

University of Southern California

**Report on Audit of the Consolidated Financial Statements and on
Federal Awards Programs in Accordance with the Uniform
Guidance**

For the Year Ended June 30, 2023

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University of Southern California
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Year Ended June 30, 2023

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Report of Independent Auditors

To the Board of Trustees of the University of Southern California

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of the University of Southern California and its subsidiaries (the “University”), which comprise the consolidated balance sheets as of June 30, 2023 and 2022, and the related consolidated statements of activities and of cash flows for the years then ended, including the related notes (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the University 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 (US GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the University 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 Consolidated 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 financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University’s ability to continue as a going concern for one year after the date the financial statements are issued.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ 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 US 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 financial statements.

In performing an audit in accordance with US 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 the University'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 the University'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.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards for the year ended June 30, 2023 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2023 on our consideration of the University'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 for the year ended June 30, 2023. 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 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 University's internal control over financial reporting and compliance.

PricewaterhouseCoopers LLP

Los Angeles, California
November 10, 2023

Consolidated Balance Sheets

as of June 30, 2023 and 2022

in thousands

	June 30, 2023	June 30, 2022
Assets		
1 Cash and cash equivalents	\$413,949	\$421,238
2 Accounts receivable, net	954,344	856,510
3 Notes receivable, net	31,219	36,830
4 Pledges receivable, net	383,673	392,119
5 Investments	8,484,309	8,806,040
6 Inventories, prepaid expenses and other assets	519,178	417,147
7 Right-of-use assets - operating leases	227,820	193,578
8 Property, plant and equipment, net	5,055,603	4,447,548
9 Total Assets	\$16,070,095	\$15,571,010
Liabilities		
10 Accounts payable	\$329,046	\$303,814
11 Accrued liabilities	835,022	1,214,238
12 Refundable advances	68,746	41,736
13 Deposits and deferred revenue	361,473	380,237
14 Actuarial liability for annuities payable	75,762	85,702
15 Federal student loan funds	30,483	35,490
16 Asset retirement obligations	159,455	152,543
17 Operating lease obligations	236,280	202,866
18 Finance lease obligations	145,337	86,758
19 Bonds and notes payable	2,687,128	2,441,616
20 Other liabilities	78,331	86,255
21 Total Liabilities	5,007,063	5,031,255
Net Assets		
22 Without donor restrictions	4,830,362	4,650,356
23 With donor restrictions	6,232,670	5,889,399
24 Total Net Assets	11,063,032	10,539,755
25 Total Liabilities and Net Assets	\$16,070,095	\$15,571,010

The accompanying notes are an integral part of these statements.

Consolidated Statements of Activities

for the year ended June 30, 2023, with summarized comparative totals for the year ended June 30, 2022

in thousands

	Without Donor Restrictions	With Donor Restrictions	Year Ended June 30, 2023 Total Net Assets	Year Ended June 30, 2022 Total Net Assets
Operating				
Revenues:				
1 Student tuition and fees	\$1,744,703		\$1,744,703	\$1,743,066
2 Health care services	2,858,535		2,858,535	2,466,587
3 Contracts and grants	764,651		764,651	718,621
4 Auxiliary enterprises	304,222		304,222	268,468
5 Sales, services and other	462,477		462,477	343,702
6 Contributions	356,901	29,264	386,165	242,438
7 Allocation of endowment spending	378,717		378,717	313,696
8 Total Revenues	6,870,206	29,264	6,899,470	6,096,578
9 Net assets released from restrictions	21,130	(\$21,130)		
10 Total Revenues and Reclassifications	6,891,336	8,134	6,899,470	6,096,578
Expenses:				
11 Salaries and benefits	3,984,666		3,984,666	3,509,082
12 Operating expenses	2,564,119		2,564,119	2,171,699
13 Depreciation	332,186		332,186	305,944
14 Interest on indebtedness	97,062		97,062	85,611
15 Total Expenses before Insurance recoveries	6,978,033		6,978,033	6,072,336
16 (Decrease) increase in Net Assets from Operating Activities before Insurance recoveries	(86,697)	8,134	(78,563)	24,242
17 Insurance recoveries (refer to Note 14)	19,575		19,575	12,250
18 (Decrease) increase in Net Assets from Operating Activities	(67,122)	8,134	(58,988)	36,492
Non-operating				
19 Allocation of endowment spending to operations	(146,777)	(231,940)	(378,717)	(313,696)
20 Changes in funding status of defined benefit plan	4,542		4,542	6,490
21 Other components of net periodic benefit costs	(2,379)		(2,379)	343
22 Donor redesignations and other reclassifications	(235,232)	235,232		
23 Investment and endowment income	97,010	2,539	99,549	40,657
24 Net appreciation (depreciation) in fair value of investments	55,322	181,456	236,778	(673,607)
25 Contributions	4,900	80,148	85,048	248,086
26 Inherent contribution from member substitution	469,742	18,507	488,249	
27 Restricted contribution revenue - Arcadia ground lease		47,200	47,200	
28 Present value adjustment to annuities payable		1,995	1,995	11,380
29 Increase (decrease) in Net Assets from Non-operating Activities	247,128	335,137	582,265	(680,347)
30 Total increase (decrease) in Net Assets	180,006	343,271	523,277	(643,855)
31 Beginning Net Assets	4,650,356	5,889,399	10,539,755	11,183,610
32 Ending Net Assets	\$4,830,362	\$6,232,670	\$11,063,032	\$10,539,755

The accompanying notes are an integral part of these statements.

Consolidated Statements of Activities

for the year ended June 30, 2022

in thousands

	Without Donor Restrictions	With Donor Restrictions	Year Ended June 30, 2022 Total Net Assets
Operating			
Revenues:			
1 Student tuition and fees	\$1,743,066		\$1,743,066
2 Health care services	2,466,587		2,466,587
3 Contracts and grants	718,621		718,621
4 Auxiliary enterprises	268,468		268,468
5 Sales, services and other	343,702		343,702
6 Contributions	242,438		242,438
7 Allocation of endowment spending	313,696		313,696
8 Total Revenues	6,096,578		6,096,578
9 Net assets released from restrictions	386,767	(\$386,767)	
10 Total Revenues and Reclassifications	6,483,345	(386,767)	6,096,578
Expenses:			
11 Salaries and benefits	3,509,082		3,509,082
12 Operating expenses	2,171,699		2,171,699
13 Depreciation	305,944		305,944
14 Interest on indebtedness	85,611		85,611
15 Total Expenses before Insurance recoveries	6,072,336		6,072,336
16 Increase (decrease) in Net Assets from Operating Activities before Insurance recoveries	411,009	(386,767)	24,242
17 Insurance recoveries (refer to Note 14)	12,250		12,250
18 Increase (decrease) in Net Assets from Operating Activities	423,259	(386,767)	36,492
Non-operating			
19 Allocation of endowment spending to operations	(113,805)	(199,891)	(313,696)
20 Changes in funding status of defined benefit plan	6,490		6,490
21 Other components of net periodic benefit costs	343		343
22 Investment and endowment income	36,578	4,079	40,657
23 Net appreciation in fair value of investments	(205,663)	(467,944)	(673,607)
24 Contributions	36,486	211,600	248,086
25 Present value adjustment to annuities payable		11,380	11,380
26 (Decrease) in Net Assets from Non-operating Activities	(239,571)	(440,776)	(680,347)
27 Total increase (decrease) in Net Assets	183,688	(827,543)	(643,855)
28 Beginning Net Assets	4,466,668	6,716,942	11,183,610
29 Ending Net Assets	\$4,650,356	\$5,889,399	\$10,539,755

The accompanying notes are an integral part of these statements.

Consolidated Statements of Cash Flows

for the years ended June 30, 2023 and 2022

in thousands

	Year Ended June 30, 2023	Year Ended June 30, 2022
Cash Flows from Operating Activities		
1 Change in Net Assets	\$523,277	(\$643,855)
Adjustments to reconcile change in net assets to net cash (used in) operating activities:		
2 Depreciation	332,186	305,944
3 Loss on the disposal/sale of plant assets	3,600	11,399
4 Present value adjustment to annuities payable	(2,020)	(11,199)
5 Contributions received for property, plant and equipment and permanent investment	(46,789)	(111,241)
6 Inherent contribution from member substitution	(488,249)	
7 Net realized gain on sale of investments	(157,757)	(997,562)
8 Net unrealized (appreciation) depreciation in investments	(79,062)	1,671,115
9 (Increase) in accounts receivable	(33,108)	(287,976)
10 (Increase) in pledges receivable	(27,309)	(14,192)
11 (Increase) in inventories, prepaid expenses and other assets	(41,924)	(33,707)
12 Increase in accounts payable	996	38,575
13 (Decrease) in accrued liabilities	(391,423)	(627,547)
14 Increase in refundable advances	27,010	2,601
15 (Decrease) increase in deposits and deferred revenue	(18,764)	152,718
16 (Decrease) increase in other liabilities	(22,075)	67,091
17 Net Cash used in Operating Activities	(421,411)	(477,836)
Cash Flows from Investing Activities		
18 Proceeds from note collections	7,743	12,169
19 Notes issued	(2,132)	(2,050)
20 Proceeds from sale and maturity of investments	4,522,433	5,920,205
21 Purchase of investments	(3,767,001)	(5,905,181)
22 Inherent contribution from member substitution	10,484	
23 Purchase of property, plant and equipment	(422,461)	(298,730)
24 Net Cash provided by (used in) Investing Activities	349,066	(273,587)
Cash Flows from Financing Activities		
Contributions received for long term investment:		
25 Endowment	83,765	106,480
26 Plant	5,911	3,826
27 Trusts and other	444	935
28 Repayment of finance lease obligation	(1,386)	(1,232)
29 Repayment of long-term debt	(10,750)	
30 Decrease in federal student loan funds	(5,007)	(9,921)
31 Change in annuities payable	1,943	7,667
32 Payment on annuities payable	(10,396)	(11,147)
33 Increase to annuities payable resulting from new contributions	532	670
34 Net Cash provided by Financing Activities	65,056	97,278
35 Net decrease in Cash and Cash equivalents	(7,289)	(654,145)
36 Cash and Cash equivalents at beginning of year	421,238	1,075,383
37 Cash and Cash equivalents at end of year	\$413,949	\$421,238

The accompanying notes are an integral part of these statements.

Notes to Consolidated Financial Statements

Note 1.

Significant Accounting Policies Followed by the University of Southern California are Set Forth Below:

General:

The University of Southern California (“university”) is a not-for-profit (“NFP”), major private research university. The university is generally exempt from federal income taxes under the provisions of Internal Revenue Code Section 501(c)(3). The university is also generally exempt from payment of California state income, gift, estate, and inheritance taxes.

On July 1, 2022, the Health System, a subsidiary of the university, became the sole corporate member of USC Arcadia Hospital (USCAH), formerly known as Methodist Hospital of Southern California (MHSC) through a member substitution agreement. MHSC changed its legal name to USC Arcadia Hospital following the transaction. USCAH is a general acute care hospital with 348 licensed beds providing a full range of inpatient and outpatient services in the San Gabriel Valley in northeastern Los Angeles County.

Basis of Presentation:

The consolidated financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America and with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*, which requires the university to classify its net assets into two categories according to donor-imposed restrictions: net assets without donor-imposed restrictions and net assets with donor-imposed restrictions. All material transactions between the university and its subsidiaries have been eliminated.

Net Assets Without and With Donor Restrictions:

Net assets without donor restrictions are the part of net assets of a not-for-profit entity that are not subject to donor-imposed restrictions. A donor-imposed restriction is a donor stipulation that specifies a use for a contributed asset that is more specific than broad limits resulting from the following: a) the nature of the not-for-profit entity, b) the environment in which it operates and c) the purposes specified in its articles of incorporation or bylaws, comparable documents, or d) time restrictions.

This classification includes all revenues, gains and expenses not restricted by donors. The university reports all expenses, with the exception of investment expenses, which are required to be netted against investment return, in this class of net assets, since the use of restricted contributions in accordance with donors’ stipulations results in the release of the restriction.

The part of net assets of a not-for-profit entity that is subject to donor-imposed restrictions includes contributions for which donor-imposed restrictions have not been met (primarily future capital projects), endowment appreciation, charitable remainder unitrusts, pooled income funds, gift annuities and pledges receivable.

Measure of Operations:

The university’s measure of operations as presented in the consolidated statements of activities includes revenue from tuition (net of certain scholarships and fellowships) and fees, grants and contracts, health care services, contributions for operating programs, the allocation of endowment spending for operations and other revenues. Operating expenses are reported on the consolidated statements of activities by natural classification.

The university’s non-operating activity within the consolidated statements of activities includes investment returns and other activities related to endowment, long-term benefit plan obligation funding changes, present value adjustment to annuities payable, gain/losses on extinguishment of debt, student loan net assets, contributions related to land, buildings and equipment and the inherent contribution from member substitution that are not part of the university’s operating activities.

Notes to Consolidated Financial Statements

Note 1. (continued)

Other Accounting Policies:

Cash and cash equivalents consist of U.S. Treasury bills, certificates of deposit, money market funds and all other short-term investments available for current operations with original maturities of 90 days or less at the time of purchase. Cash equivalents that are part of the university's investment portfolio are reported as investments and included in Note 6.

Investments are stated at fair value. Net appreciation (depreciation) in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments, is shown in the consolidated statements of activities. Realized gains and losses upon the sale of investments are calculated using the specific identification method and trade date.

Alternative investment holdings and certain other limited partnership interests are invested in both publicly traded and privately owned securities. The fair values of private investments are based on estimates and assumptions of the general partners or partnership valuation committees in the absence of readily determinable market values. Such valuations generally reflect discounts for illiquidity and consider variables such as financial performance of investments, recent sales prices of investments and other pertinent information.

The university applies the provision of FASB ASC 820, *Fair Value Measurements*, which defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the university for financial instruments measured at fair value on a recurring basis. The three levels of inputs are as follows:

- Level I – Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level II - Inputs other than level I that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets or liabilities.
- Level III - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level III investments are valued by the university based upon valuation information received from the relevant entity, which may include last trade information, third-party appraisals of real estate or valuations prepared by custodians for assets held in trusts by other trustees where the university is named as a beneficiary. The university may also utilize industry standard valuation techniques, including discounted cash flow models. Significant increases or decreases in these inputs in isolation may result in a significantly lower or higher fair value measurement, respectively.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The university applies the authoritative guidance contained in FASB ASC 820-10, *Fair Value Measurements and Disclosures*, for estimating the fair value of investments in investment funds that have calculated Net Asset Value (NAV) per share in accordance with FASB ASC 946-10, *Financial Services-Investment Companies* (formerly the American Institute of Certified Public Accountants Audit and Accounting Guide, Investment Companies). According to this guidance, in circumstances in which NAV per share of an investment is not determinative of fair value, a reporting entity is permitted to estimate the fair value of an investment in an investment fund using the NAV per share of the investment (or its equivalent) without further adjustment, if the NAV per share of the investment is determined in accordance with FASB ASC 946-10 as of the reporting entity's measurement date. Accordingly, the university uses the NAV as reported by the money managers as a practical expedient to determine the fair value of investments in investment funds which (a) do not have a readily determinable fair value and (b) either have the attributes of an investment fund or prepare their financial statements consistent with the measurement principles of an investment fund. At June 30, 2023 and 2022, the fair value of all such investments in investment funds has been determined by using NAV as a practical expedient, adjusted for capital calls, distributions, and significant known valuation changes, if any, of its related portfolio.

Notes to Consolidated Financial Statements

Note 1. (continued)

Inventories are valued at the lower of cost (first-in, first-out) or market.

Property, plant and equipment, including collections of works of art and historical treasures, are stated at cost or fair value at the date of contribution, plus the estimated value of any associated legal retirement obligations, less accumulated depreciation, computed on a straight-line basis over the estimated useful or component lives of the assets (equipment and library books useful lives ranging from 4 to 10 years and buildings component lives ranging from 5 to 50 years). Equipment is removed from the records at the time of disposal. The university records contributions of long-lived assets directly in net assets without donor restrictions, when the asset is placed in service.

The university determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration. The university determines these assets are leased because the university has the right to obtain substantially all of the economic benefit from and the right to direct the use of the identified asset. The university determines lease classification as operating or finance at the lease commencement date. Operating leases as a lessee are included in right-of-use assets-operating leases and operating lease obligations on the consolidated balance sheets. Finance leases as a lessee are included in property, plant, and equipment, net and finance lease obligations on the consolidated balance sheets. Right-of-use 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. At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. For operating leases, the right-of-use asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. For the initial and subsequent measurement of all lease liabilities, the discount rate is based on the rate implied within the lease or is based on the university's incremental borrowing rate using a period comparable with the lease term. The lease term will include options to extend or to terminate the lease that the university is reasonably certain to exercise. Operating lease expense is recognized on a straight-line basis over the lease term. Interest expense is recognized as a component of the lease payment for finance leases. The university's lease agreements do not contain any material residual value guarantees or restrictive covenants. Rental income arising from operating leases as a lessor is included in operating revenue within sales, services and other revenues in the consolidated statements of activities.

The university's split interest agreements with donors consist primarily of gift annuities, unitrusts, pooled income funds and life estates. For irrevocable agreements where the university is the trustee, assets contributed are included in the university's investments and stated at fair value. Contribution revenue is recognized at the date each trust is established after recording liabilities for the actuarially determined present value of the estimated future payments to be made to the beneficiaries. The actuarial liability is discounted at an appropriate risk-adjusted rate at the inception of each agreement and the applicable actuarial mortality tables. Discount rates on split interest agreements range from 2.2% to 7.5%. The liabilities are adjusted during the terms of the trusts for changes in the fair value of the assets, accretion of discounts and other changes in the estimates of future benefits. The valuation follows generally accepted actuarial methods and is based on the requirements of FASB ASC 958.

The 2012 Individual Annuity Mortality Basic Table (without margin) for Males and Females with Projection Scale G2 was used in the valuations. For split interest agreements related to the state of Washington, the university holds a Certificate of Exemption issued by the state of Washington's Office of Insurance Commissioner to issue charitable gift annuities. The university has been in compliance with Revised Code of Washington 48.38.010(6) throughout the time period covered by the consolidated financial statements.

The university self-insures at varying levels for unemployment, disability, workers' compensation, property losses, certain healthcare plans, cyber liability, medical malpractice professional liability, and certain ancillary and personal lines of coverage; and obtains coverage through a captive insurance company for general liability, auto liability, directors and officers liability, employment practices liability, educator legal liability, sexual molestation liability, neurodegenerative injury liability, medical malpractice professional liability and certain litigation defense responsibilities. Insurance is purchased to cover liabilities above self-insurance limits. Where appropriate, estimates of retained exposures are reserved and accrued.

Notes to Consolidated Financial Statements

Note 1. (continued)

The university has recorded conditional asset retirement obligations associated with the legally required removal and disposal of certain hazardous materials, primarily asbestos, present in its facilities. When an asset retirement obligation is identified, the university records the fair value of the obligation as a liability. The fair value of the obligation is also capitalized as property, plant and equipment and then amortized over the estimated remaining useful life of the associated asset. The fair value of the conditional asset retirement obligations is estimated using a probability weighted, discounted cash flow model. The present value of future estimated cash flows is calculated using the credit adjusted interest rate applicable to the university in order to determine the fair value of the conditional asset retirement obligations. For the years ended June 30, 2023 and 2022, the university recognized accretion expense related to conditional asset retirement obligations of approximately \$7,783,000 and \$7,488,000, respectively. For the years ended June 30, 2023 and 2022, the university settled asset retirement obligations of approximately \$1,047,000 and \$1,160,000, respectively. As of June 30, 2023, and 2022, included in the consolidated balance sheets are asset retirement obligations of \$159,455,000 and \$152,543,000, respectively.

The university recognizes tuition and fees revenue on a straight-line basis over each academic session based on gross price, net of explicit price concessions such as scholarships, discounts and waivers ("Financial aid"), as displayed in the consolidated statements of activities in student tuition and fees. Given the timing of each year's academic sessions, nearly all performance obligations are satisfied by the university within the fiscal year. Tuition and fees revenue is derived from degree programs and executive and continuing education programs. Financial aid is awarded to students based on need and merit. Financial aid does not include payments made to students for services rendered to the university.

Financial aid for the year ended June 30, 2023, which is included in student tuition and fees on the consolidated statement of activities, consists of the following (in thousands):

	Undergraduate	Graduate	Total
Institutional scholarships	\$440,650	\$206,459	\$647,109
Endowed scholarships	39,172	18,353	57,525
External financial aid	39,598	18,553	58,151
Total	\$519,420	\$243,365	\$762,785

Financial aid for the year ended June 30, 2022, which is included in student tuition and fees on the consolidated statement of activities, consists of the following (in thousands):

	Undergraduate	Graduate	Total
Institutional scholarships	\$421,812	\$197,996	\$619,808
Endowed scholarships	34,906	16,384	51,290
External financial aid	36,532	17,148	53,680
Total	\$493,250	\$231,528	\$724,778

Room and board revenues are included as part of auxiliary enterprises, however the revenue recognition process mirrors that for tuition and fees. Each of these items is supported by separate contracts entered into between the university and the individual student. Tuition and fees and room and board revenues are recognized as operating revenue in the period in which the university satisfies its performance obligations to its students. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of accounting in ASC 606. The university's performance obligations are to provide education to the student and, in certain instances, other performance obligations such as room and board. The value that is recognized for each performance obligation is set forth in publicly available university price lists, which the university believes approximates the stand-alone selling price, and is codified in the individual contracts with each student. Individual contracts for tuition and fees and room and board display the transaction price on a standalone basis for each service to be provided to each specific student. Additionally, the contract will contain the price adjustment in the form of financial aid grants that are being awarded to the student.

Notes to Consolidated Financial Statements

Note 1. (continued)

The timing(s) of billings, cash collections and revenue recognition results in accounts receivable and deposits and deferred revenue on the consolidated statements of financial position. Receivables are recognized only to the extent that the university has an unconditional right to consideration to which it is entitled in exchange for goods and services transferred to the student. Receipts received in advance of goods and services performed are recorded as deposits and deferred revenue.

Sponsored research agreements are primarily considered non-exchange transactions which are recognized in contracts and grants revenue on the consolidated statements of activities as the associated barriers are overcome, which generally is as allowable expenditures under such agreements are incurred. Non-exchange agreements are considered conditional if the terms of the agreement include both a right of return/release of assets received/promised and a barrier. Any funding received in advance of expenditure is recorded as a refundable advance. For sponsored research agreements considered to be exchange transactions, revenues are recognized as performance obligations are satisfied which in most cases mirrors the timing of when related costs are incurred. For the years ended June 30, 2023 and 2022, the university recognized approximately \$147,000,000 and \$131,000,000 of private contracts and grants revenue in contributions on the consolidated statements of activities.

Net assets include contributions to the university and its various schools and departments. The university has determined that any donor-imposed restrictions of contributions for current or developing programs and activities are generally met within the operating cycle of the university and therefore, the university's policy is to record these net assets as without donor restrictions. Internally designated net assets are those which have been appropriated by the Board of Trustees or designated by management, and reflected in net assets without donor restrictions.

The university receives federal reimbursement for a portion of the costs of its facilities and equipment used in organized sponsored research. The federal Office of Management and Budget establishes principles for determining such reimbursable costs and requires conformity of the lives and methods used for federal cost reimbursement accounting and financial reporting purposes. The university's policies and procedures are in conformity with these principles.

Unconditional contributions from donors, including contributions receivable (unconditional promises to give), are recorded as revenues in the year received. Non-financial contributions are recorded at fair value using quoted market prices, market prices for similar assets, independent appraisals or appraisals performed by university management. Contributions receivable are reported at their discounted value using credit-adjusted borrowing rates and an allowance for amounts estimated to be uncollectible is provided. Donor-restricted contributions, which are received and either spent or deemed spent within the same year, are reported as revenue without donor restrictions. The presence of both a performance barrier and a right of return make a contribution conditional. Conditional promises to give are not recognized until specified obligations or barriers, such as milestones or performance targets, are met.

Contributions of long-lived assets with no donor-imposed time restrictions are reported as revenue without donor restrictions in the year received. Contributions restricted to the acquisition or construction of long-lived assets or subject to other time or purpose restrictions are reported as revenue with donor restrictions. The donor-restricted net assets resulting from these contributions are released to net assets without donor restrictions when the donor-imposed restrictions are fulfilled, or the assets are placed in service. Contributions received for endowment investment are held in perpetuity and recorded as revenue with donor restrictions.

Health care services revenues include the net patient service revenues associated with Keck Hospital of USC, USC Norris Cancer Hospital, USC Verdugo Hills Hospital, USC Arcadia Hospital and USC Care Medical Group, Inc ("Health System"). Healthcare services revenue is reported at the amount that reflects the consideration to which the organization expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors, government programs and others and include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews and investigations. Generally, the Health System bills patients and third-party payors several days after the services are performed or the patient is discharged. Revenue is recognized as performance obligations are satisfied. Health care services revenues also include the revenues associated with the professional services agreement with the County of Los Angeles.

Notes to Consolidated Financial Statements

Note 1. (continued)

The majority of the Health System services are rendered to patients with commercial or managed care insurance, or under the federal Medicare and California State Medi-Cal programs. Reimbursement from these various payors is based on a combination of prospectively determined rates per discharge, per diem payments, discounted charges and reimbursed costs. Amounts received under the Medicare program are subject to retroactive settlements based on review and final determination by program intermediaries or their agents. The gross charges may be reduced by explicit price concessions, which include contractual adjustments based on agreements with third party payers or implicit price concessions provided to uninsured patients. Provisions for contractual adjustments and retroactive settlements related to these payors are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as additional information becomes known or as final settlements are determined.

Net patient service revenue is recorded over time during the period these performance obligations are satisfied and at the determined transaction price, which represents the estimated net realizable amounts due from patients, third-party payers and others for health care services rendered. Estimated net realizable amounts represent amounts due, net of implicit and explicit price concessions. Implicit price concessions are based on management's assessment of expected net collections considering economic conditions, historical experience, trends in health care coverage and other collection indicators. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected charges. The university believes 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 in our hospitals receiving inpatient acute care or patients receiving care in our outpatient centers. The university measures the performance obligation from admission into the hospital or 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.

Sales, services and other revenue includes revenues from university pharmacies and student clinics. The university recognizes revenue as it provides pharmaceutical products and consultative services to the community (students, faculty, staff, retired employees, alumni, broader Los Angeles market). The transaction price is the amount the university expects to be entitled to in exchange for the products provided (either published rates available on the university pharmacy websites or agreed upon rates from third party payers). Retail pharmacy sales revenue is recognized at a point in time when the pharmaceutical is provided to the patient, and consultative services revenue, although the patient benefits over time from the university, is also recognized at a point in time as the services are provided to the patient on the same day. This is due to consultative services being outpatient in nature, and thus, all services are provided on the same day.

Auxiliary enterprise revenue includes multiple revenue streams which are included in the consolidated statements of activities, and reported as net assets without donor restrictions. These multiple revenue streams include point of sale transactions from hospitality, food, beverage, bookstore transactions, transportation and revenue generated from athletics. Revenue generated from hospitality, food, beverage, and bookstore goods is recognized at a point in time, and the value that is recognized for each performance obligation is explicitly listed at each location, which the university believes approximates the stand-alone transaction price. Transportation revenue is recognized at a point in time and satisfied within the fiscal year. The transaction price for revenue related to athletics is publicly available on the university ticket office website. The performance obligation related to football season tickets is completely satisfied within the fiscal year, and any season ticket sales that occur in advance of the next fiscal year are recognized as deferred revenue.

Under provisions of the Coronavirus Aid, Relief and Economic Security (CARES) and American Rescue Plan Acts, the university recognized grant revenue as a result of the Higher Education Emergency Relief Fund in the amounts of \$0 and \$11.7 million for the years ended June 30, 2023 and 2022. Additionally, the Health System has recognized grant revenue in the amounts of \$0 and \$31.9 million related to the Provider Relief Fund Program for the years ended June 30, 2023 and 2022. As allowed by the CARES Act, the university deferred payment of \$41.7 million for the employer portion of Social Security taxes, which was recorded within accrued liabilities on the consolidated balance sheets. As of June 30, 2023 and 2022, \$0 and \$41.7 million, respectively, was deferred and recorded within accrued liabilities on the consolidated balance sheets.

Keck Medicine received \$192.9 million of advanced payments from the Centers for Medicare and Medicaid Services ("CMS") under the Accelerated and Advance Payments Program. As of June 30, 2023 and 2022, \$0 and \$13.8 million, respectively, is recorded as accrued liabilities on the university's consolidated balance sheets.

Notes to Consolidated Financial Statements

Note 1. (continued)

The following table summarizes the fair values of the assets acquired and liabilities assumed at the member substitution date, July 1, 2022. Determining the fair value of the assets acquired and liabilities assumed requires judgment that involves the use of significant accounting estimates and assumptions, including assumptions with respect to future cash flows and discount rates.

Fair Value	<u>July 1, 2022</u>
Cash and cash equivalents	\$10,484
Accounts receivable, net	64,727
Pledges receivable, net	7,576
Investments	190,995
Inventories, prepaid expenses and other assets	45,595
Right-of-use assets - operating leases	1,037
Property, plant, and equipment, net	<u>508,559</u>
Total assets	<u>828,973</u>
Accounts payable	(18,328)
Accrued liabilities	(51,868)
Asset retirement obligations	(1,841)
Operating lease obligations	(1,050)
Bonds and notes payable	(256,169)
Other liabilities	<u>(11,468)</u>
Total liabilities	<u>(340,724)</u>
Net assets	<u>488,249</u>
Inherent contribution from member substitution	
Net assets without donor restrictions	469,742
Net assets with donor restrictions	<u>18,507</u>
Total net assets	<u>\$488,249</u>

Patient accounts receivable, recorded in accounts receivable, net, was valued on a claim-by-claim basis to assess collectability and is classified as level III in the fair value hierarchy. The inputs related to the value include standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts/implicit price concessions provided to uninsured patients, co-pays, and deductibles in accordance with the Health System's policies. The hospital quality assurance fee receivable, recorded in accounts receivable, net, was adjusted to account for contract terms that would no longer be applicable to USCAH post-acquisition and is classified as level III. The inputs to the fair value are hospital-specific schedules prepared by the California Hospital Association (CHA) and Department of Health Care Services (DHCS). Bonds and notes payable were valued based on bid prices for the Series 2018 bonds and is classified as level II. Accrued payroll and employee benefits, recorded in accrued liabilities, were adjusted for employment arrangements which provided additional compensation in the event of a change in control. Because these arrangements were included in the employment arrangements prior to the contemplation of the acquisition and there is no post-acquisition service required, the additional compensation was considered a liability assumed by the Health System, and is classified as level III. The inputs to the fair value are the negotiated compensation amounts within the employee arrangements. Property, plant and equipment, net, were valued with a cost-based approach, using trend factors developed from various price indices to determine current reproduction costs less depreciation, which represents the fair value of these assets using level III inputs. Investments, recorded in investments, split-dollar life insurance arrangements, and certain other assets, recorded in inventories, prepaid expenses and other assets were recorded at fair value consistent with valuation methodologies described in Note 6. The remaining balances had carrying values that approximated fair value as of the acquisition date.

Notes to Consolidated Financial Statements

Note 1. (continued)

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Recent Accounting Pronouncements:

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance amends ASC 958-605, requiring not-for-profit entities to present contributed nonfinancial assets as a separate line item on the consolidated statement of activities, apart from contributions of cash and other financial assets, and disclose contributed nonfinancial assets. Not-for-profit entities are required to disclose the disaggregation of the amount of contributed nonfinancial assets, which is recognized within the consolidated statement of activities, by the category that depicts the type of contributed nonfinancial asset. The university adopted ASU 2020-07 for the fiscal year ended June 30, 2022. As a result of adopting this guidance, Restricted contribution revenue – Arcadia ground lease is included as a separate line item in the statements of activities, and enhanced disclosures are included within Note 5.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. In response to concerns about structural risks of interbank offered rates (IBORs), and, particularly, the risk of cessation of the London Interbank Offered Rate (LIBOR), regulators around the world have undertaken reference rate reform initiatives to identify alternative reference rates that are more observable or transaction-based and less susceptible to manipulation. The amendments provide optional guidance for a limited time to ease the potential burden in accounting for (or recognizing the effects) of reference rate reform on financial reporting. The amendments provide optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The amendments apply only to contracts and hedging relationships that reference LIBOR or another reference rate expected to be discontinued due to reference rate reform. The university adopted ASU 2020-04 for the fiscal year ended June 30, 2023. Adoption did not have a material impact on the university's consolidated financial statements. Effective December 7, 2022, the university transitioned from using LIBOR and replaced it with a successor rate 'Bloomberg Short-Term Bank Yield Index rate' (BSBY). Additional information is included in Note 10.

In June 2016, the FASB issued ASU No. 2016-13, *Measurement of Credit Losses on Financial Instruments (Topic 326)* which replaces the current GAAP incurred loss impairment methodology with one that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. This standard will be effective for the university for the fiscal year ended June 30, 2024. The university is currently evaluating the potential impact of adoption to the financial statements.

Notes to Consolidated Financial Statements

Note 2.

Liquidity and Availability:

The university's financial assets available within one year of the consolidated balance sheets date for general expenditure are as follows as of June 30 (in thousands):

	Year Ended June 30, 2023	Year Ended June 30, 2022
Total assets at year end	\$16,070,095	\$15,571,010
<i>Less:</i>		
Notes and loans receivable due in more than one year	(30,953)	(3,800)
Pledges receivable due in more than one year or otherwise purpose restricted	(351,675)	(354,785)
Donor-restricted and donor-restricted endowment funds	(5,704,320)	(5,240,702)
Board-designated endowment funds	(2,026,279)	(2,159,379)
Annuities and living trusts	(144,677)	(174,926)
Inventories, prepaid expenses and other assets	(253,543)	(195,191)
Right-of-use assets, operating leases	(227,820)	(193,578)
Property, plant and equipment, net	(5,055,603)	(4,447,548)
Financial assets available at year end for current use	\$2,275,225	\$2,801,101

The university's endowment funds consist of donor-restricted and board-designated endowment funds. Income from donor-restricted endowments is restricted for specific purposes and therefore, is not available for general expenditure. As described in Note 7, for fiscal years 2023 and 2022, the Board of Trustees approved the current distribution of 111% and 113% respectively, of the prior year's payout, within a minimum of 4% and a maximum of 6% of the average market value for the previous 12 calendar quarters. Under the provision of the spending rule, for fiscal years 2023 and 2022, the Board of Trustees approved an endowment pool payout of \$39.30 and \$35.50 a share respectively, for a total spending rule allocation of \$368,777,000 and \$323,373,000. As described in Note 6, the university also has unfunded commitments on alternative investments totaling \$1,429,943,000 and \$1,459,056,000 for fiscal years 2023 and 2022.

As part of the university's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the university invests cash in excess of daily requirements in short-term investments. Furthermore, the university has a board-designated endowment of \$2,026,279,000 as of June 30, 2023. Although the university does not intend to spend from its board-designated endowment funds other than amounts appropriated for general expenditures as part of its annual budget approval and appropriation process, amounts from its board-designated endowment could be made available if necessary. However, both the board-designated endowment fund and donor-restricted endowments contain investments with lock-up provisions that reduce the total investments that could be made available (see Note 6 for disclosures about investments).

Note 3.

Accounts Receivable:

Accounts receivable are summarized as follows at June 30 (in thousands):

	2023	2022
U.S. Government	\$230,363	\$230,979
Student and other, net of allowance for doubtful accounts of \$23,418 (2023), \$33,124 (2022)	204,581	193,101
Patient care	519,400	432,430
Total	\$954,344	\$856,510

Notes to Consolidated Financial Statements

Note 4.

Notes and Loans Receivable:

The university is required to disclose the nature of credit risk inherent in the portfolio of financing receivables, its analysis and assessment in arriving at the allowance for credit losses (doubtful accounts) and the changes and reasons for those changes in the allowance for credit losses.

Long-term financing receivables as of June 30, 2023, consist of the following (in thousands):

	June 30, 2023		Net
	Financing Receivables, Gross	Allowance for Doubtful Accounts	
Perkins loans	\$12,586		\$12,586
University student loans	4,162	(\$2,777)	1,385
Other student loans	17,248		17,248
Total student loans	33,996	(2,777)	31,219
Faculty and other loans	27,948		27,948
Total	\$61,944	(\$2,777)	\$59,167

Long-term financing receivables as of June 30, 2022, consist of the following (in thousands):

	June 30, 2022		Net
	Financing Receivables, Gross	Allowance for Doubtful Accounts	
Perkins loans	\$17,037		\$17,037
University student loans	4,510	(\$2,571)	1,939
Other student loans	17,854		17,854
Total student loans	39,401	(2,571)	36,830
Faculty and other loans	26,130		26,130
Total	\$65,531	(\$2,571)	\$62,960

Management regularly assesses the adequacy of the allowance for credit losses by performing ongoing evaluations of the student loan portfolio, including such factors as the differing economic risks associated with each loan category, the financial condition of specific borrowers, the economic environment in which the borrowers operate, the level of delinquent loans, the value of any collateral and where applicable, the existence of any guarantees or indemnifications. The university's Perkins loans represent the amounts due from current and former students under the Federal Perkins Loan Program. Loans disbursed under the Federal Perkins Loan Program are able to be assigned to the federal government in certain non-repayment situations. In these situations, the federal portion of the loan balance is guaranteed. Included in other student loans are loans related to the Federal Health Professional Student Loan Program and Loans for Disadvantaged Students.

Notes to Consolidated Financial Statements

Note 4. (continued)

Factors also considered by management when performing its assessment of the adequacy of the allowance, in addition to general economic conditions and the other factors described above include, but are not limited to a detailed review of the aging of the student loan receivable detail and a review of the default rate by loan category in comparison to prior years. The level of the allowance is adjusted based on the results of management's analysis. It is the university's policy to write off a loan only when it is deemed to be uncollectible.

The following table illustrates the aging analysis of receivables as of June 30, 2023 (in thousands):

	1-60 Days Past Due	61-90 Days Past Due	> 91 Days Past Due	Current	Total Financing Receivables
Perkins loans	\$619	\$236	\$1,241	\$10,490	\$12,586
University student loans	95		2,289	1,778	4,162
Other student loans			168	17,080	17,248
Total student loans	714	236	3,698	29,348	33,996
Faculty and other loans				27,948	27,948
Total	\$714	\$236	\$3,698	\$57,296	\$61,944

The following table illustrates the aging analysis of receivables as of June 30, 2022 (in thousands):

	1-60 Days Past Due	61-90 Days Past Due	> 91 Days Past Due	Current	Total Financing Receivables
Perkins loans	\$784	\$211	\$2,196	\$13,846	\$17,037
University student loans	303	58	2,377	1,772	4,510
Other student loans			222	17,632	17,854
Total student loans	1,087	269	4,795	33,250	39,401
Faculty and other loans				26,130	26,130
Total	\$1,087	\$269	\$4,795	\$59,380	\$65,531

Considering the other factors already discussed herein, management considers the allowance for credit losses to be prudent and reasonable. Furthermore, the university's allowance is general in nature and is available to absorb losses from any loan category. Management believes that the allowance for credit losses at June 30, 2023 and 2022, is adequate to absorb credit losses inherent in the portfolio as of these dates.

As part of the program to attract and retain exemplary faculty and senior staff, the university provides home mortgage financing assistance. Notes receivable that are included within accounts receivable on the consolidated balance sheets amounting to \$27,948,000 and \$26,130,000 were outstanding as of June 30, 2023 and 2022, respectively, and are collateralized by deeds of trust. No allowance for doubtful accounts has been recorded against these loans based on their collateralization and prior collection history. At June 30, 2023 and 2022, there were no amounts past due under the faculty and staff loan program.

Determination of the fair value of notes receivable, which are primarily federally sponsored student loans with U.S. government-mandated interest rates and repayment terms, and subject to significant restrictions as to their transfer or disposition, could not be made without incurring excessive costs.

Notes to Consolidated Financial Statements

Note 5.

Pledges Receivable:

Unconditional promises are included in the consolidated financial statements as pledges receivable and revenue in the appropriate net asset category. Pledges are recorded after discounting using rates ranging from 1% to 6% in order to derive the present value of the future cash flows.

USCAH is located on property held under a lease from the City of Arcadia, expiring in 2066. The lease provides for an annual rental amount of one dollar. Upon the affiliation with the Health System on July 1, 2022, USCAH extended the ground lease term with the City of Arcadia for 99 years from such date and transferred the lease to the Health System. As there is no consideration paid to the City of Arcadia for use of the land, the lease is accounted for as a contribution from the City of Arcadia pursuant to ASC 958-605. As the lease assignee, the Health System assumes all the lease terms and contributes the ground space back to USCAH for its operations for no consideration. The ground lease was valued using the sales comparison approach, with an average value per square foot estimated using comparable land sales within the area zoned for highest and best use, which was then applied to the total square footage of the leased land. The comparative land sales value per square foot ranged from \$40.10 to \$64.71, with a weighted average rate of \$51.56. This fair value measurement is classified as level III within the fair value hierarchy described in Note 1. Because the land is restricted for future use in the Health System's operation of USCAH, restricted contribution revenue – Arcadia ground lease was recorded within net assets with donor restrictions on the consolidated statement of activities. Annually, as the land is utilized by the Health System, the donor restriction will be satisfied, and the related net assets will be released from restriction.

Unconditional promises are expected to be realized in the following periods as of June 30 (in thousands):

	2023	2022
Less than one year	\$102,268	\$124,312
One to five years	290,080	307,954
More than five years	906,123	72,401
Less: discount	(858,612)	(47,197)
Less: allowance	(56,186)	(65,351)
Total	\$383,673	\$392,119

Pledges receivable at June 30 have the following restrictions (in thousands):

	2023	2022
Endowment for departmental programs and activities	\$154,956	\$203,975
Endowment for scholarship	21,873	24,341
Building construction	61,721	63,936
Use of land contribution	44,578	
Departmental programs and activities	100,545	99,867
Total	\$383,673	\$392,119

At June 30, 2023 and 2022, conditional pledges not reflected in the consolidated financial statements, which consist primarily of promises to give with barriers to entitlement, were \$71,255,000 and \$68,736,000, respectively. When conditional promises to give become unconditional, they are recorded as revenues.

Notes to Consolidated Financial Statements

Note 6.

Investments:

Investments consist of the following at June 30 (in thousands):

	2023	2022
Equities	\$1,787,058	\$1,762,161
Fixed income securities	1,257,479	1,718,144
Alternative investments:		
Hedge funds	2,298,835	2,126,343
Private capital	2,458,520	2,534,088
Real estate and other	540,077	519,016
Assets held by other trustees	142,340	146,288
Total	\$8,484,309	\$8,806,040

The following table summarizes the levels of financial instruments carried at fair value as defined by the ASC 820 valuation hierarchy defined previously, for the year ended June 30, 2023 (in thousands):

	Level I	Level II	Level III	NAV	Total
Investments:					
Equities	\$1,361,671	\$236	\$15,403	\$409,748	\$1,787,058
Fixed income securities	604,660	637,079	15,740		1,257,479
Hedge funds				2,298,835	2,298,835
Private capital				2,458,520	2,458,520
Real estate and other	692		17,426	521,959	540,077
Assets held by other trustees			142,340		142,340
Total	1,967,023	637,315	190,909	5,689,062	8,484,309
Other instruments held at Level III					
Gift annuity, trust receivable, and charitable remainder trusts			1,505		1,505
Non-contributory defined split-dollar life insurance arrangement			31,615		31,615
Total	-	-	33,120	-	33,120
Total financial instruments	\$1,967,023	\$637,315	\$224,029	\$5,689,062	\$8,517,429

Notes to Consolidated Financial Statements

Note 6. (continued)

The following table summarizes the levels of financial instruments carried at fair value as defined by the ASC 820 valuation hierarchy defined previously, for the year ended June 30, 2022 (in thousands):

	Level I	Level II	Level III	NAV	Total
Investments:					
Equities	\$1,360,065	\$236	\$15,403	\$386,457	\$1,762,161
Fixed income securities	580,913	1,085,556	51,675		1,718,144
Hedge funds				2,126,343	2,126,343
Private capital				2,534,088	2,534,088
Real estate and other			25,079	493,937	519,016
Assets held by other trustees			146,288		146,288
Total	\$1,940,978	\$1,085,792	\$238,445	\$5,540,825	\$8,806,040

The following table summarizes the university's level III reconciliation for the year ended June 30, 2023 (in thousands):

	Beginning Balance	Purchases	Sales and Maturities	Realized Gain/(Loss)	Unrealized Gain/(Loss)	Transfers In	Transfers Out	Ending Balance
Investments:								
Equities	\$15,403							\$15,403
Fixed income securities	51,675	\$26,982	(\$63,360)	(\$8)	\$451			15,740
Real estate and other	25,079		(2,012)	(5,545)	(96)			17,426
Assets held by other trustees	146,288		(4,576)	(2,391)	3,019			142,340
Total	238,445	26,982	(69,948)	(7,944)	3,374	-	-	190,909
Other instruments held at level III								
Gift annuity, trust receivable, and charitable remainder trusts	1,614	115	(126)	(5)	(74)	17	(36)	1,505
Non-contributory defined split-dollar life insurance arrangement	31,408				43	229	(65)	31,615
Total	33,022	115	(126)	(5)	(31)	246	(101)	33,120
Total Level III	\$271,467	\$27,097	(\$70,074)	(\$7,949)	\$3,343	\$246	(\$101)	\$224,029

The following table summarizes the university's level III reconciliation of investments for the year ended June 30, 2022 (in thousands):

	Beginning Balance	Purchases	Sales and Maturities	Realized Gain/(Loss)	Unrealized Gain/(Loss)	Transfers In	Transfers Out	Ending Balance
Investments:								
Equities	\$15,403							\$15,403
Fixed income securities	14,263	\$36,835	(\$25,518)	\$291	(\$859)	\$26,663		51,675
Real estate and other	30,364	8	(5,332)	126	(87)			25,079
Assets held by other trustees	158,881		(194)	17	(12,416)			146,288
Total	\$218,911	\$36,843	(\$31,044)	\$434	(\$13,362)	\$26,663	\$0	\$238,445

Certain level III assets totaling \$175,169,000 and \$190,044,000 as of June 30, 2023, and June 30, 2022, respectively, have been valued using unadjusted third-party quotations. The primary unobservable inputs for level III fixed income securities, which are mainly non-public short-term commingled funds, are the applicable returns which range from 1.83% - 4.25%, applicable duration ranging from 0.13 - 5.24 years, and applicable maturity ranging from 0.46 - 7.65 years. The weighted average yield rate is 3.03%, the weighted average duration is 0.92 years, and the weighted average maturity is 1.93 years.

Notes to Consolidated Financial Statements

Note 6. (continued)

The fair value of the non-contributory defined split dollar life insurance arrangement is reported at the lower of total premiums paid or cash surrender value of the policies, which are considered level III in the fair value hierarchy and are recorded within inventories, prepaid expenses and other assets on the consolidated balance sheets.

The methods described above for level III instruments may produce a fair value that may not be indicative of net present value or reflective of future values. While the university believes that its valuation methods are appropriate, the use of different methodologies or assumptions to determine the fair value could result in different estimates of fair value at the reporting date.

The university uses the NAV to determine the fair value of all the underlying investments which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company.

Investment income and gains presented on the consolidated statements of activities contains endowment appreciation utilized to fund the spending rule, and investment expenses. Current year investment return reported in non-operating activities is net of external and direct internal investment costs, reduced by endowment appreciation utilized to fund the spending rule. The university's total investment return for the years ended June 30, 2023 and 2022, was \$336,327,000 and (\$632,950,000), respectively.

The following table lists investments by major category, measured using the NAV practical expedient, for the year ending June 30, 2023 (in thousands):

Category of Investment	Investment Strategy	Fair Value Determined Using NAV	Unfunded Commitments	Remaining Life	Redemption Terms	Redemption Restrictions and Terms
Distressed Obligation Partnerships	U.S. and Non-U.S. Distressed Debt Securities	\$3,605	\$1,443	Approximately 1 Year	Redemptions are not permitted during the life of the fund.	Not Applicable
Hedge Funds	U.S. and Non-U.S. Investments in Relative Value, Event Driven, Long/Short and Directional Strategies	2,298,835	70,730	94.6% of NAV has an open ended life and 2.6% of NAV will be liquidated in under 2 years, and 2.7% of NAV will be liquidated between 4 and 7 years, and 0.1% will be liquidated on an undetermined basis.	Ranges between monthly redemption with 60 days notice, quarterly redemption with up to 185 days notice, semi annual redemption with up to 120 days notice, annual redemption with up to 90 days notice, bi annual redemption with 90 days notice; lock ups can be up to 5 years.	22% of NAV is locked up for 3 months or less, 25% of NAV is locked up for 6 months, 4% of NAV is locked up for 9 months, 6% of NAV is locked up for 1 year, 22% of NAV is locked for 2 years, 11% of NAV is locked-up for 3 years and 10% is locked up for more than 3 years.
Natural Resources Partnerships	U.S. and Non-U.S. Investments in Upstream, Midstream and Downstream Natural Resources Investments	455,997	101,836	Approximately 2 Years	Redemptions are not permitted during the life of the fund.	Not Applicable
Private Capital Partnerships	U.S. and Non-U.S. Private Equity and Venture Capital Investments	1,982,905	932,969	Approximately 5 Years	Redemptions are not permitted during the life of the fund.	Not Applicable
Private Real Estate Partnerships	U.S. and Non-U.S. Real Estate	537,972	322,965	Approximately 5 Years	Redemptions are not permitted during the life of the fund.	Not Applicable
Equity Funds	U.S. and Non-U.S. Equity Securities	409,748	Not Applicable	Open Ended	Minimum Monthly	None
Other Funds	U.S. and Non-U.S. Investments in Securities Other than Equity and Fixed Income	-	Not Applicable	Open Ended	Monthly	None
Total		\$5,689,062	\$1,429,943			

Notes to Consolidated Financial Statements

Note 6. (continued)

The following table lists investments by major category, measured using the NAV practical expedient, for the year ending June 30, 2022 (in thousands):

Category of Investment	Investment Strategy	Fair Value Determined Using NAV	Unfunded Commitments	Remaining Life	Redemption Terms	Redemption Restrictions and Terms
Distressed Obligation Partnerships	U.S. and Non-U.S. Distressed Debt Securities	\$4,598	\$1,443	Approximately 1 Year	Redemptions are not permitted during the life of the fund.	Not Applicable
Hedge Funds	U.S. and Non-U.S. Investments in Relative Value, Event Driven, Long/Short and Directional Strategies	2,126,343	139,008	97% of NAV has an open ended life and 2.7% of NAV will be liquidated between 4 and 7 years, and 0.3% of NAV will be liquidated on an undetermined basis.	Ranges between monthly redemption with 60 days notice, quarterly redemption with up to 185 days notice, semi annual redemption with up to 120 days notice, annual redemption with up to 90 days notice, bi annual redemption with 90 days notice; lock ups can be up to 5 years.	19% of NAV is locked up for 3 months, 21% of NAV is locked up for 6 months, 7% of NAV is locked up for 9 months, 7% of NAV is locked-up for 1 year, 16% of NAV is locked up for 2 years, 16% of NAV is locked-up for 3 years and 14% is locked up for more than 3 years.
Natural Resources Partnerships	U.S. and Non-U.S. Investments in Upstream, Midstream and Downstream Natural Resources Investments	603,477	126,588	Approximately 2 Years	Redemptions are not permitted during the life of the fund.	Not Applicable
Private Capital Partnerships	U.S. and Non-U.S. Private Equity and Venture Capital Investments	1,926,013	881,743	Approximately 5 Years	Redemptions are not permitted during the life of the fund.	Not Applicable
Private Real Estate Partnerships	U.S. and Non-U.S. Real Estate	493,823	310,274	Approximately 5 Years	Redemptions are not permitted during the life of the fund.	Not Applicable
Equity Funds	U.S. and Non-U.S. Equity Securities	386,457	Not Applicable	Open Ended	Minimum Monthly	None
Other Funds	U.S. and Non-U.S. Investments in Securities Other than Equity and Fixed Income	114	Not Applicable	Open Ended	Monthly	None
Total		\$5,540,825	\$1,459,056			

Notes to Consolidated Financial Statements

Note 7.

Endowment:

Endowment net assets are subject to the restrictions of gift instruments requiring that the principal be invested in perpetuity and only the income and realized gains be utilized for current and future needs. Long-term investment net assets (board-designated endowment funds) have been established from restricted contributions whose restrictions have been met and unrestricted contributions which have been designated by the Board of Trustees or management for similar purposes as endowment as determined on an annual basis. The university also has a beneficial interest in the net income earned from assets which are held and managed by other trustees.

Donor-restricted and board-designated endowment funds are summarized as follows for the year ended June 30, 2023 (in thousands):

	Board-Designated Endowment Funds	Donor-Restricted Endowment	Total
Pooled	\$1,625,334	\$5,508,610	\$7,133,944
Non-pooled	400,945	54,190	455,135
Total	\$2,026,279	\$5,562,800	\$7,589,079

Donor-restricted and board-designated endowment funds are summarized as follows for the year ended June 30, 2022 (in thousands):

	Board-Designated Endowment Funds	Donor-Restricted Endowment	Total
Pooled	\$1,837,495	\$5,188,546	\$7,026,041
Non-pooled	321,884	52,156	374,040
Total	\$2,159,379	\$5,240,702	\$7,400,081

Pooled investments represent donor-restricted and board-designated endowment funds which have been commingled in a unitized pool (unit value basis) for purposes of investment. At June 30, 2023 and 2022, the pool is comprised of cash and cash equivalents (2.32% and (1.53%), equities (52.21% and (51.69%), fixed income securities (5.72% and (5.39%), alternative investments (32.75% and (34.64%) and real estate and other investments (7.00% and (6.75%), respectively. Access to or liquidation from the pool is on the basis of the market value per unit on the preceding monthly valuation date. The unit value at June 30, 2023 and 2022, was \$798.60 and \$805.09, respectively.

The Board of Trustees has interpreted the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as requiring the preservation of the original contribution as of the contribution date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the university classifies as donor-restricted funds (a) the original value of contributions donated to the endowment, (b) the original value of subsequent contributions to the endowment and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, the university considers various factors in making a determination to appropriate or accumulate endowment funds including duration and preservation of the fund, economic conditions, effects of inflation or deflation, expected return on the funds and other economic resources of the university.

Notes to Consolidated Financial Statements

Note 7. (continued)

Endowment net asset composition by type of funds as of June 30, 2023 (in thousands):

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds		\$5,562,800	\$5,562,800
Board-designated endowment funds	\$2,026,279		2,026,279
Total	\$2,026,279	\$5,562,800	\$7,589,079

Endowment net asset composition by type of funds as of June 30, 2022 (in thousands):

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds		\$5,240,702	\$5,240,702
Board-designated endowment funds	\$2,159,379		2,159,379
Total	\$2,159,379	\$5,240,702	\$7,400,081

Changes in endowment net assets for the year ended June 30, 2023 (in thousands):

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at July 1, 2022	\$2,159,379	\$5,240,702	\$7,400,081
Total investment return, net	202,132	188,251	390,383
Contributions and transfers	(188,455)	365,787	177,332
Appropriation of endowment assets for expenditure	(146,777)	(231,940)	(378,717)
Endowment net assets at June 30, 2023	\$2,026,279	\$5,562,800	\$7,589,079

Changes in endowment net assets for the year ended June 30, 2022 (in thousands):

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at July 1, 2021	\$2,060,679	\$6,065,543	\$8,126,222
Total investment return, net	(140,385)	(442,544)	(582,929)
Contributions and transfers	352,890	(182,406)	170,484
Appropriation of endowment assets for expenditure	(113,805)	(199,891)	(313,696)
Endowment net assets at June 30, 2022	\$2,159,379	\$5,240,702	\$7,400,081

Notes to Consolidated Financial Statements

Note 7. (continued)

The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by UPMIFA as of June 30 (in thousands):

	2023	2022
Restricted for scholarship support	\$1,273,093	\$1,204,122
Restricted for faculty support	1,263,432	1,202,180
Restricted for program support	3,026,275	2,834,400
Total endowment assets with donor restrictions	\$5,562,800	\$5,240,702

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor contribution amounts (deficit). When donor-restricted endowment fund deficits exist, they are classified as a reduction of net assets with donor restrictions. Deficits of this nature exist in various donor-restricted endowment funds, which together have an original value of \$100,371,000 and a current fair value of \$94,708,000 with a deficiency of \$5,663,000 and an original value of \$68,355,000 and a current fair value of \$63,391,000 and a deficiency of \$4,964,000 as of June 30, 2023 and 2022, respectively. These deficits resulted from unfavorable market fluctuations that occurred shortly after the investment of newly established endowments and authorized appropriation that was deemed prudent. The university has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

The university has adopted endowment investment and spending policies that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of endowment assets. Under these policies, the return objective for the endowment assets, measured over a full market cycle, shall be to maximize the return against a blended index, based on the endowment's target allocation applied to the appropriate individual benchmarks. The university expects its endowment funds over time to provide an average rate of return of approximately 7.0% annually. Actual returns in any given year may vary from this amount.

To achieve its long-term rate of return objectives, the university relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends). The university targets a diversified asset allocation that places greater emphasis on equity-based investments to achieve its long-term objectives within prudent risk constraints.

For the 2023 fiscal year, the Board of Trustees approved the current distribution of 111% of the prior year's payout, within a minimum of 4% and a maximum of 6% of the average market value for the previous 12 calendar quarters. Under the provisions of the spending rule, \$39.30 was distributed to each endowment unit for a total spending rule allocation of \$368,777,000. Investment income amounting to \$5.20 per endowment unit was earned, totaling \$49,417,000, and \$319,360,000 was appropriated for current operations from cumulative gains of pooled investments. Endowment pool earnings allocated for spending in fiscal year 2023 represent 5.17% of the market value of the endowment pool at June 30, 2023.

For the 2022 fiscal year, the Board of Trustees approved a distribution of 113% of the prior year's payout, within a minimum of 4% and a maximum of 6% of the average market value for the previous 12 calendar quarters. Under the provisions of the spending rule, \$35.50 was distributed to each time-weighted unit for a total spending rule allocation of \$323,373,000. Investment income amounting to \$3.95 per time-weighted unit was earned, totaling \$36,486,000, and \$286,886,000 was appropriated for current operations from cumulative gains of pooled investments. Endowment pool earnings allocated for spending in fiscal year 2022 represent 4.62% of the market value of the endowment pool at June 30, 2022.

Notes to Consolidated Financial Statements

Note 8.

Property, Plant and Equipment:

Property, plant and equipment consisted of the following at June 30 (in thousands):

	2023	2022
Land and improvements	\$241,309	\$226,541
Buildings and improvements	6,255,921	5,658,548
Buildings and equipment under finance leases	114,926	73,259
Equipment	1,346,259	1,167,438
Library books and collections	481,195	477,562
Construction-in-progress	641,688	441,858
	9,081,298	8,045,206
Less: Accumulated depreciation	4,025,695	3,597,658
Total	\$5,055,603	\$4,447,548

Note 9.

Leases:

The university is committed to minimum annual lease payments under several long-term non-cancellable operating and finance leases for equipment, buildings and office space expiring at various dates through 2111.

The university has entered into the following lease arrangements:

Finance Leases

These leases consist of various equipment leases and a lease with the Los Angeles Memorial Coliseum Commission (LAMCC) to assume the operations of the Los Angeles Memorial Coliseum and Los Angeles Memorial Sports Arena. The lease agreement with the LAMCC expires in 2033, or in 2054, if all options are exercised, at which time a second lease agreement with the California Science Center (CSC), an institution of the state of California, commences. The lease with the CSC expires in 2111 and the university has assumed that all options will be exercised. Under the terms of both lease agreements for the Coliseum, the university is required to make certain capital improvements.

The university entered into a lease agreement for a 101,000 square foot medical office building. Due to the fact that the university is managing the construction, lease payments are required to be made prior to the building being constructed, and there is a purchase option within the agreement, the arrangement is considered to be a build-to-suit lease. As such, under ASC 842, the university is deemed to be the accounting owner and has recorded the leased asset as construction-in-progress within property, plant and equipment, net during the construction period. Additionally, landlord construction costs are reflected as finance lease obligations as amounts are spent to fund construction. The lease is a 34-year term with five, five-year options to extend, with the lease commencement date of July 1, 2022. The university has the right of first offer to purchase the building (landlord shall not be permitted to sell to any unaffiliated third party) to be exercised at any time between the commencement of the 18th lease year and the expiration of the 20th lease year. The university has a commitment to pay minimum lease payments of \$136,432,000 through year 17.

Notes to Consolidated Financial Statements

Note 9. (continued)

Operating Leases

The university has various equipment, vehicle and real estate leases for office space and housing that expire in various years through 2061. These leases generally contain renewal options for periods ranging from 2 years to 10 years and require the university to pay all executory costs (property taxes, maintenance, and insurance). The university is not reasonably certain the renewal options will be exercised and has not included them in the terms. Space leases contain customary escalation clauses, which are included in annual aggregate minimum rentals. Total operating lease expense for the years ending June 30, 2023 and 2022 was \$59,791,000 and \$53,352,000, respectively.

Short-Term Leases

The university has certain leases that are for a period of 12 months or less or contain renewals for periods of 12 months or less. The university does not include short-term leases within the balance sheets since it has elected the practical expedient to exclude these leases from right-of-use assets - operating leases and operating lease obligations. Total short-term lease expense included in operating expenses for the year ending June 30, 2023 and 2022 was \$8,532,000 and \$2,078,000, respectively.

Operating Leases - Lessor

The university has various leases in which it is the lessor. The university leases to others portions of certain buildings owned for retail, office, and medical office purposes. Leases are generally ten-year terms or less and are classified as operating leases. These leasing arrangements are not material to the consolidated financial statements.

The components of lease expense for the year ended June 30, are as follows (in thousands):

	2023	2022
Lease Expense		
Finance lease expense		
Amortization of right-of-use assets	\$2,577	\$2,392
Interest on lease liabilities	3,629	3,549
Operating lease expense	59,791	53,352
Short-term lease expense	8,532	2,078
Variable lease expense	(1,351)	1,428
Total	\$73,178	\$62,799
Other Information		
Cash paid for amounts included in the measurement of lease liabilities		
Finance - Financing cash flows	\$1,386	\$1,232
Finance - Operating cash flows	1,740	1,695
Operating - Operating cash flows	55,572	53,030
Right-of-use assets obtained in the exchange for lease liabilities		
Finance leases	41,667	3,528
Operating leases	81,453	13,612
Weighted-average remaining lease term		
Finance leases	78.4 years	83.4 years
Operating leases	7.4 years	7.3 years
Weighted-average discount rate		
Finance leases	4.5%	4.3%
Operating leases	2.6%	1.5%

Notes to Consolidated Financial Statements

Note 9. (continued)

Future aggregate minimum lease payments as of June 30, 2023, under finance and operating leases are as follows (in thousands):

Future minimum lease payments:	Finance	Operating
2024	\$2,987	\$51,380
2025	3,009	44,176
2026	2,673	36,942
2027	2,306	30,391
2028	2,334	23,761
Thereafter	715,803	76,423
	729,112	263,073
Less: amounts representing interest	(583,775)	(26,793)
Present value of net minimum lease payments	\$145,337	\$236,280

Note 10.

Bonds Payable and Line of Credit:

Bonds payable and Line of Credit outstanding as of June 30 (*in thousands*):

	Interest %	Maturity	2023	2022
<i>University of Southern California Bonds:</i>				
Series 2011 Taxable	5.25	2112	\$300,000	\$300,000
Discount			(2,370)	(2,397)
Series 2016 Taxable	3.03	2040	722,580	722,580
Discount			(2,602)	(2,760)
Series 2017 Taxable	3.84	2048	402,320	402,320
Discount			(1,448)	(1,507)
Series 2020A Taxable	3.23	2121	320,000	320,000
Discount			(2,717)	(2,745)
Series 2020B Taxable	2.81	2051	308,835	308,835
Discount			(1,211)	(1,256)
Series 2021A Taxable	2.95	2052	400,000	400,000
Discount			(1,404)	(1,454)
California Statewide Communities Development Authority,				
Hospital Revenue Refunding Bonds, Series 2018	4.25 - 5.00	2048	232,860	
Premium			6,785	
Secured JP Morgan Loan	1.21	2027	5,500	
Total			\$2,687,128	\$2,441,616

Principal payment requirements relating to bonds and notes payable, after giving effect to refunding, for the next five fiscal years are approximately: 2024 \$1,100,000; 2025 \$6,300,000; 2026 \$6,565,000; 2027 \$6,850,000; 2028 \$7,140,000, thereafter \$2,664,140,000.

Interest payments for fiscal year 2023 and 2022 were \$94,840,000 and \$83,423,000, respectively.

Notes to Consolidated Financial Statements

Note 10. (continued)

The university has a revolving line of credit with a bank with a maturity date of November 30, 2025. The committed size of the revolving line of credit is \$500,000,000. The line of credit accrues interest based on 'Bloomberg Short-Term Bank Yield Index rate' (BSBY) and contains a fee on the unused portion. The line of credit contains certain restrictive covenants which include a minimum credit rating of "A" and "A2" from Standard and Poor's and Moody's, respectively, as well as a minimum total net assets of \$5,500,000,000. The university was in compliance with these covenants during fiscal years ending June 30, 2023 and 2022.

In December 2018, USCAH issued \$251,770 of California Statewide Communities Development Authority Hospital Revenue Refunding Bonds (Series 2018 Bonds). Pursuant to the loan agreement and indenture for the Certificate of Bonds, USCAH must comply with certain restrictive financial and non-financial covenants. In May 2020, USCAH entered a \$10,000 taxable loan agreement with JPMorgan Chase Bank, National Association with maturity date of December 15, 2027, at interest rate of 1.21% per annum to fund a portion of its plans to meet state seismic requirements, to pay off the Berger notes and for other general corporate purposes. The taxable loan agreement requires gross receivables owned by USCAH as security. Approximately \$2,695 of the loan proceeds were used to pay off the unsecured notes extended from the H.N. and Frances C. Berger Foundation and related interest in May 2020.

In May 2023, USCAH defeased \$4,945 of bonds maturing on January 1, 2024 and provided for an irrevocable deposit in trust with The Bank of New York Mellon Trust Company, N.A. as Escrow Deposit Agent for that purpose and further to pay for all interest coming due on the outstanding bonds on July 1, 2023, January 1, 2024 and July 1, 2024. A portion of such deposits has been invested in non-callable direct obligations of the United States of America, and the principal and earnings on which will be sufficient to pay for the defeased bonds and interest due in accordance with their terms.

USCAH is the sole member of the obligated group on the debts and the only entity obligated to pay debt service with respect to the bonds. As of June 30, 2023, USCAH is in compliance with all the covenants of the bonds and the taxable loan agreement.

Note 11.

Retirement Benefits:

Retirement benefits for eligible university employees are provided through the Teachers Insurance and Annuity Association, The Vanguard Group, AIG Sun America (frozen July 2007), Fidelity Investments and Prudential Financial (frozen April 2016). Under these defined contribution plans, the university and plan participants make contributions to purchase individual, fixed or variable annuities equivalent to retirement benefits earned or to participate in a variety of mutual funds. Under the university Retirement Savings Program, the university makes a 5% non-elective contribution to all eligible employees and also matches dollar for dollar the first 5% of the employees' contributions. The university paused the non-elective contribution to all employees in calendar year 2021. Newly hired employees on or after January 1, 2012, have the university non-elective contribution subject to a four-year vesting schedule. Employees hired on or after January 1, 2019, are subject to a one year waiting period counted under the elapsed time method. Benefits commence at the earliest of age 59 1/2, termination of employment or retirement. Pre-retirement survivor death benefits are also provided. Charges to operating expenses for the university's share of costs were approximately \$218,201,000 and \$151,509,000 during the years ended June 30, 2023 and 2022, respectively.

Retirement benefits for employees of USC Verdugo Hills Hospital, Las Vegas Culinary Health Center and University Physician Associates are provided by a defined contribution 401(k) plan through Fidelity Investments. In December 2021, University Physicians Associates moved to the University Retirement Savings Program. Until August 2011, the Keck and Norris hospital employees covered under a collective bargaining agreement with California Nurses Association were also covered under this 401(k) plan. Until January 2017, the National Union of Healthcare Workers ("NUHW") employees at Keck and Norris hospitals were also covered under this 401(k) plan. Under the 401(k) defined contribution plan, participants make contributions to purchase a variety of mutual funds.

Notes to Consolidated Financial Statements

Note 11. (continued)

Effective January 2017, the university contribution to the 401(k) plan is made on a paycheck-by-paycheck basis. Prior to this, the university made its contribution in a lump sum following the end of the calendar year and matched 100% of the participants' contributions up to 4% of eligible earnings, providing the participant was employed on the last day of the calendar year. In addition, the university made a 1% retiree medical benefit contribution to all NUHW participants who were both employed on the last day of the calendar year and worked 1,500 hours in that calendar year. The university contribution is subject to a five-year vesting schedule, although previously credited years prior to the Tenet, Las Vegas and Verdugo acquisitions have been carried over. Benefits commence at the earliest of age 59 1/2, termination of employment or retirement however, retiree medical benefit contributions may not be withdrawn until disabled or after age 59 1/2 regardless of employment status. Pre-retirement survivor death benefits are also provided.

Retirement benefits for non-exempt university employees are provided through a noncontributory defined benefit pension plan, the USC Support Staff Retirement Plan ("Plan"). The following table sets forth the Plan's funded status at June 30 (in thousands):

Changes in Projected Benefit Obligation	2023	2022
Benefit obligation at end of prior year	\$135,944	\$174,134
Interest cost	6,680	5,165
Actuarial (gain) loss	(5,098)	(40,576)
Benefits paid	(3,394)	(2,779)
	\$134,132	\$135,944
Changes in Plan Assets	2023	2022
Fair value of plan assets at the end of prior years	\$131,650	\$163,007
Actual return on plan assets	3,745	(28,578)
Benefits paid	(3,394)	(2,779)
	\$132,001	\$131,650
Reconciliation of Funded Status	2023	2022
Accumulated benefit obligation at end of year	(\$134,132)	(\$135,944)
Projected benefit obligation at end of year	(134,132)	(135,944)
Fair value of plan assets at end of year	132,001	131,650
Funded status	(\$2,131)	(\$4,294)
Components of Net Periodic Benefit Cost	2023	2022
Interest cost	\$6,680	\$5,165
Expected return on plan assets	(5,948)	(7,408)
Amortization of net loss	1,647	1,900
Total benefit cost	\$2,379	(\$343)

Notes to Consolidated Financial Statements

Note 11. (continued)

Amounts recognized in the Statement of Financial Position	2023	2022
Accrued liabilities	(\$2,131)	(\$4,294)
Amounts not yet recognized as components of Net Periodic Benefit Cost	2023	2022
Net loss	\$23,352	\$27,894
Changes in the net reduction to Without Donor Restrictions	2023	2022
Net gain	(\$2,895)	(\$4,590)
Amortization of net gain	(1,647)	(1,900)
Total benefit cost	(\$4,542)	(\$6,490)

The estimated net loss/(gain) and prior service cost for the Plan that will be recognized as components of net periodic benefit cost over the next fiscal year is \$1,186,000 and \$0, respectively.

The Plan was amended to freeze benefit accruals for all remaining active union participants effective December 23, 2009, and to provide full vesting for those participants. On April 5, 2019, a payment of \$108,957,844 was made to purchase annuities for 1,720 retirees and beneficiaries who were receiving monthly benefit payments from the Plan, and thereby transferring the responsibility for payment of the pension benefits to the insurance company. The effect of the settlement was determined based on a measurement date of March 31, 2019, in accordance with ASC 715-30-35-66A. As a result of the annuity purchase, 44.15% of the benefit obligation for the Plan was settled, and a prorata portion of the net actuarial loss was recognized in expense, resulting in additional pension expense during fiscal 2019 of \$33,781,181.

Weighted-average assumptions used to determine net periodic benefit cost for the year ended June 30:

	2023	2022
Discount rate	5.00%	3.00%
Expected return on plan assets	4.60%	4.60%
Rate of compensation increase	N/A	N/A

Weighted-average assumptions used to determine net year-end benefit obligations at June 30:

	2023	2022
Discount rate	5.40%	5.00%
Rate of compensation increase	N/A	N/A

Plan Assets

In managing the Plan assets, the university's objective is to be a responsible fiduciary while minimizing financial risk. Plan assets include a diversified mix of fixed income securities and equity securities across a range of sectors and levels of capitalization to maximize the long-term return for a prudent level of risk. In addition to producing a reasonable return, the investment strategy seeks to minimize the volatility in the university's expense and cash flow. The target allocation for pension benefit plan assets is 25% equity securities and 75% fixed income securities.

As described in Note 1, the university uses a hierarchy to report invested assets, including the invested assets of the Plan. Following is a description of the valuation methodologies used for assets measured at fair value.

Notes to Consolidated Financial Statements

Note 11. (continued)

Fair Value

The Plan's interest in collective trusts is valued based on the net asset value information reported by the investment advisor. The fund is valued at the normal close of trading on the New York Stock Exchange every day the exchange is open (a "Business Day"). Equity securities are valued at the official closing price of, or the last reported sales price on, the exchange or market on which such securities are traded, as of the close of business on the day the securities are being valued or at the last available bid price. In cases where equity securities are traded on more than one exchange, the securities are valued on the exchange or market determined to be the most representative market, which may be either a securities exchange or the over-the-counter market. Short-term investments are carried at fair value.

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

At June 30, 2023, a summary of fair value measurements by level for Plan investments measured at fair value on a recurring basis is as follows (in thousands):

	Level I	Level II	Level III	NAV	Total
Collective Trust Funds:					
Short-term investment fund		\$334			\$334
Equity securities		34,486			34,486
Fixed income securities		97,181			97,181
Total		\$132,001			\$132,001

At June 30, 2022, a summary of fair value measurements by level for investments measured at fair value on a recurring basis is as follows (in thousands):

	Level I	Level II	Level III	NAV	Total
Collective Trust Funds:					
Short-term investment fund		\$190			\$190
Equity securities		31,692			31,692
Fixed income securities		99,768			99,768
Total		\$131,650			\$131,650

Notes to Consolidated Financial Statements

Note 11. (continued)

Allocation of Assets

The year-end asset allocation, which approximates the weighted-average allocation for the Plan assets as of June 30 and in comparison to target percentages for each asset category, is as follows:

Asset Category	Actual at June 30, 2023	Target at June 30, 2023	Actual at June 30, 2022	Target at June 30, 2022
Short-term investment fund	0.0%	0.0%	0.0%	0.0%
Equity securities	26.0%	25.0%	24.0%	25.0%
Fixed income securities	74.0%	75.0%	76.0%	75.0%
Total	100.0%	100.0%	100.0%	100.0%

The portfolio is evaluated annually or when the actual allocation percentages are plus or minus 2% of the stated target allocation percentages. Changes in policy may be indicated as a result of changing market conditions or anticipated changes in the pension plan's needs. Prohibited transactions include investment transactions prohibited by the Employee Retirement Income Security Act of 1974 and speculative investments including commodities or unregistered stock without specific prior approval by the university's Investment Committee.

Contributions

No contribution to the plan is required to be made during the fiscal year ending June 30, 2024 or 2023. At this time, it is anticipated that the university will make discretionary contributions to the pension plan during the next fiscal year, although the total amount of such contributions has not yet been determined.

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid (in thousands):

	Fiscal Year Ending June 30
2024	\$5,634
2025	6,328
2026	7,055
2027	7,793
2028	8,407
2029-2033	47,082

Notes to Consolidated Financial Statements

Note 12.

Net Assets:

The university's net assets as of June 30, 2023, includes the following (in thousands):

Nature of Specific Net Assets	Without Donor Restrictions	With Donor Restrictions	Year Ended
			June 30, 2023
			Total Net Assets
Undesignated	\$1,682,585		\$1,682,585
Donor-restricted		\$141,520	141,520
Pledges		383,673	383,673
Unexpended endowment income	466,404		466,404
Annuity and living trusts		144,677	144,677
Donor-restricted endowment funds		5,562,800	5,562,800
Board-designated endowment funds	2,026,279		2,026,279
Debt service funds	133,838		133,838
Invested in plant	521,256		521,256
Total	\$4,830,362	\$6,232,670	\$11,063,032

The university's net assets as of June 30, 2022, includes the following (in thousands):

Nature of Specific Net Assets	Without Donor Restrictions	With Donor Restrictions	Year Ended
			June 30, 2022
			Total Net Assets
Undesignated	\$1,320,190		\$1,320,190
Donor-restricted		\$81,652	81,652
Pledges		392,119	392,119
Unexpended endowment income	414,478		414,478
Annuity and living trusts		174,926	174,926
Donor-restricted endowment funds		5,240,702	5,240,702
Board-designated endowment funds	2,159,379		2,159,379
Debt service funds	128,302		128,302
Invested in plant	628,007		628,007
Total	\$4,650,356	\$5,889,399	\$10,539,755

Notes to Consolidated Financial Statements

Note 13.

Functional Expenses:

Expenses are presented below by functional classification in accordance with the overall service mission of the university. Each functional classification displays all expenses related to the underlying operations by natural classification. Depreciation expense is allocated based on square footage occupancy. Interest expense on external debt is allocated to the functional categories which have benefited from the proceeds of the external debt. Plant operations and maintenance represents space related costs which are allocated to the functional categories directly and/or based on the square footage occupancy.

For the year ended June 30, 2023, functional expense consists of the following (in thousands):

	Academic, Health Care and Student Services	Support Services	Fundraising Activities	Year Ended June 30, 2023
Compensation	\$2,716,051	\$433,166	\$48,906	\$3,198,123
Fringe benefits	203,044	567,400	16,099	786,543
Operating expenses	1,757,157	554,029	21,534	2,332,720
Cost of goods sold	96,336	46,489	110	142,935
Travel	49,693	39,102	2,048	90,843
Allocations:				
Depreciation	244,800	85,639	1,747	332,186
Interest	40,664	56,398		97,062
Plant operations and maintenance	182,496	(185,197)	2,701	
Total	\$5,290,241	\$1,597,026	\$93,145	\$6,980,412

For the year ended June 30, 2022, functional expense consists of the following (in thousands):

	Academic, Health Care and Student Services	Support Services	Fundraising Activities	Year Ended June 30, 2022
Compensation	\$2,368,920	\$380,602	\$42,179	\$2,791,701
Fringe benefits	477,350	226,129	13,901	717,380
Operating expenses	1,441,755	515,006	20,850	1,977,611
Cost of goods sold	85,513	47,690	25	133,228
Travel	22,955	36,508	1,055	60,518
Allocations:				
Depreciation	206,682	97,872	1,390	305,944
Interest	29,515	56,096		85,611
Plant operations and maintenance	185,406	(188,113)	2,707	
Total	\$4,818,096	\$1,171,790	\$82,107	\$6,071,993

Notes to Consolidated Financial Statements

Note 14.

Commitments and Contingencies:

Contractual commitments for educational plant amounted to approximately \$319,127,000 and \$146,305,000 at June 30, 2023 and 2022, respectively. It is expected that the resources to satisfy these commitments will be provided from certain unexpended plant net assets, anticipated contributions and/or debt proceeds.

Pursuant to the affiliation agreement, the Health System committed to investing \$200,700,000 in USCAH's equipment, infrastructure and services and, as such, it reimburses USCAH's capital expenditures as they are incurred. \$6,500,000 was contributed by the Health System for the period ended June 30, 2023.

Under the Medical Services Affiliation Agreement dated July 1, 2019 ("MSAA") between the university and the Los Angeles County Department of Health Services, the USC Keck School of Medicine provides clinical and teaching services at LA General Hospital Medical Center ("LA General"). On March 29, 2023, the university gave notice to Los Angeles County that it was invoking its rights to cease providing services at LA General effective July 1, 2024. By providing this notice, the university expressed intent to initiate negotiations over a new agreement that would address deficiencies in the current MSAA. The parties have since met several times to discuss a new agreement, but it is uncertain whether such an agreement will be reached. In the event that a new agreement is not reached, the current MSAA requires the parties to "jointly develop and implement a plan for disaffiliation, which provides for the continuation of quality patient care and medical education programs and recognizes the limits of available resources."

The university is contingently liable as guarantor on certain obligations relating to equipment loans, student and parent loans, and various campus organizations.

The university has a broad portfolio of civil litigation, which reflects the complexity of the higher education environment and the diversity of issues facing universities today. Among other matters, these include lawsuits regarding the retirement plan, research and faculty recruitment, student disciplinary and campus safety matters, athletic injuries, payment disputes, personal injuries, inappropriate touching, late fees, dental and medical malpractice, and employment litigation. In preparing these financial statements, management reviewed the entire litigation portfolio with the assistance of legal counsel and in accordance with ASC 450, *Contingencies*, recorded a contingent liability on the consolidated balance sheets to properly account for the entire litigation portfolio.

The university has resolved all civil lawsuits brought by alleged victims arising out of the alleged misconduct by Dr. George Tyndall, a gynecologist formerly employed by the university at its student health center. Insurance carriers that provided indemnity insurance coverage to the university related to the underlying Dr. Tyndall civil litigation have brought suit against the university in an attempt to try to recoup approximately \$80 million in indemnity payments paid to the university with respect to the Dr. Tyndall civil litigation.

The university also continues to seek contributions from other carriers. In the fiscal years ended June 30, 2023, and June 30, 2022, the university agreed to settlements by which it collected \$32,000,000 in indemnity payments from the university's insurers in connection with litigation related to Dr. Tyndall. While the university continues to expect that an additional portion of the Tyndall settlements will be covered by insurance, there can be no guarantee of the ultimate amount of coverage. Except as to insurance payments actually collected as of August 2023, amounts of future insurance reimbursements are unknown as of June 30, 2023, and as a result no insurance recovery accruals have been recorded in the 2023 or 2022 consolidated financial statements.

During the fiscal year ended June 30, 2020, the university was named in civil putative class action lawsuits (since consolidated into a single class action) that assert various legal claims seeking a partial refund of tuition and fees as a result of the university's campus closure and transition to remote instruction in response to the COVID-19 pandemic in the Spring 2020 semester. Although the outcome of this litigation is difficult to predict, the university believes it has strong defenses and has appropriately accounted for them in the consolidated financial statements.

During the fiscal year ended June 30, 2023, the university was named in a civil putative class action seeking a partial refund of tuition paid by online Master of Social Work ("MSW") students, on the basis that the university allegedly falsely advertised that the online and in-person MSW programs were the "same," and in another civil putative class action seeking damages on the basis of plaintiffs' allegations that they paid tuition that they would not otherwise have paid as a result of the submissions of allegedly false data to U.S. News and World Report by the USC Rossier School of Education causing an inaccurate U.S. News ranking of USC Rossier. The university is also cooperating with regulatory matters related to the subject matters of these lawsuits.

Notes to Consolidated Financial Statements

Note 14. (continued)

The university is named as a defendant in a civil False Claims Act (“FCA”) lawsuit alleging that the university’s submissions of claims for intraoperative neurophysiological monitoring services violated the federal FCA, the California FCA, and/or the California Insurance Frauds Prevention Act (“IFPA”). The government has not intervened in the case.

Note 15.

Grants and Contracts:

Executed contracts, grants, subcontracts, and cooperative agreements for future sponsored research activity which are not reflected in the consolidated financial statements at June 30 are summarized as follows (in thousands):

	2023	2022
Current sponsored awards	\$1,125,768	\$1,241,433
Executed grants and contracts for future periods	1,249,874	1,350,949
Total	\$2,375,642	\$2,592,382

Note 16.

Related Parties:

Members of the Board of Trustees and senior management may, from time to time, be associated, either directly or indirectly, with companies doing business with the university. For senior management, the university requires annual disclosure of significant financial interest in entities doing business with the university. These annual disclosures cover both senior management and their immediate family members. When such relationships exist, measures are taken to appropriately manage the actual or perceived conflict in the best interests of the university. The university has a written conflict of interest policy that requires, among other things, that no member of the Board of Trustees can participate in any decision in which he or she or an immediate family member has a material financial interest. Each trustee is required to certify compliance with the conflict-of-interest policy on an annual basis and indicate whether the university does business with an entity in which a trustee has a material financial interest. When such relationships exist, measures are taken to mitigate any actual or perceived conflict, including requiring the recusal of the conflicted trustee and that such transactions be conducted at arm’s length, for good and sufficient consideration, based on terms that are fair and reasonable to and for the benefit of the university, and in accordance with applicable conflict of interest laws.

Note 17.

Subsequent Events:

On July 18, 2023, the university issued \$500,000,000 of Series 2023 taxable bonds. These bonds are unsecured general obligations of the university and bear interest at 4.98% and mature on October 1, 2053. The proceeds of the Series 2023 Bonds will be used by the university for its general corporate purposes, including, but not limited to, the acquisition, construction, renovation, improvement, rehabilitation and/or equipping by the university of higher educational and healthcare facilities, and to pay all or a portion of the costs of issuance of the Series 2023 Bonds.

The university has performed an evaluation of subsequent events through November 10, 2023, the date these consolidated financial statements were issued.

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University of Southern California
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

SPONSOR

RESEARCH & DEVELOPMENT CLUSTER

DIRECT AWARDS

Department of Agriculture

National Institute Of Food And Agriculture

ALN

**Current Year
Expenditures**

**Pass-Through Funds
to Sub recipients**

Forest Service

Total Department of Agriculture

10.310

\$ 79,785

\$ -

10.699

11,920

-

91,705

-

Department of Commerce

Economic Development Administration

11.303

92,454

-

Economic Development Administration

11.313

658,291

-

National Institute Of Standards And Technology

11.609

234,335

-

National Institute Of Standards And Technology

11.620

30,039

-

National Oceanic And Atmospheric Administration

11.417

1,855,558

235,434

National Oceanic And Atmospheric Administration

11.482

181,266

46,727

Total Department of Commerce

3,051,943

282,161

Department of Defense

Defense Advanced Research Projects Agency (Darpa)

12.910

23,545,749

3,920,532

Defense Intelligence Agency

12.598

310,142

-

Department Of Defense

12.006

1,237,963

169,961

Department Of Defense

12.RD

52,224,832

9,141,585

Department Of The Air Force

12.800

5,540,499

1,446,181

Department Of The Army

12.420

9,838,753

750,768

Department Of The Army

12.431

14,035,395

4,147,378

Department Of The Navy, Office Of Naval Research (Onr)

12.300

9,316,869

1,875,366

National Security Agency (Nsa)

12.901

51,194

-

Office Of The Secretary Of Defense

12.630

1,400,421

147,266

Total Department of Defense

117,501,817

21,599,037

Department of Education

Institute Of Education Sciences

84.305

566,178

402,513

Office Of Elementary And Secondary Education

84.206

301,016

-

Office Of Elementary And Secondary Education

84.411

1,584,580

1,047,736

Office Of Postsecondary Education

84.019

30,542

-

Office Of Postsecondary Education

84.022

76,485

-

Total Department of Education

2,558,801

1,450,249

The accompanying notes are an integral part of this Schedule.

University of Southern California
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

SPONSOR

RESEARCH & DEVELOPMENT CLUSTER

DIRECT AWARDS

Department of Energy

	ALN	Current Year Expenditures	Pass-Through Funds to Sub recipients
Department Of Energy	81.049	3,644,152	445,432
Department Of Energy	81.086	315,093	154,188
Department Of Energy	81.087	267,628	-
Department Of Energy	81.089	422,727	232,805
Department Of Energy	81.108	497,315	187,800
Department Of Energy	81.121	212,586	-
Department Of Energy	81.135	628,951	-
Total Department of Energy		5,988,452	1,020,225

Department of Health and Human Services

Administration For Community Living (Acl)	93.048	1,015,612	39,805
Administration For Community Living (Acl)	93.433	285,649	-
Administration For Community Living (Acl)	93.747	224,535	-
Administration For Community Living (Acl)	93.761	12,011	-
Agency For Healthcare Research And Quality	93.226	807,918	160,433
Centers For Disease Control And Prevention	93.118	(192)	-
Centers For Disease Control And Prevention	93.262	(492)	(492)
Department Of Health And Human Services	93.RD	4,793,627	-
Health Resources And Services Administration	93.059	198,690	-
Health Resources And Services Administration	93.266	23,348	-
Health Resources And Services Administration	93.516	155,283	-
Health Resources And Services Administration	93.732	515,567	-
Health Resources And Services Administration	93.884	270,281	-
Health Resources And Services Administration	93.924	787,889	-
Health Resources And Services Administration	93.969	794,441	140,634
National Institutes Of Health	93.077	4,700,564	185,490
National Institutes Of Health	93.113	9,990,161	1,397,066
National Institutes Of Health	93.121	13,942,984	2,513,580
National Institutes Of Health	93.172	4,975,643	2,312,869
National Institutes Of Health	93.173	6,753,138	268,751
National Institutes Of Health	93.213	367,449	-
National Institutes Of Health	93.233	(14,533)	-
National Institutes Of Health	93.242	7,647,716	2,429,884
National Institutes Of Health	93.273	4,432,992	483,335
National Institutes Of Health	93.279	3,300,696	343,434
National Institutes Of Health	93.286	4,990,314	458,375
National Institutes Of Health	93.307	4,243,653	558,993
National Institutes Of Health	93.310	10,251,385	2,164,948
National Institutes Of Health	93.350	10,488,530	452,710

The accompanying notes are an integral part of this Schedule.

University of Southern California
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

SPONSOR

RESEARCH & DEVELOPMENT CLUSTER

<u>DIRECT AWARDS</u>	ALN	Current Year Expenditures	Pass-Through Funds to Sub recipients
National Institutes Of Health	93.351	934,165	673,142
National Institutes Of Health	93.353	3,258,587	-
National Institutes Of Health	93.393	12,761,629	4,229,275
National Institutes Of Health	93.394	2,923,791	355,976
National Institutes Of Health	93.395	4,036,217	247,803
National Institutes Of Health	93.396	5,191,077	880,071
National Institutes Of Health	93.397	7,819,833	432,636
National Institutes Of Health	93.398	607,693	-
National Institutes Of Health	93.837	4,025,780	1,196,790
National Institutes Of Health	93.838	3,511,763	226,678
National Institutes Of Health	93.839	3,970,274	2,302,642
National Institutes Of Health	93.846	3,937,898	227,839
National Institutes Of Health	93.847	12,651,393	2,098,004
National Institutes Of Health	93.853	25,494,591	5,253,344
National Institutes Of Health	93.855	7,505,216	2,288,592
National Institutes Of Health	93.859	14,590,052	312,581
National Institutes Of Health	93.865	4,966,114	1,087,911
National Institutes Of Health	93.866	111,542,261	27,573,206
National Institutes Of Health	93.867	6,009,232	176,925
National Institutes Of Health	93.879	655,916	37,099
National Institutes Of Health	93.989	161,807	-
Total Department of Health and Human Services		332,510,148	63,510,329
Department of Homeland Security			
Department of Homeland Security	97.RD	52,406	-
Federal Emergency Management Agency (FEMA)	97.082	117,674	-
Federal Emergency Management Agency (FEMA)	97.132	123,401	-
Science And Technology	97.061	1,179,893	146,556
Total Department of Homeland Security		1,473,374	146,556
Department of Justice			
Office Of Justice Programs	16.560	220,599	-
Office Of Justice Programs	16.582	137,261	-
Total Department of Justice		357,860	-
Department of Labor			
Department of Labor	17.RD	97,445	-
Total Department of Labor		97,445	-

The accompanying notes are an integral part of this Schedule.

University of Southern California
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

SPONSOR

RESEARCH & DEVELOPMENT CLUSTER

DIRECT AWARDS

Department of State

	ALN	Current Year Expenditures	Pass-Through Funds to Sub recipients
Bureau Of Democracy, Human Rights And Labor	19.345	64,032	37,471
Bureau Of Educational And Cultural	19.401	329	-
Bureau Of Educational And Cultural	19.415	2,062,534	-
Bureau Of Near Eastern Affairs	19.021	65,556	-
Bureau Of Near Eastern Affairs	19.221	382,573	-
Office Of The Under Secretary For Public Diplomacy And Public Affairs	19.040	798,708	-
Total Department of State		3,373,732	37,471

Department of the Interior

Department Of The Interior	15.RD	108,844	-
National Park Service	15.933	134,384	-
Us Geological Survey	15.807	63,862	32,000
Us Geological Survey	15.808	1,983,286	883,802
Total Department of the Interior		2,290,376	915,802

Department of Transportation

Federal Highway Administration	20.215	11,438	-
Office Of The Secretary	20.701	2,118,274	1,616,928
Total Department of Transportation		2,129,712	1,616,928

Department of Veterans Affairs

Department Of Veterans Affairs	64.RD	267,456	-
Va Health Administration Center	64.035	127,904	-
Total Department of Veterans Affairs		395,360	-

General Services Administration

General Services Administration	39.RD	72,833	-
Total General Services Administration		72,833	-

Institute Of Museum And Library Services

Institute Of Museum And Library Services	45.313	12,830	-
Total Institute Of Museum And Library Services		12,830	-

The accompanying notes are an integral part of this Schedule.

University of Southern California
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

SPONSOR

RESEARCH & DEVELOPMENT CLUSTER

DIRECT AWARDS

	ALN	Current Year Expenditures	Pass-Through Funds to Sub recipients
Library of Congress			
Library of Congress	42.001	4,302	-
Library of Congress	42.RD	4,805	-
Total Library of Congress		9,107	-
National Aeronautics and Space Administration			
National Aeronautics And Space Administration	43.001	1,273,273	272,258
National Aeronautics And Space Administration	43.007	60,875	-
National Aeronautics And Space Administration	43.012	534,017	-
Total National Aeronautics and Space Administration		1,868,165	272,258
National Endowment for the Humanities			
National Endowment For The Humanities	45.149	41,154	-
National Endowment For The Humanities	45.162	33,087	-
National Endowment For The Humanities	45.164	214,716	-
National Endowment For The Humanities	45.169	255,545	75,438
Total National Endowment for the Humanities		544,502	75,438
National Science Foundation			
National Science Foundation	47.041	10,170,475	1,388,172
National Science Foundation	47.049	6,593,224	320,038
National Science Foundation	47.050	8,606,089	2,677,789
National Science Foundation	47.070	18,518,567	2,127,478
National Science Foundation	47.074	3,768,525	27,021
National Science Foundation	47.075	2,338,206	186,230
National Science Foundation	47.076	4,844,458	787,031
National Science Foundation	47.078	40,818	-
National Science Foundation	47.079	136,607	-
National Science Foundation	47.083	548,949	4,968
National Science Foundation	47.084	261,969	-
National Science Foundation	47.RD	351,333	-
Total National Science Foundation		56,179,220	7,518,727
Nuclear Regulatory Commission			
Nuclear Regulatory Commission	77.008	163,763	-
Total Nuclear Regulatory Commission		163,763	-
Total Research & Development Cluster - Direct Awards		\$ 530,671,145	\$ 98,445,181

The accompanying notes are an integral part of this Schedule.

University of Southern California
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

SPONSOR

RESEARCH & DEVELOPMENT CLUSTER	Pass-Through Entity		Current Year	Pass-Through Funds
PASS-THROUGH FUNDS	Identifying Number	ALN	Expenditures	to Sub recipients
Agency for International Development				
National Academy of Sciences	AID-263-A-15-00002	98.001	\$ 61,077	\$ -
Total Agency for International Development			61,077	-
Department of Agriculture				
Johns Hopkins University-JHU	2017-67007-26154	10.310	923	-
Total Department of Agriculture			923	-
Department of Commerce				
Global Science & Technology, Incorporated	ST-1330-17-CQ-0050	11.RD	26,019	-
Holdfast Aquaculture, LLC	22WCR011-015	11.RD	62,509	-
National Marine Sanctuary Foundation	NA19OAR0110405	11.011	19,983	-
National Marine Sanctuary Foundation	NA21OAR0110474	11.011	6,647	-
Pacific States Marine Fisheries Commission	NA18NMF4720007	11.472	113,229	69,107
State Coastal Conservancy	NA16NOS4780205	11.478	(101)	-
University of California San Diego	NA16NOS0120022	11.012	(70,322)	10,000
University of California San Diego	NA21NOS0120088	11.012	361,704	-
University of Miami	NA20OAR4320472	11.432	14,000	-
University of Wyoming	NA19NOS4780177	11.478	26,661	-
Total Department of Commerce			560,329	79,107
Department of Defense				
Acurastem, Incorporated	W81XWH2110355	12.RD	189,236	-
Advanced Robotics for Manufacturing Institute	W911NF-17-3-0004	12.630	97	97
Advanced Technology International	W15QKN-18-9-1004	12.RD	1,197,830	1,097,859
Aptima, Incorporated-APTIMA	HR00112290021	12.RD	258,853	-
Aptima, Incorporated-APTIMA	N68335-19-C-0583	12.RD	84,456	-
BAE Systems Information and Electronics Systems, Incorporated-BAE	AITMA-090493-00	12.RD	191,215	-
BAE Systems Information and Electronics Systems, Incorporated-BAE	HR001123C0005	12.RD	43,741	-
Battelle	FA865020D5703/FA8650-20-F-5704	12.RD	174,125	-
Boeing Company	ARM-TEC-18-01-F-13	12.RD	166,544	-
Boeing Company	ARM-TEC-18-01-F-13 / W911NF-17-3-0004	12.RD	141,516	-
Booz Allen Hamilton Incorporated	W911QX21D0001	12.RD	53,465	-
Booz Allen Hamilton Incorporated	W911QX-21-D-0001	12.RD	115,324	-
Busek Co. Inc	FA9453-22-CA032	12.RD	73,609	-
California Institute of Technology	FA9550-18-1-0161	12.800	137,472	-
Caliola Engineering	FA8750-23-C-0514	12.RD	41,077	-

The accompanying notes are an integral part of this Schedule.

University of Southern California
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

SPONSOR				
RESEARCH & DEVELOPMENT CLUSTER	Pass-Through Entity		Current Year	Pass-Through Funds
<u>PASS-THROUGH FUNDS</u>	Identifying Number	ALN	Expenditures	to Sub recipients
Carbonics, Incorporated	W911NF20C0017	12.630	(1,109)	-
Carnegie Mellon University	FA8750-18-2-0018	12.300	98,011	-
Carnegie Mellon University	N00014-21-1-2749	12.300	119,345	-
Case Western Reserve University	N00014-16-1-2535	12.300	43,051	-
Cedars-Sinai Medical Center	W81XWH1910888	12.420	27,481	-
Children's Hospital of Los Angeles-CHLA	75F40122C00051	12.RD	51,371	-
Clemson University	N00014-20-1-2558	12.300	222,095	-
Coalition for National Trauma Research	W81XWH-15-9-001	12.420	55,000	-
Columbia University	HR001122C0040	12.RD	122,684	-
Dignitas Technologies, LLC	W900KK-18-9-0005	12.RD	1,953	-
Duality Technologies, Inc.	HR0011-21-9-0003	12.RD	1,617,972	-
Emory University	FA9550-18-1-0420	12.800	220,089	-
General Electric Company	W81XWH-15-9-0001	12.RD	297,148	-
Georgia Institute of Technology	18-C-0340	12.RD	413	-
Georgia Institute of Technology	2022-21100600004	12.RD	20,317	-
Georgia Institute of Technology	H98230-20-C0300	12.RD	205,016	-
Georgia Institute of Technology	W911NF2110343	12.910	109,348	-
Graf Research	FA8650-20-D-1879	12.RD	150,667	-
Inferlink Corporation	FA2384-23-P-0008	12.RD	12,435	-
Inferlink Corporation	FA8750-22-C-0511	12.RD	76,057	-
Intelligent Automation Inc	HQ0860-21-C-7141	12.RD	670,092	-
Johns Hopkins University-JHU	2005545542	12.RD	806	-
Johns Hopkins University-JHU	H98230-16-D-0026	12.RD	438,940	-
Johns Hopkins University-JHU	W81XWH-16-2-0060	12.420	48,248	-
Kall Morris, Incorporated	FA9453-22-C-A056	12.RD	65,396	-
Kansas State University	HR0011230007	12.910	77,706	-
Krell Institute	4000183832	12.RD	21,274	-
L.Garde, Inc.	FA945322CA064	12.RD	32,837	-
Lockheed Martin Corporation-LMC	ARM-TEC-22-01-F-32	12.RD	122,572	-
Lockheed Martin Corporation-LMC	HR0011-21-C-0164	12.RD	203,749	-
Massachusetts Eye and Ear-MASSE	W81XWH1910188	12.420	120,996	-
Massachusetts Institute of Technology-MIT	HR00112190069	12.RD	132,941	-
Mathematica	HHSP-233-2015000351/HHSP-233-37022T	12.RD	4,445	-
Medical Technology Enterprise Consortium	W81XWH-21-9-0003	12.RD	1,036,633	806,209
Microchip Technology Inc.	1676434	12.RD	434,791	-
NATIONAL SECURITY TECHNOLOGY ACCELERATOR	N00164-19-9-0001	12.RD	570,224	270,000
North Carolina State University-UNIVNCAROL	H98230-19-D-0012	12.RD	143,302	-

The accompanying notes are an integral part of this Schedule.

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SPONSOR	Pass-Through Entity		Current Year	Pass-Through Funds
RESEARCH & DEVELOPMENT CLUSTER	Identifying Number	ALN	Expenditures	to Sub recipients
<u>PASS-THROUGH FUNDS</u>				
North Carolina State University- UNIVNCAROL	W911NF-16-1-0406	12.431	83,754	-
Northeastern University-NORTHUNIV	N00014-20-1-2453	12.300	236,694	-
Northeastern University-NORTHUNIV	W911NF-20-2-0024	12.RD	11,613	-
Oregon Health Science University-OHSU	W81XWH-16-1-0748	12.RD	8,402	-
Pennsylvania State University-PSU	FA9550-21-1-0202	12.800	302,207	-
Pennsylvania State University-PSU	FA9550-21-1-0202	12.800	9,995	-
Perspecta Engineering, Incorporated	HR0011-20-C-0160	12.910	436,272	-
Princeton University	N00014-21-1-2018	12.300	99,400	-
Protagonist Technology, LLC	HR001121C01170	12.RD	187,985	-
Protagonist Technology, LLC	HR001121C01170	12.RD	62,577	-
Purdue University-PURDUE	FA8750-20-2-1004	12.300	132,443	-
Purdue University-PURDUE	HR0011-18-3-0004	12.RD	141,030	-
Quidient, LLC	FA8750-22-C-0152	12.RD	74,755	-
Raytheon BBN Technologies- RAYBBNTECH	HR001123C0028	12.RD	32,671	-
Raytheon Technologies Corporation	FA8750-20-C-0508	12.RD	124,876	-
R-DEX Systems	N6833522C0344	12.RD	76,663	-
Regents of the University of Michigan-MICH	N00014-21-1-2475	12.300	359,516	-
Regents of the University of Michigan-MICH	W911NF1810208	12.431	244,260	-
Rigetti Computing	HR00112230006	12.RD	162,557	-
San Diego State University	FA9550-21-1-0434	12.800	98,966	-
Sandia National Laboratories	DE-NA0003525	12.300	18,350	-
Sandia National Laboratories	DE-NA0003525	12.RD	75,590	-
SiC Technologies, Incorporated	W56HZV-22-C-0001	12.RD	37,607	-
Siemens Corporate Research, Incorporated	W911NF-17-3-0004	12.630	(144)	-
Soar Technology, Incorporated	W911NF-18-C-0011	12.RD	6,818	-
Sonalysts, Incorporated	FA8650-22-P-6414	12.RD	2,614	-
Spectral Energies, LLC	FA8650-21-C-5405	12.RD	52,130	-
Sri International-SRI	140D0423C0034	12.RD	1,830	-
St. Josephs Hospital & Medical Center	W81XWH2110145	12.420	149,388	-
Stevens Institute of Technology	HQ003419D0003	12.RD	1,263,370	-
Stevens Institute of Technology	HQ003419D0003 HQ003421F0309	12.RD	47,501	-
Storagenenergy Technologies, Incorporated	N6833519C0507	12.RD	21,169	-
Storagenenergy Technologies, Incorporated	W911NF22C0030	12.RD	172,624	-
Tangram Flex, Inc.	FA8750-22-C-0184	12.RD	74,309	-
Tanner Research, Incorporated	N68335-21-C-0619	12.RD	91,648	-
The Board of Trustees of the Leland Stanford Junior University	FA9550-21-1-0170	12.800	225,505	-
The Board of Trustees of the Leland Stanford Junior University	N00014-18-1-2659	12.RD	(9,757)	-

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RESEARCH & DEVELOPMENT CLUSTER	Pass-Through Entity		Current Year	Pass-Through Funds
PASS-THROUGH FUNDS	Identifying Number	ALN	Expenditures	to Sub recipients
The Board of Trustees of the Leland Stanford Junior University	N00014-22-1-2606	12.300	72,923	-
University of Arizona	W9132T20C0004	12.RD	8,475	-
University of Bridgeport	N00014-22-1-2521	12.300	43,204	-
University of California Berkeley	FA8750-19-1-0504	12.910	(41)	-
University of California San Diego	FA9550-20-1-0145	12.630	3,044	-
University of California San Diego	FA9550-21-1-0143	12.630	112,438	-
University of California Santa Barbara	N00014-20-1-2164	12.300	77,260	-
University of California Santa Barbara	N00014-20-1-2764	12.300	77,828	-
University of California Santa Barbara	W911NF-15-1-0577	12.431	(3,395)	-
University of California, Los Angeles-UCLA	210907-F0308-01	12.RD	62,820	-
University of California, Los Angeles-UCLA	FA9550-19-1-0213	12.800	308,972	62,713
University of California, Los Angeles-UCLA	FA9550-22-1-0380	12.800	165,681	-
University of California, Los Angeles-UCLA	HR00112290103	12.RD	94,868	-
University of California, Los Angeles-UCLA	N00014-19-1-2052	12.300	2,351	-
University of California, Los Angeles-UCLA	N0018921PZ035	12.RD	149,401	-
University of Central Florida	N00014-20-1-2789	12.300	556,816	-
University of Central Florida	W911NF-17-1-0481	12.431	139	-
University of Connecticut	N00014-17-1-2656	12.300	247,557	-
University of Florida	W81XWH2110594	12.420	16,133	-
University of Illinois at Urbana Champaign-UOIUC	HR001121C0165	12.910	307,387	-
University of Illinois-UI	N00014-19-1-2373	12.300	68,245	-
University of Illinois-UI	W911NF-17-2-0196	12.630	29,588	-
University of Maryland	62422	12.RD	32,023	-
University of Maryland	HQ003418D0005	12.RD	1,262,034	-
University of Maryland	HR00112290056	12.RD	237,526	-
University of Massachusetts	FA8750-18-2-0122	12.300	(1,444)	-
University of Minnesota-UMN	N00014-22-1-2029	12.300	121,393	-
University of Minnesota-UMN	W81XWH2210184	12.420	15,739	-
University of New Mexico	FA9453-20-2-0001	12.300	62,847	-
University of Pennsylvania-UPENN	W911NF-17-2-0181	12.630	117,753	-
University of Rochester	W911NF-18-0369	12.431	60,326	-
University of Utah	N00014-18-1-2407	12.630	78	-
University of Wisconsin, Madison	FA9550-21-1-0305	12.800	165,156	-
University of Wisconsin, Madison	FA9550-22-1-0430	12.800	10,828	-
University of Wisconsin, Madison	N00014-21-1-2044	12.300	107,326	-
Yale University-YALE	W81XWH2110739	12.RD	29,590	-
Total Department of Defense			20,182,913	2,236,878

The accompanying notes are an integral part of this Schedule.

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SPONSOR

RESEARCH & DEVELOPMENT CLUSTER

PASS-THROUGH FUNDS

Department of Education

	Pass-Through Entity Identifying Number	ALN	Current Year Expenditures	Pass-Through Funds to Sub recipients
Duquesne University	R34A150103	84.324	10,646	-
Harvard University	R305X220018	84.305	16,263	-
Long Beach City College	P116Y210003	84.116	42,046	-
National Opinion Research Center	R305A210335	84.305	270,968	-
North Carolina Central University	R305B210024	84.305	47,177	-
Tulane University	R305C180025-19 Action 6	84.305	212,338	-
University of North Carolina, Chapel Hill	R305A200308-21	84.305	5,556	-
Total Department of Education			604,994	-

Department of Energy

Advanced Cooling Technologies, Incorporated	DE-AR0001538	81.135	62,589	-
Advanced Cooling Technologies, Incorporated	DE-SC0022938	81.049	37,464	-
Arizona State University	DE-SC0021213	81.049	87,292	-
Battelle Energy Alliance, LLC	DE-AC07-05ID14517	81.RD	45,145	-
California Institute of Technology	DE-SC0019219	81.049	66,240	-
General Motors Corporation	DE-EE0009204	81.086	248,123	-
Lawrence Berkeley Laboratory	DE-AC02-05CH11231	81.RD	31,435	-
Lawrence Livermore National Laboratory	DE-AC52-07NA27344	81.RD	(268)	-
Los Angeles Cleantech Incubator	DE-EE0009659	81.086	76,353	-
Marine BioEnergy, Incorporated	DE-AR0000689	81.135	152,220	-
Media and Process Technology, Incorporated-MPTI	DE-FE0031930	81.089	53,952	-
National Renewable Energy Laboratory - DOEN	DE-AC36-08GO28308	81.RD	27,724	-
Oakridge National Laboratories	DE-AC05-00OR22725	81.RD	92,627	-
Pacific Northwest National Laboratory	DE-AC05-76RL01830	81.RD	18,562	-
Pennsylvania State University-PSU	DE-FE0026825	81.089	245,196	-
Q-Chem, Incorporated	DE-SC0022364	81.049	12,099	-
RadiaSoft, LLC	DE-SC0021681	81.049	906	-
Regents of the University of Michigan-MICH	DE-EE0009688	81.086	452,051	-
Research Foundation for the State University of New York	DE-SC0021060	81.049	133,302	-
Rigetti Computing	DE-SC0021661	81.049	78,481	-
Sandia National Laboratories	DE-NA0003525	81.RD	122,481	-
Sandia National Laboratories	DE-NA-0003525	81.RD	1,135,118	-
The Board of Trustees of the Leland Stanford Junior University	DE-SC0019165	81.049	130,867	-
University of California Berkeley	DE-AC02-05CH11231	81.RD	181,822	-
University of California, Los Angeles-UCLA	DE-SC0019245	81.049	(277)	-
University of California, Los Angeles-UCLA	DE-SC0019381-0003	81.049	124,828	-

The accompanying notes are an integral part of this Schedule.

University of Southern California
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SPONSOR

RESEARCH & DEVELOPMENT CLUSTER

PASS-THROUGH FUNDS

	Pass-Through Entity		Current Year	Pass-Through Funds
	Identifying Number	ALN	Expenditures	to Sub recipients
University of Illinois-UI	DE-SC0022173	81.049	230,029	-
University of Maryland	DE-NA0003993	81.124	87,995	-
University of Wisconsin, Milwaukee	DE-AR0000914	81.135	550,312	-
Total Department of Energy			4,484,668	-

Department of Health and Human Services

Activ Sitting	1R43AG074697-01	93.866	37,348	-
Acurastem, Incorporated	R44NS105156	93.853	118,494	-
Advanced MRI Technologies, LLC	5R44MH129278-02	93.242	449	-
AgeneBio	R44AG063607	93.866	(30,994)	-
Albert Einstein College of Medicine-AECMYU	1R01NS127524-01	93.853	181,238	-
Ann & Robert H. Lurie Children's Hospital of Chicago	5R01DC019387-02	93.173	1,848	-
Ann & Robert H. Lurie Children's Hospital of Chicago	R21DC016069	93.173	4,287	-
Arizona State University	U54CA217376	93.397	159,332	-
Artery Therapeutics, Incorporated	4R44AG060826-02	93.866	(3,638)	-
ATGC, Incorporated	1R41GM146516-01	93.859	189,574	-
Avera McKennan Hospital & University Center	5UH3OD023279-07	93.310	36,457	-
Avera McKennan Hospital & University Center	5UH3OD023279-08	93.310	145,776	-
Banner Alzheimer's Institute	5P30AG072980-02	93.866	24,750	-
Banner Alzheimer's Institute	5R01AG055444-05	93.866	35,562	-
Banner Alzheimer's Institute	5R01AG058468-03	93.866	111,269	-
Baylor College of Medicine	2R56NS095933-05A1	93.853	33,448	-
Baylor College of Medicine	5R01CA249867-02	93.395	48,383	-
Baylor College of Medicine	5R01DK129265-02	93.847	53,888	-
Baylor College of Medicine	5R01EY030447-03	93.867	36,946	-
Beckman Research Institute of the City of Hope	1R01CA266874-01A1	93.395	4,833	-
Beckman Research Institute of the City of Hope	1R01HL157626-01	93.837	13,160	-
Beckman Research Institute of the City of Hope	2UMCA186717-06 Revised	93.395	1,313	-
Beckman Research Institute of the City of Hope	5U01CA199277-03	93.393	27	-
Beckman Research Institute of the City of Hope	5UMICA186717-07	93.395	21,292	-
Beckman Research Institute of the City of Hope	CRA-GEM-2021-7/U01CA257679	93.393	79,222	-
Beckman Research Institute of the City of Hope	UMICA186717	93.395	276,877	-
Beckman Research Institute of the City of Hope	UMICA186717-02	93.395	(146)	-
Beth Israel Deaconess Medical Center	1U54HL165440-01	93.310	117,624	-
Beth Israel Deaconess Medical Center	1UMIA1164556-01	93.855	17,075	-
Beth Israel Deaconess Medical Center	5UMIA1164556-02	93.855	145,868	-
BioAIM	2R42AI06375-03	93.855	(3,586)	-
BioVinc LLC	R41CA235996	93.394	(514)	-

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	Pass-Through Entity		Current Year	Pass-Through Funds
	Identifying Number	ALN	Expenditures	to Sub recipients
Boston Medical Center Corporation	5R01AA026268-04	93.273	136,419	-
Brigham and Women's Hospital	1U24DK135157-01	93.847	415,221	-
Brigham and Women's Hospital	5P30AG064199-04	93.866	11,825	-
Brigham and Women's Hospital	5R01AG063689-03	93.866	21,641	17,175
Brigham and Women's Hospital	5U01CA250476-02	93.393	119,937	-
Brigham and Women's Hospital	5U01CA250476-04	93.393	41,656	-
Brigham and Women's Hospital	R01AG063689	93.866	7,956,570	6,696,775
Brigham and Women's Hospital	U19AG010483	93.866	2,030	-
Brigham and Women's Hospital	UM1AI068636	93.855	60,186	-
Brown University	3U54AG063546-04	93.866	51,907	-
Brown University	5R01MH114891-05	93.242	33,651	-
Buck Institute For Aging Research	5P30AG068345-03	93.866	406,342	-
Buck Institute For Aging Research	P30AG068345	93.866	1,124	-
California Institute of Technology	1R01NS123663-01	93.853	2,658	-
California Institute of Technology	1R34NS126800-01	93.853	101,059	-
California Institute of Technology	1U01NS123127-01	93.853	(1,462)	-
California Institute of Technology	1U01NS126562-01	93.853	187,613	-
California Institute of Technology	5R01EY031761-02	93.867	51,013	-
California Institute of Technology	5R01HL152190-03	93.838	7,820	-
California Institute of Technology	5R01NS123663-02	93.853	27,945	-
California Institute of Technology	5U01EB029823-02	93.286	91,504	-
California Institute of Technology	5U01NS123127-02	93.853	121,790	34,357
California Institute of Technology	R01NS18859A	93.853	111,359	-
California Institute of Technology	U01EB029823	93.286	53,074	-
California Institute of Technology	U24HG010859	93.172	182,148	-
California State University Long Beach Foundation	1R25GM121266-01	93.859	4,861	-
CarthroniX, Incorporated	1R43AR080485-01A1	93.846	71,745	-
Case Western Reserve University	5R01AI100560-09	93.855	11,759	-
Cedars-Sinai Medical Center	1R01CA260955-01	93.394	3,313	-
Cedars-Sinai Medical Center	1R01CA266544-01A1	93.394	16,087	-
Cedars-Sinai Medical Center	4U54CA260591-02	93.394	60,937	-
Cedars-Sinai Medical Center	5R01AG055865-04	93.866	28,665	-
Cedars-Sinai Medical Center	5R01CA260955-02	93.394	19,248	-
Cedars-Sinai Medical Center	5U01DK108314-07	93.847	4,287	-
Cedars-Sinai Medical Center	5U01DK127403-02	93.847	29,358	-
Chapman University	2R01AG054442-03	93.866	480,995	-
Chapman University	3RF1AG0544420-2S6	93.866	4,915	-

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PASS-THROUGH FUNDS	Pass-Through Entity	ALN	Current Year	Pass-Through Funds
	Identifying Number		Expenditures	to Sub recipients
Children's Hospital Corporation (DBA Boston Children's Hospital)	2R01AI065617-22	93.855	32,238	-
Children's Hospital Corporation (DBA Boston Children's Hospital)	5R01AI065617-20	93.855	87	-
Children's Hospital Corporation (DBA Boston Children's Hospital)	5R01AI065617-21	93.855	36,791	-
Children's Hospital Corporation (DBA Boston Children's Hospital)	5R01HL118455-06	93.838	176,898	-
Children's Hospital of Los Angeles-CHLA	1P50MD017344-01	93.307	78,529	60,167
Children's Hospital of Los Angeles-CHLA	1R01HS027619-01A1	93.226	14,312	-
Children's Hospital of Los Angeles-CHLA	1U01DA055362-01	93.279	42,012	-
Children's Hospital of Los Angeles-CHLA	5P50MD017344-02	93.307	961,207	85,197
Children's Hospital of Los Angeles-CHLA	5R01AI152068-02	93.855	70	-
Children's Hospital of Los Angeles-CHLA	5R01CA137124-10	93.393	18,001	-
Children's Hospital of Los Angeles-CHLA	5R01DK110793-07	93.847	22,333	-
Children's Hospital of Los Angeles-CHLA	5R01DK123234-03	93.847	4,094	-
Children's Hospital of Los Angeles-CHLA	5R01ES031247-02	93.113	343	-
Children's Hospital of Los Angeles-CHLA	5R01HD095456-04	93.865	10,148	-
Children's Hospital of Los Angeles-CHLA	5R01HD101641-03	93.865	12,952	-
Children's Hospital of Los Angeles-CHLA	5R01HD105656-02	93.865	4,703	-
Children's Hospital of Los Angeles-CHLA	5R01HL134666-05	93.838	25,786	-
Children's Hospital of Los Angeles-CHLA	5R01HS027619-02	93.226	47,872	-
Children's Hospital of Los Angeles-CHLA	5R21HD097761-03	93.865	32,497	-
Children's Hospital of Los Angeles-CHLA	5U01DA041048-08	93.279	84,065	-
Children's Hospital of Los Angeles-CHLA	5U01DA055362-02	93.279	38,779	-
Children's Hospital of Los Angeles-CHLA	90AP2696-01-00	93.092	119,418	-
Children's Hospital of Los Angeles-CHLA	90AP2696-02-00	93.092	70,703	-
Children's Hospital of Los Angeles-CHLA	OT2HL161847	93.307	368,691	-
Children's Hospital of Los Angeles-CHLA	R01DK133459	93.847	24,024	-
Children's Hospital of Los Angeles-CHLA	R35CA225513	93.398	6,515	-
Children's Hospital of Los Angeles-CHLA	U01DA041048	93.279	9,943	-
Children's Hospital of Philadelphia	5P01CA217959-05	93.395	29,896	-
Children's Institute, Incorporated	90ZJ0019-02-00	93.086	177,795	-
Children's Oncology Group	U10CA180886	93.395	588,557	-
Cincinnati Children's Hospital Medical Center	1R61HL165366-01	93.838	48,302	-
Cleveland Clinic Foundation	5R01DE028521-04	93.121	107,512	-
Cleveland Clinic Lerner College of Medicine	1R01CA248931-01A1	93.393	19,000	-
Cleveland Clinic Lerner College of Medicine	7R01CA238087-03	93.393	44,325	-
Cleveland Clinic Lerner College of Medicine	U01INS116776	93.853	65,535	-
Cognition Therapeutics, Incorporated	1R01AG065248-01	93.866	1,599,382	6,000
Colliga Apps Corp.	4R42MH123368-03	93.242	66,191	-

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	Identifying Number	ALN	Expenditures	to Sub recipients
Colorado State University	5R01DK132557-02	93.847	28,470	-
Columbia University	1R01MH128734-01	93.242	37,625	-
Columbia University	2U2RTW010125-07	93.989	15,603	-
Columbia University	5R01HG003008-15	93.172	(315)	-
Cornell University	5R01HS025983-04	93.226	467	-
Council of State and Territorial Epidemiologists	NU38OT000297	93.421	103,766	-
CSU Fullerton Auxiliary Services Corporation	1R25AG069711-01	93.866	16,126	-
Dana Farber Cancer Institute	4UH3CA240688-03	93.394	15,076	-
Dana Farber Cancer Institute	5UH2CA240688-02	93.394	(80)	-
Department of Public Health	21-10908	93.RD	99,999	-
Department of Public Health	5NU58DP003862-05-00	93.283	5,732	-
Department of Public Health	5NU58DP006540	93.RD	86,715	-
Department of Public Health	NU58DP007156	93.898	768,139	-
Doheny Eye Institute	R01EY030141	93.867	107,632	-
Duke University	1R01NS111039-01A1	93.853	75,740	-
Duke University	3U24DK065716-16S1	93.847	2,115	-
Duke University	5R01MH111671-04 REVISED	93.242	4,524	-
Duke University	5U2COD023375-06	93.310	(1,098)	-
Duke University	5U2COD023375-07	93.310	22,984	-
Duke University	R01DK118019	93.847	41,114	-
Duke University	R01ES029945	93.113	250,262	-
Duke University Medical Center	5U2COD023375-06	93.310	10,921	-
Eastern Virginia Medical School	5R37CA245716-02	93.393	7,386	-
ECOG-ACRIN	U10CA180820-06-CA011	93.395	12,326	-
Eden Medical, Incorporated	R44DK102244	93.847	41,305	-
Elder Abuse Institute of Maine	90EJIG0033-01-00	93.747	8,465	-
Ellison Institute, LLC	1R01CA241137-01A1	93.396	46,439	-
Ellison Institute, LLC	5R01CA241137-03	93.396	24,492	-
Ellison Institute, LLC	R01CA241137	93.396	74,297	-
Emory University	5P50HD104458-03	93.865	29,343	-
ETR Associates	5 PHEPA000003-02-00	93.343	24,084	-
EXBAQ, LLC	2R42AI145759-03	93.855	120,010	-
EXBAQ, LLC	5R41AI145759-02	93.855	18,827	-
Flint Rehabilitation Devices, LLC	1R41HD104296-01A1	93.865	30,160	-
Flint Rehabilitation Devices, LLC	1R43AG071253-01	93.866	41,611	-
Florida International University	R34MH126776	93.242	23,736	-
Florida State University	5R01DK118910-03	93.847	123,801	-

The accompanying notes are an integral part of this Schedule.

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RESEARCH & DEVELOPMENT CLUSTER

PASS-THROUGH FUNDS

	Pass-Through Entity		Current Year	Pass-Through Funds
	Identifying Number	ALN	Expenditures	to Sub recipients
Fox Chase Chemical Diversity Center, Inc.	5U01AG068823-02	93.866	33,528	-
Fred Hutchinson Cancer Research Center	5R01CA201407-05	93.393	(16,383)	-
Fred Hutchinson Cancer Research Center	5R01HL151152-02	93.837	(13,477)	-
Fred Hutchinson Cancer Research Center	5R01HL151152-04	93.837	149,017	-
Fred Hutchinson Cancer Research Center	6R01CA201407-06	93.393	21,472	-
Fred Hutchinson Cancer Research Center	R01HL151152	93.837	91	-
George Washington University	1R01CA270149-01A1	93.393	4,554	-
Georgia Institute of Technology	R01GMI23517	93.859	1,477	-
Harvard Medical School	3U24OD023176-05S1	93.368	102,054	-
Harvard Medical School	5R01AG056239-05	93.866	(1)	-
Harvard Medical School	5R01HS026753-03	93.226	25,192	-
Harvard Medical School	5U24OD023176-04	93.310	(10,822)	-
Harvard School of Public Health	1P01HD103133-01	93.865	(57)	-
Harvard School of Public Health	1R01HD101351-01	93.865	103,624	-
Harvard School of Public Health	5P01HD103133-02	93.865	72,928	-
Harvard School of Public Health	5P01HD103133-03	93.865	529,462	-
Harvard School of Public Health	5U01HD052102-15	93.865	1,738	-
Harvard University	2R01AG046290-07A1	93.866	96,733	-
Harvard University	5P01AG041710-05	93.866	14,492	-
Harvard University	R01DK121409	93.847	740,877	-
Health Research, Incorporated	5R01CA228156-04	93.393	69,962	-
Hebrew University of Jerusalem	5R01AG065364-03	93.866	64,767	-
Henry Ford Health System	5R01CA222146-04	93.393	119,812	-
Hura Imaging, LLC	2R44EB024438-03	93.286	106,736	-
Icahn School of Medicine at Mount Sinai-ISMMS	5R01HD100812-03	93.865	42,248	-
Icahn School of Medicine at Mount Sinai-ISMMS	5U01HL088942-15	93.837	53,551	-
Icahn School of Medicine at Mount Sinai-ISMMS	R01AG065582	93.866	49,548	-
Icahn School of Medicine at Mount Sinai-ISMMS	R01HD100812	93.865	15,610	-
Icahn School of Medicine at Mount Sinai-ISMMS	U01HL088942	93.837	3,527	-
Immunova Therapeutics LLC	1R44CA275489-01	93.395	369,180	-
Indiana University-UINDIANA	1U01AG072177-01	93.866	12,872	-
Indiana University-UINDIANA	5U01AG057195-04	93.866	2,141,041	-
Indiana University-UINDIANA	5U01AG072177-02	93.866	58,046	-
Jackson Laboratory-TJL	5U24HG007497-06	93.172	1,859	-
Jackson Laboratory-TJL	5U24HG007497-08	93.172	37,638	-
Johns Hopkins University-JHU	1R21A1167027-01A1	93.855	9,868	-

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PASS-THROUGH FUNDS	Identifying Number	ALN	Expenditures	to Sub recipients
Johns Hopkins University-JHU	3U01HL146193-02S2	93.837	11,263	-
Johns Hopkins University-JHU	5P01CA093900-17	93.396	26,510	-
Johns Hopkins University-JHU	5R01AG052510-04	93.866	18,264	-
Johns Hopkins University-JHU	75D30121F00005	93.RD	52,208	-
Johns Hopkins University-JHU	7R01EY030564-03	93.867	86,723	-
Johns Hopkins University-JHU	U24DK061730	93.847	3,184	-
Johns Hopkins University-JHU	UM1A1068632	93.855	1,606	-
Kaiser Foundation Hospitals, Incorporated-KAISERFDN	1R01DA053192-01A1	93.279	46,532	-
Kaiser Foundation Research Institute	3R01ES029963-02S1	93.113	(2,869)	-
Kaiser Foundation Research Institute	5R01ES029963-03	93.113	313,344	-
Kaiser Foundation Research Institute	5R01HD098161-03	93.865	164,036	-
Keck Graduate Institute	5R01AG072896-02	93.866	80,935	-
LA Biomedical Research Institute at Harbor-UCLA Medical Center	1R01HL151769-01	93.838	15,392	-
LA Biomedical Research Institute at Harbor-UCLA Medical Center	5R01HL151769-03	93.838	38,933	-
Leidos Biomedical Research, Incorporated	75N91019D00024	93.RD	40,276	-
Los Angeles County	1901CAOAF-01	93.052	8,600	-
Los Angeles County	2101CAOAF-01	93.052	(6)	-
Los Angeles County-Department of Public Health	1 NU58DP006619-02-00	93.435	32,305	-
Los Angeles County-Department of Public Health	DP18-1817	93.435	613,948	-
Los Angeles County-Department of Public Health	U50CK000498	93.323	115,769	-
Lovelace Biomedical and Environmental Research Institute	5U01CA232505-06	93.393	37,337	-
Lundquist Institute-LUNDQUIST	HHSN2752013000241I	93.RD	12,714	-
Massachusetts General Hospital-MGH	1RF1NS121095-01	93.853	103,207	-
Massachusetts General Hospital-MGH	5P01DK011794-55	93.847	24,101	-
Massachusetts General Hospital-MGH	5R01NS105746-03	93.853	34,573	-
Massachusetts General Hospital-MGH	5U01HL123336-06 REVISED	93.837	93,683	-
Massachusetts General Hospital-MGH	R01AG054029	93.866	8,597,401	7,787,990
Mayo Clinic Jacksonville-MCJ	5R01NS097876-04	93.853	64	-
Mayo Clinic Jacksonville-MCJ	5R01NS097876-05	93.853	1,666	-
Mayo Clinic Jacksonville-MCJ	R01NS097876	93.853	4,229	-
Mayo Clinic Jacksonville-MCJ	U01NS080168	93.853	314	-
Mayo Clinic-MAYO	5U19AG063911-03	93.866	37,780	-
Medical University of South Carolina-MUSC	5U01DK104833-06	93.847	50,318	-
Medical University of South Carolina-MUSC	R01AG068324	93.866	1,908,700	-
Methodist Hospital Research Institute-MHRI	5U54CA210181-05	93.397	17,708	-
Methodist Hospital Research Institute-MHRI	5U54CA210181-05	93.393	148	-
Mt. Sinai Medical Center	1R01ES033688-01A1	93.113	62,921	-

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	Pass-Through Entity Identifying Number	ALN	Current Year Expenditures	Pass-Through Funds to Sub recipients
Mt. Sinai School of Medicine	1OT2HL156812-01	93.840	246,080	-
National Alliance for Hispanic Health	3OT2OD025277-01	93.310	12,781	-
National Alliance for Hispanic Health	5 NU58DP006492-04-00	93.341	15,139	-
National Alliance for Hispanic Health	6 U3SHS42189-01-01	93.011	252,471	-
National Bureau of Economic Research	1R01AG063944-01	93.866	72,901	-
National Heart, Lung, and Blood Institute	1R01HL158691-01A1	93.837	66,721	-
National Opinion Research Center	HHSD2002013M53955B 75D30121F12791	93.RD	24,271	-
Neuromuscular Dynamics, LLC	2R44AR074859-02	93.846	21,406	-
NeuroScope Inc.	1R41AG073024-01	93.866	70,566	-
New York University-NYU	1K01DA053159-01A1	93.279	34,552	-
New York University-NYU	1U24HG011851-01	93.172	41,338	-
New York University-NYU	5P50MH113662-02	93.242	32,280	-
New York University-NYU	5R01NS104923-05	93.853	254,498	-
New York University-NYU	5U24HG011851-02	93.172	136,759	-
Northeastern University-NORTHUNIV	2P01DA009158-20	93.279	41,925	-
Northeastern University-NORTHUNIV	5R01DA045020-05	93.279	326,858	-
Northern California Institute for Research and Education-NCIRE	2U01AG024904-16	93.866	71,536	-
Northern California Institute for Research and Education-NCIRE	2U19AG024904-06	93.866	177,097	-
Northern California Institute for Research and Education-NCIRE	5U19AG024904-16	93.866	3,225,845	57,029
Northern California Institute for Research and Education-NCIRE	U01AG024904	93.866	48,539	-
Northern California Institute for Research and Education-NCIRE	U19AG024904	93.866	4,096,162	3,409,117
Northwestern University-NWU	1R01AG070054-01A1	93.866	19,022	-
Northwestern University-NWU	1U24AG082022-01	93.866	11,634	-
Northwestern University-NWU	5R01AR072721-04	93.846	301,103	-
Northwestern University-NWU	5R01MH091131-08	93.242	50,734	-
Northwestern University-NWU	5R33AG057383-05	93.866	50,000	-
Northwestern University-NWU	7RF1AG072490-02	93.866	14,398	-
NRG Oncology Foundation, Incorporated	5UG1CA189867-08	93.399	28,363	-
NRG Oncology Foundation, Incorporated	UG1CA189867	93.399	6,383	-
Ogilvy	HHSD2002015M88160B	93.RD	118,885	-
Ohio State University-TOSU	3R01DA053028-03S1	93.279	21,436	-
Ohio State University-TOSU	R01DA053028	93.279	100,126	-
Ohio State University-TOSU	R01MH121246	93.242	102,956	-
Oregon Health Science University-OHSU	2R01DK098382-07A1	93.847	39,747	-
Oregon Health Science University-OHSU	2UG1CA189974-06	93.399	53,428	-
Oregon Health Science University-OHSU	5U01D116743-05	93.847	20,459	-
Oregon Health Science University-OHSU	5U24TR002306-04	93.350	875	-

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<u>PASS-THROUGH FUNDS</u>	Identifying Number	ALN	Expenditures	to Sub recipients
Oregon Health Science University-OHSU	U10CA180888	93.394	1,371	-
Oregon Health Science University-OHSU	U10CA180888	93.393	28,231	-
Oryn Therapeutics, LLC	5R44A1142959-04	93.855	70,928	-
Pennsylvania State University-PSU	5R01HD059783-09	93.865	226,742	-
Pennsylvania State University-PSU	5U01DK127384-02	93.847	22,336	-
Pennsylvania State University-PSU	AG060408	93.866	61,077	-
Pennsylvania State University-PSU	U2CAG060408	93.866	(440)	-
Preemie-Pacer, LLC	2R44HD092210-02A1	93.865	99,310	-
President and Fellows of Harvard College-PAFOHC	1P01HD103133-01	93.865	(13)	-
President and Fellows of Harvard College-PAFOHC	P01AG041710	93.866	48,175	-
Public Health Institute-PHI	3UG1CA189955-08S1	93.395	40,394	-
Public Health Institute-PHI	5U10CA180899-08	93.393	(13,987)	-
Public Health Institute-PHI	5U10CA180899-09	93.395	1,241,583	-
Public Health Institute-PHI	5UG1CA189955-09	93.399	309,952	-
Public Health Institute-PHI	7UG1CA189955-08	93.399	24,710	-
Public Health Institute-PHI	7UG1CA189955-08	93.399	42,801	-
Public Health Institute-PHI	UG1CA233249	93.395	15,847	-
Purdue University-PURDUE	5R01MH126213-02	93.242	47,911	-
Purdue University-PURDUE	5R01MH126213-02	93.213	46,960	-
Rand Corporation-RAND	1R01AA028812-01A1	93.273	34,859	-
Rand Corporation-RAND	5R01DA047396-03	93.279	21,000	-
Rand Corporation-RAND	5R01DK126049-02	93.865	48,659	-
Rand Corporation-RAND	75FCMC18D0014	93.RD	19,138	-
Rand Corporation-RAND	P50DA046351	93.279	110,477	-
Rand Corporation-RAND	R01CE002999	93.136	53	-
Rand Corporation-RAND	R01DA046226	93.279	12,343	-
Rand Corporation-RAND	R01MD014722	93.307	32,211	-
Rand Corporation-RAND	R18HS026168	93.226	29,462	-
Rand Corporation-RAND	R21AG061433	93.866	11,076	-
Regents of the University of Michigan-MICH	1R37CA251464-01A1	93.393	286,612	-
Regents of the University of Michigan-MICH	1U24AG076462-01	93.866	19,390	-
Regents of the University of Michigan-MICH	2R24AG054365-06	93.866	35,732	-
Regents of the University of Michigan-MICH	5P30AG012846-28	93.866	30,704	-
Regents of the University of Michigan-MICH	5R01AG070953-02	93.866	23,684	-
Regents of the University of Michigan-MICH	5U01AG009740-34	93.866	43,437	-
Regents of the University of Michigan-MICH	5U01CA254822-03	93.353	292,116	-
Regents of the University of Michigan-MICH	5U24HL145265-04	93.838	59,480	-

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<u>PASS-THROUGH FUNDS</u>	Identifying Number	ALN	Expenditures	to Sub recipients
Regents of the University of Michigan-MICH	U01AG009740	93.866	104,359	-
Regents of the University of Michigan-MICH	U01CA254822	93.353	24,103	-
ReNetX Bio, Incorporated	1R44NS118974-01	93.853	64,312	-
Research Foundation for Mental Hygiene, Incorporated	3R01AG051346-03S1	93.866	25,413	-
Research Foundation for Mental Hygiene, Incorporated	3R01AG051346-03S2	93.866	21,539	-
Research Foundation for Mental Hygiene, Incorporated	R01AG051346	93.866	224,067	-
Research Foundation for the State University of New York	1R01HD093907-01A1	93.865	29,815	-
Research Foundation of CUNY	5U54TR004279-02	93.397	40,799	-
Research Foundation of State University of New York	1R01CA272827-01	93.394	9,950	-
Research Foundation of State University of New York	5R01DC017720-04	93.173	47,020	-
Results Group, LLC	1R44NR019969-01	93.361	63,112	-
Results Group, LLC	5R44NR019969-02	93.361	163,048	163,048
Results Group, LLC	90BISB0011-01-00	93.433	(28,679)	-
Rhode Island Hospital	5R01AG058648-03	93.866	43,317	-
Roswell Park Cancer Institute	R01HL102278	93.839	4	-
Rush University Medical Center-RUMC	5R01AG056405-04	93.866	33,325	-
Rutgers, The State University of New Jersey-RU	5R01HG010297-04	93.172	311,807	-
Rutgers, The State University of New Jersey-RU	5U24MH068457-21	93.242	255,461	-
Rutgers, The State University of New Jersey-RU	R01HG010297	93.172	95,994	-
Rutgers, The State University of New Jersey-RU	U24MH068457	93.242	630,594	-
Scripps Research Institute	1R01AI167003-01	93.855	189,501	-
Scripps Research Institute	5UM1AI164561-03	93.855	90,872	-
Scripps Research Institute	7UM1AI164561-02	93.855	754,942	-
Scripps Research Institute	R01GM140287	93.859	19,717	-
Seattle Institute for Biomedical and Clinical Research	R21MH123840	93.242	111,848	-
Shirley Ryan AbilityLab	90REGE0010-03-00	93.433	39,732	-
Sloan-Kettering Institute for Cancer Research	1R01CA255350-01A1	93.394	14,629	-
St. Josephs Hospital & Medical Center	1R01NS120331-01A1	93.853	79,258	-
St. Josephs Hospital & Medical Center	1R56AG068630-01	93.866	7,035	-
St. Jude Children's Research Hospital	1R01CA273326-01	93.394	9,540	-
Stanford School of Medicine	5U01NS038455-20	93.853	79,904	-
Syracuse University	5R24AG045061-08	93.866	57,715	-
The Board of Trustees of the Leland Stanford Junior University	1R01AA030258-01	93.273	20,072	-
The Board of Trustees of the Leland Stanford Junior University	1R01CA271309-01	93.394	199,003	-
The Board of Trustees of the Leland Stanford Junior University	1U2CDA057717-01	93.279	33,855	-
The Board of Trustees of the Leland Stanford Junior University	5R01CA211602-06	93.394	23,569	-
The Board of Trustees of the Leland Stanford Junior University	5R01CA225697-04	93.393	5,540	-

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The Board of Trustees of the Leland Stanford Junior University	5R01NS121720-02	93.853	4,883	-
The Board of Trustees of the Leland Stanford Junior University	5R21EY031726-02	93.867	87,941	-
The Board of Trustees of the Leland Stanford Junior University	5R61NS118651-02	93.853	18,605	-
The Board of Trustees of the Leland Stanford Junior University	7R01CA241410-03	93.393	157,124	-
The Board of Trustees of the Leland Stanford Junior University	7R01MH116173-04	93.242	217,212	-
The Institute for Molecular Medicine	5R01AG074983-02	93.866	85,687	-
Thomas Jefferson University	5R01GM130889-05	93.859	187,481	-
Thomas Jefferson University	5R01GM137124-04	93.859	146,539	-
Thomas Jefferson University	7R01MH075916-10	93.242	17	-
Thrive for Life LLC	90BISA0051-01-00	93.433	3	-
Transdisciplinary Research Group, Butler Hospital	1R21AG077332-01A1	93.866	19,665	-
UCLA Luskin School of Public Affairs	20184594	93.RD	461	-
University of Alabama at Birmingham	5R01AG057684-05	93.866	38,632	-
University of Alabama at Birmingham	HHSN272201600018C	93.RD	8,914	-
University of Alabama at Birmingham	R35CA220502	93.393	22,213	-
University of Alabama at Birmingham	U54AI150225	93.855	(421)	-
University of Alabama-UNIVOFALA	5 R01AG074255-02	93.866	22,569	-
University of Arizona	1R56AG067200-01 REVISED	93.866	27,622	-
University of Arizona	5R01CA242914-03	93.396	76,067	-
University of Arizona	5R25HL126140-08	93.838	20,524	-
University of Arizona	5UG1CA242596-03	93.399	5,457	-
University of Arizona	UG1CA242596	93.399	50,181	-
University of California	5UM1AI068636-14	93.855	324,444	-
University of California Berkeley	3U24AG067418-02S1	93.866	221,549	-
University of California Berkeley	5R01AG062689-03	93.866	72,188	-
University of California Berkeley	5R01NS116992-03	93.310	59,292	-
University of California Davis	1R01DK125415-01A1	93.847	43,346	-
University of California Davis	5U19NS120384-02	93.853	54,117	-
University of California Davis	U19NS120384	93.853	66,921	-
University of California Regents	5R01CA213129-05	93.395	58,228	-
University of California Riverside	1R01NS125276-01	93.853	18,208	-
University of California Riverside	5R01NS104041-05	93.853	106,521	-
University of California Riverside	R01MH116220	93.242	39,167	-
University of California Riverside	R21NS117992	93.853	(4,149)	-
University of California San Diego	1R01DA055673-01	93.279	19,612	-
University of California San Diego	1R01DE031307-01	93.121	132,459	-
University of California San Diego	1R01NS122827-01	93.853	34,931	-

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University of California San Diego	1R21AG074212-01	93.866	59,382	-
University of California San Diego	1U01AA027681-01	93.353	101,565	-
University of California San Diego	3OT2OD026552-01S2	93.310	45	-
University of California San Diego	5R01AA028134-03	93.273	201,905	-
University of California San Diego	5R01CA23866201-02	93.396	124	-
University of California San Diego	5R01HG011066-03	93.172	9,049	-
University of California San Diego	5R35HL135747-06	93.838	55,749	-
University of California San Diego	5U01AA027681-02	93.353	(640)	-
University of California San Diego	5U01AA027681-05	93.353	145,604	-
University of California San Diego	7R01AG065356-03	93.866	19,933	-
University of California San Diego	7R35HL135747-05	93.838	1,263	-
University of California San Diego	None	93.RD	32,918	-
University of California San Diego	OT2OD026552	93.310	1,468,381	-
University of California San Diego	R01AG048650	93.866	67,303	-
University of California San Diego	R01GM126016	93.859	(88)	-
University of California San Francisco-UCSF	1R01AG071756-01A1	93.866	37,901	-
University of California San Francisco-UCSF	1R24AG071456-01	93.866	25,012	-
University of California San Francisco-UCSF	5R01AG038791-10	93.866	62,213	-
University of California San Francisco-UCSF	5R01CA241125-02	93.393	47,966	-
University of California San Francisco-UCSF	5R24AG048024-08 REVISED	93.866	1,416	-
University of California San Francisco-UCSF	5U01DK082944-11	93.847	151	-
University of California San Francisco-UCSF	5U01DK116043-04	93.847	17,823	-
University of California San Francisco-UCSF	5U01HL146242-03	93.837	58,683	-
University of California San Francisco-UCSF	5U24AG072699-02	93.866	29,286	-
University of California San Francisco-UCSF	5U24DE02691403	93.121	(489)	-
University of California San Francisco-UCSF	5UH3NS109556-04	93.853	67,968	-
University of California San Francisco-UCSF	R01AG075739	93.866	109,075	-
University of California San Francisco-UCSF	R01ES026171	93.113	(17,860)	-
University of California San Francisco-UCSF	U01HL146242	93.837	677,659	-
University of California San Francisco-UCSF	UH3NS100544	93.853	240	-
University of California San Francisco-UCSF	UH3NS109956	93.853	1,938	-
University of California Santa Barbara	1R01GM144965-01	93.859	51,829	-
University of California, Irvine	1R01CA260615-01	93.393	96,758	-
University of California, Irvine	1R01HD101617-01A1	93.865	94,693	-
University of California, Irvine	5R01AG060049-04	93.866	81,068	-
University of California, Irvine	5R01AG060049-05	93.866	105,771	-
University of California, Irvine	5R01AG064228-04	93.866	31,561	-

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	Pass-Through Entity		Current Year	Pass-Through Funds
	Identifying Number	ALN	Expenditures	to Sub recipients
University of California, Irvine	5R01CA237230-03	93.393	210,179	-
University of California, Irvine	5R01EY031834-02	93.867	193,475	-
University of California, Irvine	5R21AG075870-02	93.866	49,337	-
University of California, Irvine	7R01CA206019-06	93.395	40,928	-
University of California, Irvine	DK118578	93.847	2,617	-
University of California, Irvine	HL125084	93.837	140,375	-
University of California, Irvine	R01NR105591	93.361	6,600	-
University of California, Los Angeles-UCLA	1OT2HL156812-01	93.838	(10)	-
University of California, Los Angeles-UCLA	1R01AG070895-01A1	93.866	63,868	-
University of California, Los Angeles-UCLA	1R01ES033660-01	93.113	75,350	-
University of California, Los Angeles-UCLA	1R01NS121761-01A1	93.853	98,827	-
University of California, Los Angeles-UCLA	2U01DK082370-11	93.847	(364)	-
University of California, Los Angeles-UCLA	3U01DA036267-08S1	93.279	(9,587)	-
University of California, Los Angeles-UCLA	3UM1AI068636-14S2REVISED	93.855	985,906	-
University of California, Los Angeles-UCLA	521EY031126-02	93.867	61,733	-
University of California, Los Angeles-UCLA	5P30MH058107-25	93.242	(1)	-
University of California, Los Angeles-UCLA	5P50MD017366-02	93.307	164,538	-
University of California, Los Angeles-UCLA	5R01AI135029-05	93.855	80,977	-
University of California, Los Angeles-UCLA	5R01CA231219-04	93.393	9,957	-
University of California, Los Angeles-UCLA	5R01ES027027-05	93.113	21,966	-
University of California, Los Angeles-UCLA	5R01ES029395-04	93.113	29,542	-
University of California, Los Angeles-UCLA	5R01ES032806-02	93.113	42,408	-
University of California, Los Angeles-UCLA	5R01HL140472-04	93.837	583	-
University of California, Los Angeles-UCLA	5R01MH094360-11	93.242	95,918	-
University of California, Los Angeles-UCLA	5R01NS074980-10	93.853	91,673	-
University of California, Los Angeles-UCLA	5R01NS106957-04	93.853	120,803	-
University of California, Los Angeles-UCLA	5U1OHA29292-04	93.145	267,743	-
University of California, Los Angeles-UCLA	5U24NS107321-05	93.853	38,972	-
University of California, Los Angeles-UCLA	5U54NS121688-02	93.853	139,681	-
University of California, Los Angeles-UCLA	6793-02-S004 / OT2HL158287	93.RD	481,901	-
University of California, Los Angeles-UCLA	TI080222	93.788	493,799	-
University of California, Los Angeles-UCLA	U01DK082370	93.847	1,155	-
University of California, Los Angeles-UCLA	U1OHA29292	93.145	(304)	-
University of California, Los Angeles-UCLA	U24NS107321	93.853	148,282	-
University of Chicago	2U2RTW010122-06	93.989	6,368	-
University of Chicago	5R01CA228198-04	93.393	239,667	-

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University of Chicago	5R01CA240713-03	93.393	48,202	-
University of Chicago	U2CDA050098	93.279	36,106	-
University of Cincinnati	1R21AA029762-01A1	93.273	58,537	-
University of Cincinnati	IU01NS102289-01A1	93.853	3,816	-
University of Cincinnati	U01NS095869	93.853	9,482	-
University of Cincinnati	U01NS102353	93.853	7,987	-
University of Colorado	1R01AG068392-01A1	93.866	68,695	-
University of Colorado	1R03HD097360-01	93.865	(753)	-
University of Colorado Denver	5 U01TS000300-04-00	93.070	14,685	-
University of Colorado Denver	U01TS000300	93.070	4,629	-
University of Colorado, Denver Anschutz Medical Campus-UCDAMC	5R01AG059613-04	93.866	18,517	-
University of Colorado, Denver Anschutz Medical Campus-UCDAMC	5R25HL146166-04	93.838	22,400	-
University of Delaware	1R01GM120351-01A1	93.865	120	-
University of Florida	5R01GM128193-05	93.859	88,933	-
University of Hawaii at Honolulu	1R01CA263494-01A1	93.393	14,642	-
University of Hawaii at Honolulu	3R01CA229815-02S1	93.393	41,909	-
University of Hawaii at Honolulu	5R01MD014862-02	93.307	112,961	-
University of Hawaii at Honolulu	5U01CA164973-10	93.393	861,124	-
University of Hawaii at Honolulu	DHS-22-MQD-0056	93.RD	16,429	-
University of Hawaii at Honolulu	R01CA228905	93.077	178	-
University of Hawaii at Honolulu	T32CA229110	93.398	274,608	-
University of Hawaii at Honolulu	U01CA164973	93.393	384,224	-
University of Illinois at Chicago	5U01DK127378-03	93.847	1,566	-
University of Illinois at Chicago	U01DK127378	93.847	2,507	-
University of Kansas	5R01GM126778-04	93.859	84,355	-
University of Kansas Center for Research Incorporated	5R21AI156320-02	93.855	25,112	-
University of Kentucky	1RF1NS122028-01A1	93.853	118,061	-
University of Kentucky Research Foundation	1R01CA251478-01A1	93.395	11,414	-
University of Maryland	1R01NS114628-01A1	93.853	4,132	-
University of Maryland	1RF1MH123163-01A1	93.242	92,667	-
University of Maryland	3OT3OD025459	93.310	10,621	-
University of Maryland	3OT3OD025459-01S2	93.310	151,203	-
University of Maryland	5R01AG067536-03	93.866	20,793	-
University of Maryland	5R01HD092489-03	93.865	20,904	-
University of Maryland	5R01NS114628-02	93.853	84,388	-
University of Maryland	OT3OD025459	93.310	411,171	-
University of Maryland	R21MH122976	93.242	13,721	-
University of Miami	5R01CA261596-02	93.395	84,125	-

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University of Miami	5R01NS096212-05	93.853	17,824	-
University of Minnesota-UMN	1R01AG071731-01A1	93.866	128,166	-
University of Minnesota-UMN	1R01CA262012-01	93.396	365,405	-
University of Minnesota-UMN	1R01CA266253-01A1	93.393	43,724	-
University of Minnesota-UMN	1R21AH166564-01	93.855	41,057	-
University of Minnesota-UMN	2P01CA138338-11	93.393	120,854	-
University of Minnesota-UMN	5P01CA138338-10	93.393	(20,920)	-
University of Minnesota-UMN	5P30AG066613-03	93.866	11,394	-
University of Minnesota-UMN	5R01NS124065-02	93.853	19,882	-
University of Missouri-Columbia-UMISSOURI	R01CE003456	93.136	95,033	-
University of North Carolina, Chapel Hill	3U24DK116195-05S1	93.847	37,917	-
University of North Carolina, Chapel Hill	5R01CA218392-03	93.395	(3,047)	-
University of North Carolina, Chapel Hill	5R01HL142302-04	93.837	2,925	-
University of North Texas	1U19AG078109-01	93.866	407,264	-
University of North Texas Fort Worth	1U19AG08109-01	93.866	44,151	-
University of North Texas Fort Worth	5R01AG054073-05	93.866	373,533	-
University of North Texas Fort Worth	5R01AG058533-02	93.866	243,078	-
University of North Texas Fort Worth	5R01AG058537-03	93.866	403,478	-
University of Oklahoma-UOFOKLA	5R01CA218739-05	93.394	15,632	-
University of Pennsylvania-UPENN	1R01AG076655-01	93.866	32,133	-
University of Pennsylvania-UPENN	1R01CA255350-01A1	93.394	4,362	-
University of Pennsylvania-UPENN	3P30AG073105-02S2	93.866	51,254	-
University of Pennsylvania-UPENN	5R01DK105155-05	93.847	21,688	-
University of Pennsylvania-UPENN	5R56AG069130-02	93.866	61,023	-
University of Pittsburgh	1R01AG073267-01	93.866	43,121	-
University of Pittsburgh	5R01AG034852-10	93.866	88,142	-
University of Pittsburgh	5R01DK115476-03	93.847	1,197	-
University of Pittsburgh	5U01AG051406-05REVISED	93.866	(4,335)	-
University of Pittsburgh	7R01CA238662-04	93.396	320,080	-
University of Pittsburgh	R21TR003094	93.350	6,657	-
University of Pittsburgh	U01AG051406	93.866	(5,979)	-
University of Pittsburgh	U19AG068054	93.866	1,345,612	-
University of South Carolina	1R01HD106652-01A1	93.865	22,973	-
University of Texas	5K12HD055929-15	93.865	92,233	-
University of Texas at Austin	1R01AG078533-01	93.866	10,573	-
University of Texas at Austin	1R01DA052079-01A1	93.279	284,835	-
University of Texas at Austin	1R03MH122852-01	93.242	18,214	-

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University of Texas at Austin	5R13AG029767-11	93.866	721	-
University of Texas at Dallas-UTD	R24AG076847	93.866	11,728	-
University of Texas Southwestern Medical Center-UTSMC	1R01NS123398-01	93.853	172,798	-
University of Texas Southwestern Medical Center-UTSMC	1RF1MH130371-01	93.242	28,915	-
University of Texas Southwestern Medical Center-UTSMC	5R01NS123398-02	93.853	33,229	-
University of Utah	5R01NS122184-02	93.853	56,718	-
University of Washington at Seattle	1R01MH130460-01	93.242	29,765	-
University of Washington-UWASH	1R01DA051462-01A1	93.279	4,601	-
University of Washington-UWASH	5R01AA018673-10	93.273	2,157	-
University of Washington-UWASH	5R01AG055653-04	93.866	86,328	-
University of Washington-UWASH	5R01AI127463-05	93.855	11	-
University of Washington-UWASH	5R01CA194393-06	93.393	25,325	-
University of Washington-UWASH	5R01DC013771-08	93.173	41,054	-
University of Washington-UWASH	5U24AG072122-02 REVISES	93.866	698,964	-
University of Washington-UWASH	U19AG057377	93.866	43,055	-
University of Washington-UWASH	UG4LM013725	93.879	1,605	-
University of Wisconsin, Madison	1RM1GM130450-01	93.859	457,932	-
University of Wisconsin, Madison	2U19AG024904-16	93.866	13,057	-
USAging	HHSP233201500060I	93.RD	6,196	-
Van Andel Research Institute-VAI	1R35CA209859-01	93.393	50,478	-
Van Andel Research Institute-VAI	5R35CA209859-07	93.393	48,612	-
Vanderbilt University	1RF1MH125931-01A1	93.242	38,061	-
Vanderbilt University	5R03MH128649-02	93.242	15,403	-
Vanderbilt University Medical Center-VUMC	1U24AG074855-01	93.866	204,014	-
Vanderbilt University Medical Center-VUMC	2R56AG047992-07A1	93.866	2,476,254	276,780
Vanderbilt University Medical Center-VUMC	5R01AI093234-10	93.855	158,511	-
Vanderbilt University Medical Center-VUMC	5R01CA227133-04	93.394	112,841	-
Vanderbilt University Medical Center-VUMC	5R01CA230352-02	93.393	(1,043)	-
Vanderbilt University Medical Center-VUMC	5R01CA230352-03	93.393	371	-
Vanderbilt University Medical Center-VUMC	5R01CA230352-04	93.393	86,257	-
Vanderbilt University Medical Center-VUMC	5R01HL158884-02	93.837	27,008	-
Vanderbilt University Medical Center-VUMC	5U24AG074855-02	93.866	249,557	-
Vanderbilt University Medical Center-VUMC	R01AG047992	93.866	76,285	84,775
Virginia Commonwealth University	5P20CA252717-02	93.399	187,700	-
Virginia Commonwealth University	5U54DA036105-10	93.077	10,843	-
Virginia Commonwealth University	U54DA036105	93.077	2,718	-
Wake Forest University	R01DK118062	93.847	90,217	-

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Wake Forest University Health Sciences	1U01AG073697-01	93.866	38,959	-
Wake Forest University Health Sciences	5U01AG073697-02	93.866	166,264	-
Walter R. Mc Donald & Associates, Incorporated	75N98119D00071	93.RD	4,632	-
Walter R. Mc Donald & Associates, Incorporated	HHSP2332015000421 75P00119F37010	93.RD	27,137	-
Washington University In St. Louis	5U01DC018942-02	93.173	8,918	-
Washington University In St. Louis	5U01DC018942-03	93.173	52,355	-
Washington University School of Medicine	5R01AG053267-03	93.866	45,860	-
Washington University-WASHU	1R01CA266041-01	93.393	19,538	-
Washington University-WASHU	1R01MD016082-01A1	93.307	132,231	-
Washington University-WASHU	1U01DC018942-01	93.173	(321)	-
Washington University-WASHU	1U19AG071754-01	93.866	(112)	-
Washington University-WASHU	5R01AG053267-03 REVISED	93.866	57,301	-
Washington University-WASHU	5U19AG071754-02	93.866	48,093	-
Washington University-WASHU	5UC2DK126024-02	93.847	(45,063)	-
Washington University-WASHU	5UC2DK126024-03	93.847	294,954	-
Washington University-WASHU	5UC2DK126024-04	93.847	5,757	-
Weill Cornell Medical College-WCMC	5R01DK113300-04	93.847	12,251	-
Weill Cornell Medical College-WCMC	R61DA051529	93.279	107,557	-
Westat, Incorporated-WESTATINC	HHSN275201800001I	93.RD	299,734	-
Westat, Incorporated-WESTATINC	OT2HL158287	93.RD	23,514	-
Yale University-YALE	1R01DA057672-01	93.279	35,100	-
Total Department of Health and Human Services			80,722,671	18,678,410

Department of Homeland Security

Arizona State University	17STQAC00001-01-02	97.061	103,819	-
California Office of Emergency Services	A201004372	97.RD	(7,643)	-
California Office of Emergency Services	EMF-2022-CA-00006-S01	97.082	73,406	-
Governor's Office - OES	EMF-2021-CA-00020-S01	97.082	8,315	-
Northeastern University-NORTHUNIV	22STESE00001-01-00	97.061	5,237	-
Northeastern University-NORTHUNIV	22STESE00001-02-01	97.061	161,442	-
Rochester Institute of Technology	70RCSA22C00000008	97.RD	70,928	-
Science Applications International Corporation	xxx-2017241G003	97.RD	167,273	-
Sri International-SRI	47QRAA21D002R	97.RD	43,052	-
Sri International-SRI	HSHQDC-16-C-00034	97.RD	70,228	-
University of Illinois at Urbana Champaign-UOIUC	2015-ST-061-CIRC01	97.061	58,397	29,550
Total Department of Homeland Security			754,454	29,550

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Department of Justice				
California Office of Emergency Services	15POVC-22-GG-00708	16.575	108,683	-
California Office of Emergency Services	2018-V2-GX-0029	16.575	(45,066)	-
California Office of Emergency Services	2019-V2-GX-0053	16.575	152,934	-
California Office of Emergency Services	2020-V2-GX-0031	16.575	264,697	-
Pacific Architects and Engineers, Incorporated	15JPSS20D00000373	16.RD	235,844	-
Weill Cornell Medical College-WCMC	15POVC-21-GK-01075-NONF	16.582	23,163	-
Weill Cornell Medical College-WCMC	2019-MU-GX-K037	16.582	56,539	-
Total Department of Justice			796,794	-
Department of State				
World Learning	SECAGD21CA3052	19.009	10,004	-
Total Department of State			10,004	-
Department of the Interior				
Crow Canyon Archeological Center	L22AC00569	15.224	1,844	-
Novateur Research Solutions	140D0423C0033	15.RD	7,239	-
Total Department of the Interior			9,083	-
Department of Transportation				
CA-Department of Transportation	69A3551747109	20.701	920,227	503,689
University of California Regents	69A3551747114	20.701	362,029	17,046
Total Department of Transportation			1,282,256	520,735
Environmental Protection Agency				
Health Effects Institute	CR-83234701	66.511	165,618	-
Health Effects Institute	CR-83590201	66.511	108,490	-
Southern California Coastal Water Research Project	99T93001	66.461	47,124	-
Total Environment Protection Agency			321,232	-
National Aeronautics and Space Administration				
Boston University	80NSSC23K0224	43.001	470	-
Carr Astronautics Corporation	80NSSC20K0127	43.001	380	-
Contour Crafting	80NSSC22PA992	43.RD	41,057	-
Intelligent Automation Inc	80NSSC21C0555	43.RD	68,649	-
Intelligent Optical Systems, Incorporated	80NSSC21C0604	43.RD	164,129	-
Jet Propulsion Laboratory, California Institute of Technology	80NM0018D0004	43.RD	253,426	-

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Jet Propulsion Laboratory, California Institute of Technology	80NM0018D0004	43.001	199,511	100,000
Princeton University	80NSSC20K0719	43.001	36,409	-
Regents of the University of Michigan-MICH	80LARC21DA003	43.RD	493,167	-
Regents of the University of Michigan-MICH	NNL13AQ00C	43.001	(1,841)	-
Research Foundation for the State University of New York	80NSSC20K0228	43.001	74,352	-
SETI Institute	80NSSC18K1651	43.001	14,068	-
Space Telescope Science Institute	NAS5-26555	43.RD	1,848	-
The Board of Trustees of the Leland Stanford Junior University	NAS5-02139	43.RD	51,141	-
University of California Davis	80NSSC19K1052	43.012	196,461	-
University of California San Diego	80NSSC20K0993	43.008	47,202	-
University of Colorado	NAS5-02140	43.RD	(15,018)	-
University of Maryland	80NSSC22M0297	43.002	12,781	-
University of Montana	80NSSC19M0114	43.001	96,934	-
Total National Aeronautics and Space Administration			1,735,126	100,000
National Endowment for the Arts				
Los Angeles City-Cultural Affairs Department	1855757-42-19	45.024	54,615	-
Total National Endowment for the Arts			54,615	-
National Science Foundation				
American Astronomical Society-AMERASTRO	HRD-1834540	47.076	76,230	-
American Physical Society-APHYS	DGE-1633150	47.076	(35)	-
Bucknell University	IIS-2223504	47.070	9,963	-
California State University Fullerton	CNS-2125654	47.070	124,275	-
California State University Los Angeles	DEB-2121145	47.074	35,667	-
Carnegie Mellon University	SES-1463492	47.075	3,318	-
Columbia University	OCE-1450528	47.050	37,909	-
Computing Research Association	2127309	47.070	190,962	-
Ecate, LLC	2126398	47.041	27,663	-
Emory University	CNS-2125530	47.070	86,546	-
Florida International University	AST-1202910	47.049	91,333	-
Florida International University	AST-2211468	47.049	54,771	-
Florida International University	DUE-2226961	47.076	1,485	-
Florida International University	OAC-2029278	47.070	114,534	-
Florida International University	OAC-2029283	47.070	115,805	-
Georgia Tech University	CMMI-2112533	47.041	253,185	-
Hauptman-Woodward Institute	DBI-1231306	47.074	120,790	-

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Los Angeles City College	DUE-2021548	47.076	37,040	-
Los Angeles Valley College	HRD-2121999	47.076	60,212	-
Power, Environmental and Energy Research	TI-2214054	47.084	27,376	-
Princeton University	CMMI-2240407	47.041	248,842	-
Princeton University	CNS-1827977	47.070	85,700	-
Rand Corporation-RAND	NSF1831770	47.070	17,662	-
Regents of the University of Michigan-MICH	2106184	47.070	62,785	-
Regents of the University of Michigan-MICH	DEB-2033320	47.074	18,454	-
Regents of the University of Michigan-MICH	DUE-2133996	47.076	99,433	-
Regents of the University of Michigan-MICH	EAR-2224871	47.050	10,280	-
Rio Hondo College	HRD-2150298	47.076	49,167	-
Rutgers, The State University of New Jersey-RU	1756248	47.074	12,415	-
Texas A&M Engineering Experiment Station	CMMI-2308575	47.076	34,551	-
The Board of Trustees of the Leland Stanford Junior University	N00014-18-1-2659	47.049	355,180	-
University of Arizona	EEC-1941583	47.041	87,559	-
University of California Berkeley	CMMI-2131111	47.041	33,912	-
University of California Davis	CCF-2200221	47.070	35,031	-
University of California Regents	CCF-2131519	47.070	9,542	-
University of California San Diego	2040676	47.083	35,814	-
University of California San Diego	CNS-2148313	47.070	56,049	-
University of California San Diego	OIA-2134904	47.083	253,884	-
University of California Santa Barbara	OIA-2033521	47.083	8,388	-
University of California, Irvine	IOS-2034043	47.074	46,436	-
University of Central Florida	CBET-1805200	47.041	6,443	-
University of Colorado	BCS 2001654	47.075	2,418	-
University of Colorado-Boulder	CBET-2227273	47.041	4,075	-
University of Colorado-Boulder	OAC-2138286	47.070	356,685	-
University of Georgia	ICER-1940082	47.050	18,432	-
University of Illinois at Urbana Champaign-UOIUC	ACI-1548562	47.070	17,986	-
University of Illinois-UI	1541450	47.070	2,782	-
University of Maryland	CCF-2200256	47.070	91,026	-
University of Maryland	CMMI-2120065	47.041	54,180	-
University of Maryland	ITE-2232404	47.084	23,504	-
University of Massachusetts	ECCS-2023752	47.041	151,683	-
University of Massachusetts	OAC-2018074	47.070	11,932	-
University of Montana	80NSSC22K1238	47.041	22,803	-
University of North Carolina, Chapel Hill	1826997	47.070	(837)	-

The accompanying notes are an integral part of this Schedule.

University of Southern California
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

SPONSOR

RESEARCH & DEVELOPMENT CLUSTER

PASS-THROUGH FUNDS

University of North Carolina, Chapel Hill
 University of Tennessee
 University of Wisconsin, Madison
 University of Wisconsin, Madison
 Virginia Polytechnic Institute State University
 Yale University-YALE

Pass-Through Entity

Identifying Number

ALN

Current Year

Expenditures

Pass-Through Funds

to Sub recipients

1839900

47.070

38,292

-

BCS-2009103

47.075

8,000

-

ECCS-1727523

47.041

(196)

-

OAC-2030508

47.070

275,142

-

CHE-2136142

47.049

59,442

-

SES-1949522

47.075

1,776

-

Total National Science Foundation

4,175,681

-

Social Security Administration

National Bureau of Economic Research
 National Bureau of Economic Research
 Regents of the University of Michigan-MICH
 Regents of the University of Michigan-MICH
 Regents of the University of Michigan-MICH

5 RDR18000003-03-00

96.007

44,971

-

5 RDR18000003-04-00

96.007

43,691

-

1 RDR18000002-01-00

96.007

331,551

-

1 RDR18000002-03-00

96.007

1,623

-

RDR18000002

96.007

345,073

-

Total Social Security Administration

766,909

-

Total Research & Development Cluster - Pass-Through Funds

\$ 116,523,729

\$ 21,644,680

Total Research & Development Cluster - Direct Awards and Pass-Through Funds

\$ 647,194,874

\$ 120,089,862

The accompanying notes are an integral part of this Schedule.

University of Southern California
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

SPONSOR

DIRECT AWARDS

STUDENT FINANCIAL ASSISTANCE CLUSTER

ALN

**Current Year
Expenditures**

Department of Education

Office of Federal Student Aid

Federal Direct Student Loans	84.268	\$ 590,949,966
Federal Pell Grant Program	84.063	25,094,293
Federal Supplemental Educational Opportunity Grants	84.007	7,293,511
Federal Work-Study Program	84.033	5,553,243
Postsecondary Education Scholarships for Veteran's Dependents	84.408	3,448
Federal Perkins Loans		
Federal Perkins Loans as of July 1, 2022	84.038	17,037,511
New loans issued during fiscal year 2023	84.038	-

Total Department of Education

645,931,972

Department of Health and Human Services

Health Resources and Services Administration

Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925	1,300,791
Health Professional Student Loans		
Health Professional Student Loans as of July 1, 2022	93.342	16,289,400
New loans issued during fiscal year 2023	93.342	1,671,838
Loans for Disadvantaged Students		
Loans for Disadvantaged Students as of July 1, 2022	93.342	1,564,141
New loans issued during fiscal year 2023	93.342	213,000

Total Department of Health and Human Services

21,039,170

Total Student Financial Assistance Cluster

\$ 666,971,142

The accompanying notes are an integral part of this Schedule.

University of Southern California
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

SPONSOR	Pass-Through Entity		Current Year	Pass-Through Funds
<u>DIRECT AWARDS</u>	Identifying Number	ALN	Expenditures	to Sub recipients
Economic Development Cluster				
Department of Commerce				
Economic Adjustment Assistance		11.307	\$ 404,143	\$ -
Total Economic Development Cluster			404,143	-
Head Start Cluster				
Department of Health and Human Services				
Head Start		93.600	7,391,322	-
Total Head Start Cluster			7,391,322	-
TRIO Cluster				
Department of Education				
TRIO- Talent Search		84.044	1,103,900	-
TRIO- Upward Bound		84.047	2,338,684	-
Total TRIO Cluster			3,442,584	-
<u>PASS-THROUGH FUNDS</u>				
WIOA Cluster				
Department of Labor				
WIA/WIOA Adult Program	AA-32213-18-55-A-6	17.258	\$ 433,550	\$ 91,892
Total WIOA Cluster			433,550	91,892
Health Center Program Cluster				
Health Center Program				
Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	H80CS00139	93.224	687,646	-
Total Health Center Program Cluster			687,646	-
OTHER PROGRAMS				
<u>DIRECT AWARDS</u>				
Agency for International Development				
USAID for International Development		98.U01	106,847	-
Total Agency for International Development			106,847	-
Department of Health and Human Services				
Coordinated Services and Access to Research for Women, Infants, Children, and Youth		93.153	644,699	-
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease		93.918	406,484	-
COVID-19 - Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution		93.498	36,500,311	-
Total Department of Health and Human Services			37,551,494	-

The accompanying notes are an integral part of this Schedule.

University of Southern California
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

SPONSOR

OTHER PROGRAMS	Pass-Through Entity		Current Year	Pass-Through Funds
<u>DIRECT AWARDS</u>	Identifying Number	ALN	Expenditures	to Sub recipients
Federal Communications Commission				
COVID-19 - Telehealth		32.006	895,041	-
Total Federal Communications Commission			895,041	-
Total Other Programs - Direct Awards			\$ 38,553,382	\$ -
OTHER PROGRAMS				
<u>PASS-THROUGH FUNDS</u>				
Corporation for National and Community Service				
AmeriCorps	CFDA-94.006-JS-SITE #331	94.006	94,458	-
Total Corporation for National and Community Service			94,458	-
Department of Agriculture				
CA-Department of Education	04231-CACFP-19-NP-CS	10.558	264,746	-
Total Department of Agriculture			264,746	-
Department of Health and Human Services				
Foster Care_ Title IV-E	FCSP131713	93.658	1,826,903	-
Total Foster Care			1,826,903	-
Department of Health and Human Services				
HIV Emergency Relief Project Grants	H89HA00016-21	93.914	1,804,397	-
National Bioterrorism Hospital Preparedness Program	1U3REP190616-01-00	93.889	23,559	-
Total Department of Health and Human Services			1,827,956	-
USGOVT				
USGOVT	16-C-0255	99.U02	733,341	-
USGOVT	Classified	99.U03	85	-
Total USGOVT			733,426	-
Total Other Programs - Pass-Through Funds			\$ 4,747,489	\$ -
Total Other Programs - Direct Awards and Pass-Through Funds			\$ 43,300,871	\$ -
TOTAL FEDERAL PROGRAMS			\$ 1,369,826,132	\$ 120,181,753

The accompanying notes are an integral part of this Schedule.

University of Southern California

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the Federal grant transactions of the University of Southern California (the "University") recorded on the accrual basis of accounting.

Subrecipients and Pass-through Funding

Certain funds are passed through to subgrantee organizations by the University. Expenditures incurred by the subgrantees and reimbursed by the University are presented in the Schedule. The University is also the subrecipient of federal funds which are reported as expenditures and listed as federal pass-through funds.

Negative Balances

Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 2. Facilities and Administration Rates

The University has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

The predetermined Facilities and Administration fixed rates for the year ended June 30, 2023 were reviewed by the Department of Health and Human Services for compliance with applicable cost principles.

For the year ended June 30, 2023, the base Facilities and Administration (Indirect Cost) Rate for on campus research was 65% of Modified Total Direct Cost ("MTDC"). Off-campus Facilities and Administration Rates were 26% for the Information Sciences Institute ("ISI"), Institute for Creative Technologies ("ICT") and all other off-campus projects.

Note 3. Assistance Listing Number (ALN)

Research and Development ("RD") programs included in the Schedule are presented by federal agency and major subdivision within the federal agency. Pass-through awards have been presented by pass-through entity and federal identification number or sponsor's award number, when available. When federal identification numbers are not available, federal awards are presented by federal agency number and "RD" is utilized for the federal identification number for the Research and Development Cluster and "U0X" is utilized for the federal identification number for federal awards outside of the Research and Development Cluster. Pass-through entity numbers or sponsor's award numbers that are not available are identified as unknown.

University of Southern California
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Note 3. Assistance Listing Number (ALN) (Continued)

The following table below provides additional identification numbers for those RD and U0X direct award programs where ALN information was unknown:

SPONSOR			Current Year	Pass-Through Funds
RESEARCH & DEVELOPMENT CLUSTER			Expenditures	to Sub recipients
<u>DIRECT AWARDS</u>	Identifying Number	ALN		
Department of Defense				
Department Of Defense	013747-00001	12.RD	112,380	-
Department Of Defense	014261-00001	12.RD	246,172	-
Department Of Defense	014457-00001	12.RD	30,142	-
Department Of Defense	19-EPA-RQ-07 Project 02USC21	12.RD	1,101	-
Department Of Defense	19-EPA-RQ-07 Project 03USC21	12.RD	841	-
Department Of Defense	19-EPA-RQ-07 Project 04USC21	12.RD	94,641	-
Department Of Defense	19-EPA-RQ-07 Project 05USC21	12.RD	164,404	-
Department Of Defense	2017-17020200005	12.RD	161,385	-
Department Of Defense	2019-19051600007	12.RD	1,778,550	476,547
Department Of Defense	2021-21090200005	12.RD	1,668,576	-
Department Of Defense	2022-21102100007	12.RD	3,604,278	979,260
Department Of Defense	80LARC21CA002	12.RD	87,760	-
Department Of Defense	FA330020C0063	12.RD	28,146	-
Department Of Defense	FA8650-17-C-7715	12.RD	(2,234)	-
Department Of Defense	FA8650-17-C-9116	12.RD	330,002	-
Department Of Defense	FA8650-18-C-7878	12.RD	950,758	141,823
Department Of Defense	FA8650-18-C-7884	12.RD	1,918,610	504,455
Department Of Defense	FA8650-20-C-1918	12.RD	389,318	-
Department Of Defense	H98230-18-C-0284	12.RD	(5,399)	-
Department Of Defense	HQ051621F0032	12.RD	1,057,846	-
Department Of Defense	HR0011-15-C-0115	12.RD	101,757	69,988
Department Of Defense	HR001117C0053	12.RD	(8,580)	-
Department Of Defense	HR00111990060	12.RD	246,423	60,435
Department Of Defense	HR001119C0084	12.RD	5,393,347	2,517,214
Department Of Defense	HR001120C0088	12.RD	1,925,918	-
Department Of Defense	HR001120C0157	12.RD	2,294,004	424,952
Department Of Defense	HR001120C0174	12.RD	(2,404)	-
Department Of Defense	HR001120C0190	12.RD	176,020	-
Department Of Defense	HR00112190020	12.RD	33,208	-
Department Of Defense	HR00112190070	12.RD	(163)	-
Department Of Defense	HR00112190071	12.RD	201,924	-
Department Of Defense	HR00112190089	12.RD	455,858	-
Department Of Defense	HR00112190120	12.RD	357,874	-
Department Of Defense	HR00112190134	12.RD	599,072	-
Department Of Defense	HR001121C0168	12.RD	943,334	242,491

University of Southern California
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Note 3. Assistance Listing Number (ALN) (Continued)

SPONSOR

RESEARCH & DEVELOPMENT CLUSTER

DIRECT AWARDS

	Identifying Number	ALN	Current Year Expenditures	Pass-Through Funds to Sub recipients
Department Of Defense	HR001121C0169	12.RD	1,024,273	384,616
Department Of Defense	HR00112290010	12.RD	587,903	-
Department Of Defense	HR00112290025	12.RD	695,107	-
Department Of Defense	HR001122C0063	12.RD	1,423,796	487,524
Department Of Defense	N0017320P0435	12.RD	43,645	-
Department Of Defense	N4175619C3033	12.RD	(1)	-
Department Of Defense	W81XWH-16-C-0086	12.RD	4	-
Department Of Defense	W81XWH20C0039	12.RD	308,468	-
Department Of Defense	W911NF-14-D-0005-0001	12.RD	6,455,971	26,785
Department Of Defense	W911NF-14-D-0005-0002	12.RD	3,821,208	227,528
Department Of Defense	W911NF-14-D-0005-0005	12.RD	1,218,771	-
Department Of Defense	W911NF-14-D-0005-0006	12.RD	7,323	-
Department Of Defense	W911NF-14-D-0005-0007	12.RD	700,269	-
Department Of Defense	W911NF-14-D-0005-0008	12.RD	2,361,720	235,441
Department Of Defense	W911NF-14-D-0005-0009	12.RD	2,258,061	1,352,682
Department Of Defense	W911NF-14-D-0005-0010	12.RD	632,307	-
Department Of Defense	W911NF-17-C-0050	12.RD	27,530	-
Department Of Defense	W911NF-17-C-0094	12.RD	(388)	-
Department Of Defense	W911NF-18-C-0020	12.RD	255,272	-
Department Of Defense	W911NF19C0058	12.RD	1,778,070	484,985
Department Of Defense	W911NF21C0002	12.RD	1,238,382	214,504
Department Of Defense	HR00111990114	12.RD	204	-
Department Of Defense	NRO000-13-C-0089	12.RD	169,684	-
Department Of Defense	HR00112290106	12.RD	508,004	136,131
Department Of Defense	2022-22072200006	12.RD	1,077,462	174,224
Department Of Defense	HQ051622F0066	12.RD	121,393	-
Department Of Defense	015798-00001	12.RD	143,600	-
Department Of Defense	23-10827-A0001	12.RD	14,293	-
Department Of Defense	W912HZ23C0021	12.RD	17,632	-
Total Department of Defense			52,224,832	9,141,585

Department of Health and Human Services

Department Of Health And Human Services	75Q80120F32002	93.RD	10,201	-
Department Of Health And Human Services	75Q80121F32003	93.RD	295,905	-
Department Of Health And Human Services	HHSN2612018000151 (HHSN26100001)	93.RD	4,355,593	-
Department Of Health And Human Services	75F40122C00138	93.RD	131,928	-
Total Department of Health and Human Services			4,793,627	-

University of Southern California
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Note 3. Assistance Listing Number (ALN) (Continued)

SPONSOR

RESEARCH & DEVELOPMENT CLUSTER

DIRECT AWARDS	Identifying Number	ALN	Current Year Expenditures	Pass-Through Funds to Sub recipients
Department of Homeland Security				
Department Of Homeland Security	A221008773	97.RD	52,406	-
Total Department of Homeland Security			52,406	-
Department of Labor				
Department of Labor	22IPA2216234	17.RD	52,104	-
Department of Labor	22IPA2216235	17.RD	25,944	-
Department of Labor	22IPA2216233	17.RD	19,397	-
Total Department of Labor			97,445	-
Department of the Interior				
Department Of The Interior	013008-0001	15.RD	108,844	-
Total Department of the Interior			108,844	-
Department Of Veterans Affairs				
Department Of Veterans Affairs	014527-0001	64.RD	41,577	-
Department Of Veterans Affairs	014534-0001	64.RD	55,673	-
Department Of Veterans Affairs	015013-0001	64.RD	14,154	-
Department Of Veterans Affairs	36C26220D0039 36C26220N0658	64.RD	31,685	-
Department Of Veterans Affairs	691C10217	64.RD	19,521	-
Department Of Veterans Affairs	36C26222P1418	64.RD	4,719	-
Department Of Veterans Affairs	015818-0001	64.RD	45,254	-
Department Of Veterans Affairs	23-10655-A0001	64.RD	27,219	-
Department Of Veterans Affairs	23-10654-A0001	64.RD	27,654	-
Total Department Of Veterans Affairs			267,456	-
National Science Foundation				
National Science Foundation	CMMI-2150227-002	47.RD	349,245	-
National Science Foundation	OPP-1947362-002	47.RD	2,088	-
Total National Science Foundation			351,333	-
Library of Congress				
Library of Congress	CRS# 22-04	42.RD	4,805	-
Total Library of Congress			4,805	-
General Services Administration				
General Services Administration	OX0003364	39.RD	72,833	-
Total General Services Administration			72,833	-

University of Southern California
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Note 4. Loans Outstanding

The following schedule represents loans outstanding by the University for the year ended June 30, 2023:

	Loans
	Outstanding
Federal Perkins Loans	\$ 12,586,324
Health Professional Student Loans	15,694,746
Loans for Disadvantaged Students	1,552,892

Note 5. Commingled Assistance

The California Student Aid Commission (CSAC) administers the State Cal Grant A and B Programs, selects the student recipients of these grant awards, and provides funds to participating institutions for disbursement. In fiscal year 2023, the University received Cal Grant A and B funds in the amount of \$26,616,240; however, CSAC is unable to determine the exact amount of Federal Temporary Assistance for Needy Families (TANF) funds, if any, represented in those awards. Therefore, the Schedule does not include State Cal Grant A and B awards.

Note 6. Department of Health and Human Services – Provider Relief Funds

The University was the recipient of funding under assistance listing number 93.498, Provider Relief Fund (“PRF”), and as required based on guidance in the 2023 OMB Compliance Supplement, the Schedule includes all Period 4 and Period 5 funds received between July 1, 2021 and June 30, 2022 and expended by June 30, 2023 as reported to the Department of Health and Human Services via the PRF Reporting Portal.

The Schedule includes \$36,500,311 in lost revenue. Lost revenue does not represent an expenditure in the University's financial statements and thus is a reconciling item between the federal expenses in the University's financial statements and the amount included on the Schedule.



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

To the Board of Trustees of the University of Southern California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of the University of Southern California and its subsidiaries (the "University"), which comprise the consolidated balance sheet as of June 30, 2023, and the related consolidated statements of activities and of cash flows for the year then ended, including the related notes (collectively referred to as the "consolidated financial statements"), and have issued our report thereon dated November 10, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University'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 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 University'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 University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PricewaterhouseCoopers LLP

Los Angeles, California
November 10, 2023



Report of Independent Auditors on Compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance

To the Board of Trustees of the University of Southern California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the University of Southern California and its subsidiaries' (the "University") 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 the University's major federal programs for the year ended June 30, 2023. The University'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, the University 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 (US GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University 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 the University'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 the University's federal programs.

Auditors' 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 the University'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 US 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 the University's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with US 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 the University'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 University'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 the University'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.

Other Matters

As indicated in Part I to the accompanying Schedule of Findings and Questioned Costs, we have audited the Student Financial Assistance cluster as a major program. Also, as indicated in the first paragraph of this report, we performed our audit of compliance using the compliance requirements contained in the OMB Compliance Supplement, including those contained in Part V 5.3, Compliance Requirement N, Special Tests and Provisions, Section 12 "Gramm-Leach-Bliley Act-Student Information Security." This section includes two suggested audit procedures with respect to verification that the institution (1) designated a Qualified Individual responsible for implementing and monitoring the institution's information security program, and (2) has a written information security program that addresses the remaining six required minimum elements that are detailed in the OMB Compliance Supplement, Part Five, Student Financial Assistance Cluster, Special Tests and Provisions, item 12, Gramm-Leach-Bliley Act – Student Information Security. Our procedures in relation to these two items were limited to inquiry of and obtaining written representation from management and obtaining and reading management's documentation related to these two items. Our procedures did not include an analysis of the adequacy or completeness of the minimum required elements of the institution's information security program.

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule



of findings and questioned costs as item 2023-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the noncompliance finding identified in our audit described in the accompanying management's views and corrective action plan. The University's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 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 Auditors' 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.

PricewaterhouseCoopers LLP

Los Angeles, California
April 1, 2024

**University of Southern California
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2023**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to the financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes 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(a)? yes no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
Various	Student Financial Assistance Cluster
93.600	Head Start Cluster
93.498	COVID-19 - Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution

Dollar threshold used to distinguish between type A and type B programs: \$4,110,327

Auditee qualified as low-risk auditee? yes no

Section II – Financial Statement Findings

None Noted

University of Southern California
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs

Finding 2023-001: Accuracy of expenditures on the Schedule of Expenditures of Federal Awards and submission of special reports for the Head Start Program

Cluster Name: Head Start

Federal Awarding Agency: Department of Health and Human Services

Award Name: Head Start and Early Head Start, COVID (P.L. 116-260)

Award Number: 09CH010228-05-05, 09CH011831-02-03, 09HE000328-01-00

Award Years: 2019-2021, 2021-2022, 2021-2023

Assistance Listing Title: Head Start

Assistance Listing Number: 93.600

Pass-through entities: Not applicable

Criteria

2 CFR 200.510 Financial statements requires auditees to prepare a schedule of expenditures of Federal awards (SEFA) for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with 2 CFR 200.502. The information presented should be consistent with the accounting records and other federal guidance.

2 CFR Part 200 Appendix XI Part 3-L-1 Performance and Special Reporting notes that non-federal entities may be required to submit performance reports at least annually but not more frequently than quarterly, except in unusual circumstances, using a form or format authorized by OMB (2 CFR section 200.329). They also may be required to submit special reports as required by the terms and conditions of the federal award.

Condition

The following errors were identified related to funding that was improperly included in the fiscal year 2023 SEFA and have subsequently been corrected in the fiscal year 2023 SEFA by the University, as a result of our audit procedures:

- In fiscal year 2023, \$283 thousand in budgeted capital expenditures were charged to and drawn down on Head Start awards before actual expenditures were incurred by the University. Management identified the error in the subsequent year and credited the fiscal year 2024 SEFA for this amount. Additionally, management refunded the federal agency \$159 thousand of the amount in November 2023 and is in the process of refunding the remaining balance plus imputed interest.
- In fiscal year 2023, \$67 thousand in actual expenditures were charged to a Head Start award after liquidation extensions associated with the award had expired. Management identified the error in the subsequent year but had not yet credited the amount in the SEFA. None of the funds were drawn down from the federal agency, and thus, a refund to the federal agency was not required.

Of the three required federal reports selected for testing, two were not submitted until selected for testing and one has not yet been submitted.

University of Southern California

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2023

Cause

The University has limited federal awards that are utilized to fund capital expenditures. As a result, management was not aware that budgeted capital expenditures were being charged to the Head Start program in advance of being incurred by the University's Facilities Management Services Department. Additionally, while the University's IT system prevents the draw down of funding from federal agencies for awards that have expired, it does not prevent expenditures from being charged to expired awards. Management's manual expenditure reconciliation process for the Head Start program failed to identify that expenditures were charged to the award after the expiration date in a timely manner.

Management lacks a formalized process for identifying and tracking submission of required reports under the Head Start program.

Effect

A SEFA that is not accurate could impact the scoping of an entity's major programs and result in inaccurate information being provided to the federal government.

Not submitting required federal reports results in the federal government not having the information it needs to inform improvements in program outcomes and productivity.

Questioned Costs

None noted.

Recommendation

We recommend that management reinforce its existing policies regarding the charging of expenditures to the Head Start program with all departments involved in administering federal awards. Additionally, we recommend that management more timely reconcile expenditures charged to the Head Start program so that any necessary adjustments are reflected in the appropriate fiscal year.

We recommend management implement a formal process to identify and track submission of required reports under the Head Start program.

Management's Corrective Action Plan

Management's response is reported on "Management's Views and Corrective Action Plan" at the end of this report.

University of Southern California
Summary Schedule of Prior Audit Findings and Status
For the Year Ended June 30, 2023

Finding 2022-001: Revision of prior period consolidated financial statements (Significant Deficiency)

Condition

In connection with the preparation of the consolidated financial statements for the year ended June 30, 2022, the University revised its previously issued June 30, 2021 consolidated financial statements. The revisions reflected the correction of certain prior period errors in the consolidated balance sheet, statement of activities, and notes to the consolidated financial statements. The errors had no impact on the previously issued statement of cash flows. The revisions primarily related to historical errors in intercompany eliminations between the University and the USC Health System.

Current Status

Management assessed the materiality of these errors and concluded they were not material to any previously issued consolidated financial statements or disclosures. However, management revised its previously issued June 30, 2021 consolidated financial statements to reflect the correction of the errors. For details of the revisions please see Footnote 1 within the fiscal year 2022 consolidated financial statements. The Office of the Comptroller has since put an emphasis on the review of the consolidated financial statements, specifically on the intercompany eliminations and balances.

University of Southern California

Summary Schedule of Prior Audit Findings and Status

For the Year Ended June 30, 2023

Finding 2022-002: Reporting with the Health Resources & Services Administration (HRSA) Provider Relief Fund Portal

Federal Awarding Agency: Department of Health and Human Services (HHS)

Award Name: COVID-19 - Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution

Award Number: Various

Award Years: 1/1/2020-12/31/2021

Assistance Listing Title: COVID-19 - Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution

Assistance Listing Number: 93.498

Pass-through entities: Not applicable

Condition

In March 2022, management submitted the Reporting Period 2 into the HRSA portal. Management selected option 2, Lost Revenue Reporting Method: 2020 and 2021 Budgeted Revenues, for the recognition of lost revenues in the HRSA portal submission. Through the testing of this special reporting, PwC identified that the budget for the University of Southern California and our subsidiary entities, Keck Medical Center of USC, which houses Keck Hospital of USC and USC Norris Cancer Hospital, and USC Verdugo Hills Hospital (collectively “Keck Medical Center of USC”) for the period July 1, 2019 through June 30, 2020 (fiscal year 2020) was approved by the Board of Trustees (the “Board”) of the University on March 2, 2019. However, Keck Medical Center of USC’s budget for the period July 1, 2020 through June 30, 2021 (fiscal year 2021) was approved by the Board after March 27, 2020 on July 24, 2020, and the budget for the period July 1, 2021 through December 31, 2021 (the first six months of fiscal year 2022) was approved on June 2, 2021. Thus, the 2020 calendar year third and fourth quarters (July 1, 2020 through December 31, 2020) and the 2021 calendar quarters (January 1, 2021 through December 31, 2021) were not approved by the Board prior to March 27, 2020. As a result, Keck Medical Center of USC incorrectly selected option 2 within their Period 2 reporting into the HRSA portal.

Note this finding was also identified during the fiscal year 2021 audit, however, there was not sufficient time for the University to remediate prior to the Period 2 submission deadline.

Additionally, the budgeted revenues submitted in the HRSA portal for Period 2 included revenues not attributable to patient care (as defined in the Provider Relief Fund Lost Revenues Guide). The actual revenues submitted in the HRSA portal for Period 2 appropriately excluded revenues not attributable to patient care. This resulted in lost revenues reported to the HRSA portal for Period 2 being overstated.

Current Status

On behalf of the University, Victor Perez, Director of Finance, contacted HRSA officials on September 15, 2021. The purpose of this contact was to receive guidance from HRSA for resolution of the incorrect option selection (option 2 rather than option 3) for the University’s Period 1 and Period 2 submissions. HRSA provided case number 00013184. HRSA informed the University they would not be reopening the portal, but HRSA would inform the University if any action was needed at a later date.

Further when revising the lost revenues methodology for Period 3 and beyond, the HRSA portal is configured to automatically reset, and the user is prompted to re-enter lost revenues for Periods 1 and 2. As such, management will select option 3 for all future submissions and will ensure that both the budgeted revenues and the actual revenues do not include revenues not attributable to patient care.

Upon any future receipt of funds from a U.S. government program, management has designed and implemented an internal control around a secondary review of the most updated HRSA guidance and the subsequent submissions in order to ensure proper review of all elements of the relevant guidance prior to submission to the portal.

University of Southern California
Summary Schedule of Prior Audit Findings and Status
For the Year Ended June 30, 2023

Finding 2022-003: Notifications of Disbursements to Students Sent Prior to 30 Days before Crediting a Student's Account

Federal Awarding Agency: Department of Education (ED)

Award Name: Federal Direct Student Loans

Award Number: Various

Award Years: 7/1/2021-6/30/2022

Assistance Listing Title: Federal Direct Student Loans

Assistance Listing Number: 84.268

Pass-through entities: Not applicable

Condition

34 CFR 668.165(a)(3)(i) notes the timing of a Direct Loan or TEACH Grant notification varies depending on whether a school obtains affirmative confirmation from a student that he or she wants a loan or accepts the grant. Under affirmative confirmation, a school obtains written confirmation of the types and amounts of Title IV loans a student wants for the period of enrollment before the school credits the student's account with those loan funds.

This notification must be sent:

- *if the school obtains affirmative confirmation*, no earlier than 30 days before and no later than 30 days after crediting the student's account; or
- *if the school does NOT obtain affirmative confirmation*, no earlier than 30 days before and no later than 7 days after crediting the student's account.

34 Direct Loans were tested for disbursements, for which the University received affirmative confirmation from students. In 11 of the 34 cases, the disbursement notifications were sent to students earlier than 30 days prior to the disbursement.

Current Status

As described in finding 2022-003, the Financial Aid Office ("FAO") provided loan disbursement notifications earlier than 30 days from actual disbursement for some borrowers. Our Student Information System (SIS) was programmed to send the notification at the time the loan was originated, which may have been earlier than 30 days before the date of disbursement. FAO has updated the trigger in SIS so that the notifications will now be sent as soon as we receive the booking notice from the Common Origination and Disbursement (COD) system, which is shortly after each disbursement. This update, which was implemented March 28, 2023, will ensure the notice is provided no later than 30 days after the date of disbursement.



Management's Views and Corrective Action Plan

Management response to finding 2023-001: Accuracy of expenditures on the Schedule of Expenditures of Federal Awards and submission of special reports for the Head Start Program

Cluster Name: Head Start

Federal Awarding Agency: Department of Health and Human Services

Award Name: Head Start and Early Head Start, COVID (P.L. 116-260)

Award Number: 09CH010228-05-05, 09CH011831-02-03, 09HE000328-01-00

Award Years: 2019-2021, 2021-2022, 2021-2023

Assistance Listing Title: Head Start

Assistance Listing Number: 93.600

Pass-through entities: Not applicable

As described in finding 2023-001, the University inadvertently charged and drew down budgeted capital expenditures from Head Start awards before actual expenditures were incurred by the University. Additionally, the University charged expenditures to a Head Start award after liquidation extensions had expired. The adjustments required to correct these errors were identified in the subsequent fiscal year, resulting in expenditures on the fiscal year 2023 Schedule of Expenditures of Federal Awards (SEFA) being overstated. The University will take the necessary corrective actions as described below to ensure the accuracy of expenditures reported on the SEFA. Finally, as described in finding 2023-001, the University did not identify and track reports required to be submitted for Head Start awards. The corrective actions described below will ensure all award specific reporting requirements are met.

Although the University has limited federal awards that are utilized to fund capital expenditures, the Office of Sponsored Projects Accounting and Facility Planning and Management will perform a full review of the current Head Start capital construction accounting policies and practices to ensure they comply with the Uniform Guidance and the terms and conditions of federal awards before June 30, 2024. Reinforcement of the University's policies and practices will ensure proper grant accounting, and thus, will prevent SEFA reporting adjustments from having to be made.

Faculty leadership responsible for overseeing the Head Start program at the University will fill current vacant financial management positions within the Head Start program as soon as possible (with a three month target), undergo a full review of program requirements with all staff, and modify and develop new internal controls related to this finding. Specifically, before July 2024, Head Start fiscal personnel along with faculty leadership will develop a reporting schedule specific to Head Start awards, provide training and resources to staff involved with reporting, implement internal controls related to the reconciliation and validation of reported data prior to report submission, and strengthen internal controls related to the allocability of expenditures to awards (particularly in situations where liquidation extensions or expenditure carry forwards have been granted).

Contact Person: Andres Chan, Director, FBS Financial Analysis, andres.chan@usc.edu

Andres A Chan