

**KENNEDY KRIEGER INSTITUTE,
INC. AND AFFILIATES**

**Reports on Federal Awards in Accordance with
Uniform Guidance**

June 30, 2022

Federal Entity Identification Number 52-1524965

Kennedy Krieger Institute, Inc. and Affiliates

Index

June 30, 2022

Page(s)

Part I - Financial Statements and Schedule of Expenditures of Federal Awards

Report of Independent Auditors Consolidated Financial Statements	1-3
Consolidated Balance Sheets	4
Consolidated Statements of Operations and Changes in Net Assets	5-6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8-33
Report of Independent Auditors on Supplemental Consolidating Financial Statements	34
Supplemental Combining Financial Statements	35-40
Notes to Supplemental Consolidating Financial Statements	41
Schedule of Expenditures of Federal Awards	42-56
Notes to Schedule of Expenditures of Federal Awards	57-58

Part II - Reports on Compliance and Internal Control⁶⁵

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	59-60
Report of Independent Auditors on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with the OMB Uniform Guidance	61 -63

Part III – Schedule of Findings and Questioned Costs⁷⁰

Schedule of Findings and Questioned Costs	64-66
Summary Schedule of Prior Audit Findings	67
Management's Views and Corrective Action Plan	68-69

Part I
Financial Statements and
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022



Report of Independent Auditors

To the Board of Directors of Kennedy Krieger Institute, Inc. and Affiliates

Opinion

We have audited the accompanying consolidated financial statements of Kennedy Krieger Institute, Inc. and Affiliates (the "Institute"), which comprise the consolidated balance sheets as of June 30, 2022 and 2021, and the related consolidated statements of operations and changes in net assets 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 Institute as of June 30, 2022 and 2021, and the results of their operations, changes in their net assets, and their 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 Institute 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 Institute'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 Institute'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 Institute'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, 2022 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 October 14, 2022 on our consideration of the Institute'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, 2022. 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 Institute's internal control over financial reporting and compliance.

PricewaterhouseCoopers LLP

Baltimore, Maryland
October 14, 2022

Kennedy Krieger Institute, Inc., and Affiliates
Consolidated Balance Sheets
As of June 30, 2022 and 2021
(in thousands)

ASSETS	2022	2021
Current assets:		
Cash and cash equivalents	\$ 23,097	\$ 37,106
Patient receivables, less allowances of \$6,705 and \$8,643	20,554	21,913
Grant and contract receivable	9,873	4,561
Tuition receivable	6,175	4,215
Pledges receivable	526	636
Prepaid expenses and other	4,818	3,334
Total current assets	<u>65,043</u>	<u>71,765</u>
Non-current assets:		
Property and equipment, net	145,849	154,078
Investments:		
Board designated endowment	62,561	74,675
Investments limited as to use	8,770	10,671
Pledges receivable, less allowances of \$2,204 and \$1,996	352	278
Total non-current assets	<u>217,532</u>	<u>239,702</u>
Total assets	<u>\$ 282,575</u>	<u>\$ 311,467</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	45,367	47,074
Deferred grant revenue	2,061	4,058
Current portion of long term debt	4,258	3,731
Total current liabilities	<u>51,686</u>	<u>54,863</u>
Long-term liabilities:		
Long term debt, net	76,217	80,346
Accrued pension	3,477	9,487
Interest rate swap	4,285	8,518
Other long-term liabilities	2,397	3,643
Total long-term liabilities	<u>86,376</u>	<u>101,994</u>
Total liabilities	<u>138,062</u>	<u>156,857</u>
Net assets:		
Without donor restrictions	116,116	127,552
With donor restrictions	28,397	27,058
Total net assets	<u>144,513</u>	<u>154,610</u>
Total liabilities and net assets	<u>\$ 282,575</u>	<u>\$ 311,467</u>

See accompanying notes to consolidated financial statements

Kennedy Krieger Institute, Inc., and Affiliates
Consolidated Statements of Operations and Changes in Net Assets
As of June 30, 2022 and 2021
(in thousands)

	2022	2021
Operating revenues:		
Patient service revenue, net of contractual allowances	\$ 201,506	\$ 195,123
Bad debt expense	(4,565)	(6,410)
Net patient service revenue	196,941	188,713
Tuition revenue	45,655	42,149
Grant and contract revenue	46,754	36,958
Net assets released for operating activities	5,347	2,127
Investment earnings used for operating activities	2,510	2,256
Contributions without donor restrictions, net	1,107	2,327
Other operating revenues	1,075	944
Total operating revenues	299,389	275,474
Operating expenses:		
Salaries, wages and benefits	230,176	207,951
Supplies, purchased services, and other	53,696	45,520
Depreciation and amortization	12,995	12,597
Rent	3,548	2,861
Interest	2,141	2,366
Total operating expenses	302,556	271,295
Operating revenues over operating expenses	(3,167)	4,179
Non-operating activity:		
Investment return, net	(14,042)	16,981
Realized and unrealized gain on interest rate swap	3,089	1,777
Fundraising expenses related to contributions with donor restrictions	(1,767)	(1,277)
Net non-operating activities	(12,720)	17,481
Excess of revenue (under) expenses	\$ (15,887)	\$ 21,660

Continued on next page

See accompanying notes to consolidated financial statements

Kennedy Krieger Institute, Inc., and Affiliates
Consolidated Statements of Operations and Changes in Net Assets
As of June 30, 2022 and 2021
(in thousands)

	2022	2021
Net assets without donor restrictions:		
Excess of revenue (under) over expenses	\$ (15,887)	\$ 21,660
Net assets released from restriction for property and equipment	715	1,389
Change in funded status of defined benefit plan	3,736	10,915
(Decrease) / Increase in net assets without donor restrictions	(11,436)	33,964
Net assets without donor restrictions, beginning of year	127,552	93,588
Net assets without donor restrictions, end of year	116,116	127,552
Net Assets with donor restrictions:		
Contributions with donor restrictions	7,402	3,075
Net assets released from restrictions for operations	(5,348)	(2,127)
Net assets released from restrictions for property and equipment	(715)	(1,389)
Increase / (Decrease) in net assets with donor restrictions	1,339	(441)
Net assets with donor restrictions, beginning of year	27,058	27,499
Net assets with donor restrictions, end of year	28,397	27,058
Increase/(Decrease) in total net assets	(10,097)	33,523
Total net assets, beginning of year	154,610	121,087
Total net assets, end of year	\$ 144,513	\$ 154,610

See accompanying notes to consolidated financial statements

Kennedy Krieger Institute, Inc., and Affiliates
Consolidated Statements of Cash Flows
As of June 30, 2022 and 2021
(in thousands)

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ (10,097)	\$ 33,523
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized (gains) on investments, net	13,993	(15,490)
Depreciation and Amortization	12,995	12,597
Bad debt expense	4,565	6,410
Change in pension liability, net	(6,010)	(13,772)
Change in valuation of interest rate swap	(4,235)	(3,022)
Restricted contributions	(7,402)	(3,075)
Changes in assets and liabilities:	-	-
Accounts receivable	(3,206)	2,981
Other receivables	(7,236)	1,744
Prepaid expenses and other assets	(1,484)	(673)
Accounts payable and accrued expenses	(1,707)	8,000
Deferred grant revenue	(1,997)	(739)
Other liabilities	(419)	(455)
Net cash flows provided by operating activities	<u>(12,240)</u>	<u>28,029</u>
Cash flows from investing activities:		
Other changes in assets limited to use	1,901	(2,308)
Purchase of property, plant and equipment	(4,766)	(6,890)
Net sales of investments	(1,879)	(2,154)
Net cash provided by (used in) investing activities	<u>(4,744)</u>	<u>(11,352)</u>
Cash flows from (used by) financing activities:		
Payments on long term debt	(3,602)	(17,751)
Payments on line of credit and short loan	-	(10,000)
Proceeds from long term debt	-	24,550
Payments on capital lease obligation	(825)	(800)
Proceeds from contributions restricted by donor	7,402	3,075
Net cash provided by (used in) financing activities	<u>2,975</u>	<u>(926)</u>
Net increase (decrease) in cash and cash equivalents	(14,009)	15,751
Cash and cash equivalents, beginning of year	37,106	21,355
Cash and cash equivalents, end of year	<u>\$ 23,097</u>	<u>\$ 37,106</u>
Cash paid during the year for interest	<u>\$ 2,140</u>	<u>\$ 2,366</u>

See accompanying notes to consolidated financial statements

Kennedy Krieger Institute, Inc., and Affiliates
Notes to Consolidated Financial Statements
As of June 30, 2022 and 2021
(in thousands)

1. DESCRIPTION OF ORGANIZATION

Kennedy Krieger Institute, Inc., and Affiliates (the “Institute”) is an internationally recognized organization dedicated to improving the lives of children, adolescents and young adults through comprehensive patient care, education, and research. The Institute’s primary operating activities include healthcare services, research, training, special education, and fundraising.

The operations of the Institute are carried out through a number of legal corporate entities. The consolidated financial statements of the Institute reflect the accounts of the following separate legal corporate entities:

- Kennedy Krieger Institute, Inc.
- Kennedy Krieger Children’s Hospital, Inc.
- Hugo W. Moser Research Institute at Kennedy Krieger, Inc.
- Kennedy Krieger Education and Community Services, Inc.
- Kennedy Krieger Associates, Inc.
- PACT: Helping Children with Special Needs, Inc.
- Kennedy Krieger Foundation, Inc.
- Madison Street Properties, Inc.

Healthcare services are provided through Kennedy Krieger Children’s Hospital, Inc. and include a forty-five bed inpatient unit typically admitting more than 300 patients yearly, over fifty specialty outpatient clinics generating in excess of 235,000 annual visits and the training of over 400 healthcare professionals each year. Net patient service revenue generated through Healthcare activities represents approximately 65.8% and 68.5% of the Institute’s operating revenue in fiscal years 2022 and 2021, respectively.

Grant and contract revenue represents approximately 15.6% and 13.4% of the Institute’s operating revenue in fiscal years 2022 and 2021, respectively. Approximately 67.5% and 67.4% of this revenue in fiscal years 2022 and 2021, respectively, comes from departments and agencies of the United States government. Major government sponsors included the National Institutes of Health, Center for Disease Control, Health Human Services, Health Resources and Services Administration, Federal Communications Commission and the Department of Education.

Special education services provided through Kennedy Krieger Education and Community Services, Inc. are conducted through non-public special education schools for students from kindergarten to grade eight, high school, and specialized autism programs. Tuition revenue generated through special education services represents approximately 15.2% and 15.3% of the Institute’s operating revenue in fiscal years 2022 and 2021, respectively.

Kennedy Krieger Institute, Inc., Kennedy Krieger Children’s Hospital, Inc., Hugo W. Moser Research Institute at Kennedy Krieger, Inc., Kennedy Krieger Education and Community Services, Inc., Kennedy Krieger Associates, Inc., and PACT: Helping Children with Special Needs, Inc. are Maryland non-stock corporations organized for charitable, scientific, and educational purposes and are tax-exempt under Section 501(c)(3) of the Internal Revenue Code. Kennedy Krieger Foundation, Inc. (the “Foundation”), is a Maryland stock corporation and is tax-exempt under Section 501(c)(3) of the Internal Revenue Code.

Kennedy Krieger Institute, Inc., and Affiliates
Notes to Consolidated Financial Statements
for the years ended June 30, 2022 and 2021
(in thousands)

Madison Street Properties, Inc. ("MSP") is a tax-exempt supporting organization under Section 509(a)(3) of the Internal Revenue Code and is wholly owned by the Foundation. All real and personal property and leasehold rights owned by the Institute are held by MSP, that in turn leases or subleases the property back to each member of the corporate family utilizing it and also provides property management services, including maintenance, security, and housekeeping.

The Institute maintains an independent affiliation with The Johns Hopkins University. The formal relationship between the parties is set forth in an affiliation agreement whereby (i) the medical, scientific, and other professional staff of the Institute receive primary and adjunct appointments in the appropriate Johns Hopkins University Schools or departments; and (ii) each Institution's independent corporate status is retained. Goods and services are purchased and sold by each organization through arm's length transactions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements of the Institute have been prepared on the accrual basis, which conforms to accounting principles generally accepted in the United States of America. The consolidated financial statements include the accounts of the Institute after elimination of all intercompany accounts and transactions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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 those estimates.

Cash and Cash Equivalents

The Institute considers all highly-liquid investments with original maturities of three months or less to be cash equivalents. These investments are carried at cost, which approximates market value.

Investments and Investment Income

Investments in equity securities with readily determinable fair values and all investments in debt securities are recorded at fair value in the Consolidated Balance Sheets.

Investment income is included in the non-operating activity section of the Statement of Operations. Investment income includes interest and dividends, realized and unrealized gains (losses) on investments.

Allowance for Doubtful Accounts

An allowance for doubtful accounts is recorded for patient receivables which are anticipated to become uncollectible in future periods. Receivables deemed to be uncollectible have been written off.

Grant and Contract Revenue and Receivable

Grant and contract revenues are recorded through cost reimbursement arrangements when allowable costs are incurred, through service rates as services are provided or when contractual

Kennedy Krieger Institute, Inc., and Affiliates

Notes to Consolidated Financial Statements

for the years ended June 30, 2022 and 2021

(in thousands)

terms are satisfied. Grant and contract receivables are recorded when earned. An allowance for uncollectible grants and contracts receivable is estimated and is recorded against grant and contract receivables.

Tuition Revenue and Receivable

Tuition revenue is recognized when earned over the school term (July to June). The Institute does not record an allowance for uncollectible tuition receivables as tuition invoices are paid in full by the local education agencies at state approved tuition rates. Local education agencies receive a substantial component of this tuition from the State of Maryland.

Pledges Receivable

Unconditional promises to give cash and other assets to the Institute are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the commitment is received in writing.

Pledges receivable from capital campaigns and other contributions, have been recorded net of an allowance for uncollectible pledges. The allowance for uncollectible pledges receivable is estimated based on the nature and source of each pledge including pledge payment history and the donor's likelihood of honoring the commitment. The allowance is applied to pledges greater than one year. Multi-year pledges are recorded at their estimated present value using a risk-free rate of return of 3.5% for 2022 and 2021.

Excess of Revenue over Expenses

The Statements of Operations include excess of revenues over (under) expenses, which is the Institute's performance indicator. Changes in net assets without donor restrictions, which are excluded from excess of revenues over expenses consistent with industry practice, include unrealized gains and losses on investments, certain pension related transactions and assets acquired using contributions which by donor restrictions were to be used for the purpose of acquiring such assets.

Investments Limited as to Use

Investments limited as to use primarily include assets held by trustees under bond indentures, self-insurance trust arrangements, deferred compensation plans and other donor restricted gift arrangements.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is calculated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	30-40 years
Fixed Equipment	10-15 years
Computer Software	5-15 years
Furniture and Equipment	3-5 years

Equipment purchases under grants, where title to the equipment rests with the grantor, are recorded as expenditures of the grant and are not capitalized or depreciated.

Capital Leases

Capital leased assets are amortized over the shorter of their estimated useful lives or the lease term. Depreciation expense on capitalized leased assets is included in depreciation and amortization expenses in the Consolidated Statements of Operations.

Kennedy Krieger Institute, Inc., and Affiliates
Notes to Consolidated Financial Statements
for the years ended June 30, 2022 and 2021
(in thousands)

Deferred Financing Costs

Costs incurred related to the issuance of bonds payable have been deferred and are being amortized over the life of the bonds using the effective interest method. In fiscal year 2017, the Institute adopted ASU 2015-03, "Simplifying Presentation of Debt Issuance Costs". These debt issuance costs are now presented as a deduction from the carrying value of the associated debt.

Accrued Expenses

Accrued expenses are operating expenses that have been incurred but which have not been paid as of the balance sheet date. These expenses are typically periodic and due within one year or less. They include expenses incurred for payroll, employee benefits, subcontracts, interest and other operating items.

Deferred Grant Revenue

Deferred grant revenue has been recorded to reflect the portion of cash received on awarded grants where the grantor restrictions for its use have not been satisfied. Typically, the donor restrictions are satisfied within a year, therefore, deferred grant revenue is classified as a current liability.

Net Assets

Net assets without donor restrictions include undesignated amounts as well as amounts designated by the Board for a specific purpose. Net assets with donor restrictions are held by the Institute and consist primarily of amounts contributed to the Institute by donors with purpose restrictions. The Institute also has net assets with donor restrictions that are perpetual in nature. Earnings on these assets are available for use as specified by the donors.

Estimated Professional and General Liability Costs

The provision for estimated professional and general liability claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported.

Derivatives

The use of derivatives by the Institute is generally limited to an interest rate swap. The Institute follows accounting guidance on derivative financial instruments that are based on whether the derivative instrument meets the criteria for designation as cash flow or fair value hedges. The criteria for designating a derivative as a hedge include the assessment of the instrument's effectiveness in risk reduction, matching of the derivative instrument to its underlying transaction, and the assessment of the probability that the underlying transaction will occur. The Institute's only derivative financial instrument is an interest rate swap agreement without hedge accounting designation.

The Institute recognizes the fair value of its interest rate swap as a liability on the Consolidated Balance Sheet at fair value. The change in the fair value of this derivative is recorded as an unrealized gain or loss in the Consolidated Statements of Operations.

Pension Plan

The Institute follows current technical guidance for reporting and accounting for pension benefits provided to employees. This guidance requires recognition of the funded status of a defined benefit plan in the balance sheet as an asset or liability if the plan is over funded or underfunded, respectively. Changes in the funded status of a plan are required to be recognized in the year in which the changes occur through changes in Net assets without donor restrictions. The guidance also requires the measurement date of the plan's funded status to be the same as the company's fiscal year end.

Kennedy Krieger Institute, Inc., and Affiliates
Notes to Consolidated Financial Statements
for the years ended June 30, 2022 and 2021
(in thousands)

Short-term investments

Short-term investments are carried at fair value and are comprised of instruments with an average duration of 1 year.

Investments

The fair values of marketable equity, government, and fixed income securities included in long-term investments are based on quoted market prices.

Long-term Debt Obligations

Management estimates that the fair value of long-term debt is equal to its carrying value.

Reclassifications

Certain reclassifications have been made to conform with the current year financial statement presentation.

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09 "Revenue from Contracts with Customers". This standard implements a single framework for recognition of all revenue earned from customers. This framework ensures that entities appropriately reflect the consideration to which they expect to be entitled in exchange for goods and services by allocating transaction price to identified performance obligations and recognizing revenue as performance obligations are satisfied. The Institute adopted the standard in 2021. There was no material impact on the Consolidated Financial Statements.

In February 2016, the FASB issued ASU 2016-02 "Leases". This standard requires lessees to recognize assets and liabilities for the rights and obligations created by leases with terms in excess of 12 months. The recognition, measurement, and presentation of expenses and cash flows arising from a lease will primarily depend on its classification as a finance or operating lease. The accounting by lessors remains largely unchanged. The effective date for this standard has been delayed by the FASB. Kennedy Krieger Institute is anticipating adopting the standard in 2023 and is evaluating the impact it will have on the consolidated financial statements.

The London Interbank Offered Rate ("LIBOR") is used to price all of the Institute's variable rate debt. By June 30, 2023, LIBOR is expected to cease publication and market participants around the world have undertaken reference rate reform initiatives to identify alternative reference rates. In March 2022, the FASB issued ASU 2022-04, Reference Rate Reform (ASC 848), to provide some relief to the operational challenges likely to arise due to the change in reference rates. This standard is adoptable as of the beginning of reporting periods including March 12, 2020, but can be adopted in any subsequent reporting period prior to December 31, 2022. The Institute's variable rate financing agreements were modified with each bank debt holder as of August 20, 2020 to address the process for how the LIBOR reference rate will be replaced in each variable rate debt agreement.

3. NET PATIENT SERVICE REVENUE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Net patient service revenues from inpatient and outpatient services are reported at estimated net realizable amounts from patients, third-party payers, and others for services rendered including contractual allowances with third-party payers and bad debts. The Institute has agreements with third-party payers that provide for payments to the Institute at amounts different from its established rates. Net patient service revenue is comprised of the following:

Kennedy Krieger Institute, Inc., and Affiliates
Notes to Consolidated Financial Statements
for the years ended June 30, 2022 and 2021
(in thousands)

	2022	2021
Gross Inpatient Revenue	\$ 55,419	\$ 59,077
Less: Contractual Allowances	(13,597)	(13,074)
Bad Debt Expense	(241)	(837)
Net Inpatient Revenue	<u>41,581</u>	<u>45,166</u>
Gross Outpatient Revenue	182,278	168,703
Less: Contractual Allowances	(22,594)	(19,583)
Bad Debt Expense	(4,324)	(5,573)
Net Outpatient Revenue	<u>155,360</u>	<u>143,547</u>
Net Patient Service Revenue	<u>\$ 196,941</u>	<u>\$ 188,713</u>

The percentage of patient service revenue generated by payer category for the fiscal years ended June 30, 2022 and 2021 is as follows:

	2022	2021
Medicaid	38%	38%
Blue Cross	31%	31%
Commerical insurance	27%	28%
Self pay and other	2%	1%
Medicare	<u>2%</u>	<u>2%</u>
	<u>100%</u>	<u>100%</u>

The Allowance for Doubtful Accounts is based upon management's assessment of historical and expected net collections considering trends in healthcare insurance coverage, economic conditions, and payer mix. Management assesses the adequacy of the allowance periodically based upon historical collection and write off experience. After collection of amounts due from third-party payers, the Institute follows internal guidelines for placing certain past-due balances with collection agencies.

	2022	2021
Beginning Allowance for doubtful accounts	\$ 8,643	\$ 5,611
Plus: Bad debt expense	4,565	6,411
Less: Bad debt write-offs, net of recoveries	<u>(6,503)</u>	<u>(3,379)</u>
Ending Allowance for doubtful accounts	<u>\$ 6,705</u>	<u>\$ 8,643</u>

A summary of the payment arrangements with major third-party payers and patient financial assistance follows.

Maryland Medicaid

Since January 1, 2007, the Institute has been under a prospective payment system ("PPS") agreement with the Maryland Department of Health for inpatient and outpatient services provided to

Kennedy Krieger Institute, Inc., and Affiliates
Notes to Consolidated Financial Statements
for the years ended June 30, 2022 and 2021
(in thousands)

Maryland Medicaid patients. Service-based per diem rates for inpatient services are annually adjusted by market basket update factors published by the Centers for Medicare and Medicaid Services ("CMS"). Outpatient services are reimbursed as a percentage of charges and subject to the lower of cost versus charges. Base year costs are trended forward annually using the CMS outpatient PPS market basket update factor and compared to actual charges. No retroactive settlement occurs under these arrangements.

Out of State Medicaid

The Institute has entered into payment agreements with many out-of-state Medicaid plans. The majority of these payment agreements reflect similar rates paid by Maryland Medicaid. No retroactive settlement occurs under these agreements.

Commercial Insurance

The Institute has entered into payment agreements with commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis of payment to the Institute under these agreements includes prospectively determined rates per day or discharge, discounts from established charges and prospectively determined daily rates. No retroactive settlement occurs under these agreements.

Medicare

Certain inpatient and outpatient services rendered to Medicare beneficiaries are subject to retrospective cost-based reimbursement. Medicare cost reports have been filed through 2021 and final settled through 2019. No significant settlement due to or from the Medicare Program has been estimated and as a result no receivable or payable has been recorded at June 30, 2022 or 2021.

Financial Assistance and Community Benefit

The Institute provides services without charge or at discounted charges to patients who meet certain criteria under its financial assistance policy. The criteria for financial assistance considers the patient or patient's family's ability to pay at time of service. The Institute uses the federal poverty guidelines to determine eligibility for free or discounted care. In addition, the Institute's policy applies to patients who are medically indigent. The Institute also offers payment plan options to assist patients who experience a financial hardship paying their hospital and professional services bills, but who might not qualify for financial assistance. Continually the Institute reviews its financial assistance policy along with providing a plain language summary of the policy that is distributed to patients at registration.

The cost for services and supplies furnished under the Institute's financial assistance policy aggregated approximately \$5,325 and \$3,113 in 2022 and 2021, respectively. The cost has been estimated based on a cost to charge ratio and applied to financial assistance charges.

In addition to patient financial assistance and payment plan options, the Institute provides various community benefits across the developmental disability populations within the State of Maryland. The foundation of the community benefits provided envisions all persons with developmental disabilities ("DD") lead fully inclusive and meaningful lives. A community needs assessment is periodically updated to understand the changing needs of the community served. Based on the needs assessment, the Institute promotes and hosts educational forums, provides respite care resources, acts as a resource finder, provides advocacy and legal services, promotes and arranges information exchange among patients, families, and professionals, promotes workforce development, is a leader in healthcare training in DD, and conducts research, among other things.

Kennedy Krieger Institute, Inc., and Affiliates
Notes to Consolidated Financial Statements
for the years ended June 30, 2022 and 2021
(in thousands)

4. TUITION REVENUE

Tuition revenue generated by special education school programs is summarized as follows:

	2022	2021
High school	\$ 14,299	\$ 13,561
Lower/middle school	15,301	13,818
Leap/Autism	7,347	6,612
Montgomery County	8,221	7,685
PACT daycare	432	326
Other	55	147
	<u>\$ 45,654</u>	<u>\$ 42,149</u>

Over 450 students are enrolled in special education programs each year and come from Baltimore City and many Maryland counties, Washington D.C., Virginia and other private and international sources. The percentage of tuition revenue generated by jurisdiction is as follows:

	2022	2021
Prince George's County, MD	19.7%	21.5%
Baltimore County, MD	17.7%	17.4%
Anne Arundel County, MD	16.7%	17.0%
Montgomery County, MD	10.1%	10.8%
Washington, DC	9.2%	8.1%
Baltimore City, MD	4.9%	5.5%
Other local education agencies	20.7%	18.6%
Private	<u>1.0%</u>	<u>1.1%</u>
Total	<u>100.0%</u>	<u>100.0%</u>

5. GRANT AND CONTRACT REVENUE

Grant and contract revenue is generated through the following activities:

	2022	2021
Research	\$ 30,710	\$ 22,741
Community service	9,060	6,346
Training / Hospital	3,482	1,996
Provider Relief Funds (CARES Act)	<u>3,502</u>	<u>5,875</u>
	<u>\$ 46,754</u>	<u>\$ 36,958</u>

Research revenue includes all research initiatives funded through government and private sources. Community service revenue is derived from services provided to individuals and families with special needs in a community-based setting and is funded through government programs. Training revenue represents government funding of training programs for professionals in the field of developmental

Kennedy Krieger Institute, Inc., and Affiliates

Notes to Consolidated Financial Statements

for the years ended June 30, 2022 and 2021

(in thousands)

disabilities. Provider Relief Funds consists of funding received through Federal government stimulus payments related to the COVID-19 pandemic.

Grant and contract revenue includes recoveries of facility and administrative costs, with certain limitations and exclusions. Certain revenues and costs in current and prior years are subject to audit and retroactive settlement. No reserve has been recorded for any potential settlements as amounts are not known or are considered immaterial.

6. CARES ACT FUNDING

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was enacted. The CARES Act provided stimulus funding to assist the US economy with the financial impact caused by the COVID-19 pandemic.

Provider Relief Funds

The CARES Act funded \$100.0 billion in appropriations for a Provider Relief Fund (PRF) to be used by healthcare organizations for preventing, preparing for, and responding to the coronavirus by reimbursing for health care related expenses and lost revenue that are attributable to COVID-19.

As of June 30, 2022, the Institute received \$14,856 in payments under the PRF and recognized \$3,502 and \$5,875 as Grant and contract revenue on the Consolidated Statements of Operations and Changes in Net Assets in 2022 and 2021, respectively.

In June 2021, HHS issued post payment reporting requirements for PRF recipients. The reporting requirements outline the deadlines to use the funds received and the required reporting timeframes based on when the funds were received. It is anticipated that all PRFs received by the Institute will be used by their spending deadline and reporting will be completed their reporting deadlines. Based on this guidance, it is not anticipated that amounts recorded as Grant and contract revenue in 2022 and previous years will have to be repaid to HHS.

Federal Communications Commission (FCC) funding

In April 2020, the Institute was awarded a grant from the FCC in the amount of \$995 to fund expenditures incurred to grow telehealth capacity as a result of the COVID-19 pandemic. The Institute recorded \$572 and \$423 as Grant and contract revenue in 2021 and 2020, respectively. In June 2021, the Institute was awarded an FCC grant in the amount of \$1,961 related to the Connected Care Pilot Program. This program is intended to expand connected care services, particularly for low-income Americans. No Grant and contract revenue has been recognized for this grant as of June 30, 2022.

Medicare Accelerated and Advance Payments Program

Under the CARES Act, CMS temporarily expanded its current accelerated and advance payment program for Medicare providers. Under this program, qualified healthcare providers received advanced payments from CMS. In May 2020, the Institute received \$1,184 in advanced payments under this program. Through June 30, 2022, \$938 of advanced payments have been recouped by CMS and the remaining balance will be recouped no later than September 2022. Advanced payment amounting to \$1,093 and \$246 is reflected in Accounts payable and accrued expense on the Consolidated Balance Sheets at June 30, 2021 and 2022, respectively.

Employer Payroll Tax Deferral and Employee Retention Tax Credit

Between April 2020 and December 31, 2020, the Institute deferred \$6,261 in employer payroll taxes owed as allowed under the CARES Act. Payment of half of this tax deferral was paid to the IRS by December 31, 2021, with the remaining half due by December 31, 2022.

Kennedy Krieger Institute, Inc., and Affiliates
Notes to Consolidated Financial Statements
for the years ended June 30, 2022 and 2021
(in thousands)

The CARES Act provided for an Employee Retention Tax Credit (ERTC) against applicable employment taxes for eligible employers that pay qualified wages and certain healthcare expenses to employees after March 12, 2020 and before July 1, 2021. The tax credit is designed to encourage employers to keep employees on their payroll during the COVID-19 pandemic. Kennedy Krieger has claimed the credit in the total amount of \$3,008 through its employer's quarterly Federal tax returns (IRS form 941) during the state of emergency covering the period from March 2020 to June 2021.

Accounts payable and accrued expense reported on the Consolidated Balance Sheets as of June 30, 2021 and 2022 includes net deferred payroll taxes in the amount of \$4,696 and \$4,489, respectively which and have been netted down with the ERTC.

7. CONTRIBUTIONS FROM FUNDRAISING ACTIVITIES

During 2022 and 2021, the Institute recognized contributions from fundraising activities as summarized below:

	2022	2021
<u>Contributions</u>		
With donor restrictions	\$ 7,402	\$ 3,075
Without donor restrictions	<u>1,108</u>	<u>2,327</u>
Total Contributions	8,510	5,402
<u>Fundraising expenses</u>		
Without donor restrictions	1,993	1,432
With donor restrictions	<u>1,767</u>	<u>1,277</u>
Total Expenses	<u>\$ 3,760</u>	<u>\$ 2,709</u>

Contributions with donor restrictions are made up of annual giving and purpose restricted contributions which are classified as net assets with donor restrictions on the Consolidated Balance Sheets. Contributions that are donor restricted to be held in perpetuity reflect gifts where the corpus cannot be utilized but where investment earnings are available for use. These contributions are also classified as net assets with donor restrictions on the Consolidated Balance Sheets. Contributions that reflect gifts with no donor restrictions are reported on the Consolidated Statements of Operations as contributions without donor restrictions, net.

Fundraising expenses are reported as operating expenses for those expenses related to contributions without donor restrictions and as non-operating activity for those expenses related to contributions with donor restrictions. Expenses directly related to special events are netted with the revenue from those events.

Kennedy Krieger Institute, Inc., and Affiliates
Notes to Consolidated Financial Statements
for the years ended June 30, 2022 and 2021
(in thousands)

8. INVESTMENTS AND INVESTMENT INCOME

	2022	2021
Board designated endowment		
Fixed income mutual funds	\$ 19,420	\$ 21,590
Equity mutual funds	43,141	53,085
Total long-term investments	<u>62,561</u>	<u>74,675</u>
Investments limited as to use		
Money market funds	44	41
Fixed income mutual funds	2,471	2,299
Equity securities and funds	6,255	8,331
Total assets limited to use	<u>8,770</u>	<u>10,671</u>
Total Investments	<u>\$ 71,331</u>	<u>\$ 85,346</u>

Changes in Board designated endowment investments for the years ended June 30, 2022 and 2021 are as follows:

	2022	2021
Board designated endowment investments, beginning of year	\$ 74,675	\$ 57,031
Investment return, net	(10,422)	19,010
Investment withdrawals	<u>(1,692)</u>	<u>(1,366)</u>
Board designated endowment investments, end of year	<u>\$ 62,561</u>	<u>\$ 74,675</u>

The Investment Committee of the Board of Directors (“Investment Committee”) sets the investment policy for the Board designated endowment investments, including investment and spending guidelines. Investments are based on the objective of achieving capital appreciation and investment income. Assets are invested in a manner that is intended to achieve an average annual real return in excess of inflation while assuming an acceptable level of investment risk. To monitor the effectiveness of the investment strategy of long-term investments, performance goals are established and monitored related to benchmark indices and returns earned by comparable funds.

To satisfy its long-term rate of return objectives of the Board designated endowment investments, the Institute employs a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current income (interest and dividends). The investment policy includes a target asset allocation that is well diversified among suitable asset classes and that is expected to generate, on average, the level of expected return necessary to meet the long-term investments’ objectives while assuming a level of risk (volatility) consistent with achieving that return.

The asset allocation of the Board designated endowment investments at June 30, 2022 and 2021 is summarized below. The Investment Committee regularly reviews the actual asset allocation against the target and periodically rebalances the investment, as appropriate.

Kennedy Krieger Institute, Inc., and Affiliates
Notes to Consolidated Financial Statements
for the years ended June 30, 2022 and 2021
(in thousands)

	Target Allocation	Actual Allocation	
		2022	2021
Equities	70%	69%	72%
Fixed income	30%	31%	28%
	<u>100%</u>	<u>100%</u>	<u>100%</u>

The investment policy also provides for an investment earnings withdrawal to be used in support of operating activities, as determined by Institute management, and approved through the annual budget. The annual withdrawal is determined based on 4% of the three-year average market value of the portfolio. Calculated withdrawals under the policy are \$2,510 and \$2,256 and actual withdrawals were \$1,692 and \$1,366 in 2022 and 2021, respectively. Since policy inception, \$4,832 in calculated withdrawals have been deferred.

Investments with a market value of \$1,435 as of June 30, 2022 and 2021 have been pledged as collateral under the Institute's self-funded unemployment insurance plan.

Investments Limited as To Use

Investments limited as to use at June 30, 2022 and 2021 are made up of the following:

	2022	2021
Self insurance trust fund	\$ 4,957	\$ 5,954
Deferred compensation	2,051	2,637
Donor restricted fund	1,145	1,389
Planned gifts, net of reserve	322	396
Donor advised fund	<u>295</u>	<u>295</u>
Total investments limited as to use	<u>\$ 8,770</u>	<u>\$ 10,671</u>

Investment Income and Gains and Losses

Investment income and gains and losses are comprised of the following:

	2022	2021
Investment return		
Interest and dividend income	\$ 3,536	\$ 2,357
Realized gain on investments, net	516	2,237
Less: Investment earnings appropriated for operating activities	(2,510)	(2,256)
Unrealized gain/(loss) on investments	<u>(15,584)</u>	<u>14,643</u>
Investment return, net	<u>\$ (14,042)</u>	<u>\$ 16,981</u>

Kennedy Krieger Institute, Inc., and Affiliates
Notes to Consolidated Financial Statements
for the years ended June 30, 2022 and 2021
(in thousands)

Liquidity and Availability

Cash	\$	23,097
Patient receivable, net		20,554
Grant and contract receivable		9,873
Tuition receivable		6,175
Pledges receivable		878
Prepaid expenses and other current assets		4,818
Investments limited as to use		8,770
Long-term investments		62,561
Total financial assets	\$	<u>136,726</u>
Less amounts not available:		
Investments limited as to use	\$	8,770
Pledges receivable, in excess of 1 year		352
Financial assets not available to be used within one year	\$	<u>9,122</u>
Financial assets available to meet general expenditures within one year	\$	<u>127,604</u>

As part of the Institute's liquidity management plan, cash in excess of daily requirements is invested in either money market funds, short-term investments, or long-term investments. Investment decisions are based on anticipated liquidity needs, such that financial assets are available as general expenditures, liabilities, and other obligations come due. Additionally, the Institute maintains a line of credit with a bank, as discussed in Note 14.

9. FAIR VALUE MEASUREMENTS

The Institute follows the FASB's guidance on fair value measurements, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, establishes a framework for measuring fair value, and expands disclosures about such fair value measurements. This guidance applies to other accounting pronouncements that require or permit fair value measurements and, accordingly, this guidance does not require any new fair value measurements.

This guidance discusses valuation techniques such as the market approach, cost approach and income approach. The guidance establishes a three-tier level hierarchy for fair value measurements based upon the transparency of inputs used to value an asset or liability as of the measurement date. The three-tier hierarchy prioritizes the inputs used in measuring fair value as follows:

- Level 1 – Observable inputs such as quoted market prices for identical assets or liabilities in active markets;
- Level 2 – Observable inputs for similar assets or liabilities in an active market, or other than quoted prices in an active market that are observable either directly or indirectly; and
- Level 3 – Unobservable inputs in which there is little or no market data that requires the reporting entity to develop its own assumptions.

Kennedy Krieger Institute, Inc., and Affiliates
Notes to Consolidated Financial Statements
for the years ended June 30, 2022 and 2021
(in thousands)

The financial instrument's categorization within the hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Each of the financial instruments below has been valued utilizing the market approach.

The following tables present the fair value of investments and liabilities as of June 30, 2022 and June 30, 2021, by the valuation hierarchy defined above and also presents information on the liquidity aspects of each investment.

Fair Value of Investments
as of June 30, 2022

	Level 1	Level 2	Level 3	Total Fair Value
Investments:				
Money market funds (1)	\$ 44	\$ -	\$ -	\$ 44
Fixed income mutual funds (2)	21,891	-	-	21,891
Equity securities and funds (3)	49,101	-	-	49,101
Privately held investments (4)	-	-	295	295
Total Investments	<u>\$ 71,036</u>	<u>\$ -</u>	<u>\$ 295</u>	<u>\$ 71,331</u>
Liabilities:				
Interest rate swap (5)	<u>\$ -</u>	<u>\$ 4,285</u>	<u>\$ -</u>	<u>\$ 4,285</u>
Total Liabilities	<u>\$ -</u>	<u>\$ 4,285</u>	<u>\$ -</u>	<u>\$ 4,285</u>

Fair Value of Investments
as of June 30, 2021

	Level 1	Level 2	Level 3	Total Fair Value
Investments:				
Money market funds (1)	\$ 41	\$ -	\$ -	\$ 41
Fixed income mutual funds (2)	23,888	-	-	23,888
Equity securities and funds (3)	61,122	-	-	61,122
Privately held investments (4)	-	-	295	295
Total Investments	<u>\$ 85,051</u>	<u>\$ -</u>	<u>\$ 295</u>	<u>\$ 85,346</u>
Liabilities:				
Interest rate swap (5)	<u>\$ -</u>	<u>\$ 8,518</u>	<u>\$ -</u>	<u>\$ 8,518</u>
Total Liabilities	<u>\$ -</u>	<u>\$ 8,518</u>	<u>\$ -</u>	<u>\$ 8,518</u>

Kennedy Krieger Institute, Inc., and Affiliates
Notes to Consolidated Financial Statements
for the years ended June 30, 2022 and 2021
(in thousands)

- (1) Money market funds include investments in short-term debt securities, including U.S. Treasury bills and commercial paper with same day or next day liquidity.
- (2) Fixed income mutual funds include funds whose underlying investments include domestic and international corporate bonds, obligations issued or guaranteed by the U.S. government or its agencies, bankers acceptances, bank certificates of deposit, repurchase agreements, commercial paper, fixed income instruments denominated in currencies of emerging market countries and fixed income instruments represented by forwards or derivatives including options, future contracts, and swap agreements. All funds are traded in active markets and offer next day liquidity.
- (3) Equity funds include investments in common stock mutual funds with next day liquidity.
- (4) Privately held investments include common stock of a privately held company. There is no market for the common stock.
- (5) The Institute has classified the valuation of its interest rate swap as Level 2 within the fair value hierarchy. Over-the-counter derivatives that trade in liquid markets, such as interest rate swaps, model inputs (i.e. contractual terms, market prices, yield curves, credit curves, and measures of volatility) can generally be verified, and model selection does not involve significant management judgment.

10. PROPERTY AND EQUIPMENT

A summary of property and equipment at June 30, 2022 and 2021 is as follows:

	2022	2021
Land	\$ 4,657	\$ 4,657
Building and improvements	222,016	219,630
Furniture & equipment, including computer software	52,586	58,752
	<u>279,259</u>	<u>283,039</u>
Less: Accumulated depreciation	(133,410)	(128,961)
Property and equipment, net	<u>145,849</u>	<u>154,078</u>

Depreciation expense was \$12,866 and \$12,506 in 2022 and 2021, respectively.

Capital Lease Obligations

The Institute maintains lease agreements for computer equipment, software, and the renovation of leased space. The Institute records these leases as capital leases and capitalized the property and equipment on the Consolidated Balance Sheets.

The future minimum lease payments required under the capital lease are as follows:

2023	674
2024	282
2025	57
	<u>1,013</u>
Total future minimum lease payments	<u>\$ 1,013</u>

Kennedy Krieger Institute, Inc., and Affiliates
Notes to Consolidated Financial Statements
for the years ended June 30, 2022 and 2021
(in thousands)

11. PLEDGES RECEIVABLE

Pledges receivable at June 30, 2022 and 2021 are summarized below:

	2022	2021
Pledges receivable:		
With donor restrictions	2,875	3,128
Without donor restrictions	-	1
	<u>2,875</u>	<u>3,129</u>
Less: Present value adjustment	(97)	(116)
Allowance for uncollectible pledges	<u>(1,900)</u>	<u>(2,099)</u>
Net pledges receivable	878	914
Less: Pledges due within one year	<u>(526)</u>	<u>(636)</u>
Pledges due in one to five years	<u>\$ 352</u>	<u>\$ 278</u>

The present value adjustments for 2022 and 2021 were made utilizing discount rates in effects at the time of the gift. The allowance for uncollectible pledges has been estimated based on management evaluation of each pledge's likelihood to be collected and using historical pledge write-off experience.

12. SIGNIFICANT CONCENTRATIONS OF CREDIT RISK

The Institute records patient receivables due for services provided to patients and others. The majority of these patients either qualify for federal/state assistance programs or have insurance through commercial insurance companies or managed care organizations. The Institute maintains reserves for potential losses and such losses have been within management's expectations. The mix of patient receivables due from patients and third-party payers at June 30, 2022 and 2021 are as follows:

	2022	2021
Medicaid	18.3%	11.9%
Medicaid managed care	<u>10.4%</u>	<u>27.0%</u>
Total Medicaid	28.7%	38.9%
Commercial Insurance	18.6%	15.6%
Blue Cross	24.8%	21.6%
Self-pay and other	23.8%	21.2%
Medicare	<u>4.1%</u>	<u>2.7%</u>
	<u>100.0%</u>	<u>100.0%</u>

Kennedy Krieger Institute, Inc., and Affiliates
Notes to Consolidated Financial Statements
for the years ended June 30, 2022 and 2021
(in thousands)

13. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses at June 30, 2022 and 2021 are made up of the following:

	2022	2021
Accounts payable and PO accruals	\$ 7,936	\$ 11,560
Payroll payable	10,362	8,513
Accrued vacation	7,609	7,313
Performance incentive accruals	4,649	5,145
Employer FICA deferral	4,696	4,489
Workers' compensation, unemployment and health benefits	3,199	4,030
General and professional liability	1,641	1,641
Other accrued expenses	5,276	4,383
	<u>\$ 45,367</u>	<u>\$ 47,074</u>

14. DEBT

Long-term Debt – (Bonds Payable and Bank Loans)

Bonds payable issued through the Maryland Health and Higher Educational Facilities Authority (“MHHEFA”) and Bank Loans at June 30, 2022 and 2021 consisted of the following:

	2022	2021
MHHEFA Series 2013 Bonds	13,760	14,550
MHHEFA Series 2017A Bonds	20,948	21,695
MHHEFA Series 2017B Bonds	24,523	25,204
MHHEFA Series 2020 Bonds	12,155	13,350
2020 Bank Loan	9,837	10,156
	<u>81,223</u>	<u>84,955</u>
Less: Current portion	(4,258)	(3,731)
Less: Unamortized deferred financing costs	(748)	(878)
Long term debt, net	<u>\$ 76,217</u>	<u>\$ 80,346</u>

The Series 2013 Bonds issued through MHHEFA were privately placed with Bank of America through a \$16,730 non-bank qualified term loan with a 20-year amortization and a bank commitment maturity date of July 1, 2023. Principal and interest are due in monthly installments on the first day of each month. Terms of the loan call for a fixed interest rate of 3.62%.

The Series 2017A Bonds issued through MHHEFA were privately placed in March 2017 with CapitalOne Municipal Funding through a \$23,000 non-bank qualified term loan with a 25-year amortization and a bank commitment maturity date of April 1, 2027. Principal and interest payments are due in monthly installments on the first day of each month. Principal payments began on April 1, 2019. Terms of the loan agreement called for an original fixed rate of interest of 3.21%. Due to the change in the maximum federal corporate tax rate, the loan agreement was amended in May 2018, with a fixed rate of interest of 3.79%.

The Series 2017B Bonds issued through MHHEFA were privately placed with Truist Bank (formerly BB&T) through a \$27,510 non-bank qualified term loan with a maturity date of April 1, 2027. The loan is being amortized through March 1, 2037. Terms of the loan agreement call for interest to be paid based on a percentage of 30-day LIBOR plus a credit spread. On August 20, 2021, the terms of 2017B Bonds were amended by Truist Bank to extend the bank commitment date through August 2030 and add an interest rate floor. On December 1, 2021 an amendment was made to the financing

Kennedy Krieger Institute, Inc., and Affiliates
Notes to Consolidated Financial Statements
for the years ended June 30, 2022 and 2021
(in thousands)

agreement to change the interest rate basis from 30-day LIBOR to SOFR and to remove the interest rate floor. Principal and interest payments continue to be due in monthly installments.

The Series 2020 Bonds issued through MHHEFA were privately placed through a \$14,300 non-bank qualified term loan with Fulton Bank. Terms of the Series 2020 Bonds call for 10-year bank commitment with amortization continuing through July 1, 2036. Principal and interest are to be paid monthly with interest determined based on an index floating rate plus a credit spread and subject to an interest rate floor.

On October 16, 2019, the Institute closed on a \$10,000 364-day, unsecured short-term note with Truist Bank (formerly BB&T). Proceeds from the short-term note payable was used for fund various operating, capital and working capital requirements associated with its electric health record system implementation. Pricing on the note payable was based on 30-day LIBOR plus a credit spread. The short-term note payable included interest only payable monthly. The short-term note payable was refunded with the 2020 Bank Loan

The 2020 Bank Loan was closed with Truist Bank on August 20, 2020 in the amount of \$10,250 and refunded the \$10,000 short-term loan plus closing costs. Terms of the 2021 Bank Loan include a 5-year bank commitment with a 10-year amortization. Principal and interest are to be paid monthly with interest determined based on an index floating rate plus a credit spread and subject to an interest rate floor. On December 1, 2021 an amendment to the loan agreement was made to change the interest rate basis from 30-day LIBOR to SOFR.

The obligated group for Bonds Payable and Bank Loan (the "Debt") include Kennedy Krieger Institute, Inc., and each of its affiliated entities. Bonds Payable were issued in parity and contain certain restrictions on the Institute's ability to incur additional indebtedness, restrict its use of facilities, maintain stipulated insurance coverage, and maintain a rate structure sufficient to meet its total annual cash requirements. The Institute must maintain compliance with certain debt covenants contained in the bond and loan agreements. At June 30, 2022 and 2021, the Institute was in compliance with all debt covenants in accordance with these agreements.

The aggregate future maturities of Bonds Payable and Bank Loan over the next five years and thereafter are summarized below at June 30, 2022.

2023	\$ 4,258
2024	4,600
2025	4,793
2026	4,983
2027	5,136
Thereafter	57,453
	<u>\$ 81,223</u>

Unamortized deferred bond financing costs of \$748 in 2022 and \$877 in 2021 are netted against tax-exempt bonds. Amortization expense was \$129 and \$91 in 2022 and 2021, respectively.

Line of Credit

The Institute maintains a working capital line of credit with Truist bank. The committed amount under the line of credit is \$15,000 and with the commitment extended through August 17, 2023. There was no balance drawn against the line of credit at June 30, 2022 and 2021. The line of credit is secured

Kennedy Krieger Institute, Inc., and Affiliates
Notes to Consolidated Financial Statements
for the years ended June 30, 2022 and 2021
(in thousands)

by a pledge on the revenues of the Institute and debt covenant requirements are consistent with the Bonds Payable and the Bank Loan.

15. RETIREMENT PLANS

The Institute maintains defined benefit and defined contribution plans covering substantially all of its employees.

Defined Benefit Plan

The Institute's defined benefit pension plan (the "plan") provides benefits to staff-level employees based on years of service and the employees' final average compensation. The Institute's policy is to annually fund the amount necessary to meet minimum funding requirement under ERISA. Contributions of \$3,600 and \$5,100 were made for 2022 and 2021, respectively. The plan was amended effective April 1, 2019 to allow lump sum payments to employees hired before July 1, 1989 and to allow in-service distributions to Plan participants who reach normal retirement age while still employed.

The net periodic benefit cost calculated in accordance with current guidance for employer's accounting for pension obligations is \$337 and \$2,242 for 2022 and 2021, respectively. The service cost components of net periodic pension cost is reported within salaries, wages and benefits on the Consolidated Statements of Operations and Changes in Net Assets.

The following table sets for the plan's funded status and benefit obligations recognized in the Institute's consolidated financial statements at June 30, 2022 and 2021:

Kennedy Krieger Institute, Inc., and Affiliates
Notes to Consolidated Financial Statements
for the years ended June 30, 2022 and 2021
(in thousands)

	2022	2021
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 64,030	\$ 66,026
Service cost	314	688
Interest cost	1,776	1,795
Actuarial (gain)/loss	(14,334)	(1,448)
Benefits paid from the Plan	(1,195) *	(3,031)
Plan Settlements	(2,678)	-
Projected benefit obligation at end of year	<u>\$ 47,913</u>	<u>\$ 64,030</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	\$ 54,543	\$ 42,767
Actual return on plan assets	(9,834)	9,707
Employer contribution	3,600	5,100
Benefits paid from the plan	(1,195) *	(3,031)
Plan settlements	(2,678) *	-
Fair value of plan assets at end of year	<u>\$ 44,436</u>	<u>\$ 54,543</u>
Funded status at end of year	<u>\$ (3,477)</u>	<u>\$ (9,487)</u>
* The plan reported settlements due to lump sum payouts exceeding the sum of the service cost and interest cost for the fiscal year ended June 30, 2022. A settlement loss of \$598 was reported		
Amounts recognized in the Consolidated Balance Sheets:		
Non current liabilities	\$ (3,477)	\$ (9,487)
Amounts recognized in Net assets without donor restrictions:		
Net actuarial loss/(gain)	\$ 10,702	\$ 13,448
Information for pension plans with a accumulated benefit obligation in excess of plan assets:		
Projected benefit obligation	\$ 47,914	\$ 64,030
Accumulated benefit obligation	\$ 47,914	\$ 64,030
Fair value of assets	\$ 44,437	\$ 54,544
Components of net periodic pension cost:		
Service cost	\$ 314	\$ 688
Interest cost	1,776	1,795
Expected return on plan assets	(3,316)	(2,609)
Recognized net actuarial (gain)/loss	965	2,368
Effect of Settlement	598	-
Net periodic pension cost	<u>\$ 337</u>	<u>\$ 2,242</u>
Other changes in plan assets and benefit obligations recognized in Net assets without donor restrictions:		
Net actuarial loss/(gain)	\$ 10,702	\$ 13,448
Total recognized in net periodic benefit cost and Net assets without donor restrictions:	<u>\$ 11,039</u>	<u>\$ 15,690</u>

Kennedy Krieger Institute, Inc., and Affiliates
Notes to Consolidated Financial Statements
for the years ended June 30, 2022 and 2021
(in thousands)

Assumptions:

Weighted-average assumptions used to determine benefit

obligation at:	<u>6/30/2022</u>	<u>6/30/2021</u>
Discount rate	4.63%	2.82%
Rate of compensation increase	N/A	N/A

Weighted-average assumptions used to determine net periodic

benefits cost for years ended:	<u>6/30/2022</u>	<u>6/30/2021</u>
Discount rate	2.82%	2.76%
Expected long-term return on plan assets	6.00%	6.00%
Rate of compensation increase	N/A	N/A

Cash flows:

Contributions: The expected contributions to be made during the 2023 fiscal year are \$3,600.

Estimated future benefit payments to be paid for fiscal year ending:

2023	\$ 2,205
2024	2,218
2025	2,233
2026	2,355
2027	2,463
2028-2032	13,847

The discount rate assumption for fiscal years ending 2022 and 2021 was based on the FTSE Pension Above-Median Discount Curve as of June 30, 2022 and 2021. The mortality tables used in fiscal year 2022 and 2021 are based on the MP-2021 projection scale and the MP-2020 projection scale respectively.

In determining the expected long-term rate of return on plan assets, the Institute evaluated the historical long-term rate of return for each class of asset in determining an acceptable overall range of expected returns for the plan.

The following tables present fair value measurements for plan assets as of June 30, 2022 and 2021 by the valuation hierarchy as defined in footnote 9 and also includes the liquidity aspects of each investment:

Fair Value of Investments as of June 30, 2022:

	Level 1	Level 2	Level 3	Total Fair Value
Investments:				
Money market funds (1)	\$ 454	\$ -	\$ -	\$ 454
Fixed income mutual funds (2)	15,561	-	-	15,561
Equity securities and funds (3)	28,422	-	-	28,422
Total Investments	<u>\$ 44,437</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,437</u>

Kennedy Krieger Institute, Inc., and Affiliates
Notes to Consolidated Financial Statements
for the years ended June 30, 2022 and 2021
(in thousands)

Fair Value of Investments as of June 30, 2021:

	Level 1	Level 2	Level 3	Total Fair Value
Investments:				
Money market funds (1)	\$ 261	\$ -	\$ -	\$ 261
Fixed income mutual funds (2)	19,122	-	-	19,122
Equity securities and funds (3)	35,161	-	-	35,161
Total Investments	<u>\$ 54,544</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,544</u>

- (1) Money market funds include investments in short-term debt securities, including US Treasury bills and commercial paper with same day or next day liquidity.
- (2) Fixed income mutual funds include funds whose underlying investments include domestic and international corporate bonds, obligations issued or guaranteed by the U.S. government or its agencies, bankers acceptances, bank certificates of deposit, repurchase agreements, commercial paper, fixed income instruments denominated in currencies of emerging market countries and fixed income instruments represented by forwards or derivatives including options, future contracts, and swap agreements. All funds are traded in active markets with next day liquidity.
- (3) Equity funds include investments in common stock mutual funds and are traded in active markets with next day liquidity.

The plan's target allocations and actual asset allocation at June 30, by asset category, was as follows:

	Target Allocation	Actual Allocation 2022	Actual Allocation 2021
Money market funds	-	1.0%	0.5%
Equities	65%	64.0%	64.4%
Fixed income	35%	35.0%	35.1%
	<u>100%</u>	<u>100.0%</u>	<u>100.0%</u>

The objectives of the plan's investment strategy are to maximize the plan's funded status and minimize the Institute's contributions and plan expense.

The Investment Committee establishes a target asset allocation and regularly reviews the actual asset allocation against the target. It also periodically rebalances the investment allocations, as appropriate.

Defined Contribution Plan

The Institute maintains a qualified defined contribution retirement plan which is in compliance with section 401(k) of the Internal Revenue Code (IRC). The 401(k) plan is active and available to all employees (including all faculty and senior staff members) and provides for up to a 50% employer match on employee contributions up to certain levels of compensation. During 2022 and 2021, the aggregate contributions to the 401(k) plan were \$25,689 and \$21,918.

Deferred Compensation Plan

The Institute also offers a non-qualified deferred compensation plan (457(b) of the IRC) for certain of its executives which allows for the deferral of compensation up to IRS limits. A deferred compensation balance of \$2,051 and \$2,637 in fiscal years 2022 and 2021, respectively, was

Kennedy Krieger Institute, Inc., and Affiliates
Notes to Consolidated Financial Statements
for the years ended June 30, 2022 and 2021
(in thousands)

reported in Investments limited as to use in the Consolidated Balance Sheet. An associated liability of an equal amount is included in Other long-term liabilities in the Consolidated Balance Sheet. The Institute makes no contributions to the Deferred Compensation Plan.

16. INTEREST RATE SWAP

The Institute manages the fixed/variable mix of its debt portfolio, including hedging exposure to increasing interest expense on variable rate debt, by utilizing an interest rate swap. The Institute maintains a fixed payer interest rate swap which hedges the variable interest rate risk on the majority of the outstanding balance of the Series 2020 and 2017B Series Bonds. Under the terms of the agreement with a local bank, the Institute pays a fixed rate of 3.636% and receives a percentage of an applicable variable reference rate on notional amounts that reduce annually until July 2036. Notional amounts of \$33,551 and \$34,415 were effective June 30, 2022 and 2021, respectively. Under the terms of the agreement, no collateral requirements exist on the part of the Institute.

The fair value of the interest rate swap and the related unrealized (losses) were as follows as of June 30, including the classification on the Consolidated Balance Sheets and Statements of Operations:

	Fair Market Value	
	2022	2021
Interest rate swap liability	\$ 4,283	\$ 8,518
	Amount recognized in Non-operating activity	
	2022	2021
Unrealized gain/(loss) on interest rate swap valuation	\$ 4,235	\$ 3,022
Interest rate swap payments	(1,146)	(1,245)
Total	<u>\$ 3,089</u>	<u>\$ 1,777</u>

17. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were held for the following purposes at June 30, 2022 and 2021:

	2022	2021
Capital Campaigns	\$ 1,010	\$ 1,943
Research and clinical projects	22,836	22,700
Perpetual in nature	<u>4,551</u>	<u>2,415</u>
	<u>\$ 28,397</u>	<u>\$ 27,058</u>

Kennedy Krieger Institute, Inc., and Affiliates
Notes to Consolidated Financial Statements
for the years ended June 30, 2022 and 2021
(in thousands)

During 2022 and 2021, net assets with donor restrictions were released by satisfying donor restrictions in the following amounts:

	2022	2021
Property and equipment	\$ 715	\$ 1,389
Operating activities	5,347	2,127
Total	<u>\$ 6,062</u>	<u>\$ 3,516</u>

18. SELF INSURANCE

Professional and General Liability

The Institute maintains a self-insurance trust (the “Trust”) for general and professional liability to cover liability claims arising out of the ordinary course of its business. Excess coverage with an insurance company is in place to cover losses above self-insured retention levels.

Assets in the Trust are to provide for payment of professional and general liability claims and expenses. Potential losses from asserted and unasserted claims are accrued based on estimates that incorporate the Institute’s past experience, as well as other considerations, including the nature of each claim or incident, applicable insurance coverage and relevant trend factors.

An accrued liability related to asserted and unasserted self-insured general and professional liability claims of \$1,641 and have been recorded both June 30, 2022 and 2021 and is included in Accounts payable and accrued expenses on the Consolidated Balance Sheets. Investments in the Trust have a market value of \$4,957 and \$5,954 at June 30, 2022, and 2021, respectively and are reported in Investments limited as to use on the Consolidated Balance Sheets.

Workers’ Compensation, Unemployment and Health Benefits

The Institute self-insures its workers’ compensation, unemployment and employee health and dental benefits. Losses from claims identified by the Institute, as well as provisions for estimated losses for incurred but not reported incidents, are accrued based on estimates that incorporate the past experience of the Institute, as well as other considerations, including the nature of the claims or incidents and relevant trend factors. An accrued liability of \$3,199 and \$4,031 has been recorded on June 30, 2022, and 2021, respectively for these self-insured plans and is included in Accounts payable and accrued expenses on the Consolidated Balance Sheets.

19. COMMITMENTS AND CONTINGENCIES

Litigation

The Institute is involved in claims and litigation on professional liability and personnel matters that arise in the ordinary course of its business. This litigation is not expected to result in losses that exceed insurance limits or have a materially adverse effect on the Institute’s financial position.

Rental Lease Commitments

Through the creation of MSP, all property and major equipment is leased/subleased to each operating entity. These transactions are eliminated through the consolidating of the Institute’s financial statements.

Kennedy Krieger Institute, Inc., and Affiliates
Notes to Consolidated Financial Statements
for the years ended June 30, 2022 and 2021
(in thousands)

Commitments for leases that do not meet the criteria for capitalization are classified as operating leases with related rentals charged to operations as incurred. The following is a schedule by year of future minimum lease payments under operating leases as of June 30, 2022, that have initial or remaining lease terms in excess of one year.

2023	2,708
2024	1,948
2025	1,776
2026	1,820
2027	1,837
2028-2033	9,658
Total	<u>\$ 19,747</u>

Rent expense on external lease commitments for the years ended June 30, 2022 and 2021 was \$3,548 and \$2,861, respectively.

Charitable Gift Annuities

The Institute has received charitable gift annuities from donors from which the Institute has guaranteed payments to the donor on a quarterly basis until the donor's death.

The Institute has recorded gift annuities, net of future annuity payments, consistent with the rates adopted by the American Council on Gift Annuities at the time of issuance of the gift annuity. Gift annuities with a market value of \$476 and \$588 have been recorded in 2022 and 2021, net of a future annuity payment liability of \$273 and \$329, respectively, and are reported in Investments limited as to use on the Consolidated Balance Sheets. Maryland Insurance Commission required reserves for annuity payments are \$321 and \$335 in 2022 and 2021. Assets maintained on outstanding annuity agreements exceed the amount of the Maryland Insurance Commission required reserve.

20. FUNCTIONAL EXPENSES

The Institute provides specialty pediatric health care services, conducts laboratory and clinical research, operates special education school programs, and administers community-based services, conducts fundraising activities, and provides institutional support. Costs not directly attributable to a function, including depreciation and interest, are allocated to function based on square footage.

Kennedy Krieger Institute, Inc., and Affiliates
Notes to Consolidated Financial Statements
for the years ended June 30, 2022 and 2021
(in thousands)

Expenses related to providing these services are as follows:

June 30, 2022

	Healthcare	Research	Education/ Community Svcs	Fundraising	Institutional Support	Total
Salaries, wages and benefits	\$ 140,953	\$ 21,568	\$ 40,061	\$ 1,692	\$ 27,293	\$ 231,567
Supplies and other	20,299	9,006	4,949	2,658	17,605	54,518
Rent	2,687	-	837	-	-	3,524
Interest	997	219	612	10	302	2,141
Depreciation and amortization	6,049	1,331	3,717	64	1,834	12,995
Total	\$ 170,985	\$ 32,124	\$ 50,177	\$ 4,425	\$ 47,034	\$ 304,744

June 30, 2021

	Healthcare	Research	Education/ Community Svcs	Fundraising	Institutional Support	Total
Salaries, wages and benefits	\$ 132,137	\$ 17,711	\$ 34,136	\$ 1,973	\$ 23,063	\$ 209,020
Supplies and other	18,404	8,055	2,320	1,234	16,288	46,301
Rent	2,468	-	393	-	-	2,861
Interest	1,101	242	677	12	334	2,366
Depreciation and amortization	5,864	1,290	3,604	62	1,778	12,598
Total	\$ 159,974	\$ 27,298	\$ 41,130	\$ 3,281	\$ 41,463	\$ 273,146

21. SUBSEQUENT EVENTS

The Institute has evaluated subsequent events through October 14, 2022, which is the date the Consolidated Financial Statements were issued. There have been no events subsequent to that date that needed to be disclosed.



Report of Independent Auditors

To the Board of Directors of Kennedy Krieger Institute, Inc., and Affiliates

We have audited the consolidated financial statements of Kennedy Krieger Institute, Inc., and Affiliates as of and for the years ended June 30, 2022 and 2021 and our report thereon appears on pages 1 - 3 of this document which included an unmodified opinion on those consolidated financial statements. That audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information as of and for the years ended June 30, 2022 and 2021 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 consolidating 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 consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual companies and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position, results of operations and cash flows of the individual companies.

A handwritten signature in dark ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style.

Baltimore, Maryland
October 14, 2022

SUPPLEMENTAL CONSOLIDATING FINANCIAL STATEMENTS

Kennedy Krieger Institute, Inc., and Affiliates

Combining Statement of Net Assets

Year Ended June 30, 2022

	Kennedy Krieger Children's Hospital, Inc	Hugo W. Moser Research Institute at Kennedy Krieger, Inc	Kennedy Krieger Education & Community Services, Inc.	Kennedy Krieger Foundation Inc.	Pact: Helping Children with Special Needs, Inc.	Madison Street Properties Inc.	Combining Eliminations	COMBINED TOTAL
Assets:								
Current Assets:								
Cash and cash equivalents	14,331,288	-	-	7,944,072	821,405	-	-	23,096,765
Patient receivable, net	18,667,187	-	1,781,568	-	105,062	-	-	20,553,817
Grants and contract receivable	(514,027)	8,167,179	1,644,424	-	575,726	-	-	9,873,302
Tuition receivable	-	-	6,175,059	-	-	-	-	6,175,059
Pledge receivable	-	-	-	521,500	4,000	-	-	525,500
Due from affiliates	64,986,150	-	2,515,584	-	-	-	(67,501,734)	-
Prepaid expenses and other	3,296,379	1,056,899	632,076	2,720	14,729	-	(185,000)	4,817,803
Total Current Assets	100,766,977	9,224,078	12,748,711	8,468,292	1,520,922	-	(67,686,734)	65,042,246
Non-current Assets:								
Property and equipment, net	-	-	-	-	-	145,848,632	-	145,848,632
Board designated endowment	-	-	-	62,122,807	437,876	-	-	62,560,683
Investments limited as to use	7,008,407	-	-	1,761,547	-	-	-	8,769,954
Pledge receivable, net	-	-	-	345,241	7,500	-	-	352,741
Total Non-Current Assets	7,008,407	-	-	64,229,595	445,376	145,848,632	-	217,532,010
Total Assets	107,775,384	9,224,078	12,748,711	72,697,887	1,966,298	145,848,632	(67,686,734)	282,574,256
Liabilities and Net Assets								
Current Liabilities:								
Accounts payable and accrued expenses	42,663,154	1,021,805	58,455	-	36,508	1,587,320	-	45,367,242
Deferred grant revenue	(117,822)	1,826,599	311,042	-	41,048	-	-	2,060,867
Due to affiliates	-	21,457,455	-	4,892,636	35,074	41,116,569	(67,501,734)	-
Current portion of Long-Term Liabilities	-	-	-	-	-	4,257,929	-	4,257,929
Total Current Liabilities	42,545,332	24,305,859	369,497	4,892,636	112,630	46,961,818	(67,501,734)	51,686,038
Non-current Liabilities:								
Long Term Debt, net	-	-	-	-	-	76,217,018	-	76,217,018
Accrued Pension Payable	3,476,679	-	-	-	-	-	-	3,476,679
Interest Rate Swap Accrual	-	-	-	-	-	4,283,214	-	4,283,214
Other long-term liabilities	2,397,470	-	-	-	-	-	-	2,397,470
Total Long-Term Liabilities	5,874,149	-	-	-	-	80,500,232	-	86,374,381
Total Liabilities	48,419,481	24,305,859	369,497	4,892,636	112,630	127,462,050	(67,501,734)	138,060,419
Net Assets								
Unrestricted	54,103,932	(25,135,110)	11,236,329	57,245,460	464,297	18,386,582	(185,000)	116,116,490
Restricted	5,251,971	10,053,329	1,142,885	10,559,791	1,389,371	-	-	28,397,347
Total Net Assets	59,355,903	(15,081,781)	12,379,214	67,805,251	1,853,668	18,386,582	(185,000)	144,513,837
Total Liabilities and Net Assets	107,775,384	9,224,078	12,748,711	72,697,887	1,966,298	145,848,632	(67,686,734)	282,574,256

Kennedy Krieger Institute, Inc., and Affiliates

Combining Statement of Net Assets

Year Ended June 30, 2022

	Kennedy Krieger Children's Hospital, Inc	Hugo W. Moser Research Institute at Kennedy Krieger, Inc	Kennedy Krieger Education & Community Services, Inc.	Kennedy Krieger Foundation Inc.	Pact: Helping Children with Special Needs, Inc.	Madison Street Properties Inc.	Combining Eliminations	Combined Total
Operating revenues:								
Patient service revenue, net	\$ 191,355,713	\$ 2,220,553	\$ 3,198,416	\$ -	\$ 164,262	\$ -	\$ -	\$ 196,938,944
Tuition revenue	-	-	45,223,696	-	431,796	-	-	45,655,492
Grants and contract revenue	6,705,922	30,710,214	7,066,321	-	2,271,216	-	-	46,753,673
Net assets released for operating activities	715,592	2,221,898	862,302	2,104,035	159,033	-	(715,200)	5,347,660
Investment earnings used for operating activities	-	2,510,439	-	-	-	-	-	2,510,439
Unrestricted contributions from fundraising activities, net	-	-	-	1,107,627	-	-	-	1,107,627
Other operating revenues	735,130	4,348,625	63,750	-	376,919	39,111,904	(43,561,535)	1,074,793
Total operating revenues	199,512,357	42,011,729	56,414,485	3,211,662	3,403,226	39,111,904	(44,276,735)	299,388,628
Operating expenses:								
Salaries, wages and benefits	150,759,054	23,755,300	43,804,461	400,797	2,785,888	8,670,685	-	230,176,185
Supplies, purchased services and other	25,712,440	14,339,970	6,815,739	1,905,346	485,593	11,758,178	(7,320,566)	53,696,700
Space costs, net	24,078,656	5,246,735	7,228,957	262,091	139,730	3,547,573	(36,956,169)	3,547,573
Depreciation	-	-	-	-	-	12,994,618	-	12,994,618
Interest	-	-	-	-	-	2,140,774	-	2,140,774
Total operating expenses	200,550,150	43,342,005	57,849,157	2,568,234	3,411,211	39,111,828	(44,276,735)	302,555,850
Operating revenues over (under) expenses	(1,037,793)	(1,330,276)	(1,434,672)	643,428	(7,985)	76	-	(3,167,222)
Non-operating activity:								
Investment return, net	(671,185)	-	-	(13,298,328)	(72,386)	-	-	(14,041,899)
Gain (loss) on interest rate swap	-	-	-	-	-	3,089,215	-	3,089,215
Restricted fundraising expenses	-	-	-	(1,767,213)	-	-	-	(1,767,213)
Net non-operating activities	(671,185)	-	-	(15,065,541)	(72,386)	3,089,215	-	(12,719,897)
Excess of revenues (under) over expenses	\$ (1,708,978)	\$ (1,330,276)	\$ (1,434,672)	\$ (14,422,113)	\$ (80,371)	\$ 3,089,291	\$ -	\$ (15,887,119)

Kennedy Krieger Institute, Inc., and Affiliates
Combining Statement of Net Assets
Year Ended June 30, 2022

	Kennedy Krieger Children's Hospital, Inc	Hugo W. Moser Research Institute at Kennedy Krieger, Inc	Kennedy Krieger Education & Community Services, Inc.	Kennedy Krieger Foundation Inc.	Pact: Helping Children with Special Needs, Inc.	Madison Street Properties Inc.	Combining Eliminations	COMBINED TOTAL
Unrestricted net assets:								
Excess of operating revenue over (under) operating expenses	\$ (1,708,978)	\$ (1,330,276)	\$ (1,434,672)	\$ (14,422,113)	\$ (80,371)	\$ 3,089,291	\$ -	\$ (15,887,119)
Net assets released from restrictions used for property and equipment	-	-	-	-	-	715,200	-	715,200
Change in funded status of defined benefit plan	3,736,335	-	-	-	-	-	-	3,736,335
Increase (decrease) in unrestricted net assets	2,027,357	(1,330,276)	(1,434,672)	(14,422,113)	(80,371)	3,804,491	-	(11,435,584)
Unrestricted net assets, beginning of year	52,076,575	(23,804,836)	12,671,000	71,667,576	544,668	14,582,091	(185,000)	127,552,074
Unrestricted net assets, end of year	54,103,932	(25,135,112)	11,236,328	57,245,463	464,297	18,386,582	(185,000)	116,116,490
Restricted net assets:								
Contributions from fundraising activities	2,514,670	2,150,123	809,532	1,527,574	400,604	-	-	7,402,503
Net assets released from restrictions used for:	-	-	-	-	-	-	-	-
Operating activities	(715,592)	(2,221,898)	(722,102)	(1,529,035)	(159,033)	-	-	(5,347,660)
Purchases of property and equipment	-	-	(140,200)	(575,000)	-	-	-	(715,200)
Increase (decrease) in restricted net assets	1,799,078	(71,775)	(52,770)	(576,461)	241,571	-	-	1,339,643
Restricted net assets, beginning of year	3,452,893	10,125,106	1,195,656	11,136,249	1,147,800	-	-	27,057,704
Restricted net assets, end of year	5,251,971	10,053,331	1,142,886	10,559,788	1,389,371	-	-	28,397,347
Increase(decrease) in total net assets	3,826,435	(1,402,051)	(1,487,442)	(14,998,574)	161,200	3,804,491	-	(10,095,941)
Total net assets, beginning of year	55,529,468	(13,679,730)	13,866,656	82,803,825	1,692,468	14,582,091	(185,000)	154,609,778
Total net assets, end of year	\$ 59,355,903	\$ (15,081,781)	\$ 12,379,214	\$ 67,805,251	\$ 1,853,668	\$ 18,386,582	\$ (185,000)	\$ 144,513,837

Kennedy Krieger Institute, Inc., and Affiliates

Combining Balance Sheet

Year Ended June 30, 2021

	Kennedy Krieger Children's Hospital, Inc	Hugo W. Moser Research Institute at Kennedy Krieger, Inc.	Kennedy Krieger Education & Community Services, Inc.	Kennedy Krieger Foundation, Inc.	PACT: Helping Children with Special Needs, Inc.	Madison Street Properties, Inc.	Consolidating Eliminations	Consolidated Totals
<u>Assets</u>								
Current assets:								
Cash and cash equivalents	\$ 18,985,934	\$ -	\$ -	\$ 17,565,251	\$ 554,775	\$ -	\$ -	\$ 37,105,960
Patient receivables, net	20,212,676	\$ -	\$ 1,618,181	-	81,693	-	-	21,912,550
Grant and contract receivable	(81,372)	\$ 3,394,792	798,476	-	448,729	-	-	4,560,625
Tuition receivable	-	-	4,215,042	-	-	-	-	4,215,042
Pledges receivable	-	-	-	632,700	3,000	-	-	635,700
Due from affiliates	64,364,219	-	7,523,866	-	207,167	-	\$ (72,095,252)	-
Prepaid expenses and other	2,667,666	662,598	185,000	1,722	1,697	-	(185,000)	3,333,683
Total current assets	106,149,123	4,057,390	14,340,565	18,199,673	1,297,061	-	(72,280,252)	71,763,560
Non-current assets:								
Property and equipment, net	-	-	-	-	-	154,077,614	-	154,077,614
Board designated endowment	-	-	-	74,164,929	510,262	-	-	74,675,191
Investments limited as to use	8,591,405	-	-	2,079,845	-	-	-	10,671,250
Pledges receivable, net	-	-	-	265,268	12,500	-	-	277,768
Total non-current assets	8,591,405	-	-	76,510,042	522,762	154,077,614	-	239,701,823
Total assets	\$ 114,740,528	\$ 4,057,390	\$ 14,340,565	\$ 94,709,715	\$ 1,819,823	\$ 154,077,614	\$ (72,280,252)	\$ 311,465,383
<u>Liabilities and net assets</u>								
Current liabilities:								
Accounts payable and accrued expenses	\$ 43,935,097	\$ 983,558	\$ 234,683	\$ 15,000	\$ 26,195	\$ 1,878,987	-	\$ 47,073,520
Deferred grant revenue	2,147,223	1,570,096	239,226	-	101,160	-	-	4,057,705
Due to affiliates	-	15,183,466	-	11,890,890	-	45,020,896	(72,095,252)	-
Line of credit / short term note	-	-	-	-	-	-	-	-
Current portion of long-term liabilities	-	-	-	-	-	3,731,113	-	3,731,113
Total Current Liabilities	46,082,320	17,737,120	473,909	11,905,890	127,355	50,630,996	(72,095,252)	54,862,338
Non-current Liabilities:								
Tax-exempt bonds, net	-	-	-	-	-	80,346,128	-	80,346,128
Accrued pension	9,486,342	-	-	-	-	-	-	9,486,342
Interest rate swap	-	-	-	-	-	8,518,399	-	8,518,399
Other long-term liabilities	3,642,398	-	-	-	-	-	-	3,642,398
Total long-term liabilities	13,128,740	-	-	-	-	88,864,527	-	101,993,267
Total liabilities	59,211,060	17,737,120	473,909	11,905,890	127,355	139,495,523	(72,095,252)	156,855,605
Net assets:								
Without donor restrictions	52,076,575	(23,804,836)	12,671,000	71,667,576	544,668	14,582,091	(185,000)	127,552,074
With donor restrictions	3,452,893	10,125,106	1,195,656	11,136,249	1,147,800	-	-	27,057,704
Total net assets	55,529,468	(13,679,730)	13,866,656	82,803,825	1,692,468	14,582,091	(185,000)	154,609,778
Total liabilities and net assets	114,740,528	4,057,390	14,340,565	94,709,715	1,819,823	154,077,614	(72,280,252)	311,465,383

Kennedy Krieger Institute, Inc., and Affiliates

Statement of Operations

Year Ended June 30, 2021

	Kennedy Krieger Children's Hospital, Inc	Hugo W. Moser Research Institute at Kennedy Krieger, Inc	Kennedy Krieger Education & Community Services, Inc.	Kennedy Krieger Foundation Inc.	Pact: Helping Children with Special Needs, Inc.	Madison Street Properties Inc.	Combining Eliminations	Combined Total
Operating revenues:								
Patient service revenue, net	\$ 185,576,337	\$ 1,954,357	\$ 1,065,993		\$ 116,070			\$ 188,712,757
Tuition revenue			41,822,870		326,260			42,149,130
Grants and contract revenue	7,812,296	22,741,302	4,504,091		1,900,588			36,958,277
Net assets released for operating activities	623,310	1,803,499	393,852	411,370	284,244		(1,388,808)	2,127,467
Investment earnings used for operating activities		2,256,437						2,256,437
Unrestricted contributions from fundraising activities, net				2,326,692				2,326,692
Other operating revenues	610,256	934,924	66,215		388,025	36,792,562	(37,848,229)	943,753
Total operating revenues	194,622,199	29,690,519	47,853,021	2,738,062	3,015,187	36,792,562	(39,237,037)	275,474,513
Operating expenses:								
Salaries, wages and benefits	140,215,376	19,159,624	37,029,999	969,663	2,436,858	8,139,730		207,951,250
Supplies, purchased services and other	23,526,916	9,704,304	3,813,092	484,608	426,203	10,318,805	(2,754,756)	45,519,172
Space costs, net	23,441,849	5,030,824	7,100,147	251,511	148,760	3,370,493	(36,482,281)	2,861,303
Depreciation						12,597,186		12,597,186
Rent								-
Interest						2,366,273		2,366,273
Total operating expenses	187,184,141	33,894,752	47,943,238	1,705,782	3,011,821	36,792,487	(39,237,037)	271,295,184
Operating revenues over (under) expenses	7,438,058	(4,204,233)	(90,217)	1,032,280	3,366	75	-	4,179,329
Non-operating activity:								
Investment return, net	1,319,049			15,539,935	120,374	1,692		16,981,050
Gain (loss) on interest rate swap						1,777,019		1,777,019
Restricted fundraising expenses				(1,276,854)				(1,276,854)
Net non-operating activities	1,319,049	-	-	14,263,081	120,374	1,778,711	-	17,481,215
Excess of revenues (under) over expenses	\$ 8,757,107	\$ (4,204,233)	\$ (90,217)	\$ 15,295,361	\$ 123,740	\$ 1,778,786	\$ -	\$ 21,660,544

Kennedy Krieger Institute, Inc., and Affiliates

Combining Statement of Changes in Net Assets

Year Ended June 30, 2021

	Kennedy Krieger Children's Hospital, Inc	Hugo W. Moser Research Institute at Kennedy Krieger, Inc.	Kennedy Krieger Education & Community Services, Inc.	Kennedy Krieger Foundation Inc.	PACT: Helping Children with Special Needs, Inc.	Madison Street Properties Inc.	Consolidating Eliminations	Consolidated Totals
Net assets without donor restrictions:								
Excess of revenue over (under) expenses	\$ 8,757,107	\$ (4,204,233)	\$ (90,217)	\$ 15,295,361	\$ 123,740	\$ 1,778,786	\$ -	\$ 21,660,544
Net assets released from restrictions used for property and equipment	-	-	-	-	-	-	-	-
Change in funded status of defined benefit plan	10,914,760	-	-	-	-	1,388,809	-	1,388,809
Increase (decrease) in net assets without donor restrictions	19,671,867	(4,204,233)	(90,217)	15,295,361	123,740	3,167,595	-	33,964,113
Net assets without donor restrictions, beginning of year	32,404,708	(19,600,603)	12,761,217	56,372,215	420,928	11,414,496	(185,000)	93,587,961
Net assets without donor restrictions, end of year	52,076,575	(23,804,836)	12,671,000	71,667,576	544,668	14,582,091	(185,000)	127,552,074
Net assets with donor restrictions:								
Contributions with donor restrictions	950,304	1,007,861	646,458	132,924	337,774	-	-	3,075,321
Net assets released from restrictions used for:	-	-	-	-	-	-	-	-
Operating activities	(623,310)	(414,692)	(393,852)	(411,370)	(284,244)	-	-	(2,127,468)
Purchases of property and equipment	-	(1,388,807)	-	-	-	-	-	(1,388,807)
Increase (decrease) in net assets with donor restrictions	326,994	(795,638)	252,606	(278,446)	53,530	-	-	(440,954)
Net assets with donor restrictions, beginning of year	3,125,899	10,920,744	943,050	11,414,695	1,094,270	-	-	27,498,658
Net assets with donor restrictions, end of year	3,452,893	10,125,106	1,195,656	11,136,249	1,147,800	-	-	27,057,704
Increase (decrease) in total net assets	19,998,861	(4,999,871)	162,389	15,016,915	177,270	3,167,595	-	33,523,159
Total net assets, beginning of year	35,530,607	(8,679,859)	13,704,267	67,786,910	1,515,198	11,414,496	(185,000)	121,086,619
Total net assets, end of year	\$ 55,529,468	\$ (13,679,730)	\$ 13,866,656	\$ 82,803,825	\$ 1,692,468	\$ 14,582,091	\$ (185,000)	\$ 154,609,778

Kennedy Krieger Institute, Inc., and Affiliates
Notes to Supplemental Consolidating Financial Statements
for the year ended June 30, 2022

1. Basis of Presentation and Accounting

The consolidating supplemental schedules have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The Supplemental Consolidating Financial Statements presented on pages 37-39 were derived from and relate directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial positions and changes in net assets of the individual companies within the Institute and are not a required part of the consolidated financial statements. The individual affiliates within the Institute as presented within the supplemental consolidating financial statements are disclosed within Note 1 to the consolidated financial statements.

**Schedule of Expenditures of Federal Awards and
Notes to Schedule of Expenditures of Federal Awards**

Kennedy Krieger Institute, Inc. and Affiliates

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Cluster/Federal Program	Entity	Assistance Listing Number	Pass Through Entity	Grant award number or pass-through entity identification number	Federal Expenditures	
					Total	Passed through to subrecipients
Research and Development Cluster- Direct Awards						
Department of Health and Human Services						
Centers for Disease Control & Prevention						
Maternal Child Health Careers/Research Initiatives-Undergrad	R	93.456		U50 MN000004-04	\$ 173,480	\$ -
Maternal Child Health Careers/Research Initiatives-Undergrad	R	93.456		U50 MN000004-04	105,934	0
Maternal Child Health Careers/Research Initiatives-Undergrad	R	93.456		U50 MN000004-04	25,199	25,199
Maternal Child Health Careers/Research Initiatives-Undergrad	R	93.456		U50 MN000004-04	12,829	12,829
Maternal Child Health Careers/Research Initiatives-Undergrad	R	93.456		U50 MN000004-04	535,068	0
Maternal Child Health Careers/Research Initiatives-Undergrad	R	93.456		U50 MN000004-04	449,387	0
Maternal Child Health Careers/Research Initiatives-Undergrad	R	93.456		U50 MN000004-04	28,353	28,353
Maternal Child Health Careers/Research Initiatives-Undergrad	R	93.456		U50 MN000004-04	24,948	24,948
National Institute of Health						
Clinical and Neuroimagin Phenotypes of Neurological Disorders In Pediatric Sickle Cell Disease	R	93.839		K 23 HI133455-04A	59,273	0
MRI-based Quantitative Brain Oximetry for Sickle Cell Disease	R	93.839		K25 HL145129-02	7,302	7,302
MRI-based Quantitative Brain Oximetry for Sickle Cell Disease	R	93.839		K25 HL145129-03	52,046	10,346
MRI-based Quantitative Brain Oximetry for Sickle Cell Disease	R	93.839		K25 HL145129-04	1,912	0
Neuroimaging, Neurogognitive & Plasma Pretein Markers in Sickle Cell	R	93.839		R03 HL158636-01	36,928	0
Non-Contrast-Enhanced Velocity-Selective MR Angiography	R	93.837		R01HL138182-03	19,301	0
Non-Contrast-Enhanced Velocity-Selective MR Angiography	R	93.837		R01HL138182-04	234,159	0
Non-Contrast-Enhanced Velocity-Selective MR Angiography	R	93.837		R01HL138182-05	104,504	0
Velocity-Selective Arterial Spin Labeling based Perfusion Mapping for Cerebrovascular Diseases	R	93.837		R01HL144751-02	242,473	5,300
Velocity-Selective Arterial Spin Labeling based Perfusion Mapping for Cerebrovascular Diseases	R	93.837		R01HL144751-03	84,000	0
MRI Based Phosphocreatine Mapping Method to Assess Patients with Peripheral Arterial Disease	R	93.837		R01HL149742-01A1	215,182	16,273
MRI Based Phosphocreatine Mapping Method to Assess Patients with Peripheral Arterial Disease	R	93.837		R01HL149742-01A1	352,360	0
MRI Bimodal Imaging for Non Invasive Tracking of Extracellular Vesicles	R	93.837		R33 HL161756-01	92,073	0
Resources for Quantitive Functional MRI	R	93.286		P41 RR15241-18 Suppl	901	0
Resources for Quantitive Functional MRI	R	93.286		P41 RR15241-19	878	0
Resources for Quantitive Functional MRI	R	93.286		P41 RR15241-20	549,851	0
Resources for Quantitive Functional MRI	R	93.286		P41 RR15241-20 Miller sub	75,470	75,470
Resources for Quantitive Functional MRI	R	93.286		P41 RR15241-20 Caffo sub	7,069	7,069
Novel Approaches for CEST Labeling, Detection, Quantification and Translation	R	93.286		5 R01 EB015032-07	624	0
Novel Approaches for CEST Labeling, Detection, Quantification and Translation	R	93.286		5 R01 EB015032-08	427,422	0
Development and Translation of D-Glucose as a Diagnostic Agent for MRI	R	93.286		R01EB019934-05	210,147	0
Sensitivity Enhanced MRI Imaging of Receptor Binding in Breast Cancer	R	93.286		R21EB025295-03A	94,889	0
Gastric Electrical Slow Wave Functional MRI of the Human Brain	R	93.286		R21EB030009-01	178,100	14,425

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

Kennedy Krieger Institute, Inc. and Affiliates

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Cluster/Federal Program	Entity	Assistance Listing Number	Pass Through Entity	Grant award number or pass-through entity identification number	Federal Expenditures	
					Total	Passed through to subrecipients
MRI Resource for Physiologic, Metabolic & Anatomic Biomarkers	R	93.286		P41EB031771-01	\$ 400,860	\$ -
MRI Resource for Physiologic, Metabolic & Anatomic Biomarkers	R	93.286		P41EB031771-01	67,291	0
MRI Resource for Physiologic, Metabolic & Anatomic Biomarkers	R	93.286		P41EB031771-01 -SUB	93,857	93,857
MRI Resource for Physiologic, Metabolic & Anatomic Biomarkers	R	93.286		P41EB031771-01	91,830	0
MRI Resource for Physiologic, Metabolic & Anatomic Biomarkers	R	93.286		P41EB031771-01 - SUB	27,763	27,763
MRI Resource for Physiologic, Metabolic & Anatomic Biomarkers	R	93.286		P41EB031771-01	79,909	0
MRI Resource for Physiologic, Metabolic & Anatomic Biomarkers	R	93.286		P41EB031771-01	57,413	0
MRI Resource for Physiologic, Metabolic & Anatomic Biomarkers	R	93.286		P41EB031771-01	57,096	0
MRI Resource for Physiologic, Metabolic & Anatomic Biomarkers	R	93.286		P41EB031771-01	19,968	0
MRI Resource for Physiologic, Metabolic & Anatomic Biomarkers	R	93.286		P41EB031771-01	14,166	0
MRI Resource for Physiologic, Metabolic & Anatomic Biomarkers	R	93.286		P41EB031771-01	17,953	0
MRI Resource for Physiologic, Metabolic & Anatomic Biomarkers	R	93.286		P41EB031771-01	14,853	0
MRI Resource for Physiologic, Metabolic & Anatomic Biomarkers	R	93.286		P41EB031771-01	11,778	0
MRI Resource for Physiologic, Metabolic & Anatomic Biomarkers	R	93.286		P41EB031771-01	10,893	0
Resident Training in Brain Injury Rehab	R	93.865		5T32HD007414-27	111,277	0
Resident Training in Brain Injury Rehab	R	93.865		5T32HD007414-28	84,831	0
Resident Training in Brain Injury Rehab	R	93.865		5T32HD007414-29	23,179	0
Mechanism & Rehabilitation of Cerebella Ataxia	R	93.865		R01 HD40289-16A	12,168	0
Mechanism & Rehabilitation of Cerebella Ataxia	R	93.865		R01 HD40289-17A	48,650	0
Mechanism & Rehabilitation of Cerebella Ataxia	R	93.865		R01 HD40289-17A	4,351	4,351
Mechanism & Rehabilitation of Cerebella Ataxia	R	93.865		R01 HD40289-18A	251,648	0
Mechanism & Rehabilitation of Cerebella Ataxia	R	93.865		R01 HD40289-19A	133,881	0
Human Locomotors Plasticity in Health and Disease	R	93.865		R37 NS090610-14	134,995	0
Human Locomotors Plasticity in Health and Disease	R	93.865		R37 NS090610-15	244,536	0
Human Locomotors Plasticity in Health and Disease	R	93.865		R37 NS090610-15 CELNIK SU	20,801	20,801
Human Locomotors Plasticity in Health and Disease	R	93.865		R37 NS090610-15 ZIPUNN SU	26,741	26,741
Human Locomotors Plasticity in Health and Disease	R	93.865		R37 NS090610-16	(12,435)	0
Delineating Subtypes of Self-Injurious Behavior Maintained by Automatic	R	93.865		R01 HD076653-06	620	620
Delineating Subtypes of Self-Injurious Behavior Maintained by Automatic	R	93.865		R01 HD076653-07	96,517	12,064
Delineating Subtypes of Self-Injurious Behavior Maintained by Automatic	R	93.865		R01 HD076653-08	224,232	0
Delineating Subtypes of Self-Injurious Behavior Maintained by Automatic	R	93.865		R01 HD076653-09	188	0
Intellectual and Developmental Disabilities Research Centers 2013	R	93.865		U54 HD079123-06	(403)	0
Intellectual and Developmental Disabilities Research Centers 2013	R	93.865		U54 HD079123-06	38	0
Intellectual and Developmental Disabilities Research Centers 2013	R	93.865		P50HD103538 CLIN	(2,130)	0
Intellectual and Developmental Disabilities Research Centers 2013	R	93.865		P50HD103538-01 RESEARCH	81	0
Intellectual and Developmental Disabilities Research Centers 2013	R	93.865		P50HD103538 NEURO	3,453	0
Intellectual and Developmental Disabilities Research Centers 2013	R	93.865		P50HD103538 BEH PHENOTY	23	0
Intellectual and Developmental Disabilities Research Centers 2013	R	93.865		IDDRC-JHU SUB VOLK	4,436	4,436
Intellectual and Developmental Disabilities Research Centers 2013	R	93.865		IDDRC-JHU SUB KANNAN	50,164	50,164
Intellectual and Developmental Disabilities Research Centers 2013	R	93.865		IDDRC-JHU SUB VOLK_II	35,488	35,488
Intellectual and Developmental Disabilities Research Centers 2013	R	93.865		IDDRC-JHU SUB MILLER	1,741	1,741
Intellectual and Developmental Disabilities Research Centers 2013	R	93.865		IDDRC-JHU SUB LIN	24,008	24,008
Intellectual and Developmental Disabilities Research Centers 2013	R	93.865		IDDRC-JHU SUB DOHENY	27,793	27,793
Intellectual and Developmental Disabilities Research Centers 2013	R	93.865		P50HD103538-02 ADMIN	165,420	0
Intellectual and Developmental Disabilities Research Centers 2013	R	93.865		P50HD103538 CLIN	269,968	0

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

Kennedy Krieger Institute, Inc. and Affiliates

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Cluster/Federal Program	Entity	Assistance Listing Number	Pass Through Entity	Grant award number or pass-through entity identification number	Federal Expenditures	
					Total	Passed through to subrecipients
Intellectual and Developmental Disabilities Research Centers 2013	R	93.865		P50HD103538-02 RESEARCH	\$ 147,185	\$ -
Intellectual and Developmental Disabilities Research Centers 2013	R	93.865		P50HD103538 NEURO IMAG	24,729	0
Intellectual and Developmental Disabilities Research Centers 2013	R	93.865		P50HD103538 BEH PHENOTY	151,218	0
Intellectual and Developmental Disabilities Research Centers 2013	R	93.865		P50HD103538 DS CONNECT	53,304	0
Intellectual and Developmental Disabilities Research Centers 2013	R	93.865		P50HD103538 SUB VOLK	35,231	35,231
Intellectual and Developmental Disabilities Research Centers 2013	R	93.865		P50HD103538 SUB KANNAN	20,044	20,044
Intellectual and Developmental Disabilities Research Centers 2013	R	93.865		P50HD103538 SUB VOLK_II	63,386	63,386
Intellectual and Developmental Disabilities Research Centers 2013	R	93.865		P50HD103538 SUB MILLER	16,318	16,318
Intellectual and Developmental Disabilities Research Centers 2013	R	93.865		P50HD103538 SUB LIN	33,985	33,985
Intellectual and Developmental Disabilities Research Centers 2013	R	93.865		P50HD103538 SUB DOHENY	76,407	76,407
Intellectual and Developmental Disabilities Research Centers 2013	R	93.865		P50HD103538 ADMIN	13,479	0
Intellectual and Developmental Disabilities Research Centers 2013	R	93.865		P50HD103538 CLIN	16,460	0
Intellectual and Developmental Disabilities Research Centers 2013	R	93.865		P50HD103538 RESEARCH	10,214	0
Intellectual and Developmental Disabilities Research Centers 2013	R	93.865		P50HD103538 NEURO IMAGI	2,580	0
Intellectual and Developmental Disabilities Research Centers 2013	R	93.865		P50HD103538 BEH PHENOTY	14,056	0
Mechanisms Regulating KCC@ Hypofunction	R	93.865		R01 HD090884-02	384	0
Mechanisms Regulating KCC@ Hypofunction	R	93.865		R01 HD090884-03	9,728	0
Mechanisms Regulating KCC@ Hypofunction	R	93.865		R01 HD090884-04	87,469	0
Mechanisms Regulating KCC@ Hypofunction	R	93.865		R01 HD090884-05	122,543	0
Subtle Motor Functioning and Functional Connectivity in Youth After Mild TBI	R	93.865		R01HD090266-02	9,115	0
Subtle Motor Functioning and Functional Connectivity in Youth After Mild TBI	R	93.865		R01HD090266-03	179,881	0
Subtle Motor Functioning and Functional Connectivity in Youth After Mild TBI	R	93.865		R01HD090266-03 CAFFO	2,586	2,586
Subtle Motor Functioning and Functional Connectivity in Youth After Mild TBI	R	93.865		R01HD090266-03 TEKES	-	0
Subtle Motor Functioning and Functional Connectivity in Youth After Mild TBI	R	93.865		R01HD090266-04	342,902	0
Subtle Motor Functioning and Functional Connectivity in Youth After Mild TBI	R	93.865		R01HD090266-CAFFO	19,511	19,511
Subtle Motor Functioning and Functional Connectivity in Youth After Mild TBI	R	93.865		R01HD090266- TEKES	12,766	12,766
Subtle Motor Functioning and Functional Connectivity in Youth After Mild TBI	R	93.865		R01HD090266-05	133,140	0
Subjective Valuation of Ohsysical Effort in Health and Disease	R	93.865		R01HD097619-01A1	68,309	0
Subjective Valuation of Ohsysical Effort in Health and Disease	R	93.865		R01HD097619-02	212,382	0
Subjective Valuation of Ohsysical Effort in Health and Disease	R	93.865		R01HD097619-02 CELNIK	15,120	15,120
Subjective Valuation of Ohsysical Effort in Health and Disease	R	93.865		R01HD097619-02	338,319	1,447
Subjective Valuation of Ohsysical Effort in Health and Disease	R	93.865		R01HD097619-02 CELNIK	17,581	17,581
Identifying Precursors to Severe Problem Behavior	R	93.865		R03HD096180-02A	13,300	0
Preparing for a Clinical Trial in Kabuki Syndrome	R	93.865		K23HD101646-01	5,743	0
Preparing for a Clinical Trial in Kabuki Syndrome	R	93.865		K23HD101646-02	160,944	0
The Role of Executive Functions in Reading & Reading Remediation	R	93.865		R01HD086011-06	1,492	0
Anomalous Motor System Physiology in ADHD	R	93.242		R01MH078160-11	84,578	0
Anomalous Motor System Physiology in ADHD	R	93.242		R01MH078160-12	314,143	0
Adolescent Changes in Brain and Behavior in Boys and Girls with ADHD	R	93.242		R01MH085328-12A1	2,941	0

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

Kennedy Krieger Institute, Inc. and Affiliates

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Cluster/Federal Program	Entity	Assistance Listing Number	Pass Through Entity	Grant award number or pass-through entity identification number	Federal Expenditures	
					Total	Passed through to subrecipients
Adolescent Changes in Brain and Behavior in Boys and Girls with ADHD	R	93.242		R01MH085328-13A1	\$ (1,726)	\$ -
Adolescent Changes in Brain and Behavior in Boys and Girls with ADHD	R	93.242		R01MH085328-14A1	36,077	0
Virtual Brain Electrode (VIBE) for Imaging Neuronal Activity	R	93.242		R24MH109085-03	(56)	0
Visual-Motor Development in Infants at High Risk for Autism	R	93.242		K01MH109766-02	10,148	0
Visual-Motor Development in Infants at High Risk for Autism	R	93.242		K01MH109766-03	22,328	0
Visual-Motor Development in Infants at High Risk for Autism	R	93.242		K01MH109766-04	15,434	0
Visual-Motor Development in Infants at High Risk for Autism	R	93.242		K01MH109766-05	28,417	0
A Novel Framework for Impaired Imitation in ASD	R	93.242		R01 MH113652-04A	35,360	0
A Novel Framework for Impaired Imitation in ASD	R	93.242		R01 MH113652-04A-SUB	16,404	16,404
A Novel Framework for Impaired Imitation in ASD	R	93.242		R01 MH113652-05A	478,193	0
A Novel Framework for Impaired Imitation in ASD	R	93.242		R01 MH113652-05A-SUB	35,154	35,154
Behavioral and Neural Representations of Subjective Effort Cost	R	93.242		R01MH119086-01A1	126,055	0
Behavioral and Neural Representations of Subjective Effort Cost	R	93.242		R01MH119086-02	85,112	836
Behavioral and Neural Representations of Subjective Effort Cost	R	93.242		R01MH119086-03	211,553	2,637
Examinatin of Developmental Trajectories of Cognitive, Motor, & Emotional Control	R	93.242		R03MH119457-01A1	6,252	0
Examinatin of Developmental Trajectories of Cognitive, Motor, & Emotional Control	R	93.242		R03MH119457-01A1	33,321	0
Neurobiology of Social Behavior Circuit Analysis in Early Life	R	93.242		R00MH124434-03	177,927	0
Methyl-CpG-dependent transcription factor function in human glioma	R	93.853		R01NS091165-05	(12,449)	0
GABAergic Sensorimotor Dysfunction in Tourette Syndrome	R	93.853		R01NS096207-03	12,781	0
GABAergic Sensorimotor Dysfunction in Tourette Syndrome	R	93.853		R01NS096207-04	20,474	0
GABAergic Sensorimotor Dysfunction in Tourette Syndrome	R	93.853		R01NS096207-05	115,739	0
GABAergic Sensorimotor Dysfunction in Tourette Syndrome	R	93.853		R01NS096207-05 CAFFO SUI	721	721
GABAergic Sensorimotor Dysfunction in Tourette Syndrome	R	93.853		R01NS096207-05 EDDEN SUI	22,134	22,134
GABAergic Sensorimotor Dysfunction in Tourette Syndrome	R	93.853		R01NS096207-05 CINN SUB	168,528	168,528
Targeted Therapies for Neonatal White Matter Injury	R	93.853		R01NS097511-05	55,486	0
Targeted Therapies for Neonatal White Matter Injury	R	93.853		R01NS097511-05 SUB	13,301	13,301
Child Neurologist Career Development Program	R	93.853		K12NS098482-03 JHU SUB	(27,250)	0
Child Neurologist Career Development Program	R	93.853		K12NS098482-03 DUKE SUB	694	694
Child Neurologist Career Development Program	R	93.853		K12NS098482-03-JHU SUB	77,376	50,125
Child Neurologist Career Development Program	R	93.853		K12NS098482-04	324	0
Child Neurologist Career Development Program	R	93.853		K12NS098482-04-CORNELL SI	25,636	25,636
Child Neurologist Career Development Program	R	93.853		K12NS098482-04-STANFORD S	35,882	35,882
Child Neurologist Career Development Program	R	93.853		K12NS098482-04-BAYLOR SU	99,067	99,067
Child Neurologist Career Development Program	R	93.853		K12NS098482-04-JHU SUB	87,551	87,551
Child Neurologist Career Development Program	R	93.853		K12NS098482-04-MGH SUB	72,884	72,884
Child Neurologist Career Development Program	R	93.853		K12NS098482-04-WU STL SUI	111,313	111,313
Child Neurologist Career Development Program	R	93.853		K12NS098482-04-U OF MICH S	25,530	25,530
Child Neurologist Career Development Program	R	93.853		K12NS098482-05	88,394	0
Child Neurologist Career Development Program	R	93.853		K12NS098482-05-CORNELL SI	20,771	20,771
Child Neurologist Career Development Program	R	93.853		K12NS098482-05-ELRICK SUI	68,996	0
Child Neurologist Career Development Program	R	93.853		K12NS098482-05-JHU SUB	77,779	77,779
Child Neurologist Career Development Program	R	93.853		K12NS098482-05-MGH SUB	107,455	107,455
Child Neurologist Career Development Program	R	93.853		K12NS098482-05-UCSF SUB	3,610	3,610
Child Neurologist Career Development Program	R	93.853		K12NS098482-05-LSJU SUB	4,932	4,932
Child Neurologist Career Development Program	R	93.853		K12NS098482-05-ROCHESTE	3,047	3,047
Child Neurologist Career Development Program	R	93.853		K12NS098482-05-U OF MICH S	110,723	110,723
Child Neurologist Career Development Program	R	93.853		K12NS098482-05-COLO SUB	46,589	46,589

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

Kennedy Krieger Institute, Inc. and Affiliates

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Cluster/Federal Program	Entity	Assistance Listing Number	Pass Through Entity	Grant award number or pass-through entity identification number	Federal Expenditures	
					Total	Passed through to subrecipients
Child Neurologist Career Development Program	R	93.853		K12NS098482-05-STANFORD	\$ 96,489	\$ 96,489
Child Neurologist Career Development Program	R	93.853		K12NS098482-05-MGH SUB	85,129	85,129
Child Neurologist Career Development Program	R	93.853		K12NS098482-05-WUSTL KA'	65,516	65,516
Child Neurologist Career Development Program	R	93.853		K12NS098482-05-OHSU RIDD	94,861	94,861
Child Neurologist Career Development Program	R	93.853		K12NS098482-05-NCH-SETT	137,805	137,805
Child Neurologist Career Development Program	R	93.853		K12NS098482-05-COLO SUB	81,583	81,583
Child Neurologist Career Development Program	R	93.853		K12NS098482-06	75,135	0
Chromatin Modifications in GBM-Propagating Cells	R	93.853		R01NS096754-03A JHU SUB	15,080	15,080
Chromatin Modifications in GBM-Propagating Cells	R	93.853		R01NS096754-04A	1,747	292
Chromatin Modifications in GBM-Propagating Cells	R	93.853		R01NS096754-04A	8,637	8,637
Chromatin Modifications in GBM-Propagating Cells	R	93.853		R01NS096754-04A	15,098	15,098
Chromatin Modifications in GBM-Propagating Cells	R	93.853		R01NS096754-04A	212,196	0
Targeting Hyaluronan-Mediated Motility Receptor in Glioblastoma Stem Cells	R	93.853		R01NS099460-02	(501)	0
Targeting Hyaluronan-Mediated Motility Receptor in Glioblastoma Stem Cells	R	93.853		R01NS099460-03	9,020	0
Targeting Hyaluronan-Mediated Motility Receptor in Glioblastoma Stem Cells	R	93.853		R01NS099460-04	108,728	0
Targeting Hyaluronan-Mediated Motility Receptor in Glioblastoma Stem Cells	R	93.853		R01NS099460-05	237,233	0
Targeting Hyaluronan-Mediated Motility Receptor in Glioblastoma Stem Cells	R	93.853		R01NS099460-05 ZHOU SUB	23,112	23,112
Targeting TAZ-driven Oncogenic Signaling in Medulloblastoma	R	93.853		R21NS106407-01	(1,002)	0
Targeting TAZ-driven Oncogenic Signaling in Medulloblastoma	R	93.853		R21NS106407-02	(64)	0
Imaging Small Blood and Lymphahtic Vessel Abnormalities	R	93.853		R01NS108452-02	15,312	0
Imaging Small Blood and Lymphahtic Vessel Abnormalities	R	93.853		R01NS108452-02 SUPP	14,278	14,278
Imaging Small Blood and Lymphahtic Vessel Abnormalities	R	93.853		R01NS108452-02 JHU SUB	9,819	9,819
Imaging Small Blood and Lymphahtic Vessel Abnormalities	R	93.853		R01NS108452-03	211,660	0
Imaging Small Blood and Lymphahtic Vessel Abnormalities	R	93.853		R01NS108452-03 JHU SUB	77,824	77,824
Imaging Small Blood and Lymphahtic Vessel Abnormalities	R	93.853		R01NS108452-04	221,538	0
Imaging Small Blood and Lymphahtic Vessel Abnormalities	R	93.853		R01NS108452-04 JHU SUB	34,023	34,023
Imaging Small Blood and Lymphahtic Vessel Abnormalities	R	93.853		R01NS108452-04	8,092	0
Cerebrovascular Abnormalities in Huntingtons Disease	R	93.853		R21NS104480-02A1	(25,848)	0
Paracrine Angiotensin II Signaling Promotes Medulloblastoma	R	93.853		R21NS101400-01A1	(1,383)	0
Paracrine Angiotensin II Signaling Promotes Medulloblastoma	R	93.853		R21NS101400-02A1	29,885	20,172
Cortical Functional Connectivity as an Early Biomarker of Recovery in SCI	R	93.853		R21NS104644-02	23,380	0
Cortical Functional Connectivity as an Early Biomarker of Recovery in SCI	R	93.853		R21NS104644-02S1	24,013	0
Tet2 Regulation and Function in Glioma Cell Phenotype Reprogramming	R	93.853		R01NS110087-01A	(5,057)	0
Tet2 Regulation and Function in Glioma Cell Phenotype Reprogramming	R	93.853		R01NS110087-02A	58,658	0
Tet2 Regulation and Function in Glioma Cell Phenotype Reprogramming	R	93.853		R01NS110087-03A	269,107	0
Tet2 Regulation and Function in Glioma Cell Phenotype Reprogramming	R	93.853		R01NS110087-04A	14,164	0
Bioenergetic Failure Underlies Cerebral Dysmaturity After Perinatal Brain Injury	R	93.853		R01NS099461-05	255,715	0
Bioenergetic Failure Underlies Cerebral Dysmaturity After Perinatal Brain Injury	R	93.853		R01NS099461-05	48,126	0
Molecular Determinanats of Cellular Heteroenity and Theapeutic Resistance in GBM	R	93.853		R01NS120949-01	201,879	0
Molecular Determinanats of Cellular Heteroenity and Theapeutic Resistance in GBM	R	93.853		R01NS120949-01 SUB	27,742	27,742
Molecular Determinanats of Cellular Heteroenity and Theapeutic Resistance in GBM	R	93.853		R01NS120949-02	78,595	0

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Kennedy Krieger Institute, Inc. and Affiliates

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Cluster/Federal Program	Entity	Assistance Listing Number	Pass Through Entity	Grant award number or pass-through entity identification number	Federal Expenditures	
					Total	Passed through to subrecipients
Development of Mechanisms Underlying Human Motor Learning	R	93.853		R35NS122266-01	\$ 328,530.0	\$ -
Development of Mechanisms Underlying Human Motor Learning	R	93.853		R35NS122266-01	38,459	38,459
Development of Mechanisms Underlying Human Motor Learning	R	93.853		R35NS122266-01	26,497	26,497
Development of Mechanisms Underlying Human Motor Learning	R	93.853		R35NS122266-01	1,822	1,822
Development of Mechanisms Underlying Human Motor Learning	R	93.853		R35NS122266-01	70,897	0
Modeling Host Susceptibility Factors in Acute Flaccid Myelitis	R	93.853		R03NS118061-02	29,224	0
Extramural Research Programs in the Neurosciences Disorders	R	93.853		R01NS127280-01	52,144	0
Analysis of DARS2 in Leukoencephalopathy with Brainstem	R	93.853		R21NS125059-01	4,949	0
Noninvasive Prediction of Tumor Response to Gemcitabine using MRI	R	93.394		R01CA211087-03A	(10,051)	0
Noninvasive Prediction of Tumor Response to Gemcitabine using MRI	R	93.394		R01CA211087-04A	105,094	0
Leveraging energetics to Improve Gait Rehabilitation after Stroke	R	93.866		R21 AG059184-02A1	(14,947)	0
Impaired Cerebral Glucose Uptake in the Brain as an MRI marker for Alzheimer's Disease	R	93.866		R21 AG065794-01	(21,340)	0
Impaired Cerebral Glucose Uptake in the Brain as an MRI marker for Alzheimer's Disease	R	93.866		R21 AG065794-02	74,277	50,724
Contributions of Local Cerebral Iron to Cognitive Decline during Aging and Preclinical Alzheimer's Disease	R	93.866		R03 AG065527	6,604	0
Contributions of Local Cerebral Iron to Cognitive Decline during Aging and Preclinical Alzheimer's Disease	R	93.866		R03 AG065527	40,540	0
Advanced MR Imaging of Olfactory Impairment in Prodromal Alzheimers Disease	R	93.866		R01 AG064093-01	14,792	0
Advanced MR Imaging of Olfactory Impairment in Prodromal Alzheimers Disease	R	93.866		R01 AG064093-01	35,101	35,101
Advanced MR Imaging of Olfactory Impairment in Prodromal Alzheimers Disease	R	93.866		R01 AG064093-02	95,939	0
Advanced MR Imaging of Olfactory Impairment in Prodromal Alzheimers Disease	R	93.866		R01 AG064093-02	161,652	160,939
Advanced MR Imaging of Olfactory Impairment in Prodromal Alzheimers Disease	R	93.866		R01 AG064093-03	34,838	0
Altered pH in Early Alzheimers Disease Detected by Creatine	R	93.866		R21 AG074978-01	9,440	0
Developing MRI Contrast Agents to Detect Progression in Renal Disease	R	93.847		R01DK121847-01A1	144,998	0
Developing MRI Contrast Agents to Detect Progression in Renal Disease	R	93.847		R01DK121847-01A1	2,185	0
Developing MRI Contrast Agents to Detect Progression in Renal Disease	R	93.847		R01DK121847-01A1	405	0
Developing MRI Contrast Agents to Detect Progression in Renal Disease	R	93.847		R01DK121847-02A1	36,153	0
Developing MRI Contrast Agents to Detect Progression in Renal Disease	R	93.847		R01DK121847-02A1	4,539	4,539
Developing MRI Contrast Agents to Detect Progression in Renal Disease	R	93.847		R01DK121847-02A1	6,895	6,895
Developing MRI Contrast Agents to Detect Progression in Renal Disease	R	93.847		R01DK121847-03A1	108,970	0
Behavioral Health Workforce Education and Training Program	R	93.732		M01HP41974-01-01	35,290	0
Magnetic Particle Imaging Scanner	R	93.351		S10OD026740-01	180,000	0
Administration For Community Living						
Covid-19: Expanding Disabilities Networks Access to COVID 19 Vaccines	R	93.632		90DDC50061	36,499	0
The Health Resources and Services Administration						
MCH RESEARCH	R	93.110		T16MC29832-06	125,593	0
MCH RESEARCH	R	93.110		T16MC29832-07	24,534	0
Center for Mental Health Services						
Collective for Antiracist Child and Family Systems	R	93.243		H79SM085056-01	288,431	94,510
Office of the Secretary						
EMURG for Health Equity Leaders Fellowship Program	R	93.137		CPIMP211323-01	161,017	0
Total Department of Health and Human Services					18,038,690	3,241,972

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

Kennedy Krieger Institute, Inc. and Affiliates

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Cluster/Federal Program	Entity	Assistance Listing Number	Pass Through Entity	Grant award number or pass-through entity identification number	Total	Passed through to subrecipients
Department of Defense						
US Army Medical Research						
Neurovascular Changes Associated with Olfactory Deficits in Early Parkinson's Disease	R	12.420		W81XWH017-PRP-FIA	\$ 4,843	\$ -
Alzheimers Research Program	R	12.420		W81XWH1810797	(23,936)	
Alzheimers Research Program	R	12.420		W81XWH1810797	44,602	44,602
Randomized Trial of Telehealth Parent-Implemneted Intervention	R	12.420		W81XWH2110230	549,137	-
Randomized Trial of Telehealth Parent-Implemneted Intervention	R	12.420		W81XWH2110232	59,673	-
Total Department of Defense					634,319	44,602
National Science Foundation						
Multimodal Algorithms for Notor Imitation Assesment in Autism	R	47.070		2124276	108,931	-
Total Research and Development - Direct Awards					18,781,940	3,286,574
Research and Development Cluster- Pass Through Awards						
Department of Health and Human Services						
Mental Health Research						
Somatosensory Inhibitory Dysfunction in Austism Spectrum Disorder	R	93.242	Johns Hopkins University	2003046760	5,396	0
Somatosensory Inhibitory Dysfunction in Austism Spectrum Disorder	R	93.242	Johns Hopkins University	2003046760	90,287	0
Feasibility, Acceptability, and Preliminary Efficacy of Text4Father for Improving Infant & Family Health	R	93.242	Johns Hopkins University	2004623345	1,241	0
Investigation of Cerebular Involvement in Cognitive Function	R	93.242	Johns Hopkins University	2002590758	1,909	0
Neural Mechanisms of HIV Associates CNS Dysfunction	R	93.242	Johns Hopkins University	2004497820	109,706	0
Brain Glutamine Metabolism in Schizophrenia	R	93.242	Johns Hopkins University	2005258964	5,540	0
Visual Hallucinations & Memory Impairment in Parkinson's Disease	R	93.242	Johns Hopkins University	2005277849	36,572	0
National Institute of Health						
Developing plans for a Baltimore site if the HEALTHy BCD study	R	93.279	Johns Hopkins University	2004576594	89,058	0
Drug Abuse & Addiction Research Program	R	93.279	Johns Hopkins University	2003097253	1,094	0
Healthy Brain & Child Development National Consortium	R	93.279	Johns Hopkins University	2005323012	222,078	0
Amide Proton Transfer MRI of Brain Tumors at 3T	R	93.394	Johns Hopkins University	2004159420	2,828	0
Amide Proton Transfer MRI of Brain Tumors at 3T	R	93.394	Johns Hopkins University	2004159420	7,676	0
Amide Proton Transfer MRI of Brain Tumors at 3T	R	93.394	Johns Hopkins University	2004159420	69,620	0
Highly Accelerated Chemical Exchange Saturation Transfer MRI Using Compressed Sensing	R	93.394	Johns Hopkins University	2004334298	(7,296)	0
A Wireless Multi-Function Microscope for Lifetime Imaging of the Brain Tumor Vasculome	R	93.394	Johns Hopkins University	2004637973	(1,101)	0
A Wireless Multi-Function Microscope for Lifetime Imaging of the Brain Tumor Vasculome	R	93.394	Johns Hopkins University	2004637973	14,477	0
Quantitative CEST MRI for GBM Ealry Response Prediction and Biopsy Guidance	R	93.394	Johns Hopkins University	2005008457	94,001	0
Precision Magnetic Hyperthermia by Integrating Magnetic Particle	R	93.394	Johns Hopkins University	2005219037	19,026	0
Computational Assessment of Galectin-3 Significance in Heart Failure	R	93.837	Johns Hopkins University	2003534038	78,942	0
Functional & Molecular Properties of PAX7	R	93.846	Johns Hopkins University	2003341654	(4,226)	0
Imaging Neurodegeneration in MS	R	93.853	Johns Hopkins University	2003795776	3,919	0
Imaging Neurodegeneration in MS	R	93.853	Johns Hopkins University	2003795776	128,191	0
Imaging Neurodegeneration in MS	R	93.853	Johns Hopkins University	2003795776	20,979	0
Development of Dendrimer N Acetylcycteine for the Treatment of Neonatal Brain Injury	R	93.853	Johns Hopkins University	2004023957	10,608	0
Development of Dendrimer N Acetylcycteine for the Treatment of Neonatal Brain Injury	R	93.853	Johns Hopkins University	2004023957	145	0
Development of MRI Microvascular Biomarkers in Cognitive Impairment and Dementia	R	93.853	Johns Hopkins University	2003986087	9,024	0
Development of MRI Microvascular Biomarkers in Cognitive Impairment and Dementia	R	93.853	Johns Hopkins University	2003986087	30,958	0

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Kennedy Krieger Institute, Inc. and Affiliates

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Cluster/Federal Program	Entity	Assistance Listing Number	Pass Through Entity	Grant award number or pass-through entity identification number	Federal Expenditures	
					Total	Passed through to subrecipients
Lymphocyte CpG Methylation Changes and Brain Pathology in Restless Leg Syndrome	R	93.853	Johns Hopkins University	2004063802	\$ 16,120	\$ -
Lymphocyte CpG Methylation Changes and Brain Pathology in Restless Leg Syndrome	R	93.853	Johns Hopkins University	2004063802	36,509	0
Lymphocyte CpG Methylation Changes and Brain Pathology in Restless Leg Syndrome	R	93.853	Johns Hopkins University	2004063802	1,701	0
Targeted Therapies for Rett Syndrome	R	93.853	Johns Hopkins University	2004344161	(4,616)	0
MOVE - Modeling of Fast Movement for Enhancement via Neuroprosthetics	R	93.853	Johns Hopkins University	2004347342	14,572	0
Imaging Brain Glucose Uptake by in VDMP MRI in Huntington's Disease	R	93.853	Johns Hopkins University	2004799501	63,977	0
Preclinical Stroke Trial with the PARP Inhibitor Veliparib	R	93.853	Johns Hopkins University	2004854058	17,805	0
Preclinical Stroke Trial with the PARP Inhibitor Veliparib	R	93.853	Johns Hopkins University	2004854058	89,084	0
Development of Novel Functional Markers for TBI Using Molecular MRI	R	93.853	Johns Hopkins University	2004868799	76,001	0
Development of Novel Functional Markers for TBI Using Molecular MRI	R	93.853	Johns Hopkins University	2004868799	32,478	0
Biomarkers of Brain Injury in Critically Ill Children on Extracorporeal Membrane Oxygenation ECMO	R	93.853	Johns Hopkins University	2005010377	10,411	0
Biomarkers of Brain Injury in Critically Ill Children on Extracorporeal Membrane Oxygenation ECMO	R	93.853	Johns Hopkins University	2005010377	35,019	0
Trial Readiness in Cavernous Angiomas and Symtomatic Hemorrhage	R	93.853	Johns Hopkins University	2005069221	6,845	0
Advanced MRI Studies of Cerebrovascular & Lymphatic Abnormalities	R	93.853	Johns Hopkins University	2005096780	113,001	0
Advanced MRI Studies of Cerebrovascular & Lymphatic Abnormalities	R	93.853	Johns Hopkins University	2005096780	56,720	0
Extramural Research Programs in the Neuro Disorders	R	93.853	Johns Hopkins University	2005206503	22,113	0
Characterization & Validation of CVR as a Biomarker	R	93.853	Johns Hopkins University	2005230728	12,516	0
Advanced MRI Biomarkers in HD Mouse Models Translatable to Humans	R	93.853	Johns Hopkins University	2005283967	58,824	0
The Role of RanBP2 in the Pathogenesis of Acute Encephalopathy	R	93.853	Johns Hopkins University	2005418247	25,323	0
A Placebo Controlled Effectiveness in INPH Shunting Trial	R	93.853	Johns Hopkins University	2005434649	24,865	0
Adult Biomarkers in Neonatal Brain Injury	R	93.865	Johns Hopkins University	2003671299	11,855	0
Adult Biomarkers in Neonatal Brain Injury	R	93.865	Johns Hopkins University	2003671299	34,256	0
CSA as a Preventable Public Health Problem	R	93.865	Johns Hopkins University	2004209564	7,322	0
CSA as a Preventable Public Health Problem	R	93.865	Johns Hopkins University	2004209564	14,594	0
MRI Biosensors and Complementary DRUG Nonoccarriers for Effective Image Guided Drug Delivery	R	93.865	Johns Hopkins University	2004411797	5,097	0
Measuring Altered Glutathione in Children with Autism	R	93.865	Johns Hopkins University	2005040776	47,892	0
Measuring Altered Glutathione in Children with Autism	R	93.865	Johns Hopkins University	2005040776	95,983	0
Alzheimer's Disease Neuroimaging Initiative	R	93.866	Johns Hopkins University	2003373473	7,595	0
Longitudinal Molecular Imaging of Neuropathology	R	93.866	Johns Hopkins University	2003816131	15,384	0
Brain Oxygen Consumption as an MRI Biomarker	R	93.866	Johns Hopkins University	2003950256	12,184	0
Brain Oxygen Consumption as an MRI Biomarker	R	93.866	Johns Hopkins University	2003950256	73,181	0
Neural Network Connectivity of Financial Capacity in Mild Cognitive Impairment	R	93.866	Johns Hopkins University	2003527906	3,780	0
Early Onset AD Consortium - LEADS	R	93.866	Johns Hopkins University	2004394773	3,402	0
Phase II/III Trial for Slowing Progression in Mild Cognitive Impairment	R	93.866	Johns Hopkins University	2004141582	566	0
Phase II/III Trial for Slowing Progression in Mild Cognitive Impairment	R	93.866	Johns Hopkins University	2004141582	6,504	0
JH Alzheimer's Disease Research Center	R	93.866	Johns Hopkins University	2004738174	34,830	0
Contribution of Cerebral Iron Load to Elderly Individuals with High Risk for Alzheimers	R	93.866	Johns Hopkins University	2004811688	5,356	0
Contribution of Cerebral Iron Load to Elderly Individuals with High Risk for Alzheimers	R	93.866	Johns Hopkins University	2004811688	45,490	0
Contribution of Cerebral Iron Load to Elderly Individuals with High Risk for Alzheimers	R	93.866	Johns Hopkins University	2004811688	5,006	0
Developing Protein-based Biomarkers for Alzheimer's Disease	R	93.866	Johns Hopkins University	2004839016	17,148	0
Non-Contrast MR imaging of Blood-Brain-Barrier Permeability in Alzheimer's Disease	R	93.866	Johns Hopkins University	2004827086	21,546	0
Non-Contrast MR imaging of Blood-Brain-Barrier Permeability in Alzheimer's Disease	R	93.866	Johns Hopkins University	2004827086	40,994	0

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Kennedy Krieger Institute, Inc. and Affiliates

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Cluster/Federal Program	Entity	Assistance Listing Number	Pass Through Entity	Grant award number or pass-through entity identification number	Total	Passed through to subrecipients
Transcranial Direct Current Stimulation on Typical & Atypical Alzheimer's Disease	R	93.866	Johns Hopkins University	2004902841	\$ 24,098	\$ -
Transcranial Direct Current Stimulation on Typical & Atypical Alzheimer's Disease	R	93.866	Johns Hopkins University	2004902841	54,716	0
Contribution of Cerebral Iron Load to Elderly Individuals with High Risk for Alzheimers	R	93.866	Johns Hopkins University	2004149879	7,578	0
Biomarkers of Cognitive Decline Among Normal Individuals	R	93.866	Johns Hopkins University	2004408174	116,397	0
Towards a Comprehensive Neurometabolic Profile in Patients w/ Mild Cognitive Impairment	R	93.866	Johns Hopkins University	2005076442	26,366	0
Blood Brain Barrier Dysfunction in Alzheimers Disease	R	93.866	Johns Hopkins University	2005230799	19,755	0
Mechanism of Pathologic Tau Fibrils Neuron to Neuron Transmission	R	93.866	Johns Hopkins University	2005393633	32,329	0
Mechanism of Pathologic Tau Fibrils Neuron to Neuron Transmission	R	93.866	Johns Hopkins University	2005393633	4,365	0
Heterochronic Blood Exchange Inhibits Synucleinopathy	R	93.866	Johns Hopkins University	2005406023	32,328	0
Heterochronic Blood Exchange Inhibits Synucleinopathy	R	93.866	Johns Hopkins University	2005406023	4,210	0
Neurodegenerative and Neurodevelopmental Subcortical Shape Diff	R	93.286	Johns Hopkins University	2003386771	4,626	0
Simultaneous Hadamard Editing of GABA and Glutathione	R	93.286	Johns Hopkins University	2003385023	1,273	0
Simultaneous Hadamard Editing of GABA and Glutathione	R	93.286	Johns Hopkins University	2003385023	2,828	0
Simultaneous Hadamard Editing of GABA and Glutathione	R	93.286	Johns Hopkins University	2003385023	(1,555)	0
Resource for Molecular Imaging agents in Precision Medicine	R	93.286	Johns Hopkins University	2003638047	181,681	0
Multi-Voxel Spectral Editing at 3T	R	93.286	Johns Hopkins University	2004721588	6,521	0
Intracellular Self-Assembly of Theranostic Nanoparticles for Imaging	R	93.286	Johns Hopkins University	2005101724	81,525	0
Intracellular Self-Assembly of Theranostic Nanoparticles for Imaging	R	93.286	Johns Hopkins University	2005101724	35,686	0
Chemical Exchange Saturation Transfer MR Fingerprinting	R	93.286	Johns Hopkins University	2004344815	12,758	0
Investigating Air Pollution Effects on the Developing Brain and ASD	R	93.113	Johns Hopkins University	2003188501	4,830	0
Stress and Chronic Alcohol Interactions	R	93.273	Johns Hopkins University	2003325699	39,827	0
Gene Delivery Nanoparticles to Treat Glioblastoma	R	93.395	Johns Hopkins University	2004276542	94,390	0
Gene Delivery Nanoparticles to Treat Glioblastoma	R	93.395	Johns Hopkins University	2004276542	68,132	0
Image-Guided ComboTherapies for Radiotherapy Induced Neurocognitive	R	93.395	Johns Hopkins University	2005282025	42,959	0
Johns Hopkins Institute for Clinical Translational Research	R	93.350	Johns Hopkins University	2004382572	143,653	0
Johns Hopkins Institute for Clinical Translational Research	R	93.350	Johns Hopkins University	2004382572	3,261	0
Impact of Hypothalamic Gliosis on Appetite Regulation & Obesity Risk	R	93.847	Johns Hopkins University	2004422191	44,740	0
Dorsomedial Hypothalamic Signaling Pathways & Energy Balance	R	93.847	Johns Hopkins University	2004985625	1,134	0
Assessing Arrhythmic Risk in Adult Patients with Duchenne Muscular Dystrophy	R	12.420	Johns Hopkins University	2004925324	64,114	0
Mapping of Brain GABA Levels in Tuberous Sclerosis Complex Using High-Resolution Proton Imaging	R	12.420	Johns Hopkins University	2004851931	37,079	0
Identifying the Underlying Mechanisms of Persistent Neurologic Symptoms	R	12.420	Johns Hopkins University	2005058980	19,845	0
Pediatric Integrated Care Collaborative	R	93.243	Johns Hopkins University	2005117860	34,301	0
Research Related to Deafness & Communication Disorders	R	93.173	Johns Hopkins University	2005189055	4,390	0
Environmental Influences on Child Health Outcomes	R	93.310	Johns Hopkins University	2005241153	68,985	0
Non-Invasive Tracking of Genome-Corrected iPS Cells in ALS	R	93.310	Johns Hopkins University	2005305416	12,358	0
Non-Invasive Tracking of Genome-Corrected iPS Cells in ALS	R	93.397	Johns Hopkins University	2005712820	50,142	0
In Vivo Assessment of Meningeal Inflammation and it's Clinical Impact in MS	R	93.853	University of Maryland, Baltimore	1712	9,655	0
In Vivo Assessment of Meningeal Inflammation and it's Clinical Impact in MS	R	93.853	University of Maryland, Baltimore	1712	139,642	0
Biomarkers for Therapy of FSHD (U54)	R	93.865	University of Massachusetts	WA00764092/OSP2018147	(1,495)	0
Biomarkers for Therapy of FSHD (U54)	R	93.865	University of Massachusetts	WA00763696/OSP2018145	(561)	0
Biomarkers for Therapy of FSHD (U54)	R	93.865	University of Massachusetts	WA00763696/OSP2018145	(1,282)	0
Brittle Bone Disorders Consortium of the Rare Disease Clinical Network	R	93.846	Baylor University	U54AR068069	13,254	0
Brittle Bone Disorders Consortium of the Rare Disease Clinical Network	R	93.846	Baylor University	U54AR068069	70,991	0

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

Kennedy Krieger Institute, Inc. and Affiliates

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Cluster/Federal Program	Entity	Assistance Listing Number	Pass Through Entity	Grant award number or pass-through entity identification number	Federal Expenditures	
					Total	Passed through to subrecipients
An ASF Enriched Risk ECHO Cohort	R	93.310	Drexel University	UG30D023342	\$ 80,756	\$ -
An ASF Enriched Risk ECHO Cohort	R	93.310	Drexel University	UG30D023342	128,644	0
Oxidative Stress and Bipolar Disorder Trajectories	R	93.242	Partners Healthcare	11614	4,572	0
Clinical Readiness to Solve Barriers to Drug Development in FSHD	R	93.853	University of Rochester	417259/URFAO:GR510743	12,450	0
Meaningful Outcomes & MultiSite Readiness for Clinical Trials in Juvenile Neuronal Ceroid Lipofuscinosis	R	93.853	University of Rochester	URFAO: GR530284	71,731	0
Meaningful Outcomes & MultiSite Readiness for Clinical Trials in Juvenile Neuronal Ceroid Lipofuscinosis	R	93.853	University of Rochester	URFAO: GR530285	(273)	0
Meaningful Outcomes & MultiSite Readiness for Clinical Trials in Juvenile Neuronal Ceroid Lipofuscinosis	R	93.853	University of Rochester	URFAO: GR530285	18,302	0
Non-Contrast Enhanced Peripheral MR Angiography	R	93.837	Case Western University	RES514359	3,064	0
The Role of Executive Functions in Reading and Remediation	R	93.865	Children's Hospital Medical Center	3100658971	22,540	0
The Role of Executive Functions in Reading and Remediation	R	93.865	Children's Hospital Medical Center	3100658971	11,262	0
The Global Leukodystrophy Initiative Clinical Trials Network	R	93.853	Children's Hospital of Philadelphia	3202060620	16,848	0
The Global Leukodystrophy Initiative Clinical Trials Network	R	93.853	Children's Hospital of Philadelphia	3202030620	(8,176)	0
The Global Leukodystrophy Initiative Clinical Trials Network	R	93.853	Children's Hospital of Philadelphia	3202060620	(18,618)	0
The Global Leukodystrophy Initiative Clinical Trials Network	R	93.853	Children's Hospital of Philadelphia	3202060620	38,871	17,231
The Global Leukodystrophy Initiative Clinical Trials Network	R	93.853	Children's Hospital of Philadelphia	3202030620	10,350	0
The Global Leukodystrophy Initiative Clinical Trials Network	R	93.853	Children's Hospital of Philadelphia	3202060620	39,932	0
The Global Leukodystrophy Initiative Clinical Trials Network	R	93.853	Children's Hospital of Philadelphia	3202060620	74,867	14,471
Utility of Advanced MRI & Wearable Technology to Identify LBSL	R	93.853	Children's Hospital of Philadelphia	3202030622	133,852	0
Social Adversities, Epigenetics and the Obesity Epidemic	R	93.307	North Carolina State University	2017-1593-01	79,970	0
Solving the MRI Motion Problem with Framewise Integrated Real Time MRI Monitoring Software	R	93.242	Nous Imaging	R44MH121276-sub5	47,752	0
Solving the MRI Motion Problem with Framewise Integrated Real Time MRI Monitoring Software	R	93.242	Nous Imaging	R44MH121276-sub5	22,479	0
Motion-Robust Brain MRI for Infants	R	93.242	Nous Imaging	R44MH124567-sub5	6,851	0
Motion-Robust Brain MRI for Infants	R	93.242	Nous Imaging	R44MH124567-sub5	72,888	0
Supporting the Health & Well-Being of Children with Intellectual & Developmental Disability during COVID	R	93.310	The Washington University	WU-21-213	69,734	0
WUIDDRC and KKI Safe Return to School	R	93.310	The Washington University	WU-21-378	1,032,043	145,139
WUIDDRC and KKI Safe Return to School	R	93.310	The Washington University	WU-21-378	18,202	0
Illuminating Brain Function during Imitation in Children with ASD	R	93.310	The Washington University	WU-22-0399	6,764	0
Center for Disease Control and Prevention						
Covid 19: Addressing COVID-19 Vaccine Access and Confidence Among People with Disabilities	R	93.421	Association of University Centers on Disabilities	6/21/8815	34,423	0
Centers for Autism & Developmental Disabilities Research	R	93.073	Johns Hopkins University	2001438612	(784)	0
Centers for Autism & Developmental Disabilities Research	R	93.073	Johns Hopkins University	2001438612	27,998	0
Study to Explore Early Development	R	93.073	Johns Hopkins University	2005355148	8,292	0
Substance Abuse and Mental Health Services Administration						
Family Informed Trauma Treatment CTR-FITT	R	93.243	University of Maryland, Baltimore	1701143	10,190	0
Family Informed Trauma Treatment CTR-FITT	R	93.243	University of Maryland, Baltimore	1701143	190	0

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

Kennedy Krieger Institute, Inc. and Affiliates

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

					Federal Expenditures	
Cluster/Federal Program	Entity	Assistance Listing Number	Pass Through Entity	Grant award number or pass-through entity identification number	Total	Passed through to subrecipients
Administration for Community Living						
Center for Dignity in Heakthcare for People with Disabilities	R	93.631	Children's Hospital Medical Center	309541	\$ 26,919	\$ -
Center for Dignity in Heakthcare for People with Disabilities	R	93.631	Children's Hospital Medical Center	309541	35,244	0
UT2 Autism Intervention Research	R	93.877	Association of University Centers on Disabilities	13-21-8840	19,812	0
UT2 Autism Intervention Research	R	93.877	Association of University Centers on Disabilities	13-21-8840	4,584	0
Development of an MRI Template & Neuroimaging Biomarkers	R	93.853	Thomas Jefferson University	080-30000-S38601	8,647	0
Residential Shelter Care & Fingerprinting Services	C	93.676	Luthern Immigration & Refugee Service	358-21-00	244,478	0
Residential Shelter Care & Fingerprinting Services	C	93.676	Luthern Immigration & Refugee Service	358-21-00	22,826	0
Reliable Sensor Technology-Based for Rehabilitation	R	93.865	Leland Stanford Junior University	62613290-153996	16,142	0
Reliable Sensor Technology-Based for Rehabilitation	R	93.865	Leland Stanford Junior University	62613290-153996	432	0
A Safety and Efficacy Study of AAVA-hAADC	R	93.853	Ohio State University	GR125074	23,115	0
Early Childhood Constraint Therapy for Sensory Impairment	R	93.865	Emory University	A574496	36,023	0
Total Department of Health and Human Services					6,387,902	176,841
National Science Foundation						
Discovering Network Structure in the Space of Group Level Functional Differences	R	47.041	Johns Hopkins University	2004042235	11,888	0
Pediatric Influence of Cooling Duration on Efficacy in Cardiac Arrest	R	93.837	University of Michigan	SUBK00014168	76,723	0
Total National Science Foundation					88,611	-
Department of Defense						
Uniformed Services University of the Health Sciences						
Reliable Sensor Technology-Based for Rehabilitation	R	12.750	Henry M. Jackson Foundation	5767-1025782	962,700	0
Total Research and Development Cluster - Pass Through Awards					7,439,213	176,841
Reseach and Development Cluster - Total Awards					26,221,153	3,463,415
Child Nutrition Cluster						
United States Department of Agriculture						
Food and Nutrition Service						
School Breakfast Program	C	10.553		9962	22,537	-
School Lunch Program	C	10.555		9962	71,513	-
Total Child Nutrition Cluster					94,050	-

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

Kennedy Krieger Institute, Inc. and Affiliates

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Cluster/Federal Program	Entity	Assistance Listing Number	Pass Through Entity	Grant award number or pass-through entity identification number	Federal Expenditures	
					Total	Passed through to subrecipients
Special Education Cluster						
United States Department of Education						
Office of Special Education and Rehabilitative Services						
Providing Technical Assistance to the Eastern Shore of Maryland	R	84.027		200829	\$ 199,786	\$ -
State Grant - B - Kodem Kol	R	84.027		201838	12,000	-
Pact: World Of Care Child Care Center	P	84.173		180782	11,852	-
Pact: World Of Care Child Care Center	P	84.173		180540	1,033	-
Pact: World Of Care Child Care Center	P	84.173		190384	115,935	-
Pact: World Of Care Child Care Center	P	84.173		190384	12,665	-
Pact: Helping Children w/Special Needs Therapeutic Nursery -YMCA	P	84.173		190604	8,441	-
Pact: Helping Children w/Special Needs Therapeutic Nursery -YMCA	P	84.173		190604	1,523	-
Pact: Helping Children w/Special Needs Therapeutic Nursery -YMCA	P	84.173		190604	114,180	-
Pact: Helping Children w/Special Needs Therapeutic Nursery -YMCA	P	84.173		190604	11,639	-
Total Special Education Cluster					489,054	-
Head Start Cluster						
United States Department of Health and Human Services						
Administration for Children and Families						
Southeast Baltimore EHS	C	93.600	Maryland Family Network	362	3,688	-
Southeast Baltimore EHS	C	93.600	Maryland Family Network	362	11,883	-
PACT EHS Therapeutic Nursery	P	93.600	Maryland Family Network	3034	(576)	-
PACT EHS Therapeutic Nursery	P	93.600	Maryland Family Network	3034	(15)	-
PACT EHS Therapeutic Nursery	P	93.600	Maryland Family Network	3034	113,593	-
PACT EHS Therapeutic Nursery - COVID 19 Fund	P	93.600	Maryland Family Network	3034	8,503	-
PACT EHS Therapeutic Nursery	P	93.600	Maryland Family Network	3034	250,504	-
PACT EHS Therapeutic Nursery - COVID 19 Fund	P	93.600	Maryland Family Network	3034	47,921	-
Early Head Start Center	C	93.600	Maryland Family Network	650	33,751	-
Early Head Start Center	C	93.600	Maryland Family Network	650	399,195	-
Early Head Start Center	C	93.600	Maryland Family Network	650	397,816	-
Early Head Start Center	C	93.600	Maryland Family Network	650	5,816	-
Early Head Start Center	C	93.600	Maryland Family Network	650	12,168	-
Early Head Start Center	C	93.600	Maryland Family Network	650	637,861	-
Early Head Start Center	C	93.600	Maryland Family Network	650	684,723	-
Early Head Start Center	C	93.600	Maryland Family Network	650	431,405	-
Total Head Start Cluster					3,038,236	-
Child Care Development Fund Cluster						
Child Care Stabilization Funds American Rescue Plan	C	93.575		2101MDCSC6	61,000	-
Child Care Stabilization Funds American Rescue Plan	C	93.575		2101MDCSC6	27,000	-
Child Care Stabilization Funds American Rescue Plan	C	93.575		2101MDCSC6	53	-
Child Care Stabilization Funds American Rescue Plan	C	93.575		2101MDCSC6	28,500	-
Child Care Stabilization Funds American Rescue Plan	C	93.575		2101MDCSC6	321	-
Child Care Stabilization Funds American Rescue Plan	C	93.575		2101MDCSC6	13,032	-
Total Child Care Development Fund Cluster					129,906	-

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

Kennedy Krieger Institute, Inc. and Affiliates

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Cluster/Federal Program	Entity	Assistance Listing Number	Pass Through Entity	Grant award number or pass-through entity identification number	Federal Expenditures	
					Total	Passed through to subrecipients
Other Sponsored Programs - Direct Awards						
Department of Health and Human Services						
Health Resources and Services Administration						
Children's Hospital Graduate Medical Education	H	93.255		338-002	\$ 387,713	\$ -
Total ALN 93.255					387,713	-
COVID-19: Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution	H	93.498		P4 - 87251018177	5,000,000	-
COVID-19: Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution	C	93.498		CR-04988473457	58,327	-
Total ALN 93.498					5,058,327	-
MCH Training Program in Neurodevelopment Disabilities	H	93.110		2 T73 MC17245-11-00	712,922	-
Total ALN 93.110					712,922	-
Administration for Community Living						
Developmental Disabilities	H	93.632		90DD0707/04	(49)	0
Developmental Disabilities	H	93.632		90DD0707/04	577,352	0
Total ALN 93.632					577,303	-
United States Department of Education						
Institute of Education Sciences						
Efficacy Trial of Early Achievements Comp Intervention Preschoolers with Autism	R	84.324A		R 324 A160228	355	-
Development of an Intervention for Center-Based Early Childhood Education	R	84.324A		R 324 A180085	124	-
Development of an Intervention for Center-Based Early Childhood Education	R	84.324A		R 324 A180085	460,945	-
Developing Early Achievements for Pre-K Children with Developmental Language Disorders	R	84.324A		R 324 A210031	193,836	-
Total ALN 84.324A					655,260	-
Covid-19: Coronavirus Response & Relief Supplemental Appropriations Act - GEER	H	84.425R			86,748	-
Total ALN 84.3425R					86,748	-
Federal Communications Commission						
COVID-19 - Telecommunications and Equipment	H	32.006		0043	(512)	-
Total ALN 32.006					(512)	-
Department of the Treasury						
Departmental Offices						
Covid-19: Providing Emergency Relief for Community Providers of Services to Individuals with Disabilities - COVID	H	21.027			12,363	-
2021 BALT NONPROFIT RELIEF FUN	H	21.027			10,000	-
Total ALN 21.027					22,363	-
Total Other Programs - Direct Awards					11,251,370	-

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

Kennedy Krieger Institute, Inc. and Affiliates

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Cluster/Federal Program	Entity	Assistance Listing Number	Pass Through Entity	Grant award number or pass-through entity identification number	Federal Expenditures	
					Total	Passed through to subrecipients
Other Sponsored Programs - Pass Through Awards						
United States Department of Justice						
Office of Justice Programs						
Underserved Victims Project	C	16.575	Governor's Office Of Crime Prevention, Youth & Victim Services	1299	\$ 86,594	\$ -
Underserved Victims Project	C	16.575	Governor's Office Of Crime Prevention, Youth & Victim Services	1299	227,664	0
Total ALN 16.575					314,258	-
Maryland State Department of Education						
Baltimore City Infants & Toddlers Program	P	84.181A	Baltimore City	CO#38176	46,124	-
Baltimore City Infants & Toddlers Program	P	84.181A	Baltimore City	CO#38177	58,374	-
Baltimore City Infants & Toddlers Program	R	84.181A	Baltimore City	CO#37753	51,582	-
Total ALN 84.181A					156,080	-
Preschool Development	C	84.419	Governor's Office Of Crime Prevention, Youth & Victim Services	170362	(846)	-
Preschool Development	C	84.419	Governor's Office Of Crime Prevention, Youth & Victim Services	200630	59,095	-
Preschool Development	C	84.419	Governor's Office Of Crime Prevention, Youth & Victim Services	200630	311,236	-
Preschool Development	C	84.419	Governor's Office Of Crime Prevention, Youth & Victim Services	200630	250	-
Total ALN 84.419					369,735	-
Covid-19: Building School Psychologist's Knowledge, Skills, and Practice to Support Education - COVID	C	84.424A		211094	8,455	-
Total ALN 84.424A					8,455	-
Promoting Positive Outcomes for Infant & Toddlers	C	93.434		211283	(3,638)	-
Promoting Positive Outcomes for Infant & Toddlers	C	93.434		211283	205,716	-
Promoting Positive Outcomes for Infant & Toddlers	C	93.434		211283	81,563	-
Total ALN 93.434					283,641	-
United States Department of Health and Human Services						
Administration for Community Living						
Enhancing Advocacy & Public Policy Work Project	H	93.630	Maryland Developmental Disabilities Council	20-QA-01	62,618	-
Enhancing Advocacy & Public Policy Work Project	H	93.630	Maryland Developmental Disabilities Council	20-QA-01	81,476	-
Total ALN 93.630					144,094	-
Health Resources and Services Administration						
Genetics Laboratory	H	93.994	Maryland Department of Health	PHPA-G2084	38,329	-
Within My World	P	93.994	Maryland Department of Health	FH795CSN/PHPA-G-1165	(798)	-
Within My World	P	93.994	Maryland Department of Health	FH795CSN/PHPA-G-1165	399,842	-
Enhancing Child Care For Children	C	93.994	Maryland Department of Health	MR554 MFC	286	-
Enhancing Child Care For Children	C	93.994	Maryland Department of Health	MR554 MFC	125,530	-
Project STIR	C	93.994	Maryland Department of Health	DD964 ISS	137,425	-
Project STIR	C	93.994	Maryland Department of Health	DD964 ISS	124,050	-
Total ALN 93.994					824,664	-

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

Kennedy Krieger Institute, Inc. and Affiliates
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Cluster/Federal Program	Entity	Assistance Listing Number	Pass Through Entity	Grant award number or pass-through entity identification number	Federal Expenditures	
					Total	Passed through to subrecipients
Baltimore Mental Health Systems						
Therapeutic Nursery	P	93.000		POS#40	\$ 200,691	\$ -
Therapeutic Nursery	P	93.000		POS#40	40,000	-
Total Baltimore Mental Health Systems					240,691	-
Total Other Programs - Pass Through Awards					2,341,618	-
Total Other Sponsored Programs					13,592,988	-
Total Federal Expenditures					39,814,141	3,463,415

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

Kennedy Krieger Institute, Inc. and Affiliates
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Kennedy Krieger Institute, Inc. and Affiliates
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") summarizes the expenditures of Kennedy Krieger Institute, Inc. and Affiliates (the "Institute") under programs of the Federal Government for the year ended June 30, 2022. The information presented in the Schedule

is presented on the accrual basis of accounting, which is in accordance with the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Expenditures for federal awards are determined using the cost principles set forth in the Uniform Guidance. Under these cost principles, certain types of expenditures are not allowable or are limited to reimbursement.

The accompanying Schedule includes the federal grant transactions of the Institute and includes Federal Awards made to the following corporate entities: Kennedy Krieger Children's Hospital, Inc., Hugo W. Moser Research Institute at Kennedy Krieger, Inc., Kennedy Krieger Education & Community Services, Inc. and PACT: Helping Children with Special Needs, Inc. under programs of the federal government for the year ended June 30, 2022. These corporate entities are denoted on the Schedule as follows:

	Total Federal Expenditures	Passed to Subrecipients	
R	\$ 26,872,477	\$ 3,463,415	<i>R – Hugo W. Moser Research Institute at Kennedy Krieger, Inc.</i>
C	4,531,273	-	<i>H – Kennedy Krieger Children's Hospital, Inc.</i>
P	1,441,431	-	<i>C – Kennedy Krieger Education & Community Services, Inc.</i>
H	6,968,960	-	<i>P – PACT: Helping Children with Special Needs, Inc.</i>
	<u>\$ 39,814,141</u>	<u>\$ 3,463,415</u>	

Because the Schedule presents only a selected portion of the operations of the Institute, it is not intended to and does not present the financial position, results of operations and non-operating activity, or cash flows of the Institute. Negative amounts reflect adjustments made to expenditures reported in prior years in the normal course of business.

For purposes of the Schedule, federal awards include all awards in the form of grants, contracts, and similar agreements entered into directly between the Institute and agencies and departments of the federal government, or non-federal pass-through entities. Federal Assistance Listing Numbers and pass-through identification numbers are included when available.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedule reflects federal award program expenditures recognized on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Institute has not elected to use the 10% de minimis rate for indirect costs. Indirect costs are billed based upon negotiated and budgeted rates.

Kennedy Krieger Institute, Inc. and Affiliates
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

3. DEPARTMENT OF HEALTH AND HUMAN SERVICES – PROVIDER RELIEF FUNDS

The Schedule includes grant activity related to the Department of Health and Human Services (“HHS”) Provider Relief Fund and American Rescue Plan (ARP) Distribution Assistance Listing Number 93.498. As required based on guidance in the 2022 OMB Compliance Supplement, the Schedule includes all Period 2 funds received between July 1, 2020 to December 31, 2020 and expended by December 31, 2021 as reported to HRSA via the PRF Reporting Portal. The Schedule thus includes \$1,560,903 of direct expenditures and \$3,497,424 in lost revenue. Lost revenue does not represent an expenditure in the Institutes financial statements and thus is a reconciling item between the federal expenses in the financial statements and the amount included on the Schedule.

Part II
Reports` on Compliance and Internal Control



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 Directors of Kennedy Krieger Institute, Inc. and Affiliates

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 Kennedy Krieger Institute, Inc. and Affiliates (the "Institute"), which comprise the consolidated balance sheet as of June 30, 2022, and the related consolidated statements of operations and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 14, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Institute's internal control over financial reporting ("internal control") as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. Accordingly, we do not express an opinion on the effectiveness of the Institute'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 Institute'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance.

Accordingly, this communication is not suitable for any other purpose.

PricewaterhouseCoopers LLP

Baltimore, Maryland
October 14, 2022



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

To the Board of Directors of Kennedy Krieger Institute, Inc. and Affiliates

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Kennedy Krieger Institute Inc.'s and Affiliates (the "Institute") 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 Institute's major federal programs for the year ended June 30, 2022. The Institute'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 Institute complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 Institute 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 Institute'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 Institute'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 Institute'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 Institute'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 Institute'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 Institute'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 Institute'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

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program is not modified with respect to these matters.

The Institute's response to the noncompliance findings identified in our audit is described in the accompanying corrective action plan. The Institute'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

Baltimore, Maryland
March 20, 2023

Part III

Schedule of Findings and Questioned Costs

Kennedy Krieger Institute, Inc. and Affiliates
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP	Unmodified
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Internal control over financial reporting:

1. Material weakness(es) identified?	No
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2. Significant deficiency(ies) identified?	None Reported
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Noncompliance material to financial statements noted?	No
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Federal Awards

Internal control over major federal programs:

1. Material weakness(es) identified?	No
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2. Significant deficiency(ies) identified?	None Reported
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Type of auditor's report issued on compliance for major federal programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes
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Identification of major federal programs:

Assistance Listing Number(s)	Name of Federal Program/Cluster
93.600	Head Start Cluster
93.498	COVID-19: Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution
16.575	Underserved Victims Project

Dollar threshold used to distinguish between type A and type B programs:

\$1,194,424

Auditee qualified as a low-risk auditee?

Yes

Kennedy Krieger Institute, Inc. and Affiliates

Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

II. Financial Statement Findings

There were no matters reported

III. Federal Award Findings and Questioned Costs

2022-001: Lost Revenues Reporting Methodology

Cluster: Not applicable

Federal Granting Agency: Health Resources and Services Administration

Award Name: COVID-19 Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution – Period 2

Assistance Listing #: 93.498

Assistance Listing Title: COVID-19 Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution – Period 2

Award Year: January 1, 2020 – June 30, 2022

Criteria

Step Six of the Steps on Reporting on Use of Funds section of the June 11, 2021 Provider Relief Fund (PRF) General and Targeted Distribution Post-Payment Notice of Reporting Requirements requires recipients that apply PRF payments toward lost revenues to use one of the following three options for calculating lost revenues:

- Option (i): difference between actual patient care revenues;
- Option (ii): difference between budgeted (prior to March 27, 2020) and actual patient care revenues; or
- Option (iii): calculated by any reasonable method of estimating revenues

Condition

The Company calculated the portion of its Period 2 PRF payments applied toward lost revenues using Option (iii); however, the Company completed its Period 2 PRF Reporting Portal submissions and attested to calculating lost revenues using Option (i).

Cause

The Company did not interpret the HRSA PRF Reporting instructions correctly therefore attested to using Option (i) in its Period 2 PRF Reporting Portal submissions.

Effect

The Company incorrectly attested to the methodology utilized to calculate lost revenue in accordance with the June 11, 2021 PRF General and Targeted Distribution Post-Payment Notice of Reporting Requirements. In addition, as required by the Health Resources & Services Administrator (HRSA) when Option (iii) is utilized, information used to support the methodology used was not provided to HRSA when the portal reporting was submitted. This is a repeat finding from the prior year.

Questioned Costs

None noted.

Kennedy Krieger Institute, Inc. and Affiliates
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Recommendation

We recommend the Company contact the Health Resources & Services Administrator (HRSA) to determine any required corrective actions related to the incorrect reporting.

Management's Views and Corrective Action Plan

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

Kennedy Krieger Institute, Inc. and Affiliates

Schedule of Prior Audit Findings and Status

Year Ended June 30, 2022

III. Federal Award Findings and Questioned Costs

2021-001: Lost Revenues

Reporting Methodology:

Cluster: Not applicable

Federal Granting Agency: Health Resources and Services Administration

Award Name: COVID-19 Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution – Period 1

Assistance Listing #: 93.498

Assistance Listing Title: COVID-19 Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution – Period 1

Award Year: January 1, 2020 – June 30, 2021

Criteria

Step Six of the Steps on Reporting on Use of Funds section of the June 11, 2021 Provider Relief Fund (PRF) General and Targeted Distribution Post-Payment Notice of Reporting Requirements requires recipients that apply PRF payments toward lost revenues to use one of the following three options for calculating lost revenues:

- Option (i): difference between actual patientcare revenues;
- Option (ii): difference between budgeted (prior to March 27, 2020) and actual patient care revenues; or
- Option (iii): calculated by any reasonable method of estimating revenues

Condition

The Company calculated the portion of its Period 1 PRF payments applied toward lost revenues using Option (iii); however, the Company completed its Period 1 PRF Reporting Portal submissions and attested to calculating lost revenues using Option (i).

Refer to current year finding 2022-1.



Finance

March 20, 2023

Management's Views and Corrective Action Plan:

Finding 2022-001: Provider Relief Fund Lost Revenue Reporting Methodology for Kennedy Krieger Children's Hospital

In attesting to the methodology used to calculate lost revenue in accordance with the June 11, 2021 General and Targeted Distribution Post-Payment Notice of Reporting Requirements, Option (i) difference between actual patient care revenues was selected in the HRSA reporting portal. Differences in actual patient care revenues were used in both the base and target periods, however, we made a modification to what was included in patient care revenue and only included those revenues generated through inpatient services and excluded patient care revenue generated from outpatient services. The rationale for including inpatient revenue and excluding outpatient revenue is detailed below.

The pandemic impacted patient service revenue on the inpatient units by contributing to lower inpatient census for a variety of reasons. These reasons include mandatory infection control, patient distancing and isolation requirements and severe staffing shortages. All of our semi-private and other multi-patient rooms were converted to private rooms to limit patient contact with other patients and their families during admission. Additionally, we only permitted patient admissions from Maryland and our neighboring states (State mandates), thereby limiting the patient admission pool. Last, the pandemic created severe staffing shortages in nursing, therapy and clinical aids thereby requiring reduced admissions for patient safety reasons. The shortages occurred due staff COVID infection, exposure, isolation and other limitations on their ability to perform their jobs. These factors drove down inpatient admissions, patient days and the related patient service revenue levels as compared to pre-pandemic levels.

At the outset of the pandemic, outpatient operations were essentially shut down with very few patients seen. However, within 2 to 4 weeks from pandemic outset, we were able to effectively pivot operations from a completely on-site operation to providing services to more than 20,000 outpatient visits through tele-health. Using tele-health, patients were able to see their clinical providers from their home via a Zoom link. Same was true for the clinical providers. The quick transition to tele-health really limited the impact that the pandemic had on outpatient operations and specifically limited lost revenue to only a couple weeks. The quick change in the method of care delivery between on-site services and services rendered by telehealth had a significant impact on provider productivity and the type of revenue recognized. It was determined that these differences did not allow for an accurate apples to apples comparison of patient service revenue pre-pandemic versus during the pandemic.

We concur with the finding that Option (iii) should have been selected as the methodology used in determining lost revenue for Provider Relief Fund reporting. We plan to make the necessary corrections to the change in methodology for period 1 & 2 reporting while submitting our period 4 reporting by March 31, 2023.

HRSA was contacted before September 30, 2022 and we were instructed that any changes in methodology would need to be made during our next open reporting period. This window has just opened on January 1, 2023 and corrections will be made for this reporting methodology by March 31, 2023. We plan to make the necessary corrections to the change in methodology for period 1 & 2 reporting while submitting our period 4 reporting by March 31, 2023.

Contact Name: Michael J. Neuman
Senior Vice President – Finance
neuman@kennedykrieger.org
443-923-1810

Sincerely,

A handwritten signature in dark ink, appearing to read "Michael J. Neuman". The signature is fluid and cursive, with a large initial "M" and "J".

Michael J. Neuman
Senior Vice President - Finance