

St. Jude Children's Research Hospital, Inc. and Subsidiaries

Consolidated Financial Statements as of and
for the Years Ended June 30, 2022 and 2021,
Supplemental Information for the Year Ended
June 30, 2022 and Independent Auditor's Report

ST. JUDE CHILDREN’S RESEARCH HOSPITAL, INC. AND SUBSIDIARIES

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INDEPENDENT AUDITOR'S REPORT

To the Board of Governors of
St. Jude Children's Research Hospital, Inc.
Memphis, Tennessee

Opinion

We have audited the consolidated financial statements of St. Jude Children's Research Hospital and Subsidiaries (the "Company"), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities, function expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company 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 in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the 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 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.


In performing an audit in accordance with GAAS, we:

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2022, on our consideration of St. Jude Children's Research Hospital, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Hospital's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Deloitte Touche LLP". The signature is written in a cursive, slightly slanted style.

October 7, 2022

ST. JUDE CHILDREN'S RESEARCH HOSPITAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF JUNE 30, 2022 AND 2021 (In 000s)

	2022	2021
ASSETS		
CURRENT ASSETS:		
Cash	\$ 18,590	\$ 3,865
Accounts receivable:		
Patient care services—net	15,584	15,355
Grants and contracts	46,886	39,279
Other	6,698	5,751
Inventories	18,797	17,702
Prepaid expenses	<u>25,767</u>	<u>27,451</u>
Total current assets	132,322	109,403
ASSETS LIMITED AS TO USE	3,235	3,209
OTHER ASSETS—Net	30,931	5,547
INTEREST IN NET ASSETS OF ALSAC	8,234,654	8,039,467
PROPERTY AND EQUIPMENT—Net	<u>1,069,115</u>	<u>1,004,097</u>
TOTAL	<u>\$9,470,257</u>	<u>\$9,161,723</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 91,911	\$ 87,642
Accrued payroll costs	75,419	68,948
Employee health liability costs	<u>5,636</u>	<u>4,311</u>
Total current liabilities	172,966	160,901
DEFERRED REVENUES FROM GRANTS AND CONTRACTS	11,486	17,263
OTHER LONG-TERM LIABILITIES	<u>10,136</u>	<u>10,006</u>
Total liabilities	<u>194,588</u>	<u>188,170</u>
NET ASSETS:		
Without donor restrictions	8,036,162	7,617,972
With donor restrictions	<u>1,239,507</u>	<u>1,355,581</u>
Total net assets	<u>9,275,669</u>	<u>8,973,553</u>
TOTAL	<u>\$9,470,257</u>	<u>\$9,161,723</u>

See notes to consolidated financial statements.

ST. JUDE CHILDREN'S RESEARCH HOSPITAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED JUNE 30, 2022 AND 2021 (In 000s)

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT:						
Net patient service revenue	\$ 118,236	\$ -	\$ 118,236	\$ 127,721	\$ -	\$ 127,721
Research grants and contracts	153,205	-	153,205	133,767	-	133,767
Net investment income	26	-	26	790	-	790
Other	30,863	-	30,863	14,100	-	14,100
Total revenues, gains, and other support	<u>302,330</u>	<u>-</u>	<u>302,330</u>	<u>276,378</u>	<u>-</u>	<u>276,378</u>
EXPENSES:						
Program services:						
Patient care services	551,616	-	551,616	524,965	-	524,965
Research	585,569	-	585,569	520,687	-	520,687
Education, training, and community services	49,068	-	49,068	35,248	-	35,248
Total program services	1,186,253	-	1,186,253	1,080,900	-	1,080,900
Supporting services—administrative and general	92,317	-	92,317	85,655	-	85,655
Total expenses	<u>1,278,570</u>	<u>-</u>	<u>1,278,570</u>	<u>1,166,555</u>	<u>-</u>	<u>1,166,555</u>
CHANGE IN INTEREST IN NET ASSETS OF ALSAC	<u>311,261</u>	<u>-</u>	<u>311,261</u>	<u>2,016,275</u>	<u>-</u>	<u>2,016,275</u>
LOSS FROM DISPOSAL OF PROPERTY AND EQUIPMENT	<u>(596)</u>	<u>-</u>	<u>(596)</u>	<u>(651)</u>	<u>-</u>	<u>(651)</u>
(EXPENSES IN EXCESS OF REVENUES, GAINS, AND OTHER SUPPORT)						
REVENUES, GAINS AND OTHER SUPPORT IN EXCESS OF EXPENSES	(665,575)	-	(665,575)	1,125,447	-	1,125,447
NET SUPPORT RECEIVED FROM ALSAC	1,083,765	-	1,083,765	997,103	-	997,103
CHANGE IN INTEREST IN NET ASSETS OF ALSAC	<u>-</u>	<u>(116,074)</u>	<u>(116,074)</u>	<u>-</u>	<u>286,779</u>	<u>286,779</u>
CHANGES IN NET ASSETS	418,190	(116,074)	302,116	2,122,550	286,779	2,409,329
NET ASSETS—Beginning of year	<u>7,617,972</u>	<u>1,355,581</u>	<u>8,973,553</u>	<u>5,495,422</u>	<u>1,068,802</u>	<u>6,564,224</u>
NET ASSETS—End of year	<u>\$8,036,162</u>	<u>\$1,239,507</u>	<u>\$ 9,275,669</u>	<u>\$7,617,972</u>	<u>\$1,355,581</u>	<u>\$8,973,553</u>

See notes to consolidated financial statements.

ST. JUDE CHILDREN'S RESEARCH HOSPITAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES FOR THE YEARS ENDED JUNE 30, 2022 AND 2021 (In 000s)

	2022			2021		
	Program Services	Supporting Services— Administrative and General	Total Program and Supporting Services	Program Services	Supporting Services— Administrative and General	Total Program and Supporting Services
SALARIES AND BENEFITS	\$ 637,376	\$37,681	\$ 675,057	\$ 592,154	\$35,856	\$ 628,010
PROFESSIONAL FEES AND CONTRACT SERVICES	233,358	19,240	252,598	195,721	15,862	211,583
SUPPLIES	165,557	3,615	169,172	160,183	4,013	164,196
TELEPHONE	1,885	250	2,135	1,378	185	1,563
OCCUPANCY	33,719	8,733	42,452	35,004	11,143	46,147
TRAVEL AND MEETINGS	9,595	160	9,755	2,982	44	3,026
MISCELLANEOUS	<u>12,567</u>	<u>8,621</u>	<u>21,188</u>	<u>10,158</u>	<u>6,933</u>	<u>17,091</u>
TOTAL BEFORE DEPRECIATION	1,094,057	78,300	1,172,357	997,580	74,036	1,071,616
DEPRECIATION	<u>92,196</u>	<u>14,017</u>	<u>106,213</u>	<u>83,320</u>	<u>11,619</u>	<u>94,939</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$1,186,253</u>	<u>\$92,317</u>	<u>\$1,278,570</u>	<u>\$1,080,900</u>	<u>\$85,655</u>	<u>\$1,166,555</u>

See notes to consolidated financial statements.

ST. JUDE CHILDREN'S RESEARCH HOSPITAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2022 AND 2021 (In 000s)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 302,116	\$ 2,409,329
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Support received from ALSAC	(1,083,765)	(997,103)
Change in interest in net assets of ALSAC	(195,187)	(2,303,054)
Depreciation	106,213	94,939
Net realized and unrealized investment gain	(26)	(790)
Loss from disposal of property and equipment	596	651
Changes in operating assets and liabilities:		
Accounts receivable	(8,783)	(3,273)
Inventories	(1,095)	(1,078)
Prepaid expenses and other assets	(23,700)	(11,106)
Accounts payable and other accrued liabilities	14,664	13,700
Deferred revenues from grants and contracts	(5,777)	2,510
	(894,744)	(795,275)
Net cash used in operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(174,312)	(202,841)
Proceeds from the sale of property and equipment	16	49
	(174,296)	(202,792)
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES—Support received from ALSAC		
	1,083,765	997,103
Net cash provided by financing activities	1,083,765	997,103
NET CHANGE IN CASH	14,725	(964)
CASH—Beginning of year	3,865	4,829
CASH—End of year	\$ 18,590	\$ 3,865
NON-CASH INVESTING AND FINANCING ACTIVITIES—Capital expenditures, on account		
	\$ (2,469)	\$ (4,711)

See notes to consolidated financial statements.

ST. JUDE CHILDREN’S RESEARCH HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

St. Jude Children’s Research Hospital, Inc. and its wholly owned subsidiaries (collectively, the “Hospital”) is a research, treatment, and education center whose mission is to save children’s lives by finding the causes of catastrophic illnesses, improving related treatments, and finding cures for their diseases. No family ever pays the Hospital for the care their child receives. More than 8,200 patients are seen at the Hospital yearly, most of whom are treated on a continuing outpatient basis as part of ongoing research programs and account for approximately 70,000 hospital visits per year. The current basic science and clinical research at the Hospital includes work in gene therapy, chemotherapy, the biochemistry of normal and cancerous cells, radiation treatment, blood diseases, resistance to therapy, viruses, hereditary diseases, influenza, pediatric AIDS, and physiological effects of catastrophic illnesses.

The accompanying consolidated financial statements do not include the individual accounts of the Hospital’s affiliate, American Lebanese Syrian Associated Charities, Inc. (“ALSAC”), a not-for-profit corporation established to build awareness and raise funds to support the operations of the Hospital. The bylaws of ALSAC provide that all funds raised, except for funds required for its operations and funds restricted as to other uses by donors, be distributed to or held for the exclusive benefit of the Hospital.

Hospital operations are overseen by a board of governors (the “Board”). The research activities of the Hospital are reviewed annually by a scientific advisory board composed of internationally prominent physicians and scientists.

Basis of Presentation— The Hospital’s consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Principles of Consolidation—The consolidated financial statements include the accounts of St. Jude Children’s Research Hospital, Inc. and its wholly owned subsidiaries, Children’s GMP, LLC (“CGL”), St. Jude Children’s Research Hospital Graduate School of Biomedical Sciences, LLC (“SJGS”), and St. Jude Children’s Research Hospital Home Care, LLC (“SJHC”). The purpose of CGL is to lease, manage, and operate a facility that engages in the production of biologics and drugs to be used in research by St. Jude Children’s Research Hospital, Inc. and by other leading biomedical research institutions. The purpose of SJGS is to train the next generation of academic researchers in a multidisciplinary environment. SJHC is a home health agency serving St. Jude Children’s Research Hospital patients in the Memphis area. All intercompany transactions have been eliminated in consolidation.

Cash— The Hospital deposits its cash in financial institutions that are federally insured, although cash deposits generally exceed insured levels. The Hospital also has a cash management arrangement with ALSAC, generally providing for ALSAC’s reimbursement of Hospital funds when Hospital expenditures are presented for payment.

Inventories—Inventories, consisting primarily of medical supplies and pharmaceuticals, are stated at the lower of cost (first-in, first-out method) or net realizable value.

Assets Limited as to Use—Assets limited as to use include assets set aside by the Board for self-insurance funding, over which the Board retains control and may, at its discretion, subsequently use for other purposes.

Other Assets—The Hospital applies the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 350, *Intangibles – Goodwill and Other*. This standard provides guidance on the accounting for implementation costs incurred in a cloud computing arrangement (CCA) that is a service contract and requires entities to account for such costs consistent with the guidance on capitalizing costs associated with developing or obtaining internal-use software. Capitalized costs are amortized on a straight-line basis over contractual terms of 3 to 8 years. Costs capitalized, net of amortization of \$24.7 million and \$5.3 million in 2022 and 2021, respectively are included in Other assets—net in the accompanying consolidated statements of financial position.

Interest in Net Assets of ALSAC—The Hospital applies the provisions of ASC Topic 958, *Not-for-Profit Entities*. Because of the Hospital’s relationship as ALSAC’s sole beneficiary and the overall financial inter-relationship of the Hospital and ALSAC, ASC Topic 958 requires that the Hospital report its interest in the net assets of ALSAC in the consolidated statements of financial position, with corresponding changes in those net assets reported in a “quasi-equity-method” fashion in the accompanying consolidated statements of activities.

For purposes of classification as net assets without donor restrictions or net assets with donor restrictions, the change in the interest in ALSAC’s net assets is reported in the accompanying consolidated statements of activities consistent with the reporting of such changes in ALSAC’s financial statements.

Property and Equipment—Equipment and computer software are recorded at cost and depreciated on a straight-line basis over estimated useful lives of 3 to 20 years, and 3 to 5 years, respectively. Leasehold interests are recorded at cost and are depreciated on a straight-line basis over the term of their lease or their estimated useful lives, whichever is shorter. The Hospital evaluates the carrying value of its property and equipment under the provisions of ASC Topic 360, *Property, Plant, and Equipment*. Under ASC Topic 360, when events, circumstances, and operating results indicate that the carrying value of property and equipment assets may be impaired, the Hospital prepares projections of the undiscounted future cash flows expected to result from the use of the assets and their eventual disposition. If the projections indicate that the recorded amounts are not expected to be recoverable, such amounts are reduced to estimated fair value. There was no impairment in 2022 or 2021.

Net Assets—Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net Assets without Donor Restrictions—Net assets available for use in general operations and not subject to donor restrictions. The governing board has not designated from net assets without donor restrictions, other than the board-designated endowment fund and board-designated self-insurance funding, any other net assets to be restricted for specific purposes.

Net Assets with Donor Restrictions—Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Net Patient Service Revenues—Net operating revenues are recorded at the transaction price estimated by the Hospital to reflect the total consideration due from third-party payors in exchange for providing goods and services in patient care. These services are considered to be a single performance obligation and have a duration of less than one year. Revenues are recorded as these goods and services are provided. The transaction price, which involves significant estimates, is determined based on the Hospital’s standard charges for the goods and services provided, with a reduction recorded for price concessions related to third party contractual arrangements as well as other implicit price concessions.

The Hospital’s net patient service revenues for the years ended June 30, 2022 and 2021 have been presented in the following table based on an allocation of the estimated transaction price with the third-party payor between the primary classification of insurance coverage:

(In 000s)	2022	2021
Commercial insurance	\$ 33,404	\$ 52,322
Medicaid	48,745	39,429
Blue Cross	32,577	32,688
Other third-party payors	<u>3,510</u>	<u>3,282</u>
Total	<u>\$ 118,236</u>	<u>\$ 127,721</u>

The Hospital has agreements with governmental and other third-party payors that provide for reimbursement to the Hospital at amounts different from its established rates. The differences between the estimated reimbursement rates and the standard billing rates are accounted for as contractual adjustments, which are deducted from gross revenues to arrive at net patient service revenue. Final settlements under certain programs are subject to adjustment based on administrative review and audit by third parties. Adjustments to the estimated billings are recorded in the periods when such adjustments become known. Adjustments to previous reimbursement estimates are accounted for as contractual allowance adjustments and reported in the period in which final settlements are determined. In addition, the Hospital is reimbursed by non-governmental payors using a variety of payment methodologies.

A summary of the basis for reimbursement with major third-party payors follows:

Commercial—The Hospital has entered into reimbursement arrangements providing for payment methodologies, which include prospectively determined rates per discharge, per diem amounts, case rates, fee schedules, and discounts from established charges.

Medicaid—Inpatient and outpatient services rendered to Medicaid program beneficiaries are generally paid based upon prospective reimbursement methodologies established by the beneficiaries’ state of residence.

Blue Cross—All acute care services rendered to Blue Cross subscribers are reimbursed at prospectively determined rates.

Accounts Receivable, Patient Care Services—The Hospital reports accounts receivable from patient care services at net realizable value based on certain assumptions determined for each major third-party payor type. For third-party payors the net realizable value is based on the estimated contractual reimbursement percentage, which is based on current contract prices or historical paid claims data by payor. These estimates are adjusted for expected recoveries and any anticipated changes in trends. As no family ever pays for the care their child receives at the Hospital, there are no self-pay accounts receivable.

Accounts receivable, patient care services and their net realizable value can be impacted by significant changes in payor mix, business office operations, economic conditions, or trends in federal and state governmental healthcare coverage. The Hospital continually reviews the net realizable value of accounts receivable by monitoring historical cash collections as a percentage of trailing net operating revenues, as well as by analyzing current period net revenue, aged accounts receivable by third-party payor and other related factors.

Accounts receivable, patient care services has been reduced by estimated provisions for contractual adjustments and uncollectible accounts of \$97.9 million and \$111.9 million in 2022 and 2021, respectively.

Charity Care—The Hospital provides care to patients for all charges in excess of those realizable from third-party payors. Because the Hospital does not pursue the collection of amounts determined to qualify as charity care, such amounts are not reported as revenue.

As a result, charges foregone, based on established rates, totaled approximately \$90.5 million and \$58.3 million in 2022 and 2021, respectively. Management’s estimate of costs incurred to provide charity care were \$86.5 million and \$55.9 million in 2022 and 2021, respectively.

In addition to the patient care benefits described above, the Hospital provides significant research benefits to the broader community and other outreach programs.

Concentration of Credit Risk—The Hospital routinely obtains assignment of (or is otherwise entitled to receive) patients’ benefits payable under their health insurance programs, plans, or policies (e.g., Medicaid, Blue Cross, preferred provider arrangements, and commercial insurance policies).

The mix of accounts receivable from third-party payors, net of contractual allowances, as of June 30, 2022 and 2021, is as follows:

	2022	2021
Commercial insurance	39 %	48 %
Medicaid	30	26
Blue Cross	30	29
Other third-party payors	<u>1</u>	<u>(3)</u>
Total	<u>100 %</u>	<u>100 %</u>

Research Grants and Contracts—The Hospital records revenues related to research grants and contracts in two portfolio categories based on the source of the funds:

Government Sponsors provide funding for research largely to advance knowledge for public or academic benefit in direct support of the Hospital’s mission. The Hospital primarily considers these sponsored research agreements to be contributions (nonreciprocal transactions). The Hospital recognizes grant and contract revenue associated with contributions from government sponsors as earned when the conditions are met (allowable expenses have been incurred). Additionally, a small portion of government-sponsored awards qualify as exchange (reciprocal) transactions. The transaction price for exchange transactions is the stated amount of the award. The Hospital recognizes grants and contracts revenue related to these exchange transactions at the time services are provided. Government sponsored research grants and contracts revenues were approximately \$129.2 million and \$122.2 million for the years ended June 30, 2022 and 2021, respectively.

Private Sponsors consist of private agencies, professional associations, private foundations, corporate foundations and corporations. The Hospital recognizes revenue associated with contributions from private sponsors as the conditions are met. Additionally, some private sponsor awards qualify as exchange (reciprocal) transactions. The transaction price for exchange transactions is the stated amount of the award. The Hospital recognizes grants and contracts revenue related to these exchange transactions at the time services are provided. Private sponsored research grants and contracts revenues were approximately \$24.0 million and \$11.6 million for the years ended June 30, 2022 and 2021, respectively.

Facilities and Administrative (F&A) Costs Recovery—The Hospital recognizes F&A costs recovery as revenue. This activity represents reimbursement, primarily from the federal government, of F&A costs on government sponsored activities as described above. Federal F&A cost recovery rates were either 79.5% or 82% in 2022 and varied based on the date of the award. Research grants and contracts revenue were approximately \$43.6 million and \$39.2 million for the years ended June 30, 2022 and 2021, respectively.

Other Revenue—Other revenue includes technology licensing, net of payouts to inventors, and other miscellaneous revenue. The Hospital recognizes revenue from other sources as the related services are provided and/or amounts are otherwise earned upon satisfaction of the performance obligation in accordance with the terms of the underlying agreements. Technology licensing included in other revenue was approximately \$22.1 million and \$7.6 million for the years ended June 30, 2022 and 2021, respectively.

Income Taxes—The Hospital qualifies as tax exempt under existing provisions of the Internal Revenue Code (the “Code”), and its income is generally not subject to federal or state income taxes. The Hospital is not considered a private foundation as defined in Section 509(a) of the Code and, therefore, individual donors are entitled to the maximum charitable deduction under Section 170(c) of the Code.

Functional Expenses—The costs of providing program and other activities have been summarized on a functional basis in the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis using the following methods:

Expense Category	Method of Allocation
Salaries and benefits	Gross salaries
Professional fees and contract services	Nature of activity
Supplies	Purchase requisitions
Telephone	Full time equivalent
Occupancy	Square footage
Travel and meetings	Travel expenses
Miscellaneous	Nature of activity
Depreciation	Square footage/cost center assignment

Use of Estimates—The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires that management make estimates and assumptions affecting the reported amounts of assets, liabilities, revenue, and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Significant items subject to such estimates and assumptions include the determination of the contractual allowances. Other estimates include professional and general liability costs, reserves for workers’ compensation claims, and reserves for employee health care claims. In addition, laws and

regulations governing various federal-sponsored and state-sponsored reimbursement programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates related to these programs may change in the near term.

New Accounting Standards Adopted— In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (ASU 2020-07), which requires presentation of contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets and additional disclosures regarding the qualitative factors, donor-imposed restrictions, and fair value measurements of those contributed nonfinancial assets. ASU 2020-07 is effective for annual periods beginning after June 15, 2021. The Hospital adopted this standard for the year ended June 30, 2022. The Hospital determined that they did not receive material contributions of non-financial assets in 2022 and 2021, and therefore determined that this standard did not have an impact on its financial statements for the years ended June 30, 2022 and 2021.

Subsequent Events—The Hospital has evaluated the impact of significant subsequent events. There have been no subsequent events through October 7, 2022, the date the consolidated financial statements were available to be issued, that require recognition or disclosure.

Recent Accounting Pronouncements—In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This standard requires all leases that have a term of more than 12 months to be recognized on the statement of financial position with the liability for lease payments and the corresponding right-of-use asset initially measured at the present value of amounts expected to be paid over the term. Recognition of the costs of these leases on the statement of activities will be dependent upon their classification as either an operating or a financing lease. Costs of an operating lease will continue to be recognized as a single operating expense on a straight-line basis over the lease term. Costs for a financing lease will be disaggregated and recognized as both an operating expense (for the amortization of the right-of-use asset) and interest expense (for interest on the lease liability). This standard is effective for fiscal years beginning after December 15, 2021, with early adoption permitted. Management is evaluating the impact of adopting this new accounting standard on the Hospital's consolidated financial statements.

2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

(In 000s)

Financial assets at year end:	
Cash	\$ 18,590
Accounts receivable:	
Patient-care services—net	15,584
Grants and contracts	46,886
Other	6,698
Assets limited as to use	<u>3,235</u>
Total financial assets	90,993
Less amounts not available to be used within one year—assets limited as to use	<u>(3,235)</u>
Financial assets available within one year	<u>\$ 87,758</u>

Additionally, the Hospital has a cash management arrangement with ALSAC, generally providing for ALSAC's reimbursement of Hospital funds when Hospital expenditures are presented for payment. ALSAC provided approximately \$1.1 billion for the year ended June 30, 2022 to support the Hospital's expenditures. ALSAC has approximately \$5.4 billion available to support hospital operations over the next twelve months.

3. ASSETS LIMITED AS TO USE

Assets limited as to use under self-insurance funding arrangements represent the Hospital's ownership of a percentage of assets in a diversified pooled investment portfolio (the "Portfolio") based on the market value after adjusting for the time-weighted holding period of any contributions and withdrawals to the Portfolio. The Portfolio is administered by a third-party custodian and maintained for the exclusive use of the Hospital. Assets limited as to use were approximately \$3.2 million for the years ended June 30, 2022 and 2021.

The composition of net investment income for the years ended June 30, 2022 and 2021, is as follows:

(In 000s)	2022	2021
Interest and dividend income	\$ 20	\$ 14
Net realized and unrealized investment gain	<u>6</u>	<u>776</u>
Total investment income	<u>\$ 26</u>	<u>\$ 790</u>

4. PROPERTY AND EQUIPMENT

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

(In 000s)	2022	2021
Leasehold interests:		
Land improvements	\$ 19,891	\$ 19,683
Buildings and improvements	1,468,747	1,445,319
Owned property:		
Equipment	509,511	451,488
Computer software	73,263	72,794
Construction in progress	<u>174,401</u>	<u>101,365</u>
	2,245,813	2,090,649
Less accumulated depreciation	<u>(1,176,698)</u>	<u>(1,086,552)</u>
Total	<u>\$ 1,069,115</u>	<u>\$ 1,004,097</u>

All land improvements, buildings, and building improvements are leased from ALSAC. The major terms of the lease are described in Note 11. The Hospital has reported land improvements and buildings under lease from ALSAC as a capital lease. Land improvements and buildings have been capitalized at cost, which the Hospital estimates approximated the fair value at the inception of the lease.

Construction in progress at June 30, 2022, includes \$62.7 million of costs related to the construction of a patient and family housing facility. The total estimated cost of the project is \$110 million and is expected to be substantially complete in calendar year 2023.

5. EMPLOYEE RETIREMENT BENEFIT PLAN

The Hospital sponsors a defined contribution retirement annuity plan, generally covering all employees who have completed one year of service. The plan requires that the Hospital make annual contributions based on participants' base compensation and employment classification. The plan allows individuals to begin making contributions to the plan as a pretax deferral as soon as administratively feasible after the hire date. Hospital contributions are 50% vested after two years of service and 100% vested after three years of service. Employee contributions are 100% vested immediately. Total cash contributions by the Hospital to the plan were approximately \$32.4 million and \$30.4 million for the years ended June 30, 2022 and 2021, respectively.

6. ALSAC

The accompanying consolidated financial statements do not include the individual accounts of ALSAC. Because of the Hospital's relationship as ALSAC's sole beneficiary and the overall financial inter-relationship of the Hospital and ALSAC, the Hospital's interest in the net assets of ALSAC is reported in its statements of financial position, with corresponding changes in those net assets reported in a "quasi-equity method" in the statements of activities. A summary of the financial statements of ALSAC as of June 30, 2022 and 2021, and for the years then ended is as follows:

(In 000s)	2022	2021
Assets:		
Cash and investments	\$ 8,028,639	\$ 7,873,431
Other assets	<u>330,587</u>	<u>290,649</u>
Total assets	<u>\$ 8,359,226</u>	<u>\$ 8,164,080</u>
Total liabilities	<u>\$ 124,572</u>	<u>\$ 124,613</u>
Net assets:		
Without donor restrictions	\$ 6,995,147	\$ 6,683,886
With donor restrictions	<u>1,239,507</u>	<u>1,355,581</u>
Total net assets	<u>8,234,654</u>	<u>8,039,467</u>
Total liabilities and net assets	<u>8,359,226</u>	<u>8,164,080</u>
Revenues, gains, and other support	<u>2,029,302</u>	<u>3,938,699</u>
Expenses:		
Hospital support	1,083,765	997,103
Other program services	207,210	176,021
Supporting services	<u>543,212</u>	<u>462,556</u>
Total expenses	<u>1,834,187</u>	<u>1,635,680</u>
Gain from disposal of property and equipment	<u>72</u>	<u>35</u>
Changes in net assets	195,187	2,303,054
Net assets—beginning of year	<u>8,039,467</u>	<u>5,736,413</u>
Net assets—end of year	<u>\$ 8,234,654</u>	<u>\$ 8,039,467</u>

Investments—The composition of investments as of June 30, 2022 and 2021, is as follows:

(In 000s)	2022	2021
Global equity	\$ 2,356,571	\$ 2,659,746
Marketable alternative	2,252,243	2,161,687
Real assets	306,233	288,505
Private equity	1,821,437	1,724,162
Fixed income	769,381	604,472
Cash	<u>115,090</u>	<u>169,922</u>
 Total	 <u>\$ 7,620,955</u>	 <u>\$ 7,608,494</u>

The composition of net investment (loss) income for the years ended June 30, 2022 and 2021, is as follows:

(In 000s)	2022	2021
Net realized and unrealized investment (loss) gains	\$ (435,249)	\$ 1,831,718
Interest and dividend income	49,899	33,208
Investment expenses	<u>(2,242)</u>	<u>(1,623)</u>
 Net investment (loss) income	 <u>\$ (387,592)</u>	 <u>\$ 1,863,303</u>

Fair Value Measurement—ALSAC accounts for assets and liabilities measured at fair value using ASC Topic 820, *Fair Value Measurement*. Certain assets and liabilities are required to be recorded at fair value on a recurring basis, while other assets and liabilities are recorded at fair value on a nonrecurring basis, generally as a result of impairment charges. Under ASC 820, fair value refers to the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Assets measured at fair value on a nonrecurring basis include impairment of long-lived assets.

The guidance enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The fair value of cash, receivables, accounts payable, accrued expenses and annuity obligations approximate their carrying values. ALSAC considers the carrying amounts of all working capital to approximate fair value because of the short-term and/or nature of the instrument.

Investments with readily available actively quoted prices, or for which fair value can be measured from actively quoted prices, generally, will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. In the absence of actively quoted prices and observable inputs, ALSAC estimates prices based on available historical data and near-term future pricing information that reflects its market assumptions.

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by ALSAC for investments measured at fair value on a recurring basis:

Level 1—Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.

Level 2—Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3—Inputs are unobservable and significant to the asset or liability, and include situations where there is little, if any, market activity for the asset or liability.

Net Asset Value (NAV)—For these assets, ASU No. 2015-07, *Fair Value Measurement—Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)* eliminated the requirement that investments for which fair value is measured at NAV per share (or its equivalent) using the practical expedient be categorized in the fair value hierarchy.

Most investments classified within the NAV categories consist of the shares/units (or equivalent ownership interest in partner’s capital) in investment funds rather than direct ownership in the funds’ underlying assets.

The investments in investment funds (in partnership format) by major category as of June 30, 2022 and 2021 were fully funded and the fair value was as follows:

(In 000s)	2022			
	Level 1	Level 2	Net Asset Value	Total
Global equity	\$ 575,436	\$ -	\$ 1,781,135	\$ 2,356,571
Marketable alternative	6,861	-	2,245,382	2,252,243
Real assets	1,060	-	305,173	306,233
Private equity	-	-	1,821,437	1,821,437
Fixed income	607,469	161,912	-	769,381
Cash	<u>115,090</u>	<u>-</u>	<u>-</u>	<u>115,090</u>
Total	<u>\$ 1,305,916</u>	<u>\$ 161,912</u>	<u>\$ 6,153,127</u>	<u>\$ 7,620,955</u>

(In 000s)	2021			
	Level 1	Level 2	Net Asset Value	Total
Global equity	\$ 768,071	\$ -	\$ 1,891,675	\$ 2,659,746
Marketable alternative	6,103	-	2,155,584	2,161,687
Real assets	15,531	-	272,974	288,505
Private equity	-	-	1,724,162	1,724,162
Fixed income	31,923	-	572,549	604,472
Cash	<u>169,922</u>	<u>-</u>	<u>-</u>	<u>169,922</u>
Total	<u>\$ 991,550</u>	<u>\$ -</u>	<u>\$ 6,616,944</u>	<u>\$ 7,608,494</u>

During the year ended June 30, 2022, three investments classified as NAV for \$689 million were terminated and the remaining balance of this investment as of June 30, 2022, was immaterial. There were no significant transfers during the year ended June 30, 2021, and there were no purchases or issuances of Level 3 investments during the years ended June 30, 2022 and 2021.

Private equity and private real assets do not have a readily determinable market value. Fair values are based on information provided by the fund managers along with audited financial information using either the market approach or an income approach, each of which requires a significant degree of

judgment. There is no active trading market for these investments, and they are for the most part illiquid.

ALSAC uses fund NAV as a practical expedient to estimate the fair value of ALSAC ownership interest for funds which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company.

The investments in investment funds (in partnership format) by major category as of June 30, 2022 and 2021 were as follows:

(In 000s)	2022	2021	Redemption Frequency	Redemption Notice Period
Global equity ^(a)	\$ 1,781,135	\$ 1,891,675	Daily, monthly, quarterly, greater than one year	0–60 days
Marketable alternatives ^(b)	2,245,382	2,155,584	Monthly, quarterly, annually greater than one year	30–180 days
Real assets ^(c)	305,173	272,974	Manager Initiated Distributions	N/A
Private equity ^(d)	1,821,437	1,724,162	Manager Initiated Distributions	N/A
Fixed income ^(e)	<u>-</u>	<u>572,549</u>	Daily	0–30 days
Total	<u>\$ 6,153,127</u>	<u>\$ 6,616,944</u>		

For the Global equity and Marketable alternatives there is approximately \$11 million across 8 funds undergoing full redemption from which ALSAC receives regular distributions, as stated in the funds' liquidity terms, or through liquidation by fund managers of underlying, illiquid securities. Liquidation of approximately \$1.3 million is expected to be completed within the next year. Illiquid balances expected to be distributed in the longer term remain from funds terminated in 2020, 2017, and prior years which total approximately \$4.4 million, \$3.6 million, and \$1.3 million, respectively. There were no unfunded commitments related to investments valued at NAV in either 2022 or 2021.

Real assets and Private equity categories are invested in partnerships and illiquid. ALSAC is obligated under these investment contracts to periodically advance funding up to contractual levels. Such commitments were approximately \$1.1 billion and \$776 million at June 30, 2022 and 2021, respectively.

- ^(a) Includes investments in global equity and long/short equity hedge funds. The long/short equity funds include short positions as well as long positions and use leverage. Managers in this allocation pursue diversified strategies covering multiple capitalizations, styles and geographic focus. Some funds may be subject to lock-up provisions.
- ^(b) Includes hedge fund strategies such as hedged equity, multi-strategy, arbitrage, global macro, distressed securities, and open mandate strategies. Underlying investments are primarily liquid instruments and their derivatives in fixed income, asset backed securities, currencies, trade claims, commodities, and equities. The funds include short positions as well as long positions and use leverage. It also includes side pockets (a separate share class) which are not available for redemption until the investment is liquidated by the managers.

- (c) Includes investments in a variety of real assets held in partnership funds. These assets include private real estate, real estate related debt and securities, oil and gas and other energy related investments, timber, commodities, precious metals, and mining companies. The funds in this category do not permit redemptions.
- (d) Includes investments in venture capital, leverage buyouts, growth equity, and distressed investments. The funds in this category do not permit redemptions.
- (e) Consists of U.S. Treasury securities employing a constant duration strategy and is liquid on a daily basis.

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2022 and 2021, are restricted for the following purposes:

(In 000s)	2022	2021
Endowments:		
Subject to spending policy and appropriation:		
Future needs of the hospital	\$ 694,808	\$ 786,366
Endowed chairs	363,539	381,207
Treatment and research	<u>37,754</u>	<u>35,420</u>
Total endowments	1,096,101	1,202,993
Subject to the passage of time	103,599	112,781
Net assets restricted to purpose	<u>39,807</u>	<u>39,807</u>
Total net assets with donor restrictions	<u>\$ 1,239,507</u>	<u>\$ 1,355,581</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2022 and 2021:

(In 000s)	2022	2021
Spending from donor-restricted endowment funds under an endowment spending policy	\$ 61,960	\$ 61,862
Expiration of split interest agreements	<u>4,276</u>	<u>9,179</u>
Total	<u>\$ 66,236</u>	<u>\$ 71,041</u>

8. NET ASSETS WITHOUT DONOR RESTRICTIONS

The composition of net assets without donor restrictions as of June 30, 2022 and 2021 is as follows:

(In 000s)	2022	2021
Cash and cash equivalents	\$ 386,384	\$ 228,305
Receivables	156,005	123,856
Investments	6,309,707	6,167,758
Inventories	18,797	17,702
Board-designated endowments	113,448	126,935
Board-designated self-insurance funding	3,235	3,209
Property and equipment—net	1,291,328	1,222,400
Deferred expenses and other assets	<u>76,418</u>	<u>40,590</u>
Total assets without donor restrictions	8,355,322	7,930,755
Liabilities	<u>(319,160)</u>	<u>(312,783)</u>
Net assets without donor restrictions	<u>\$8,036,162</u>	<u>\$7,617,972</u>

9. FINANCIAL INSTRUMENTS

The carrying amounts of all applicable asset and liability financial instruments reported in the consolidated statements of financial position approximate their estimated fair values due to their short-term nature, in all significant respects, as of June 30, 2022 and 2021.

10. SELF-INSURANCE PROGRAMS

The Hospital is self-insured for the following:

- Comprehensive general and professional liability coverage up to \$2 million per claim and \$6 million in the aggregate, with \$100 million of excess claims-made coverage above the self-insured retentions. The reserve for the estimated ultimate costs of both reported claims and claims incurred, but not reported was approximately \$2.7 million and \$1.7 million as of June 30, 2022 and 2021, respectively. The reserve is included in the consolidated statements of financial position as other long-term liabilities.
- Workers' compensation liabilities up to a specific retention of \$0.5 million, with excess coverage at statutory limits. The reserve for the estimated ultimate costs of both reported claims and claims incurred, but not reported was approximately \$1.2 million and \$1.4 million as of June 30, 2022 and 2021, respectively. The reserve is included in the consolidated statements of financial position as other long-term liabilities.
- Employee health coverage (medical and prescription drug) up to \$0.45 million per covered individual per year with no lifetime limit. The reserve for the estimated ultimate costs of both reported claims and claims incurred, but not reported, was approximately \$5.6 million and \$4.3 million as of June 30, 2022 and 2021, respectively. The reserve is included in the consolidated statements of financial position as employee health liability costs.

The Hospital also has substantial excess liability coverage available under the provisions of certain claims-made policies. To the extent that any claims-made coverage is not renewed or replaced with

equivalent insurance, claims based on occurrences during the term of such coverage, but reported subsequently, would be uninsured. Management believes, based on incidents identified through the Hospital's incident reporting system, that any such claims would not have a material effect on the Hospital's consolidated statements of activities or financial position. In any event, management anticipates that the claims-made coverage currently in place will be renewed or replaced with equivalent insurance as the term of such coverage expires. Excess policies for professional liability coverage, workers' compensation coverage, and employee health coverage expire on May 1, 2023, January 1, 2023, and December 31, 2022, respectively.

11. LEASES

Rental expense for all operating leases was approximately \$4.9 million and \$4.2 million for the years ended June 30, 2022 and 2021, respectively.

A schedule by year of future minimum lease payments under operating leases as of June 30, 2022, that have initial or remaining lease terms in excess of one year is as follows:

Years Ending June 30	(In 000s)
2023	\$ 4,810
2024	4,831
2025	4,036
2026	<u>3,241</u>
Total	<u>\$16,918</u>

The Hospital conducts its operations from leased property and facilities, which include certain land, administration facilities, three parking garages, patient care facilities, and research facilities. The term of the lease of the aforementioned property and facilities between the Hospital and ALSAC is 100 years, commencing December 31, 1998, and expiring December 31, 2098. This lease is classified as a capital lease by the Hospital.

An analysis of leased property under the Hospital's capital lease by major classes as of June 30, 2022 and 2021, is as follows:

(In 000s)	2022	2021
Land improvements	\$ 19,891	\$ 19,683
Buildings and improvements	<u>1,468,747</u>	<u>1,445,319</u>
	1,488,638	1,465,002
Less accumulated depreciation	<u>(762,149)</u>	<u>(702,421)</u>
Total	<u>\$ 726,489</u>	<u>\$ 762,581</u>

There are no future minimum lease payments under this capital lease.

12. COMMITMENTS AND CONTINGENCIES

Claims and Litigation—The Hospital is involved in various claims and matters of litigation that arise in the normal course of business. Although the outcome of these proceedings and claims cannot be determined with certainty, the Hospital’s management is of the opinion that the outcome will not have a material adverse effect on the consolidated financial statements.

Health Care Industry—The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters, such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare fraud and abuse. Recently, government activity has increased with respect to investigators and/or allegations concerning possible violations of fraud and abuse statutes and/or regulation by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Hospital is in compliance with fraud and abuse statutes, as well as other applicable government laws and regulations.

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SUPPLEMENTAL INFORMATION

ST. JUDE CHILDREN’S RESEARCH HOSPITAL, INC. AND SUBSIDIARIES

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

Program Type Federal Agency Grantor	Pass-Through Grantor	Pass-Through Grantor ID	Federal ALN Number	Federal ALN Program Title	Federal Expenditures	Payments to Subrecipients
RESEARCH AND DEVELOPMENT CLUSTER:						
Department of health and human services:						
	Direct awards:					
			93.172 Total	Human Genome Research	\$ 1,524,217	\$ 760,906
			93.173 Total	Research Related to Deafness and Communication Disorders	538,565	-
			93.242 Total	Mental Health Research Grants	876,585	-
			93.31 Total	Trans-NIH Research Support	932,518	127,895
			93.353 Total	21st Century Cures Act—Beau Biden Cancer Moonshot	102,334	-
			93.393 Total	Cancer Cause and Prevention Research	9,889,745	1,266,926
			93.394 Total	Cancer Detection and Diagnosis Research	1,601,085	475,013
			93.395 Total	Cancer Treatment Research	12,372,090	2,633,690
			93.396 Total	Cancer Biology Research	8,350,709	216,263
			93.397 Total	Cancer Centers Support Grants	6,813,198	20,411
			93.398 Total	Cancer Research Manpower	2,020,992	-
			93.837 Total	Cardiovascular Diseases Research	584,680	-
			93.839 Total	Blood Diseases and Resources Research	4,009,993	986,602
			93.846 Total	Arthritis, Musculoskeletal and Skin Diseases Research	310,242	-
			93.847 Total	Diabetes, Digestive, and Kidney Diseases Extramural Research	1,321,119	-
			93.853 Total	Extramural Research Programs in The Neurosciences and Neurological Disorders	4,922,337	293,064
			93.855 Total	Allergy and Infectious Diseases Research	19,142,540	8,030,397
			93.859 Total	Biomedical Research and Research Training	8,502,629	42,714
			93.865 Total	Child Health and Human Development Extramural Research	305,730	49,811
			93.866 Total	Aging Research	1,895,521	607,346
			93.867 Total	Vision Research	455,976	-
			93.RD Total	Federal Contract	<u>22,894,537</u>	<u>11,926,101</u>
	Total direct awards				<u>109,367,342</u>	<u>27,437,139</u>
	Pass-through awards:					
	University of Memphis	1NU58DD000019-01-00	93.080	Blood Disorder Program: Prevention, Surveillance, and Research	5,123	-
	University of Memphis	1NU58DD000019-01-00	93.080	Blood Disorder Program: Prevention, Surveillance, and Research	15,669	-
	University of North Carolina	1NU27DD000020-01-00	93.080	Blood Disorder Program: Prevention, Surveillance, and Research	2,551	-
	University of North Carolina	NU27DD000020-01-00	93.080	Blood Disorder Program: Prevention, Surveillance, and Research	<u>6,779</u>	<u>-</u>
			93.080 Total		<u>30,122</u>	<u>-</u>
	University of Alabama at Birmingham	000522395-SC001	93.103	Food and Drug Administration Research	<u>27,505</u>	<u>-</u>
			93.103 Total		<u>27,505</u>	<u>-</u>
	University of Pittsburgh	H30MC24050	93.110	Maternal and Child Health Federal Consolidated Programs	<u>23</u>	<u>-</u>
			93.110 Total		<u>23</u>	<u>-</u>
	University of Texas-Houston Medical	1R03DE029238-01	93.121	Oral Diseases and Disorders Research	<u>(10,051)</u>	<u>-</u>
			93.121 Total		<u>(10,051)</u>	<u>-</u>
	Columbia University	U24HG010733	93.172	Human Genome Research	9,352	-
	Cornell University	1RM1HG011563-01A1	93.172	Human Genome Research	<u>146,714</u>	<u>-</u>
			93.172 Total		<u>156,066</u>	<u>-</u>

(Continued)

ST. JUDE CHILDREN'S RESEARCH HOSPITAL, INC. AND SUBSIDIARIES

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

Program Type Federal Agency Grantor	Pass-Through Grantor	Pass-Through Grantor ID	Federal ALN	Federal ALN Program Title	Federal Expenditures	Payments to Subrecipients
	Boston Childrens Hospital	GENFD0002092480	93.226	Research on Healthcare Costs, Quality and Outcomes	\$ 24,928	\$ -
			93.226 Total		24,928	-
	University of Washington	2R01MH101221-09 REVISED	93.242	Mental Health Research Grants	15,604	-
			93.242 Total		15,604	-
	Columbia University	5R01DA041510-05	93.279	Drug Abuse and Addiction Research Programs	74,305	-
			93.279 Total		74,305	-
	University of Memphis	1R21EB031298-01	93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health	8,545	-
			93.286 Total		8,545	-
	Baylor College of Medicine	3P30CA12513-12S4	93.307	Minority Health and Health Disparities Research	(758)	-
			93.307 Total		(758)	-
	Dana Farber Cancer Institute	3U54CA231637-01S1	93.353	21st Century Cures Act—Beau Biden Cancer Moonshot	4,731	-
			93.353 Total		4,731	-
	Johns Hopkins University	6IDSEP160031-01-04	93.360	Biomedical Advanced Research and Development Authority (Barda), Biodefense Medical Countermeasure Development	74,013	-
			93.360 Total		74,013	-
	Memorial Sloan Kettering Cancer Cen	1R01NR019637-01A1	93.361	Nursing Research	810	-
	National Institute of Nursing Resea	1R01NR019637-01A1	93.361	Nursing Research	102	-
			93.361 Total		912	-
	University of Alabama-Birmingham	HRSA-21-032 SCDTDP	93.365	Sickle Cell Treatment Demonstration Program	27,868	-
			93.365 Total		27,868	-
	Childrens Hospital of Philadelphia	GRT-00000931/PO# 20249297	93.393	Cancer Cause and Prevention Research	170,922	-
	Duke University	9R01CA134722-09	93.393	Cancer Cause and Prevention Research	4,137	-
	Fred Hutchinson Cancer Research Cen	1R01CA263144-01	93.393	Cancer Cause and Prevention Research	8,672	-
	National Cancer Institute	5R01CA204378-05	93.393	Cancer Cause and Prevention Research	130,737	-
	Nationwide Childrens Hospital	1R01CA248103-01A1	93.393	Cancer Cause and Prevention Research	50,543	-
	Northwestern University	60059629 JUDE	93.393	Cancer Cause and Prevention Research	51,069	-
	University of Alabama-Birmingham	1R01CA248439-01A1	93.393	Cancer Cause and Prevention Research	44,317	-
	University of Chicago	1R01CA237369-01A1	93.393	Cancer Cause and Prevention Research	152	-
	University of Chicago	1R01CA255269-01	93.393	Cancer Cause and Prevention Research	78,487	-
	University of Chicago	5R01CA237369-02	93.393	Cancer Cause and Prevention Research	338,386	-
	University of Minnesota	N009189901	93.393	Cancer Cause and Prevention Research	15,824	-
	Washington University School of Med	1R03CA252485-01	93.393	Cancer Cause and Prevention Research	(629)	-
	Washington University School of Med	5R03CA252485-02	93.393	Cancer Cause and Prevention Research	56,486	-
	Weill Medical College of Cornell	1R01CA244500-01A1	93.393	Cancer Cause and Prevention Research	24,643	-
			93.393 Total		973,746	-

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Program Type Federal Agency Grantor	Pass-Through Grantor	Pass-Through Grantor ID	Federal ALN	Federal ALN Program Title	Federal Expenditures	Payments to Subrecipients
	Childrens Hospital of Philadelphia	GRT-00001548/PO# 20306753	93.394	Cancer Detection and Diagnosis Research	\$ 71,174	\$ -
	Childrens Hospital of Philadelphia	R01CA193478	93.394	Cancer Detection and Diagnosis Research	1,459	-
	Stanford University	1R01CA251858-01A1	93.394	Cancer Detection and Diagnosis Research	10,565	-
	Tymora Analytical Operations LLC	OTH00000015	93.394	Cancer Detection and Diagnosis Research	4,688	-
	University of Florida	R01CA132946	93.394	Cancer Detection and Diagnosis Research	56,936	-
			93.394 Total		144,822	-
	Baylor College of Medicine	1R01CA249867-01	93.395	Cancer Treatment Research	17,518	-
	Baylor College of Medicine	7000001283	93.395	Cancer Treatment Research	314,350	-
	Boston Childrens Hospital	5R01CA227576-03	93.395	Cancer Treatment Research	2,865	-
	Boston Childrens Hospital	5R01CA227576-04	93.395	Cancer Treatment Research	16,803	-
	Childrens Hospital of Philadelphia	2U10CA180886-06	93.395	Cancer Treatment Research	(1,078)	-
	Childrens Hospital of Philadelphia	COG - AALL1922	93.395	Cancer Treatment Research	476	-
	Childrens Hospital of Philadelphia	R01CA196854	93.395	Cancer Treatment Research	20,983	-
	Childrens Hospital of Philadelphia	U10CA180886	93.395	Cancer Treatment Research	10,314	-
	Childrens Hospital of Philadelphia	UG1CA189955	93.395	Cancer Treatment Research	11,878	-
	Childrens Hospital of Philadelphia	UG1CA233249	93.395	Cancer Treatment Research	47,016	-
	Childrens Hospital of Philadelphia	UM1CA228823	93.395	Cancer Treatment Research	1,512	-
	Childrens Hospital of Philadelphia	1UM1CA228823-01	93.395	Cancer Treatment Research	7,914	-
	Childrens Oncology Group Foundation	AR02568	93.395	Cancer Treatment Research	1,340	-
	Childrens Oncology Group Foundation	AR06789	93.395	Cancer Treatment Research	5,068	-
	Childrens Oncology Group Foundation	AR10386	93.395	Cancer Treatment Research	3,426	-
	Childrens Oncology Group Foundation	COG - AAML1921 - Pfizer	93.395	Cancer Treatment Research	202	-
	Childrens Oncology Group Foundation	FP00027904_SUB28_01	93.395	Cancer Treatment Research	947	-
	Childrens Oncology Group Foundation	FP00028913_SUB_01	93.395	Cancer Treatment Research	284	-
	Fred Hutchinson Cancer Research	5R01CA114567-12	93.395	Cancer Treatment Research	26,742	-
	Icahn School of Medicine at Mount	5P01CA108671-13	93.395	Cancer Treatment Research	212,712	-
	Icahn School of Medicine at Mount	5P01CA108671-14	93.395	Cancer Treatment Research	62,068	-
	Public Health Institute	5U10CA180899-08	93.395	Cancer Treatment Research	622,457	-
	Public Health Institute	AR03199	93.395	Cancer Treatment Research	15,487	-
	Public Health Institute	AR03200	93.395	Cancer Treatment Research	15,557	-
	Public Health Institute	AR03205	93.395	Cancer Treatment Research	30,863	-
	Public Health Institute	AR03285	93.395	Cancer Treatment Research	15,528	-
	Public Health Institute	AR03289	93.395	Cancer Treatment Research	7,766	-
	Public Health Institute	AR03459	93.395	Cancer Treatment Research	7,738	-
	Public Health Institute	AR03467	93.395	Cancer Treatment Research	7,769	-
	Public Health Institute	AR04096	93.395	Cancer Treatment Research	2,367	-
	Public Health Institute	AR06789	93.395	Cancer Treatment Research	3,524	-
	Public Health Institute	U10CA180886	93.395	Cancer Treatment Research	37,792	-
	Public Health Institute	UM1CA228823	93.395	Cancer Treatment Research	2,252	-
	Seattle Childrens Research Institut	5R01CA225629-04	93.395	Cancer Treatment Research	591	-
	St. Jude Childrens Research Hospital	110068230	93.395	Cancer Treatment Research	18,500	-
	St. Jude Childrens Research Hospital	2UM1CA081457-22	93.395	Cancer Treatment Research	71,972	-
	St. Jude Childrens Research Hospital	5UM1CA081457-22 110068221-ONC	93.395	Cancer Treatment Research	111,249	-
	University of California-Irvine	5R01CA222012-03	93.395	Cancer Treatment Research	(442)	-
	University of California-Irvine	5R01CA222012-04	93.395	Cancer Treatment Research	137,728	-
	University of Kentucky	1R01CA247365-02	93.395	Cancer Treatment Research	118	-
	University of Kentucky	5R01CA247365-03	93.395	Cancer Treatment Research	159,375	-
	University of Minnesota	1R01CA239701-01A1	93.395	Cancer Treatment Research	5,689	-
	University of Minnesota	R01CA239701	93.395	Cancer Treatment Research	61,495	-
	University of Tennessee Health Science Center	22-0418-SJCRH	93.395	Cancer Treatment Research	20,169	-
			93.395 Total		2,118,884	-

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	Children’s Hospital of Philadelphia	1U01CA243072-01A1	93.396	Cancer Biology Research	\$ (1)	\$ -
	Children’s Hospital of Philadelphia	5U01CA243072-02	93.396	Cancer Biology Research	94,319	-
93.396 Total					94,318	-
	The University of Alabama at Birmingham	000521543-SC001	93.397	Cancer Centers Support Grants	17,973	-
	The University of Alabama at Birmingham	5P50CA107399-13	93.397	Cancer Centers Support Grants	21,165	-
93.397 Total					39,138	-
	University of Minnesota	5K08CA234232-02	93.398	Cancer Research Manpower	8,983	-
93.398 Total					8,983	-
	Children’s Hospital of Philadelphia	UG1CA189955	93.399	Cancer Control	3,750	-
	Children’s Oncology Group Foundation	AR04871	93.399	Cancer Control	3,461	-
93.399 Total					7,211	-
	University of Buffalo	5R01HL137558-04	93.837	Cardiovascular Diseases Research	11,843	-
	University of Washington	10T3HL152448	93.837	Cardiovascular Diseases Research	87,338	-
93.837 Total					99,181	-
	Ann & Robert H Lurie Children’s Hospital	5R01HL136480-05	93.839	Blood Diseases and Resources Research	34,848	-
	Boston Childrens Hospital	5R34HL133384-03	93.839	Blood Diseases and Resources Research	325	-
	Fred Hutchinson Cancer Research Cen	1061249	93.839	Blood Diseases and Resources Research	17,867	-
	Fred Hutchinson Cancer Research Cen	2R01HL136135-05	93.839	Blood Diseases and Resources Research	19,609	-
	Medical College of Wisconsin	5R01HL142657-03	93.839	Blood Diseases and Resources Research	4,898	-
	Medical College of Wisconsin	5R01HL142657-04	93.839	Blood Diseases and Resources Research	152,309	-
	The University of Alabama at Birmingham	1R01HL153386-01	93.839	Blood Diseases and Resources Research	(169)	-
	The University of Alabama at Birmingham	5R01HL153386-02	93.839	Blood Diseases and Resources Research	123,521	-
	Vanderbilt University	10T3HL147810-01	93.839	Blood Diseases and Resources Research	89,571	-
	93.839 Total					442,779
	Albert Einstein College of Medicine	1R01DK121738-01A1	93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	318	-
	Albert Einstein College of Medicine	5R01DK121738-02	93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	14,026	-
	Cedar Sinai Medical Center	7R01DK080834-15	93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	10,080	-
	University Of California-san Diego	5U24DK097771-08	93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	167,506	-
93.847 Total					191,930	-

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Program Type Federal Agency Grantor	Pass-Through Grantor	Pass-Through Grantor ID	Federal ALN	Federal ALN Program Title	Federal Expenditures	Payments to Subrecipients
	Biostrategies LC	5R44NS084565-03	93.853	Extramural Research Programs in The Neurosciences and Neurological Disorders	\$ 36,508	\$ -
	Cornell University	5R37NS085318-07	93.853	Extramural Research Programs in The Neurosciences and Neurological Disorders	(30,798)	-
	Icahn School of Medicine at Mount Sinai	5R01NS060123-14	93.853	Extramural Research Programs in The Neurosciences and Neurological Disorders	19,745	-
	Icahn School of Medicine at Mount Sinai	5R01NS060123-15	93.853	Extramural Research Programs in The Neurosciences and Neurological Disorders	25,130	-
	Mayo Clinic—Rochester	5U54NS110435-02	93.853	Extramural Research Programs in The Neurosciences and Neurological Disorders	430,224	-
	Mayo Clinic in Rochester	5U54NS110435-02	93.853	Extramural Research Programs in The Neurosciences and Neurological Disorders	98,606	-
	Northwestern University	5R01NS106379-03	93.853	Extramural Research Programs in The Neurosciences and Neurological Disorders	34,668	-
	Northwestern University	5R01NS106379-04	93.853	Extramural Research Programs in The Neurosciences and Neurological Disorders	83,798	-
	University of Miami	5U54NS092091-07	93.853	Extramural Research Programs in The Neurosciences and Neurological Disorders	36,152	-
	University of Miami	OS00000379	93.853	Extramural Research Programs in The Neurosciences and Neurological Disorders	249,012	-
	University of Michigan	1U54NS117170-01	93.853	Extramural Research Programs in The Neurosciences and Neurological Disorders	1,459	-
	University of Michigan	5U54NS117170-02	93.853	Extramural Research Programs in The Neurosciences and Neurological Disorders	16,853	-
	University of Tennessee Health Science Center	1R01NS115776-01A1	93.853	Extramural Research Programs in The Neurosciences and Neurological Disorders	998	-
	University of Tennessee Health Science Center	5R01NS115776-02	93.853	Extramural Research Programs in The Neurosciences and Neurological Disorders	97,279	-
			93.853 Total		1,099,634	-
	Arietis Corp	1R44AI157081-01	93.855	Allergy and Infectious Diseases Research	177,602	-
	Arietis Corp	5R01AI141193-03	93.855	Allergy and Infectious Diseases Research	173,611	-
	Arietis Corp	5R01AI141193-04	93.855	Allergy and Infectious Diseases Research	245,795	-
	Arkansas Childrens Hospital Research	034146-019	93.855	Allergy and Infectious Diseases Research	3,212	-
	Arkansas Childrens Hospital Research	034152 - St. Jude	93.855	Allergy and Infectious Diseases Research	51,740	-
	Boston Children's Hospital	1R01AI154470-01	93.855	Allergy and Infectious Diseases Research	41,459	-
	Boston Children's Hospital	5R01AI154470-02	93.855	Allergy and Infectious Diseases Research	118,182	-
	Boston College	5U01AI124302-05	93.855	Allergy and Infectious Diseases Research	203,150	-
	Carnegie Mellon University	5R01AI134911-03	93.855	Allergy and Infectious Diseases Research	1,193	-
	Childrens Hospital Los Angeles-Chla	1U54AI082973-01	93.855	Allergy and Infectious Diseases Research	490	-
	Drexel University	5U19AI128910-04	93.855	Allergy and Infectious Diseases Research	5,777	-
	Drexel University	5U19AI128910-05	93.855	Allergy and Infectious Diseases Research	79,501	-
	Duke University	1R01AI154524-01A1	93.855	Allergy and Infectious Diseases Research	71,800	-
	Duke University	1R01AI159684-01A1	93.855	Allergy and Infectious Diseases Research	13,581	-
	Duke University	5R01AI139032-01	93.855	Allergy and Infectious Diseases Research	(9,400)	-
	Duke University	5R01AI154524-02	93.855	Allergy and Infectious Diseases Research	5,569	-
	Emory University	1U01AI150747-01	93.855	Allergy and Infectious Diseases Research	146	-
	Emory University	5U01AI150747-02	93.855	Allergy and Infectious Diseases Research	202,847	-
	Emory University	5U01AI150747-03	93.855	Allergy and Infectious Diseases Research	13,095	-
	Family Health International	PO21002302	93.855	Allergy and Infectious Diseases Research	131,302	-
	Family Health International	UM1AI068619	93.855	Allergy and Infectious Diseases Research	1,655,836	71,109
	Fox Chase Cancer Center	15146-03	93.855	Allergy and Infectious Diseases Research	49,087	-
	Fox Chase Cancer Center	15169-01	93.855	Allergy and Infectious Diseases Research	8,918	-
	Fox Chase Cancer Center	5R01AI135025-04	93.855	Allergy and Infectious Diseases Research	64,587	-
	Fox Chase Cancer Center	5R01AI135025-05	93.855	Allergy and Infectious Diseases Research	240	-
	FRED HUTCHINSON CANCER RESEARCH CEN	R21AI169085	93.855	Allergy and Infectious Diseases Research	30,355	-
	Iowa State University	5R01AI141196-03	93.855	Allergy and Infectious Diseases Research	2,934	-
	Iowa State University	R01AI141196	93.855	Allergy and Infectious Diseases Research	14,354	-
	Johns Hopkins University	2UM1AI068632-15	93.855	Allergy and Infectious Diseases Research	98,566	-
	Johns Hopkins University	2UM1AI069536-15	93.855	Allergy and Infectious Diseases Research	192,382	-
	Johns Hopkins University	2UM1IA068632-15	93.855	Allergy and Infectious Diseases Research	6,666	-
	Johns Hopkins University	3UM1AI068632-14S2	93.855	Allergy and Infectious Diseases Research	(1,289)	-

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Program Type Federal Agency Grantor	Pass-Through Grantor	Pass-Through Grantor ID	Federal ALN	Federal ALN Program Title	Federal Expenditures	Payments to Subrecipients
	Johns Hopkins University	LDR 20 MOD 03	93.855	Allergy and Infectious Diseases Research	\$ 134,401	\$ -
	Johns Hopkins University	LDR 22 MOD 02	93.855	Allergy and Infectious Diseases Research	7,152	-
	Texas A&M Health Science Center	5R01AI144459-03	93.855	Allergy and Infectious Diseases Research	269,786	-
	Texas A&M Health Science Center	5R01AI144459-04	93.855	Allergy and Infectious Diseases Research	26,714	-
	Thomas Jefferson University	5R01AI123538-05	93.855	Allergy and Infectious Diseases Research	10,494	-
	Triangle Biotechnology, Inc	1R43AI152796-01A1	93.855	Allergy and Infectious Diseases Research	1,259	-
	The University of Alabama at Birmingham	1R01AI156898-01	93.855	Allergy and Infectious Diseases Research	20,237	-
	University of California-San Diego	2UM1AI069536-16	93.855	Allergy and Infectious Diseases Research	249,067	-
	University of California-San Diego	5UM1AI068619-12	93.855	Allergy and Infectious Diseases Research	946	-
	University of California-San Diego	5UM1AI068620-01	93.855	Allergy and Infectious Diseases Research	104,400	-
	University of California-San Diego	704293	93.855	Allergy and Infectious Diseases Research	6,581	-
	University of Florida	5R01AI123144-05	93.855	Allergy and Infectious Diseases Research	39,690	-
	University of Florida	5R01AI136803-03	93.855	Allergy and Infectious Diseases Research	311,370	-
	University of Nebraska—Lincoln	5R01AI147109-02	93.855	Allergy and Infectious Diseases Research	22,350	-
	University of Tennessee Health Science Center	1R01AI152067-01A1	93.855	Allergy and Infectious Diseases Research	48,121	-
	University of Tennessee Health Science Center	5R01AI125481-05	93.855	Allergy and Infectious Diseases Research	21,539	-
	University of Tennessee Health Science Center	5R01AI143197-02	93.855	Allergy and Infectious Diseases Research	49,051	-
	University of Tennessee Health Science Center	5R01AI152067-02	93.855	Allergy and Infectious Diseases Research	7,440	-
	University of Tennessee Health Science Center	5R33AI127607-05	93.855	Allergy and Infectious Diseases Research	55,746	-
	University of Utah	7R01AI139014-04	93.855	Allergy and Infectious Diseases Research	1,244	-
	University of Utah	7R01AI139014-05	93.855	Allergy and Infectious Diseases Research	162,090	-
	University of Wisconsin-Madison	1729	93.855	Allergy and Infectious Diseases Research	147,846	-
	University of Wisconsin-Madison	5R01AI125392-05	93.855	Allergy and Infectious Diseases Research	69,104	-
	Vanderbilt University	5P30AI110527-07	93.855	Allergy and Infectious Diseases Research	32,900	-
	Vanderbilt University	VUMC95773	93.855	Allergy and Infectious Diseases Research	31,441	-
	Yale University	1R01AI163395-01	93.855	Allergy and Infectious Diseases Research	25,369	-
	Yale University	5R01AI150560-02	93.855	Allergy and Infectious Diseases Research	9,132	-
	Yale University	5R01AI150560-03	93.855	Allergy and Infectious Diseases Research	180,117	-
			93.855 Total		5,698,875	71,109
	Tymora Analytical Operations LLC	1R41GM136093	93.859	Biomedical Research and Research Training	11,125	-
	University of California—Irvine	5R01GM129264-03	93.859	Biomedical Research and Research Training	5,478	-
	University of California—Irvine	GM129264	93.859	Biomedical Research and Research Training	28,217	-
			93.859 Total		44,820	-
	Boston Children's Hospital	5R21HD095228-02	93.865	Child Health and Human Development Extramural Research	14,123	-
	Florida State University	5U19HD089875-06	93.865	Child Health and Human Development Extramural Research	(153)	-
	Harvard Medical School	1P01HD103133-01	93.865	Child Health and Human Development Extramural Research	373,221	-
	Harvard T.H. Chan School of Public Health	117267-0295-5121729	93.865	Child Health and Human Development Extramural Research	55,305	-
	Harvard T.H. Chan School of Public Health	117270-5112865	93.865	Child Health and Human Development Extramural Research	100,031	-
	Harvard T.H. Chan School of Public Health	1P01HD103133-01	93.865	Child Health and Human Development Extramural Research	14,946	-
	Harvard T.H. Chan School of Public Health	1P01HD103133-02	93.865	Child Health and Human Development Extramural Research	148,450	-
	Harvard T.H. Chan School of Public Health	5U01HD052102-15	93.865	Child Health and Human Development Extramural Research	2,955	-
	Hektoen Institute for Medical Research	5U24HD089880-04	93.865	Child Health and Human Development Extramural Research	135,509	-
	Hudson-Alpha Institute for Biotechnology	2U24HD090744-06	93.865	Child Health and Human Development Extramural Research	195,980	-
	Hudson-Alpha Institute for Biotechnology	5U24HD090744-05	93.865	Child Health and Human Development Extramural Research	33,022	-
	University of Michigan	5U24HD089880-05	93.865	Child Health and Human Development Extramural Research	3,247	-
			93.865 Total		1,076,636	-

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	Icahn School of Medicine at Mount Sinai	5R01AG057907-04	93.866	Aging Research	\$ (51)	\$ -
	Icahn School of Medicine at Mount Sinai	5R01AG057907-05	93.866	Aging Research	71,774	-
	Icahn School of Medicine at Mount Sinai	5R01AG062355-04	93.866	Aging Research	37,695	-
	Mayo Clinic—Jacksonville FL	1U19AG069701-01	93.866	Aging Research	446,739	-
	University of Texas Southwest Medical Center	5R01AG064909-03	93.866	Aging Research	597,625	-
			93.866 Total		1,153,782	-
	Stanford University Medical Center	3U01EY027261-03S2	93.867	Vision Research	12,066	-
			93.867 Total		12,066	-
	Shelby County	CA2220594	93.917	HIV Care Formula Grants	102,372	-
	Shelby County	CA2220594-2	93.917	HIV Care Formula Grants	50,281	-
	State of Tennessee	GR2066002	93.917	HIV Care Formula Grants	109,032	-
	State of Tennessee	GR2066002	93.917	HIV Care Formula Grants	23,403	-
			93.917 Total		285,088	-
	Tennessee Department of Health	NU62PS924643-01	93.940	HIV Prevention Activities Health Department Based	121,867	-
			93.940 Total		121,867	-
	State of Tennessee	34347-14621	93.994	Maternal and Child Health Services Block Grant to The States	345,318	-
			93.994 Total		345,318	-
	Boston Children's Hospital	GENFD0002050257	93.RD	Federal Contract	261,112	-
	Broad Institute of MIT and Harvard	IDIQ17X149	93.RD	Federal Contract	(201)	-
	Children's Hospital of Philadelphia	75F40120C00135	93.RD	Federal Contract	9,301	-
	Johns Hopkins University	PTCL13	93.RD	Federal Contract	3,974	-
	Leidos Biomedical Research, Inc	20X068F	93.RD	Federal Contract	314,034	-
	Leidos Biomedical Research, Inc	75N91019D00024	93.RD	Federal Contract	78,598	-
	University of California San Francisco	HHSM2612015000031	93.RD	Federal Contract	94,330	-
	University of Georgia	75N93019C00052	93.RD	Federal Contract	1,475,987	-
	University of Georgia	75N93021C00018	93.RD	Federal Contract	89,946	18,000
	University of Georgia	SUB00002586	93.RD	Federal Contract	11,762	-
	University of Georgia Research Foundation	75N93019C00052	93.RD	Federal Contract	168,154	-
	University of Georgia Research Foundation	75N93021C00018	93.RD	Federal Contract	235,079	107,750
	University of Georgia Research Foundation	SUB00002163-3S	93.RD	Federal Contract	253,152	207,250
	University of Georgia Research Foundation	SUB00002163-3U	93.RD	Federal Contract	107,446	-
	Westat	HHSN275201800001	93.RD	Federal Contract	517,487	149,797
			93.RD Total		3,620,161	482,797
	Total pass-through awards				18,013,052	553,906
Total department of health and human services					127,380,394	27,991,045

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National Science Foundation:						
	Direct award:					
		2017079	47.041 Total	Engineering	\$ 807,897	\$ 461,791
	Total direct award				807,897	461,791
	Pass-through awards:					
	University of California-Berkeley	2002182	47.049	Mathematical and Physical Sciences	233,000	-
			47.049 Total		233,000	-
	University of Oklahoma	1911955	47.074	Biological Sciences	17,758	-
	University of Oklahoma	1911955	47.074	Biological Sciences	56,398	-
			47.074 Total		74,156	-
	The University of Memphis	1918751	47.076	Education and Human Resources	32,608	-
			47.076 Total		32,608	-
	Total pass-through awards				339,764	-
	Total National Science Foundation				1,147,661	461,791
	Total Research and Development Cluster				128,528,055	28,452,836
OTHER:						
Department of Homeland Security:						
	Pass-through award:					
	State of Tennessee	157-UK712-00	97.036	Disaster Grants—Public Assistance (Presidentially Declared Disasters)	82,509	-
			97.036 Total		82,509	-
	Total pass-through award				82,509	-
	Total Department of Homeland Security				82,509	-
TOTAL EXPENDITURES OF FEDERAL AWARDS					\$ 128,610,564	\$ 28,452,836

(Concluded)

ST. JUDE CHILDREN'S RESEARCH HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2022

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of St. Jude Children's Research Hospital, Inc. and its wholly owned subsidiaries (collectively, the "Hospital") under programs of the federal government for the year ended June 30, 2022, in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements and Audit Requirements for Federal Awards* (the "Uniform Guidance"), and Title 45 US Code of Federal Regulations Part 75, Appendix IX, *Cost Principles for Hospitals*. Because the Schedule presents only a selected portion of the operations of the Hospital, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the Hospital.

Federal direct programs are presented by federal department and by individual federal awards. Assistance Listing Number (ALN) for federal programs, and pass-through entity are presented for all individual awards, where applicable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For purposes of the Schedule, expenditures of federal award programs are recognized on the accrual basis of accounting and prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). These expenditures are recognized following the cost principles contained in Title 45 US Code of Federal Regulations Part 75, Appendix IX, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown in the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. An award is considered expended when the activity related to the award occurs. The activity generally pertains to events requiring compliance with laws, regulations, and the provisions of contract and grant agreements. The Hospital has elected not to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

3. FEDERAL LOANS

The Hospital has no federal loans.

4. SUBRECIPIENTS

Uniform Guidance defines a subrecipient as a nonfederal entity that receives a subaward from a passthrough entity to carry out part of a federal program but does not include an individual who is a beneficiary of such program or payments to a contractor. A contractor is an entity that receives a contract by which a nonfederal entity purchases property or services needed to carry out the project or program under a federal award. A nonfederal entity may concurrently receive federal funds as a recipient, subrecipient, and contractor, depending on the substance of its agreements with federal awarding agencies and pass-through entities. Therefore, St. Jude must make case-by-

case determinations whether each agreement it makes for the disbursement of federal program funds casts the party receiving the funds as a subrecipient or a contractor based on the Uniform Guidance definitions and management’s judgement.

Of the federal expenditures presented in the Schedule, the Hospital provided federal awards to subrecipients as follows:

**SCHEDULE OF AMOUNTS PROVIDE TO SUBAWARDEES
FOR THE YEAR ENDED JUNE 30, 2022**

Subawardee	Amount Provide to Subawardee
Carnegie Mellon University	\$ 87,895
Ann & Robert H Lurie Children’s Hospital of Chicago	45,746
Baptist Cancer Center	9,629
Baylor College Of Medicine	78,891
Beckman Research Institute of The City of Hope	172,287
Ben Gurion University	282,421
Board Of Trustees of The Leland Stanford Junior University	374,948
Boston Children’s Hospital	445,346
Boston College	113,968
Centro Medico Imbanaco	290,833
Children’s Hospital And Clinics of Minnesota	2,827
Children’s Hospital Boston	265,500
Children’s Hospital Colorado	49,479
Children’s Hospital Los Angeles	1,656,896
Children’s Hospital of Chicago	(477)
Children’s Hospital of Los Angeles	133,396
Children’s Hospital of Philadelphia	454,829
Children’s Hospitals And Clinics of Minnesota	(3,042)
Children’s National Medical Center	60,310
Cincinnati Children’s Hospital	209,593
Colorado State University	329,629
Cornell University	143,943
Dana-Farber Cancer Institute	218,231
Duke University	136,987
Emory University	337,647
Fred Hutchinson Cancer Research Center	725,737
Fundacion Ayudame A Vivir	4,179
Fundacion Salud Para El Tropicco-Tropical Health Foundation	334,499
Harvard Medical School	40,870
Harvard University	143,165
Health Research Inc	21,446
Human Link	527,555
Icahn School of Medicine	584,278
Institute of Environmental Science & Research Limited	2,349,648
Juan Fernando Arias Morales	66,215

(Continued)

**SCHEDULE OF AMOUNTS PROVIDE TO SUBAWARDEES
FOR THE YEAR ENDED JUNE 30, 2022**

Subawardee	Amount Provide to Subawardee
Kansas State University	\$ 292,001
King Hussein Cancer Center	14,443
La Jolla Institute for Immunology	1,366,021
Louisiana State University	(799)
Mayo Clinic	206,220
Mayo Clinic Jacksonville	604,239
Md Anderson Cancer Center	62,021
Memorial Sloan Kettering Cancer Center	742,340
Methodist Healthcare Foundation	4,190
Monash University	1
National Institute of Standards and Technology	6,667
National Institute of Standards and Technology	33,333
National University of Singapore	252,769
Nationwide Children’s Hospital	52,818
New York University School of Medicine	442,468
Ohio State University	939,944
Phoenix Children’s Hospital	9,936
Purchase Order Request	2,518
Regents of The University of Colorado	12,393
Seattle Children’s Hospital	467,159
St. Jude Children’s Research Hospital	183,221
Stanford University	527,569
Sustainable Sciences Institute	624,322
Swansea University	49,683
The Broad Institute Inc	82,568
The Hospital for Sick Children	26,671
The Research Institute at Nationwide Children’s Hospital	2,623
The Scripps Research Institute	187,115
The University of Melbourne	72,000
The University of Memphis	76,030
The University of Texas Southwestern Medical Center	8
Universidad De Chile	80,261
Universidad Peruana Cayetano Heredia	105,801
University of Alabama at Birmingham	4,878
University of Alberta	69,966
University of California San Francisco	353,966
University of California, Los Angeles	27,072
University of Cambridge	215,112
University of Chicago	(8,151)
University of Chile	35,636
University of Copenhagen	11,518

(Continued)

**SCHEDULE OF AMOUNTS PROVIDE TO SUBAWARDEES
FOR THE YEAR ENDED JUNE 30, 2022**

Subawardee	Amount Provide to Subawardee
University of Florida	\$ 60,138
University of Florida Research	(13,725)
University of Georgia Research Foundation	186,328
University of Hong Kong	1,614,508
University of Illinois	30,000
University of Iowa	499,243
University of Michigan Health System	2,388,586
University of Minnesota	(12,254)
University of Missouri	559,021
University of Pittsburgh	62,748
University of Rochester	326,062
University of Tennessee	706,296
University of Texas	1,005
University of Texas Health Science Center-Houston	(3)
University of Texas Medical Branch	870,078
University of Texas Southwestern Medical Center	2,095
University of Virginia	108,420
University of Washington	119,680
University of Wisconsin	19,835
University of Wisconsin Madison	(11,409)
University of Wisconsin System	75,720
University of Wisconsin-Madison	154,495
University of Wuerzburg	116,110
University of Zimbabwe	1,789
University of Zurich	25,000
Washington University	350,075
Washington University	1,260,867
Washington University School of Medicine-St Louis	<u>18,272</u>
 Grand total	 <u>\$ 28,452,836</u>

(Concluded)

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the Board of Governors of
St. Jude Children's Research Hospital, Inc.
Memphis, Tennessee

We have audited, in accordance with the 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 St. Jude Children's Research Hospital, Inc. and its wholly owned subsidiaries (collectively, the "Hospital"), as of and for the year ended June 30, 2022, and the related notes to consolidated financial statements, which collectively comprise the Hospital's basic financial statements, and have issued our report thereon dated October 7, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Hospital'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 opinions on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control. Accordingly, we do not express an opinion on the effectiveness of the Hospital'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 Hospital's consolidated 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Hospital'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 consolidated 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 Hospital's internal control or on compliance. This report is an integral part of audit performed in accordance with *Government Auditing Standards* in considering the Hospital's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Deloitte Touche LLP". The signature is written in a cursive, flowing style.

October 7, 2022

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

To the Board of Governors of
St. Jude Children's Research Hospital, Inc.
Memphis, Tennessee

Report on Compliance for Each Major Federal Program Opinion on Each Major Federal Program

We have audited St. Jude Children's Research Hospital, Inc. and its wholly owned subsidiaries' (collectively, the "Hospital") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Hospital's major federal programs for the year ended June 30, 2022. The Hospital's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Hospital complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Hospital's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Hospital's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Hospital'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 on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the consolidated financial statements of the Hospital as of and for the year ended June 30, 2022, and have issued our report thereon dated October 7, 2022, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

A handwritten signature in black ink that reads "Deloitte + Touche LLP". The signature is written in a cursive, slightly slanted style.

October 7, 2022



St. Jude Children's[®]
Research Hospital

ST. JUDE CHILDREN'S RESEARCH HOSPITAL, INC. AND SUBSIDIARIES

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2022

There were no prior-year findings or questioned costs.