Approximately 16% of RUSH’s endowment is available for general purposes for the years ended June 30, 2023 and 2022.

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, 2023 and 2022, are as follows:

Asset Class	Target Allocation and Range	Percentage of Endowment Assets	
		2023	2022
Public Equity	60% (+/- 10%)	63 %	56 %
Fixed Income	15% (+/- 10%)	7	7
U.S. Treasuries	10% (+/- 10%)	10	8
Private Equity	15% (+/- 10%)	20	21
Cash	-	-	8

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 4.5% and 4.0% for the fiscal years ended June 30, 2023 and 2022, and income from the endowment fund provided \$27,138 and \$23,940 of support for RUSH’s programs during the fiscal years ended June 30, 2023 and 2022, respectively.

Composition of Endowment Fund and Reconciliation

The endowment net asset composition by type of fund as of June 30, 2023, consisted of the following:

	Without Restrictions	With Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 826,129	\$ 826,129
Board-designated endowment funds	<u>8,933</u>	<u>-</u>	<u>8,933</u>
Total funds	<u>\$ 8,933</u>	<u>\$ 826,129</u>	<u>\$ 835,062</u>

Changes in endowment net assets for the fiscal year ended June 30, 2023, consisted of the following:

	Without Restrictions	With Restrictions	Total
Endowment net assets—June 30, 2022	<u>\$ 13,605</u>	<u>\$ 774,181</u>	<u>\$ 787,786</u>
Contributions	\$ -	8,472	8,472
Net investment return	594	75,855	76,449
Transfer of endowment/appreciation	<u>(5,266)</u>	<u>(32,379)</u>	<u>(37,645)</u>
Endowment net assets—June 30, 2023	<u>\$ 8,933</u>	<u>\$ 826,129</u>	<u>\$ 835,062</u>

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

	Without Restrictions	With Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 774,181	\$ 774,181
Board-designated endowment funds	<u>13,605</u>	<u>-</u>	<u>13,605</u>
Total funds	<u>\$ 13,605</u>	<u>\$ 774,181</u>	<u>\$ 787,786</u>

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

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

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, 2023 and 2022.

8. PROPERTY AND EQUIPMENT—NET

Property and equipment—net as of June 30, 2023 and 2022 consisted of the following:

	2023	2022
Land and buildings	\$ 2,697,915	\$ 2,277,272
Equipment	1,037,451	976,650
Construction in progress	<u>162,383</u>	<u>359,863</u>
Total	3,897,749	3,613,785
Less accumulated depreciation	<u>(2,017,520)</u>	<u>(1,920,917)</u>
Property and equipment—net	<u>\$ 1,880,229</u>	<u>\$ 1,692,868</u>

Property and equipment—net includes financing leases of \$5,041 and \$4,891 in equipment as of June 30, 2023 and 2022, respectively. Accumulated depreciation on leased equipment amounted to \$2,131 and \$2,542 as of June 30, 2023 and 2022, 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, 2023 and 2022, RUSH had construction commitments outstanding of \$121,848 and \$186,412, respectively.

The Joan and Paul Rubschlager Building (“Rubschlager Building”) opened in February 2023. This building houses RUSH Neurosciences, RUSH Digestive Diseases and procedural care, diagnostic imaging, radiation therapy, infusion therapy, supportive oncology, expanded clinical trials, plastic surgery and the Lung Center. The 10-floor outpatient care center was designed to provide personalized and convenient care for patients with enhanced features that elevate the health care experience. Cost of the project to date is \$430,000.

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, 2023 and 2022, 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, 2023 and 2022, is as follows:

Illinois Finance Authority Revenue Bonds	Interest Rates	Final Maturity Date	Amount Outstanding at June 30,	
			2023	2022
Fixed-rate revenue bonds: Series 2015 A/B	5.00%	November 15, 2039	<u>\$ 417,705</u>	<u>\$ 428,195</u>
Variable-rate revenue bonds: Average of 3.83% and 1.12% Series 2016	in FY2023 and FY2022, respectively	November 1, 2045	<u>50,000</u>	<u>50,000</u>
Total tax-exempt debt			<u>467,705</u>	<u>478,195</u>
Other debt:				
2020 Taxable Bonds	3.92%	November 15, 2029	330,000	330,000
ROBOC	4.75%	March 5, 2026	36,575	37,820
Series 2019	1.78%	September 1, 2049	<u>33,899</u>	<u>34,867</u>
Total par value of debt			868,179	880,882
Less current portion of long-term debt			(13,510)	(12,703)
Debt issuance costs			(5,989)	(6,704)
Less unamortized premium			<u>39,832</u>	<u>44,084</u>
Long-term debt			<u>\$ 888,512</u>	<u>\$ 905,559</u>

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, 2023 and 2022.

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

Years Ending June 30	
2024	\$ 13,510
2025	14,143
2026	20,866
2027	22,054
2028	23,131
Thereafter	<u>774,475</u>
Total	<u>\$ 868,179</u>

Lines of Credit Arrangements

During fiscal year 2022, RUSH renegotiated and amended the existing three-year line by increasing the limit to \$100,000 and extending the maturity date to December 2024. As of June 30, 2023, no amounts were drawn or outstanding on this line of credit and the full amount of the line of credit was available for use. The line of credit fee for the year ending June 30, 2023 was \$134 and recorded to interest and fees on the statement of operations.

10. DERIVATIVES

Derivatives Policy

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

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

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

Interest Rate Swap Agreements

The Obligated Group has two interest rate swap agreements (the "Swap Agreements"), which were designed to synthetically fix the interest payments on its Series 2006A Bonds. Under the Swap Agreements, the Obligated Group makes fixed-rate payments equal to 3.945% to the swap counterparties and receives variable-rate payments equal to 68% of London InterBank Offered Rate (3.548% and 1.215% as of June 30, 2023 and 2022, respectively) from the swap counterparties, each calculated on the notional amount of the Swap Agreements. As of June 30, 2023 and 2022, the Swap Agreements had a notional amount of \$58,850 and \$63,200, respectively, (\$29,425 and \$31,600 in notional amount with each counterparty, respectively). Following the refinancing of the Series 2006A Bonds into the Series 2016 Bonds, the Obligated Group used \$50,000 in notional amount of the Swap Agreements to synthetically fix the interest on the Series 2016 Bonds. The Swap Agreements each expire on November 1, 2035 and amortize annually commencing in November 2012. The Swap Agreements are secured by obligations issued under the Master Trust Indenture.

The Swap Agreements also require either party to post collateral in the form of cash and certain cash equivalents to secure potential termination payments. The amount of collateral that is required to be posted is based on the relevant party's long-term credit rating. Based on its current rating, the Obligated Group is required to post collateral with the swap counterparties in the event that the market value of the Swap Agreements exceeds \$(30,000) or \$(15,000) for each Swap Agreement. As of June 30, 2023 and 2022, the Obligated Group had no collateral posted under Swap Agreements.

The fair value of the Swap Agreements as of June 30, 2023 and 2022, was as follows:

		<u>June 30</u>	
		2023	2022
Obligations under Swap Agreements	Other long-term liabilities	\$ (3,764)	\$ (6,781)

The fair value of the Swap Agreements reported in RUSH's consolidated balance sheets in other long-term liabilities as of June 30, 2023 and 2022, 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, 2023 and 2022, were as follows:

		<u>Fiscal Years Ended June 30</u>	
		2023	2022
Change in fair value of interest rate swaps	Non-operating income (loss)	\$ 3,017	\$ 7,228
Net cash payments on interest rate swaps	Interest expense	748	2,405

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 2023 to 2030. Assets acquired under financing lease arrangements are included in property and equipment—net in the accompanying consolidated balance sheets. Termination of leases generally is prohibited unless there is a violation under the lease agreement.

Total financing lease assets and liabilities in the consolidated balance sheets were \$3,702 and \$2,289 on June 30, 2023 and 2022, 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 and are recognized within supplies, utilities and other in the accompanying statement of operations and changes in net assets. 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, 2023, 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, 2023 are as follows:

	2023	2022
Lease cost:		
Operating lease cost	\$ 29,521	\$ 29,738
Short-term and variable lease cost	<u>20,519</u>	<u>18,187</u>
 Total operating, short-term, and variable lease cost	 <u>\$ 50,040</u>	 <u>\$ 47,925</u>
Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ (29,366)	\$ (29,206)
 Right-of-use assets obtained in exchange for new operating lease liabilities	 21,052	 2,760
Operating leases		
Weighted-average remaining lease term - years	5.12	5.70
Weighted-average discount rate	2.25 %	1.90 %

Annual maturities of operating lease liabilities on June 30, 2023, are as follows:

	Operating Leases
2024	\$ 26,128
2025	23,633
2026	18,533
2027	16,835
2028	10,230
Thereafter	<u>15,364</u>
 Total future undiscounted lease payments	 110,723
 Less interest	 <u>6,124</u>
 Lease liabilities	 <u>\$ 104,599</u>

Other Financing Arrangements

In November 2022, RSH Property Ventures, LLC, a 50/50 real estate joint venture with Select Illinois Holdings, Inc (“Select”), closed on a \$75.0 million financing with Wintrust Bank, N.A. The financing consists of a 5-year construction and term loan, fully guaranteed by the RUSH Obligated Group until certain conditions are met. Amount of the note payable is \$39.6 million and included in obligations under financing leases and other financing arrangements in the consolidated balance sheets.

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.

Effective at the close of business December 31, 2022, the Rush Retirement Plan merged into the Pre-2015 Separations Plan and all participants in the Retirement Plan become participants in the Pre-2015 Separations Plan on January 1, 2023. The Pre-2015 Separations Plan was renamed the RUSH Retirement Plan and all participation and benefit accruals continue under the Plan. As a result of the merger, pension assets and liabilities were remeasured at the merger date and the net pension benefit cost was updated for the period January 1, 2023 through June 30, 2023.

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

Obligations and Funded Status

For the RUSH Retirement Plan, the funded status of the qualified pension plan increased by \$52,000 between June 30, 2022 and June 30, 2023. Accumulated other comprehensive income changed from (\$263,600) at June 30, 2022 to (\$207,500) at June 30, 2023. The contributing factors to the change include: the Plans' assets earned a return of \$39,800, against the expected return of \$50,000. An increase in the prescribed Code Section 417(e) lump sum segment rates and mortality resulted in an increase in benefit obligation of \$2,100. The discount rate increased by 80 basis points from 4.9% to 5.7% resulting in a decrease in benefit obligation of \$62,500. The plan incorporated new census data in the valuation which increased the benefit obligation of \$6,900.

During the year ended June 30, 2022, RUMC underwent an experience analysis and updated the following assumptions which details can be found in the Retirement Plan Data, Assumptions, Methods and Provisions as of January 1, 2022, dated August 2022: Withdrawal rates were updated resulting in an increase in the benefit obligation of \$4,200. Retirement rates were updated resulting in a decrease in the benefit obligation of \$5,200. The form of payment for active and terminated vested participants was updated which resulted in an increase in the benefit obligation of \$3,600. The benefit commencement age for active and terminated vested participants with a cash balance benefit was updated from age 65 to age 50 resulting in a decrease in the benefit obligation of \$13,300.

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 (post the plans merger) and Postretirement Healthcare Plans (collectively, the “Plans”). The tables also reflect the funded status of the Plans as of the Measurement Date and amounts recognized in the consolidated balance sheets as of June 30, 2023 and 2022.

Obligations and Funded Status Year ended June 30, 2023	Defined Benefit Pension Plans			
	RUSH Retirement Plan			Postretirement Healthcare Plan
	Retirement Pension Plan	Supplemental Pension Plan	(f/k/a Retirement Plan Pre 2015)	
Actuarial present value of benefit obligations—accumulated benefit obligation	\$ -	\$ 1,679	\$ 846,580	\$ 4,113
Change in projected benefit obligations:				
Projected benefit obligation—beginning of measurement period	\$ 562,496	\$ 3,827	\$ 350,839	\$ 4,896
Service costs	12,167	-	11,540	135
Interest costs	13,599	136	31,929	235
Employee contributions	-	-	-	62
Special termination benefits	-	-	-	-
Plan settlements	-	(2,040)	-	-
Plan combinations	(542,297)	-	542,297	-
Actuarial gain (loss)	(33,445)	(244)	(20,034)	(821)
Benefits paid	(12,520)	-	(36,758)	(394)
Projected benefit obligation—end of measurement period	\$ -	\$ 1,679	\$ 879,813	\$ 4,113
Change in plan assets:				
Fair value of plan assets—beginning of measurement period	\$ 472,105	\$ -	\$ 396,421	\$ -
Actual return on plan assets	(2,803)	-	42,563	-
Employer contributions	13,980	2,040	14,020	332
Plan participant contributions	-	-	-	62
Plan settlements	-	(2,040)	-	-
Plan combinations	(470,762)	-	470,762	-
Benefits paid	(12,520)	-	(36,758)	(394)
Fair value of plan assets—end of measurement period	\$ -	\$ -	\$ 887,008	\$ -
Accrued benefit liability (asset)	\$ -	\$ 1,679	\$ (7,195)	\$ 4,113
Obligations and Funded Status Year ended June 30, 2022	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	\$ 530,483	\$ 3,827	\$ 350,839	\$ -
Change in projected benefit obligations:				
Projected benefit obligation—beginning of measurement period	\$ 647,250	\$ 4,440	\$ 431,733	\$ 6,145
Service costs	30,912	-	-	247
Interest costs	20,520	102	12,328	193
Employee contributions	-	-	-	77
Special termination benefits	-	-	-	-
Plan settlements	-	(190)	-	-
Actuarial gain (loss)	(111,590)	(525)	(68,771)	(1,297)
Benefits paid	(24,596)	-	(24,452)	(468)
Projected benefit obligation—end of measurement period	\$ 562,496	\$ 3,827	\$ 350,838	\$ 4,897
Change in plan assets:				
Fair value of plan assets—beginning of measurement period	\$ 562,149	\$ -	\$ 497,427	\$ -
Actual return on plan assets	(93,948)	-	(76,555)	-
Employer contributions	28,500	190	-	391
Plan participant contributions	-	-	-	77
Plan settlements	-	(190)	-	-
Benefits paid	(24,596)	-	(24,452)	(468)
Fair value of plan assets—end of measurement period	\$ 472,105	\$ -	\$ 396,420	\$ -
Accrued benefit liability (asset)	\$ 90,391	\$ 3,827	\$ (45,582)	\$ 4,897

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, 2023	Defined Benefit Pension Plans			
	Retirement Pension Plan	Supplemental Pension Plan	RUSH Retirement Plan (f/k/a Retirement Plan Pre 2015)	Postretirement Healthcare Plan
Net periodic pension cost comprised of the following:				
Service cost	\$ 12,167	\$ -	\$ 11,540	\$ 135
Interest cost on projected benefit obligation	13,599	136	31,929	235
Expected return on plan assets	(14,722)	-	(35,235)	-
Amortization of prior service cost and other actuarial amounts	-	-	-	-
Recognized actuarial loss (gain)	3,140	-	9,737	(548)
Special termination benefit recognized	-	-	-	-
Recognized settlement loss	-	5	-	-
Net periodic pension cost (credit)	<u>\$ 14,184</u>	<u>\$ 141</u>	<u>\$ 17,971</u>	<u>\$ (178)</u>

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

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

Accrued Benefit Liability As of June 30, 2023	Defined Benefit Pension Plans			
	Retirement Pension Plan	Supplemental Pension Plan	RUSH Retirement Plan (f/k/a Retirement Plan Pre 2015)	Postretirement Healthcare Plan
Accrued benefit liability—beginning of measurement period	\$ 90,392	\$ 3,827	\$ (45,582)	\$ 4,896
Fiscal year activity:				
Net periodic pension cost	14,184	141	17,971	(178)
Employer contributions	(13,980)	(2,040)	(14,020)	(332)
Postretirement-related changes and other net periodic postretirement costs:				
Actuarial gain (loss)	(15,920)	(244)	(27,362)	(821)
Reclassification adjustment for losses reflected in periodic expense	(3,141)	-	(9,737)	548
Settlement (gain) / loss recognized	-	(5)	-	-
Plan combinations	<u>(71,535)</u>	<u>-</u>	<u>71,535</u>	<u>-</u>
Accrued benefit liability (asset)—end of measurement period	<u>\$ -</u>	<u>\$ 1,679</u>	<u>\$ (7,195)</u>	<u>\$ 4,113</u>
Recognized in the consolidated balance sheets as follows:				
Noncurrent assets	\$ -	\$ -	\$ (7,195)	\$ -
Current liabilities	-	1,277	-	327
Noncurrent liabilities	-	402	-	3,786
Total	<u>\$ -</u>	<u>\$ 1,679</u>	<u>\$ (7,195)</u>	<u>\$ 4,113</u>

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

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 increase (decrease) to net assets without donor restrictions and total \$56,408 and \$(40,342) for fiscal years 2023 and 2022, respectively. For fiscal year 2023, this amount includes actuarial losses arising during fiscal year 2022 of \$44,346 and a reclassification adjustment for gains reflected in periodic expense in fiscal year 2023 of \$12,330. For fiscal year 2022, this amount includes actuarial losses arising during fiscal year 2021 of \$45,375 and a reclassification adjustment for losses reflected in periodic expense in fiscal year 2022 of \$6,046.

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, 2023 and 2022, are as follows:

Year ended June 30, 2023	Defined Benefit Pension Plans			Postretirement Healthcare Plan
	Retirement Pension Plan	Supplemental Pension Plan	RUSH Retirement Plan (f/k/a Retirement Plan Pre 2015)	
Unrecognized prior service credit	\$ -	\$ -	\$ -	\$ -
Unrecognized net actuarial (loss) gain	-	(4)	(207,461)	1,645
Total	<u>\$ -</u>	<u>\$ (4)</u>	<u>\$ (207,461)</u>	<u>\$ 1,645</u>

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

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

As of June 30, 2023	Defined Benefit Pension Plans			
	Retirement Pension Plan	Supplemental Pension Plan	RUSH Retirement	Postretirement Healthcare Plan
			(f/k/a Retirement Pre 2015)	
Discount rate—benefit obligation	N/A	5.65 %	5.65 %	5.65 %
Discount rate—pension expense	4.85 %	4.85	4.85 / 5.55	4.85
Rate of increase in compensation levels	5.57	N/A	5.57	N/A
Expected long-term rate of return on plan assets	6.40	N/A	4.35 / 6.50	N/A
Health care cost trend rate (initial)	-	-	-	6.50 / 6.00
Health care cost trend rate (ultimate)	-	-	-	4.00 / 4.00
Year the rate reaches ultimate trend rate	-	-	-	2046

Assumptions Used to Determine Benefit Obligations and Net Periodic Benefit Cost

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

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 Plans and the Postretirement Healthcare Plans. For fiscal years 2023 and 2022, 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, 2023 and 2022, the actual rate of return on plan assets was 5.24% and -16.05%, 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., public equity securities and private equity 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 common collective trusts and private equity limited partnerships 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, 2023 and 2022, is as follows:

Fair Value Measurements as of June 30, 2023	Level 1	Level 2	Level 3	Total Fair Value
Assets				
Marketable securities and short-term investments	\$ 7,353	\$ 45,544	\$ -	\$ 52,897
Fixed Income Securities:				
U.S. Government and Agency securities	-	157,218	-	157,218
Corporate Bonds	-	278,103	-	278,103
Asset Backed Securities and Other	-	62,264	-	62,264
Public Equity Securities	64,945	1,589	187	66,721
Mutual Funds	9,086	85,466	-	94,552
Other assets	-	11,632	-	11,632
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets at fair value	<u>\$ 81,384</u>	<u>\$ 641,816</u>	<u>\$ 187</u>	<u>\$ 723,387</u>
Investments Valued at NAV				191,030
Pending trades				<u>(20,784)</u>
Total assets				<u>\$ 893,633</u>
Liabilities				
Derivative liabilities	<u>\$ -</u>	<u>\$ (11,745)</u>	<u>\$ -</u>	<u>\$ (11,745)</u>
Total liabilities at fair value	<u>\$ -</u>	<u>\$ (11,745)</u>	<u>\$ -</u>	<u>\$ (11,745)</u>
Fair Value Measurements as of June 30, 2022	Level 1	Level 2	Level 3	Total Fair Value
Assets				
Marketable securities and short-term investments	\$ 20,670	\$ 43,266	\$ -	\$ 63,936
Fixed Income Securities:				
U.S. Government and Agency securities	-	167,410	-	167,410
Corporate Bonds	-	283,354	-	283,354
Asset Backed Securities and Other	-	56,676	-	56,676
Public Equity Securities	62,365	1,240	-	63,605
Mutual Funds Investments	10,000	52,424	-	62,424
Other Assets	-	10,530	-	10,530
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets at Fair Value	<u>\$ 93,035</u>	<u>\$ 614,900</u>	<u>\$ -</u>	<u>\$ 707,935</u>
Investments Valued at NAV				\$ 208,847
Pending Trades				(48,569)
Total Assets				<u>\$ 868,213</u>
Liabilities				
Derivative Liabilities	<u>(140)</u>	<u>(4,315)</u>	<u>-</u>	<u>(4,455)</u>
Total liabilities at Fair Value	<u>\$ (140)</u>	<u>\$ (4,315)</u>	<u>\$ -</u>	<u>\$ (4,455)</u>

The 2022 table was updated to reflect the 2023 presentation which simplifies the composition of investments.

As of June 30, 2023 and 2022, the defined benefit pension plan's commitments for additional contributions to alternative investments totaled \$5,028 and \$5,026, respectively.

Entities that Report Fair Value Using NAV	Fair Value at June 30, 2023	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Common Collective Trusts	\$ 180,244	None	Daily/Monthly	1-15 days
Alternative Investments: Private Equity	<u>10,786</u>	<u>5,028</u>	Not currently redeemable	N/A
Total	<u>\$ 191,030</u>	<u>\$ 5,028</u>		

Entities that Report Fair Value Using NAV	Fair Value at June 30, 2022	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Common Collective Trusts	\$ 194,845	None	Daily/Monthly	1-15 days
Alternative Investments: Private Equity	<u>14,002</u>	<u>5,026</u>	Not currently redeemable	N/A
Total	<u>\$ 208,847</u>	<u>\$ 5,026</u>		

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 2024	<u>\$ 25,277</u>	<u>\$ 327</u>
Estimated Benefit Payments		
2024	\$ 90,826	\$ 327
2025	72,210	377
2026	73,358	416
2027	74,017	439
2028	74,645	461
2029 through 2033	<u>379,704</u>	<u>2,151</u>
Total	<u>\$ 764,760</u>	<u>\$ 4,171</u>

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 \$33,371 and \$29,614 for the years ended June 30, 2023 and 2022, 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 \$40,350 and \$35,081 as of June 30, 2023 and 2022, 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 \$9,263 and \$8,420 as of June 30, 2023 and 2022, respectively, and are included in investments—less current portion in the accompanying consolidated balance sheets. These supplemental retirement plans are currently funded at 81% of benefits accrued.

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

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

13. CONCENTRATION OF CREDIT RISK

RUSH grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of patient accounts receivable from patients and third-party payors as of June 30, 2023 and 2022, was as follows:

	2023	2022
Medicare	15 %	17 %
Medicare Managed Care	11	8
Medicaid	2	3
Medicaid Managed Care	13	14
Managed Care	23	23
Blue Cross	31	31
Commercial	3	3
Self-pay	<u>2</u>	<u>1</u>
Total	<u>100 %</u>	<u>100 %</u>

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 2022 to 2023, 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 of the \$10,000. For the fiscal year ending June 30, 2023, self-insured retentions are now uniform across RUSH,

with RCMC paying its own self-insured retention as part of this overall self-insured retention. RUSH also maintains excess liability insurance coverage with combined reinsured limits of \$130,000 per occurrence and in the aggregate for general liability, professional liability, and other lines of liability coverage. RUMC has an established irrevocable trust fund to pay claims and related costs, which is recorded within the self-insurance trust in the accompanying consolidated balance sheets.

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

RUSH has employed an independent actuary to estimate the ultimate costs of claim settlements. Self-insured liabilities are based on the actuarial estimate of losses using RUSH's actual payout patterns and various other assumptions. RUSH's self-insured liabilities of \$382,248 and \$331,557 as of June 30, 2023 and 2022, 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 \$27,473 and \$44,676 higher than the amounts recorded in the consolidated balance sheets as of June 30, 2023 and 2022, respectively. The discount rates used in calculating the present value by RUSH was 4.0% for fiscal years ended June 30, 2023 and 2022. Insurance recoveries are presented separately within noncurrent and current assets in the accompanying consolidated balance sheets, as appropriate. As of June 30, 2023 and 2022, no insurance recoveries were recorded.

Senate Bill 72 was signed and passed into law imposing a prejudgment interest on all personal injury and wrongful death cases in Illinois, effective July 1, 2021 at a rate of 6% per year. RUSH's financial statements include professional liability reserves of \$15,888 and \$15,921 for fiscal year ended June 30, 2023 and 2022, respectively.

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

15. UNCONDITIONAL PROMISES TO CONTRIBUTE

Included in other current assets and other noncurrent assets are the following unconditional promises to contribute as of June 30, 2023 and 2022:

	2023	2022
Unconditional promises to contribute before unamortized discount and allowance for uncollectibles	\$ 55,138	\$ 48,559
Less unamortized discount	(3,129)	(702)
Less allowance for uncollectibles	<u>(5,974)</u>	<u>(6,456)</u>
Net unconditional promises to contribute	<u>\$ 46,035</u>	<u>\$ 41,401</u>
Amounts due in:		
Less than one year	\$ 20,112	\$ 18,974
One to five years	33,342	29,265
More than five years	<u>1,684</u>	<u>320</u>
Total unconditional promises to contribute	<u>\$ 55,138</u>	<u>\$ 48,559</u>

16. NET ASSETS

Net assets without donor restrictions as of June 30, 2023 and 2022, consist of the following:

Net Assets Without Donor Restrictions	2023	2022
Non-Board designated	\$ 2,109,438	\$ 1,917,178
Board designated	<u>8,933</u>	<u>13,605</u>
Total net assets without donor restrictions	<u>\$ 2,118,371</u>	<u>\$ 1,930,783</u>

Net assets with donor restrictions as of June 30, 2023 and 2022, were available for the following purposes:

Net Assets With Donor Restrictions	2023	2022
Restricted for specified purpose:		
Construction and purchase of equipment	\$ 10,940	\$ 10,217
Health education	21,546	21,288
Research, charity and other	615,723	546,180
Unappropriated endowment appreciation available for operations	<u>76,628</u>	<u>75,415</u>
Total funds designated for specified purpose	<u>\$ 724,837</u>	<u>\$ 653,100</u>
Endowments, perpetual in nature, the income from which is expendable for the following specified purposes:		
Health education	\$ 202,130	\$ 197,536
Research, charity and other	93,745	88,670
Operations	<u>40,393</u>	<u>39,841</u>
Total endowment net assets	<u>336,268</u>	<u>326,047</u>
Total net assets with donor restrictions	<u>\$ 1,061,105</u>	<u>\$ 979,147</u>

During fiscal years 2023 and 2022, net assets were released from donor restrictions for purchasing property and equipment of \$11,218 and \$14,141, respectively, and incurring expenses of \$98,715 and \$160,804, respectively, both of which satisfied the restricted purposes of the donors. Net assets released from restriction used in operations are included in other revenue in the accompanying consolidated statements of operations and changes in net assets.

17. JOINT VENTURES AND OTHER AFFILIATIONS

Investments in unconsolidated joint ventures, accounted for using the equity method, totaled \$12,068 and \$12,665 as of June 30, 2023 and 2022, 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 \$5,947 and \$7,442 during the years ended June 30, 2023 and 2022, respectively.

18. FUNCTIONAL EXPENSES

The consolidated financial statements present certain expenses that are attributed to more than one program or supporting function. Operating expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Certain expenses are attributable to more than one functional area and are therefore allocated on a reasonable basis that is consistently applied. Employee benefits are allocated based on factors of either salary expenses or hours worked. General and administrative expenses primarily include legal, finance, and human resources activities. Overhead costs that include items such as professional services, office expenses, information technology,

interest, insurance, occupancy and other similar expenses are allocated on a variety of factors, including relative costs, square footage, full-time equivalents, and direct labor costs among others.

The expenses reported in the consolidated statement of operations for the year ended June 30, 2023, supported the following programs and functions:

	Healthcare Services	Academic & Research Activity	General & Administrative Support	Total
Salaries, Wages & Employee Benefits	\$ 1,366,175	\$ 198,867	\$ 162,157	\$ 1,727,199
Supplies, Utilities & Other	915,958	124,028	51,362	1,091,348
Insurance	70,413	-	3,105	73,518
Purchased Services	201,594	22,588	48,863	273,045
Depreciation and Amortization	141,683	-	1,565	143,248
Interest	25,117	-	1,847	26,964
Total	<u>\$ 2,720,940</u>	<u>\$ 345,483</u>	<u>\$ 268,899</u>	<u>\$ 3,335,322</u>

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

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

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, 2023 and 2022, were as follows:

	2023	2022
Beginning balance	\$ 19,835	\$ 19,835
Acquisition of goodwill	-	-
Impairment charge	-	-
Ending balance	<u>\$ 19,835</u>	<u>\$ 19,835</u>

There was no goodwill impairment change during the years ended June 30, 2023 and 2022.

20. LIQUIDITY

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

	2023	2022
Financial assets at June 30:		
Cash and cash equivalents	\$ 439,952	\$ 519,998
Accounts receivable for patient services	407,284	370,352
Other accounts receivable	62,664	60,906
Self-insurance trust—current portion	57,209	41,257
Other current assets	151,168	129,500
Investments	1,375,233	1,357,270
Limited as to use by donor or time restriction or other	759,914	700,219
Self-insurance trust—less current portion	<u>121,836</u>	<u>126,857</u>
 Total financial assets	 <u>3,375,260</u>	 <u>3,306,359</u>
 Less amounts not available for general expenditures within one year:		
Contributions receivable due in more than one year or restricted by donor with time or purpose restrictions	107,256	109,918
Grant and Loan receivables	30,217	32,062
Employee Retirement Plans	62,284	56,379
Self-insurance (current and non-current)	179,045	168,114
Donor restricted funds, net of appropriation for the following fiscal year	158,499	440,559
Limited as to use by donor or time restriction or other	<u>759,914</u>	<u>700,219</u>
 Total financial assets not available to meet general expenditures within one year	 <u>1,297,215</u>	 <u>1,507,251</u>
 Total financial assets available to meet general expenditures within one year	 <u>\$ 2,078,045</u>	 <u>\$ 1,799,108</u>

The 2022 table was updated to reflect the 2023 presentation which simplifies the composition of RUSH's liquidity.

RUSH has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Certain other current assets within the accompanying consolidated balance sheets have been excluded from the liquidity table above due to the inability to either liquidate those assets or use them for general expenditures and other obligations, such as prepaid assets, grant related receivables, and tuition loan receivables. As described in Note 7, RUSH's endowment consists of donor restricted funds established for a variety of purposes, with income from endowments being restricted for specific purposes. The Finance Committee of the Board of Trustees for RUMC and ROPH and the Finance Committee for RCMC approves the annual endowment spending rate to be used for general purposes for each entity, respectively. As described in Note 9, RUSH also has a \$100,000 line of credit available for working capital.

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:

Net book value of assets in service after June 30, 2019 (Post-implementation):	
Land/Bldg	\$ 562,337
Equipment	<u>218,258</u>
Total	<u>\$ 780,595</u>
Construction in Progress	<u>\$ 162,383</u>
Land, Building and equipment, net	<u>\$ 1,880,229</u>
Intangible Assets as of June 30, 2023	<u>\$ 416</u>
Unsecured related party receivables as of June 30, 2023	<u>\$ 2,013</u>
Long-term debt for long-term purposes outstanding as of June 30, 2023	<u>\$ 888,512</u>
Pre-implementation	\$ 493,855
Post implementation	\$ 394,657

SUPPLEMENTAL INFORMATION

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

To the Board of Trustees of Rush System for Health

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Rush System for Health (the "System", "RUSH"), which comprise the consolidated balance sheets as of June 30, 2023 and 2022, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated October 27, 2023.

Report on Internal Control Over Financial Reporting

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

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

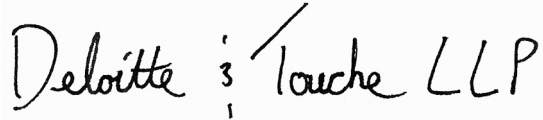
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of This Report

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

The image shows a handwritten signature in black ink on a light gray background. The signature reads "Deloitte" followed by a vertical symbol consisting of a dot above a horizontal line, and a vertical line below it, and then "Touche LLP".

Chicago, IL
October 27, 2023

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

Independent Auditor's Report

To the Board of Trustees of Rush System for Health:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Rush System for Health's (the "System", "RUSH") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of RUSH's major federal programs for the year ended June 30, 2023. RUSH's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, RUSH complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

would influence the judgment made by a reasonable user of the report on compliance about RUSH's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control Over Compliance

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

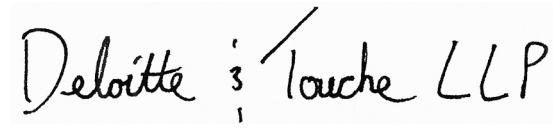
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified. Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of RUSH as of and for the year ended June 30, 2023, and have issued our report thereon dated October 27, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying financial responsibility schedule, schedule of expenditures of federal awards as required by the Uniform Guidance, and the schedule of expenditures of state awards are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial responsibility schedule, schedule of expenditures of federal awards, and schedule of expenditures of state awards are fairly stated in all material respects in relation to the financial statements as a whole.


December 15, 2023

RUSH SYSTEM FOR HEALTH

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal ALN Number	Federal Grantor/Pass-through Grantor's Number	Federal Expenditures	Sub recipients	Fund Number
Research and Development:					
U.S. Department of Health and Human Services:					
National Institute of Health	93.RD		\$ 69,525,572	\$ 14,846,117	
National Institute of Health:COVID					
A new therapeutic approach against kidney damage in LN and COVID-19	93.847	1F31DK129006	46,255		900533-0223
Covid-19 induced worsening of glomerular diseases	93.847	1R01DK133330	69,783		900570-1223
Microbiota-Mediated Bidirectional Interactions Between Alcohol Misuse and Post-Covid-19 Syndr	93.273	1R01AA029859	167,451	53,408	900525-0822_01
Alcohol misuse: An independent risk factor that increases the incidence and severity of COVID-19	93.273	3R24AA026801	187,250		900440-0621-01,02
Increased risk of STI and HIV among adolescent girls and young women due to COVID-19 and pandemic mitigation: Biological, behavioral, and psychosocial mediators	93.865	7R01HD106822	577,199	375,325	900531 all
Mitigating COVID-19 transmission in U.S. jails	93.855	3R01A1146079	116,918		900456-0221-04,05,06
Alive Church Network: Increasing COVID-19 Testing in Chicago African American testing	93.310	R01NR018463	26,906		900461-1121_01
Covid 19 cytokine storm	93.847	1R01DK129522	386,656	37,502	900514-0722_01
Impact of COVID-19 on AD Occurrence: A Biracial Intergenerational Population Study	93.866	R01AG073627	2,156,614	448,660	900517-0522_01,02,03
Effects of Face Masks on Word Learning in Preschool-Age Children	93.865	R01HD100439	66,102	7,704	900480-0622-01, 02
Passed through Beth Israel:					
Establishing Sleep Apnea as a non-cognitive phenotype of brainstem ADRD pathologies in older ad	93.866	R01AG071638	260,505		910558-0322
Passed through Argus Cognitive Inc:					
ARGUS-MDS: Automated, Quantitative and Scalable System for Social Processes in Behavioral Health	93.242	R44MH121965	157,889		910544-0322
Passed through University of Alabama:					
Social and Emotional Learning Study Groups for Educators of Students with Emotional and Behavioral Disorders (SELSG+)	84.423	S423A200114	163,966		930143-0922
Identifying therapeutic targets that confer synaptic resilience to Alzheimer's disease	93.866	R01AG061800	60,306		910404-0419
Role of vitamin D in the prevention and progression of urinary incontinence	93.847	R01DK115473	11,555		910463-0320
Passed through Banner Health:					
Neurobiology of Mild Cognitive Impairment in the Elderly	93.866	P01AG014449	66,950		910493-0321
Passed through Case Western:					
Learning Skills Together: A Randomized Controlled Trial of Complex Care Skills Intervention to Improve ADRD Caregiver Self-Efficacy	93.866	R01AG077554	775		910637-0424
Passed through Children's Hospital:					
Impact of Well-Timed vs. Mis-timed Sleep Extension on Adolescents' Dietary Intake	93.837	R01HL147915	12,142		910535-0821
Passed through Duke University:					
Coronary Artery Calcium in PRagmatic EVAluation of eVENTs And Benefits of Lipid-lowering in older adults (CAC PREVENTABLE Ancillary Study)	93.837	1R01HL155396-01A1	4,200		950383-0726
PRagmatic EVAluation of eVENTs And Benefits of Lipid-lowering in older Adults (PREVENTABLE) Data Coordinating Center	93.866	U19AG065188	3,286		950370-0000
Feasibility and Utility of Robust Antibiotic use Risk-adjustment in Antimicrobial Stewardship Program Assessments	93.084	U54CK000616-01-01	37,740		930145-0522
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	2,000		950329-0421
Passed through University of Minnesota:					
Soluble aSyn is a modulator of AD pathophysiology	93.866	RF1AG044342	6,954		910562-0422
Passed through New York University:					
Optimizing the use of ketamine to reduce chronic postsurgical pain	93.279	4UH3CA261067	20,995		950382-0000
Developmental Origins of Kidney Function in Early Life and Environmental Risks.	93.113	R01ES032214	28,710		910532-0621
Passed through Purdue University:					
Childhood Misfortune and Adult Health among Black, White, and Hispanic Americans	93.866	R01AG043544	14,224		910501-1120
Disparities in the Life Course Origins of Cognitive Decline	93.866	RF1AG068388	13,396		910503-0823
Passed through University of Pennsylvania:					
Modulation of Inflammation in Osteoarthritis via CD14-mediated pattern recognition	93.846	R01AR075737	108,646		910560-0721
Impact of Daytime vs. Delayed Eating Schedule on Weight and Metabolic Markers Among Obese Persons: An Examination of Circadian Mechanisms.	93.847	5R01DK117488	93,033		910483-0720
CONNECT - TBI	93.853	U54NS115322	14,149		910536-0821
Passed through Wake Forest University Health:					
The PREVENTABLE Physical Performance Ancillary Study	93.866	R01AG071807	2,000		950391-0523
The PREVENTABLE Physical Performance Ancillary Study	93.866	R01AG071807	10,166		910629-0523
The POINTER Neurovascular Ancillary Study	93.866	R01AG066910	18,922		950352-1221
Alzheimer's Gut Microbiome Project	93.RD	U19AG063744	14,130		950351-0821
US POINTER Imaging Ancillary Study	93.866	R01AG062689	191,350		950319-0321
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	38,421		950320-0521
Passed through University of Texas/University of North Texas/University of Texas Southwestern Medicine					
Education and Cognitive Functioning in Later Life: The Nation's High School Class of 1972	93.866	R01AG078533	22,781		910616-0723
Clinical Pathological Study of Cognitive Impairment in Essential Tremor	93.853	R01NS086736	1,285		910508-0524
The Health and Aging Brain Study - Health Disparities	93.866	U19AG078109	11,214		910610-0823
Clinical Pathological Study of Cognitive Impairment in Essential Tremor	93.853	R01NS086736	14,345		910508-0520
Passed through City of Hope:					
PA-20-070 "Development of evidence-based decision support for the management of COVID19"	93.226	R01HS024917	(21,289)		910529-1221
Passed through Hektoen:					
MACS/WIHS Combined Cohort Study: Cook County Clinical Research Site (CC_CRS)	93.837	U01HL146245	2,779		910512-0324
MACS/WIHS Combined Cohort Study: Cook County Clinical Research Site (CC_CRS)	93.837	U01HL146245	7,215		910512-0321
MACS/WIHS Combined Cohort Study: Cook County Clinical Research Site (CC_CRS)	93.837	U01HL146245	21,581		910519-0321
MACS/WIHS combined cohort study: cook county clinical research site (CC_CRS)	93.837	U01HL146245	170,572		910452-0320
Passed through University of Hawaii:					
Profiling genome-wide circulating ncRNAs for the early detection of lung cancer	93.394	R01CA223490	26,781		910427-0819
Passed through University of Mississippi:					
Jackson Heart Study Coordinating Center	93.RD	HHSN268201800010I	23,073		910415-0819
Passed through University of Maryland:					
Prevention Epicenters Program: Protecting Patients from Infections, Antibiotic Resistance and Other Adverse Events	93.RD	CK000615-01	76,133		930147-0522
Cooling to Help Injured Lungs (CHILL Phase IIb Randomized Control Trial of Therapeutic Hypothermia in Patients with ARDS	12.420	W81XWH2010432	16,721		930144-0622
Passed through University of Colorado:					
A National Center for Digital Health Informatics Innovation	93.350	7U24TR002306-05	14,043		910588-0622
Passed through University of Virginia:					
Systems Genetics of Bone Regeneration	93.846	1R01AR079179-01A1	359,959		910590-0123

(Continued)

RUSH SYSTEM FOR HEALTH

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal ALN Number	Federal Grantor/Pass-through Grantor's Number	Federal Expenditures	Sub recipients	Fund Number
Passed through Ohio State University:					
Parent training for parents of toddlers born very premature: A factorial design to test web delivery and telephone coaching	93.865	R01HD104072	143,997		910584-0722
Passed through Edgewater Safety Systems:					
Development of Memesto, a wearable repetitive message and music therapy device that senses and reduces agitation in persons with AD/ADRD.	93.866	R43AG074725	75,281		910568-0822
Passed through Pacific Northwest Nat'l Lab (PNNL):					
ProMoTr: A Proteomics Center for MoTrPAC Statement of Work	93.RD	U24DK112349	21,860		910567-1122
Passed through Pro Change Behavior Systems:					
FHIR-ed Up for Tobacco Cessation	93.838	R43HL156588	1,184		910578-0422
Passed through University of Utah:					
Circadian and sleep pathways to cardiometabolic disease risk: role of neurobehavioral processes	93.233	R01HL141706	29,398		910430-1219
Passed through Loyola University:					
METS-Sleep: Sleep timing, gut microbiota and cardiometabolic risk across the Epidemiologic Transit	93.233	R01HL148271	22,443		910459-0520
Passed through Dignity Health:					
Neurobiology of Mild Cognitive Impairment in the Elderly	93.866	P01AG014449	38,141		910480-0321
Passed through DePaul University:					
Preventing Suicide in African American Adolescents	93.242	1R01MH118382	230,417		910473-0620
Passed through Heartland Health Center:					
Advanced Nursing Education Nurse Practitioner Residency	93.247	T14HP33133	177,075		930136-0620
Passed through University of Kentucky:					
Role of impaired cognitive states & risk factors in conversion to mixed dementias	93.866	R01AG038651	96,298		910439-0120
Passed through Wright State University:					
Differential clearance of pyroglutamate alpha through arachnoid meningeal lymphatics in AD	93.866	R01AG064226	35,217		910464-0620
Passed through Wistar Institute:					
BEAT-HIV: Delaney Collaboratory to Cure HIV-1 Infection by Combination Immunotherapy	93.855	A1164570	9,137		910582-0422
Role of Intestinal Barrier Integrity in Modulating the Host Glycome During COVID-19	93.847	R01DK123733	8,157		910516-0821
Sialic Acid Modulation of HIV-associated Chronic Inflammation	93.866	R01AG062383	19,589		910435-0120
Glycomic Modulation of Gut Microbiome During HIV Infection	93.847	R01DK123733	309,736		910479-1120
Passed through Hennepin Healthcare Research:					
ASPirin in Reducing Events in the Elderly eXTension ASPREE	93.866	U19A0662682	30,146		910432-0424
ASPirin in Reducing Events in the Elderly eXTension ASPREE	93.866	U19A0662682	215,575	44,068	910432-0420
ASPirin in Reducing Events in the Elderly eXTension ASPREE	93.866	U19A0662682	54,600		950272-0420
Passed through CDC:					
Wastewater surveillance approaches for antimicrobial resistant genes and organisms in healthcare settings within the Central U.S. Region	93.RD	75D30121D12772	74,953	34,322	920155-0127
Candida auris, an emerging fungal pathogen of high concern	93.RD	75D30118C02900	17,013		920137-0919
Innovative Support for Patients with SAR SARS-CoV2 Infections (INSPIRE) Registry	93.RD	75D30120C08008	4,204,015		920143-0822
Innovative Support for Patients with SAR SARS-CoV2 Infections (INSPIRE) Registry	93.RD	75D30120C08008	4,342,964	4,342,964	920143-0822-02
Innovative Support for Patients with SAR SARS-CoV2 Infections (INSPIRE) Registry	93.RD	75D30120C08008	1,045,481	1,045,481	920143-0822-03
Passed through Columbia University:					
Mitochondrial Energetics, Circuits and Cognitive Decline in the Aging Human Brain	93.866	RF1AG076821	4,582		910628-0723
Metformin in Alzheimer's dementia Prevention (MAP)	93.866	R01AG062624	3,055		910449-0424
Metformin in Alzheimer's dementia Prevention (MAP)	93.866	R01AG062624	3,055		910533-0424
Alzheimer variants: Propagation of shared functional changes across cellular networks	93.866	SU01AG072572	5,024		910630-0623
National Institute of Aging Alzheimer's Disease Family-Based Study (NIA-AD FBS)	93.866	U24AG056270	10,537		910624-0423
National Institute of Aging Alzheimer's Disease Family-Based Study (NIA-AD FBS)	93.866	U24AG056270	7,578		910624-0424
Identifying cell type-specific autonomous and non-autonomous interactions in AD	93.866	RF1AG072167	23,694		910611-0423
Metformin in Alzheimer's dementia Prevention (MAP)	93.866	R01AG062624	15,452		910533-0421
Microglia antigen presentation in the CNS of Alzheimer's disease	93.866	R01AG067581	49,826		910563-0122
Multi-omic network directed proteoform discovery, dissection and functional validation to prioritize novel AD therapeutic targets	93.866	U01AG061356	492,151		910574-0822
Interrogation of a human microglia phenotype associated with Alzheimer's disease	93.866	RF1AG072471	98,039		910569-0322
Convergence of myeloid susceptibility protein function in Alzheimer's disease	93.866	R01AG058852	19,730		910389-0119
Metformin in Alzheimer's dementia Prevention (MAP)	93.866	R01AG062624	15,536		910449-0420
Blood Pressure and AD in African Americans The Jackson Heart Study	93.866	R01AG066134	6,316		910456-0520
Multi-omic network directed proteoform discovery, dissection and functional validation to prioritize novel AD therapeutic targets	93.866	U01AG061356	453,119		910440-0819
Discovery and validation of genetic variants affecting microglial activation in Alzheimer's disease	93.866	RF1AG070438	98,255		910522-0821
Metformin in Alzheimer's dementia Prevention (MAP)	93.866	R01AG062624	161,500		950285-0420
Passed through Northwestern University:					
Effects of Spaceflight on Gastrointestinal Microbiota in Mice: Mechanisms and Impact on Multi-System Physiology	43.007	NNX15AL05G	3,010		930140-0521
Food Allergy Management and Outcomes Related to Racial/Ethnic Differences from Infancy through Adolescence: The FORWARD Study	93.855	R01A1130348	66,459		910614-0423
Trauma, the gut, and the brain: the gut microbiota-microglia axis in traumatic brain injury	93.853	R01NS127865	20,978		910619-0723
Safety Assessment of Perioperative Pain Medications for Children (SAPPhire)	93.865	R21HD104078	10,870		910605-0722
Chicago Kidney Urology Hematology network FOR city-Wide research Raining and career Development (Chicago KUH FORWARD)	93.847	U2CDK129917	9,278		910591-0522
Hemostasis, Hematoma Expansion, and Outcomes After Intracerebral Hemorrhage	93.853	R01NS110779	95,120		910586-0322
Study in Parkinson Disease of Exercise Phase 3 Clinical Trial: SPARX3	93.853	U01NS113851	40,805		950357-0722
Functionally Defining HIV-Host Interactions During the Early HIV-1 Lifecycle	93.855	R01A1150998	144,430		910491-0221
Glutamate receptor signaling pathways in the circuit integration of adult-born neurons.	93.853	R01 NS115471	47,627		910513-0421
Technology Enabled Services for Coordinated Care of Depression in Healthcare settings	93.242	P50MH119029	71,057		910527-0321
Successful Clinical Response In Pneumonia Therapy (SCRIP) Systems Biology Center	93.855	U19A1135964	22,821		910530-1221
Myocardial Vulnerability to Ischemia-Induced Dysfunction and Heart Failure: The Impact of HIV/SIV, ART and Targeted Immunotherapy	93.837	R01HL154862	21,412		910538-0621
Genetic modifiers of the Mediterranean-DASH diet on MRI Amongst a Diverse Population with Cognitive Complaint Intervention for Neurodegenerative Delay (MIND) response	93.866	R01AG065398	153,879		910541-0421
Food Allergy Outcomes Related to White and African American Racial Differences (FORWARD)	93.855	R01A1130348	1		910355-0418
Core Center for Clinical Research at NU	93.846	P30AR072579	8,413		910397-0718
Molecular mechanisms underlying behavioral and psychological symptoms in Alzheimer's disease	93.866	R01AG062249	187,325		910399-0519
Lupus Intervention Fatigue Trial (LIFT)	93.846	R01AR071091	4,272		910425-0719
A Family- Genetic Study of Autism and Fragile X Syndrome	93.242	R01 MH91131	73,010		910470-0720

(Continued)

RUSH SYSTEM FOR HEALTH

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal ALN Number	Federal Grantor/Pass-through Grantor's Number	Federal Expenditures	Sub recipients	Fund Number
Passed through University of Chicago:					
Effects of mRNA m6A methylation and its YTHDF reader proteins on human AD mRNA homeo	93.172	3RM1HG008935-08S1	603		910635-0424
Chicago Chronic Condition Equity Network (C3EN)	93.307	5P50MD017349-02	56,639		910625-0623
CTSA Grant	93.350	KL2TR002387	52,870		910368-0723
CTSA Grant	93.350	UL1TR002389	301,380		910369-0723
CTSA Grant	93.350	UL1TR002389	224,232		910369-0723-02
CTSA Grant	93.350	UL1TR002389	15,954		910369-0723-07
CTSA Grant	93.350	UL1TR002389	30,551		910369-0723-05
CTSA Grant	93.350	UL1TR002389	328,181		910369-0723-01
CTSA Grant	93.350	UL1TR002389	286,653		910369-0723-06
CTSA Grant	93.350	UL1TR002389	55,201		910369-0723-04
CTSA Grant	93.350	UL1TR002389	19,159		910369-0723-03
SIESTA (Sleep of Inpatients: Empower Staff to Act) for acute stroke rehabilitation	93.865	R01HD097786	5,208		910612-1222
Implementation and Dissemination of Evidence-Based Interventions to Improve PrEP Care					
Continuum Outcomes Among Women in Community Health Clinics in the Southern U.S.	93.242	R01MH128051	37,236		910595-0622
ITM 2.0: Advancing Translational Science in Metropolitan Chicago	93.350	TL1TR002388	163,162		910496-0623
CTSA Grant	93.350	UL1TR002389	28,277		910369-0622-01
Chicago Chronic Condition Equity Network (C3EN)	93.307	P50MD017349-01	292,950		910585-0622
Chicago Chronic Condition Equity Network (C3EN)	93.307	P50MD017349-01	245,106		910585-0622-01
Chicago Chronic Condition Equity Network (C3EN)	93.307	P50MD017349-01	271,097		910585-0622-02
Chicago Chronic Condition Equity Network (C3EN)	93.307	P50MD017349-01	661,328		910585-0622-03
Chicago Chronic Condition Equity Network (C3EN)	93.307	P50MD017349-01	30,750		910585-0622-04
ITM 2.0: Advancing Translational Science in Metropolitan Chicago	93.350	TL1TR002388	18,173		910496-0622
NIH Community Engagement Alliance (CEAL) Against COVID-19 Disparities	93.838	OT2HL156812	200,324		910561-0921
Genotype-Quid therapy for atrial fibrillation	93.837	R01 HL 148444	39,982		910559-0621
Targeted Healthcare Engineering for Systems Interventions In Stroke (THESIS)	93.226	R18HS027264	22,118		910502-0920
ITM 2.0: Advancing Translational Science in Metropolitan Chicago	93.350	UL1TR002389	112,738		910369-0818
Chicago Metropolitan Asthma Consortium for Severe/exacerbation-prone Asthma	93.838	1UG1HL139125	(3,972)		910375-0618
Adaptive testing of cognitive function based on multidimensional item response theory	93.866	R56AG066127	29,569		910451-0820
Illinois Precision Medicine Consortium	93.368	OT2OD026557	348,478		910431-0520
Passed through University of Illinois/UIC					
ACTIV-4C Post-Hospital	93.838	T2HL156812	1,000		950348-1121
Hippocampal neurogenesis in cognitive function and dysfunction in Alzheimer's disease	93.866	R01AG076940	38,886		910598-0423
Great Lakes Node of the Drug Abuse Clinical Trials Network	93.279	UG1DA049467	9,738		910622-0223
State Maternal Health Innovation Program	93.110	U7AMC33720	31,188		930141-0921
Discovery of novel smHDACS inhibitors for the treatment of schistosomiasis	93.855	R21AI146512	37,604		910550-1121
The Role of Mid-life Psychosocial Stressors, Social Resources and Physiological Dysregulation	93.866	R21AG065654	7,171		910542-0821
Leadership Education in Neurodevelopmental and Related Disabilities Training Program	93.110	T73 MC11047-09-00	23,711		930125-0617
AHEC Point of Service Maint & Enhancement	93.107	U77HP26847	5,473	6.573	930133-0818
A Dynamic Environmental Exposure Approach to Study Behaviors in Mid-Life.	93.866	R01AG062180	17		910481-0520
Investigation of CXCR7 Signaling in EGFR TK1 resistant NSCLC	93.396	R01CA230778	(1,844)		910484-0720
Diet Modulation of bacterial sulfur & bile acid metabolism and colon cancer risk	93.393	R01CA204808	852		910436-0719
Passed through Westat Inc:					
NICHD International and domestic Pediatric and Maternal HIV Studies Coordinating Center	93.RD	HHSN275201300003C HHSN275201800001I	180,903		51743
Passed through Yale University:					
Molecular Networks Underlying Resilience to Alzheimer's Disease Among APOE E4 Carriers	93.866	R01AG057912	53,898		910377-0518
Passed through University of California: USC, UC Davis, California Institute of Technology, Children Hosp LA, UCLA					
Elucidating microvascular contributions to cognitive impairment at single-cell resolution	93.853	R01NS128909	40,854		910603-0623
Brain ePLA2 as a mechanism for neuroinflammation in AD/ADRD with and without APOE4	93.866	RFAAG076124	112,044		910604-0423
A Cognitive Test Battery for Intellectual Disabilities	93.865	R01HD076189	73,872		910580-0922
UC Davis Alzheimer's Disease Center	93.866	P30AG072972	1,064		910579-0622
AIDS Clinical Trial Group Laboratory Center (ACTG LC)	93.855	UM1AI106701	19,908		910553-1121
Impact of Reproductive Aging On HIV Persistence and Inflammation	93.855	R56 AI158293-01A1	9,864		910583-0622
AIDS Clinical Trial Group Laboratory Center (ACTG LC)	93.855	UM1AI106701	58,811		910552-1121
Unraveling the intersection of synaptic biology, lifestyle, and cognitive resilience	93.866	R01AG072475	40,518		910571-0322
Effects of traumatic brain injury and post traumatic stress disorder on Alzheimer's disease in Veterans using ADNI	12.420	W81XWH-12-2-0012	125		930121-0216
Combination anti-amyloid therapy for preclinical Alzheimer's disease	93.866	R01AG061848	5,000		950337-0521
The A3 Study: Ante-Amyloid prevention of Alzheimer's disease	93.866	R01AG054029	11,400		950336-0421
The A3 Study: Ante-Amyloid prevention of Alzheimer's disease	93.866	5R01AG054029	26,318		910575-0422
AIDS Clinical Trials Group- PROTOCOL PIFA5401	93.855	UM1A106836	21,182		910500-1120
Lifecourse exposure to community violence and risk of cognitive decline, Alzheimer's Disease, and related dementias among African-Americans	93.866	R01AG067525	11,833		910499-0221
The Clinical Significance of Incidental White Matter Lesionson MRI Amongst a Diverse Population with Cognitive Complaint (INDEED)	93.853	U19NS120384	14,813		910514-0821
A Cognitive Test Battery for Intellectual Disabilities	93.865	R01HD076189	220,659		910528-0921
The Clinical Significance of Incidental White Matter Lesions on MRI Amongst a Diverse Population with Cognitive Complaint	93.853	U19NS120384	145,706		910548-0821
Ethnic-specific Effects of Mitochondrial DNA Variants and Environmental Factors on Cognitive Functioning and Dementia	93.866	R01AG068405	39,326		910515-0421
Alzheimer's Disease Neuroimaging Initiative 2 (ADNI2)	93.866	U01AG024904	16,510		51784
Alzheimer's Disease Cooperative Study - A4 Study	93.866	U19 AG010483	26,025		950204-0217
CD40 Autoantibody and FSGS Recurrence	93.847	R01DK109720	933		910357-0318
Racial Differences in Decision Making among Older Adults	93.866	R01AG055430	328,315		910351-0418
Alzheimer's Clinical Trial Consortium (ACTC)	93.866	U24AG057437	175,439		910393-1118
Global Alzheimer's Platform Trial-Ready Cohort for Preclinical/Prodromal AD	93.866	R01AG053798	11,899		910465-0420
Passed through University of Washington:					
Literacy Development for Preschoolers with Hearing Loss	93.172	R01DC017984	101,400		910504-0821
AIDS and Aging Research Platform (AARP)	93.866	R33AG067069	12,029		910539-0421
ADNI Psychometrics	93.866	R01AG029672	3,320		910349-0318

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Passed through Emory University:					
Dystonia Coalition: Clinical Studies of Dystonia and Related Disorders	93.853	U54NS065701	2,500		910127-0813
Dystonia Coalition Projects - 3 (DCP3)	93.853	U54NS116025	6,250		950318-0824
A brain multi-omic approach to identify key molecular drivers of neuropsychiatric	93.394	R01AG072120	70,500		910601-0423
Novel Bayesian statistical tools for integrating multi-omics data to help elucidate the genomic etiology of complex phenotypes	93.859	R35GM138313	19,347		910518-0721
Royal Translational Research Center to Promote Context-Specific Caregiving Master	93.866	P30AG064200	14,738		910460-0520
The Mechanism of Arenavirus Entry into Cells	93.855	R01AI053668	63,161		910433-0220
Passed through Albert Einstein College of Medicine:					
Immunophenotyping for precision medicine for cardiovascular disease in people living with HIV	93.837	R01HL148094	18,928		910471-0720
Passed through Johns Hopkins:					
LOC - IMPAACT Leadership Group	93.855	UMI AI068632	113,471		910497-1120
ADalimumab Vs. conventional Immunosuppression for uveitis (ADVISE) Trial	93.867	UG1EY028091	12,820		950300-0820
Passed through Brigham and Women's Hospital:					
Towards Precision Nutrition for Alzheimer's Dementia Prevention: A Prospective Study of Dietary					910602-0323
Patterns, the Gut Microbiome and Cognitive Function	93.866	R01AG077489	108,550		
Food Timing to Mitigate Adverse Consequences of Night Work	93.837	R01HL153969	22,629		910594-0622
AIDS Clinical Trial Group Network	93.855	A1068636	248,884		51785
Fractal motor activity regulation and the risk for Alzheimer's disease in middle to old age adults	93.866	R01AG059867	44,089		910403-0419
Integrative Motor Activity Biomarker for the Risk of Alzheimer's Risk	93.866	RF1AG064312	79,482		910462-0320
Alliance for Clinical Trials in Oncology Operations Center	93.395	U10CA180821	75,873		910509-0221
Passed through Massachusetts General Hospital:					
Improving Multimodal Physical Function in Adults with Heterogeneous Chronic Pain; Multi-site Feasibility RCT	93.213	R01AT012069	74,252		910620-0823
Prospective Study of the Gut Microbiome in Aging	93.886	RF1AG067744	45,195		910554-0921
Randomized Trial to Prevent Vascular Events in HIV - REPRIEVE	93.837	U01 HL23336	48,124		51754
Dynamin, actin and microtubules: cytoskeletal crosstalk in podocytes	93.847	R01DK093773	3,068		910413-0419
Passed through Great Lakes Hemophilia:					
Regional Program	93.184	H30 MC24052	36,395		51673
Public Health Surveillance for Bleeding Disorders	93.080	NU27 DD001155-01-00	36,149		910418-0819
Passed through University of Florida:					
The role of elevated BIN1 expression in Alzheimer's disease	93.866	RF1AG056061	102,962		910507-0221
Genome-wide profiling of brain 6mA methylome in AD	93.866	R01AG064786	149,873		910454-0420
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	93.866	3U19AG063720-02S2	5,454		910581-0822
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	93.866	U19AG063720	761,556		910505-0821
Passed through University of Michigan/Michigan State:					
Role of SuPAR in the Intersection between Cardiovascular and Kidney Disease	93.837	R01HL153384	18,692		910525-0621
SWAN Genomic Analyses and SWAN Legacy	93.866	U01AG017719	755		910418-0819
Passed through Vanderbilt University:					
Sex-Specific Genetic Drivers of Alzheimer's Disease Endophenotypes	93.866	R01AG073439	43,906		910576-0622
Stress and Opioid Misuse Risk: The Role of Endogenous Opioid and Endocannabinoid Mechanisms	93.279	R01DA050334-01A1	57,378		910587-0222
BRAIN-ICU 2 Study: Bringing to light the risk factors and incidence of neuropsychological dysfunction (dementia) in ICU Survivors, 2nd study	93.866	R01AG058639	96,303		910428-0120-01
Genetic Drivers of Resilience to Alzheimer's Disease	93.866	R01AG059716	34,316		910395-0519
Neuroprotective Effects of Vascular Endothelial Growth Factor in Alzheimer's Disease	93.866	R01AG061518	24,899		910424-1219
A randomized, double-blind, placebo-controlled trial of urate-elevating inosine treatment to slow clinical decline in early Parkinson disease.	93.866	R01AG058639	258,884		910428-0120
Proteomics of Hypertension and Alzheimer's Disease in African American	93.866	R01AG064950	107,919		910467-0520
Passed through Sunnybrook Research Institute:					
Sleep, Circadian Rhythms, and Mechanisms of Cognitive Decline in the Human Brain	93.866	R01AG052488	379,564		910341-0218
Passed through Washington University:					
1/2 Catheter-Directed Therapy for Chronic DVT (C-Tract Trial)	93.839	UH3HL138325	2,000		950294-0000
Bidirectional interactions between sleep and Alzheimer's disease: Functional dissection of the brain transcriptome in humans and Drosophila	93.866	RF1AG070436	622,046		910564-0322
Exploiting Integrin Signaling to Overcome Resistance to Immunotherapy	93.395	R01CA244938	61,884		910474-1120
Passed thru University of North Carolina at Chapel Hill:					
Data, Modeling, and Coordination Center for PrecISE Network	93.838	U24HL138998	10,427		950308-0620
Oxidative Stress and the Development of Osteoarthritis	93.866	R01 AG044034	3,052		51750
Passed thru Harvard School of Public Health:					
Targeting REST in Alzheimer's Disease	93.866	R01AG069042	31,364		910557-0422
Safety and Healthcare Epidemiology Prevention Research Development (SHEPheRD) Program	93.823	200-2011-24037/2011-N-13526	52,216		930123-0420
Passed thru University of Indiana:					
National Cell Repository for Alzheimer's Disease (NCRAD)	93.866	U24 AG021886	45,032		51660
Passed through Baylor College of Medicine:					
Mechanisms of couplin-linked skeletal muscle myopathies	93.846	R01AR072602	223,849		910408-0619
Passed through Boston University/Boston Childrens Hospital:					
The Influence of Structural Racism on Incidence of Alzheimer's Disease and Related Dementias (ADRD) in Black women	93.866	R01AG077948	22,490		910597-0223
Skeletal and non-skeletal roles for osteocalcin	93.846	R01AR080740	6,262		910609-0223
Air Pollution and Alzheimer's Dementia: Neuropathologic and Olfactory Mechanisms in Multi-Ethnic Longitudinal Cohorts	93.866	R01AG067497	150,895		910489-0121
Air pollution and noise exposures in relation to dementia: from brain imaging markers to clinical disc	93.866	R01AG065359	147,941		910495-0121
Passed through Boston Childrens Hospital:					
Cumulus: A Universal Research Sidecar for a SMART Learning Healthcare System	93.345	90AX0031/01-00	3,362		910572-0922
Development of Synaptopathies Associated with TSC, PTEN, SHANK3 Mutations	93.853	2U54NS092090	56,644		910477-0720
Passed through Oregon Health and Science Institute:					
Personality and Health: A Longitudinal Study	93.866	R01AG020048	37,808		910359-0318
Passed through Rutgers University:					
Unmet Needs of Mental Health Care among Older Asian Americans with Cardiometabolic Disease	93.307	P50MD017356	12,164		910608-0623
Passed through Lurie Childrens Hospital:					
Employing eSBI in a Community-based HIV Testing Environment for at-risk Youth	93.279	R01 DA041071	1,649		51787
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	28,537		950230-0620

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Passed through NCI-NCTN (ECOG, ALLIANCE, NRG, SWOG)					
A Randomized Phase III Study of Ibrutinib plus obinutuzumab versus ibrutinib plus venetoclax and obinutuzumab in untreated older patients with chronic lymphocytic leukemia	93.RD	A041702	325		950265-0000
A Phase 3 Randomized Study Comparing Perioperative nivolumab vs observation in patients with localized renal cell carcinoma undergoing nephrectomy (PROSPER)	93.RD	EA8143	4,000		950267-0000
Phase III Trial of Immunotherapy-Based Combination Therapy with or Without Cytoreductive Nephrectomy for Metastatic Renal Cell Carcinoma (PROBE Trial)	93.RD	S1931	2,700		950330-0000
PD-Inhibitor (nivolumab) and Ipilimumab followed by nivolumab vs. VEGF TKI cabozantinib with nivolumab in metastatic untreated renal cell cancer [PDIGREE]	93.RD	A031704	3,708		950331-0000
CASPAR - A Phase III Trial of Enzalutamide and Rucaparib as a Novel Therapy in First-Line Metastatic Castration-Resistant Prostate Cancer	93.RD	A031902	3,108		950339-0000
Limited Stage small cell lung cancer (LS-SCLC); a phase II/III randomized study of chemoradiation vs chemoradiation plus atezolizumab	93.RD	NRG-LU005	1,750		950284-0000
S1806: PHASE III RANDOMIZED TRIAL OF CONCURRENT CHEMORADIO THERAPY WITH OR WITHOUT ATEZOLIZUMAB IN LOCALIZED MUSCLE INVASIVE BLADDER	93.RD	S-1806	1,038		950292-0000
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	860		950229-0000
Phase III to trial to evaluate the efficacy of addition of notuzumab ozogamin to frontline therapy in young adults with newly diagnosed precursor B-cell ALL	93.RD	A041501	13,000		950257-0000
Kolorectal Cancer Metastatic dMMR/Immuno-Therapy (COMMIT) Study	93.RD	NRG-G1004	2,900		950242-0000
Passed through IIT:					
Gradient Hydrogels to Promote MSC Differentiation for Osteochondral Defect Repair	93.846	R21AR074072	9,709		910570-0322
Clinical Test of an Intracortical Visual Prosthesis System	93.853	UH3NS095557	41,420		910520-0821
In-vivo MRI-based prediction of TDP43 pathology in aging	93.866	R01AG064233	294,101		910453-0420
Passed through Tufts University:					
Vitamins D and K and Neuropathologically-Defined Alzheimer and Other Dementias in Older Pers	93.866	R01AG051641	202,103		910599-0323
Passed through Mt. Sinai:					
A multiscale investigation of the living human brain	93.866	R01AG069976	51,996		910543-0521
Elucidating Genetic and Environmental Second Hits in Racial and Ethnic Minorities with APOE1 High-Risk Genotypes	93.847	R01DK127139	28,179		910555-1121
Peripheral and Brain Levels of Advanced Glycation End Products AGEs and Incident Alzheimers Disease and Neuropathy	93.866	R01AG053446	263,813		910325-0517
Integrative Network Modeling of Cognitive Resilience to Alzheimer's Disease	93.866	R01AG057907	17		910366-0518
Leveraging Existing Aging Research Networks to Investigate TBI and AD/ADRD risk (LEARN TBI & AD)	93.866	R01AG061028	207,567		910423-1119
Passed through University of Wisconsin:					
Data Driven Strategies for Substance Misuse Identification in Hospitalized Patients	93.279	R01DA051464	132,654		910623-0723
Harnessing adaptive NK cell transfer to deplete viral reservoirs	93.855	R01AI1161816	265,957		910549-0322
The Neighborhoods Study: Contextual Disadvantage and Alzheimer's Disease and Related Dementias (ADRD)	93.866	R01AG070883	45,342		910540-0222
APOLLO - Upper Midwest	93.847	U01DK116092	41,421		910416-0519
Passed through Medical College of Wisconsin:					
Environmental Sound Recognition Before and After Cochlear Implantation in Adults	93.173	R21DC018871	8,851		910593-0822
Passed through Duke University:					
ACTIV-6: COVID-19 Outpatient Randomized Trial to Evaluate Efficacy of Repurposed Medications	93.350	U24TR001608	70,000		950371-0000
A Phase 2b, Multicenter, Randomized, Open-Label, Assessor Blinded Superiority Study to Compare the Efficacy and for the Completion of Treatment of Patients with Complicated S. aureus Bacteremia	93.855	5UM1A1104681	33,950		950367-1126
Pragmatic Evaluation of evENTs And Benefits of Lipid-lowering in oldEr Adults (PREVENTABLE) - Administration & Trial Management	93.866	5U19AG065188	22,478		910556-0821
Pragmatic Evaluation of evENTs And Benefits of Lipid-lowering in oldEr Adults (PREVENTABLE) - Clinical Sites Core	93.866	5U19AG065188	41,705		910592-0822
Metabolomic signatures for disease sub-classification and target prioritization in AMP-AD	93.866	U01AG061359	43,245		910412-0819
Alzheimer's Gut Microbiome Project	93.866	U19AG063744	199,786		910485-0820
Pragmatic Evaluation of evENTs And Benefits of Lipid-lowering in oldEr Adults (PREVENTABLE)	93.866	U19AG065188	46,245		950315-0826
Passed through University of Cincinnati:					
AntiCardiopathy and Antithrombotic Drugs in prevention After cryptogenicstroke ARCADIA	93.853	U01NS095869	8,000		950245-0418
Passed through Battelle Memorial Institute/PNNL:					
Reduce Cesium Irradiator Replacement Project--Comparison Studies	93.RD	DE-AC05-76RL01830	10,583		930148-0823
Passed through California Institute of Technology:					
Targeting Diet - Microbiome Interactions in the Pathogenesis of Parkinson's Disease	12.420	W81XWH-17-1-0589	316,111		930146-0822
Passed through Esperanza Health Centers:					
Teaching Health Center Graduate Medical Education Program	93.530	2279CHP46043C6	554,961		930149-0623
Passed through Florida State:					
1/3 Effectiveness Trial of the Early Social Interaction (ESI) Model using Mobile Technology for Toddlers with Autism Identified from Early Screening in Primary Care	93.242	R01MH121627	70,427		910596-0622
Passed through Hido Technologies:					
Preventing Medication Mismanagement in People Living with Dementia through Automated Medication Dispensing with Facial Recognition and Video Observation	93.866	R43AG077737	38,123		910626-0723
Passed through University of Iowa:					
Clinical Coordinating Center for the Acute to Chronic Pain Signatures Program: Administrative Supplement	93.310	U24NS112873	76,457		950366-0722
Clinical Coordinating Center for the Acute to Chronic Pain Signatures Program: Administrative Supplement	93.279	U24NS112873	50,624		910617-0723
Passed through Medical University of South Carolina:					
The Impact of Circadian Misalignment on Colonic Barrier Homeostasis in Ulcerative Colitis	93.847	R01DK124280	31,438		910634-0524
Chronotherapy of 5-Aminosalicylic Acid in Ulcerative Colitis: A Randomized Crossover Trial	93.847	R01DK128085	50,248		910633-0324
Passed through University of Missouri:					
Supplement to Prebiotics Intervention to Reduce Alzheimer's Disease Risk via Brain-Gut Axis in an APOE4 Mouse Model	93.866	RF1AG062480	102,795		910621-0324
Passed through Southern Illinois University:					
Coupling Epitranscriptomics to Molecular Disease Mechanisms and Nucleic Acid Therapeutics in Persistent Residual HIV Infection	93.855	R61AI16966	320,081		910607-0323
Passed through University of South Carolina:					
Aging Symptom Trajectories in Mother Carriers of the FMR1 Premutation PO 2000066037 / USC 10011955	93.866	R01AG073374	24,630		910615-0323
Autonomic and Sensory Dysfunctions in FMR1 Conditions: Development, Mechanisms and Consequences PO 2000065272 / USC 10011938	93.865	R01HD106652	36,008		910606-0423
Aging Symptom Trajectories in Mother Carriers of the FMR1 Premutation	93.866	R01AG073374	3,159		910636-0324
Passed through University of Miami:					
The Role of Vascular Calciprotein in Arteriovenous Fistula Maturation	93.847	R01DK132888	21,064		910613-0423
Passed through Leland Stanford Junior University:					
Epigenetic Histone Landscape Profiles in HIV	93.855	R21AI172061	7,379		910618-0623
Passed through Suny Research Foundation:					
Identifying the molecular systems, networks, and key molecules that underlie cognitive resilience	93.866	R01AG057911	17,157		910632-0523
Identifying the origins of resilience through human single cell molecular networks, then testing them in diverse resilient human IPS lines	93.866	R01AG061798	2,989		910631-0523
Identifying the origins of resilience through human single cell molecular networks, then testing them in diverse resilient human IPS lines	93.866	R01AG061798	7,883		910631-0524
Passed through Jacob Center for Health Research:					
Randomized Trial Comparing Immediate versus Deferred Surgery for Symptomatic Epiretinal Membranes.	93.867	UG1EY014231	2,500		950384-0000
A Randomized Clinical Trial Evaluating Fenofibrate for Prevention of Diabetic Retinopathy Worsening (Protocol AF)" ("Protocol")	93.RD	2159	15,535		950349-0000
Study: Genetics in Retinal Diseases Project for the DRCR Retina Network (DRCR)	93.867	UG1EY014231	250		950358-0000

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Passed through Axle Informatics:					
Data Ingestion for the National COVID Cohort Collaborative (N3C) Data Enclave	93.RD	75N95021D00001	15,000		950381-0000
Passed through Cleveland Clinic:					
Dementia with Lewy Bodies Consortium	93.853	U01NS100610	121,334		910320-0717
Total U.S. Department of Health and Human Services			103,568,065	21,242,124	
U.S. Army Medical Research Acquisition Activity:					
Preventing the Development of Chronic Pain: Treating PTSD at Acute Pain Onset	12.420	DOD W81XWH2210739	193,757		920153-0926
Preventing the Development of Chronic Pain: Treating PTSD at Acute Pain Onset	12.420	DOD W81XWH2210739	73,376		920153-0926-01
Rational Targeting of TTK/MPS1 in HER2-Negative Breast Cancer	12.420	W81XWH-22-1-0134	237,092		920152-0225
Passed through NASA:					
REACH for Information Technology Training	43.009	80NSSC22K0881	519,178		920154-0723
Single-Source, Biomarkers as Predictors of Resiliency and Susceptibility to Stress in Space Flight	43.003	80NSSC20K0243	162,592		920141-1020
Total U.S. Army Medical Research Acquisition/NASA/NSF			1,185,995	0	
Department of Education:					
Validation of a Spanish-Language Social Reasoning/Assessment for Spanish-Speaking English Language Learners	84.305	R305A200463	223,060		920139-0621
Web-based assessment of social-emotional skills in middle school	84.305	R305A200220	361,828		920140-0621
Total Department of Education			584,888	0	
TOTAL RESEARCH AND DEVELOPMENT			105,338,948	21,242,124	
Stimulus Act:					
Provider Relief Fund	93.498		73,912,393		
FEMA-Emergency Protective Measures (COVID-19) V4	97.036	697311	2,353,992		
Uninsured Covid Testing and Treatment	93.461		588,701		
TOTAL STIMULUS ACT			76,855,086	-	
Student Financial Assistance:					
U.S. Department of Education:					
Stafford Loan	84.268	P268K5336	43,866,195		
Grad Plus	84.268	P268K5336	29,562,304		
Parent Loans for Undergraduate Students	84.268	P268K5336	21,282		
Perkins Loan	84.038	P038A031271	-		
Perkins Loan-outstanding loan bal. at measurement date	84.038		729,008		
Pell Grant Program	84.063	P063P125336	226,417		
Supplemental Educational Opportunity Grant	84.007	P007A121271	76,879		
Federal Work Study	84.033	P033A121271	363,793		
Total U.S. Dept of Education			74,845,878	-	
U.S. Department of Health and Human Services:					
Loans for Disadvantaged Students-outstanding loan bal. at measurement date	93.342		328,319		
Nursing Student Loan-Undergraduate-outstanding loan bal. at measurement date	93.364		20,921		
Nursing Student Loan-Graduate-outstanding loan bal. at measurement date	93.364		353,407		
Primary Care Loan/HPSL-outstanding loan bal. at measurement date	93.342		66,447		
Nurse Faculty Loan Program-outstanding loan bal. at measurement date-ARRA	93.408		69,478		
Nurse Faculty Loan Program-outstanding loan bal. at measurement date	93.264		643,603		
Nursing Student Loan	93.364	E4 DHP19180	39,366		
Nurse Faculty Loan Program	93.264	E01 HP28838	124,924		
Total U.S. Department of Health and Human Services			1,646,465	-	
TOTAL STUDENT FINANCIAL ASSISTANCE			76,492,343	-	
Other Federal Assistance:					
U.S. Department of Housing and Urban Development (HUD):					
Older Adults Home Modification Grant Program	14.921		154,641		920151-1224
U.S. Department of Health and Human Services:					
Nurse Anesthetist Traineeships	93.124		9,462		980131-0621
Passed through State of Illinois Department of Human Services:					
Cook County-Support Act Project	93.RD	H21-25-0241	139,166		940195-0922
Opioid SOR Program	93.788	43CBC03497	1,222,262	29,673	940190-0623
Opioid SOR 2 Program	93.788	43CBC03652	1,723,458		940191-0623
Passed through City of Chicago-Chicago Department of Public Health:					
Emergency Food and Shelter Program	93.323	PO 207198	25,460		940200-1222
Health and Wellness Promotion	14.218	PO 182641	8,280		940189-1222
Health Promotions Services for Older Adults	93.043/93.044	PO 210126	1,200		940201-0923
Health Promotions Services for Older Adults	93.043/93.044	PO 182894	33,775		940198-0923
Regional Innovative Public Health Laboratory (RIPHL)	93.323	6 NU50CK000556-01-04	2,106,903		940173-0222
CDPH-DATAHUB	93.323	140117	1,275,171		940168-0922
ELC Program Contact Tracing	93.323	PO 138120	74,070		940167-0722
ELC Program Contact Tracing	93.323	PO 200015	846,699		940167-0723
Healthy Chicago Equity Zone	93.268	PO 160569-169026/194141	825,693	637,566	940185-1221
Healthy Chicago Equity Zone	93.391	PO 185467, Release 196033	1,574,970	1,167,572	940193-0523
Expanded HIV Testing for Disproportionately affected populations	93.940	30597	70,622		940147-1216
Family Connects Chicago: Cohorts	21.027	PO 200908	459,172		940199-1223
CDPH-Testing and vaccination at Congregate and Other Settings	93.323	PO 207560	2,841,608		940194-0423
Connect Chicago Covid 19	93.323	140819/170857	903,097		940181-1221
Passed through State of Illinois Department of Public Health:					
Family Planning Program	93.217	36180052K	94,568		940141-0623
Regional Perinatal Network	93.994	26380067J	228,629		940139-0622
TOTAL OTHER FEDERAL ASSISTANCE			14,618,906	1,834,811	
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 273,305,283	\$ 23,076,935	

(Concluded)

RUSH UNIVERSITY MEDICAL CENTER

**SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED JUNE 30, 2023**

State Grantor/Pass-through Grantor/Program or Cluster Title	State Grantor/ Pass-through Grantor's Number	State Expenditures	Fund Number
Passed through the Illinois Department of Public Health:			
Family Planning Program	36180052K	\$ 105,432	940141-0623
School Based Health Center	26380038J	554,280	940140-0622
Genetic Counseling/Clinical Services	33788110K	135,000	940145-0623
Sickle Cell Program	33788304K	48,840	940137-0623
Regional Perinatal Network	26380067J	369,088	940139-0622
Total Illinois Department of Public Health		1,212,640	
Passed through City of Chicago-Chicago Department of Public Health:			
Community Breast Health Services	PO 124631	27,740	940164-1222
Total Illinois Department of Public Health		27,740	
Passed through the Illinois Department of Healthcare and Family Services			
West Side Health Equity Collaborative	NA	202,840	940196-1224
West Side Health Equity Collaborative	NA	61,033	940196-1224-01
		263,873	
Passed through the Illinois Department of Human Services:			
Child Care Workforce	NA	20,910	940192-0622
Child Care Restoration Grant Program	B25232	194,472	940166-0920
Early Intervention Services	FCSBO05147	3,938,657	940138-0623
Total Illinois Department of Human Services		4,154,039	
Passed through the Illinois Department of Transportation:			
State and Community Highway Safety	343-29056	128,399	Copley
State and Community Highway Safety	HS-23-0205	186,343	Copley
		314,742	
Passed through State of Illinois, Capital Development Board:			
Capital Development	900-010-343	7,300,000	Copley
		7,300,000	
TOTAL EXPENDITURES OF STATE AWARDS		13,273,034	
TOTAL EXPENDITURES FEDERAL AND STATE AWARDS		\$ 286,578,317	

RUSH SYSTEM FOR HEALTH

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2023

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, 2023 for those loan programs for which the Federal Government imposes continuing compliance requirements are as follows:

Perkins Loan	\$ 729,008
Loans for Disadvantaged Students	328,319
Nursing Student Loan-Undergraduate	20,921
Nursing Student Loan-Graduate	353,407
Primary Care Loan/HPSL	66,447
Nurse Faculty Loan Program—ARRA	69,478
Nurse Faculty Loan Program	643,603

4. NONCASH ASSISTANCE

Rush did not receive any noncash federal awards or in-kind contributions during fiscal year 2023. In addition, Rush did not have any federal insurance in effect during the year ended June 30, 2023, to specifically cover federal expenditures.

5. PROVIDER RELIEF FUNDING BY PROVIDER AND TIN

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

PROVIDER	TIN
Copley Memorial Hospital	36-2170840
Rush Copley Medical Group	36-3235315
Rush Copley Orthopedics	61-1801175
Rush Copley Surgicenter	38-4012268
Rush Oak Park Hospital	36-2183812
Rush Surgicenter	36-3853026
Rush University Medical Center	36-2174823

RUSH SYSTEM FOR HEALTH

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2023

Part I—Summary of Auditors’ Results

Financial Statements

Type of auditor’s 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 auditor’s 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:

ALN Numbers	Name of Federal Program or Cluster
Various	Student Financial Aid Cluster
93.498	Provider Relief Fund
97.036	FEMA-Emergency Protective Measures (COVID-19) V4

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, 2023

Part II—Financial Statement Findings

None noted.

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, 2023

Financial Statement Reference	Financial Statement Line Item Reference	Primary Reserve Ratio	
		2023 Amounts	2023 Amounts
Consolidated Balance Sheet - Net Assets without donor restrictions	Net Assets without donor restrictions	\$ -	\$ 2,118,371
Consolidated Balance Sheet - Net Assets with donor restrictions	Net Assets with donor restrictions	-	1,061,105
Note 21 to the Consolidated Balance Sheet - Related party receivable and related party note disclosure	Secured and Unsecured related party receivables	2,013	-
Note 21 to the Consolidated Balance Sheet - Related party receivable and related party note disclosure	Unsecured related party receivables	-	2,013
Consolidated Balance Sheet - Land, building, and equipment - net	Land, Building and equipment - net (includes Constuction in progress)	1,880,229	-
Note 21 to the Consolidated Balance Sheet - Land, building and equipment pre-implementation	Land, building and equipment - pre-implementation	-	937,251
Note 21 to the Consolidated Balance Sheet - Land, building and equipment post-implementation with outstanding debt for original purchase	Land, building and equipment - post-implementation with outstanding debt for original purchase	-	780,596
Note 21 to the Consolidated Balance Sheet - Land, building and equipment - Net - Construction in progress	Constuction in progress	-	162,382
Consolidated Balance Sheet - Lease right-of-use assets - net	Lease right-of-use asset - net	100,237	-
Note 21 to the Consolidated Balance Sheet - Goodwill	Intangible Assets	-	416
Consolidated Balance Sheet - Accrued postretirement benefit obligation	Postretirement and pension liabilities	-	2,082
Consolidated Balance Sheet - Loans and bonds payable	Long-term debt - for long term purposes	888,512	-
Consolidated Balance Sheet - Loans and bonds payable	Long-term debt - for long term purposes pre-implementation	-	493,855
Consolidated Balance Sheet - Loans and bonds payable (prior year)	Long-term debt - for long term purposes post-implementation	-	394,657
Consolidated Balance Sheet - Lease right-of-use asset liability	Lease right-of-use asset liability	78,471	-
Financial Statement Reference	Financial Statement Line Item Reference	Primary Reserve Ratio Total Expenses and Losses	
		Amounts	Amounts
Consolidated Statement of Operations and Changes in Net Assets - Total Operating Expenses (Total from Consolidated Statement of Acitivies prior to adjustments)	Total expenses without donor restrictions- taken directly from Statement of Activities	\$ -	\$ 3,335,322
Consolidated Statement of Operations and Changes in Net Assets - Without Donor Restrictions - Total operating expenses, Loss on disposal of property and equipment, Change in fair value of interest interest swap agreements, Other components of periodic postretirement benefit cost	Non-Operating and Net Investment (loss)	-	86,601
Consolidated Statement of Operations and Changes in Net Assets - Without Donor Restrictions - Fundraising expenses, Debt rate lock settlement, and loss on debt refunding	Other losses	-	(12,437)
Consolidated Statement of Operations and Changes in Net Assets - Without Donor Restrictions - Pension - related changes other than net periodic costs	Pension-related changes other than net periodic costs	-	56,408

(Continued)

RUSH SYSTEM FOR HEALTH

SUPPLEMENTAL SCHEDULE - FINANCIAL RESPONSIBILITY SCHEDULE AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

Financial Statement Reference	Equity Ratio		2023	2023
	Financial Statement Line Item Reference	Modified Net Assets	Amounts	Amounts
Consolidated Balance Sheet - Net Assets without donor restrictions	Net Assets without Donor Restrictions		\$ -	\$ 2,118,371
Consolidated Balance Sheet - Net Assets with donor restrictions	Net Assets with Donor Restrictions		-	1,061,105
Note 21 to the Consolidated Balance Sheet - Goodwill	Intangible Assets		-	416
Note 21 to the Consolidated Balance Sheet - Related party receivable and related party note disclosure	Secured and unsecured related party receivables		2,013	-
Note 21 to the Consolidated Balance Sheet - Related party receivable and related party note disclosure	Unsecured related party other assets		-	2,013
Consolidated Balance Sheet - Total Assets	Total Assets		-	5,494,236
Consolidated Balance Sheet - Lease right-of-use assets pre-implementation	Lease right-of-use asset pre-implementation		-	100,237
Note 21 to the Consolidated Balance Sheet - Goodwill	Intangible Assets		-	416
Note 21 to the Consolidated Balance Sheet - Related party receivable and related party note disclosure	Secured and unsecured related party receivables		2,013	-
Note 21 to the Consolidated Balance Sheet - Related party assets and related party note disclosure	Unsecured related party other assets		-	2,013
Financial Statement Reference	Net Income Ratio		Amounts	Amounts
Financial Statement Line Item Reference				
Consolidated Statement of Operations and Changes in Net Donor Restrictions - Changes in Net Assets	Change in Net Assets without Donor Restrictions		\$ -	\$ 187,586
Consolidated Statement of Operations and Changes in Net Assets - Without Donor Restrictions - Total operating revenues, Contribution for nonoperating purpose, Allocation of endowment income to operations, Changes in value of split interest agreements, Other nonoperating activities - net assets released from retriCTION, Postretirement benefit plan related changes, other than net periodic postretirement benefit cost	Total Revenues and Gains Without Donor Restrictions		-	3,360,481

(Concluded)