

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, 2022 and 2021

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

Report on the financial statements**Opinion**

We have audited the 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, 2022 and 2021, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Cancer Center as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

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

Responsibilities of management for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Supplementary information

Our audits were conducted for the purpose of forming an opinion on the 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 audit of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with US GAAS. In our opinion, the accompanying 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 27, 2022 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Grant Thornton LLP

Tampa, Florida
September 27, 2022

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

CONSOLIDATED BALANCE SHEETS

June 30,

	<u>2022</u>	<u>2021</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 498,439,190	\$ 412,222,264
Patient accounts receivable	214,068,755	178,651,879
Current portion of assets limited as to use	20,436,331	24,478,068
Current portion of pledges receivable	9,065,000	2,924,991
Inventories	31,481,078	27,365,921
Grant receivables, net	42,616,989	48,138,061
Prepaid and other current assets	<u>34,753,714</u>	<u>35,606,011</u>
Total current assets	850,861,057	729,387,195
Assets limited as to use, net of current portion	571,915,874	794,376,738
Pledges receivable, less discounts and allowances for uncollectible pledges, net of current portion	19,192,550	13,008,039
Right of use asset - operating leases	49,101,113	52,808,347
Property, plant, and equipment:		
Land	26,107,905	26,107,905
Building and land improvements	587,853,360	573,099,956
Equipment	<u>613,609,209</u>	<u>586,638,871</u>
	1,227,570,474	1,185,846,732
Less accumulated depreciation	<u>(736,088,832)</u>	<u>(697,202,361)</u>
Construction in progress	491,481,642	488,644,371
	<u>357,099,745</u>	<u>177,442,411</u>
	848,581,387	666,086,782
Other assets	<u>29,384,347</u>	<u>27,614,346</u>
Total assets	<u>\$ 2,369,036,328</u>	<u>\$ 2,283,281,447</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 143,694,172	\$ 160,527,995
Accrued employee compensation	92,517,214	99,034,865
Accrued interest	20,580,912	15,353,488
Current portion of deferred revenue	13,756,190	9,399,494
Estimated third-party settlements payable, net	12,767,995	22,966,188
Current portion of operating lease liability	11,760,799	10,414,705
Current portion of long-term debt	<u>15,035,000</u>	<u>14,345,000</u>
Total current liabilities	310,112,282	332,041,735
Other liabilities	12,644,240	11,281,747
Operating lease liability, net of current portion	32,163,555	36,941,057
Long-term debt, net of current portion	<u>652,424,257</u>	<u>672,279,709</u>
Total liabilities	1,007,344,334	1,052,544,248
Net assets		
Without donor restrictions	1,214,049,868	1,110,074,346
With donor restrictions	<u>147,642,126</u>	<u>120,662,853</u>
Total net assets	<u>1,361,691,994</u>	<u>1,230,737,199</u>
Total liabilities and net assets	<u>\$ 2,369,036,328</u>	<u>\$ 2,283,281,447</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>2022</u>	<u>2021</u>
Net assets without donor restrictions		
Patient service revenues	\$ 1,783,269,078	\$ 1,550,673,569
Other revenues, less provision for grant and other bad debts (2022 - [\$414,417]; 2021 - \$102,120)	230,828,560	247,042,525
Net assets released from restrictions and used for operating expenses	<u>55,974,233</u>	<u>29,301,735</u>
Total revenues and other support without donor restrictions	2,070,071,871	1,827,017,829
Expenses		
Salaries, wages, and benefits	896,058,887	802,993,961
Faculty fees	11,355,460	10,406,878
Purchased services	185,248,470	155,523,705
Supplies	692,088,674	598,355,322
Other operating expenses	93,291,870	89,297,720
Depreciation and amortization	51,754,557	62,019,002
Interest	<u>9,466,606</u>	<u>9,617,362</u>
Total expenses	<u>1,939,264,524</u>	<u>1,728,213,950</u>
Income from operations	130,807,347	98,803,879
Nonoperating (losses) gains, net	<u>(42,133,263)</u>	<u>83,623,191</u>
Excess of revenues and gains over expenses and losses before tax	88,674,084	182,427,070
Income tax expense	<u>(3,049,348)</u>	<u>(2,664,155)</u>
Excess of revenues and gains over expenses and losses	85,624,736	179,762,915
Other changes		
Net assets released from restrictions and used to purchase property, plant, and equipment	7,163,745	204,919
Net assets released from restrictions and used for payment of long-term debt	9,649,636	9,439,017
Deconsolidation of M2Gen, Corp.	-	(17,669,529)
Grants received for reimbursement of property, plant, and equipment	201,121	12,511
Restricted investment income	(873,606)	(827,428)
Other	<u>2,209,890</u>	<u>2,835,777</u>
Increase in net assets without donor restrictions	103,975,522	173,758,182
Net assets with donor restrictions		
Contributions and memorials	37,005,125	23,166,887
Grants and contracts with purpose restrictions	36,233,609	12,898,272
Investment income	873,606	827,428
Net assets released from purpose restrictions and used to purchase property, plant, and equipment	(7,163,745)	(204,919)
Net assets released from purpose restrictions and used for payment of long-term debt	(9,649,636)	(9,439,017)
Net assets released from purpose restrictions and used for payment of operating expenses	(50,023,239)	(20,820,174)
Net assets released from purpose restrictions and used for payment of interest	(5,046,950)	(5,236,216)
Net assets released from time restrictions and used for payment of operating expenses	(904,043)	(3,245,345)
Proceeds from the Cigarette Tax and Trust Fund	26,898,060	15,524,028
Interest earnings on proceeds from the Cigarette Tax and Trust Fund	307	141
Loss on uncollectible restricted pledges	(1,246,897)	(510,152)
Other	<u>3,076</u>	<u>79,226</u>
Increase in net assets with donor restrictions	<u>26,979,273</u>	<u>13,040,159</u>
INCREASE IN NET ASSETS	130,954,795	186,798,341
Net assets at beginning of year	<u>1,230,737,199</u>	<u>1,043,938,858</u>
Net assets at end of year	<u>\$ 1,361,691,994</u>	<u>\$ 1,230,737,199</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>2022</u>	<u>2021</u>
Operating activities and nonoperating (losses) gains, net:		
Increase in net assets	\$ 130,954,795	\$ 186,798,341
Adjustments to reconcile increase in net assets to net cash provided by operating activities and nonoperating (losses) gains, net:		
Loss on deconsolidation of M2Gen, Corp.	-	21,566,762
Deconsolidation of M2Gen, Corp. non-controlling interest	-	17,669,529
Loss on sale of property, plant, and equipment	264,395	64,648
Restricted contributions and restricted investment income	(64,777,098)	(39,518,483)
Contribution of unrestricted and restricted securities	(3,233,057)	(1,269,283)
Grants and contracts with purpose restrictions	(36,233,609)	(12,898,272)
Deferred income tax expense (benefit)	-	2,154,726
Grants received for reimbursement of property, plant, and equipment purchases	(201,121)	(12,511)
Change in net unrealized loss (gains) on investments	72,659,597	(69,306,228)
Depreciation and amortization	51,754,557	62,019,002
Amortization of bond premium, discount and issuance costs	(3,141,325)	(3,220,868)
Gain on early extinguishment of debt	(1,679,127)	-
Provision for grant bad debts	414,417	(102,120)
Changes in operating assets and liabilities:		
Patient accounts receivable	(35,416,876)	(15,356,687)
Inventories	(4,115,156)	2,757,281
Grant receivables	5,106,655	(6,909,943)
Prepaid and other current assets	(917,704)	(5,123,177)
Right of use asset - operating leases, net of operating lease liability	275,826	(11,942,828)
Pledges receivable	(12,324,520)	(7,644,803)
Accounts payable and accrued expenses	(32,656,604)	33,416,629
Accrued employee compensation	(6,517,651)	11,987,415
Accrued interest	5,227,424	10,397,761
Estimated third-party settlements, net	(10,198,193)	4,562,500
Income tax payable	-	(714,062)
Other liabilities	5,719,189	6,665,904
Net cash provided by operating activities and nonoperating (losses) gains, net	<u>60,964,814</u>	<u>186,041,233</u>
Investing activities:		
Purchases of property, plant, and equipment	(218,690,776)	(161,657,321)
Change in Avatar clinical and molecular data	-	(5,258,757)
Net cash outflow from deconsolidation of M2Gen, Corp.	-	(773,373)
Change in assets limited as to use	<u>153,886,115</u>	<u>52,705,696</u>
Net cash used in investing activities	<u>(64,804,661)</u>	<u>(114,983,755)</u>
Financing activities:		
Payments on long-term debt	(14,345,000)	(12,645,000)
Restricted contributions and restricted investment income	64,777,098	39,518,483
Grants and contracts with purpose restrictions	36,233,609	12,898,272
Contribution of securities with purpose restrictions	3,189,945	1,214,749
Grants received for reimbursement of property, plant, and equipment purchases	<u>201,121</u>	<u>12,511</u>
Net cash provided by financing activities	<u>90,056,773</u>	<u>40,999,015</u>
INCREASE IN CASH AND CASH EQUIVALENTS	<u>86,216,926</u>	<u>112,056,493</u>
Cash and cash equivalents at beginning of year	<u>412,222,264</u>	<u>300,165,771</u>
Cash and cash equivalents at end of year	<u>\$ 498,439,190</u>	<u>\$ 412,222,264</u>
Supplemental information:		
Capital expenditures accrued in accounts payable	<u>\$ 15,822,781</u>	<u>\$ 13,834,928</u>
Cash paid for interest	<u>\$ 19,571,482</u>	<u>\$ 14,956,424</u>
Non-cash financing activity		
Redemption of 2012A and B Bonds and payment of cost of issuance via issuance of 2022A and B Bonds	<u>\$ 107,908,869</u>	<u>\$ -</u>

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, 2022 and 2021

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, a not-for-profit organization, 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, a not-for-profit organization, 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, a not-for-profit organization, 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 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 18.

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, 2022 and 2021

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 (US 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, 2022 and 2021

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 increased by approximately \$466,000 for the year ended June 30, 2022 and decreased approximately \$1,572,000 for the year ended June 30, 2021, 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.

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, 2022 and 2021 are summarized in the following table:

	Years Ended June 30,	
	2022	2021
Managed care	76%	75%
Medicare	22	23
Medicaid/other/commercial/self-pay	2	2
Patient service revenues	100%	100%

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

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, 2022 and 2021

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, 2022 and 2021 is approximately \$612,653,000 and \$731,313,000, 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, 2022 and 2021:

	June 30, 2022			
	Total	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	\$ 498,439,190	\$ 498,439,190	\$ -	\$ -
Assets limited as to use:				
Equity securities	288,866,212	288,866,212	-	-
Cash and cash equivalents	189,884,578	189,884,578	-	-
Fixed income securities	38,012,328	-	38,012,328	-
U.S. Government obligations	32,205,628	32,205,628	-	-
Total assets	\$ 1,047,407,936	\$ 1,009,395,608	\$ 38,012,328	\$ -
	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	\$ 1,201,769,205	\$ 1,146,777,437	\$ 54,991,768	\$ -

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

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

	June 30,	
	2022	2021
Cash, investments and assets limited as to use at fair value	\$ 1,047,407,936	\$ 1,201,769,205
Alternative investments at NAV	43,383,459	29,307,865
Total	<u>\$ 1,090,791,395</u>	<u>\$ 1,231,077,070</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, 2022 and 2021. Realized and unrealized gains and losses from these alternative investments are included in the nonoperating (losses) 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 consolidated financial statement reporting period.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

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, 2022. 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, 2022 and 2021 the Cancer Center's net working capital was approximately \$540,749,000 and \$397,345,000, 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 \$254,396,000 as of June 30, 2022, 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, 2022 and 2021

State Appropriations

The Cancer Center receives annual appropriations from the State, which were approximately \$35,488,000 and \$35,489,000 for the years ended June 30, 2022 and 2021, respectively. For each of the years ended June 30, 2022 and 2021, a portion of the appropriation totaling \$10,577,000 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 \$27,000,000 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, 2022 or 2021 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 the years ended June 30, 2022 and 2021, the Cancer Center received approximately \$26,898,000 and \$15,524,000, respectively, 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, 2022 and 2021.

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, 2022 and 2021

Significant judgment is required to evaluate uncertain tax positions. The Cancer Center evaluates its uncertain tax positions on a regular basis. Its evaluations are based on a number of factors, including changes in facts and circumstances, changes in tax law, and correspondence with tax authorities. The Cancer Center accounts for uncertain tax positions by recognizing a tax benefit or liability at the largest amount that, in its judgment, is more than 50% likely to be realized or paid based upon technical merits of the position. The Cancer Center currently has no tax benefits or liabilities related to uncertain tax positions.

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 \$33,102,000 and \$34,925,000 for the years ended June 30, 2022 and 2021, 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 approximately \$536,000 and \$8,708,000 for the years ended June 30, 2022 and 2021, 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 \$17,902,000 and \$15,911,000 for the years ended June 30, 2022 and 2021, 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, 2022 through September 27, 2022, 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, 2022 and 2021

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,	
	2022	2021
Cash and cash equivalents:		
Money market funds	\$ 189,884,578	\$ 375,762,794
Fixed income securities:		
Corporate debt securities	26,283,269	42,263,143
Mortgage-backed securities	2,205,237	2,158,835
Asset-backed securities	9,523,822	10,569,790
Equity securities	288,866,212	340,899,690
U.S. Government obligations	32,205,628	17,892,689
Alternative investments	43,383,459	29,307,865
	<u>592,352,205</u>	<u>818,854,806</u>
Less current portion	<u>(20,436,331)</u>	<u>(24,478,068)</u>
Total	<u>\$ 571,915,874</u>	<u>\$ 794,376,738</u>

Assets limited as to use are designated as follows:

	June 30,	
	2022	2021
Investment securities:		
Internally designated	\$ 334,563,192	\$ 367,620,267
Donor restricted	87,048,952	95,558,206
Held by bond trustee under indenture:		
Construction fund	139,023,228	321,439,495
Principal fund	8,412,458	11,812,166
Interest fund	8,150,769	10,489,766
Cost of issuance fund	349,562	63,524
Administrative fund	14,379	10,810
Revenue allocation fund	3,873,104	2,176,136
	<u>159,823,500</u>	<u>345,991,897</u>
Cigarette tax	<u>10,916,561</u>	<u>9,684,436</u>
	<u>592,352,205</u>	<u>818,854,806</u>
Less current portion	<u>(20,436,331)</u>	<u>(24,478,068)</u>
Total	<u>\$ 571,915,874</u>	<u>\$ 794,376,738</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

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,	
	2022	2021
Research and education	\$ 90,448,524	\$ 80,750,622
Operations	2,726,861	3,530,412
Patient care	23,211,983	6,465,532
Cigarette tax	10,916,561	9,684,436
Financial aid for employees	97,088	96,720
	<u>\$ 127,401,017</u>	<u>\$ 100,527,722</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,	
	2022	2021
Investment in perpetuity, the income from which is expendable to support:		
Research and education	\$ 13,242,847	\$ 15,269,978
Patient care	5,827,592	3,690,714
Operations	1,170,670	1,174,439
	<u>\$ 20,241,109</u>	<u>\$ 20,135,131</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, 2022 and 2021

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, 2022 and 2021

The following is a summary of changes in endowment net assets for the years ended June 30, 2022 and 2021:

	Without Donor- Imposed Restrictions	With Donor- Imposed Restrictions	Total
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	11,802,115	20,135,131	31,937,246
Investment income	366,737	-	366,737
Net depreciation (realized and unrealized)	(2,489,220)	-	(2,489,220)
Contributions and memorials	-	65,978	65,978
Appropriation of endowment assets for expenditure	(942,265)	-	(942,265)
Reclassifications	-	40,000	40,000
Appropriation of endowment interest	873,606	-	873,606
Endowment net assets, June 30, 2022	<u>\$ 9,610,973</u>	<u>\$ 20,241,109</u>	<u>\$ 29,852,082</u>

NOTE 6 - LONG-TERM DEBT

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

	June 30,	
	2022	2021
Capital Improvement Hospital Revenue Bonds, Series 2010AC, includes serial bonds in varying amounts from September 1, 2021 to September 1, 2030, plus interest at variable rates as defined (1.61% and 0.98% at June 30, 2022 and 2021, respectively), including unamortized issuance costs of \$141,203 and \$158,494 at June 30, 2022 and 2021, respectively.	\$ 11,413,797	\$ 12,551,506
Refunding and Capital Improvement Cigarette Tax Allocation Bonds, Series 2012A, including \$6,010,000 in serial bonds due on September 1, 2022, at a fixed interest rate of 5.00%, including unamortized net original premium and issuance costs of \$119,377 and \$4,330,197 at June 30, 2022 and 2021, respectively.	6,129,377	102,140,197
Hospital Revenue Refunding Bonds, Series 2012B, including \$2,150,000 in serial bonds due on July 1, 2022 at a fixed interest rate of 5.00%, including unamortized net original premium and issuance costs of \$0 and \$712,569 at June 30, 2022 and 2021, respectively.	2,150,000	23,862,569

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

	June 30,	
	2022	2021
Capital Improvement Cigarette Tax Allocation Bonds, Series 2016A, including \$29,735,000 in serial bonds due in varying amounts from September 1, 2021 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 \$2,825,781 and \$3,388,479 at June 30, 2022 and 2021, respectively.	\$ 44,925,781	\$ 48,048,479
Hospital Revenue Refunding Bonds, Series 2016B, including \$28,965,000 in serial bonds due in varying amounts from July 1, 2021 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 \$5,978,164 and \$6,486,246 at June 30, 2022 and 2021, respectively.	80,008,164	82,256,246
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 3.55% to 4.05%, 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 4.18% due September 1, 2053, including unamortized net original discount and issuance costs of \$1,019,268 and costs of \$1,051,971 at June 30, 2022 and 2021, respectively.	118,959,667	118,926,964
Hospital Revenue Bonds, Series 2020B, including \$78,270,000 in serial bonds due in varying amounts from July 1, 2022 to July 1, 2040, at fixed interest rates ranging from 4.00% 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 \$36,914,198 and \$38,138,748 at June 30, 2022 and 2021, respectively.	296,499,198	298,838,748
Capital Improvement Cigarette Tax Allocation Refunding Bonds, Series 2022A, including \$76,125,000 in serial bonds due in varying amounts from September 1, 2023 to September 1, 2033, at a fixed interest rate of 5.00%, including unamortized net original premium and issuance costs of \$11,932,324 at June 30, 2022.	88,057,324	-
Hospital Revenue Refunding Bonds, Series 2022B, including \$17,330,000 in serial bonds due in varying amounts from July 1, 2023 to July 1, 2029, at fixed interest rates of 5.00%, including unamortized net original premium and issuance costs of \$1,985,949 at June 30, 2022.	19,315,949	-
	667,459,257	686,624,709
Less current portion	(15,035,000)	(14,345,000)
	<u>\$ 652,424,257</u>	<u>\$ 672,279,709</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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

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, 2022, the Cancer Center is in compliance with these requirements.

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, 2022, 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, 2022, 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, 2022, 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, 2022, 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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

on additional indebtedness and transfers of operating assets, unrestricted cash, and marketable securities. At June 30, 2022, the Cancer Center is in compliance with these requirements.

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, 2022, 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, 2022, the Cancer Center is in compliance with these requirements.

In April 2022, the Cancer Center issued \$17,330,000 in Revenue Bonds, Series 2022B (2022B Bonds). The proceeds were used to refinance the existing Series 2012B Revenue Bonds in order to achieve cost savings based on the current economic environment. The 2022B 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, 2022, the Cancer Center is in compliance with these requirements.

In June 2022, the Cancer Center issued \$76,125,000 in Cigarette Tax Bonds, Series 2022A (2022A Bonds). The proceeds were used to refinance the existing Series 2012A Bonds in order to achieve cost savings based on the current economic environment. 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, 2022, 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, 2022 and 2021

Maturities of long-term debt as of June 30, 2022, are as follows:

2023	\$ 15,035,000
2024	14,790,000
2025	15,495,000
2026	16,240,000
2027	17,015,000
Thereafter	<u>530,288,935</u>
	608,863,935
Plus unamortized net premium and issuance costs	<u>58,595,322</u>
	<u>\$ 667,459,257</u>

For the years ended June 30, 2022 and 2021, the Cancer Center incurred interest expense of approximately \$9,467,000 and \$9,617,000, respectively, and paid interest of approximately \$19,571,000 and \$14,956,000, respectively. Interest capitalized was approximately \$14,497,000 (interest costs of approximately \$15,494,000 net of capitalized interest income of approximately \$997,000) and \$14,524,000 (interest costs of approximately \$15,535,000 net of capitalized interest income of approximately \$1,011,000) for the years ended June 30, 2022 and 2021, 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, 2023. Interest is based upon the Bloomberg Short-Term Bank Yield Index (BSBY) 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, 2022, the Cancer Center is in compliance with these requirements. There was no outstanding balance under the line of credit at June 30, 2022 and 2021, respectively.

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 have an expiration date of February 4, 2023 with a not-to-exceed amount of \$15,500,000.

NOTE 7 - OPERATING LEASES

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 15 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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

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 were as follows:

	<u>For the Years Ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Operating lease cost	<u>\$ 14,606,756</u>	<u>\$ 14,630,775</u>
Finance lease cost:		
Amortization of ROU assets	<u>\$ 422,426</u>	<u>\$ 422,903</u>
Interest on lease liabilities	<u>144,737</u>	<u>156,397</u>
Total finance lease cost	<u>\$ 567,163</u>	<u>\$ 579,300</u>

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, 2022 and 2021 was \$0 and \$1,695,000, respectively.

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

	<u>June 30,</u>	
	<u>2022</u>	<u>2021</u>
Operating leases:		
Operating lease ROU asset	<u>\$ 49,101,113</u>	<u>\$ 52,808,347</u>
Current operating lease liability	<u>\$ 11,760,799</u>	<u>\$ 10,414,705</u>
Operating lease liability, less current portion	<u>32,163,555</u>	<u>36,941,057</u>
Total operating lease liability	<u>\$ 43,924,354</u>	<u>\$ 47,355,762</u>
Finance leases:		
Property, plant and equipment, at cost	<u>\$ 1,880,888</u>	<u>\$ 1,880,888</u>
Accumulated depreciation	<u>(1,034,888)</u>	<u>(955,667)</u>
Property, plant and equipment, net	<u>\$ 846,000</u>	<u>\$ 925,221</u>
Current finance lease liability, included in accounts payable and accrued expenses	<u>\$ 93,757</u>	<u>\$ 78,621</u>
Finance lease liability, less current portion, included in other liabilities	<u>1,545,583</u>	<u>1,639,341</u>
Total finance lease liability	<u>\$ 1,639,340</u>	<u>\$ 1,717,962</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

	June 30,	
	2022	2021
Weighted-average remaining lease term (in years):		
Operating leases	5.60	6.55
Finance leases	8.84	9.84
Weighted-average discount rate:		
Operating leases	2.70%	2.73%
Finance leases	2.44%	2.44%

Supplemental cash flow information related to leases is as follows:

	For the Years Ended June 30,	
	2022	2021
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows related to operating leases	\$ 14,352,535	\$ 22,402,501
Operating cash flows related to finance leases	78,621	65,275

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

	Operating Leases	Finance Leases
2023	\$ 12,773,219	\$ 93,757
2024	10,189,434	110,912
2025	6,863,843	130,347
2026	6,599,428	152,356
2027	4,599,178	177,270
Thereafter	6,302,009	974,698
	47,327,111	1,639,340
Less: Imputed interest	(3,402,757)	-
	<u>\$ 43,924,354</u>	<u>\$ 1,639,340</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 \$34,768,000 and \$31,609,000 for the years ended June 30, 2022 and 2021, 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 \$59,328,000 and \$55,003,000 for the years ended June 30, 2022 and 2021, respectively.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

NOTE 9 – NONOPERATING (LOSSES) GAINS, NET

Nonoperating (losses) gains, net, consist of the following:

	For the Years Ended June 30,	
	2022	2021
Interest income and dividends	\$ 9,268,338	\$ 8,560,769
Net unrealized and realized investment (loss) gain	(51,901,752)	96,978,000
Gain on early extinguishment of debt	1,679,127	-
Loss on sale of property, plant, and equipment	(264,395)	(64,648)
Loss on deconsolidation of M2Gen, Corp.	-	(21,566,762)
Other	(914,581)	(284,168)
	<u>\$ (42,133,263)</u>	<u>\$ 83,623,191</u>

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 \$168,104,000, or 79%, and \$140,293,000, or 79%, due from managed care payors, and approximately \$29,679,000, or 14%, and \$22,737,000, or 13%, due from the Medicare program at June 30, 2022 and 2021, 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,	
	2022	2021
Pledges due:		
In less than one year	\$ 9,065,000	\$ 2,924,991
Greater than one year	20,286,356	13,905,225
	29,351,356	16,830,216
Discounts on pledges greater than one year	(893,806)	(697,186)
Allowance for uncollectible pledges	(200,000)	(200,000)
	28,257,550	15,933,030
Less current portion	(9,065,000)	(2,924,991)
	<u>\$ 19,192,550</u>	<u>\$ 13,008,039</u>

At June 30, 2022 and 2021, approximately \$5,825,000 and \$6,243,000, respectively, of gross pledges receivable are due from members and officers of the Board of Directors of the Cancer Center and its subsidiaries.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

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.

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 2022 and 2021, the Cancer Center paid the University approximately \$14,486,000 and \$10,164,000, respectively, in connection with these agreements.

During the years ended June 30, 2022 and 2021, 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,	
	2022	2021
Faculty salaries	\$ 11,355,000	\$ 10,407,000
Other support	811,000	709,000

Amounts due to the University as of June 30, 2022 and 2021 are as follows:

	June 30,	
	2022	2021
Due to (included in accounts payable and accrued expenses)	\$ (515,000)	\$ (706,000)

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 \$6,907,000 and \$8,195,000 of investments at June 30, 2022 and 2021, respectively, are held by the

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

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 \$2,849,000 and \$2,702,000 for professional liability reserves as of June 30, 2022 and 2021, respectively.

The Cancer Center may be liable for potential losses in excess of the amount recorded at June 30, 2022 and 2021; 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, 2022		
	Program Services	General and Administrative	Total
Salaries, wages and benefits	\$ 880,758,231	\$ 15,300,656	\$ 896,058,887
Faculty fees	11,180,460	175,000	11,355,460
Purchased services	177,906,699	7,341,771	185,248,470
Supplies	691,998,364	90,310	692,088,674
Other operating expenses	73,883,555	19,408,315	93,291,870
Depreciation and amortization	51,754,557	-	51,754,557
Interest	9,466,606	-	9,466,606
	<u>\$ 1,896,948,472</u>	<u>\$ 42,316,052</u>	<u>\$ 1,939,264,524</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

	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>

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,	
	2022	2021
Restriction met:		
Patient care	\$ 1,873,935	\$ 296,459
Research and education	45,902,933	20,725,594
Financial aid for employees	2,692	3,041
Cigarette tax - used for payment of principal and interest	24,104,010	14,675,233
Time	904,043	3,245,344
	<u>\$ 72,787,613</u>	<u>\$ 38,945,671</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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

In March 2021, results of M2Gen, Corp. were deconsolidated from the Cancer Center's consolidated financial statements which resulted in a redemption of the non-controlling interest upon deconsolidation of \$17,669,529 (see Note 18). 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.

	<u>Total</u>	<u>Controlling Interest</u>	<u>Non-Controlling Interest</u>
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>

Subsequent to the deconsolidation of M2Gen in March 2021, the Cancer Center's consolidated financial statements do not include any non-controlling interests.

NOTE 18 - 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 (losses) gains 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 is 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, 2022

	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
ASSETS								
Current assets								
Cash and cash equivalents	\$ 2,750	\$ 465,118,715	\$ 23,525,593	\$ -	\$ 257,856	\$ 9,534,276	\$ -	\$ 498,439,190
Current portion of assets limited as to use	-	20,436,331	-	-	-	-	-	20,436,331
Patient accounts receivable	202,611,500	-	-	11,457,255	-	-	-	214,068,755
Current portion of pledges receivable	-	-	9,065,000	-	-	-	-	9,065,000
Inventories	31,481,078	-	-	-	-	-	-	31,481,078
Grant receivables, net	20,489,551	22,127,438	-	-	-	-	-	42,616,989
Prepaid and other current assets	4,981,414	32,924,689	518,414	325,730	-	5,099,094	(9,095,627)	34,753,714
Total current assets	259,566,293	540,607,173	33,109,007	11,782,985	257,856	14,633,370	(9,095,627)	850,861,057
Assets limited as to use, net of current portion	-	420,047,555	151,868,319	-	-	-	-	571,915,874
Pledges receivable, less discounts and allowances for uncollectible pledges, net of current portion	-	-	19,192,550	-	-	-	-	19,192,550
Right of use asset - operating leases	4,748,414	44,352,699	-	-	-	-	-	49,101,113
Property, plant, and equipment:								
Land	-	26,107,905	-	-	-	-	-	26,107,905
Building and land improvements	281,110	587,572,250	-	-	-	-	-	587,853,360
Equipment	248,940,897	364,563,306	-	105,006	-	-	-	613,609,209
	249,222,007	978,243,461	-	105,006	-	-	-	1,227,570,474
Less accumulated depreciation	(194,748,266)	(541,246,977)	-	(93,589)	-	-	-	(736,088,832)
	54,473,741	436,996,484	-	11,417	-	-	-	491,481,642
Construction in progress	1,357,996	355,741,749	-	-	-	-	-	357,099,745
	55,831,737	792,738,233	-	11,417	-	-	-	848,581,387
Other assets	11,848,181	20,267,056	831,365	-	4,800	-	(3,567,055)	29,384,347
Interest in net assets of Foundation	19,954,093	60,929,839	-	-	-	-	(80,883,932)	-
Total assets	\$ 351,948,718	\$ 1,878,942,555	\$ 205,001,241	\$ 11,794,402	\$ 262,656	\$ 14,633,370	\$ (93,546,614)	\$ 2,369,036,328

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

CONSOLIDATING BALANCE SHEET - CONTINUED

June 30, 2022

	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
LIABILITIES AND NET ASSETS (DEFICIENCY)								
Current liabilities								
Accounts payable and accrued expenses	\$ 75,288,612	\$ 64,220,251	\$ 9,099,220	\$ 791,989	\$ -	\$ 3,389,727	\$ (9,095,627)	\$ 143,694,172
Accrued employee compensation	2,844,000	82,262,845	142,000	7,268,369	-	-	-	92,517,214
Accrued interest	-	20,580,912	-	-	-	-	-	20,580,912
Current portion of deferred revenue	-	964,504	-	-	-	12,791,687	-	13,756,191
Estimated third-party settlements payable, net	12,767,994	-	-	-	-	-	-	12,767,994
Current portion of operating lease liability	1,659,480	10,101,319	-	-	-	-	-	11,760,799
Current portion of long-term debt	-	15,035,000	-	-	-	-	-	15,035,000
Total current liabilities	92,560,086	193,164,831	9,241,220	8,060,358	-	16,181,414	(9,095,627)	310,112,282
Other liabilities	9,058,582	2,272,931	1,307,927	-	4,800	-	-	12,644,240
Operating lease liability, net of current portion	3,064,030	29,099,525	-	-	-	-	-	32,163,555
Long-term debt, net of current portion	-	652,424,257	-	-	-	3,067,055	(3,067,055)	652,424,257
Total liabilities	104,682,698	876,961,544	10,549,147	8,060,358	4,800	19,248,469	(12,162,682)	1,007,344,334
Net assets (deficiency)								
Without donor restrictions	227,311,927	912,956,824	74,904,316	3,734,044	257,856	(4,615,099)	(500,000)	1,214,049,868
With donor restrictions	19,954,093	89,024,187	119,547,778	-	-	-	(80,883,932)	147,642,126
Total net assets (deficiency)	247,266,020	1,001,981,011	194,452,094	3,734,044	257,856	(4,615,099)	(81,383,932)	1,361,691,994
Total liabilities and net assets (deficiency)	\$ 351,948,718	\$ 1,878,942,555	\$ 205,001,241	\$ 11,794,402	\$ 262,656	\$ 14,633,370	\$ (93,546,614)	\$ 2,369,036,328

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

CONSOLIDATING STATEMENT OF OPERATIONS

Year ended June 30, 2022

	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
Net assets without donor restrictions								
Patient service revenues	\$ 1,669,999,864	\$ -	\$ -	\$ 113,269,214	\$ -	\$ -	\$ -	\$ 1,783,269,078
Other revenues, less provision for grant and other bad debts	70,639,107	158,838,388	8,943,170	8,409,305	-	18,247,741	(34,249,151)	230,828,560
Net assets released from restrictions and used for operating expenses	-	40,135,460	15,838,773	-	-	-	-	55,974,233
Total revenues and other support without donor restrictions	1,740,638,971	198,973,848	24,781,943	121,678,519	-	18,247,741	(34,249,151)	2,070,071,871
Expenses								
Salaries, wages, and benefits	402,628,570	270,208,269	4,382,917	212,837,422	-	6,001,709	-	896,058,887
Faculty fees	10,714,450	5,750	-	635,260	-	-	-	11,355,460
Purchased services	56,179,241	123,111,898	1,942,617	5,286,867	1,651	12,898,943	(14,172,747)	185,248,470
Supplies	666,862,546	24,908,347	39,511	134,319	-	143,951	-	692,088,674
Other operating expenses	29,659,093	60,981,147	20,179,622	2,224,366	-	140,023	(19,892,381)	93,291,870
Depreciation and amortization	16,280,931	35,462,643	-	10,983	-	-	-	51,754,557
Interest	-	9,466,606	-	-	-	184,023	(184,023)	9,466,606
Intercompany services	214,932,279	(245,646,965)	1,237,651	29,477,035	-	-	-	-
Total expenses	1,397,257,110	278,497,695	27,782,318	250,606,252	1,651	19,368,649	(34,249,151)	1,939,264,524
Income (loss) from operations	343,381,861	(79,523,847)	(3,000,375)	(128,927,733)	(1,651)	(1,120,908)	-	130,807,347
Nonoperating gains (losses), net	426,780	(28,298,809)	(14,350,473)	103,203	-	(13,964)	-	(42,133,263)
Excess (deficiency) of revenues and gains over expenses and losses before tax	343,808,641	(107,822,656)	(17,350,848)	(128,824,530)	(1,651)	(1,134,872)	-	88,674,084
Income tax expense	(3,935)	(2,876,791)	-	(168,622)	-	-	-	(3,049,348)
Excess (deficiency) of revenues and gains over expenses and losses	\$ 343,804,706	\$ (110,699,447)	\$ (17,350,848)	\$ (128,993,152)	\$ (1,651)	\$ (1,134,872)	\$ -	\$ 85,624,736

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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 (*Government Auditing Standards*), 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, 2022, and the related consolidated statements of operations and changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 27, 2022.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cancer Center's 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 internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on compliance and other matters

As part of obtaining reasonable assurance about whether the 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*.

Purpose of this report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 27, 2022

COMPLIANCE REPORTS AND SCHEDULES

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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

Opinion on 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 identified as subject to audit in the U.S. Office of Management and Budget's *OMB Compliance Supplement* and the requirements identified as subject to audit in the State of Florida Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of the Cancer Center's major federal programs and state projects for the year ended June 30, 2022. 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.

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, 2022.

Basis for opinion on each major federal program and state project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (US GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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*. Our responsibilities under those standards and the Uniform Guidance, Section 215.97, *Florida Statutes*, and Chapter 10.650, *Rules of the Auditor General* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of management for compliance

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

Auditor's responsibilities for the audit of compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Cancer Center's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS, *Government Auditing Standards*, and the Uniform Guidance, Section 215.97, *Florida Statutes*, and Chapter 10.650, *Rules of the Auditor General* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Cancer Center's compliance with the requirements of each major federal program or state project as a whole.

In performing an audit in accordance with US GAAS, *Government Auditing Standards*, and the Uniform Guidance, Section 215.97, *Florida Statutes*, and Chapter 10.650, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Cancer Center's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 the Cancer Center's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on internal control over compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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 or significant deficiencies. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this Report on Internal Control Over Compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance, 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 27, 2022

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**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 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, 2022. We issued our report thereon, dated September 27, 2022, which 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 such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards 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 27, 2022

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Year ended June 30, 2022

Federal Grantor/State Agency/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Agency or Pass-Through Entity Contract Number	Passed Through to Subrecipients	Expenditures
Federal Awards				
Research and Development - Cluster:				
U.S. Department of Defense:				
Department of Army:				
Military Medical Research and Development	12.420	W81XWH1810410	\$ -	\$ 47,141
Military Medical Research and Development	12.420	W81XWH1610385	792,892	2,513,180
Military Medical Research and Development	12.420	W81XWH1810409	-	133,799
Military Medical Research and Development	12.420	W81XWH1810523	-	119,051
Military Medical Research and Development	12.420	W81XWH1810651	-	122,574
Military Medical Research and Development	12.420	W81XWH1910663	-	17,528
Military Medical Research and Development	12.420	W81XWH1910655	-	6,009
Military Medical Research and Development	12.420	W81XWH1910675	-	785,056
Military Medical Research and Development	12.420	W81XWH2010012	-	235,016
Military Medical Research and Development	12.420	W81XWH1910435	-	598,753
Military Medical Research and Development	12.420	W81XWH2010126	30,115	329,132
Military Medical Research and Development	12.420	W81XWH2010351	76,211	396,790
Military Medical Research and Development	12.420	W81XWH2010451	-	361,091
Military Medical Research and Development	12.420	W81XWH2010587	-	38,299
Military Medical Research and Development	12.420	W81XWH2010619	-	151,997
Military Medical Research and Development	12.420	W81XWH2010488	-	156,073
Military Medical Research and Development	12.420	W81XWH2110627	-	101,785
Military Medical Research and Development	12.420	W81XWH2110676	-	118,521
Military Medical Research and Development	12.420	W81XWH2210025	-	117,955
Military Medical Research and Development	12.420	W81XWH2210026	-	124,953
Military Medical Research and Development	12.420	W81XWH2210080	-	31,841
Military Medical Research and Development	12.420	W81XWH2210081	-	80,683
Military Medical Research and Development	12.420	W81XWH2210277	-	6,924
Military Medical Research and Development	12.420	W81XWH2210276	-	4,272
Total Department of Army			899,218	6,598,423
Pass-Through From Other Agencies:				
Cornell University				
Military Medical Research and Development	12.420	210255	-	1,207
DKFZ DEUTCHES KREB				
Military Medical Research and Development	12.420	C020-ID4316	-	5,691
Harvard T.H. Chan School:				
Military Medical Research and Development	12.420	115029-5117462	-	59,727
John Hopkins University				
Military Medical Research and Development	12.420	2004557825	-	21,602
Ponce School of Medicine				
Military Medical Research and Development	12.420	8579	-	8,523
Scripps Research Institute				
Military Medical Research and Development	12.420	5-21331	-	43,664
Military Medical Research and Development	12.420	5-57737	-	27,227
The Geneva Foundation				
Military Medical Research and Development	12.420	S-11062-01	-	132,790
Total Pass-Through From Other Agencies			-	300,431
Total U.S. Department of Defense			899,218	6,898,854
U.S. Department of Health and Human Services:				
Food and Drug Administration:				
Food and Drug Administration Research	93.103	R01FD006095	-	254,924
National Institute of Health:				
Oral Diseases and Disorders Research	93.121	R01DE030493	12,837	363,980
Oral Diseases and Disorders Research	93.121	R01DE030508	-	353,924
Research and Training in Complementary and Integrative Health	93.213	R34AT009689	1,905	23,989
Drug Abuse and Addiction Research Programs	93.279	R01DA037961	-	256,354
Drug Abuse and Addiction Research Programs	93.279	R34DA047598	-	170,903
21st Century Cures Act - Beau Biden Cancer Moonshot	93.353	R01CA187532	-	634
21st Century Cures Act - Beau Biden Cancer Moonshot	93.353	U01CA232758	86,950	904,367
Nursing Research	93.361	K23NR018488	-	149,687
Cancer Cause and Prevention Research	93.393	R00CA218681	-	201,034
Cancer Cause and Prevention Research	93.393	R01CA157664	-	39,421
Cancer Cause and Prevention Research	93.393	R01CA172786	1,481	2,236
Cancer Cause and Prevention Research	93.393	R01CA194062	-	73,754

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, 2022

Federal Grantor/State Agency/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Agency or Pass-Through Entity Contract Number	Passed Through to Subrecipients	Expenditures
Cancer Cause and Prevention Research	93.393	R01CA199143	\$ -	\$ 382,896
Cancer Cause and Prevention Research	93.393	R01CA207456	253,053	531,864
Cancer Cause and Prevention Research	93.393	R01CA214588	-	376,405
Cancer Cause and Prevention Research	93.393	R01CA219389	357,970	623,310
Cancer Cause and Prevention Research	93.393	R01CA231952	16,637	480,757
Cancer Cause and Prevention Research	93.393	R01CA235032	-	420,901
Cancer Cause and Prevention Research	93.393	R01CA236034	93,370	374,883
Cancer Cause and Prevention Research	93.393	R01CA242742	42,715	395,032
Cancer Cause and Prevention Research	93.393	R01CA243552	59,154	510,089
Cancer Cause and Prevention Research	93.393	R01CA249689	-	687,089
Cancer Cause and Prevention Research	93.393	R01CA250514	-	428,376
Cancer Cause and Prevention Research	93.393	R01CA253219	29,333	337,308
Cancer Cause and Prevention Research	93.393	R01CA255265	26,506	467,961
Cancer Cause and Prevention Research	93.393	R01CA258089	-	648,685
Cancer Cause and Prevention Research	93.393	R03CA227044	-	26,386
Cancer Cause and Prevention Research	93.393	R21CA267141	-	25,698
Cancer Cause and Prevention Research	93.393	U01CA261598	67,145	258,892
Cancer Detection and Diagnosis Research	93.394	D43CA260649	-	77,994
Cancer Detection and Diagnosis Research	93.394	R01CA077575	-	(25,721)
Cancer Detection and Diagnosis Research	93.394	R01CA187532	-	(634)
Cancer Detection and Diagnosis Research	93.394	R01CA212097	168,898	582,465
Cancer Detection and Diagnosis Research	93.394	R01CA249016	-	260,100
Cancer Detection and Diagnosis Research	93.394	R03CA270475	-	10,917
Cancer Detection and Diagnosis Research	93.394	R21CA234787	5,873	119,952
Cancer Detection and Diagnosis Research	93.394	R21CA253343	-	28,582
Cancer Detection and Diagnosis Research	93.394	R37CA229810	73,962	618,431
Cancer Detection and Diagnosis Research	93.394	U01CA143062	37,848	263,055
Cancer Detection and Diagnosis Research	93.394	U01CA200464	-	484,786
Cancer Detection and Diagnosis Research	93.394	UH3CA202970	-	246,106
Cancer Treatment Research	93.395	P30CA076292	-	14,083
Cancer Treatment Research	93.395	R01CA181746	-	(37,865)
Cancer Treatment Research	93.395	R01CA212169	-	247,236
Cancer Treatment Research	93.395	R01CA214647	-	223,104
Cancer Treatment Research	93.395	R01CA219347	-	421,885
Cancer Treatment Research	93.395	R01CA223823	326,881	679,246
Cancer Treatment Research	93.395	R01CA227073	170,836	592,307
Cancer Treatment Research	93.395	R01CA233487	212,237	430,080
Cancer Treatment Research	93.395	R01CA233601	232,293	453,971
Cancer Treatment Research	93.395	R01CA239219	-	671,914
Cancer Treatment Research	93.395	R01CA241169	-	528,632
Cancer Treatment Research	93.395	R01CA241713	-	565,910
Cancer Treatment Research	93.395	R01CA259387	-	393,967
Cancer Treatment Research	93.395	R01CA260356	-	284,694
Cancer Treatment Research	93.395	R01CA262530	-	587,924
Cancer Treatment Research	93.395	R01CA268973	54,775	331,605
Cancer Treatment Research	93.395	R21CA234519	-	10,659
Cancer Treatment Research	93.395	R21CA252373	-	157,783
Cancer Treatment Research	93.395	R21CA256141	-	177,075
Cancer Treatment Research	93.395	R21CA256289	-	189,288
Cancer Treatment Research	93.395	R21CA263911	-	148,653
Cancer Treatment Research	93.395	R21CA267291	-	118,672
Cancer Treatment Research	93.395	R37CA222215	169,741	310,813
Cancer Treatment Research	93.395	R50CA211447	-	221,038
Cancer Detection and Diagnosis Research	93.396	P01CA250984	-	1,578,183
Cancer Detection and Diagnosis Research	93.396	R00CA215256	-	302,908
Cancer Detection and Diagnosis Research	93.396	R00CA218686	-	248,293
Cancer Detection and Diagnosis Research	93.396	R00CA226679	-	227,708
Cancer Detection and Diagnosis Research	93.396	R01CA124515	-	212,523
Cancer Detection and Diagnosis Research	93.396	R01CA141244	-	74,778
Cancer Detection and Diagnosis Research	93.396	R01CA186917	-	26,351
Cancer Detection and Diagnosis Research	93.396	R01CA230610	-	359,216
Cancer Detection and Diagnosis Research	93.396	R01CA233512	-	386,495
Cancer Detection and Diagnosis Research	93.396	R01CA239214	107,194	462,607
Cancer Detection and Diagnosis Research	93.396	R01CA240434	-	479,512
Cancer Detection and Diagnosis Research	93.396	R01CA241559	-	466,242
Cancer Detection and Diagnosis Research	93.396	R01CA250018	17,348	353,054
Cancer Detection and Diagnosis Research	93.396	R01CA250276	-	573,035
Cancer Detection and Diagnosis Research	93.396	R01CA255398	-	164,348
Cancer Detection and Diagnosis Research	93.396	R01CA256193	58,034	293,977
Cancer Detection and Diagnosis Research	93.396	R01CA259046	-	496,226
Cancer Detection and Diagnosis Research	93.396	R01CA262121	-	204,210
Cancer Detection and Diagnosis Research	93.396	R03CA246027	-	91,043
Cancer Detection and Diagnosis Research	93.396	R03CA259873	1,070	8,089
Cancer Detection and Diagnosis Research	93.396	R21CA216227	10,251	10,251
Cancer Detection and Diagnosis Research	93.396	R21CA259215	-	46,807

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, 2022

Federal Grantor/State Agency/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Agency or Pass-Through Entity Contract Number	Passed Through to Subrecipients	Expenditures
Cancer Detection and Diagnosis Research	93.396	R21CA260084	\$ -	\$ 224,680
Cancer Detection and Diagnosis Research	93.396	R21NS120800	-	200,304
Cancer Detection and Diagnosis Research	93.396	R35CA197452	-	928,665
Cancer Detection and Diagnosis Research	93.396	R37CA230042	-	394,445
Cancer Detection and Diagnosis Research	93.396	R37CA234021	405,809	643,439
Cancer Detection and Diagnosis Research	93.396	R37CA248298	-	388,709
Cancer Detection and Diagnosis Research	93.396	U01CA202958	-	186,524
Cancer Detection and Diagnosis Research	93.396	U01CA232382	55,551	814,605
Cancer Detection and Diagnosis Research	93.396	U01CA244100	-	513,716
Cancer Detection and Diagnosis Research	93.396	U01CA244101	9,082	543,840
Cancer Detection and Diagnosis Research	93.396	U01CA261841	-	55,133
Cancer Centers Support Grants	93.397	P20CA202920	-	69,558
Cancer Centers Support Grants	93.397	P30CA076292	-	4,034,804
Cancer Centers Support Grants	93.397	U54CA163068	-	1,656,778
Cancer Centers Support Grants	93.397	U54CA193489	2,099	175,275
Cancer Research Manpower	93.398	F31CA250320	-	36,239
Cancer Research Manpower	93.398	K08CA194273	-	11,073
Cancer Research Manpower	93.398	K08CA231454	-	186,501
Cancer Research Manpower	93.398	K08CA237627	-	126,593
Cancer Research Manpower	93.398	K08CA252164	-	150,210
Cancer Research Manpower	93.398	K08CA252642	-	209,229
Cancer Research Manpower	93.398	K08CA255933	-	202,165
Cancer Research Manpower	93.398	K22CA197058	-	(795)
Cancer Research Manpower	93.398	K22CA222669	-	13,293
Cancer Research Manpower	93.398	K22CA262352	-	16,872
Cancer Research Manpower	93.398	K99CA266947	-	40,631
Cancer Research Manpower	93.398	R00CA241072	-	48,919
Cancer Research Manpower	93.398	R25CA142519	48,244	116,645
Cancer Research Manpower	93.398	T32CA090314	-	324,791
Cancer Research Manpower	93.398	T32CA147832	-	168
Cancer Research Manpower	93.398	T32CA233399	-	273,611
Blood Diseases and Resources Research	93.839	R01HL151579	-	453,439
Blood Diseases and Resources Research	93.839	UG1HL108987	-	188,426
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R01DK125367	-	414,646
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	R01NS117926	29,302	332,810
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	R56NS117926	-	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	R61NS119658	69,927	205,512
Allergy and Infectious Diseases Research	93.855	R01AI067846	-	544,596
Biomedical Research and Research Training	93.859	R01GM140140	-	320,784
Biomedical Research and Research Training	93.859	R35GM133482	-	541,790
Biomedical Research and Research Training	93.859	R35GM142577	-	223,866
Biomedical Research and Research Training	93.859	R35GM143004	-	319,016
Aging Research	93.866	DP2AG077698	-	168,672
Aging Research	93.866	R01AG060038	121,919	129,945
Total National Institute of Health			3,438,230	43,656,384
Pass-Through From Other Agencies:				
Food and Drug Administration:				
Fred Hutchinson Cancer Center:				
Food and Drug Administration Research	93.103	0001044123	-	4,747
Food and Drug Administration Research	93.103	0001044128	-	14,921
National Institute of Health:				
All Children's Hospital				
Cancer Treatment Research	93.395	U10CA180886	-	(14,108)
Cancer Treatment Research	93.395	FP00025505_SUB96_02	-	3,342
All Children's Research Institute				
Cancer Control	93.399	FP00028127_SUB16_01	-	3,514
Arizona State University				
Cancer Centers Support Grants	93.397	ASUB00000709	-	(14)
Brigham and Women's Hospital				
Cancer Cause and Prevention Research	93.393	112791	-	370
Cancer Cause and Prevention Research	93.393	125212	-	145,453
Carnegie Mellon University				
Trans-NIH Research Support	93.310	1090580-440563	-	4,684
Cedars-Sinai Medical Center				
Cancer Detection and Diagnosis Research	93.396	1915211	-	8,794
Nursing Research	93.361	1724252	-	151,224
Cancer Detection and Diagnosis Research	93.396	1710354	-	10,181
Nursing Research	93.361	1962692	-	19,787
Children's Mercy Hospital				
Child Health and Human Development Extramural Research	93.865	17-0003	-	7,376
City of Hope				
Cancer Cause and Prevention Research	93.393	62645.2008433.669302	-	-

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, 2022

Federal Grantor/State Agency/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Agency or Pass-Through Entity Contract Number	Passed Through to Subrecipients	Expenditures
Cleveland Clinic Lerner College				
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	1370-SUB	\$ -	\$ 54,106
Cancer Cause and Prevention Research	93.393	1487-SUB	-	166,362
Cancer Cause and Prevention Research	93.393	CCF21462538	-	113,805
Cancer Cause and Prevention Research	93.393	CCF22039448	-	30,419
Columbia University				
Cancer Treatment Research	93.395	2(GG015224-01)	-	43,950
Cornell University				
Cancer Control	93.399	204026 - ADMIN	-	9,755
Cancer Control	93.399	204026 - CLINICAL	-	28,374
Cancer Control	93.399	204026 - DATA	-	14,976
Cancer Control	93.399	204026 - LAB	-	3,087
Cancer Control	93.399	213831-ADMIN	-	70,697
Cancer Control	93.399	213831-CLINICAL	-	94,837
Cancer Control	93.399	213831-DATA	-	57,483
Cancer Control	93.399	213831-LAB	-	27,813
Dana-Farber Cancer Institute				
Cancer Centers Support Grants	93.397	1204903	-	10,544
Cancer Centers Support Grants	93.397	1205103	-	94,267
Cancer Cause and Prevention Research	93.393	1309102	-	63,400
Cancer Treatment Research	93.395	1326301	-	2,144
Duke University				
Cancer Treatment Research	93.395	A034257	-	39,590
ECOG ACRIN Medical Research				
Cancer Control	93.399	5UG1CA189828-07-MOFF2	-	45,680
Cancer Control	93.399	UG1CA189828-07-MOFF-EA8184	-	78,931
Emory University				
Cancer Cause and Prevention Research	93.393	A413485	-	24,610
Endectra, LLC				
Cancer Treatment Research	93.395	R41CA243722	-	75,967
Fred Hutchinson Cancer Center:				
Cancer Cause and Prevention Research	93.393	1032894	-	1,976
Cancer Cause and Prevention Research	93.393	1035877	-	4,694
Cancer Cause and Prevention Research	93.393	1078137	-	42,967
Cancer Treatment Research	93.395	1079980	-	8,600
Cancer Treatment Research	93.395	1080604	-	1,743
Cancer Treatment Research	93.395	1084451	-	6,847
Cancer Treatment Research	93.395	1045848-224644	-	375
Georgetown University				
Cancer Cause and Prevention Research	93.393	411167_GR411064-MCCRI	-	9,758
Cancer Research Manpower	93.398	424485-GR412619-MCCRI	-	71,704
Cancer Research Manpower	93.398	425175_GR412619-MCCRI	-	24,412
George Washington University				
Cancer Detection and Diagnosis Research	93.396	16-M69	-	2,695
Hackensack Meridian Health:				
Cancer Detection and Diagnosis Research	93.396	2202-G10158	-	1,442
Houston Methodist Research Institute:				
Cancer Centers Support Grants	93.397	AGMT000005609	-	5,950
Icahn School of Medicine:				
Cancer Treatment Research	93.395	0254-4024-4605	-	900
Johns Hopkins University				
21st Century Cures Act - Beau Biden Cancer Moonshot	93.353	2004611304	-	94,799
La Jolla Institute for Immunology:				
Cancer Detection and Diagnosis Research	93.396	20051-01-143-281	-	6,003
MD Anderson Cancer Center				
Cancer Cause and Prevention Research	93.393	3001446845	-	15,856
Medical College of Wisconsin				
Cancer Treatment Research	93.395	R01CA215403	-	39,907
Montana Molecular, LLC				
Biomedical Research and Research Training	93.859	R44GM125390	-	22,507
Montana State University				
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	G205-21-W8666	-	250,076
Morphogenesis Inc.				
Cancer Treatment Research	93.395	2106	-	105,421
National Radiation Gynecologic				
Cancer Treatment Research	93.395	NRG-VOGELBAUM-GY6	-	5,431
Cancer Treatment Research	93.395	NRG-WUTHRICK-GY6	-	5,574
NRG Oncology Foundation:				
Cancer Control	93.399	NCORP-PATEL-GY7	-	11,537
Old Dominion University Research Foundation				
Research and Training in Complementary and Integrative Health	93.213	21-130-100881-010	-	3,701
Research and Training in Complementary and Integrative Health	93.213	22-128-100881-020	-	12,087
Ponce School of Medicine				
Minority Health and Health Disparities Research	93.307	8576	-	28,912
Minority Health and Health Disparities Research	93.307	8626	-	26,291
Minority Health and Health Disparities Research	93.307	8635	-	10,329

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, 2022

Federal Grantor/State Agency/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Agency or Pass-Through Entity Contract Number	Passed Through to Subrecipients	Expenditures
Cancer Detection and Diagnosis Research	93.396	8575	\$ -	\$ 8,150
Public Health Institute				
Cancer Treatment Research	93.395	AAR04477	-	9,630
Cancer Treatment Research	93.395	AR09751	-	14,684
Cancer Treatment Research	93.395	AR10440	-	3,743
Cancer Control	93.399	AR04858	-	5,397
Rutgers State University				
Cancer Cause and Prevention Research	93.393	1387	-	136,830
Scripps Research Institute				
Cancer Treatment Research	93.395	5-27320	-	104,171
Seattle Care Center Alliance				
Cancer Treatment Research	93.395	U01CA236229	-	1,823
Stony Brook University				
Cancer Detection and Diagnosis Research	93.396	U01CA261841	-	88,753
Syntrix Pharmaceuticals				
Blood Diseases and Resources Research	93.839	SX682-MDS-102	-	156,952
The Emmes Company				
Cancer Treatment Research	93.395	13738	9,000	37,701
Cancer Treatment Research	93.395	13765	-	79,068
The Ohio State University				
Blood Diseases and Resources Research	93.839	60078813	-	4,727
Blood Diseases and Resources Research	93.839	SPC-1000004952 / GR120923	-	70,122
The Regents of the University of California				
Aging Research	93.866	2000 G ZD492	-	13,951
The University of Texas Southwestern Medical Center				
Allergy and Infectious Diseases Research	93.855	GMO 210408	-	18,695
University Health Network				
Cancer Treatment Research	93.395	UM1186644	-	369,841
University of Alabama				
Cancer Treatment Research	93.395	000529017-SC001	-	115,290
University of Arizona				
Allergy and Infectious Diseases Research	93.855	606033	-	200,528
University of California Los Angeles				
Cancer Detection and Diagnosis Research	93.396	0125 G VB056	-	152,293
Cancer Detection and Diagnosis Research	93.396	0125 G VB056, AMENDMENT 4	-	16,990
University of Colorado				
Cancer Detection and Diagnosis Research	93.396	FY17.876.001	-	26,365
University of Florida				
Allergy and Infectious Diseases Research	93.855	SUB00002322	-	360,991
Cardiovascular Diseases Research	93.837	SUB00002991	-	10,430
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	SUB00003104	-	7,367
University of Hawaii				
Cancer Cause and Prevention Research	93.393	KA 1605	-	13,292
Cancer Detection and Diagnosis Research	93.394	KA1736	-	29,911
University of Kentucky				
Oral Diseases and Disorders Research	93.121	3200003860-21-288	-	4,308
University of Miami				
Lung Diseases Research	93.838	OS00000378	-	29,327
Lung Diseases Research	93.838	OS00000875	-	30,649
University of Minnesota				
Blood Diseases and Resources Research	93.839	N007455201	-	77,465
Child Health and Human Development Extramural Research	93.865	P007574702	-	25,956
Child Health and Human Development Extramural Research	93.865	PO06822701	-	(26)
University of Oklahoma Health				
Cancer Cause and Prevention Research	93.393	R01CA221819	-	9,303
Cancer Cause and Prevention Research	93.393	RS20180699-03	-	5,316
Cancer Cause and Prevention Research	93.393	RS20200781-01	-	29,348
Cancer Cause and Prevention Research	93.393	RS20202350-03	-	47,673
University of Pennsylvania				
Cancer Cause and Prevention Research	93.393	580730	-	24,828
Cancer Cause and Prevention Research	93.393	583406	-	57,596
University of South Florida				
Biomedical Research and Research Training	93.859	1210-1059-01-A	-	81,074
Cancer Treatment Research	93.395	6201-1216-00-A	-	44,315
University of Texas Southwest Medical				
Cancer Treatment Research	93.395	GMO200703 PO000002022	-	8,212
Cancer Treatment Research	93.395	GMO200703 PO000002022A	-	54,787
University of Utah				
Cancer Cause and Prevention Research	93.393	10039363-03	-	38,203
Cancer Cause and Prevention Research	93.393	10043057-03	-	116,733
Cancer Cause and Prevention Research	93.393	10059766-01	-	88,277
Cancer Detection and Diagnosis Research	93.394	10061446-01	-	10,898
Vanderbilt University				
Cancer Detection and Diagnosis Research	93.396	UNIV59517	-	40,457
Vanderbilt University Medical Center				

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, 2022

Federal Grantor/State Agency/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Agency or Pass-Through Entity Contract Number	Passed Through to Subrecipients	Expenditures
Cancer Detection and Diagnosis Research	93.396	VUMC57186	\$ -	\$ 6,779
Cancer Cause and Prevention Research	93.393	VUMC63465	-	60,725
Yale University				
Environmental Health	93.113	GR106303(CON-80001783)	-	119,980
Cancer Detection and Diagnosis Research	93.396	GR106675(CON-80001867)	-	95,331
Total Pass-Through From Other Agencies			<u>9,000</u>	<u>5,498,761</u>
Total U.S. Department of Health and Human Services			<u>3,447,230</u>	<u>49,155,145</u>
National Science Foundation:				
Mathematical and Physical Sciences	47.049	1903144	-	106,563
Total Research and Development Cluster and Total Federal Awards			<u>\$ 4,346,448</u>	<u>\$ 56,160,562</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, 2022

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
State Financial Assistance				
Florida Department of Health:				
James and Esther King Biomedical Research Program	64.041	21K04	\$ -	\$ 252,231
James and Esther King Biomedical Research Program	64.041	6JK02	4,737	11,531
James and Esther King Biomedical Research Program	64.041	7JK02	-	493,258
James and Esther King Biomedical Research Program	64.041	7JK04	6,198	954,539
James and Esther King Biomedical Research Program	64.041	8JK02	8,025	379,045
James and Esther King Biomedical Research Program	64.041	8JK03	-	108,995
James and Esther King Biomedical Research Program	64.041	9JK02	25,139	152,996
Total CSFA No. 64.041			44,100	2,352,595
Bankhead-Coley Cancer Research Program	64.078	20B03	12,767	191,515
Bankhead-Coley Cancer Research Program	64.078	20B04	-	190,965
Bankhead-Coley Cancer Research Program	64.078	20B06	-	257,744
Bankhead-Coley Cancer Research Program	64.078	20B07	-	39,304
Bankhead-Coley Cancer Research Program	64.078	20B08	-	76,553
Bankhead-Coley Cancer Research Program	64.078	20B10	-	178,967
Bankhead-Coley Cancer Research Program	64.078	20B17	26,290	222,201
Bankhead-Coley Cancer Research Program	64.078	21B01	-	179,449
Bankhead-Coley Cancer Research Program	64.078	21B02	-	121,162
Bankhead-Coley Cancer Research Program	64.078	21B04	-	183,403
Bankhead-Coley Cancer Research Program	64.078	21B06	-	134,474
Bankhead-Coley Cancer Research Program	64.078	21B09	102,020	223,260
Bankhead-Coley Cancer Research Program	64.078	21B12	24,134	139,905
Bankhead-Coley Cancer Research Program	64.078	22B01	-	20,814
Bankhead-Coley Cancer Research Program	64.078	22B02	-	28,614
Bankhead-Coley Cancer Research Program	64.078	22B03	-	81,569
Bankhead-Coley Cancer Research Program	64.078	22B04	-	21,996
Bankhead-Coley Cancer Research Program	64.078	22B05	-	19,047
Bankhead-Coley Cancer Research Program	64.078	22B06	-	31,089
Bankhead-Coley Cancer Research Program	64.078	22B07	-	5,993
Bankhead-Coley Cancer Research Program	64.078	22B14	-	395
Bankhead-Coley Cancer Research Program	64.078	22K02	-	29,971
Bankhead-Coley Cancer Research Program	64.078	7BC04	-	192,351
Bankhead-Coley Cancer Research Program	64.078	8BC03	-	-
Bankhead-Coley Cancer Research Program	64.078	8BC04	-	30,112
Bankhead-Coley Cancer Research Program	64.078	9BC07	9,551	269,627
Bankhead-Coley Cancer Research Program	64.078	9BC08	-	81,698
Bankhead-Coley Cancer Research Program	64.078	9BC09	-	227,926
Total CSFA No. 64.078			174,763	3,180,104
Florida Consortium of National Cancer Institute (NCI) Centers Program	64.128	MOG17	-	23,901,074
Total CSFA No. 64.128			-	23,901,074
Pediatric Cancer Research	64.159	20L02	-	128,160
Pediatric Cancer Research	64.159	20L03	-	22,870
Pediatric Cancer Research	64.159	21L04	-	67,761
Pediatric Cancer Research	64.159	9LA02	-	115,582
Pediatric Cancer Research	64.159	9LA03	-	51,956
Total CSFA No. 64.159			-	386,329

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, 2022

<u>State Grantor/State Agency/Pass-Through Grantor/Program or Cluster Title</u>	<u>State CSFA Number</u>	<u>Agency or Pass-Through Entity Contract Number</u>	<u>Passed Through to Subrecipients</u>	<u>Expenditures</u>
Florida Department of Highway Safety & Motor Vehicles:				
Moffitt Cancer Center License Plates	76.137		\$ -	\$ 42,980
Pass-Through From Other Agencies:				
University of South Florida James and Esther King Biomedical Research Program	64.041	6408-1122-00-AA	-	59,071
University of Florida Statewide Brain Tumor Registry Program at the McKnight Brain Institute	64.129	SUB00001617	-	604
Total Pass-Through From Other Agencies			-	59,675
Total State Financial Assistance			<u>\$ 218,863</u>	<u>\$ 29,922,757</u>

See accompanying notes.

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

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

Year ended June 30, 2022

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 10 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 27, 2022, there were no material questioned or disallowed costs as a result of grant audits in process or completed of which management is aware.

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, 2022

SECTION I - SUMMARY OF AUDITORS' 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:	
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:

<u>AL Number</u>	<u>Name of Federal Program or Cluster</u>
12.420, 47.049, 93.103, 93.113, 93.121, 93.213, 93.279, 93.307, 93.310, 93.353, 93.361, 93.393, 93.394, 93.395, 93.396, 93.397, 93.398, 93.399, 93.837, 93.838, 93.839, 93.847, 93.853, 93.855, 93.859, 93.865, 93.866	Research and Development Cluster

State Projects:

<u>CSFA Number</u>	<u>Name of State Project</u>
64.041	James and Esther King Biomedical Research Program
64.078	Bankhead-Coley Cancer Research Program
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, 2022

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

Federal	\$1,684,817
State	\$ 897,683

Auditee qualified as low-risk auditee?

Yes

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters reported

SECTION III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

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.