

CONSOLIDATED FINANCIAL STATEMENTS
INCLUDING UNIFORM GUIDANCE REPORTS
AND SCHEDULES

Sanford
Years Ended December 31, 2023 and 2022
With Reports of Independent Auditors

Ernst & Young LLP



Sanford

Consolidated Financial Statements Including Uniform Guidance Reports and Schedules

Years Ended December 31, 2023 and 2022

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Report of Independent Auditors

The Board of Trustees, President and Chief Executive Officer and
Executive Vice President, Chief Financial Officer
Sanford

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Sanford (the Company), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations, changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free of 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 Company's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Company'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2024, on our consideration of the Company's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Company's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Company's internal control over financial reporting and compliance.

Ernst & Young LLP

April 23, 2024, except for our report on the
Schedule of Expenditures of Federal Awards
for which the date is June 21, 2024

Consolidated Financial Statements

Sanford

Consolidated Balance Sheets (In Thousands)

	December 31	
	2023	2022
Assets		
Current assets:		
Cash	\$ 105,545	\$ 217,637
Short-term investments	285,632	296,071
Accounts receivable	936,994	868,796
Inventories	134,144	127,931
Other current assets	107,196	104,261
Total current assets	1,569,511	1,614,696
Assets held for sale	335,401	444,371
Investments	2,269,119	1,827,905
Assets whose use is limited	239,421	246,874
Property and equipment, net	2,511,593	2,440,751
Right-of-use asset	90,570	87,031
Investment in joint ventures	68,490	49,298
Non-operating property	138,759	152,298
Goodwill and intangible assets	70,765	81,395
Notes receivable	56,781	56,105
Other assets	49,421	57,959
Total other assets	474,786	484,086
Total assets	\$ 7,399,831	\$ 7,058,683

Sanford

Consolidated Balance Sheets (continued)
(In Thousands)

	December 31	
	2023	2022
Liabilities and net assets		
Current liabilities:		
Current maturities of long-term debt	\$ 67,609	\$ 68,200
Current portion of other liabilities	90,858	107,081
Accounts payable	136,254	144,341
Accrued compensation and benefits	329,980	317,420
Medical claims payable	75,778	76,664
Other accruals and deferred revenue	147,761	183,961
Total current liabilities	<u>848,240</u>	<u>897,667</u>
Liabilities held for sale	44,873	87,626
Other liabilities:		
Operating leases	74,783	69,557
Deferred compensation	200,980	163,802
Residential housing deposits	64,109	67,191
Other non-current liabilities	153,416	177,839
Total other liabilities	<u>493,288</u>	<u>478,389</u>
Long-term debt, less current maturities	<u>1,398,906</u>	<u>1,465,487</u>
Total liabilities	<u>2,785,307</u>	<u>2,929,169</u>
Commitments and contingencies (Note 13)		
Net assets:		
Without donor restrictions – controlling interest	4,318,190	3,826,317
Without donor restrictions – non-controlling interest	2,237	13,918
With donor restrictions	294,097	289,279
Total net assets	<u>4,614,524</u>	<u>4,129,514</u>
Total liabilities and net assets	<u>\$ 7,399,831</u>	<u>\$ 7,058,683</u>

See notes to consolidated financial statements.

Sanford

Consolidated Statements of Operations (In Thousands)

	Year Ended December 31	
	2023	2022
Operating revenues:		
Patient revenue	\$ 4,454,746	\$ 4,156,044
Resident revenue	634,518	600,529
Premium revenue	940,435	888,019
Other operating revenue	1,196,238	1,092,312
Total operating revenues	7,225,937	6,736,904
Operating expenses:		
Salaries and benefits	3,500,854	3,364,509
Supplies	1,388,407	1,248,266
Purchased services and other	1,124,962	1,137,596
Medical claims	583,959	556,210
Depreciation and amortization	184,517	195,896
Interest	41,028	42,123
Total operating expenses	6,823,727	6,544,600
Income from operations	402,210	192,304
Non-operating income (expense):		
Investment return (loss)	146,484	(296,719)
Other expenses	(43,307)	(42,790)
Net non-operating income (expense)	103,177	(339,509)
Excess (deficiency) of revenues over expenses from continuing operations	505,387	(147,205)
Loss from discontinued operations	(22,255)	(16,251)
Plus deficiency of revenues over expenses attributable to non-controlling interest	11,681	10,218
Excess (deficiency) of revenues over expenses attributable to controlling interest	\$ 494,813	\$ (153,238)

See notes to consolidated financial statements.

Sanford

Consolidated Statements of Changes in Net Assets (In Thousands)

	Year Ended December 31	
	2023	2022
Net assets without donor restrictions – controlling interest:		
Excess (deficiency) of revenues over expenses attributable to controlling interest	\$ 494,813	\$ (153,238)
Net assets released from restrictions for acquisition of property and equipment	7,428	2,750
Pension plan related changes	(10,318)	18,185
Other changes in net assets	(50)	636
Increase (decrease) in net assets without donor restrictions – controlling interest	491,873	(131,667)
Net assets without donor restrictions – non-controlling interest:		
Deficiency of revenues over expenses	(11,681)	(10,218)
Decrease in net assets without donor restrictions – non-controlling interest	(11,681)	(10,218)
Net assets with donor restrictions:		
Contributions	17,713	12,323
Investment return (loss)	20,062	(30,172)
Net assets released from restrictions	(32,957)	(19,888)
Increase (decrease) in net assets with donor restrictions	4,818	(37,737)
Increase (decrease) in net assets	485,010	(179,622)
Net assets – beginning of year	4,129,514	4,309,136
Net assets – end of year	<u>\$ 4,614,524</u>	<u>\$ 4,129,514</u>

See notes to consolidated financial statements.

Sanford

Consolidated Statements of Cash Flows (In Thousands)

	Year Ended December 31	
	2023	2022
Operating activities		
Increase (decrease) in net assets	\$ 485,010	\$ (179,622)
Decrease in net assets from discontinued operations	43,760	48,304
Increase (decrease) in net assets from continuing operations	528,770	(131,318)
Adjustments to reconcile increase (decrease) in net assets from continuing operations to cash flows from continuing operating activities:		
Net realized and unrealized market (gain) loss on investments	(83,889)	385,491
Depreciation and amortization	184,517	195,896
Pension plan related changes	10,318	(18,185)
Contributions restricted for long-lived purposes	(2,933)	(5,661)
Other changes in net assets	9,427	17,317
Changes in other operating elements:		
Accounts receivable and other assets	(65,127)	(153,368)
Accounts payable and other current liabilities	(73,253)	(103,725)
Deferred compensation liability	37,178	(27,350)
Other liabilities	(37,934)	27,599
Cash flows from continuing operating activities	507,074	186,696
Cash flows (used in) from discontinued operating activities	(21,718)	10,429
Cash flows from operating activities	485,356	197,125
Investing activities		
Acquisition of property and equipment	(223,856)	(221,433)
Proceeds from sale of property and equipment	30,464	36,344
Purchases of investments and deferred compensation assets	(695,846)	(234,502)
Proceeds from sale of investments and deferred compensation assets	311,667	232,176
Increase in other assets	(19,351)	(26,641)
Cash flows used in continuing investing activities	(596,922)	(214,056)
Cash flows from (used in) discontinued investing activities	34,186	(11,715)
Cash flows used in investing activities	(562,736)	(225,771)

Sanford

Consolidated Statements of Cash Flows (continued) (In Thousands)

	Year Ended December 31	
	2023	2022
Financing activities		
Repayment of long-term debt	\$ (61,669)	\$ (61,938)
Net decrease of bond discounts, premiums, and deferred financing costs	(5,503)	(6,230)
Proceeds from residential housing deposits and annuities issued	7,087	8,025
Refunds of residential housing deposits	(9,779)	(8,014)
Proceeds from contributions restricted for long-lived purposes	2,933	5,661
Cash flows used in continuing financing activities	(66,931)	(62,496)
Cash flows used in discontinued financing activities	(19,173)	(1,303)
Cash flows used in financing activities	(86,104)	(63,799)
Decrease in cash and cash equivalents	(163,484)	(92,445)
Cash and cash equivalents – beginning of year	309,558	402,003
Cash and cash equivalents – end of year	\$ 146,074	\$ 309,558
Supplemental disclosures of non-cash investing and financing activities		
Property and equipment funded through accounts payable	\$ 18,710	\$ 10,836
Right-of-use asset financed by operating lease liabilities	23,836	32,952
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ 55,315	\$ 56,457
Reconciliation of cash and cash equivalents		
Cash	\$ 105,545	\$ 217,637
Cash included in other current assets	264	206
Cash equivalents included in assets held for sale	2,148	8,853
Cash equivalents included in assets whose use is limited	38,117	82,862
	\$ 146,074	\$ 309,558

See notes to consolidated financial statements.

Sanford

Notes to Consolidated Financial Statements *(Dollar Amounts in Thousands)*

December 31, 2023

1. Nature of Organization

Sanford, a nonprofit corporation headquartered in Sioux Falls, South Dakota, is the largest rural health system in the United States and is dedicated to transforming the health care experience and providing access to world-class health care in America's heartland. Sanford, and its wholly owned subsidiaries, serves more than one million patients and 220,000 health plan members across 250,000 square miles. The integrated health system has 47 medical centers, 220 clinic locations, 2,800 Sanford physicians and advanced practice providers delivering care in more than 80 specialties, 170 clinical investigators and research scientists, Good Samaritan Society senior care locations in multiple states, and world clinics around the globe.

The consolidated financial statements include the accounts of Sanford, which incorporate both tax-exempt and taxable entities. All material intercompany balances and transactions have been eliminated in the consolidation.

2. Summary of Significant Accounting Policies

The consolidated financial statements are prepared on the accrual basis of accounting. 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 and disclosures of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated balance sheets. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

Cash consists of deposits in banks and does not include any cash equivalents. At times, cash accounts may exceed federally insured limits. Management believes that the institutions where cash accounts are maintained are financially stable and that the credit risk related to deposits is minimal.

Sanford

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

2. Summary of Significant Accounting Policies (continued)

Cash equivalents included in other current assets, assets held for sale, and assets whose use is limited include investments with maturities of 90 days or less from the date of purchase that have not otherwise been classified as long-term assets due to a designation for long-term purposes.

Inventories

Inventories are reported at lower of cost or market. Inventories include supplies, which are generally based on average cost method, and pharmaceuticals, which are based on the first-in, first-out method.

Investments and Investment Return

Investments in equity securities with readily determinable fair values and all investments in debt securities are recorded at fair value on the consolidated balance sheets. Alternative investments that do not have readily determinable fair values are recorded at net asset value (NAV) as a practical expedient. Investment securities are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities could occur and such changes could materially affect the value of investments.

Investment return used to fund philanthropic initiatives is included in other operating revenue. All other investment return, including realized and unrealized gains and losses, are recorded as non-operating income (expense), unless restricted by donors. Investment return with donor restrictions is recorded as investment return (loss) within net assets with donor restrictions.

Property and Equipment

Land, land improvements, buildings, equipment (including software), and construction-in-process are reported at cost or market value at the time of purchase. In 2023, Sanford re-evaluated and adjusted the remaining useful lives of its healthcare land improvements, buildings, and equipment. This resulted in a reduction in depreciation expense of approximately \$35,000 for the year ended December 31, 2023.

Sanford

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

2. Summary of Significant Accounting Policies (continued)

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, as follows:

Land improvements	5–50 years
Buildings	15–80 years
Building equipment	5–80 years
Movable equipment	3–30 years

Management annually reviews the carrying value of long-lived assets for potential impairment. During 2022, damage caused by Hurricane Ian in Florida to a senior care campus resulted in \$50,526 of impairment losses for the year ended December 31, 2022, which is included within depreciation and amortization expense, offset by \$50,526 of anticipated insurance proceeds recorded within other operating revenue. Sanford received \$52,093 of insurance proceeds in 2023. There were no impairment losses during the year ended December 31, 2023.

Non-operating Property

Non-operating property consists primarily of real estate held for future development and other non-operating property. Real estate held for future development is recorded at the lower of cost or market value at the time of classification, while non-operating retail property is recorded at net book value.

Right-of-Use Assets and Operating Lease Liabilities

Sanford leases various facilities and equipment under noncancelable operating leases expiring at various dates through October 2053 and records the corresponding right-of-use assets and operating lease liabilities on the consolidated balance sheets. Right-of-use assets are calculated as lease liabilities plus any prepaid lease payments and initial direct costs, less any lease incentives. Renewal options to extend the lease term that are reasonably certain to be exercised are included in the measurement of leases. Operating lease liabilities are calculated as the present value of the remaining lease payments and reported within current portion of other liabilities and operating leases on the consolidated balance sheets. The majority of leases do not provide an implicit rate; therefore, Sanford has elected to use a rate that approximates its incremental borrowing rate, which is the interest rate Sanford would borrow on a collateralized basis over a similar term as the discount rate. Sanford excludes operating leases with terms of 12 months or less and includes any fixed non-lease components in lease measurement.

Sanford

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

2. Summary of Significant Accounting Policies (continued)

Goodwill and Intangible Assets

Goodwill represents any excess of acquisition price over fair value of net assets acquired and is not amortized. The balance was \$62,642 and \$68,092 as of December 31, 2023 and 2022, respectively. The annual impairment test was performed resulting in no impairment charges for the years ended December 31, 2023 or 2022.

Intangible assets are amortized over the terms of the agreements. The balance, net of accumulated amortization, was \$8,123 and \$13,303 as of December 31, 2023 and 2022, respectively.

Notes Receivable

As part of the recruitment and retention process, notes with forgiveness provisions may be issued to certain providers, employees, and students. Notes are repayable over periods varying from one to ten years and are issued at current interest rates. As of December 31, 2023 and 2022, notes receivable from providers and employees totaled \$67,442 and \$64,136, respectively, with balances due or to be forgiven within one year reported within other current assets and non-current balances outstanding reflected as notes receivable on the consolidated balance sheets.

Medical Claims Payable

Sanford's health plan entities are at risk for certain medical costs of their members, up to reinsurance limits. Reserves for medical claims are recorded in medical claims payable on the consolidated balance sheets and include amounts based on management's estimate for claims, which are expected to be paid after the consolidated balance sheet date, for services provided to members during the policy period. The estimates of costs incurred for obligations to provide services are based on both claims reported to Sanford's health plan entities, along with actuarial estimates of incurred but not yet reported medical services.

The portion of the liability for unpaid medical claims that are derived from actuarial estimates are developed from historical data, cost trends, member and product mix, seasonality, utilization of healthcare services, contracted rates, and other relevant data. The estimates may change as actuarial methods change or as underlying facts upon which estimates are based change. While variability is inherent in these estimates, management believes the reserve for unpaid medical claims is adequate. The estimates are continually reviewed and adjusted within medical claims expense as necessary.

Sanford

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

2. Summary of Significant Accounting Policies (continued)

Deferred Compensation

Sanford offers management and providers the ability to participate in nonqualified plans created in accordance with applicable provisions of the Internal Revenue Code. The plans permit deferral of salary, and the accumulated deferred compensation balance is not available to employees until a distributable event, as defined within the plan documents. All amounts of compensation deferred under the plans, and all income attributable to those amounts, are solely the property of Sanford until paid or made available to the employee or other beneficiary. The related assets are reported within assets whose use is limited at their fair market value, and the related liabilities are reported as noncurrent liabilities on the consolidated balance sheets.

Residential Housing Deposits

Housing deposits received from senior care residents in advance for admittance into residential units are typically refundable back to the resident upon their departure from residing in the unit. In certain limited instances, the deposit received in advance for admittance is nonrefundable based upon time restrictions and vacancy of the unit. The nonrefundable portion of the deposits are amortized into other operating revenue over the life expectancy of the occupant and fully recognized when the occupant vacates the unit. The current portion of the deposits are reported as current portion of other liabilities on the consolidated balance sheets.

Net Assets

Net assets not subject to donor-imposed stipulations are reflected as net assets without donor restrictions. Net assets with donor restrictions are those whose use has been limited by donors to a specific purpose, period of time, or that must be maintained in perpetuity. Gifts with restrictions are recorded as contributions in net assets with donor restrictions.

When a restriction is met, or a donor-imposed restriction changes, net assets are reclassified and reported as net assets released from restrictions within other operating revenue, non-operating income (expense), or releases for acquisitions of property and equipment.

Sanford

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

2. Summary of Significant Accounting Policies (continued)

Any gifts received in advance of meeting the condition associated with the gift are recorded as deferred revenue. Amounts to which the condition will be met within one year are reported as within current portion of other liabilities and amounts to which the condition will be met after one year are reported as other non-current liabilities on the consolidated balance sheets. Once the condition for the gift is met, gifts without donor restrictions are recorded within other operating revenue and gifts with donor restrictions are recorded within net assets with donor restrictions.

Non-controlling Interest

Sanford has control, but less than 100% ownership in certain entities and accordingly has consolidated them into the financial statements for the years ended December 31, 2023 and 2022. The net assets attributed to the non-controlling interests are reported as net assets without donor restrictions – non-controlling interest.

Operating and Non-operating Activities

Sanford's primary objective of operations is to meet the healthcare needs of patients, residents, and communities. All activities directly associated with this objective are considered operating activities. Non-operating activities primarily include investment return and other expenses, which largely consist of contributions expense and income taxes.

Charity Care and Community Benefits

Sanford provides care to patients and residents without charge or at amounts less than its established rates regardless of their ability to pay. These patients and residents meet criteria as defined by Sanford's charity care policies. Sanford does not pursue collection of amounts determined to qualify as charity care. Accordingly, these amounts are not reported as patient or resident revenue. The total cost of charity care (estimated by applying an overall cost to charge ratio to the charges incurred) was \$90,124 and \$93,117 for the years ended December 31, 2023 and 2022, respectively.

Sanford also provides a variety of services and benefits designed to improve the health in the communities it serves. These benefits include education and promotion of health activities, civic involvement, community funding, and medical research.

Sanford

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

2. Summary of Significant Accounting Policies (continued)

Premium Revenue

Premium revenue represents gross premiums earned in the year for which fully insured members are covered. Premium revenue includes amounts paid by employer groups and individual members, as well as state and federal governments. Premiums are contractual and are recognized in the coverage period in which members are entitled to receive healthcare services. Premiums received in advance of a coverage period are recorded as other current liabilities on the consolidated balance sheets.

Other Operating Revenue

Other operating revenue is primarily generated by pharmacies, reference labs, mobile diagnostic services, and various other operations and are recognized when services are performed, or products are delivered. Other operating revenue also includes contributions without donor restrictions, grant revenue, and COVID-19 related revenue.

Income Taxes

Certain wholly owned subsidiaries are subject to income taxes. Deferred income tax assets and liabilities are recognized for the differences between the financial and income tax reporting basis of assets and liabilities based on enacted tax rates and laws. A tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination.

The deferred income tax provision or benefit generally reflects the net change in deferred income tax assets and liabilities during the year. Deferred tax assets of \$1,509 and \$817 have been recorded in other assets on the consolidated balance sheets as of December 31, 2023 and 2022, respectively.

The current income tax provision reflects the tax consequences of revenues and expenses currently taxable or deductible on various income tax returns for the year reported. Sanford paid an insignificant amount of federal and state income taxes for the years ended December 31, 2023 and 2022.

Sanford

Notes to Consolidated Financial Statements (continued) (Dollar Amounts in Thousands)

2. Summary of Significant Accounting Policies (continued)

Performance Indicators

The accompanying consolidated statements of operations include income from operations as an operating measure of the net of revenues and expenses generated from healthcare related services that advance the objectives of Sanford. Income from operations excludes revenue and expenses from other activities and revenue and expenses that are not expected to recur on an annual ongoing basis. The exclusion of these items helps improve the comparability of Sanford's income from operations year-to-year, while also improving comparability across other healthcare providers.

The accompanying consolidated statements of operations also includes excess (deficiency) of revenues over expenses attributable to controlling interest as a performance measure of all non-operating activity, discontinued operations activity, and non-controlling interest changes, in addition to the income from operations operating measure. Excess (deficiency) of revenues over expenses attributable to controlling interest excludes pension plan-related changes, long-lived assets acquired using contributions, and other changes in net assets.

New Accounting Pronouncements

In June, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The objective of this update is to improve financial reporting by requiring earlier recognition of credit losses on financing receivables and other financial assets in scope. For notes receivable, trade receivables, loans, and held-to-maturity debt securities, entities will be required to estimate lifetime expected credit losses, resulting in earlier recognition of credit losses. For available-for-sale debt securities, entities are required to recognize an allowance for credit losses rather than a reduction to the carrying value of the asset. In November 2019, the FASB issued ASU 2019-10, which extended the effective date for ASU 2016-13. This guidance was effective for Sanford on January 1, 2023, and did not significantly affect the consolidated financial statements.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation relating to discontinued operations of senior care facilities, which is summarized in Note 17.

Sanford

Notes to Consolidated Financial Statements (continued) *(Dollar Amounts in Thousands)*

2. Summary of Significant Accounting Policies (continued)

Subsequent Events

Sanford has evaluated subsequent events through April 23, 2024, the date this report was issued, and no additional significant events have been identified other than matters disclosed in Notes 10 and 12.

3. Patient Revenue, Resident Revenue, and Accounts Receivable

Patient and resident revenue are reported at estimated net realizable amounts from patients, residents, third-party payors, and others that Sanford expects to receive in exchange for providing patient and resident care. Sanford determines performance obligations based on the nature of the services provided and revenue is recognized when those services are rendered. For services provided over a period of time, such as inpatients receiving acute care services or residents receiving post-acute care services, revenue recognition begins when the patient or resident is admitted and concludes at the time of discharge. Remaining performance obligations relating to inpatient acute care services or resident post-acute care services as of December 31, 2023, will be satisfied in full in 2024.

The initial estimate of patient and resident revenue is determined by reducing the gross charge by explicit price concessions (contractual adjustments) arising from various reimbursement arrangements with third-party payors and implicit price concessions provided to self-pay patients or residents for their respective responsibility. Sanford has elected to account for third-party payor, patient, and resident contracts as collective groups rather than individual contracts. The financial statement effects of using this practical expedient are not materially different from an individual contract approach.

Sanford grants credit without collateral to its patients and residents, most of whom carry insurance for the health services they are receiving. Sanford participates in Medicare, Medicaid, Blue Cross, and other third-party payor programs. Contractual adjustments are accrued on an estimated basis in the period in which the services are rendered based on the respective contractual agreements and historical experience. Certain reimbursement arrangements are subject to retroactive audit, and as a result, there is a reasonable possibility that recorded estimates could change upon audit. Differences between amounts estimated and final settlements are included in operations in the year in which the differences become known.

Sanford

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

3. Patient Revenue, Resident Revenue, and Accounts Receivable (continued)

Generally, patients and residents who are covered by insurance are responsible for related deductibles and coinsurance, which Sanford estimates the corresponding ability to collect based on historical experience, current market conditions, and information gathered based on the patient's or resident's ability to pay. Subsequent changes as a result of adverse changes in the patient's or resident's ability to pay are recorded as adjustments to patient or resident revenue in the period of the change. Such changes for the years ended December 31, 2023 and 2022 were not material.

The percentage of patient revenue, resident revenue, and accounts receivable as of and for the years ended December 31 was as follows:

	Patient		Resident	
	2023	2022	2023	2022
Revenue:				
Medicare	34.6%	32.1%	11.5%	13.7%
Medicaid	9.9	11.6	46.6	45.8
Blue Cross	26.3	27.1	–	–
Other third-party payors	28.1	27.5	9.2	8.6
Self-pay and other	1.1	1.7	32.7	31.9
	100.0%	100.0%	100.0%	100.0%
Accounts receivable:				
Medicare	25.3%	24.9%	12.6%	16.1%
Medicaid	9.7	10.8	39.8	38.7
Blue Cross	20.7	20.2	–	–
Other third-party payors	35.2	30.9	16.5	19.1
Self-pay and other	9.1	13.2	31.1	26.1
	100.0%	100.0%	100.0%	100.0%

Sanford

Notes to Consolidated Financial Statements (continued) (Dollar Amounts in Thousands)

4. Fair Value Measurements

Assets and liabilities recorded at fair value in the financial statements are categorized, for disclosure purposes, based upon whether the inputs used to determine their fair values are observable or unobservable. A three-level value hierarchy is used for disclosure of fair value measurements that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The three levels of the fair value hierarchy under Accounting Standards Codification 820, *Fair Value Measurement*, are described as follows:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Sanford has the ability to access.
- Level 2 – Inputs to the valuation methodology include directly or indirectly observable inputs other than Level 1 inputs, such as quoted prices for similar instruments in active or inactive markets, quoted prices for identical instruments in inactive markets, or inputs that are observable or can be corroborated by observable market data. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 – Inputs to the valuation methodology are unobservable and are related to the instruments that are supported by little or no market activity using pricing models, discounted cash flow methodologies, or similar valuation techniques.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Sanford's policy for recording transfers is at the end of the period for which the transfer happened. There were no transfers between levels during the years ended December 31, 2023 or 2022.

Sanford

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

4. Fair Value Measurements (continued)

The following is a description of the valuation methodologies used for assets measured at fair value.

Financial assets include short-term investments and debt service funds in other current assets, investments, and assets whose use is limited and are recorded at their estimated fair value. Fair values of debt and equity securities are based on quoted market prices, where available. Information is obtained from custodians of the financial instruments and their third-party pricing services to establish fair value, which generally uses quoted or other observable inputs for the determination of fair value. The information is reviewed, and for many instruments whose pricing inputs are readily observable in the market, the valuation methodology is accepted by market participants and involves little to no judgment. For instruments whose pricing inputs are less observable in the marketplace, inputs can be subjective in nature and involve uncertainties. Management uses this information to distribute the instruments among the three-level hierarchy.

Changes in the reported market values and returns are compared to relevant market indices to test the reasonableness of the reported fair values of the underlying debt and equity securities. This internal review of fair value methodology has not historically resulted in adjustment in the process obtained from the custodians.

Fair values of debt securities that do not trade on a regular basis in active markets but are priced using other observable inputs are classified as Level 2.

Fair value estimates for Level 1 and Level 2 equity securities are based on quoted market prices for actively traded equity securities or other market data for the same or comparable instruments and transactions in establishing the prices. Generally, Level 2 fixed income securities are valued based on quoted prices for similar instruments, including the assets held in the defined benefit plans as referenced in Note 10. There were no financial assets recorded at fair value classified as Level 3 as of December 31, 2023 or 2022.

Sanford

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

4. Fair Value Measurements (continued)

Financial assets measured at fair value are summarized in the following tables:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
December 31, 2023			
Assets:			
Money market funds	\$ 281,051	\$ –	\$ 281,051
Equity mutual and exchange traded funds	357,530	–	357,530
Common stocks	193	–	193
Participant-directed deferred compensation assets	201,304	–	201,304
Fixed income mutual and exchange traded funds	683,798	–	683,798
U.S. government securities	82,326	–	82,326
Government sponsored enterprise securities	–	31,228	31,228
Government sponsored enterprise mortgage backed securities	–	43,771	43,771
Corporate debt securities	–	677,931	677,931
Municipal bonds	–	294,978	294,978
Other	–	20,032	20,032
Total assets valued at fair value	<u>\$ 1,606,202</u>	<u>\$ 1,067,940</u>	2,674,142
Investments recorded at net asset value			<u>120,294</u>
			<u>\$ 2,794,436</u>
Assets reported as:			
Short-term investments			\$ 285,632
Debt service funds in other current assets			264
Investments			2,269,119
Assets whose use is limited:			
Regulatory and reserve funds			38,117
Deferred compensation funds			201,304
			<u>\$ 2,794,436</u>

Sanford

Notes to Consolidated Financial Statements (continued)
(Dollar Amounts in Thousands)

4. Fair Value Measurements (continued)

	Level 1	Level 2	Total
December 31, 2022			
Assets:			
Money market funds	\$ 344,588	\$ –	\$ 344,588
Equity mutual and exchange traded funds	191,864	–	191,864
Common stocks	594	–	594
Participant-directed deferred compensation assets	164,012	–	164,012
Fixed income mutual and exchange traded funds	579,354	–	579,354
U.S. government securities	49,120	–	49,120
Government sponsored enterprise securities	–	17,816	17,816
Government sponsored enterprise mortgage backed securities	–	13,539	13,539
Corporate debt securities	–	605,831	605,831
Municipal bonds	–	274,870	274,870
Other	–	14,513	14,513
Total assets valued at fair value	<u>\$ 1,329,532</u>	<u>\$ 926,569</u>	2,256,101
Investments recorded at net asset value			115,351
			<u>\$ 2,371,452</u>
Assets reported as:			
Short-term investments			\$ 296,071
Debt service funds in other current assets			206
Investments			1,827,905
Assets whose use is limited:			
Regulatory and reserve funds			83,258
Deferred compensation funds			164,012
			<u>\$ 2,371,452</u>

Sanford

Notes to Consolidated Financial Statements (continued) (Dollar Amounts in Thousands)

4. Fair Value Measurements (continued)

A portion of Sanford's investment portfolio is in alternative investments, which generally consist of limited partnerships that invest in domestic and global equities or real estate that are not readily marketable, and, as a result, are valued at NAV. Unless it is probable that all or a portion of the investment will be sold for an amount other than NAV, Sanford has concluded that the NAV approximates fair value. The values of the securities held by the limited partnerships that do not have readily determinable values are based on historical cost, appraisals, operating performance, or other valuation estimates that require varying degrees of judgment and qualitative observations. There is inherent uncertainty in such valuations, and the estimated fair values may differ from the values that would have been used had a ready market for the securities existed. Generally, the investment balance of Sanford's holdings in alternative investments reflects net contributions to the partnerships and Sanford's share of realized and unrealized investment income and expenses.

Domestic and global equities include investments in certain domestic and global healthcare technologies and companies. Real estate investments include a diversified portfolio primarily focused on opportunities in the acquisition, development, redevelopment, operation, and management of real estate properties. Private debt securities include investments in fixed income instruments comprised of broadly syndicated bank loans.

Alternative investments consisted of the following:

	NAV		Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
	December 31 2023	2022			
Domestic and global equities	\$ 82,193	\$ 77,865	\$ 10,933	Limited	N/A
Real estate private equities	18,965	18,881	–	Limited	N/A
Real estate private equities	10,589	10,589	–	Quarterly	2 days
Private debt securities	8,547	8,016	–	Quarterly	30 days
	<u>\$ 120,294</u>	<u>\$ 115,351</u>	<u>\$ 10,933</u>		

Sanford

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

5. Liquidity and Availability

As part of Sanford's cash management, cash and investments feature a high degree of safety and liquidity to support general expenditures and debt service payable within one year in the normal course of operations. Financial assets available within one year as of December 31 consisted of the following:

	<u>2023</u>	<u>2022</u>
Cash	\$ 105,545	\$ 217,637
Short-term investments	285,632	296,071
Accounts receivable, less allowances	936,994	868,796
Debt service funds in other current assets	264	206
Notes and contributions receivable in other current assets	27,790	23,984
Investments, less alternative investments	2,148,825	1,712,554
	<u>\$ 3,505,050</u>	<u>\$ 3,119,248</u>

Financial assets such as assets whose use is limited and non-current notes and contributions receivable are not available for general expenditure and debt service payable within the next year and are not reflected in the amounts above.

In addition, as discussed in Note 12, Sanford can access liquidity through a line of credit agreement of up to \$200,000.

Sanford

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

6. Investment Return

The following schedule summarizes investment return and its classification in the consolidated statements of operations and changes in net assets:

	2023	2022
Without donor restrictions – other operating revenue:		
Dividend and interest income	\$ 35,057	\$ 32,926
Without donor restrictions – non-operating income (expense):		
Dividend and interest income	79,209	54,934
Net realized gain (loss) on sales of investments	394	(2,157)
Unrealized gain (loss)	66,881	(349,492)
	146,484	(296,715)
With donor restrictions:		
Dividend and interest income	3,448	3,670
Net realized (loss) gain on sales of investments	(1,879)	374
Unrealized gain (loss)	18,493	(34,216)
	20,062	(30,172)
	\$ 201,603	\$ (293,961)

Sanford

Notes to Consolidated Financial Statements (continued) (Dollar Amounts in Thousands)

7. Property and Equipment

Property and equipment consisted of the following:

	2023	2022
Land and land improvements	\$ 451,838	\$ 445,158
Buildings	2,701,877	2,727,589
Building equipment	513,349	496,171
Movable equipment	1,419,985	1,408,014
Construction-in-process	219,947	107,420
	5,306,996	5,184,352
Accumulated depreciation	(2,795,403)	(2,743,601)
	\$ 2,511,593	\$ 2,440,751

8. Investment in Joint Ventures

Sanford records investments in joint ventures using the equity method. Earnings and losses are included within other operating revenue. As of December 31, 2023 and 2022, investments in joint ventures consisted of organizations in which Sanford's ownership interest ranges from 10% to 50%. The collective financial position of the joint ventures is as follows:

	2023	2022
Total assets	\$ 185,099	\$ 141,972
Total operating revenues	120,726	113,458
Income from operations	13,237	8,382

Sanford's share of net gains, new equity contributions, and distributions received from joint ventures are summarized as follows:

	2023	2022
Net gains on investments in joint ventures	\$ 4,035	\$ 2,434
New equity contributions into joint ventures	17,945	3,530
Distributions received from joint ventures	2,917	1,886

Sanford

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

9. Operating Leases

Future payments due under operating leases are as follows:

Year ending December 31:	
2024	\$ 23,997
2025	19,425
2026	16,520
2027	14,339
2028	10,451
Thereafter	29,246
	<hr/>
	113,978
Less present value discount	(18,497)
	<hr/>
	\$ 95,481

Operating lease liabilities are calculated as the present value of the remaining lease payments. The weighted average discount rate for operating leases was 4.6% and 4.5% for the years ended December 31, 2023 and 2022, respectively. The weighted average remaining lease term for operating leases was seven years for the years ended December 31, 2023 and 2022. Lease expense associated with operating leases was \$30,553 and \$28,826 for the years ended December 31, 2023 and 2022, respectively.

10. Pension Plans

Defined Contribution Retirement Plans

Sanford has defined contribution retirement plans that are available to all eligible employees. Employer contributions are based on a percentage of annual compensation and employee contribution levels. Employee and employer contributions are deposited with the plan trustee who invests the plan assets. Defined contribution retirement costs of \$116,458 and \$112,736 were recognized as part of salaries and benefits for the years ended December 31, 2023 and 2022, respectively.

Sanford

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

10. Pension Plans (continued)

Defined Benefit Pension Plans

Sanford had two defined benefit pension plans that provided benefits based on years of service and compensation (the “Master Plan” and the “Bismarck Plan”, collectively referred to as “the plans”). In December 2022, Sanford’s Board of Trustees passed a resolution to freeze and terminate the plans in 2023. The resolution to freeze plan benefits triggered pension curtailment accounting and resulted in a net curtailment gain. In 2022 the Bismarck Plan merged, and the corresponding participants moved into the Master Plan (the plan). The Plan terminated effective March 31, 2023.

A partial settlement of the plan occurred through lump sum payments to eligible participants in December 2023, resulting in the recognition of \$10,553 in settlement loss as of December 31, 2023.

The plan adopted the termination basis of accounting during 2023, resulting in a change in classification of funded status, or comparison of plan assets and plan liabilities, of the Plan from an asset of \$5,131 presented in other assets on the consolidated balance sheet at December 31, 2022 to a liability of \$15,057 presented in other current liabilities on the consolidated balance sheet at December 31, 2023.

In January 2024, Sanford signed an agreement with an insurance company to purchase a group annuity contract for \$230,880 to transfer all projected benefit obligations related to the Plan. Sanford contributed \$3,680 in settlement of the net pension obligation. This action is expected to result in a final settlement charge of approximately \$45,987 in 2024.

Sanford

Notes to Consolidated Financial Statements (continued) (Dollar Amounts in Thousands)

10. Pension Plans (continued)

Obligation and Funded Status

Defined benefit pension obligations and funded status are measured as of, and changes for the years then ended are as follows:

	Master Plan		Bismarck Plan	
	2023	2022	2023	2022
Change in benefit obligation:				
Benefit obligation, beginning of year	\$ 278,109	\$ 226,915	\$ –	\$ 145,781
Service cost	241	337	–	1,250
Interest cost	14,753	6,408	–	4,163
Actuarial loss (gain)	24,413	(49,869)	–	(33,366)
Benefits paid	(19,842)	(12,364)	–	(6,790)
Merger into Master Plan	–	111,038	–	(111,038)
Curtailments	–	(4,356)	–	–
Settlements	(46,253)	–	–	–
Benefit obligation, end of year	<u>251,421</u>	<u>278,109</u>	<u>–</u>	<u>–</u>
Change in plan assets:				
Fair value of plan assets, beginning of year	283,240	216,271	–	133,135
Gain (loss) on plan assets	19,219	(30,974)	–	(22,978)
Employer contributions	–	4,840	–	2,100
Benefits paid	(19,842)	(12,364)	–	(6,790)
Merger into Master Plan	–	105,467	–	(105,467)
Settlements	(46,253)	–	–	–
Fair value of plan assets, end of year	<u>236,364</u>	<u>283,240</u>	<u>–</u>	<u>–</u>
Funded status:				
Benefit obligation in excess of (less than) plan assets	<u>\$ 15,057</u>	<u>\$ (5,131)</u>	<u>\$ –</u>	<u>\$ –</u>
Amounts recognized in net assets without donor restrictions consisting of net actuarial loss	<u>\$ 57,364</u>	<u>\$ 47,046</u>	<u>\$ –</u>	<u>\$ –</u>
Accumulated benefit obligation	<u>\$ 251,421</u>	<u>\$ 277,880</u>	<u>\$ –</u>	<u>\$ –</u>
Weighted average of assumptions used to determine end of year obligations:				
Discount rate	4.43%	5.50%	n/a	n/a
Rate of compensation increase	n/a	3.00	n/a	n/a

Sanford

Notes to Consolidated Financial Statements (continued) (Dollar Amounts in Thousands)

10. Pension Plans (continued)

Components of Net Periodic Pension Cost (Benefit)

	Master Plan		Bismarck Plan	
	2023	2022	2023	2022
Service cost	\$ 241	\$ 337	\$ –	\$ 1,250
Interest cost	14,753	6,408	–	4,163
Expected return on plan assets	(15,677)	(10,179)	–	(6,574)
Amortization of actuarial loss	–	1,935	–	–
Settlement loss	10,553	–	–	–
Net periodic pension cost (benefit)	\$ 9,870	\$ (1,499)	\$ –	\$ (1,161)
Weighted average of assumptions used to determine net periodic cost (benefit):				
Discount rate	5.50%	2.90%	n/a	2.90%
Plan assets expected long-term rate of return	5.25	5.00	n/a	5.00
Rate of compensation increase	3.00	3.00	n/a	3.00

Service cost is included in salaries and benefits expense and all other components of the net periodic pension cost are included in other expenses within non-operating income (expense).

Plan Assets

The pension plan weighted average asset allocations by asset category are as follows:

	2023	2022
Equity investments	–%	10%
Debt investments	96	89
Cash equivalents	4	1
	100%	100%

Sanford

Notes to Consolidated Financial Statements (continued) (Dollar Amounts in Thousands)

10. Pension Plans (continued)

With the Plan termination, Sanford hedged the Plan's interest rate and duration risk by investing in fixed income to preserve the plan funded status and mitigate risk exposure of the final settlement of the Plan. The expected long-term rate of return for the Plan was based on historical experience and the go forward investment allocation. Management believes this is an appropriate rate of return until final settlement of the plan as the fixed income securities are liquidated and converted to cash in preparation of the group annuity contract purchase in January 2024.

Financial assets of the qualified plans were measured at fair value on a recurring basis as of December 31 and are summarized in the following tables by type of inputs (see Note 4) applicable to the fair value measurements:

	Level 1	Level 2	Total
December 31, 2023			
Master Plan:			
Money market funds	\$ 7,291	\$ –	\$ 7,291
Fixed income mutual and exchange traded funds	190,218	–	190,218
U.S. government securities	4,776	–	4,776
Government sponsored enterprise securities	–	1,023	1,023
Government sponsored enterprise mortgage backed securities	–	2,068	2,068
Corporate debt securities	–	22,901	22,901
Municipal bonds	–	6,533	6,533
Other	–	1,554	1,554
	\$ 202,285	\$ 34,079	\$ 236,364

Sanford

Notes to Consolidated Financial Statements (continued) (Dollar Amounts in Thousands)

10. Pension Plans (continued)

	Level 1	Level 2	Total
December 31, 2022			
Master Plan:			
Money market funds	\$ 2,088	\$ —	\$ 2,088
Equity mutual and exchange traded funds	28,059	—	28,059
Fixed income mutual and exchange traded funds	166,318	—	166,318
U.S. government securities	13,337	—	13,337
Government sponsored enterprise securities	—	7,259	7,259
Government sponsored enterprise mortgage backed securities	—	2,358	2,358
Corporate debt securities	—	33,188	33,188
Municipal bonds	—	28,882	28,882
Other	—	1,751	1,751
	\$ 209,802	\$ 73,438	\$ 283,240

11. Residential Housing Deposits

Residential housing deposits consisted of the following:

	2023	2022
Refundable portion	\$ 70,005	\$ 73,394
Nonrefundable portion	4,273	4,114
Total residential housing deposits	74,278	77,508
Less current portion	(10,169)	(10,317)
	\$ 64,109	\$ 67,191

Sanford

Notes to Consolidated Financial Statements (continued) (Dollar Amounts in Thousands)

12. Long-Term Debt

Sanford and certain of its wholly owned entities entered into a first amended and restated Master Trust Indenture (MTI) dated November 1, 2019. Members of the Obligated Group are jointly and severally obligated for the debt issued and guaranteed under the MTI.

Long-term debt consisted of the following:

	Interest Structure	Interest Rates	Final Maturity	December 31	
				2023	2022
Bonds payable:					
Series 1997	Variable	0.90% to 5.45%	November 2027	\$ 1,430	\$ 1,745
Series 2000	Variable	0.50% to 5.05%	November 2025	645	945
Series 2004B	Variable	1.30% to 5.85%	November 2034	12,075	12,510
Series 2010	Fixed	3.38%	December 2025	660	997
Series 2012A	Fixed	1.83%	September 2024	2,050	7,190
Series 2012B	Fixed	2.39%	September 2031	22,110	23,955
Series 2012C	Fixed	1.38%	September 2024	55	390
Series 2012D	Fixed	1.97%	September 2032	23,520	25,780
Series 2014A	Fixed	4.00%	November 2034	52,000	52,000
Series 2014B	Fixed	4.00% to 5.00%	November 2044	157,020	161,215
Series 2015	Fixed	4.00% to 5.00%	November 2045	146,475	151,055
Series 2016	Fixed	1.92%	November 2026	15,000	20,000
Series 2019A	Fixed	4.00% to 5.00%	November 2049	310,420	321,030
Series 2019B	Fixed	2.50% to 3.85%	November 2049	350,430	359,265
Series 2021	Fixed	1.23% to 3.17%	November 2052	243,245	246,555
Total bonds payable				<u>1,337,135</u>	<u>1,384,632</u>
Notes payable:					
Bank notes	Fixed	1.52% to 2.50%	April 2032	61,680	71,840
Other	Fixed	0.00% to 2.85%	October 2025	6,190	9,500
Total notes payable				<u>67,870</u>	<u>81,340</u>
Finance lease obligations	Fixed	8.00%	June 2023	-	703
Total principal outstanding				<u>1,405,005</u>	<u>1,466,675</u>
Net unamortized bond premiums and deferred financing costs				<u>61,510</u>	<u>67,012</u>
Total debt				<u>1,466,515</u>	<u>1,533,687</u>
Less current maturities				<u>(67,609)</u>	<u>(68,200)</u>
Total long-term portion of debt				<u>\$ 1,398,906</u>	<u>\$ 1,465,487</u>

Sanford

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

12. Long-Term Debt (continued)

In 2023, Sanford entered into a line of credit agreement with U.S. Bank National Association under which it may advance up to \$200,000. The line of credit, subject to a variable interest rate, is an obligation of the Obligated Group secured by a note under the MTI. As of December 31, 2023, there were no amounts outstanding on the line of credit. The line of credit, originally expiring on February 1, 2024, was extended to January 31, 2025.

Relating to Series 1997 and 2000, the Obligated Group provides internal liquidity support in the event respective bonds are tendered for repurchase and not remarketed, and as such, the outstanding principal has been classified as a current maturity of long-term debt.

All note obligations related to bond issues are secured by security interests in gross receipts excluding grants, bequests, and donations which are designated as to purpose.

Payment of the principal of the Series 2004B Note Obligations plus up to 60 days interest are secured by an irrevocable direct payment letter of credit, issued by U.S. Bank National Association, at the request of the Obligated Group. Draws on the letter of credit are due 367 days after the draw. The letter of credit expires November 1, 2024.

Debt agreements contain various restrictive covenants related to coverage of annual debt service and financial position as defined in the agreements. Sanford was in compliance with the financial covenants as of December 31, 2023 and 2022.

Scheduled principal payments of long-term debt as of December 31, 2023, are as follows:

	Bonds Payable	Notes Payable	Total
Year ending December 31:			
2024	\$ 47,981	\$ 12,864	\$ 60,845
2025	50,017	15,439	65,456
2026	51,220	12,030	63,250
2027	48,870	12,731	61,601
2028	55,005	3,567	58,572
Thereafter	1,084,042	11,239	1,095,281
	\$ 1,337,135	\$ 67,870	\$ 1,405,005

Sanford

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

13. Commitments and Contingencies

Professional Liability

Sanford carries professional and general liability insurance through a combination of self-insured retention and commercial insurance carriers. Amounts accrued are included in current portion of other liabilities and other noncurrent liabilities on the consolidated balance sheets. The current claims made policy provides for a self-insured retention for both professional and general liability with up to an \$18,000 annual aggregate as of December 31, 2023.

Excess coverage of \$80,000 for hospitals and clinics and \$115,000 for senior care is provided by various carriers and layers. The excess coverage provides a dedicated excess limit of coverage for professional and general liability claims from other liability coverage, such as workers' compensation, aviation, auto, and ambulance liability, all of which are covered by the excess insurance program.

Workers' Compensation

Sanford has limited its losses to a maximum of \$1,000 of any one workers' compensation occurrence. Amounts accrued as current portion of other liabilities and other noncurrent liabilities and charged to expense include plan expenses and estimated losses of claims incurred that will be paid based on prior claims experience. North Dakota sites are insured through the state operated North Dakota Workforce Safety and Insurance program.

Group Health Insurance Benefit

For eligible employees who elect to participate, Sanford provides a self-funded insurance program for health benefits. Sanford accrues expense equal to its portion of estimated plan liabilities and has limited its losses on individual claims to \$1,000 per member per year through a stop-loss reinsurance agreement.

Sanford

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

13. Commitments and Contingencies (continued)

Other Commitments and Contingencies

Under the laws of the states of South Dakota, Nebraska, and Minnesota, Sanford is required to maintain a minimum net worth based on the Company Action Level of Risk-Based Capital for the fully insured business lines. Sanford has met the minimum net worth requirements.

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Sanford is not aware of any allegations of noncompliance with current laws and regulations that could have a material adverse impact on the consolidated financial statements.

Sanford is a defendant in various lawsuits arising in the ordinary course of business. Although the outcome of these lawsuits cannot be predicted with certainty, management believes the ultimate disposition of such matters will not have a material effect on the consolidated financial statements.

14. Net Assets With Donor Restrictions

Net assets with donor restrictions include net assets subject to the passage of time, expenditures for specific purposes, and net assets to be held in perpetuity, which consisted of the following:

	2023	2022
Net assets subject to expenditures for specific purposes:		
Women’s health	\$ 59,653	\$ 59,812
Senior care	10,838	13,393
Children’s fitness	7,595	8,292
Programs, services, and equipment	100,807	88,633
	178,893	170,130
Net assets to be held in perpetuity:		
Endowments, income restricted by donors	109,341	113,328
Endowments, income not restricted by donors	5,863	5,821
	115,204	119,149
Net assets with donor restrictions	\$ 294,097	\$ 289,279

Sanford

Notes to Consolidated Financial Statements (continued)
(Dollar Amounts in Thousands)

14. Net Assets With Donor Restrictions (continued)

Changes in net assets with donor restrictions that are to be held in perpetuity were as follows:

	2023	2022
Beginning of year	\$ 119,149	\$ 117,413
Contributions	548	3,128
Investment return (loss)	17	(1,170)
Net assets released from restriction	(4,510)	(222)
End of year	\$ 115,204	\$ 119,149

Available endowment earnings are appropriated in accordance with donor restrictions. There were no deficiencies reported in net assets with donor restrictions as of December 31, 2023.

Net assets are released from restrictions by incurring expenses or acquiring property and equipment that meet the requirements of donor restrictions. Net assets released from restrictions for the various purposes were as follows:

	2023	2022
Operating expenses	\$ 25,529	\$ 17,138
Property and equipment	7,428	2,750
	\$ 32,957	\$ 19,888

Sanford

Notes to Consolidated Financial Statements (continued) (Dollar Amounts in Thousands)

15. Functional Expenses

Sanford provides healthcare, senior care, and healthcare financing services to meet these needs of individuals. The consolidated statements of operations report expenses based on natural classification that are attributable to more than one program or support function. In order to present expenses on a functional basis, each department's purpose is evaluated and analyzed, and expenses are attributed to the respective function accordingly.

The costs of providing program and other activities on a functional basis were as follows:

	Healthcare	Senior Care	Health Plan	Research and Other	General	Total
Year ended December 31, 2023						
Salaries and benefits	\$2,783,240	\$ 381,953	\$ 30,617	\$ 46,625	\$ 258,419	\$3,500,854
Supplies	1,306,645	51,084	1,563	12,704	16,411	1,388,407
Purchased services and other	729,740	115,554	56,264	15,297	208,107	1,124,962
Medical claims	-	-	583,959	-	-	583,959
Depreciation and amortization	109,047	37,722	62	9,341	28,345	184,517
Interest	24,333	14,861	-	414	1,420	41,028
Total	\$4,953,005	\$ 601,174	\$ 672,465	\$ 84,381	\$ 512,702	\$6,823,727

	Healthcare	Senior Care	Health Plan	Research and Other	General	Total
Year ended December 31, 2022						
Salaries and benefits	\$2,661,825	\$ 359,842	\$ 29,249	\$ 50,454	\$ 263,139	\$3,364,509
Supplies	1,165,768	52,608	222	14,668	15,000	1,248,266
Purchased services and other	742,960	123,506	64,006	20,722	186,402	1,137,596
Medical claims	-	-	556,210	-	-	556,210
Depreciation and amortization	145,365	19,613	545	6,372	24,001	195,896
Interest	25,752	14,874	(5)	279	1,223	42,123
Total	\$4,741,670	\$ 570,443	\$ 650,227	\$ 92,495	\$ 489,765	\$6,544,600

Healthcare, senior care, health plan, and research and other are program services.

Sanford

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

16. COVID-19

For the years ended December 31, 2023 and 2022, Sanford recognized \$1,617 and \$42,221, respectively, of COVID-19 related revenue into other operating revenue. These funds were predominately received or sourced from healthcare programs within the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and American Rescue Plan Act of 2021.

The COVID-19 funding Sanford has received is not subject to repayment, provided Sanford is able to attest to and comply with the terms and conditions of the funds and subsequently comply with the reporting requirements required by the Department of Health and Human Services. Sanford has attested to the terms and conditions for all COVID-19 funding received and recognized as of December 31, 2023, and has complied with all reporting requirements.

17. Assets and Liabilities Held for Sale and Discontinued Operations

In 2023, The Evangelical Lutheran Good Samaritan Society publicly announced its intent to consolidate services and investments in seven core states, which include South Dakota, North Dakota, Iowa, Minnesota, Nebraska, Kansas, and Colorado. Senior care locations outside of the seven state service area have started to transition to new senior care providers. The transitions to new senior care providers will occur throughout 2024.

Sanford is engaged with a qualified buyer to divest its affordable housing line of business. The transition to the qualified buyer will occur throughout 2024.

In December 2021, Sanford made the decision to divest its Profile by Sanford (Profile) weight management retail line of business, which was subsequently sold in January 2022.

Sanford

Notes to Consolidated Financial Statements (continued) (Dollar Amounts in Thousands)

17. Assets and Liabilities Held for Sale and Discontinued Operations (continued)

All assets and liabilities associated with these locations have been classified as held for sale on the consolidated balance sheets, and all revenues and expenses classified as discontinued operations within the consolidated statements of operations as of and for the years ended December 31, 2023 and 2022, which is further summarized below. All related footnotes have been updated to reflect assets and liabilities held for sale and revenues and expenses from discontinued operations treatment.

	2023	2022
Assets held for sale:		
Cash	\$ 1,183	\$ 4,465
Other current assets	1,088	1,800
Assets whose use is limited	944	4,234
Property and equipment, net	318,100	401,625
Other assets	14,086	32,247
Total assets held for sale	\$ 335,401	\$ 444,371
Liabilities held for sale:		
Other liabilities	\$ 6,308	\$ 18,390
Total debt	2,025	18,694
Residential housing deposits	36,540	50,542
Total liabilities held for sale	\$ 44,873	\$ 87,626
Net assets:		
Without donor restrictions – controlling interest	\$ 290,528	\$ 344,440
Without donor restrictions – non-controlling interest	–	12,305
Total net assets	\$ 290,528	\$ 356,745
Loss from discontinued operations:		
Operating revenues	\$ 249,845	\$ 356,017
Operating expenses	(250,549)	(360,227)
Non-operating expense	(21,551)	(12,041)
Loss from discontinued operations	\$ (22,255)	\$ (16,251)

Internal Control and Compliance Reports and Schedule

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

The Board of Trustees, President and Chief Executive Officer and
Executive Vice President, Chief Financial Officer
Sanford

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 (*Government Auditing Standards*), the financial statements of Sanford (the Company) which comprise the consolidated balance sheet as of December 31, 2023 and the related consolidated statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes (collectively referred to as the “financial statements”), and have issued our report thereon dated April 23, 2024.

Report on Internal Control Over Financial Reporting

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

Ernst + Young LLP

April 23, 2024

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

The Board of Trustees, President and Chief Executive Officer and
Executive Vice President, Chief Financial Officer
Sanford

Report of Independent Auditors on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Sanford's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Sanford's major federal programs for the year ended December 31, 2023. Sanford's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on COVID-19 Rural Health Research Centers

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, Sanford complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on COVID-19 Rural Health Research Centers for the year ended December 31, 2023.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, Sanford complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2023.

Basis for Qualified and Unmodified Opinions

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

We are required to be independent of Sanford 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 on compliance for each major federal program. Our audit does not provide a legal determination of Sanford’s compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on COVID-19 Rural Health Research Centers

As described in the accompanying schedule of findings and questioned costs, Sanford did not comply with requirements regarding Assistance Listing No. 93.155, COVID-19 Rural Health Research Centers, as described in finding number 2023-001 for Procurement and Suspension and Debarment.

Compliance with such requirements is necessary, in our opinion, for Sanford to comply with the requirements applicable to that program.

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 Sanford’s federal programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Sanford’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance

resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Sanford's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Sanford'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 Sanford'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 Sanford'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

Government Auditing Standards requires the auditor to perform limited procedures on Sanford's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. Sanford'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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or

significant deficiencies in internal control over compliance, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a material weakness.

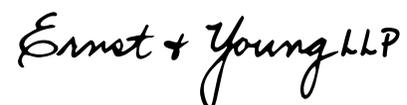
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001, COVID-19 Rural Health Research Centers for Procurement and Suspension and Debarment to be a material weakness.

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 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.

Government Auditing Standards requires the auditor to perform limited procedures on Sanford's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. Sanford'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.

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.



June 21, 2024

Supplementary Information

SANFORD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Period 1/1/2023 -12/31/2023

Federal Awarding Agency/Program Title	Federal Assistance Listing	Name of Funder/Pass-Through Entity	Identifying Number Assigned By Funder/Pass-Through Entity	Total Amount Provided to Sub-Recipients	Federal Expenditures	Federal Program Total	Cluster Name	Cluster Total
DEPARTMENT OF AGRICULTURE								
SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN	10.557	North Dakota Department of Human Services	G21.1031		\$49,975	\$53,902	N/A	\$0
SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN	10.557	South Dakota Department of Health	23SC09/24SC09		\$3,927	\$53,902	N/A	\$0
CHILD AND ADULT CARE FOOD PROGRAM	10.558	Nebraska Department of Agriculture	01-1003(22-23)/ 01-1003(23-24)		\$18,457	\$2,014,154	N/A	\$0
CHILD AND ADULT CARE FOOD PROGRAM	10.558	North Dakota Department of Public Instruction	N/A		\$3,346	\$2,014,154	N/A	\$0
CHILD AND ADULT CARE FOOD PROGRAM	10.558	North Dakota Department of Public Instruction	N/A		\$13,350	\$2,014,154	N/A	\$0
CHILD AND ADULT CARE FOOD PROGRAM	10.558	South Dakota Department of Education	N/A		\$1,979,001	\$2,014,154	N/A	\$0
TOTAL DEPARTMENT OF AGRICULTURE					\$2,068,056			
DEPARTMENT OF DEFENSE								
MILITARY MEDICAL RESEARCH AND DEVELOPMENT	12.420				\$24,923	\$184,742	RESEARCH AND DEVELOPMENT	\$ 14,149,241
TOTAL DEPARTMENT OF DEFENSE					\$24,923	\$184,742		
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT								
SUPPORTIVE HOUSING FOR THE ELDERLY	14.157				\$113,882	\$113,882	N/A	\$0
COVID-19 EMERGENCY SOLUTIONS GRANT PROGRAM	14.231	Minnesota Department of Human Services	189770		\$184,394	\$209,207	N/A	\$0
EMERGENCY SOLUTIONS GRANT PROGRAM	14.231	Minnesota Department of Human Services	233003		\$24,813	\$209,207	N/A	\$0
SECTION 8 HOUSING CHOICE VOUCHERS	14.871				\$132,280	\$236,784	HOUSING VOUCHER CLUSTER	\$ 236,784
SECTION 8 HOUSING CHOICE VOUCHERS	14.871				\$104,504	\$236,784	HOUSING VOUCHER CLUSTER	\$ 236,784
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					\$559,873			
DEPARTMENT OF JUSTICE								
SERVICES FOR TRAFFICKING VICTIMS	16.320	Call To Freedom	2019-VT-BX-0100		\$16,888	\$16,888	N/A	\$0
CRIME VICTIM ASSISTANCE	16.575	North Dakota Department of Corrections and Rehabilitation	N/A		\$54,666	\$367,839	N/A	\$0
CRIME VICTIM ASSISTANCE	16.575	South Dakota Department of Public Safety	2020-V2-GX-0025		\$313,173	\$367,839	N/A	\$0
RURAL DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, AND STALKING ASSISTANCE PROGRAM	16.589	Department of Justice	A22-0028-5004		\$267	\$267	N/A	\$0
IMPROVING THE INVESTIGATION AND PROSECUTION OF CHILD ABUSE AND THE REGIONAL AND LOCAL CHILDREN'S ADVOCACY CENTERS	16.758	National Children's Alliance	SIU-SD-4SP22		\$11,532	\$11,532	N/A	\$0
JUVENILE JUSTICE REFORM AND REINVESTMENT DEMONSTRATION PROGRAM	16.821				\$216,019	\$216,019	N/A	\$0
DOMESTIC TRAFFICKING VICTIM PROGRAM	16.834	National Children's Alliance	SIU-SD-CHCORE23		\$89,405	\$89,405	N/A	\$0
TOTAL DEPARTMENT OF JUSTICE					\$701,950			
DEPARTMENT OF LABOR								
H-1B JOB TRAINING GRANTS	17.268				\$38,179	\$38,179	N/A	\$0
TOTAL DEPARTMENT OF LABOR					\$38,179			
DEPARTMENT OF TRANSPORTATION								
FORMULA GRANTS FOR RURAL AREAS AND TRIBAL TRANSIT PROGRAM	20.509	Nebraska Department of Transportation	P-I-21-81-000		\$10,028	\$19,316	N/A	\$0
FORMULA GRANTS FOR RURAL AREAS AND TRIBAL TRANSIT PROGRAM	20.509	Nebraska Department of Transportation	PI2302		\$9,288	\$19,316	N/A	\$0
COVID-19 ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES	20.513	Nebraska Department of Transportation	PI2216		\$24,596	\$601,286	TRANSIT SERVICES PROGRAMS CLUSTER	\$601,286
COVID-19 ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES	20.513	Nebraska Department of Transportation	PI2219		\$19,579	\$601,286	TRANSIT SERVICES PROGRAMS CLUSTER	\$601,286
COVID-19 ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES	20.513	Nebraska Department of Transportation	PI2218		\$43,958	\$601,286	TRANSIT SERVICES PROGRAMS CLUSTER	\$601,286
ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES	20.513	Nebraska Department of Transportation	051240146		\$69,635	\$601,286	TRANSIT SERVICES PROGRAMS CLUSTER	\$601,286
ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES	20.513	New Mexico Department of Transportation	M01755; M01801/1		\$406,647	\$601,286	TRANSIT SERVICES PROGRAMS CLUSTER	\$601,286
ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES	20.513	Nebraska Department of Transportation	NE-16(R114)		\$36,871	\$601,286	TRANSIT SERVICES PROGRAMS CLUSTER	\$601,286
NATIONAL PRIORITY SAFETY PROGRAMS	20.616	North Dakota Department of Health	N/A		\$16,533	\$16,533	HIGHWAY SAFETY CLUSTER	\$16,533
TOTAL DEPARTMENT OF TRANSPORTATION					\$637,135			

SANFORD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Period 1/1/2023 -12/31/2023

Federal Awarding Agency/Program Title	Federal Assistance Listing	Name of Funder/Pass-Through Entity	Identifying Number Assigned By Funder/Pass-Through Entity	Total Amount Provided to Sub-Recipients	Federal Expenditures	Federal Program Total	Cluster Name	Cluster Total
DEPARTMENT OF TREASURY								
COVID-19 CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	Arizona Health Care Association	N/A		\$20,000	\$20,000	N/A	\$0
TOTAL DEPARTMENT OF TREASURY					\$20,000			
INSTITUTE OF MUSEUM AND LIBRARY SERVICES OR NATIONAL ENDOWMENT FOR THE ARTS OR NATIONAL ENDOWMENT FOR THE HUMANITIES								
PROMOTION OF THE ARTS PARTNERSHIP AGREEMENTS	45.025	South Dakota Arts Council	N/A		\$13,596	\$13,596	N/A	\$0
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES OR NATIONAL ENDOWMENT FOR THE ARTS OR NATIONAL ENDOWMENT FOR THE HUMANITIES					\$13,596			
NATIONAL SCIENCE FOUNDATION								
BIOLOGICAL SCIENCES	47.074				\$64,094	\$64,094	RESEARCH AND DEVELOPMENT	\$14,211,583
TOTAL NATIONAL SCIENCE FOUNDATION					\$64,094			
DEPARTMENT OF HEALTH AND HUMAN SERVICES								
SPECIAL PROGRAMS FOR THE AGING, TITLE IV, AND TITLE II, DISCRETIONARY PROJECTS	93.048	US Aging	90HDCR0007-01-00		\$497,120	\$497,120	N/A	\$0
PUBLIC HEALTH EMERGENCY PREPAREDNESS	93.069	South Dakota Department of Health	23SC090919		\$60,000	\$60,000	N/A	\$0
BLOOD DISORDER PROGRAM: PREVENTION, SURVEILLANCE, AND RESEARCH	93.080	Great Lakes Hemophilia Foundation	ATJM2020CDC-VW-562-01		\$20,455	\$24,411	N/A	\$0
BLOOD DISORDER PROGRAM: PREVENTION, SURVEILLANCE, AND RESEARCH	93.080	Great Lakes Hemophilia Foundation	ATHN2020CDC-VW-02/ATHN2020CDC-VW-03		\$3,956	\$24,411	N/A	\$0
PREVENTION OF DISEASE, DISABILITY, AND DEATH THROUGH IMMUNIZATION AND CONTROL OF RESPIRATORY AND RELATED DISEASES	93.083	(AMDA) The Society for Past-Acute and Long-Term Care Medicine	NH23IP922655		\$70,370	\$70,370	N/A	\$0
AFFORDABLE CARE ACT (ACA) PERSONAL RESPONSIBILITY EDUCATION PROGRAM	93.092	Great Plains Tribal Chairman's Health Board	90AT0024		-\$2,109	-\$2,109	RESEARCH AND DEVELOPMENT	\$14,211,583
MATERNAL AND CHILD HEALTH FEDERAL CONSOLIDATED PROGRAMS	93.110	Great Lakes Hemophilia Foundation	5 H30MC24052-12-00		\$13,201	\$976,901	N/A	\$0
MATERNAL AND CHILD HEALTH FEDERAL CONSOLIDATED PROGRAMS	93.110	Great Lakes Hemophilia Foundation	N/A		\$639,208	\$976,901	N/A	\$0
MATERNAL AND CHILD HEALTH FEDERAL CONSOLIDATED PROGRAMS	93.110	North Dakota Department of Health	G21.1064		\$317,725	\$976,901	N/A	\$0
MATERNAL AND CHILD HEALTH FEDERAL CONSOLIDATED PROGRAMS	93.110	Great Lakes Hemophilia Foundation	5 J30MC24052-12-00		\$6,767	\$976,901	N/A	\$0
ORAL DISEASES AND DISORDERS RESEARCH	93.121	Michigan State University	R01DE029524		\$273,523	\$554,583	RESEARCH AND DEVELOPMENT	\$14,211,583
ORAL DISEASES AND DISORDERS RESEARCH	93.121			\$21,468	\$281,060	\$554,583	RESEARCH AND DEVELOPMENT	\$14,211,583
COVID-19 RURAL HEALTH RESEARCH CENTERS	93.155	Minnesota Department of Health	203430		\$244,084	\$2,870,421	N/A	\$0
COVID-19 RURAL HEALTH RESEARCH CENTERS	93.155	Minnesota Department of Health	203514		\$244,084	\$2,870,421	N/A	\$0
COVID-19 RURAL HEALTH RESEARCH CENTERS	93.155	Minnesota Department of Health	203573		\$87,882	\$2,870,421	N/A	\$0
COVID-19 RURAL HEALTH RESEARCH CENTERS	93.155	Minnesota Department of Health	203182		\$135,652	\$2,870,421	N/A	\$0
COVID-19 RURAL HEALTH RESEARCH CENTERS	93.155	Minnesota Department of Health	203398		\$92,674	\$2,870,421	N/A	\$0
COVID-19 RURAL HEALTH RESEARCH CENTERS	93.155	South Dakota Department of Health	22SC093230		\$124,965	\$2,870,421	N/A	\$0
COVID-19 RURAL HEALTH RESEARCH CENTERS	93.155	South Dakota Department of Health	22SC093232		\$258,376	\$2,870,421	N/A	\$0
COVID-19 RURAL HEALTH RESEARCH CENTERS	93.155	South Dakota Department of Health	22SC093233		\$533	\$2,870,421	N/A	\$0
COVID-19 RURAL HEALTH RESEARCH CENTERS	93.155	South Dakota Department of Health	22SC093234		\$168,332	\$2,870,421	N/A	\$0
COVID-19 RURAL HEALTH RESEARCH CENTERS	93.155	South Dakota Department of Health	22SC093235		\$201,280	\$2,870,421	N/A	\$0
COVID-19 RURAL HEALTH RESEARCH CENTERS	93.155	South Dakota Department of Health	22SC093231		\$112,913	\$2,870,421	N/A	\$0
COVID-19 RURAL HEALTH RESEARCH CENTERS	93.155	Minnesota Department of Health	203186		\$244,084	\$2,870,421	N/A	\$0
COVID-19 RURAL HEALTH RESEARCH CENTERS	93.155	Minnesota Department of Health	203206		\$244,084	\$2,870,421	N/A	\$0
COVID-19 RURAL HEALTH RESEARCH CENTERS	93.155	Minnesota Department of Health	203439		\$244,084	\$2,870,421	N/A	\$0
COVID-19 RURAL HEALTH RESEARCH CENTERS	93.155	North Dakota Department of Health	25033516		\$218,994	\$2,870,421	N/A	\$0
COVID-19 RURAL HEALTH RESEARCH CENTERS	93.155	North Dakota Department of Health	25033526		\$248,400	\$2,870,421	N/A	\$0
HUMAN GENOME RESEARCH	93.172	Vanderbilt University Medical Center	U01HG010232	\$30,849	\$437,251	\$437,251	RESEARCH AND DEVELOPMENT	\$14,211,583
TELEHEALTH PROGRAMS	93.211				\$286,092	\$286,092	N/A	\$0
FAMILY PLANNING SERVICES	93.217	South Dakota Department of Health	23SC091445/24SC091445		\$239,885	\$239,885	N/A	\$0
STATE RURAL HOSPITAL FLEXIBILITY PROGRAM	93.241	South Dakota Department of Health	24SC090854		\$6,779	\$6,779	N/A	\$0
MENTAL HEALTH RESEARCH GRANTS	93.242	University of Minnesota	NO08286402		\$67,453	\$171,600	RESEARCH AND DEVELOPMENT	\$14,211,583
MENTAL HEALTH RESEARCH GRANTS	93.242				\$104,147	\$171,600	RESEARCH AND DEVELOPMENT	\$14,211,583
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE	93.243	National Council for Behavioral Health	N/A		\$2,273	\$290,449	N/A	\$0
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE	93.243				\$13,388	\$290,449	N/A	\$0
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE	93.243				\$42,432	\$290,449	N/A	\$0

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SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE	93.243				\$84,623	\$290,449	N/A	\$0
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE	93.243				\$147,733	\$290,449	N/A	\$0
COVID-19 IMMUNIZATION COOPERATIVE AGREEMENTS	93.268	Minnesota Department of Health	201829	\$225,745	\$424,469	\$729,694	N/A	\$0
IMMUNIZATION COOPERATIVE AGREEMENTS	93.268	North Dakota Department of Health	G21.848		\$136,856	\$729,694	N/A	\$0
IMMUNIZATION COOPERATIVE AGREEMENTS	93.268	North Dakota Department of Health	G21.847		\$108,864	\$729,694	N/A	\$0
COVID-19 IMMUNIZATION COOPERATIVE AGREEMENTS	93.268	Southwest Healthcare Preparedness Coalition	N/A		\$26,377	\$729,694	N/A	\$0
COVID-19 IMMUNIZATION COOPERATIVE AGREEMENTS	93.268	Southwest Healthcare Preparedness Coalition	N/A		\$14,386	\$729,694	N/A	\$0
IMMUNIZATION COOPERATIVE AGREEMENTS	93.268	South Dakota Department of Health	23SC09/24SC09		\$2,583	\$729,694	N/A	\$0
COVID-19 IMMUNIZATION COOPERATIVE AGREEMENTS	93.268	Southwest Healthcare Preparedness Coalition	N/A		\$10,837	\$729,694	N/A	\$0
COVID-19 IMMUNIZATION COOPERATIVE AGREEMENTS	93.268				\$5,322	\$729,694	N/A	\$0
ALCOHOL RESEARCH PROGRAMS	93.273			\$98,281	\$203,832	\$203,832	RESEARCH AND DEVELOPMENT	\$14,211,583
SMALL RURAL HOSPITAL IMPROVEMENT GRANT	93.301	Minnesota Department of Health	216322		\$17,837	\$340,390	N/A	\$0
SMALL RURAL HOSPITAL IMPROVEMENT GRANT	93.301	North Dakota Department of Health	26960525/27743525		\$16,163	\$340,390	N/A	\$0
SMALL RURAL HOSPITAL IMPROVEMENT GRANT	93.301	North Dakota Department of Health	26960526/27743526		\$16,403	\$340,390	N/A	\$0
SMALL RURAL HOSPITAL IMPROVEMENT GRANT	93.301	Minnesota Department of Health	216841/231965		\$22,466	\$340,390	N/A	\$0
SMALL RURAL HOSPITAL IMPROVEMENT GRANT	93.301	Minnesota Department of Health	216884/231976		\$17,313	\$340,390	N/A	\$0
SMALL RURAL HOSPITAL IMPROVEMENT GRANT	93.301	South Dakota Department of Health	23SC093137		\$22,564	\$340,390	N/A	\$0
SMALL RURAL HOSPITAL IMPROVEMENT GRANT	93.301	South Dakota Department of Health	23SC093106		\$20,161	\$340,390	N/A	\$0
SMALL RURAL HOSPITAL IMPROVEMENT GRANT	93.301	South Dakota Department of Health	23SC093107		\$18,238	\$340,390	N/A	\$0
SMALL RURAL HOSPITAL IMPROVEMENT GRANT	93.301	South Dakota Department of Health	23SC093139		\$18,719	\$340,390	N/A	\$0
SMALL RURAL HOSPITAL IMPROVEMENT GRANT	93.301	South Dakota Department of Health	23SC093105		\$18,719	\$340,390	N/A	\$0
SMALL RURAL HOSPITAL IMPROVEMENT GRANT	93.301	South Dakota Department of Health	23SC093101		\$26,323	\$340,390	N/A	\$0
SMALL RURAL HOSPITAL IMPROVEMENT GRANT	93.301	Minnesota Department of Health	216739		\$18,624	\$340,390	N/A	\$0
SMALL RURAL HOSPITAL IMPROVEMENT GRANT	93.301	Minnesota Department of Health	216704		\$17,837	\$340,390	N/A	\$0
SMALL RURAL HOSPITAL IMPROVEMENT GRANT	93.301	Minnesota Department of Health	216843		\$16,788	\$340,390	N/A	\$0
SMALL RURAL HOSPITAL IMPROVEMENT GRANT	93.301	Minnesota Department of Health	216850		\$17,051	\$340,390	N/A	\$0
SMALL RURAL HOSPITAL IMPROVEMENT GRANT	93.301	Minnesota Department of Health	216892		\$20,459	\$340,390	N/A	\$0
SMALL RURAL HOSPITAL IMPROVEMENT GRANT	93.301	Iowa Department of Health	N/A		\$16,888	\$340,390	N/A	\$0
SMALL RURAL HOSPITAL IMPROVEMENT GRANT	93.301	Minnesota Department of Health	216728		\$17,837	\$340,390	N/A	\$0
TRANS-NIH RESEARCH SUPPORT	93.310	University of South Dakota	U01HL152410		\$1,739	\$1,739	RESEARCH AND DEVELOPMENT	\$14,211,583
COVID-19 EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	South Dakota Department of Health	22SC090406		\$164,598	\$860,679	N/A	\$0
COVID-19 EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	Minnesota Department of Health	219624		\$159,857	\$860,679	N/A	\$0
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	South Dakota Department of Health	24SC091863		\$9,650	\$860,679	N/A	\$0
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	South Dakota Department of Health	24SC091863		\$400	\$860,679	N/A	\$0
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	South Dakota Department of Health	24SC091863		\$19,200	\$860,679	N/A	\$0
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	South Dakota Department of Health	24SC091863		\$2,225	\$860,679	N/A	\$0
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	South Dakota Department of Health	24SC091863		\$2,400	\$860,679	N/A	\$0
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	South Dakota Department of Health	24SC091863		\$11,500	\$860,679	N/A	\$0
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	South Dakota Department of Health	24SC091863		\$7,820	\$860,679	N/A	\$0
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	South Dakota Department of Health	24SC091863		\$7,380	\$860,679	N/A	\$0
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	South Dakota Department of Health	24SC091863		\$19,480	\$860,679	N/A	\$0
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	South Dakota Department of Health	24SC091863		\$9,310	\$860,679	N/A	\$0
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	South Dakota Department of Health	24SC091864		\$10,000	\$860,679	N/A	\$0
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	Iowa Health Care Association Foundation	N/A		\$51,927	\$860,679	N/A	\$0
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	Iowa Health Care Association Foundation	N/A		\$74,225	\$860,679	N/A	\$0
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	Iowa Health Care Association Foundation	N/A		\$23,783	\$860,679	N/A	\$0
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	Iowa Health Care Association Foundation	N/A		\$16,648	\$860,679	N/A	\$0
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	Iowa Health Care Association Foundation	N/A		\$16,648	\$860,679	N/A	\$0

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EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	Iowa Health Care Association Foundation	N/A		\$22,198	\$860,679	N/A	\$0
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	Iowa Health Care Association Foundation	N/A		\$29,721	\$860,679	N/A	\$0
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	Iowa Health Care Association Foundation	N/A		\$35,675	\$860,679	N/A	\$0
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	Iowa Health Care Association Foundation	N/A		\$16,648	\$860,679	N/A	\$0
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	Iowa Health Care Association Foundation	N/A		\$32,290	\$860,679	N/A	\$0
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	Iowa Health Care Association Foundation	N/A		\$57,873	\$860,679	N/A	\$0
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	South Dakota Department of Health	24SC091863		\$6,476	\$860,679	N/A	\$0
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	South Dakota Department of Health	24SC091863		\$5,000	\$860,679	N/A	\$0
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	South Dakota Department of Health	24SC091863		\$20,000	\$860,679	N/A	\$0
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	Iowa Health Care Association Foundation	N/A		\$27,747	\$860,679	N/A	\$0
NATIONAL CENTER FOR ADVANCING TRANSLATIONAL SCIENCES	93.350				\$13,817	\$13,817	RESEARCH AND DEVELOPMENT	\$14,211,583
SICKLE CELL TREATMENT DEMONSTRATION PROGRAM	93.365	Health Resources and Services Administration	2 U1EMC27863-08-00		\$6,432	\$6,432	RESEARCH AND DEVELOPMENT	\$14,211,583
TITLE: MULTIPLE APPROACHES TO SUPPORT YOUNG BREAST CANCER SURVIVORS AND METASTATIC BREAST CANCER PATIENTS (B)	93.376				\$515,986	\$515,986	N/A	\$0
COVID-19 ACTIVITIES TO SUPPORT STATE, TRIBAL, LOCAL AND TERRITORIAL (STLT) HEALTH DEPARTMENT								
RESPONSE TO PUBLIC HEALTH OR HEALTHCARE CRISES COVID-19 ACTIVITIES TO SUPPORT STATE, TRIBAL, LOCAL AND TERRITORIAL (STLT) HEALTH DEPARTMENT	93.391	South Dakota Department of Health	23SC090915/24SC090792		\$163,396	\$897,512	N/A	\$0
RESPONSE TO PUBLIC HEALTH OR HEALTHCARE CRISES COVID-19 ACTIVITIES TO SUPPORT STATE, TRIBAL, LOCAL AND TERRITORIAL (STLT) HEALTH DEPARTMENT	93.391	Hennepin Healthcare Research Institute	14360-09		\$62,342	\$897,512	RESEARCH AND DEVELOPMENT	\$14,211,583
RESPONSE TO PUBLIC HEALTH OR HEALTHCARE CRISES COVID-19 ACTIVITIES TO SUPPORT STATE, TRIBAL, LOCAL AND TERRITORIAL (STLT) HEALTH DEPARTMENT	93.391	North Dakota Department of Health	2690951, G19.1334		\$12,223	\$897,512	N/A	\$0
RESPONSE TO PUBLIC HEALTH OR HEALTHCARE CRISES COVID-19 ACTIVITIES TO SUPPORT STATE, TRIBAL, LOCAL AND TERRITORIAL (STLT) HEALTH DEPARTMENT	93.391	Minnesota Department of Health	NH75OT00032		\$2,771	\$897,512	N/A	\$0
RESPONSE TO PUBLIC HEALTH OR HEALTHCARE CRISES COVID-19 ACTIVITIES TO SUPPORT STATE, TRIBAL, LOCAL AND TERRITORIAL (STLT) HEALTH DEPARTMENT	93.391	South Dakota Department of Health	22SC090790/24SC090790		\$63,767	\$897,512	N/A	\$0
RESPONSE TO PUBLIC HEALTH OR HEALTHCARE CRISES COVID-19 ACTIVITIES TO SUPPORT STATE, TRIBAL, LOCAL AND TERRITORIAL (STLT) HEALTH DEPARTMENT	93.391	South Dakota Department of Health	22SC090794/24SC090794		\$76,083	\$897,512	N/A	\$0
RESPONSE TO PUBLIC HEALTH OR HEALTHCARE CRISES COVID-19 ACTIVITIES TO SUPPORT STATE, TRIBAL, LOCAL AND TERRITORIAL (STLT) HEALTH DEPARTMENT	93.391	South Dakota Department of Health	22SC090791/24SC090791		\$59,107	\$897,512	N/A	\$0
RESPONSE TO PUBLIC HEALTH OR HEALTHCARE CRISES COVID-19 ACTIVITIES TO SUPPORT STATE, TRIBAL, LOCAL AND TERRITORIAL (STLT) HEALTH DEPARTMENT	93.391	South Dakota Department of Health	22SC090793/24SC090793		\$64,780	\$897,512	N/A	\$0
RESPONSE TO PUBLIC HEALTH OR HEALTHCARE CRISES COVID-19 ACTIVITIES TO SUPPORT STATE, TRIBAL, LOCAL AND TERRITORIAL (STLT) HEALTH DEPARTMENT	93.391	South Dakota Department of Health	22SC090799/24SC090799		\$68,910	\$897,512	N/A	\$0
RESPONSE TO PUBLIC HEALTH OR HEALTHCARE CRISES COVID-19 ACTIVITIES TO SUPPORT STATE, TRIBAL, LOCAL AND TERRITORIAL (STLT) HEALTH DEPARTMENT	93.391	South Dakota Department of Health	22SC090795/24SC090795		\$57,100	\$897,512	N/A	\$0
RESPONSE TO PUBLIC HEALTH OR HEALTHCARE CRISES COVID-19 ACTIVITIES TO SUPPORT STATE, TRIBAL, LOCAL AND TERRITORIAL (STLT) HEALTH DEPARTMENT	93.391	South Dakota Department of Health	22SC090792/24SC090943		\$265,492	\$897,512	N/A	\$0
RESPONSE TO PUBLIC HEALTH OR HEALTHCARE CRISES COVID-19 ACTIVITIES TO SUPPORT STATE, TRIBAL, LOCAL AND TERRITORIAL (STLT) HEALTH DEPARTMENT	93.391	South Dakota Department of Health	24SC09H122		\$1,541	\$897,512	N/A	\$0
CANCER CAUSE AND PREVENTION RESEARCH	93.393	Trustees of the University of Pennsylvania	R01CA204193		\$1,044	\$321,847	RESEARCH AND DEVELOPMENT	\$14,211,583
CANCER CAUSE AND PREVENTION RESEARCH	93.393				\$320,803	\$321,847	RESEARCH AND DEVELOPMENT	\$14,211,583
CANCER TREATMENT RESEARCH	93.395	Public Health Institute	U10CA180886		\$1,200	\$44,750	RESEARCH AND DEVELOPMENT	\$14,211,583
CANCER TREATMENT RESEARCH	93.395	University of Michigan	SUBK00017374		\$43,550	\$44,750	RESEARCH AND DEVELOPMENT	\$14,211,583
CANCER BIOLOGY RESEARCH	93.396	University of Nebraska Medical Center	R21CA256638		\$4,966	\$145,993	RESEARCH AND DEVELOPMENT	\$14,211,583
CANCER BIOLOGY RESEARCH	93.396				\$141,027	\$145,993	RESEARCH AND DEVELOPMENT	\$14,211,583
CANCER CONTROL	93.399			\$2,700	\$1,047,134	\$1,047,134	RESEARCH AND DEVELOPMENT	\$14,211,583

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IMPROVING THE HEALTH OF AMERICANS THROUGH PREVENTION AND MANAGEMENT OF DIABETES AND HEART DISEASE AND STROKE	93.426	South Dakota Department of Health	23SC090508		\$25,682	\$135,415	N/A	\$0
IMPROVING THE HEALTH OF AMERICANS THROUGH PREVENTION AND MANAGEMENT OF DIABETES AND HEART DISEASE AND STROKE	93.426	South Dakota Department of Health	23SC090511, 24SC090511		\$9,584	\$135,415	N/A	\$0
IMPROVING THE HEALTH OF AMERICANS THROUGH PREVENTION AND MANAGEMENT OF DIABETES AND HEART DISEASE AND STROKE	93.426	South Dakota Department of Health	23SC090184, 24SC090184		\$44,564	\$135,415	N/A	\$0
IMPROVING THE HEALTH OF AMERICANS THROUGH PREVENTION AND MANAGEMENT OF DIABETES AND HEART DISEASE AND STROKE	93.426	North Dakota Department of Health & Human Services	G21.784		\$55,585	\$135,415	N/A	\$0
STATE PHYSICAL ACTIVITY AND NUTRITION (SPAN)	93.439	Minnesota Department of Health	222445		\$19,264	\$19,264	N/A	\$0
COVID-19 PROVIDER RELIEF FUND AND AMERICAN RESCUE PLAN (ARP) RURAL DISTRIBUTION	93.498				\$9,768,909	\$9,768,909	N/A	\$0
CHILD CARE AND DEVELOPMENT BLOCK GRANT	93.575	South Dakota Department of Social Services	23-0843-606/24-0843-606		\$344,602	\$1,359,330	CCDF CLUSTER	\$ 1,461,369
CHILD CARE AND DEVELOPMENT BLOCK GRANT	93.575	South Dakota Department of Social Services	23-0800-7003/24-0800-7003		\$8,693	\$1,359,330	CCDF CLUSTER	\$ 1,461,369
CHILD CARE AND DEVELOPMENT BLOCK GRANT	93.575	South Dakota Department of Social Services	23-0800-118/24-0800-015		\$9,119	\$1,359,330	CCDF CLUSTER	\$ 1,461,369
CHILD CARE AND DEVELOPMENT BLOCK GRANT	93.575	South Dakota Department of Social Services	23-0800-7005/24-0800-7005		\$22,883	\$1,359,330	CCDF CLUSTER	\$ 1,461,369
CHILD CARE AND DEVELOPMENT BLOCK GRANT	93.575	South Dakota Department of Social Services	23-0843-608/24-0843-608		\$909,790	\$1,359,330	CCDF CLUSTER	\$ 1,461,369
CHILD CARE AND DEVELOPMENT BLOCK GRANT	93.575	South Dakota Department of Social Services	22-0843-638		\$36,433	\$1,359,330	CCDF CLUSTER	\$ 1,461,369
CHILD CARE AND DEVELOPMENT BLOCK GRANT	93.575	South Dakota Department of Social Services	22-0843-637		\$4,550	\$1,359,330	CCDF CLUSTER	\$ 1,461,369
CHILD CARE AND DEVELOPMENT BLOCK GRANT	93.575	SD Department of Social Services	23SC081328		\$11,243	\$1,359,330	CCDF CLUSTER	\$ 1,461,369
CHILD CARE AND DEVELOPMENT BLOCK GRANT	93.575	SD Department of Social Services	23SC081327		\$12,017	\$1,359,330	CCDF CLUSTER	\$ 1,461,369
ACA - REINVESTMENT OF CIVIL MONEY PENALTIES TO BENEFIT NURSING HOME RESIDENTS	93.636	Centers for Medicare & Medicaid Services	POFHMA202400001388		\$9,895	\$9,895	N/A	\$0
COVID-19 EMERGENCY GRANTS TO ADDRESS MENTAL AND SUBSTANCE USE DISORDERS DURING COVID-19	93.665	North Dakota Department of Human Services	510-11751		\$46,300	\$46,300	N/A	\$0
CHILD ABUSE AND NEGLECT STATE GRANTS	93.669	Minnesota Department of Human Services	GRK164280	\$110,665	\$113,750	\$114,793	N/A	\$0
CHILD ABUSE AND NEGLECT STATE GRANTS	93.669	South Dakota Department of Social Services	23SC086001/24-0800-6001		\$1,043	\$114,793	N/A	\$0
EMPOWERING OLDER ADULTS AND ADULTS WITH DISABILITIES THROUGH CHRONIC DISEASE SELF-MANAGEMENT EDUCATION PROGRAMS FINANCED BY PREVENTION AND PUBLIC HEALTH FUNDS (PPHF) PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT FUNDED SOLELY WITH PREVENTION AND PUBLIC HEALTH FUNDS (PPHF)	93.734				\$290,582	\$290,582	N/A	\$0
EVIDENCE-BASED FALLS PREVENTION PROGRAMS FINANCED SOLELY BY PREVENTION AND PUBLIC HEALTH FUNDS (PPHF)	93.758	South Dakota Department of Health	24SC090823		\$22,581	\$22,581	N/A	\$0
EVIDENCE-BASED FALLS PREVENTION PROGRAMS FINANCED SOLELY BY PREVENTION AND PUBLIC HEALTH FUNDS (PPHF)	93.761				\$99,109	\$245,965	N/A	\$0
EVIDENCE-BASED FALLS PREVENTION PROGRAMS FINANCED SOLELY BY PREVENTION AND PUBLIC HEALTH FUNDS (PPHF)	93.761				\$146,856	\$245,965	N/A	\$0
MEDICAL ASSISTANCE PROGRAM ORGANIZED APPROACHES TO INCREASE COLORECTAL CANCER SCREENING	93.778	South Dakota Department of Health	23SC09/24SC09		\$191	\$191	N/A	\$0
SECTION 223 DEMONSTRATION PROGRAMS TO IMPROVE COMMUNITY MENTAL HEALTH SERVICES	93.800	South Dakota Department of Health	23SC091514/24SC091514		\$30,926	\$30,926	N/A	\$0
CARDIOVASCULAR DISEASES RESEARCH	93.829				\$496,062	\$496,062	N/A	\$0
LUNG DISEASES RESEARCH	93.837				\$428,198	\$428,198	RESEARCH AND DEVELOPMENT	\$14,211,583
DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH	93.838	Mayo Clinic	R01HL126667		-\$287	-\$287	RESEARCH AND DEVELOPMENT	\$14,211,583
DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH	93.847	University of Colorado Denver	DK072493		\$17,494	\$1,804,287	RESEARCH AND DEVELOPMENT	\$14,211,583
DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH	93.847	Childrens Hospital Medical Center	307933		\$32,669	\$1,804,287	RESEARCH AND DEVELOPMENT	\$14,211,583
DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH	93.847			\$298,256	\$798,289	\$1,804,287	RESEARCH AND DEVELOPMENT	\$14,211,583
DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH	93.847			\$78,399	\$1,804,287	\$1,804,287	RESEARCH AND DEVELOPMENT	\$14,211,583
DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH	93.847			\$14,690	\$424,882	\$1,804,287	RESEARCH AND DEVELOPMENT	\$14,211,583
DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH	93.847				\$438,177	\$1,804,287	RESEARCH AND DEVELOPMENT	\$14,211,583
DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH	93.847	University of South Florida	UC4 DK117009		\$10,327	\$1,804,287	RESEARCH AND DEVELOPMENT	\$14,211,583
DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH	93.847	University of South Florida	UC4 DK117009		\$4,050	\$1,804,287	RESEARCH AND DEVELOPMENT	\$14,211,583
EXTRAMURAL RESEARCH PROGRAMS IN THE NEUROSCIENCES AND NEUROLOGICAL DISORDERS	93.853	University of Cincinnati	010785-133437		\$108	\$209,245	RESEARCH AND DEVELOPMENT	\$14,211,583
EXTRAMURAL RESEARCH PROGRAMS IN THE NEUROSCIENCES AND NEUROLOGICAL DISORDERS	93.853	H. Lee Moffitt Cancer Center & Research Institute	R56NS117926		\$11,612	\$209,245	RESEARCH AND DEVELOPMENT	\$14,211,583
EXTRAMURAL RESEARCH PROGRAMS IN THE NEUROSCIENCES AND NEUROLOGICAL DISORDERS	93.853	Rosalind Franklin University of Medicine	R01NS113233		\$197,525	\$209,245	RESEARCH AND DEVELOPMENT	\$14,211,583
ALLERGY, IMMUNOLOGY AND TRANSPLANTATION	93.855	Benaroya Research Institute at Virginia Mason	UM1AI109565		\$638	\$27,948	RESEARCH AND DEVELOPMENT	\$14,211,583
ALLERGY, IMMUNOLOGY AND TRANSPLANTATION	93.855	Immune Tolerance Network	FY22ITN576		\$27,310	\$27,948	RESEARCH AND DEVELOPMENT	\$14,211,583

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Period 1/1/2023 -12/31/2023

Federal Awarding Agency/Program Title	Federal Assistance Listing	Name of Funder/Pass-Through Entity	Identifying Number Assigned By Funder/Pass-Through Entity	Total Amount Provided to Sub-Recipients	Federal Expenditures	Federal Program Total	Cluster Name	Cluster Total
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859	University of North Dakota	U54GM128729		\$17,322	\$7,483,505	RESEARCH AND DEVELOPMENT	\$14,211,583
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859	University of North Dakota	U54GM128729		\$17,367	\$7,483,505	RESEARCH AND DEVELOPMENT	\$14,211,583
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859	University of South Dakota	U54GM128729	\$393,845	\$2,190,176	\$7,483,505	RESEARCH AND DEVELOPMENT	\$14,211,583
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859	North Dakota State University	U54GM128729		\$164	\$7,483,505	RESEARCH AND DEVELOPMENT	\$14,211,583
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859	North Dakota State University	U54GM128729		\$236	\$7,483,505	RESEARCH AND DEVELOPMENT	\$14,211,583
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859	University of North Dakota	U54GM128729		\$312	\$7,483,505	RESEARCH AND DEVELOPMENT	\$14,211,583
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859	University of South Dakota	U54GM128729		\$867	\$7,483,505	RESEARCH AND DEVELOPMENT	\$14,211,583
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859	North Dakota State University	U54GM128729		\$911	\$7,483,505	RESEARCH AND DEVELOPMENT	\$14,211,583
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859	University of North Dakota	U54GM128729		\$2,400	\$7,483,505	RESEARCH AND DEVELOPMENT	\$14,211,583
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859	University of North Dakota	U54GM128729		\$5,644	\$7,483,505	RESEARCH AND DEVELOPMENT	\$14,211,583
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859	University of North Dakota	U54GM128729		\$6,829	\$7,483,505	RESEARCH AND DEVELOPMENT	\$14,211,583
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859	University of North Dakota	UND00286838-51		\$7,630	\$7,483,505	RESEARCH AND DEVELOPMENT	\$14,211,583
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859	University of North Dakota	U54GM128729		\$10,304	\$7,483,505	RESEARCH AND DEVELOPMENT	\$14,211,583
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859	University of North Dakota	U54GM128729		\$16,053	\$7,483,505	RESEARCH AND DEVELOPMENT	\$14,211,583
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859	University of North Dakota	U54GM128729	\$133,407	\$78,581	\$7,483,505	RESEARCH AND DEVELOPMENT	\$14,211,583
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859	University of North Dakota	U54GM128729		\$142,907	\$7,483,505	RESEARCH AND DEVELOPMENT	\$14,211,583
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859	University of North Dakota	U54GM128729		\$150,000	\$7,483,505	RESEARCH AND DEVELOPMENT	\$14,211,583
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859	University of North Dakota	U54GM128729		\$164,462	\$7,483,505	RESEARCH AND DEVELOPMENT	\$14,211,583
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859	University of North Dakota	U54GM128729		\$264,617	\$7,483,505	RESEARCH AND DEVELOPMENT	\$14,211,583
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859				\$298,692	\$7,483,505	RESEARCH AND DEVELOPMENT	\$14,211,583
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859				\$336,942	\$7,483,505	RESEARCH AND DEVELOPMENT	\$14,211,583
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859			\$9,484	\$620,968	\$7,483,505	RESEARCH AND DEVELOPMENT	\$14,211,583
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859			\$60,205	\$1,521,944	\$7,483,505	RESEARCH AND DEVELOPMENT	\$14,211,583
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859			\$172,807	\$1,628,177	\$7,483,505	RESEARCH AND DEVELOPMENT	\$14,211,583
CHILD HEALTH AND HUMAN DEVELOPMENT								
EXTRAMURAL RESEARCH	93.865	University of Iowa	U10 HD053109		\$70,422	\$169,422	RESEARCH AND DEVELOPMENT	\$14,211,583
CHILD HEALTH AND HUMAN DEVELOPMENT EXTRAMURAL RESEARCH	93.865				\$99,000	\$169,422	RESEARCH AND DEVELOPMENT	\$14,211,583
VISION RESEARCH	93.867	University of Rochester	R01EY030183		\$8,304	\$8,304	RESEARCH AND DEVELOPMENT	\$14,211,583
NATIONAL BIOTERRORISM HOSPITAL PREPAREDNESS PROGRAM	93.889	Minnesota Department of Health	160775		\$246,131	\$246,131	N/A	\$0
CANCER PREVENTION AND CONTROL PROGRAMS FOR STATE, TERRITORIAL AND TRIBAL ORGANIZATIONS	93.898	South Dakota Department of Health	23SC090245/24SC090245		\$21,126	\$25,992	N/A	\$0
CANCER PREVENTION AND CONTROL PROGRAMS FOR STATE, TERRITORIAL AND TRIBAL ORGANIZATIONS	93.898	South Dakota Department of Health	23SC090443		\$4,866	\$25,992	N/A	\$0
RURAL HEALTH CARE SERVICES OUTREACH, RURAL HEALTH NETWORK DEVELOPMENT AND SMALL HEALTH CARE PROVIDER QUALITY IMPROVEMENT	93.912			\$400,383	\$1,068,051	\$1,240,350	N/A	\$0
RURAL HEALTH CARE SERVICES OUTREACH, RURAL HEALTH NETWORK DEVELOPMENT AND SMALL HEALTH CARE PROVIDER QUALITY IMPROVEMENT	93.912				\$124,659	\$1,240,350	N/A	\$0
COVID-19 RURAL HEALTH CARE SERVICES OUTREACH, RURAL HEALTH NETWORK DEVELOPMENT AND SMALL HEALTH CARE PROVIDER QUALITY IMPROVEMENT	93.912				\$29,825	\$1,240,350	N/A	\$0
RURAL HEALTH CARE SERVICES OUTREACH, RURAL HEALTH NETWORK DEVELOPMENT AND SMALL HEALTH CARE PROVIDER QUALITY IMPROVEMENT	93.912	South Dakota Department of Health	23SC090147		\$14,736	\$1,240,350	N/A	\$0
RURAL HEALTH CARE SERVICES OUTREACH, RURAL HEALTH NETWORK DEVELOPMENT AND SMALL HEALTH CARE PROVIDER QUALITY IMPROVEMENT	93.912	South Dakota Department of Health	23SC090128		\$3,079	\$1,240,350	N/A	\$0
COVID-19 BLOCK GRANTS FOR COMMUNITY MENTAL HEALTH SERVICES	93.958	Beltrami County Health and Human Services	N/A		\$44,791	\$369,724	N/A	\$0
COVID-19 BLOCK GRANTS FOR COMMUNITY MENTAL HEALTH SERVICES	93.958	Beltrami County Health and Human Services	4409_001 ; 4433-001		\$324,933	\$369,724	N/A	\$0
PPHF GERIATRIC EDUCATION CENTERS	93.969	University of North Dakota	UND0028410-51		\$71,549	\$71,549	N/A	\$0
MENTAL HEALTH DISASTER ASSISTANCE AND EMERGENCY MENTAL HEALTH	93.982	South Dakota Department of Social Services	23SC08B392		\$4,490	\$4,490	N/A	\$0
PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT	93.991	South Dakota Department of Health	23SC090836		\$4,951	\$4,951	N/A	\$0
MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT TO THE STATES	93.994	North Dakota Department of Health	G21.127/G23.219		\$64,474	\$319,870	N/A	\$0
MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT TO THE STATES	93.994	North Dakota Department of Health	G23.220		\$9,957	\$319,870	N/A	\$0
MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT TO THE STATES	93.994	South Dakota Department of Health	23SC09/24SC09		\$471	\$319,870	N/A	\$0
MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT TO THE STATES	93.994	South Dakota Department of Health	24SC090149		\$10,616	\$319,870	N/A	\$0
MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT TO THE STATES	93.994	South Dakota Department of Health	23SC090912/24SC090912		\$157,602	\$319,870	N/A	\$0

SANFORD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Period 1/1/2023 -12/31/2023

Federal Awarding Agency/Program Title	Federal Assistance Listing	Name of Funder/Pass-Through Entity	Identifying Number Assigned By Funder/Pass-Through Entity	Total Amount Provided to Sub-Recipients	Federal Expenditures	Federal Program Total	Cluster Name	Cluster Total
<i>MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT TO THE STATES</i>	93.994	<i>South Dakota Department of Health</i>	<i>23SC090783/24SC090783</i>		\$76,750	\$319,870	N/A	\$0
<i>NATIONAL CANCER INSTITUTE</i>	93.RD	<i>University of Chicago</i>	<i>75N91019D00024</i>		\$72,343	\$822,914	RESEARCH AND DEVELOPMENT	\$14,211,583
<i>NIAID HIV AND OTHER INFECTIOUS DISEASES CLINICAL RESEARCH SUPPORT SERVICES (CRSS)</i>	93.RD	<i>PPD Investigator Services</i>	<i>HHSN272201700078C</i>		\$130,780	\$822,914	RESEARCH AND DEVELOPMENT	\$14,211,583
<i>NATIONAL CANCER INSTITUTE</i>	93.RD				\$619,791	\$822,914	RESEARCH AND DEVELOPMENT	\$14,211,583
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				\$1,972,786	\$37,390,364			
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE								
<i>SENIOR COMPANION PROGRAM</i>	94.016		21SCESD001		\$242,415	\$242,415	FOSTER GRANDPARENT/SENIOR COMPANION CLUSTER	\$ 242,415
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					\$242,415			
DEPARTMENT OF HOMELAND SECURITY								
<i>NON-PROFIT SECURITY PROGRAM</i>	97.008	<i>North Dakota Department of Emergency Services</i>	<i>EMW-2022-UA-00061</i>		\$63,697	\$185,047	N/A	\$0
<i>NON-PROFIT SECURITY PROGRAM</i>	97.008	<i>North Dakota Department of Emergency Services</i>	<i>EMW-2022-UA-00061</i>		\$121,350	\$185,047	N/A	\$0
<i>BOATING SAFETY FINANCIAL ASSISTANCE</i>	97.012	<i>Safe Kids Worldwide</i>	<i>N/A</i>		\$2,794	\$2,794	N/A	\$0
<i>DISASTER GRANTS - PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS)</i>	97.036	<i>Florida Department of Emergency Services</i>	<i>4337-366-R</i>		\$212,830	\$2,592,510	N/A	\$0
<i>COVID-19 DISASTER GRANTS - PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS)</i>	97.036	<i>South Dakota Department of Health</i>	<i>N/A</i>		\$2,379,680	\$2,592,510	N/A	\$0
<i>HOMELAND SECURITY GRANT PROGRAM</i>	97.067	<i>South Dakota Department of Public Safety</i>	<i>HLS-2022-Sanford Office of Grants-00182</i>		\$6,025	\$6,025	N/A	\$0
TOTAL DEPARTMENT OF HOMELAND SECURITY					\$2,786,376			
TOTAL EXPENDITURE OF FEDERAL AWARDS					\$1,997,709	\$44,706,780		

Please Note:
 Italicized award lines indicate pass-through funding.
 The accompanying Notes to the Schedule of Expenditures of Federal Awards are in integral part of the schedule.

Sanford

Notes to Schedule of Expenditures of Federal Awards

December 31, 2023

1. Basis of Presentation and Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award expenditures of Sanford and its controlled entities under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the 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). The Schedule is prepared on the accrual basis of accounting and should be read in conjunction with the consolidated financial statements of Sanford. Expenditures are recognized following the cost principles contained in the Uniform Guidance.

2. Indirect Cost Rate

Indirect cost rates for Sanford were based on applicable U.S. Department of Health and Human Services (HHS) negotiated rates, the 10% de minimis indirect cost rate allowed by the Uniform Guidance, or sponsor-specific (capped) rates.

3. Provider Relief Fund Payments

The Schedule includes \$9,768,909 received from HHS between January 1, 2022 and June 30, 2022, under the COVID-19 Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution (PRF) program for Assistance Listing No. 93.498. In accordance with guidance from HHS, these amounts are presented as Period 5 in the HHS PRF Reporting Portal. Such amounts were recognized as other operating revenue in the Sanford financial statements for the year ending December 31, 2022. No Provider Relief Funds were received during the July 1, 2022 to December 31, 2022 period. Due to the PRF Reporting requirements, these amounts are not the total PRF received and/or recognized as other operating revenue in the years presented in the Schedule.

Legal Entity Name	Tax Identification Number
Sanford Group Return	45-3791176
Heritage Home Healthcare	85-0463468

Sanford

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2023

Section I—Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

 yes

 X no

Significant deficiency(ies) identified?

 yes

 X none reported

Noncompliance material to financial statements noted?

 yes

 X no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

 X yes

 no

Significant deficiency(ies) identified?

 yes

 X none reported

Type of auditor’s report issued on compliance for major federal programs:

Qualified opinion – 93.155 – COVID-19 Rural Health Research Centers

Unmodified opinion:

10.558 – Child and Adult Care Food Program;

93.498 – COVID-19 Provider Relief Fund and

American Rescue Plan (ARP) Rural Distribution;

93.575 – Child Care and Development Block Grant

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

 X yes

 no

Sanford

Schedule of Findings and Questioned Costs (continued)

Section I—Summary of Auditor’s Results (continued)

Identification of major federal programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.558	Child and Adult Care Food Program
93.155	COVID-19 Rural Health Research Centers
93.498	COVID-19 Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution
93.575	Child Care and Development Block Grant

Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,341,203

Auditee qualified as low-risk auditee? X yes no

Sanford

Schedule of Findings and Questioned Costs (continued)

Section II—Financial Statement Findings

None identified.

Sanford

Schedule of Findings and Questioned Costs (continued)

Section III—Federal Award Findings and Questioned Costs

Finding 2023-001

Identification of the federal program:

Federal Agency: United States Department of Health and Human Services, Health Resources and Services Administration (HRSA)

Pass-Through Entities: North Dakota Department of Health, South Dakota Department of Health and Minnesota Department of Health

Assistance Listing: 93.155; COVID-19 Rural Health Research Centers

Award Numbers: Various

Award Year: FY 2021 – 2023

Criteria or specific requirement (including statutory, regulatory or other citation):

2 CFR Section 200.303 of the Uniform Guidance states the following regarding internal control:

“The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).”

The Uniform Guidance 2 CFR Section 200.213 states, “Non-federal entities are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR Part 180. These regulations restrict awards, subawards, and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in Federal assistance programs or activities”.

Sanford

Schedule of Findings and Questioned Costs (continued)

Section III—Federal Award Findings and Questioned Costs (continued)

In addition, Uniform Guidance 2 CFR Section 200.320 (c) states: “There are specific circumstances in which noncompetitive procurement can be used. Noncompetitive procurement can only be awarded if one or more of the following circumstances apply:

- (1) The acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold;
- (2) The item is available only from a single source;
- (3) The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation;
- (4) The Federal awarding agency or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request from the non-Federal entity; or
- (5) After solicitation of a number of sources, competition is determined inadequate.”

Further, Uniform Guidance 2 CFR Section 200.320(a)(2) states: Small purchases – “The acquisition of property or services, the aggregate dollar amount of which is higher than the micro-purchase threshold but does not exceed the simplified acquisition threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources as determined appropriate by the non-Federal entity.”

Condition:

We noted the following matters during our testing of Procurement and Suspension and Debarment compliance requirements:

- A third-party vendor performed the suspension and debarment validation process for Sanford. The third-party vendor does not have a SOC 1 (System and Organization Controls) Report. For a portion of the year, Sanford relied on the suspension and debarment checks performed by the third-party vendor for results concluding no match without completing a validation control to ensure the results provided by the third-party vendor were accurate.
- We noted instances where the vendor screening for suspension and debarment was not performed prior to setting up the vendor in the system and procuring the goods/services.

Sanford

Schedule of Findings and Questioned Costs (continued)

Section III—Federal Award Findings and Questioned Costs (continued)

- For certain procurement transactions tested, we noted Sanford did not adhere to the compliance requirements and did not follow its procurement policy by maintaining documentation related to cost/price analysis or sole-source procurement and completing the sole-source justification forms timely.

Cause:

Sanford utilizes a third-party vendor to perform suspension and debarment checks on its vendors, both during the vendor setup process as well as ongoing monitoring of active vendors. Sanford did not add an additional validation control until August 2023 to ensure that the suspension and debarment checks performed by the third-party vendor aligned with the governmental suspension and debarment database when the search resulted in no match.

In addition, Sanford did not follow its procurement policy and perform the vendor screening for suspension and debarment prior to setting up the vendor in the system and transacting with the vendors.

Furthermore, Sanford, prior to entering into the procurement transaction, did not complete the sole-source justification forms, or maintain documentation to support the sole-sourced procurements for those procurement transactions that exceeded the small purchase threshold.

Effect or potential effect:

Sanford's screening for suspension and debarment through the third-party vendor results may not be accurate for the period January 1, 2023 through July 31, 2023.

Further, by not performing the vendor screening for suspension and debarment prior to transacting with the vendor, Sanford could have potentially entered into a business transaction with suspended or debarred parties.

Sanford did not comply with the federal procurement requirements and its procurement policy by not maintaining adequate documentation to support the cost/price analysis or sole sourced vendor selections in addition to not timely completing the sole source justification forms.

Sanford

Schedule of Findings and Questioned Costs (continued)

Section III—Federal Award Findings and Questioned Costs (continued)

Questioned costs:

\$307,249 determined as the amount of the procurement expenditures included in the Schedule of Expenditures of Federal Awards for two procurement transactions that had inadequate documentation to justify sole source selection.

Context:

To ensure compliance with 2 CFR Section 200.213, Sanford conducts both preventive and detective controls in its vendor setup and monitoring process to ensure new vendors and active vendors are not suspended or debarred. A consistent vendor setup process is followed for each new vendor that Sanford transacts with, regardless of whether the vendor transactions are funded through federal grant funding or through other sources. To prevent a suspended or debarred vendor from being added as a new vendor, the vendor is checked against the suspension and debarment database electronically before completion of the vendor setup. Subsequent to vendor setup, Sanford also monitors the status of its vendors to ensure the vendor's status has not changed. We selected 25 new vendors to verify that the suspension and debarment screening was performed and performed timely. We noted for 3 of the 25 vendors, the suspension and debarment screening was not performed prior to setting up the vendor in the system and for 1 of these vendors, Sanford had entered into a transaction prior to performing the suspension and debarment screening.

We selected 8 procurement transactions that exceeded the small purchase threshold. Of the 8 transactions, 4 transactions did not follow the federal procurement standards and Sanford's procurement policy which requires sole source documentation be completed prior to procuring the items. Additionally, for 2 of these 4 transactions, Sanford did not have sufficient documentation maintained to support the cost/price analysis performed or justification to support the sole source selection of the vendors.

Total federal expenditures subject to suspension and debarment is \$2,870,421, and federal expenditures exceeding the micro purchase threshold is \$2,298,733. Total federal expenditures under the program, as reported on the SEFA, is \$2,870,421.

Identification as a repeat finding, if applicable:

This finding is a repeat of Finding 2022-001 in the prior year.

Sanford

Schedule of Findings and Questioned Costs (continued)

Section III—Federal Award Findings and Questioned Costs (continued)

Recommendation:

Management should ensure that the suspension and debarment screening is performed prior to entering into the transaction with the vendor and also ensure that it follows the procurement policy to verify suspension and debarment of the vendor prior to setting up the vendor in the system. In addition, Management should ensure that any sole sourced purchases or when quotes are obtained, that those be documented prior to entering into the procurement transaction.

Views of responsible officials:

Sanford continues to document periodic validation of the suspension and debarment search results performed by the third-party vendor for vendor searches that yield no suspension and debarment match. Additionally, as part of the periodic validation, Sanford will include a validation to ensure a suspension and debarment search is completed prior to setting the vendor up in the system.

Sanford will re-educate appropriate staff regarding the process to verify a suspension and debarment search is completed prior to setting up the vendor in the system. Sanford's preventive and detective controls and operating procedures provide reasonable assurance over the effectiveness of the controls necessary to prevent the risk of federal funds being paid to vendors that are suspended or debarred.

Sanford's preventive and detective controls and operating procedures provide reasonable assurance over the effectiveness of the controls necessary to prevent the risk of federal funds being utilized for items that do not adhere to the procurement standards. Sanford will re-educate applicable parties and enhance its procedural documentation regarding procurement. Sanford will implement a monthly review process of federal funds utilized for procurement.

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