

Consolidated Financial Statements,  
Compliance Reports on Federal  
Awards and State Financial Assistance  
Programs, and Report of Independent  
Certified Public Accountants

**H. Lee Moffitt Cancer Center & Research  
Institute, Inc. and Subsidiaries**

June 30, 2021 and 2020

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**GRANT THORNTON LLP**

101 E. Kennedy Blvd., Suite 3850  
Tampa, FL 33602

**D** +1 813 229 7201

**F** +1 813 223 3015

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

The Board of Directors  
H. Lee Moffitt Cancer Center & Research Institute, Inc.

**Report on the financial statements**

We have audited the accompanying consolidated financial statements of H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries (the "Cancer Center"), which comprise the consolidated balance sheets as of June 30, 2021 and 2020, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

**Management's responsibility for the financial statements**

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

**Auditor's responsibility**

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

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

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

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other matters***Supplementary information*

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating balance sheet and the consolidating statement of operations are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

**Other reporting required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report, dated September 24, 2021, on our consideration of the Cancer Center'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 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 Cancer Center'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 Cancer Center's internal control over financial reporting and compliance.



Tampa, Florida  
September 24, 2021

H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

CONSOLIDATED BALANCE SHEETS

June 30,

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 412,222,264	\$ 300,165,771
Current portion of assets limited as to use	24,478,068	16,404,914
Patient accounts receivable	178,651,879	163,295,192
Current portion of pledges receivable	2,924,991	3,203,850
Inventories	27,365,921	30,123,202
Grant receivables, net	48,138,061	41,125,997
Prepaid and other current assets	<u>35,606,011</u>	<u>28,184,308</u>
Total current assets	729,387,195	582,503,234
<b>Assets limited as to use, net of current portion</b>	794,376,738	785,794,826
<b>Pledges receivable, less discounts and allowances for uncollectible pledges, net of current portion</b>	13,008,039	5,084,377
<b>Right of use asset - operating leases</b>	52,808,347	35,291,058
<b>Property, plant, and equipment:</b>		
Land	26,107,905	26,107,905
Building and land improvements	573,099,956	573,050,931
Equipment	<u>586,638,871</u>	<u>561,474,650</u>
	1,185,846,732	1,160,633,486
Less accumulated depreciation	<u>(697,202,361)</u>	<u>(655,490,747)</u>
	488,644,371	505,142,739
Construction in progress	<u>177,442,411</u>	<u>39,968,317</u>
	666,086,782	545,111,056
<b>Other assets</b>	<u>27,614,346</u>	<u>86,460,103</u>
Total assets	<u>\$ 2,283,281,447</u>	<u>\$ 2,040,244,654</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 160,527,995	\$ 124,363,268
Accrued employee compensation	99,034,865	88,425,161
Accrued interest	15,353,488	4,955,726
Current portion of deferred revenue	9,399,494	2,910,500
Estimated third-party settlements payable, net	22,966,188	18,403,688
Current portion of operating lease liability	10,414,705	9,936,847
Current portion of long-term debt	<u>14,345,000</u>	<u>12,645,000</u>
Total current liabilities	<u>332,041,735</u>	<u>261,640,190</u>
<b>Other liabilities</b>	11,281,747	12,975,575
<b>Operating lease liability, net of current portion</b>	36,941,057	31,844,454
<b>Long-term debt, net of current portion</b>	<u>672,279,709</u>	<u>689,845,577</u>
Total liabilities	1,052,544,248	996,305,796
<b>Net assets</b>		
Without donor restrictions		
H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries	1,110,074,346	913,745,729
Noncontrolling interest	<u>-</u>	<u>22,570,435</u>
Total net assets without donor restrictions	1,110,074,346	936,316,164
With donor restrictions	<u>120,662,853</u>	<u>107,622,694</u>
Total net assets	<u>1,230,737,199</u>	<u>1,043,938,858</u>
Total liabilities and net assets	<u>\$ 2,283,281,447</u>	<u>\$ 2,040,244,654</u>

The accompanying notes are an integral part of these consolidated financial statements.

H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

Years ended June 30,

	<u>2021</u>	<u>2020</u>
Net assets without donor restrictions		
Patient service revenues	\$ 1,550,673,569	\$ 1,366,689,383
Other revenues, less provision for grant and other bad debts (2021 - \$102,120; 2020 - \$11,877)	247,042,525	252,407,189
Net assets released from restrictions and used for operating expenses	<u>29,301,735</u>	<u>36,329,939</u>
Total revenues and other support without donor restrictions	<u>1,827,017,829</u>	<u>1,655,426,511</u>
Expenses		
Salaries, wages, and benefits	802,993,961	739,434,541
Faculty fees	10,406,878	9,895,972
Purchased services	155,523,705	149,301,414
Supplies	598,355,322	487,495,786
Other operating expenses	89,297,720	87,916,606
Depreciation and amortization	62,019,002	62,571,530
Interest	<u>9,617,362</u>	<u>9,031,842</u>
Total expenses	<u>1,728,213,950</u>	<u>1,545,647,691</u>
Income from operations	98,803,879	109,778,820
Nonoperating gains, net	<u>83,623,191</u>	<u>6,138,080</u>
Excess of revenues and gains over expenses and losses before tax	182,427,070	115,916,900
Income tax expense	<u>(2,664,155)</u>	<u>(71,296)</u>
Excess of revenues and gains over expenses and losses	179,762,915	115,845,604
Other changes		
Net assets released from restrictions and used to purchase property, plant, and equipment	204,919	1,942,316
Net assets released from restrictions and used for payment of long-term debt	9,439,017	10,459,241
Deconsolidation of M2Gen, Corp.	(17,669,529)	-
Grants received for reimbursement of property, plant, and equipment	12,511	11,510
Restricted investment income	(827,428)	(762,967)
Other	<u>2,835,777</u>	<u>(43,431)</u>
Increase in net assets without donor restrictions	<u>173,758,182</u>	<u>127,452,273</u>
Net assets with donor restrictions		
Contributions and memorials	23,166,887	8,087,991
Grants and contracts with purpose restrictions	12,898,272	18,457,261
Investment income	827,428	762,967
Net assets released from purpose restrictions and used to purchase property, plant, and equipment	(204,919)	(1,942,316)
Net assets released from purpose restrictions and used for payment of long-term debt	(9,439,017)	(10,459,241)
Net assets released from purpose restrictions and used for payment of operating expenses	(20,820,174)	(30,781,602)
Net assets released from purpose restrictions and used for payment of interest	(5,236,216)	(4,082,705)
Net assets released from time restrictions and used for payment of operating expenses	(3,245,345)	(1,465,632)
Proceeds from the Cigarette Tax and Trust Fund	15,524,028	15,524,028
Interest earnings on proceeds from the Cigarette Tax and Trust Fund	141	3,519
Loss on collectible restricted pledges	(510,152)	(34,744)
Other	<u>79,226</u>	<u>42,406</u>
Increase (decrease) in net assets with donor restrictions	<u>13,040,159</u>	<u>(5,888,068)</u>
<b>INCREASE IN NET ASSETS</b>	<u>186,798,341</u>	<u>121,564,205</u>
Net assets at beginning of year	<u>1,043,938,858</u>	<u>922,374,653</u>
Net assets at end of year	<u>\$ 1,230,737,199</u>	<u>\$ 1,043,938,858</u>

The accompanying notes are an integral part of these consolidated financial statements.

H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended June 30,

	<u>2021</u>	<u>2020</u>
<b>Operating activities and nonoperating gains:</b>		
Increase in net assets	\$ 186,798,341	\$ 121,564,205
Adjustments to reconcile increase in net assets to net cash provided by operating activities and nonoperating gains:		
Loss on deconsolidation of M2Gen, Corp.	21,566,762	-
Deconsolidation of M2Gen, Corp. non-controlling interest	17,669,529	-
Loss (gain) on sale of property, plant, and equipment	64,648	(68,322)
Restricted contributions and restricted investment income	(39,518,483)	(24,378,505)
Contribution of unrestricted and restricted securities	(1,269,283)	234,403
Grants and contracts with purpose restrictions	(12,898,272)	(18,457,261)
Deferred income tax expense (benefit)	2,154,726	(2,154,726)
Grants received for reimbursement of property, plant, and equipment purchases	(12,511)	(11,510)
Change in net unrealized (gains) losses on investments	(69,306,228)	10,054,017
Depreciation and amortization	62,019,002	62,571,530
Amortization of bond premium, discount and issuance costs	(3,220,868)	(2,158,607)
Provision for grant bad debts	(102,120)	11,877
Changes in operating assets and liabilities:		
Accounts receivable	(15,356,687)	581,888
Inventories	2,757,281	(11,030,300)
Grant receivables	(6,909,943)	(14,806,521)
Prepaid and other current assets	(5,123,177)	6,020,222
Right of use asset - operating leases	(17,517,289)	(35,291,058)
Pledges receivable	(7,644,803)	3,767,854
Accounts payable and accrued expenses	33,416,629	5,723,791
Accrued employee compensation	11,987,415	6,081,767
Accrued interest	10,397,761	(31,568)
Estimated third-party settlements	4,562,500	34,062,535
Income tax payable	(714,062)	714,062
Operating lease liability	5,574,461	41,781,301
Other liabilities	6,665,904	(19,773,172)
	<u>186,041,233</u>	<u>165,007,902</u>
<b>Investing activities:</b>		
Purchases of property, plant, and equipment	(161,657,321)	(128,147,091)
Purchases of investments	-	(41,256,000)
Change in Avatar clinical and molecular data	(5,258,757)	(18,135,560)
Net cash outflow from deconsolidation of M2Gen, Corp.	(773,373)	-
Change in assets limited as to use	52,705,696	(392,981,186)
	<u>(114,983,755)</u>	<u>(580,519,837)</u>
<b>Financing activities:</b>		
Payments on long-term debt	(12,645,000)	(12,055,000)
Proceeds from issuance of long-term debt	-	422,127,400
Payments for debt financing costs	-	(3,177,065)
Restricted contributions and restricted investment income	39,518,483	24,378,505
Grants and contracts with purpose restrictions	12,898,272	18,457,261
Contribution of securities with purpose restrictions	1,214,749	409,915
Grants received for reimbursement of property, plant, and equipment purchases	12,511	11,510
	<u>40,999,015</u>	<u>450,152,526</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>112,056,493</b>	<b>34,640,591</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>300,165,771</b>	<b>265,525,180</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 412,222,264</b>	<b>\$ 300,165,771</b>
<b>Supplemental information:</b>		
Capital expenditures accrued in accounts payable	\$ 13,834,928	\$ 5,578,178
Cash paid for interest	14,956,424	10,080,720

The accompanying notes are an integral part of these consolidated financial statements.

## H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2021 and 2020

#### NOTE 1 - ORGANIZATION

H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries (the Cancer Center), located in Tampa, Florida, was created by the Florida Legislature and incorporated on April 17, 1984, as a not-for-profit corporation, and is currently licensed to operate 218 general acute care beds. The Cancer Center's activities relate primarily to research in the areas of basic science, cancer prevention and control, translational science, pre-clinical and clinical investigations, and providing management and certain other support services as the sole corporate member and parent for the following subsidiary corporations:

- H. Lee Moffitt Cancer Center & Research Institute Hospital, Inc. (the Hospital) - The Hospital provides medical and hospital care, medical education, and training and clinical (patient-related) research in maintaining health and preventing, detecting, and treating cancer.
- H. Lee Moffitt Cancer Center & Research Institute Lifetime Cancer Screening Center, Inc. (the Screening Center) - The Screening Center is doing business as the Moffitt Medical Group (MMG), and operates as part of the Cancer Center's health care system by employing and managing physicians and other medical professionals who staff the Hospital and provide clinical research services to the Cancer Center.
- H. Lee Moffitt Cancer Center & Research Institute Foundation, Inc. (the Foundation) - The Foundation is the principal fundraising organization for the Cancer Center and its subsidiaries.
- Moffitt Technologies Corporation (MTC) - MTC is a for-profit subsidiary of the Cancer Center that conducts technology management and commercialization activities for the Cancer Center, including intellectual property developed by the Cancer Center.
- OncoBay Clinical, Inc. (OncoBay Clinical) - OncoBay Clinical, formerly known as Immuno, Inc. is a for-profit subsidiary of the Cancer Center established in October 2019 as a contract research organization focused on accelerating immunotherapy research.

The consolidated financial statements include the accounts of the Cancer Center, the Hospital, MMG, the Foundation, MTC and OncoBay Clinical (collectively, the Cancer Center). All intercompany transactions and accounts have been eliminated in consolidation.

In addition, the Cancer Center was previously the controlling shareholder of a for-profit subsidiary corporation, M2Gen, Corp. In March 2021, the Cancer Center entered into a limited partnership agreement with certain investors to form M2Gen Holdings, L.P. whereby the Cancer Center's outstanding equity interest in M2Gen Corp. was exchanged for an 18.6% partnership interest in M2Gen Holdings, L.P. As a result, the Cancer Center ceased consolidating M2Gen Corp.'s financial statements and recorded the new ownership investment in M2Gen Holdings, L.P. using the cost method as described in Note 19.

#### ***Mission Statement***

The mission of the Cancer Center is to contribute to the prevention and cure of cancer. The Cancer Center is a leader in focused, innovative cancer research, a major regional oncology referral center, and an environment conducive for training future scientific and clinical leaders in oncology. The Cancer Center has been designated as a National Cancer Institute Comprehensive Cancer Center.



**H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021 and 2020**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Nonoperating Gains and Losses***

The Cancer Center's revenues and other support include amounts generated from direct patient care, unrestricted appropriations from the State of Florida (the State), federal and nonfederal grants and contracts, and sundry revenues related to the operations of the Cancer Center's facilities. Activities that result in gains or losses unrelated to the Cancer Center's operations are considered to be nonoperating. Nonoperating gains and losses primarily include investment income, dividends and realized and unrealized gains and losses on unrestricted investments, and gains and losses on disposals of assets.

***Use of Estimates***

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Significant estimates are used in recording patient service revenue, estimated settlements with third-party payors, useful lives of property, plant and equipment, self-insurance liabilities, and the reported fair values of certain assets and liabilities. Actual results could differ from those estimates.

***Statements of Cash Flows***

For the purposes of the consolidated statements of cash flows, the Cancer Center considers all highly liquid investments with a maturity of three months or less when purchased, except those classified as assets limited as to use, to be cash equivalents.

***Estimated Third-Party Settlements***

The Cancer Center is reimbursed on a cost basis for Medicare inpatient and outpatient services subject to certain limitations. The Cancer Center is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Cancer Center and audits by the Medicare fiscal intermediary. Regulations require annual retroactive cost reimbursement settlements for these amounts based upon annual cost reports. These retroactive cost settlements are estimated and recorded in the consolidated financial statements.

For services provided to Medicaid beneficiaries, the Cancer Center is reimbursed based on All Payor Related-Diagnostic Related Groups for inpatient services. The Florida Agency for Health Care Administration (AHCA) has an Enhanced Ambulatory Group (EAPG) payment methodology for hospital outpatient services, which provides reimbursement for services on prospectively determined prices. The Florida Cancer Hospital Program (FCHP) was created to provide eligible hospitals, including the Cancer Center, an enhanced reimbursement for inpatient and outpatient hospital services. The Centers for Medicare and Medicaid Services (CMS) approved the State Plan Amendment (SPA), which authorized the supplemental payment plan. These payments are contingent upon the nonfederal share being provided through intergovernmental transfers.

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

***Patient Service Revenues and Patient Accounts Receivable***

Patient service revenues are recorded at the amounts that reflect the consideration to which the Cancer Center expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including managed care payors and government programs, i.e., Medicare and Medicaid) and others, and they include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews and investigations. Patient service revenue decreased by approximately \$1,572,000 for the year ended June 30, 2021 and increased approximately \$2,784,000 for the year ended June 30, 2020, for adjustments to prior year estimated third-party settlements. Generally, patients and third-party payors are billed several days after the services are performed or shortly after discharge. Patient service revenue is recognized in the period in which the performance obligations are satisfied under contracts by transferring services to customers.

Performance obligations are determined based on the nature of the services provided. The Cancer Center recognizes revenues for performance obligations satisfied over time based on actual charges incurred in relation to total expected charges. The Cancer Center believes that this method provides an appropriate depiction of the transfer of services over the term of performance obligations based on the inputs needed to satisfy the obligations. Generally, performance obligations satisfied over time relate to patients receiving inpatient acute care services. The Cancer Center measures performance obligations from admission to the point when there are no further services required for the patient, which is generally the time of discharge. The Cancer Center recognizes revenues for performance obligations satisfied at a point in time, which generally relate to patients receiving outpatient services, when (1) services are provided and (2) when it is believed the patient does not require additional services. The Cancer Center determines estimates of contractual adjustments and discounts based on government regulations, contractual agreements, discount policies and historical experience, as applicable. The Cancer Center determines its estimate of implicit price concessions based on historical collection experience within each class of patients using a portfolio approach as a practical expedient to account for patient contracts as collective groups rather than individually. The financial statement effects of using this practical expedient are not materially different from an individual contract approach.

Patient revenues are recorded during the period the health care services are provided based upon the estimated amounts due from the patients and third-party payors. Third-party payors include federal and state agencies (under Medicare, Medicaid, and other programs), managed care health plans, and other private contractual agreements. Estimates of contractual adjustments under managed care health plans are based upon the payment terms specified in the related contractual agreements. Revenues related to uninsured patients and copayment and deductible amounts for patients who have health care coverage may have discounts applied (uninsured discounts and contractual discounts).

Patient service revenues from third-party payors and others for the years ended June 30, 2021 and 2020 are summarized in the following table:

	Years Ended June 30,	
	2021	2020
Managed care	74.5%	75.8%
Medicare	23.1	23.6
Medicaid/other/commercial/self-pay	2.4	0.6
Patient service revenues	100.0%	100.0%

**H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021 and 2020**

When there is an unconditional right to payment, subject only to the passage of time a receivable is recognized. Patient accounts receivable, including billed accounts and unbilled accounts, which have the unconditional right to payment (and estimated amounts due from third-party payors for retroactive adjustments) are considered receivables if the right to consideration is unconditional and only the passage of time is required before payment of that consideration is due.

The estimated uncollectible amounts for patient accounts receivable are generally considered implicit price concessions and are a direct reduction to patient accounts receivable.

***Excess of Revenues and Gains Over Expenses and Losses***

The consolidated statements of operations and changes in net assets include the excess of revenues and gains over expenses and losses. Changes in net assets without donor restrictions that are excluded from the excess of revenues and gains over expenses and losses include contributions of long-lived assets (including assets acquired using contributions, which by donor restriction, were to be used for the purposes of acquiring such assets), and contributions restricted for the payment of long-term debt.

***Inventories***

Inventories consist principally of medical and surgical supplies and pharmaceuticals and are valued at the lower of cost (first-in, first-out method) or market.

***Risk Management and Self-Insurance***

The Cancer Center is exposed to various risks from torts, thefts, damage to and destruction of assets, business interruption, errors and omissions, employee injuries and illnesses, and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters. The Cancer Center is insured for medical malpractice claims as described in Note 14.

The Cancer Center is self-insured for amounts up to specified levels for health, medical, and workers' compensation claims for its employees. The estimated liability for such self-insurance arrangements is the total estimated amounts to be paid for all known claims or incidents, and an estimate for incurred but not reported claims.

***Fair Value of Certain Financial Instruments***

The carrying amounts reported in the consolidated balance sheets for financial instruments classified as current assets and current liabilities approximate fair value because of the short-term maturity of these instruments.

***Fair Value Measurements***

Fair value is determined using assumptions that market participants would use to determine the price of an asset or liability as opposed to measurements determined based upon information specific to the entity holding those assets and liabilities. To determine those market participant assumptions, the Financial Accounting Standards Board (FASB) established a hierarchy of inputs that the entity must consider, including both independent market data inputs and the entities' assumptions about the market's participant assumptions. Investments that are valued using net asset value (NAV) as a practical expedient are excluded from this three-tier hierarchy. For all other investments measured at fair value, the hierarchy prioritizes the inputs used to measure fair value. The hierarchy is summarized as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets and liabilities as of the reporting date;

**H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021 and 2020**

Level 2 - Directly or indirectly observable inputs, other than quoted prices included in Level 1. Level 2 inputs may include, among others, interest rates and yield curves observable at commonly quoted intervals, volatilities, credit risks, and other inputs that are derived principally from or corroborated by observable market data by correlation or other means as of the reporting date; and

Level 3 - Unobservable inputs used when there is little, if any, market activity for the asset or liability at the measurement date. These inputs represent the entity's own assumptions about the assumptions that market participants would use to price the asset or liability developed using the best information available.

The Cancer Center's Level 1 assets include investments in equity and U.S. Government agency securities, and are valued at the quoted market prices. The Cancer Center's Level 2 assets include investments in fixed income securities and are valued based upon directly or indirectly observable inputs. Transfers between levels in the hierarchy are recognized at the end of the reporting period.

The Cancer Center's long-term debt is valued based on quoted market prices for the same or similar issues for debt of the same remaining maturities (Level 2). The estimated fair value of the Cancer Center's long-term debt at June 30, 2021 and 2020 is approximately \$731,313,000 and \$725,158,000, respectively.

The following table summarizes the Cancer Center's significant financial assets, excluding those measured using NAV as a practical expedient, measured at fair value as of June 30, 2021 and 2020:

	June 30, 2021			
	Total	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	\$ 412,222,264	\$ 412,222,264	\$ -	\$ -
Assets limited as to use:				
Equity securities	340,899,690	340,899,690	-	-
Cash and cash equivalents	375,762,794	375,762,794	-	-
Fixed income securities	54,991,768	-	54,991,768	-
U.S. Government obligations	17,892,689	17,892,689	-	-
Total assets	<u>\$ 1,201,769,205</u>	<u>\$ 1,146,777,437</u>	<u>\$ 54,991,768</u>	<u>\$ -</u>
	June 30, 2020			
	Total	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	\$ 300,165,771	\$ 300,165,771	\$ -	\$ -
Assets limited as to use:				
Equity securities	247,074,194	247,074,194	-	-
Cash and cash equivalents	452,274,073	452,274,073	-	-
Fixed income securities	56,583,184	-	56,583,184	-
U.S. Government obligations	17,441,851	17,441,851	-	-
Total assets	<u>\$ 1,073,539,073</u>	<u>\$ 1,016,955,889</u>	<u>\$ 56,583,184</u>	<u>\$ -</u>

H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

The following table represents a reconciliation of financial instruments at fair value to the accompanying consolidated balance sheets as follows:

	June 30,	
	2021	2020
Cash, investments and assets limited as to use at fair value	\$ 1,201,769,205	\$ 1,073,539,073
Alternative investments at NAV	29,307,865	28,826,438
Total	<u>\$ 1,231,077,070</u>	<u>\$ 1,102,365,511</u>

**Alternative Investments**

The Cancer Center's investment policy provides for a diversified investment portfolio which considers risk, return, preservation and appreciation of capital as well as the Cancer Center's short-term and long-term liquidity needs. This policy allows participation in alternative investment funds (hedge and real estate funds). The hedge funds' principal investment objective is to achieve consistent, positive returns, while attempting to reduce risk and volatility. The real estate fund's objective is to outperform the NFI-ODCE Index over a full market cycle with a lower level of risk. Alternative investments often have liquidity restrictions under which the Cancer Center's capital may be divested only at specified times. The hedge funds were closed in December 2018. Liquidity restrictions may apply to all or portions of a particular invested amount. The real estate fund has quarterly liquidity subject to available cash flow. There were no unfunded commitments for these investments as of June 30, 2021 and 2020. Realized and unrealized gains and losses from these alternative investments are included in the nonoperating gains, net section of the consolidated statements of operations and changes in net assets.

Alternative investments are classified as investments and assets limited as to use in the accompanying consolidated balance sheets.

**Assets Limited as to Use**

Assets limited as to use represent funds internally designated for program development and capital expenditures, funds externally designated by donors and under the terms of bond indentures, and funds from the State of Florida Cigarette Tax Trust Fund (Cigarette Tax). The Board of Directors (the Board) retains control over internally designated funds and may, at its discretion, use the funds for other purposes. Amounts required to meet current liabilities have been reclassified to current assets in the consolidated balance sheets.

**Investments and Investment Income**

Investments in debt and equity securities with readily determinable fair values are recorded at fair value in the consolidated balance sheets.

Investments without readily determinable fair values (collectively, "alternative investments") are accounted for based on NAV, a practical expedient, of each alternative investment. Financial information used by the Cancer Center to evaluate its alternative investments is provided by the investment manager and may include fair value valuations (quoted market prices and values determined through other means) of the underlying securities and other financial instruments held by the investee, and estimates that require varying degrees of judgment. The financial statements of the investee companies are audited annually by independent auditors, although the timing for reporting the results of such audits does not always coincide with the Cancer Center's financial statement reporting period.

**H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021 and 2020**

Funds held by the bond trustee under indenture and from the Cigarette Tax are invested in cash and cash equivalents and are designated as other-than-trading investments. Investment securities are designated as trading investments.

Investment income is reported net of management fees, and includes interest and dividend income, as well as realized gains and losses on such investments. Investment income is reported as an increase in net assets without donor restrictions in the period earned, unless such earnings are subject to donor-imposed restrictions. Investment income restricted by donor stipulations is reported as an increase in net assets with donor restrictions in the period earned.

***Liquidity and Availability of Resources***

The Cancer Center's financial assets and resources available to meet cash needs for general expenditures within one year primarily consist of cash, patient accounts receivable, grant receivables and assets limited as to use that are internally designated as disclosed in the accompanying consolidated balance sheets. Excess cash is invested in accordance with the Board investment policy, and there are no investments with purchase commitments as of June 30, 2021. In addition to its liquid resources and cash provided by operating activities, the Cancer Center has \$40,000,000 of unused lines of credit (Note 6) for future operating needs.

As of June 30, 2021 and 2020 the Cancer Center's net working capital was approximately \$397,345,000 and \$320,863,000, respectively, which includes the current assets limited as to use by Board designation.

***Property, Plant, and Equipment***

Property, plant, and equipment are recorded at historical cost or fair market value, if donated, at the date of donation. Depreciation expense is computed using the straight-line method over the estimated useful lives of the related assets. Interest cost incurred during the period of construction of capital assets is capitalized as a component of the cost of constructing those assets. Expenditures that materially increase values, change capacity, or extend useful lives are capitalized.

The Cancer Center has under construction, or is planning construction projects, with remaining estimated costs to complete of approximately \$391,746,000 as of June 30, 2021, to be primarily funded by the bond proceeds described in Note 6 and additional bond proceeds expected in the future.

***Contributed Resources***

The Cancer Center reports gifts of cash and other assets as restricted contributions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction or implied time restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of operations and changes in net assets as net assets released from donor restrictions.

Unconditional promises to give with payments to be received in future periods are reported as contributions with donor restrictions in the period the pledge is made. If there are no purpose restrictions on the pledge, the net assets with donor restrictions are reclassified to net assets without donor restrictions in the period the payment is received. Conditional promises to give are recognized when the conditions on which they depend have been met.

## H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

#### ***State Appropriations***

The Cancer Center receives annual appropriations from the State, which were approximately \$35,489,000 and \$35,878,000 for the years ended June 30, 2021 and 2020, respectively. For the years ended June 30, 2021 and 2020, a portion of the appropriation totaling \$10,577,000 and \$7,680,000, respectively, was redirected to be used as state matching funds for the Cancer Center's participation in the Low Income Pool, and received by the Cancer Center as enhanced Medicaid funding. These annual appropriations are recorded as other revenues in the accompanying consolidated statements of operations and changes in net assets.

Beginning January 1, 1999, the Florida Legislature enacted an appropriation for the Cancer Center to receive a percentage of net collections derived from the cigarette tax imposed by Section 210.02, Florida Statutes ("Cigarette Tax funds"). During the year ended June 30, 2021, the State amended the appropriation to 4.04% through June 30, 2021 (approximately \$15,600,000 annually) increasing to 7.0% for the period July 1, 2021 through June 30, 2024 (approximately \$27,100,000 annually) and 10% for the period July 1, 2024 through June 30, 2054 (approximately \$38,700,000 annually).

From January 1, 1999, and continuing through June 30, 2013, the Cigarette Tax funds were to be used for the purposes of constructing, furnishing, and equipping a cancer center research facility (research tower) at the university adjacent to the Cancer Center, as well as for the repayment of the debt incurred for the research tower. As of July 1, 2013, the Cigarette Tax funds are to be used for the purposes of constructing, furnishing, equipping, financing, operating, and maintaining cancer research and clinical and related facilities and other properties owned or leased by the Cancer Center, as well as for the repayment of the debt incurred for the Series 2012A bonds with additional bonds issued for the Series 2016A and Series 2020A. No receivable is recorded as of June 30, 2021 or 2020 in the accompanying consolidated balance sheets for the proceeds from the Cigarette Tax related to the period July 1, 2019 to June 30, 2054, as the amounts are subject to future legislative support from the State. For each of the years ended June 30, 2021 and 2020, the Cancer Center received approximately \$15,524,000 from the Cigarette Tax proceeds and applicable earnings. These amounts are recorded as both other operating revenue and increases in net assets with donor restrictions for the years ended June 30, 2021 and 2020.

#### ***Deferred Financing Costs***

Deferred financing costs are included as a reduction of long-term debt and are amortized over the remaining lives of the financing.

#### ***Bond Premium and Discount***

Bonds payable are included in long-term debt, net of related original issue premium and discount. Such premiums and discounts are being amortized over the life of the bonds.

#### ***Income Taxes***

The Cancer Center, the Hospital, the Moffitt Medical Group, and the Foundation have been recognized by the Internal Revenue Service as tax-exempt organizations as described in Section 501(c)(3) of the Internal Revenue Code (IRC) of 1986, and are exempt from federal and state taxes on related income pursuant to the IRC and Chapter 220.13 of the Florida Statutes, respectively. Moffitt Technologies Corp. and Oncobay Clinical are corporations subject to income tax. With respect to its for-profit entities, as well as any unrelated business income generated by the tax exempt entities, the Cancer Center records income taxes using the asset and liability method under which deferred tax assets and liabilities are recognized for expected future tax consequences of temporary differences between financial accounting and tax bases of assets and liabilities and are measured using the currently enacted tax rate and laws applicable in the period that the deferred tax asset or liability is expected to be realized or settled.

**H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021 and 2020**

***Community Benefit***

Since its inception and in accordance with its mission, the Cancer Center has been dedicated to improving community health and to collaborating with other community members to provide comprehensive care through an array of health programs and education, health services, and medical research for the uninsured and underinsured. Community benefit projects and services provided by the Cancer Center are identified through health assessments and strategic and/or clinical priorities. Community benefit categories include community benefit services, traditional charity care, and unpaid charges for government programs. The community benefit services include health care programs for the underserved in the community, including services such as health screenings, preventive care, and health education programs.

The Cancer Center provides care to patients who meet criteria under established charity care policies without charge or at amounts less than its established rates. The Cancer Center does not pursue collection of amounts determined to qualify as charity care, and they are not reported as revenue. Charity care is reported based upon criteria established by the Cancer Center and the State of Florida Agency for Health Care Administration. The estimated costs of providing the charity care were approximately \$34,925,000 and \$33,705,000 for the years ended June 30, 2021 and 2020, respectively. The Cancer Center also provides services to indigent patients who meet criteria established by Medicaid and other governmental programs at amounts that are less than its established rates.

The Cancer Center maintains records to identify and monitor the level of subsidized government indigent care it provides. The estimated costs of providing these services were \$8,708,000 and \$11,950,000 for the years ended June 30, 2021 and 2020, respectively. The estimated costs (based on selected operating expenses, which include salaries, wages and benefits, supplies, and other operating expenses) were based on a calculation that multiplied the percentage of the selected operating expenses identified above to gross charges by the gross charity care or indigent care amount.

In addition to the charity and indigent care services noted above, an assessment of 1.0% to 1.5% of certain operating revenues is paid by the Cancer Center to help fund the Florida Medicaid and indigent care program. These assessments were approximately \$15,911,000 and \$12,936,000 for the years ended June 30, 2021 and 2020, respectively, and are included as a component of other operating expenses in the accompanying consolidated statements of operations and changes in net assets.

**NOTE 3 - SUBSEQUENT EVENTS**

The Cancer Center has evaluated subsequent events for the year ended June 30, 2021 through September 24, 2021, the date the consolidated financial statements were available to be issued.



H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

**NOTE 4 - ASSETS LIMITED AS TO USE**

The composition of assets limited as to use, stated at fair value, is set forth in the following table:

	June 30,	
	2021	2020
Cash and cash equivalents:		
Money market funds	\$ 375,762,794	\$ 452,274,073
Fixed income securities:		
Corporate debt securities	42,263,143	40,343,207
Mortgage-backed securities	2,158,835	8,996,888
Asset-backed securities	10,569,790	7,243,089
Equity securities	340,899,690	247,074,194
U.S. Government obligations	17,892,689	17,441,851
Alternative investments	29,307,865	28,826,438
	<u>818,854,806</u>	<u>802,199,740</u>
Less current portion	<u>(24,478,068)</u>	<u>(16,404,914)</u>
<b>Total</b>	<b><u>\$ 794,376,738</u></b>	<b><u>\$ 785,794,826</u></b>

Assets limited as to use are designated as follows:

	June 30,	
	2021	2020
Investment securities:		
Internally designated	\$ 367,620,267	\$ 289,388,272
Donor restricted	95,558,206	75,384,484
Held by bond trustee under indenture:		
Construction fund	321,439,495	410,966,695
Principal fund	11,812,166	10,275,716
Interest fund	10,489,766	4,773,152
Cost of issuance fund	63,524	363,772
Administrative fund	10,810	7,249
Revenue allocation fund	2,176,136	1,356,046
	<u>345,991,897</u>	<u>427,742,630</u>
Cigarette tax	<u>9,684,436</u>	<u>9,684,354</u>
	<u>818,854,806</u>	<u>802,199,740</u>
Less current portion	<u>(24,478,068)</u>	<u>(16,404,914)</u>
<b>Total</b>	<b><u>\$ 794,376,738</u></b>	<b><u>\$ 785,794,826</u></b>

H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

**NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS**

Contributions received from donors and the State for a specific time period or purpose are reported as net assets with donor restrictions. Such net assets are available for the following purposes:

	June 30,	
	2021	2020
Research and education	\$ 80,750,622	\$ 67,926,806
Operations	3,530,412	5,324,002
Patient care	6,465,532	6,028,246
Cigarette tax	9,684,436	9,684,353
Financial aid for employees	96,720	40,201
	<u>\$ 100,527,722</u>	<u>\$ 89,003,608</u>

In addition, endowment contributions received from donors which are required to be held in perpetuity are reported as net assets with donor restrictions, the income from which is expendable for the following purposes:

	June 30,	
	2021	2020
Investment in perpetuity, the income from which is expendable to support:		
Research and education	\$ 15,269,978	\$ 16,573,311
Patient care	3,690,714	1,421,771
Operations	1,174,439	624,004
	<u>\$ 20,135,131</u>	<u>\$ 18,619,086</u>

Net asset classification of donor-restricted endowment funds for not-for-profit organizations subject to a State-enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006. The Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) enhances provisions of FUMIFA; applies to all charitable institutions, not just those associated exclusively with education purposes; allows pooling for institutional funds for purposes of managing and investing; delineates factors to be considered prior to expenditures of funds; provides new procedures for releasing restrictions on small institutional funds; provides for modification of restrictions on the use of endowment funds; and provides for reversion of real property to the Board of Trustees of the State of Florida Internal Improvement Trust Fund if an entity holding a deed subject to a reverter clause violates the deed restrictions.

The following disclosures are made as required by these rules:

The Cancer Center endowment consists of 26 individual funds established for a variety of purposes. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

FUPMIFA requires the Board to use reasonable care, skill, and caution, as exercised by a prudent investor, in considering the investment management and expenditures of endowment funds. In accordance with FUPMIFA, the Board may expend so much of an endowment fund as the Board determines to be prudent for the uses and purposes for which the endowment fund is established consistent with the goal of conserving the long-term purchasing power of the endowment fund.

**H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021 and 2020**

In accordance with FUPMIFA, the Cancer Center considered the following factors in making a determination to distribute or accumulate donor-restricted funds:

- (1) The duration and preservation of fund
- (2) The purposes of the Cancer Center and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effects of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Cancer Center
- (7) The investment policies of the Cancer Center

As a result of this interpretation, the Cancer Center classifies as net assets with donor restrictions held in perpetuity: (1) the original value of gifts donated to the permanent endowment; (2) the original value of subsequent gifts to the permanent endowment; and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The Cancer Center has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Cancer Center must hold in perpetuity. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to conservatively appreciate capital by emphasizing total return, net of inflation, and investment management costs over the long term.

To satisfy its long-term rate-of-return objectives, the Cancer Center relies on a total return strategy in which investment returns are achieved through capital appreciation (realized and unrealized) plus dividend and interest income. The Cancer Center targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term objective within prudent risk constraints.

The Cancer Center has a policy of appropriating for distribution each year 4% of its endowment fund's 12-month moving average market value at June 30 annually. In establishing this policy, the Cancer Center considered the long-term expected return on its endowment.

Accordingly, over the long term, the Cancer Center expects the current spending policy to allow its endowment to grow at an average of the long-term rate of inflation. This is consistent with the Cancer Center's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specific term, as well as to provide additional real growth through new gifts and investment return.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor of FUPMIFA requires the Cancer Center to retain as a fund of perpetual duration.

H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

The following is a summary of changes in endowment net assets for the years ended June 30, 2021 and 2020:

	Without Donor- Imposed Restrictions	With Donor- Imposed Restrictions	Total
Endowment net assets, June 30, 2019	\$ 7,885,384	\$ 18,554,535	\$ 26,439,919
Investment income	380,954	-	380,954
Net depreciation (realized and unrealized)	(99,667)	-	(99,667)
Contributions and memorials	-	64,551	64,551
Appropriation of endowment assets for expenditure	(1,004,029)	-	(1,004,029)
Appropriation of endowment interest	672,967	-	672,967
Endowment net assets, June 30, 2020	7,835,609	18,619,086	26,454,695
Investment income	348,760	-	348,760
Net appreciation (realized and unrealized)	4,270,816	-	4,270,816
Contributions and memorials	-	846,610	846,610
Appropriation of endowment assets for expenditure	(987,840)	-	(987,840)
Reclassifications	(492,658)	669,435	176,777
Appropriation of endowment interest	827,428	-	827,428
Endowment net assets, June 30, 2021	<u>\$ 11,802,115</u>	<u>\$ 20,135,131</u>	<u>\$ 31,937,246</u>

**NOTE 6 - LONG-TERM DEBT**

The Cancer Center is obligated under long-term debt as follows:

	June 30,	
	2021	2020
Capital Improvement Hospital Revenue Bonds, Series 2010AC, includes serial bonds in varying amounts from September 1, 2020 to September 1, 2030, plus interest at variable rates as defined (.98% and 1.03% at June 30, 2021 and 2020, respectively), including unamortized issuance costs of \$158,494 and \$175,784 at June 30, 2021 and 2020, respectively.	\$ 12,551,506	\$ 13,654,216
Refunding and Capital Improvement Cigarette Tax Allocation Bonds, Series 2012A, including \$62,450,000 in serial bonds due in varying amounts from September 1, 2020 to September 1, 2029, at fixed interest rates ranging from 3.125% to 5.00%, and \$35,360,000 of term bonds at a fixed interest rate of 4.00% due September 1, 2033, including unamortized net original premium and issuance costs of \$4,330,197 and \$5,074,564 at June 30, 2021 and 2020, respectively.	102,140,197	108,339,564
Hospital Revenue Refunding Bonds, Series 2012B, including \$23,150,000 in serial bonds due in varying amounts from July 1, 2020 to July 1, 2032, at fixed interest rates ranging from 3.75% to 5.00%, including unamortized net original premium and issuance costs of \$712,569 and \$938,106 at June 30, 2021 and 2020, respectively.	23,862,569	26,058,106

H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

	June 30,	
	2021	2020
Capital Improvement Cigarette Tax Allocation Bonds, Series 2016A, including \$32,295,000 in serial bonds due in varying amounts from September 1, 2020 to September 1, 2030, at fixed interest rates ranging from 5.00% to 5.50%, and \$12,365,000 of term bonds at a fixed interest rate of 3.25% due September 1, 2033, including unamortized net original premium and issuance costs of \$3,388,479 and \$3,982,876 at June 30, 2021 and 2020, respectively.	\$ 48,048,479	\$ 51,082,876
Hospital Revenue Refunding Bonds, Series 2016B, including \$30,705,000 in serial bonds due in varying amounts from July 1, 2020 to July 1, 2031, at fixed interest rates ranging from 3.125% to 5.00%, and \$45,065,000 of term bonds at a fixed interest rate of 5.00% due July 1, 2037, including unamortized net original premium and issuance costs of \$6,486,246 and \$6,995,827 at June 30, 2021 and 2020, respectively.	82,256,246	84,425,827
Capital Improvement Cigarette Tax Allocation Bonds, Series 2020A, including \$68,486,552 in capital appreciation bonds with serial bonds due in varying amounts from September 1, 2033 to September 1, 2042, at interest rates ranging from 3.550% to 4.050%, term bonds of \$16,705,036 at an interest rate of 4.080% due September 1, 2045, term bonds of \$19,139,897 at an interest rate of 4.120% due September 1, 2049 and term bonds of \$15,647,450 at an interest rate of 4.180% due September 1, 2053, including unamortized net original discount and issuance costs of \$1,051,971 and costs of \$1,084,256 at June 30, 2021 and 2020, respectively.	118,926,964	118,894,679
Hospital Revenue Bonds, Series 2020B, including \$79,385,000 in serial bonds due in varying amounts from July 1, 2021 to July 1, 2040, at fixed interest rates ranging from 3.00% to 5.00%, term bonds of \$80,455,000 at a fixed interest rate of 4.00% due July 1, 2045 and term bonds of \$100,860,000 at a fixed interest rate of 5.00% due July 1, 2050, including unamortized net original premium and issuance costs of \$38,138,748 and \$39,335,309 at June 30, 2021 and 2020, respectively.	298,838,748	300,035,309
	686,624,709	702,490,577
Less current portion	(14,345,000)	(12,645,000)
	<u>\$ 672,279,709</u>	<u>\$ 689,845,577</u>

In September 2010, the Cancer Center issued \$22,000,000 in Hospital Revenue Bonds, Series 2010A (2010 Bonds), for construction, renovation, and equipping of the new Moffitt at International Plaza location. The 2010 Bonds are secured under the Indenture that provides, among other things, a security interest in gross revenues, accounts receivable, and certain property. Under the terms of the indenture, the Cancer Center is required to maintain a minimum debt service coverage ratio. The Indenture also provides for limitations on additional indebtedness and transfers of operating assets, unrestricted cash, and marketable securities. At June 30, 2021, the Cancer Center is in compliance with these requirements.

## H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

In September 2012, the Cancer Center issued additional Cigarette Tax Bonds, Series 2012A, in the amount of \$132,310,000, and refunded the existing Series 2002A and Series 2002B Cigarette Tax Bonds. The additional Cigarette Tax Bonds were issued for the construction and equipping of a multistory clinical and research facility, as well as the construction and equipping of clinical and research facilities, including additional bed capacity, operating suites, and associated facilities and infrastructure. The Cigarette Bonds are secured under the Indenture that provides for, among other things, a security interest in the annual collections from the Cigarette Tax Trust Fund as discussed in Note 2. The Indenture also provides for limitations on additional indebtedness and transfers of operating assets, unrestricted cash, and marketable securities. At June 30, 2021, the Cancer Center is in compliance with these requirements.

In November 2012, the Cancer Center issued \$36,635,000 in Revenue Bonds, Series 2012B (2012B Bonds). The proceeds were used to refinance the existing Series 1999A and Series 2002C Revenue Bonds in order to achieve cost savings based on the current economic environment. The 2012B Bonds are secured under the Indenture that provides, among other things, a security interest in gross revenues, accounts receivable, and certain property. Under the terms of the Indenture, the Cancer Center is required to maintain a minimum debt service coverage ratio. The Indenture also provides for limitations on additional indebtedness and transfers of operating assets, unrestricted cash, and marketable securities. At June 30, 2021, the Cancer Center is in compliance with these requirements.

In October 2015, the Cancer Center refunded the existing Series 2010A Hospital Revenue Bond (Original 2010A Bond) to achieve net present value savings and an extended put date. The Original 2010A Bond as issued on September 8, 2010 had an original principal amount of \$22,000,000, of which \$18,440,000 was outstanding at the time of refunding. This refunding was issued in two sub-series of replacement bonds in the amount of \$9,750,000 (Replacement Series 2010A Bond) and \$8,690,000 (Replacement Series 2010B Bond). On October 22, 2015, the Replacement Series 2010B Bond issued on October 6, 2015 was replaced and retired concurrently with the issuance of Replacement 2010C Bond in the full amount of \$8,690,000. The 2010AC Replacement Bonds are secured under the Indenture that provides, among other things, a security interest in gross revenues, accounts receivable, and certain property. The Indenture also provides for limitations on additional indebtedness and transfer of operating assets, unrestricted cash, and marketable securities. The terms of the Indenture were reaffirmed and remain the same. At June 30, 2021, the Cancer Center is in compliance with these requirements.

In November 2016, the Cancer Center issued additional Cigarette Tax Bonds, Series 2016A (2016A Bonds) in the amount of \$51,885,000. The 2016A Bonds were issued for the construction and equipping of a clinical support facility, the relocation of a childcare center, as well as the retrofitting of existing hospital facilities and clinic operations floors and various facilities, clinical support equipment and infrastructure. The 2016A Bonds are secured under the Indenture that provides for, among other things, a security interest in the annual collections from the Cigarette Tax Trust Fund as discussed in Note 2. The Indenture also provides for limitations on additional indebtedness and transfers of operating assets, unrestricted cash, and marketable securities. At June 30, 2021, the Cancer Center is in compliance with these requirements.

In November 2016, the Cancer Center issued \$83,945,000 in Hospital Revenue Refunding Bonds, Series 2016B (2016B Bonds). The proceeds were used to refinance the existing Series 2007A Hospital Revenue Bonds in order to achieve cost savings based on the current economic environment. The 2016B Bonds are secured under the Indenture that provides, among other things, a security interest in gross revenues, accounts receivable, and certain property. Under the terms of the Indenture, the Cancer Center is required to maintain a minimum debt service coverage ratio. The Indenture also provides for limitations on additional indebtedness and transfers of operating assets, unrestricted cash, and marketable securities. At June 30, 2021, the Cancer Center is in compliance with these requirements.

## H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

In June 2020, the Cancer Center issued additional Cigarette Tax Bonds, Series 2020A (2020A Bonds) in the amount of \$119,978,935 through capital appreciation bonds. The 2020A Bonds were issued to pay certain costs associated with the construction, equipping, furnishing improvement and equipping of various medical and research facilities including a hospital expansion project and various facilities, infrastructure support, equipment, furnishings, backfill and refurbishment projects. The 2020A Bonds are secured under the Indenture that provides for, among other things, a security interest in the annual collections from the Cigarette Tax Trust Fund as discussed in Note 2 related to the appropriation amendment that extended the Act through 2053. The Indenture also provides for limitations on additional indebtedness and transfers of operating assets, unrestricted cash, and marketable securities. At June 30, 2021, the Cancer Center is in compliance with these requirements.

In June 2020, the Cancer Center issued \$260,700,000 in Hospital Revenue Bonds, Series 2020B (2020B Bonds). The proceeds will be used for the construction, equipping, furnishing and improvement of various medical and research facilities capital projects including a hospital expansion project and various facilities, infrastructure support, equipment, furnishings, backfill and refurbishment projects. The 2020B Bonds are secured under the Indenture that provides, among other things, a security interest in gross revenues, accounts receivable, and certain property. Under the terms of the Indenture, the Cancer Center is required to maintain a minimum debt service coverage ratio. The Indenture also provides for limitations on additional indebtedness and transfers of operating assets, unrestricted cash, and marketable securities. At June 30, 2021, the Cancer Center is in compliance with these requirements.

Maturities of long-term debt as of June 30, 2021, are as follows:

2022	\$ 14,345,000
2023	15,035,000
2024	15,750,000
2025	16,510,000
2026	17,175,000
Thereafter	<u>555,963,935</u>
	634,778,935
Plus unamortized net premium and issuance costs	<u>51,845,774</u>
	<u>\$ 686,624,709</u>

For the years ended June 30, 2021 and 2020, the Cancer Center incurred interest expense of approximately \$9,617,000 and \$9,032,000, respectively, and paid interest of approximately \$14,956,000 and \$10,081,000, respectively. Interest capitalized was approximately \$14,524,000 (interest costs of approximately \$15,535,000 net of capitalized interest income of approximately \$1,011,000) and \$1,192,000 (interest costs of approximately \$1,366,000 net of capitalized interest income of approximately \$174,000) for the years ended June 30, 2021 and 2020, respectively.

The Cancer Center has a line of credit, as amended, for short-term working capital needs. The line of credit available is up to \$40,000,000 with a maturity date of June 1, 2022. Interest is based upon the LIBOR daily floating rate plus applicable margin. Under the terms of the line of credit agreement, the Cancer Center is required to maintain a minimum debt service coverage ratio and a certain level of days cash on hand with the agreement secured by an obligation under the Master Trust Indenture. At June 30, 2021, the Cancer Center is in compliance with these requirements. There was no outstanding balance under the line of credit at June 30, 2021 and 2020, respectively.

H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

During the year ended June 30, 2020, the Cancer Center entered into two irrevocable standby letters of credit related to the purchase of land for future expansion opportunities. These two letters of credit had an expiration date of February 4, 2021 with a not-to-exceed amount of \$15,500,000 that renewed for one year through February 4, 2022.

**NOTE 7 - OPERATING LEASES**

The Cancer Center adopted ASU 2016-02, *Leases (Topic 842)*, which requires leases with durations greater than 12 months to be recognized on the balance sheet, effective July 1, 2019, using the modified retrospective method. Prior period consolidated financial statement amounts and disclosures have not been adjusted to reflect the provisions of the new standard. The Cancer Center elected the package of transition provisions available which allowed the Cancer Center to carry forward its historical assessments of whether contracts are or contain leases, the lease classification, and the treatment of initial direct costs.

The Cancer Center has operating and finance leases primarily for space and equipment. The leases have remaining lease terms of less than one year to approximately 16 years, some of which include options to extend or terminate the lease term. The Cancer Center determines if an arrangement is a lease at inception. Operating leases are included in the consolidated balance sheets as a right-of-use ("ROU") - operating leases asset, current portion of operating lease liability and operating lease liability, net of current portion. Finance leases are included in the consolidated balance sheets as property, plant and equipment and other liabilities.

ROU assets represent the Cancer Center's right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and lease liabilities are recognized on the commencement date of the lease based on the present value of the lease payments over the lease term. Variable lease payments that depend on an index or rate include the variable portion when calculating ROU assets and lease liabilities. Variable lease payments that do not depend on an index or rate are expensed as incurred. As most of the leases do not provide an implicit rate, an incremental borrowing rate is used to determine the present value of lease payments. The implicit rate is used when readily determinable. The operating lease ROU assets include any lease payments made and lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain at time of commencement that it will be exercised. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

While the Cancer Center has lease agreements with lease and non-lease components, they are accounted for as a single lease component. The components of lease expense for the years ending June 30, 2021 and 2020 were as follows:

	2021	2020
Operating lease cost	\$ 14,630,775	\$ 13,759,852
Finance lease cost:		
Amortization of ROU assets	\$ 422,903	\$ 369,501
Interest on lease liabilities	156,397	130,445
Total finance lease cost	\$ 579,300	\$ 499,496

Lease payments made for short-term leases where terms are 12 months or less are recognized as payments are incurred. Short-term lease cost for the years ended June 30, 2021 and 2020 was \$1,695,000 and \$2,366,000, respectively.



H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

Supplemental consolidated balance sheet information related to leases is as follows:

	June 30,	
	2021	2020
Operating leases:		
Operating lease ROU asset	\$ 52,808,347	\$ 35,291,058
Current operating lease liability	\$ 10,414,705	\$ 9,936,847
Operating lease liability, less current portion	36,941,057	31,844,454
Total operating lease liability	<u>\$ 47,355,762</u>	<u>\$ 41,781,301</u>
	2021	2020
Finance leases:		
Property, plant and equipment, at cost	\$ 1,880,888	\$ 1,880,000
Accumulated depreciation	(955,667)	(846,000)
Property, plant and equipment, net	<u>\$ 925,221</u>	<u>\$ 1,034,000</u>
Current finance lease liability	\$ 78,621	\$ 65,274
Finance lease liability, less current portion	1,639,341	1,717,955
Total finance lease liability	<u>\$ 1,717,962</u>	<u>\$ 1,783,229</u>
Weighted-average remaining lease term (in years):		
Operating leases	6.55	5.44
Finance leases	9.84	10.84
Weighted-average discount rate:		
Operating leases	2.73%	2.84%
Finance leases	2.44%	2.44%

Supplemental cash flow information related to leases is as follows:

	For the Years Ended June 30,	
	2021	2020
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows related to operating leases	\$ 22,402,501	\$ 11,663,493
Operating cash flows related to finance leases	65,275	53,511

H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

Commitments for noncancelable operating and finance leases with terms in excess of one year are as follows:

	Operating Leases	Finance Leases
2022	\$ 11,551,466	\$ 78,621
2023	9,060,644	93,757
2024	7,479,058	110,912
2025	6,411,806	130,347
2026	6,388,223	152,356
Thereafter	10,820,104	1,151,962
	51,711,301	1,717,955
Less: Imputed interest	(4,355,539)	-
	<u>\$ 47,355,762</u>	<u>\$ 1,717,955</u>

**NOTE 8 - RETIREMENT AND HEALTH PLAN**

The Cancer Center has a defined contribution benefit plan (the Plan) covering substantially all its employees with contributions to retirement accounts that are made through a matching contribution formula. Employee forfeitures are used to reduce the Cancer Center's required contribution to the Plan. The total retirement costs under the Plan, net of forfeitures, were approximately \$31,609,000 and \$28,411,000 for the years ended June 30, 2021 and 2020, respectively.

The Cancer Center has an employee health benefit plan covering substantially all health costs for eligible employees and their dependents, including self-insurance coverage for amounts up to specified levels. Health claims expense was approximately \$55,003,000 and \$53,136,000 for the years ended June 30, 2021 and 2020, respectively.

**NOTE 9 - NONOPERATING GAINS, NET**

Nonoperating gains, net, consist of the following:

	For the Years Ended June 30,	
	2021	2020
Interest income and dividends	\$ 8,560,769	\$ 9,692,354
Net unrealized and realized investment gain (loss)	96,978,000	(2,918,818)
(Loss) gain on sale of property, plant, and equipment	(64,648)	68,322
Loss on deconsolidation of M2Gen, Corp.	(21,566,762)	-
Other	(284,168)	(703,778)
	<u>\$ 83,623,191</u>	<u>\$ 6,138,080</u>

H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

**NOTE 10 - CONCENTRATIONS OF CREDIT RISK**

The Cancer Center grants credit without collateral to its patients, most of whom are from the greater Tampa Bay area and are insured under third-party payor agreements. The Cancer Center does not charge interest on patient accounts receivable. Patient accounts receivable included approximately \$140,293,000, or 79%, and \$123,690,000, or 76%, due from managed care payors, and approximately \$22,737,000, or 13%, and \$22,707,000, or 14%, due from the Medicare program at June 30, 2021 and 2020, respectively. The credit risk for other concentrations of receivables is limited due to the large number of insurance companies and other payors that provide payments for services. Patient accounts receivable are reported net of implicit price concessions in the accompanying consolidated balance sheets.

**NOTE 11 - PLEDGES RECEIVABLE**

Outstanding pledges receivable from various corporations, foundations, and individuals are as follows:

	June 30,	
	2021	2020
Pledges due:		
In less than one year	\$ 2,924,991	\$ 3,203,850
Greater than one year	13,905,225	5,828,483
	<u>16,830,216</u>	<u>9,032,333</u>
Discounts on pledges greater than one year	(697,186)	(544,106)
Allowance for uncollectible pledges	<u>(200,000)</u>	<u>(200,000)</u>
	15,933,030	8,288,227
Less current portion	<u>(2,924,991)</u>	<u>(3,203,850)</u>
	<u>\$ 13,008,039</u>	<u>\$ 5,084,377</u>

At June 30, 2021 and 2020, approximately \$6,243,000 and \$1,940,000, respectively, of gross pledges receivable are due from members and officers of the Board of Directors of the Cancer Center and its subsidiaries.

**NOTE 12 - OTHER FUNDING SOURCES**

Grant monies received and disbursed by the Cancer Center are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the Cancer Center does not believe that such disallowances, if any, would have a material effect on the financial position of the Cancer Center.

**NOTE 13 - AFFILIATED ORGANIZATIONS**

The Cancer Center is affiliated with the University of South Florida (the University) through an affiliation agreement whereby the Cancer Center and its subsidiaries agree to participate as an affiliated teaching hospital of the University, and to permit the use of the facilities and access to its programs and patients by University faculty, resident physicians, and students for mutually approved patient care, training, education, and research programs and activities. The amounts charged to the Cancer Center for transactions with the University may not necessarily result in the net costs that would be incurred by the Cancer Center on a stand-alone basis.

## H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

The Cancer Center leases a portion of its property, plant, and equipment under a sublease agreement (Sublease) with the Florida Board of Education through January 21, 2073, as amended. Under the terms of the Sublease, the Cancer Center is authorized to use the property, plant, and equipment only for the construction, maintenance, and operations of a cancer diagnosis, treatment, and education and research facility. The title to the property, plant, and equipment is held by the state of Florida, and at the expiration of the lease term, shall automatically vest with the Florida Board of Education.

The Cancer Center has other agreements with the University to purchase utility services, to lease parking spaces, and to provide maintenance, cleaning, environmental, water and other services to the University. During 2021 and 2020, the Cancer Center paid the University approximately \$10,164,000 and \$12,281,000, respectively, in connection with these agreements.

During the years ended June 30, 2021 and 2020, the Cancer Center had agreements with the University to provide professional and support staff, along with other services, at the Cancer Center. These services included research, medical education, administrative, and patient care services. The following amounts were paid in relation to these agreements:

	For the Years Ended June 30,	
	2021	2020
Faculty salaries	\$ 10,407,000	\$ 9,896,000
Other support	709,000	705,000

Amounts due to the University as of June 30, 2021 and 2020 are as follows:

	2021	2020
Due to (included in accounts payable and accrued expenses)	\$ (706,000)	\$ (752,000)

The University of South Florida Foundation, Inc. (the USF Foundation), a Direct Support Organization of the University, controls certain funds for the benefit of the Cancer Center. The income from these funds is distributed to the Cancer Center as determined by the USF Foundation's Board of Directors. Approximately \$8,195,000 and \$6,424,000 of investments at June 30, 2021 and 2020, respectively, are held by the Foundation for the dual benefit of the Cancer Center and the University. Such amounts are not included in these consolidated financial statements.

#### NOTE 14 - PROFESSIONAL LIABILITY AND OTHER CONTINGENCIES

The Cancer Center's program of professional liability coverage is a claims-made commercial insurance policy. The Cancer Center is liable for specified retention amounts under the coverage and claim amounts in excess of retention limits are payable by the commercial insurance carriers. Also, the Cancer Center is statutorily provided sovereign immunity pursuant to Chapter 768.26 of the *Florida Statutes*.

Losses from asserted and unasserted claims identified under the Cancer Center's incident reporting system are accrued based on estimates that incorporate the Cancer Center's past experience, as well as other considerations, including the nature of each claim or incident, and relevant trend factors based on actuarially determined amounts. Accruals for possible losses attributable to incidents that may have occurred but have not been identified under the incident reporting system have been made based upon the Cancer Center's experience and industry data. In the accompanying consolidated balance sheets, accrued expenses and other liabilities include \$2,702,000 and \$2,515,000 for professional liability reserves as of June 30, 2021 and 2020, respectively.

H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

The Cancer Center may be liable for potential losses in excess of the amount recorded at June 30, 2021 and 2020; however, in management's opinion, such losses, if any, would not have a material adverse effect on the consolidated financial position or results of operations of the Cancer Center.

From time to time, the Cancer Center is subject to other asserted claims, and is aware of other unasserted matters that might be asserted at a later date. In the opinion of management, the resolution of all such matters would not have a significant impact on the Cancer Center's consolidated financial position, results of operations or cash flows.

**NOTE 15 - FUNCTIONAL EXPENSES**

Costs incurred by the Cancer Center in furtherance of its mission to contribute to the prevention and cure of cancer are as follows:

	For the Year Ended June 30, 2021		
	Program Services	General and Administrative	Total
Salaries, wages and benefits	\$ 789,165,333	\$ 13,828,628	\$ 802,993,961
Faculty fees	10,343,224	63,654	10,406,878
Purchased services	147,443,221	8,080,484	155,523,705
Supplies	598,209,423	145,899	598,355,322
Other operating expenses	71,886,456	17,411,264	89,297,720
Depreciation and amortization	62,019,002	-	62,019,002
Interest	9,617,362	-	9,617,362
	<u>\$ 1,688,684,021</u>	<u>\$ 39,529,929</u>	<u>\$ 1,728,213,950</u>
	For the Year Ended June 30, 2020		
	Program Services	General and Administrative	Total
Salaries, wages and benefits	\$ 726,055,750	\$ 13,378,791	\$ 739,434,541
Faculty fees	9,832,318	63,654	9,895,972
Purchased services	138,628,677	10,672,737	149,301,414
Supplies	487,411,325	84,461	487,495,786
Other operating expenses	86,311,844	1,604,762	87,916,606
Depreciation and amortization	62,571,530	-	62,571,530
Interest	9,031,842	-	9,031,842
	<u>\$ 1,519,843,286</u>	<u>\$ 25,804,405</u>	<u>\$ 1,545,647,691</u>

H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

**NOTE 16 - NET ASSETS RELEASED FROM DONOR RESTRICTIONS**

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes, or by the occurrence of other events specified by donors, as follows:

	For the Years Ended June 30,	
	2021	2020
Restriction met:		
Patient care	\$ 296,459	\$ 206,358
Research and education	20,725,594	30,594,994
Financial aid for employees	3,041	3,413
Cigarette tax - used for payment of principal and interest	14,675,233	16,461,099
Time	3,245,344	1,465,632
	<u>\$ 38,945,671</u>	<u>\$ 48,731,496</u>

**NOTE 17 - NON-CONTROLLING INTEREST**

On April 20, 2017, the Cancer Center contributed a portion of its shares held in M2Gen, Corp. to an unrelated charitable foundation. Accordingly, subsequent to the contribution, M2Gen, Corp. was no longer a wholly owned subsidiary of the Cancer Center.

During the year ended June 30, 2018, M2Gen, Corp. sold convertible preferred stock designated as Series A Preferred Stock representing 24.9% outstanding interest in M2Gen, Corp. to an unrelated party to accelerate the discovery of innovative cancer therapies and improve care for patients nationwide.

In March 2021, results of M2Gen, Corp. were deconsolidated from the Cancer Center's financial statements which resulted in a redemption of the non-controlling interest upon deconsolidation of \$17,669,529 (see Note 19). The following table presents the changes in consolidated net assets without donor restrictions attributable to the Cancer Center and transfers to the non-controlling interest in M2Gen, Corp. and related deconsolidation.

H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

	Total	Controlling Interest	Non-Controlling Interest
Balance, June 30, 2019	\$ 808,863,891	\$ 785,797,586	\$ 23,066,305
Excess of revenue and gains over expenses and losses	115,845,604	116,341,474	(495,870)
Other changes:			
Net assets released from restrictions and used to purchase property, plant and equipment	1,942,316	1,942,316	-
Net assets released from restrictions and used for payment of long-term debt	10,459,241	10,459,241	-
Grants received for reimbursement of property, plant and equipment	11,510	11,510	-
Restricted investment income	(762,967)	(762,967)	-
Other	(43,431)	(43,431)	-
Balance, June 30, 2020	936,316,164	913,745,729	22,570,435
Excess of revenue and gains over expenses and losses	179,762,915	181,854,656	(2,091,741)
Other changes:			
Net assets released from restrictions and used to purchase property, plant and equipment	204,919	204,919	-
Net assets released from restrictions and used for payment of long-term debt	9,439,017	9,439,017	-
Deconsolidation of M2Gen, Corp.	(17,669,529)	-	(17,669,529)
Grants received for reimbursement of property, plant and equipment	12,511	12,511	-
Restricted investment income	(827,428)	(827,428)	-
Other	2,835,777	5,644,942	(2,809,165)
Balance, June 30, 2021	<u>\$1,110,074,346</u>	<u>\$1,110,074,346</u>	<u>\$ -</u>

**NOTE 18 - IMPACT OF THE COVID-19 PANDEMIC**

In March 2020, the World Health Organization declared COVID-19, the disease caused by the novel coronavirus, a pandemic, which started to and continues to spread throughout the United States of America. As a result of the COVID-19 pandemic, the Cancer Center experienced declines in patient visits, admissions, and medical procedures performed towards the end of fiscal year 2020. Additionally, in response to the pandemic, the Cancer Center incurred additional costs for testing, personal protective equipment, third party contract services and other operating costs associated with ensuring employee and patient safety while operating during a pandemic.

**H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021 and 2020**

The Cancer Center received grant payments from the Provider Relief Fund, which are considered nonexchange transactions from the federal government distributed under the Coronavirus Aid, Recovery and Economic Security Act. For the year ended June 30, 2020 the payments received of \$25,645,301 are included in other revenue in the consolidated statement of operations and changes in net assets. As part of retaining these payments, the Cancer Center is required to report to the federal government total lost revenues attributable to COVID-19 and total healthcare expenses attributable to COVID-19 during the period of availability. The Cancer Center believes it has sufficient lost revenue and expenses to support retaining such payments and accordingly no amounts are reserved for repayment at June 30, 2021 and 2020, respectively, in the accompanying consolidated balance sheets.

**NOTE 19 - INVESTMENT IN M2GEN HOLDINGS, L.P.**

The Cancer Center was the controlling shareholder of a for profit subsidiary corporation, M2Gen, Corp. through March 17, 2021. In March 2021, the Cancer Center entered into a limited partnership agreement with certain investors to form M2Gen Holdings, L.P. where the Cancer Center's outstanding equity interest in M2Gen, Corp. was exchanged for a partnership interest in M2Gen Holdings, L.P. As a result, the Cancer Center ceased consolidating M2Gen, Corp.'s financial statements. The deconsolidation resulted in a recorded loss of \$21,566,762 within nonoperating gains (losses) and adjusting the noncontrolling interest of \$17,669,529 in net assets without donor restrictions. The Cancer Center owns 4,375 partnership units in the newly formed M2Gen Holdings, L.P. (which is approximately 18.6% of outstanding partnership units) recorded using the cost method as the Cancer Center does not have the ability to exercise significant influence over the operating and financial decisions of M2Gen Holdings, L.P. The investment was recorded within other assets at a valuation of \$14,700,000 utilizing an option pricing model considering the rights and liquidation preferences of the various equity classes contained within the limited partnership agreement.



SUPPLEMENTARY INFORMATION

H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

CONSOLIDATING BALANCE SHEET

June 30, 2021

	H. Lee Moffitt Cancer Center & Research Institute Hospital, Inc.	H. Lee Moffitt Cancer Center & Research Institute, Inc.	H. Lee Moffitt Cancer Center & Research Institute Foundation, Inc.	H. Lee Moffitt Cancer Center & Research Institute Lifetime Cancer Screening Center, Inc.	Moffitt Technologies Corporation	OncoBay Clinical	Eliminations	Total
<b>ASSETS</b>								
<b>Current assets</b>								
Cash and cash equivalents	\$ 2,750	\$ 397,608,350	\$ 7,800,749	\$ -	\$ 259,507	\$ 6,550,908	\$ -	\$ 412,222,264
Current portion of assets limited as to use	-	24,478,068	-	-	-	-	-	24,478,068
Patient accounts receivable	167,634,234	-	-	11,017,645	-	-	-	178,651,879
Current portion of pledges receivable	-	-	2,924,991	-	-	-	-	2,924,991
Inventories	27,365,921	-	-	-	-	-	-	27,365,921
Grant receivables, net	23,873,574	24,264,487	-	-	-	-	-	48,138,061
Prepaid and other current assets	8,161,256	26,844,682	684,523	1,246,445	-	1,568,408	(2,899,303)	35,606,011
Total current assets	227,037,735	473,195,587	11,410,263	12,264,090	259,507	8,119,316	(2,899,303)	729,387,195
Assets limited as to use, net of current portion	-	631,062,613	163,314,125	-	-	-	-	794,376,738
Pledges receivable, less discounts and allowances for uncollectible pledges, net of current portion	-	-	13,008,039	-	-	-	-	13,008,039
Right of use asset - operating leases	4,834,115	47,974,232	-	-	-	-	-	52,808,347
<b>Property, plant, and equipment</b>								
Land	-	26,107,905	-	-	-	-	-	26,107,905
Building and land improvements	281,110	572,818,846	-	-	-	-	-	573,099,956
Equipment	242,930,621	343,603,244	-	105,006	-	-	-	586,638,871
	243,211,731	942,529,995	-	105,006	-	-	-	1,185,846,732
Less accumulated depreciation	(187,002,767)	(510,116,988)	-	(82,606)	-	-	-	(697,202,361)
	56,208,964	432,413,007	-	22,400	-	-	-	488,644,371
Construction in progress	1,791,147	175,651,264	-	-	-	-	-	177,442,411
	58,000,111	608,064,271	-	22,400	-	-	-	666,086,782
Other assets	11,848,182	18,497,054	831,365	-	4,800	-	(3,567,055)	27,614,346
Interest in net assets of Foundation	5,241,820	56,393,018	-	-	-	-	(61,634,838)	-
Total assets	\$ 306,961,963	\$ 1,835,186,775	\$ 188,563,792	\$ 12,286,490	\$ 264,307	\$ 8,119,316	\$ (68,101,196)	\$ 2,283,281,447

H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

CONSOLIDATING BALANCE SHEET - CONTINUED

June 30, 2021

	H. Lee Moffitt Cancer Center & Research Institute Hospital, Inc.	H. Lee Moffitt Cancer Center & Research Institute, Inc.	H. Lee Moffitt Cancer Center & Research Institute Foundation, Inc.	H. Lee Moffitt Cancer Center & Research Institute Lifetime Cancer Screening Center, Inc.	Moffitt Technologies Corporation	OncoBay Clinical	Eliminations	Total
<b>LIABILITIES AND NET ASSETS (DEFICIENCY)</b>								
<b>Current liabilities</b>								
Accounts payable and accrued expenses	\$ 78,156,478	\$ 80,175,217	\$ 3,044,754	\$ 984,534	\$ -	\$ 1,066,315	\$ (2,899,303)	\$ 160,527,995
Accrued employee compensation	3,871,000	81,118,256	194,000	13,851,609	-	-	-	99,034,865
Accrued interest	-	15,353,488	-	-	-	-	-	15,353,488
Current portion of deferred revenue	-	1,912,822	-	-	-	7,486,672	-	9,399,494
Estimated third-party settlements payable, net	22,966,188	-	-	-	-	-	-	22,966,188
Current portion of operating lease liability	1,383,819	9,030,886	-	-	-	-	-	10,414,705
Current portion of long-term debt	-	14,345,000	-	-	-	-	-	14,345,000
Total current liabilities	106,377,485	201,935,669	3,238,754	14,836,143	-	8,552,987	(2,899,303)	332,041,735
<b>Other liabilities</b>	7,852,048	2,257,518	1,167,381	-	4,800	-	-	11,281,747
<b>Operating lease liability, net of current portion</b>	3,413,072	33,527,985	-	-	-	-	-	36,941,057
<b>Long-term debt, net of current portion</b>	-	672,279,709	-	-	-	3,067,055	(3,067,055)	672,279,709
Total liabilities	117,642,605	910,000,881	4,406,135	14,836,143	4,800	11,620,042	(5,966,358)	1,052,544,248
<b>Net assets (deficiency)</b>								
Without donor restrictions	184,077,537	846,915,817	85,371,864	(2,549,653)	259,507	(3,500,726)	(500,000)	1,110,074,346
With donor restrictions	5,241,821	78,270,077	98,785,793	-	-	-	(61,634,838)	120,662,853
Total net assets (deficiency)	189,319,358	925,185,894	184,157,657	(2,549,653)	259,507	(3,500,726)	(62,134,838)	1,230,737,199
Total liabilities and net assets (deficiency)	\$ 306,961,963	\$ 1,835,186,775	\$ 188,563,792	\$ 12,286,490	\$ 264,307	\$ 8,119,316	\$ (68,101,196)	\$ 2,283,281,447

H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

CONSOLIDATING STATEMENT OF OPERATIONS

For the year ended June 30, 2021

	H. Lee Moffitt Cancer Center & Research Institute Hospital, Inc.	H. Lee Moffitt Cancer Center & Research Institute, Inc.	H. Lee Moffitt Cancer Center & Research Institute Foundation, Inc.	H. Lee Moffitt Cancer Center & Research Institute Lifetime Cancer Screening Center, Inc.	Moffitt Technologies Corporation	M2Gen Corp.	OncoBay Clinical	Eliminations	Total
<b>Net assets without donor restrictions</b>									
Patient service revenues	\$ 1,448,129,656	\$ -	\$ -	\$ 102,543,913	\$ -	\$ -	\$ -	\$ -	\$ 1,550,673,569
Other revenues, less provision for grant and other bad debts	67,857,369	178,913,036	3,146,796	9,126,438	-	10,001,160	2,448,767	(24,451,041)	247,042,525
Net assets released from restrictions and used for operating expenses	-	17,546,664	11,755,071	-	-	-	-	-	29,301,735
Total revenues and other support without donor restrictions	1,515,987,025	196,459,700	14,901,867	111,670,351	-	10,001,160	2,448,767	(24,451,041)	1,827,017,829
<b>Expenses</b>									
Salaries, wages, and benefits	347,751,758	240,543,547	4,033,492	203,299,725	-	4,876,995	2,488,444	-	802,993,961
Faculty fees	9,846,397	-	-	560,481	-	-	-	-	10,406,878
Purchased services	48,244,618	108,083,351	1,142,179	4,282,447	1,409	2,935,401	2,426,865	(11,592,565)	155,523,705
Supplies	572,757,352	25,478,034	7,461	68,345	-	2,629	41,501	-	598,355,322
Other operating expenses	29,615,006	57,443,737	12,881,719	1,647,357	-	340,305	56,562	(12,686,966)	89,297,720
Depreciation and amortization	15,689,141	38,193,878	-	11,042	-	8,124,941	-	-	62,019,002
Interest	-	9,642,557	-	-	-	-	146,315	(171,510)	9,617,362
Intercompany services	197,077,426	(225,317,450)	1,193,325	27,046,699	-	-	-	-	-
Total expenses	1,220,981,698	254,067,654	19,258,176	236,916,096	1,409	16,280,271	5,159,687	(24,451,041)	1,728,213,950
Income (loss) from operations	295,005,327	(57,607,954)	(4,356,309)	(125,245,745)	(1,409)	(6,279,111)	(2,710,920)	-	98,803,879
Nonoperating gains (losses), net	955,034	49,386,435	33,329,972	62,318	7	(106,270)	(4,305)	-	83,623,191
Excess (deficiency) of revenues and gains over expenses and losses before income taxes	295,960,361	(8,221,519)	28,973,663	(125,183,427)	(1,402)	(6,385,381)	(2,715,225)	-	182,427,070
Income tax (expense) benefit	-	(2,841,584)	-	177,095	-	334	-	-	(2,664,155)
Excess (deficiency) of revenues and gains over expenses and losses	\$ 295,960,361	\$ (11,063,103)	\$ 28,973,663	\$ (125,006,332)	\$ (1,402)	\$ (6,385,047)	\$ (2,715,225)	\$ -	\$ 179,762,915

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**GRANT THORNTON LLP**

101 E. Kennedy Blvd., Suite 3850  
Tampa, FL 33602

**D** +1 813 229 7201

**F** +1 813 223 3015

## **REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

The Board of Directors  
H. Lee Moffitt Cancer Center & Research Institute, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of H. Lee Moffitt Cancer Center & Research Institute, Inc. and subsidiaries (the "Cancer Center"), which comprise the consolidated balance sheet as of June 30, 2021, and the related consolidated statements of operations and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 24, 2021.

### **Internal control over financial reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Cancer Center's internal control over financial reporting ("internal control") to design 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 internal control. Accordingly, we do not express an opinion on the effectiveness of the Cancer Center'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 Cancer Center'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 the Cancer Center's internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and other matters**

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

**Intended purpose**

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 Cancer Center'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 Cancer Center's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

*Grant Thornton LLP*

Tampa, Florida  
September 24, 2021

COMPLIANCE REPORTS AND SCHEDULES

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**GRANT THORNTON LLP**

101 E. Kennedy Boulevard, Suite 3850  
Tampa, FL 33602

**D** +1 813 229 7201

**F** +1 813 223 3015

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE, CHAPTER 10.650, RULES OF THE AUDITOR GENERAL, AND THE FLORIDA SINGLE AUDIT ACT**

The Board of Directors  
H. Lee Moffitt Cancer Center & Research Institute, Inc.

**Report on compliance for each major federal program and state project**

We have audited the compliance of H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries (the "Cancer Center") with the types of compliance requirements described in the U.S. Office of Management and Budget's *OMB Compliance Supplement* and the requirements described in the State of Florida Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2021. The Cancer Center's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's responsibility**

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to the Cancer Center's federal programs and state projects.

**Auditor's responsibility**

Our responsibility is to express an opinion on compliance for each of the Cancer Center's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; 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), the Florida Single Audit Act (Section 215.97, *Florida Statutes*), and Chapter 10.650, *Rules of the Auditor General*. Those standards, the Uniform Guidance, Section 215.97, *Florida Statutes*, and Chapter 10.650, *Rules of the Auditor General* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the Cancer Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.



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

#### **Opinion on each major federal program and state project**

In our opinion, the Cancer Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2021.

#### **Report on internal control over compliance**

Management of the Cancer Center is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Cancer Center's internal control over compliance with the types of compliance requirements that could have a direct and material effect on each major federal program and state project to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance, Section 215.97, *Florida Statutes*, and Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Cancer Center's internal control over compliance.

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

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

The purpose of this Report on Internal Control Over Compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance, Section 215.97, *Florida Statutes*, and Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

*Grant Thornton LLP*

Tampa, Florida  
September 24, 2021

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**GRANT THORNTON LLP**

101 E. Kennedy Boulevard, Suite 3850  
Tampa, FL 33602

**D** +1 813 229 7201

**F** +1 813 223 3015

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON THE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE REQUIRED BY THE UNIFORM GUIDANCE,  
CHAPTER 10.650, RULES OF THE AUDITOR GENERAL, AND THE FLORIDA  
SINGLE AUDIT ACT**

The Board of Directors  
H. Lee Moffitt Cancer Center & Research Institute, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to consolidated financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of H. Lee Moffitt Cancer Center & Research Institute, Inc. and subsidiaries (the "Cancer Center") as of and for the year ended June 30, 2021, and the related notes to the consolidated financial statements, which collectively comprise the Cancer Center's consolidated financial statements, and our report thereon dated September 24, 2021 expressed an unmodified opinion on these consolidated financial statements. Our audit was performed for the purpose of forming an opinion on these consolidated financial statements as a whole.

The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the Florida Single Audit Act (Section 215.97, *Florida Statutes*) and Chapter 10.650, *Rules of the Auditor General* and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

*Grant Thornton LLP*

Tampa, Florida  
September 24, 2021

H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Year ended June 30, 2021

Federal Grantor/State Agency/Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Agency or Pass-Through Entity Contract Number	Passed Through to Subrecipients	Expenditures
<b>Federal Awards</b>				
<b>Research and Development - Cluster:</b>				
<b>U.S. Department of Defense:</b>				
<b>Department of Army:</b>				
Military Medical Research and Development	12.420	W81XWH1610385	\$ 614,554	\$ 2,016,621
Military Medical Research and Development	12.420	W81XWH1810268	-	10,882
Military Medical Research and Development	12.420	W81XWH1810409	-	253,659
Military Medical Research and Development	12.420	W81XWH1810410	-	299,410
Military Medical Research and Development	12.420	W81XWH1810523	-	246,190
Military Medical Research and Development	12.420	W81XWH1810651	-	109,238
Military Medical Research and Development	12.420	W81XWH1910435	-	463,744
Military Medical Research and Development	12.420	W81XWH1910655	-	54,507
Military Medical Research and Development	12.420	W81XWH1910663	-	220,640
Military Medical Research and Development	12.420	W81XWH1910675	-	915,217
Military Medical Research and Development	12.420	W81XWH2010012	-	239,823
Military Medical Research and Development	12.420	W81XWH2010126	11,172	242,777
Military Medical Research and Development	12.420	W81XWH2010351	12,969	156,138
Military Medical Research and Development	12.420	W81XWH2010451	-	205,029
Military Medical Research and Development	12.420	W81XWH2010488	-	82,344
Military Medical Research and Development	12.420	W81XWH2010587	-	122,091
Military Medical Research and Development	12.420	W81XWH2010619	-	133,975
Total Department of Army			638,695	5,772,285
<b>Pass-Through From Other Agencies:</b>				
<b>Cornell University</b>				
Military Medical Research and Development	12.420	210255	-	32,221
<b>DKFZ DEUTCHES KREB</b>				
Military Medical Research and Development	12.420	C020-ID4316	-	13,310
<b>Harvard T.H. Chan School:</b>				
Military Medical Research and Development	12.420	114977-5107723	-	(167)
<b>John Hopkins University</b>				
Military Medical Research and Development	12.420	2004557825	-	24,329

See accompanying notes.

H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE - CONTINUED

Year ended June 30, 2021

Federal Grantor/State Agency/Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Agency or Pass-Through Entity Contract Number	Passed Through to Subrecipients	Expenditures
<b>Scripps Research Institute</b>				
Military Medical Research and Development	12.420	5-21331	\$ -	\$ 2,106
<b>The Genva Foundation</b>				
Military Medical Research and Development	12.420	S-11062-01	-	98,858
Total Pass-Through From Other Agencies			-	170,657
Total U.S. Department of Defense			638,695	5,942,942
<b>U.S. Department of Health and Human Services:</b>				
<b>Food and Drug Administration:</b>				
Food and Drug Administration Research	93.103	R01FD006095	-	3,571
<b>National Institute of Health:</b>				
Oral Diseases and Disorders Research	93.121	R01DE030493	-	70,223
Research and Training in Complementary and Integrative Health	93.213	R34AT009689	54,546	296,838
Drug Abuse and Addiction Research Programs	93.279	R01DA037961	-	329,502
Drug Abuse and Addiction Research Programs	93.279	R34DA047598	-	250,751
Minority Health and Health Disparities Research	93.307	R00MD010468	2,249	19,535
21st Century Cures Act - Beau Biden Cancer Moonshot	93.353	P30CA076292	-	73,075
21st Century Cures Act - Beau Biden Cancer Moonshot	93.353	R01CA187532	8,217	8,217
21st Century Cures Act - Beau Biden Cancer Moonshot	93.353	U01CA232758	-	743,197
Nursing Research	93.361	K23NR018488	-	143,649
Cancer Cause and Prevention Research	93.393	R00CA218681	-	45,235
Cancer Cause and Prevention Research	93.393	R01CA083115	-	(1,294)
Cancer Cause and Prevention Research	93.393	R01CA157664	-	388,293
Cancer Cause and Prevention Research	93.393	R01CA172786	104,671	213,475
Cancer Cause and Prevention Research	93.393	R01CA177586	96	191,140
Cancer Cause and Prevention Research	93.393	R01CA194062	-	293,482
Cancer Cause and Prevention Research	93.393	R01CA199143	-	392,632
Cancer Cause and Prevention Research	93.393	R01CA207456	349,674	842,769
Cancer Cause and Prevention Research	93.393	R01CA214588	-	384,396
Cancer Cause and Prevention Research	93.393	R01CA219389	387,197	660,631
Cancer Cause and Prevention Research	93.393	R01CA231952	26,861	451,051
Cancer Cause and Prevention Research	93.393	R01CA235032	-	342,306
Cancer Cause and Prevention Research	93.393	R01CA236034	38,947	348,312

See accompanying notes.

H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE - CONTINUED

Year ended June 30, 2021

Federal Grantor/State Agency/Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Agency or Pass-Through Entity Contract Number	Passed Through to Subrecipients	Expenditures
Cancer Cause and Prevention Research	93.393	R01CA238087	\$ 131,514	\$ 219,894
Cancer Cause and Prevention Research	93.393	R01CA242742	-	210,357
Cancer Cause and Prevention Research	93.393	R01CA243552	68,490	523,275
Cancer Cause and Prevention Research	93.393	R01CA249689	-	590,566
Cancer Cause and Prevention Research	93.393	R01CA253219	-	13,450
Cancer Cause and Prevention Research	93.393	R01CA255265	-	66,043
Cancer Cause and Prevention Research	93.393	R01CA258089	-	46,682
Cancer Cause and Prevention Research	93.393	R03CA227044	-	56,858
Cancer Detection and Diagnosis Research	93.394	D43CA260649	-	2,523
Cancer Detection and Diagnosis Research	93.394	R01CA077575	-	99,322
Cancer Detection and Diagnosis Research	93.394	R01CA187532	25,894	152,506
Cancer Detection and Diagnosis Research	93.394	R01CA212097	143,019	426,241
Cancer Detection and Diagnosis Research	93.394	R21CA214285	-	79,890
Cancer Detection and Diagnosis Research	93.394	R21CA234787	13,513	136,794
Cancer Detection and Diagnosis Research	93.394	R37CA229810	36,982	467,069
Cancer Detection and Diagnosis Research	93.394	U01CA143062	39,847	506,787
Cancer Detection and Diagnosis Research	93.394	U01CA200464	-	923,879
Cancer Detection and Diagnosis Research	93.394	U01CA232758	-	118,350
Cancer Detection and Diagnosis Research	93.394	UH3CA202970	-	218,050
Cancer Treatment Research	93.395	P30CA076292	-	40,849
Cancer Treatment Research	93.395	R01CA181746	-	379,464
Cancer Treatment Research	93.395	R01CA194051	(419)	(419)
Cancer Treatment Research	93.395	R01CA212169	-	344,664
Cancer Treatment Research	93.395	R01CA214647	328,911	587,090
Cancer Treatment Research	93.395	R01CA219347	-	405,994
Cancer Treatment Research	93.395	R01CA223823	280,005	886,497
Cancer Treatment Research	93.395	R01CA227073	268,868	615,632
Cancer Treatment Research	93.395	R01CA233487	128,662	268,302
Cancer Treatment Research	93.395	R01CA233601	134,983	421,769
Cancer Treatment Research	93.395	R01CA239219	-	539,903
Cancer Treatment Research	93.395	R01CA241169	-	576,969
Cancer Treatment Research	93.395	R01CA241713	-	485,500
Cancer Treatment Research	93.395	R01CA259387	-	37,773
Cancer Treatment Research	93.395	R01CA260356	-	37,276

See accompanying notes.

H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE - CONTINUED

Year ended June 30, 2021

Federal Grantor/State Agency/Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Agency or Pass-Through Entity Contract Number	Passed Through to Subrecipients	Expenditures
Cancer Treatment Research	93.395	R21CA234519	\$ -	\$ 144,804
Cancer Treatment Research	93.395	R21CA252373	-	32,542
Cancer Treatment Research	93.395	R37CA222215	152,105	293,671
Cancer Treatment Research	93.395	R50CA211447	-	212,038
Cancer Detection and Diagnosis Research	93.396	R00CA215256	-	284,583
Cancer Detection and Diagnosis Research	93.396	R00CA218686	-	183,202
Cancer Detection and Diagnosis Research	93.396	R00CA226679	-	183,703
Cancer Detection and Diagnosis Research	93.396	R01CA124515	-	414,371
Cancer Detection and Diagnosis Research	93.396	R01CA141244	30,809	28,969
Cancer Detection and Diagnosis Research	93.396	R01CA184185	-	62,954
Cancer Detection and Diagnosis Research	93.396	R01CA186917	-	187,974
Cancer Detection and Diagnosis Research	93.396	R01CA230610	-	374,908
Cancer Detection and Diagnosis Research	93.396	R01CA233512	-	397,134
Cancer Detection and Diagnosis Research	93.396	R01CA239214	77,804	435,931
Cancer Detection and Diagnosis Research	93.396	R01CA240434	-	574,749
Cancer Detection and Diagnosis Research	93.396	R01CA241559	-	434,289
Cancer Detection and Diagnosis Research	93.396	R01CA250018	-	301,859
Cancer Detection and Diagnosis Research	93.396	R01CA250276	-	358,517
Cancer Detection and Diagnosis Research	93.396	R01CA259046	-	20,103
Cancer Detection and Diagnosis Research	93.396	R03CA246027	-	54,302
Cancer Detection and Diagnosis Research	93.396	R21CA216227	18,207	51,326
Cancer Detection and Diagnosis Research	93.396	R21CA260084	-	5,793
Cancer Detection and Diagnosis Research	93.396	R35CA197452	-	931,628
Cancer Detection and Diagnosis Research	93.396	R37CA230042	-	451,194
Cancer Detection and Diagnosis Research	93.396	R37CA234021	187,825	431,072
Cancer Detection and Diagnosis Research	93.396	R37CA248298	-	124,454
Cancer Detection and Diagnosis Research	93.396	U01CA202958	-	481,323
Cancer Detection and Diagnosis Research	93.396	U01CA232382	46,323	589,711
Cancer Detection and Diagnosis Research	93.396	U01CA244100	-	342,594
Cancer Detection and Diagnosis Research	93.396	U01CA244101	13,014	349,416
Cancer Detection and Diagnosis Research	93.396	R21NS120800	-	159,526
Cancer Centers Support Grants	93.397	P20CA202920	-	264,863
Cancer Centers Support Grants	93.397	P30CA076292	-	3,805,679
Cancer Centers Support Grants	93.397	P50CA168536	-	282

See accompanying notes.

H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE - CONTINUED

Year ended June 30, 2021

Federal Grantor/State Agency/Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Agency or Pass-Through Entity Contract Number	Passed Through to Subrecipients	Expenditures
Cancer Centers Support Grants	93.397	PCA076292G	\$ -	\$ 4,822
Cancer Centers Support Grants	93.397	U54CA163068	-	1,349,861
Cancer Centers Support Grants	93.397	U54CA193489	117,958	1,352,302
Cancer Research Manpower	93.398	F31CA250320	-	35,952
Cancer Research Manpower	93.398	K01CA211789	-	(4,509)
Cancer Research Manpower	93.398	K08CA194273	-	170,558
Cancer Research Manpower	93.398	K08CA231454	-	221,060
Cancer Research Manpower	93.398	K08CA237627	-	200,321
Cancer Research Manpower	93.398	K08CA252642	-	207,080
Cancer Research Manpower	93.398	K22CA222669	-	176,965
Cancer Research Manpower	93.398	K23CA201594	-	79,508
Cancer Research Manpower	93.398	K99CA226679	-	14,356
Cancer Research Manpower	93.398	R00CA204738	-	10,325
Cancer Research Manpower	93.398	R25CA142519	120,343	277,213
Cancer Research Manpower	93.398	T32CA090314	-	313,711
Cancer Research Manpower	93.398	T32CA147832	-	101,022
Cancer Research Manpower	93.398	T32CA233399	-	177,435
Blood Diseases and Resources Research	93.839	R01HL151579	-	93,340
Blood Diseases and Resources Research	93.839	UG1HL108987	-	191,139
Allergy and Infectious Diseases Research	93.855	R01AI067846	-	378,359
Biomedical Research and Research Training	93.859	R01GM122109	38,380	87,895
Biomedical Research and Research Training	93.859	R01GM140140	-	9,844
Biomedical Research and Research Training	93.859	R35GM133482	-	376,602
Biomedical Research and Research Training	93.859	R35GM143004	-	11,440
Aging Research	93.866	R01AG060038	372,703	893,505
Total National Institute of Health			<u>3,748,198</u>	<u>36,672,784</u>
Total U.S. Department of Health and Human Services			3,748,198	36,676,355
<b>Pass-Through From Other Agencies:</b>				
<b>Food and Drug Administration:</b>				
<b>Fred Hutchinson Cancer Center:</b>				
Food and Drug Administration Research	93.103	0001044123	-	29,558

See accompanying notes.



H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE - CONTINUED

Year ended June 30, 2021

Federal Grantor/State Agency/Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Agency or Pass-Through Entity Contract Number	Passed Through to Subrecipients	Expenditures
<b>National Institute of Health:</b>				
<b>All Children's Hospital</b>				
Cancer Treatment Research	93.395	U10CA180886	\$ -	\$ 14,329
Cancer Treatment Research	93.395	FP00025505_SUB96_01	-	1,562
Cancer Treatment Research	93.395	FP00025505_SUB96_02	-	14,630
<b>All Children's Research Institute</b>				
Cancer Control	93.399	FP00028127_SUB16_01	-	3,199
<b>Arizona State University</b>				
Cancer Centers Support Grants	93.397	ASUB00000709	-	32,891
<b>Brigham and Women's Hospital</b>				
Cancer Cause and Prevention Research	93.393	112791	-	34,427
Cancer Cause and Prevention Research	93.393	125212	-	4,148
Cancer Detection and Diagnosis Research	93.394	115139	-	(739)
<b>Carnegie Mellon University</b>				
Trans-NIH Research Support	93.310	1090580-440563	-	4,631
<b>Cedars-Sinai Medical Center</b>				
Nursing Research	93.361	1724252	-	123,431
Cancer Detection and Diagnosis Research	93.396	1710354	-	19,464
<b>Children's Mercy Hospital</b>				
Child Health and Human Development Extramural Research	93.865	17-0003	-	22,615
<b>City of Hope</b>				
Cancer Cause and Prevention Research	93.393	62645.2008433.669302	-	(28,777)
<b>Cleveland Clinic Foundation</b>				
Cancer Cause and Prevention Research	93.393	R01CA238087	-	83,800
<b>Cleveland Clinic Lerner College</b>				
Cancer Cause and Prevention Research	93.393	1333-SUB	-	83,237
Cancer Cause and Prevention Research	93.393	1457-SUB	-	50,643
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	R01NS109742	-	59,481
<b>Columbia University</b>				
Cancer Treatment Research	93.395	2(GG015224-01)	-	12,687
Cancer Treatment Research	93.395	R41CA243722	-	118,601
<b>Consumer Wellness Solutions</b>				
Drug Abuse and Addiction Research Programs	93.279	OCWR_KV_01	-	(714)

See accompanying notes.

H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE - CONTINUED

Year ended June 30, 2021

Federal Grantor/State Agency/Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Agency or Pass-Through Entity Contract Number	Passed Through to Subrecipients	Expenditures
<b>Cornell University</b>				
Cancer Control	93.399	191407-03 ADMIN	\$ -	\$ 6,730
Cancer Control	93.399	191407-07 CLINICAL	-	16,461
Cancer Control	93.399	191407-11 DATA	-	12,246
Cancer Control	93.399	191407-13 LAB	-	9,106
Cancer Control	93.399	204026 - ADMIN	-	47,283
Cancer Control	93.399	204026 - CLINICAL	-	114,077
Cancer Control	93.399	204026 - DATA	-	61,972
Cancer Control	93.399	204026 - LAB	-	25,590
<b>Dana-Farber Cancer Institute</b>				
Cancer Cause and Prevention Research	93.393	1309101	-	54,164
Cancer Cause and Prevention Research	93.393	1309102	-	11,545
Cancer Centers Support Grants	93.397	1204902	-	16,076
Cancer Centers Support Grants	93.397	1204903	-	13,196
Cancer Centers Support Grants	93.397	1205102	-	151,702
Cancer Centers Support Grants	93.397	1205103	-	171,522
<b>Duke University</b>				
Cancer Treatment Research	93.395	A034257	-	54,781
<b>ECOG ACRIN Medical Research</b>				
Cancer Control	93.399	5UG1CA189828-07-MOFF2	-	23,099
Cancer Control	93.399	UG1CA189828-07-MOFF-EA8184	-	46,771
<b>Emory University</b>				
Cancer Cause and Prevention Research	93.393	A413485	-	10,573
<b>Fred Hutchinson Cancer Center:</b>				
Cancer Cause and Prevention Research	93.393	0001032894	-	31,090
Cancer Cause and Prevention Research	93.393	1028218	-	9,118
Cancer Treatment Research	93.395	0001036373	-	7,008
Cancer Treatment Research	93.395	1045848-224644	-	9,275
<b>Georgetown University</b>				
Cancer Cause and Prevention Research	93.393	411167-GR411064-MCCRI	-	46,222
Cancer Research Manpower	93.398	413804-G412619-MCCRI	-	40,938
Cancer Research Manpower	93.398	424485-GR412619-MCCRI	-	45,723

See accompanying notes.

H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE - CONTINUED

Year ended June 30, 2021

Federal Grantor/State Agency/Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Agency or Pass-Through Entity Contract Number	Passed Through to Subrecipients	Expenditures
<b>George Washington University</b>				
Cancer Detection and Diagnosis Research	93.396	16-M69	\$ -	\$ 9,519
<b>Houston Methodist Research Institute</b>				
Cancer Centers Support Grants	93.397	AGMT000004021	-	5,211
Cancer Centers Support Grants	93.397	AGMT000005609	-	10,817
<b>Johns Hopkins University</b>				
21st Century Cures Act - Beau Biden Cancer Moonshot	93.353	2004611304	-	5,143
<b>Magee Women's Research</b>				
21st Century Cures Act - Beau Biden Cancer Moonshot	93.353	6800	-	62,860
<b>Mayo Clinic Arizona</b>				
Cancer Detection and Diagnosis Research	93.396	HLE-234122/PO #66916199	-	7,187
Cancer Detection and Diagnosis Research	93.396	HLE-234122-01	-	8,691
<b>MD Anderson Cancer Center</b>				
Cancer Cause and Prevention Research	93.393	3001446845	-	11,855
<b>Medical College of Wisconsin</b>				
Cancer Treatment Research	93.395	R01CA215403	-	23,205
Cancer Treatment Research	93.395	5R01CA215403	-	6,535
Cancer Treatment Research	93.395	R01CA184798	-	196
<b>Montana Molecular, LLC</b>				
Biomedical Research and Research Training	93.859	R44GM125390	-	105,209
<b>Montana State University</b>				
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	G157-20-W8016	-	70,154
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	G205-21-W8666	-	139,989
<b>National Radiation Gynecologic</b>				
Cancer Treatment Research	93.395	NRG-VOGELBAUM-GY6	-	5,850
Cancer Treatment Research	93.395	NRG-WUTHRICK-GY6	-	5,802
Cancer Control	93.399	NCORP-PATEL-GY7	-	18,196
<b>Old Dominion University Research Foundation</b>				
Research and Training in Complementary and Integrative Health	93.213	21-130-100881-010	-	10,820
<b>Ponce School of Medicine</b>				
Minority Health and Health Disparities Research	93.307	1R21MD013674-02	-	(55)
Minority Health and Health Disparities Research	93.307	5U54MD007579-35	-	27,854

See accompanying notes.

H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE - CONTINUED

Year ended June 30, 2021

Federal Grantor/State Agency/Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Agency or Pass-Through Entity Contract Number	Passed Through to Subrecipients	Expenditures
Minority Health and Health Disparities Research	93.307	8576	\$ -	\$ 27,675
Minority Health and Health Disparities Research	93.307	8626	-	5,736
Cancer Detection and Diagnosis Research	93.396	8575	-	4,583
<b>Rutgers State University</b>				
Cancer Cause and Prevention Research	93.393	1387	-	97,766
<b>Scripps Research Institute</b>				
Cancer Treatment Research	93.395	5-27320	-	132,766
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	5-27290	-	1,157
<b>Syntrix Pharmaceuticals</b>				
Blood Diseases and Resources Research	93.839	SX682-MDS-102	-	195,216
<b>The Emmes Company</b>				
Cancer Treatment Research	93.395	13738	-	44,176
<b>The Ohio State University</b>				
Blood Diseases and Resources Research	93.839	60078813	-	4,362
<b>The University of Texas Southwestern Medical Center</b>				
Allergy and Infectious Diseases Research	93.855	GMO 210408	-	2,265
<b>University Health Network</b>				
Cancer Treatment Research	93.395	UM1186644	-	445,597
Cancer Treatment Research	93.395	UM1186644	-	5,000
<b>University of Alabama</b>				
Cancer Treatment Research	93.395	000529017-SC001	-	7,580
<b>University of Arizona</b>				
Allergy and Infectious Diseases Research	93.855	606033	-	9,438
Allergy and Infectious Diseases Research	93.855	SUB00002322	-	343,905
<b>University of California Los Angeles</b>				
Cancer Treatment Research	93.395	1568 G XA546	-	74,220
Cancer Detection and Diagnosis Research	93.396	0125 G VB056	-	21,899
Cancer Detection and Diagnosis Research	93.396	0125 G VB056, AMENDMENT 4	-	121,083
<b>University of Colorado</b>				
Cancer Detection and Diagnosis Research	93.396	FY17.876.001	-	71,864
<b>University of Hawaii</b>				
Cancer Cause and Prevention Research	93.393	KA 1605	-	5,282
<b>University of Illinois - Urban</b>				
Cancer Detection and Diagnosis Research	93.394	091514-17947	-	14,568

See accompanying notes.

H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE - CONTINUED

Year ended June 30, 2021

Federal Grantor/State Agency/Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Agency or Pass-Through Entity Contract Number	Passed Through to Subrecipients	Expenditures
<b>University of Miami</b>				
Lung Diseases Research	93.838	OS00000378	\$ -	\$ 6,245
<b>University of Michigan</b>				
Cancer Detection and Diagnosis Research	93.394	SUBK00010782	-	5,200
<b>University of Minnesota</b>				
Cancer Cause and Prevention Research	93.393	N006591401	-	18,535
Blood Diseases and Resources Research	93.839	N007455201	-	88,325
Child Health and Human Development Extramural Research	93.865	P006822701	-	(1,384)
Child Health and Human Development Extramural Research	93.865	P007574702	-	58,524
Child Health and Human Development Extramural Research	93.865	P007574702	-	24,073
Child Health and Human Development Extramural Research	93.865	PO06822701	-	204,971
<b>University of Oklahoma Health</b>				
Cancer Cause and Prevention Research	93.393	R01CA221819	-	5,793
Cancer Cause and Prevention Research	93.393	RS20180699-03	-	19,719
Cancer Cause and Prevention Research	93.393	RS20200781-01	-	19,059
<b>University of Pennsylvania</b>				
Cancer Cause and Prevention Research	93.393	580730	-	41,621
<b>University of South Florida</b>				
Cancer Cause and Prevention Research	93.393	6201-1174-00-A	-	1,930
Cancer Treatment Research	93.395	6201-1216-00-A	-	89,245
Biomedical Research and Research Training	93.859	1210-1059-01-A	-	97,519
<b>University of Tennessee</b>				
Cancer Cause and Prevention Research	93.393	21-0208-HLMCC	-	3,565
<b>University of Texas Southwest Medical</b>				
Cancer Treatment Research	93.395	GMO200703 PO0000002022	-	1,420
<b>University of Utah</b>				
Cancer Cause and Prevention Research	93.393	10039363-03	-	190,425
Cancer Cause and Prevention Research	93.393	10043057-03	-	58,588
Cancer Detection and Diagnosis Research	93.394	10054312-01	-	27,623
<b>Vanderbilt University</b>				
Cancer Detection and Diagnosis Research	93.396	UNIV59517	-	99,285
<b>Vanderbilt University Medical Center</b>				
Oral Diseases and Disorders Research	93.121	VUMC81982	-	1,771
Cancer Cause and Prevention Research	93.393	VUMC63465	-	34,839

See accompanying notes.

H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE - CONTINUED

Year ended June 30, 2021

Federal Grantor/State Agency/Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Agency or Pass-Through Entity Contract Number	Passed Through to Subrecipients	Expenditures
Cancer Detection and Diagnosis Research	93.394	VUMC57165	\$ -	\$ 9,374
Cancer Detection and Diagnosis Research	93.396	VUMC57186	-	24,666
Cancer Detection and Diagnosis Research	93.396	VUMC57186	-	12,998
<b>Virginia Commonwealth University</b>				
Cancer Treatment Research	93.395	FP00010896-SA004	-	10,219
<b>West Virginia University</b>				
Cancer Treatment Research	93.395	15-832-MCC	-	2,830
<b>Wistar Institute</b>				
Cancer Cause and Prevention Research	93.393	25032-03-372	-	17,997
<b>Yale University</b>				
Environmental Health	93.113	GR106303(CON-80001783)	-	100,425
Cancer Detection and Diagnosis Research	93.396	GR106675 (CON-80001867)	-	87,305
<b>University of Maryland d.b.a. University of Maryland Baltimore Campus</b>				
Biomedical Research and Research Training	93.859	2003864	-	13,851
Total Pass-Through From Other Agencies			-	5,267,104
Total U.S. Department of Health and Human Services			<u>3,748,198</u>	<u>41,943,459</u>
<b>National Science Foundation:</b>				
Mathematical and Physical Sciences	47.049	1903144	-	98,664
Total Research and Development Cluster			<u>4,386,893</u>	<u>47,985,065</u>
<b>U.S. Department of Health and Human Services:</b>				
<b>Health Resources and Services Administration</b>				
Provider Relief Fund (See Note 4)	93.498		-	25,645,301
Total Federal			<u>\$ 4,386,893</u>	<u>\$ 73,630,366</u>

See accompanying notes.

H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE - CONTINUED

Year ended June 30, 2021

State Grantor/State Agency/Pass-Through Grantor/Program or Cluster Title	State CSFA Number	Agency or Pass-Through Entity Contract Number	Passed Through to Subrecipients	Expenditures
<b>State Financial Assistance</b>				
<b>Florida Department of Health:</b>				
James and Esther King Biomedical Research Program	64.041	21K04	\$ -	\$ 16,462
James and Esther King Biomedical Research Program	64.041	5JK03	-	286,492
James and Esther King Biomedical Research Program	64.041	6JK01	-	(1,012)
James and Esther King Biomedical Research Program	64.041	6JK02	1,285	183,907
James and Esther King Biomedical Research Program	64.041	7JK02	-	254,852
James and Esther King Biomedical Research Program	64.041	7JK04	12,501	217,858
James and Esther King Biomedical Research Program	64.041	8JK02	42,768	329,684
James and Esther King Biomedical Research Program	64.041	8JK03	-	137,937
James and Esther King Biomedical Research Program	64.041	9JK02	12,310	144,989
Total CSFA No. 64.041			68,864	1,571,169
Bankhead-Coley Cancer Research Program	64.078	20B03	15,119	91,393
Bankhead-Coley Cancer Research Program	64.078	20B04	-	233,982
Bankhead-Coley Cancer Research Program	64.078	20B06	-	119,726
Bankhead-Coley Cancer Research Program	64.078	20B07	-	124,853
Bankhead-Coley Cancer Research Program	64.078	20B08	-	62,160
Bankhead-Coley Cancer Research Program	64.078	20B10	-	176,312
Bankhead-Coley Cancer Research Program	64.078	20B17	-	140,499
Bankhead-Coley Cancer Research Program	64.078	21B01	-	13,910
Bankhead-Coley Cancer Research Program	64.078	21B06	-	2,221
Bankhead-Coley Cancer Research Program	64.078	21B12	-	1,835
Bankhead-Coley Cancer Research Program	64.078	5BC07	-	85,855
Bankhead-Coley Cancer Research Program	64.078	7BC04	-	154,224
Bankhead-Coley Cancer Research Program	64.078	7BC05	-	(20)
Bankhead-Coley Cancer Research Program	64.078	8BC03	93,917	262,155
Bankhead-Coley Cancer Research Program	64.078	8BC04	70,651	274,289
Bankhead-Coley Cancer Research Program	64.078	9BC07	10,317	281,032
Bankhead-Coley Cancer Research Program	64.078	9BC08	-	99,094
Bankhead-Coley Cancer Research Program	64.078	9BC09	-	293,147
Total CSFA No. 64.078			190,004	2,416,667

See accompanying notes.

H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE - CONTINUED

Year ended June 30, 2021

State Grantor/State Agency/Pass-Through Grantor/Program or Cluster Title	State CSFA Number	Agency or Pass-Through Entity Contract Number	Passed Through to Subrecipients	Expenditures
Florida Consortium of National Cancer Institute (NCI) Centers Program	64.128	MOG16	\$ -	\$ 932,040
Florida Consortium of National Cancer Institute (NCI) Centers Program	64.128	MOG17	-	24,323,807
Total CSFA No. 64.128			-	25,255,847
Pediatric Cancer Research	64.159	20L02	-	126,463
Pediatric Cancer Research	64.159	20L03	-	56,562
Pediatric Cancer Research	64.159	9LA02	-	116,137
Pediatric Cancer Research	64.159	9LA03	-	102,109
Total CSFA No. 64.159			-	401,271
<b>Florida Department of Highway Safety &amp; Motor Vehicles:</b>				
Moffitt Cancer Center License Plates	76.137		-	32,870
<b>Pass-Through From Other Agencies:</b>				
University of South Florida James and Esther King Biomedical Research Program	64.041	6408-1122-00-AA	-	66,916
University of Florida Statewide Brain Tumor Registry Program at the McKnight Brain Institute	64.129	SUB00001617	-	10,257
<b>Total Pass-Through From Other Agencies</b>			-	77,173
<b>Total State Financial Assistance</b>			<u>\$ 258,868</u>	<u>\$ 29,754,997</u>

See accompanying notes.



H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries

NOTES TO THE SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Year ended June 30, 2021

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and presentation of the Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) of H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries (the Cancer Center) have been designed to conform to accounting principles generally accepted in the United States and the reporting and compliance requirements of Title 2 U.S. Code of Federal Regulation (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Section 215.97, *Florida Statutes*, and Chapter 10.650, *Rules of the Auditor General*.

**Reporting Entity**

Uniform Guidance, Section 215.97, *Florida Statutes*, and Chapter 10.650, *Rules of the Auditor General*, set forth the audit and reporting requirements for federal awards and state financial assistance. The Schedule includes all federal and state awards expended by the Cancer Center.

**Basis of Accounting**

The Schedule has been prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues when they are earned and expenditures when the related liability is incurred.

**NOTE 2 - INDIRECT COST RATE**

The Cancer Center did not use the ten percent de minimis indirect cost rate allowed by the Uniform Guidance.

**NOTE 3 - CONTINGENCIES**

Grant monies received and disbursed by the Cancer Center are for specific purposes and are subject to audit by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the Cancer Center does not believe that such disallowances, if any, would have a material effect on the financial position of the Cancer Center. As of September 24, 2021, there were no material questioned or disallowed costs as a result of grant audits in process or completed of which management is aware.

**NOTE 4 - PROVIDER RELIEF FUND GRANT**

During the year ended June 30, 2020, two of the Cancer Center's subsidiaries received funding under AL 93.498 - Provider Relief Fund. Since these amounts were utilized prior to July 1, 2021, these amounts are included in the accompanying Schedule based on the timing of when such funds are required to be reported to the U.S. Health Resources and Services Administration, in accordance with the applicable compliance requirements. The amounts received by subsidiary are reported on the accompanying Schedule as follows:

Tax Identification #	Subsidiary	Expenditures
59-3238634	H. Lee Moffitt Cancer Center & Research Institute Hospital, Inc.	\$ 23,768,936
59-3238640	H. Lee Moffitt Cancer Center & Research Institute Lifetime Cancer Screening Center, Inc.	1,876,365
	Total 93.498 - Provider Relief Fund	<u>\$ 25,645,301</u>

**H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS -  
FEDERAL PROGRAMS AND STATE PROJECTS**

**Year ended June 30, 2021**

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
• Noncompliance material to financial statements noted?	No
Noncompliance material to financial statements noted?	No

Federal Awards and State Financial Assistance

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs and state projects:	Unmodified
Any audit findings disclosed that are required to be reported related to Federal programs in accordance with 2 CFR 200.516(a) (Uniform Guidance), Section 215.97, Florida Statutes and Chapter 10.650, Rules of the Auditor General?	No
Identification of major federal programs and state projects:	

*Federal Programs:*

_____ AL Number _____	_____ Name of Federal Program or Cluster _____
93.498	Provider Relief Fund

*State Projects:*

_____ CSFA Number _____	_____ Name of State Project _____
64.128	Florida Consortium of National Cancer Center Institute (NCI) Centers Program

**H. Lee Moffitt Cancer Center & Research Institute, Inc. and Subsidiaries**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS -  
FEDERAL PROGRAMS AND STATE PROJECTS - CONTINUED**

**Year ended June 30, 2021**

Dollar threshold used to distinguish between  
Type A and Type B programs/projects:

Federal \$ 2,208,911

State \$ 892,650

Auditee qualified as low-risk auditee?

Yes

**Section II - Financial Statement Findings**

No matters reported

**Section III - Federal Award and State Financial Assistance Findings and Questioned Costs**

No matters reported

**Section IV - Other Issues**

No management letter is required because there were no findings required to be reported in the management letter.

There are no findings required to be reported in a management letter pursuant to Section 10.654(1), *Rules of the Audit General*.

There were no prior audit findings.