

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

Consolidated Financial Statements as of and for  
the Years Ended June 30, 2021 and 2020, and  
Independent Auditors' Report

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

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## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of St. Jude Children's Research Hospital, Inc. and its wholly owned subsidiaries (collectively, the "Hospital"), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Consolidated Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

## Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of St. Jude Children's Research Hospital, Inc. and its wholly owned subsidiaries as of June 30, 2021 and 2020, 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.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2021, 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.

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

October 11, 2021

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

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF JUNE 30, 2021 AND 2020

(in 000s)

	2021	2020
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash	\$ 3,865	\$ 4,829
Accounts receivable:		
Patient care services—net	15,355	15,468
Grants and contracts	39,279	32,618
Other	5,751	9,026
Inventories	17,702	16,624
Prepaid expenses	<u>27,451</u>	<u>21,892</u>
Total current assets	109,403	100,457
ASSETS LIMITED AS TO USE	3,209	2,419
OTHER ASSETS—Net	5,547	-
INTEREST IN NET ASSETS OF ALSAC	8,039,467	5,736,413
PROPERTY AND EQUIPMENT—Net	<u>1,004,097</u>	<u>901,606</u>
TOTAL	<u>\$9,161,723</u>	<u>\$6,740,895</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES:		
Accounts payable	\$ 87,642	\$ 87,683
Accrued payroll costs	68,948	67,411
Employee health liability costs	<u>4,311</u>	<u>3,299</u>
Total current liabilities	160,901	158,393
DEFERRED REVENUES FROM GRANTS AND CONTRACTS	17,263	14,753
OTHER LONG-TERM LIABILITIES	<u>10,006</u>	<u>3,525</u>
Total liabilities	<u>188,170</u>	<u>176,671</u>
NET ASSETS:		
Without donor restrictions	7,617,972	5,495,422
With donor restrictions	<u>1,355,581</u>	<u>1,068,802</u>
Total net assets	<u>8,973,553</u>	<u>6,564,224</u>
TOTAL	<u>\$9,161,723</u>	<u>\$6,740,895</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, 2021 AND 2020

(in 000s)

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT:						
Net patient service revenue	\$ 127,721	\$ -	\$ 127,721	\$ 125,905	\$ -	\$ 125,905
Research grants and contracts	133,767	-	133,767	119,389	-	119,389
Net investment income	790	-	790	48	-	48
Other	14,100	-	14,100	18,339	-	18,339
Total revenues, gains, and other support	<u>276,378</u>	<u>-</u>	<u>276,378</u>	<u>263,681</u>	<u>-</u>	<u>263,681</u>
EXPENSES:						
Program services:						
Patient care services	524,965	-	524,965	517,969	-	517,969
Research	520,687	-	520,687	477,973	-	477,973
Education, training, and community services	35,248	-	35,248	34,572	-	34,572
Total program services	1,080,900	-	1,080,900	1,030,514	-	1,030,514
Supporting services—administrative and general	85,655	-	85,655	73,467	-	73,467
Total expenses	<u>1,166,555</u>	<u>-</u>	<u>1,166,555</u>	<u>1,103,981</u>	<u>-</u>	<u>1,103,981</u>
CHANGE IN INTEREST IN NET ASSETS OF ALSAC	<u>2,016,275</u>	<u>-</u>	<u>2,016,275</u>	<u>388,709</u>	<u>-</u>	<u>388,709</u>
LOSS FROM DISPOSAL OF PROPERTY AND EQUIPMENT	<u>(651)</u>	<u>-</u>	<u>(651)</u>	<u>(251)</u>	<u>-</u>	<u>(251)</u>
REVENUES, GAINS AND OTHER SUPPORT IN EXCESS OF EXPENSES (EXPENSES IN EXCESS OF REVENUES, GAINS, AND OTHER SUPPORT)	1,125,447	-	1,125,447	(451,842)	-	(451,842)
NET SUPPORT RECEIVED FROM ALSAC	997,103	-	997,103	974,743	-	974,743
CHANGE IN INTEREST IN NET ASSETS OF ALSAC	-	286,779	286,779	-	(18,366)	(18,366)
CHANGES IN NET ASSETS	2,122,550	286,779	2,409,329	522,901	(18,366)	504,535
NET ASSETS—Beginning of year	<u>5,495,422</u>	<u>1,068,802</u>	<u>6,564,224</u>	<u>4,972,521</u>	<u>1,087,168</u>	<u>6,059,689</u>
NET ASSETS—End 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>

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, 2021 AND 2020

(in 000s)

	2021			2020		
	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	\$ 592,154	\$35,856	\$ 628,010	\$ 563,004	\$34,888	\$ 597,892
PROFESSIONAL FEES AND CONTRACT SERVICES	195,721	15,862	211,583	180,363	12,422	192,785
SUPPLIES	160,183	4,013	164,196	151,946	2,839	154,785
TELEPHONE	1,378	185	1,563	1,258	162	1,420
OCCUPANCY	35,004	11,143	46,147	28,111	8,227	36,338
TRAVEL AND MEETINGS	2,982	44	3,026	10,148	753	10,901
MISCELLANEOUS	<u>10,158</u>	<u>6,933</u>	<u>17,091</u>	<u>12,247</u>	<u>4,462</u>	<u>16,709</u>
TOTAL BEFORE DEPRECIATION	997,580	74,036	1,071,616	947,077	63,753	1,010,830
DEPRECIATION	<u>83,320</u>	<u>11,619</u>	<u>94,939</u>	<u>83,437</u>	<u>9,714</u>	<u>93,151</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$1,080,900</u>	<u>\$85,655</u>	<u>\$1,166,555</u>	<u>\$1,030,514</u>	<u>\$73,467</u>	<u>\$1,103,981</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, 2021 AND 2020

(in 000s)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 2,409,329	\$ 504,535
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Support received from ALSAC	(997,103)	(974,743)
Change in interest in net assets of ALSAC	(2,303,054)	(370,343)
Depreciation	94,939	93,151
Net realized and unrealized investment gain	(790)	(48)
Loss from disposal of property and equipment	651	251
Changes in operating assets and liabilities:		
Accounts receivable	(3,273)	(6,721)
Inventories	(1,078)	(7,581)
Prepaid expenses and other assets	(11,106)	(2,875)
Accounts payable and other accrued liabilities	13,700	33,533
Deferred revenues from grants and contracts	2,510	566
	<u>(795,275)</u>	<u>(730,275)</u>
Net cash used in operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(202,841)	(243,830)
Proceeds from the sale of property and equipment	49	72
	<u>(202,792)</u>	<u>(243,758)</u>
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES—Support received from ALSAC		
	<u>997,103</u>	<u>974,743</u>
Net cash provided by financing activities	<u>997,103</u>	<u>974,743</u>
NET CHANGE IN CASH	(964)	710
CASH—Beginning of year	<u>4,829</u>	<u>4,119</u>
CASH—End of year	<u>\$ 3,865</u>	<u>\$ 4,829</u>
NON-CASH INVESTING AND FINANCING ACTIVITIES—Capital expenditures, on account	<u>\$ (4,711)</u>	<u>\$ (11,977)</u>

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, 2021 AND 2020

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### 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 6,400 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 62,000 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 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**—On July 1, 2020 the Hospital adopted FASB ASU 2018-15, *Intangibles-Goodwill and Other-Internal-Use Software, (Subtopic 350-40) Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. 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. The Hospital adopted ASU 2018-15 prospectively. Costs capitalized 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 Financial Accounting Standards Board (FASB) Accounting Standards Codification (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 2021 or 2020.

**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, 2021 and 2020 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)	2021	2020
Commercial insurance	\$ 52,322	\$ 47,463
Medicaid	39,429	39,362
Blue Cross	32,688	30,665
Other third-party payors	<u>3,282</u>	<u>8,415</u>
Total	<u>\$ 127,721</u>	<u>\$ 125,905</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 \$111.9 million and \$146.7 million in 2021 and 2020, 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 \$58.3 million and \$110.2 million in 2021 and 2020, respectively. Management’s estimate of costs incurred to provide charity care were \$55.9 million and \$96.5 million in 2021 and 2020, 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, 2021 and 2020, is as follows:

	<b>2021</b>	<b>2020</b>
Commercial insurance	48 %	47 %
Medicaid	26	26
Blue Cross	29	27
Other third-party payors	<u>(3)</u>	<u>-</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 \$122.2 million and \$105.9 million for the years ended June 30, 2021 and 2020, respectively.

Government sponsored research grants and contracts resulting from The Coronavirus Aid, Relief, and Economic Security (CARES) Act and other federally funded programs were approximately \$3.9 million for the year ended June 30, 2021.

**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 \$11.6 million and \$13.5 million for the years ended June 30, 2021 and 2020, 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 sponsored activities. A provisional federal F&A cost recovery rate of 79.5% was used by the Hospital in 2021 and 2020 resulting in approximately \$39.2 million and \$35.6 million included in Research grants and contracts revenue for the years ended June 30, 2021 and 2020, 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 \$7.6 million and \$9.2 million for the years ended June 30, 2021 and 2020, 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:

<b>Expense Category</b>	<b>Method of Allocation</b>
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 allowances for uncollectible accounts, estimated 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.

**Fair Value Measurement**—On July 1, 2020, the Hospital adopted FASB ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*, which amends various fair value measurement disclosure requirements within ASC 820. The amendments prescribed in ASU 2018-13 have been applied retrospectively to all periods presented except those amendments specifically identified to be applied prospectively in the initial fiscal year of adoption. See fair value disclosures in Note 6.

**Subsequent Events**—The Hospital has evaluated the impact of significant subsequent events. There have been no subsequent events through October 11, 2021, 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	\$ 3,865
Accounts receivable:	
Patient-care services—net	15,355
Grants and contracts	39,279
Other	5,751
Assets limited as to use	<u>3,209</u>
Total financial assets	67,459
Less amounts not available to be used within one year—	
Assets limited as to use	<u>(3,209)</u>
Financial assets available within one year	<u>\$ 64,250</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 \$997.1 million for the year ended June 30, 2021 to support the Hospital's expenditures. ALSAC has approximately \$5.2 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, as described in Note 10, 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 and \$2.4 million for the years ended June 30, 2021 and 2020, respectively.

The composition of net investment income for the years ended June 30, 2021 and 2020, is as follows:

(in 000s)	2021	2020
Interest and dividend income	\$ 14	\$ 11
Net realized and unrealized investment gain	<u>776</u>	<u>37</u>
Total investment income	<u>\$ 790</u>	<u>\$ 48</u>

### 4. PROPERTY AND EQUIPMENT

A summary of property and equipment as of June 30, 2021 and 2020, is as follows:

(in 000s)	2021	2020
Leasehold interests:		
Land improvements	\$ 19,683	\$ 18,394
Buildings and improvements	1,445,319	1,067,814
Owned property:		
Equipment	451,488	379,854
Computer software	72,794	76,721
Construction in progress	<u>101,365</u>	<u>360,143</u>
	2,090,649	1,902,926
Less accumulated depreciation	<u>(1,086,552)</u>	<u>(1,001,320)</u>
Total	<u>\$ 1,004,097</u>	<u>\$ 901,606</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, 2021, includes \$20 million of costs related to Domino's Village. The Domino's Village, with a total estimated cost of \$110 million will be used primarily for patient and family housing 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 \$30.4 million and \$27.8 million for the years ended June 30, 2021 and 2020, 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, 2021 and 2020, and for the years then ended is as follows:

(in 000s)	2021	2020
Assets:		
Cash and investments	\$ 7,873,431	\$ 5,558,459
Other assets	<u>290,649</u>	<u>289,878</u>
Total assets	<u>\$ 8,164,080</u>	<u>\$ 5,848,337</u>
Total liabilities	<u>\$ 124,613</u>	<u>\$ 111,924</u>
Net assets:		
Without donor restrictions	\$ 6,683,886	\$ 4,667,611
With donor restrictions	<u>1,355,581</u>	<u>1,068,802</u>
Total net assets	<u>8,039,467</u>	<u>5,736,413</u>
Total liabilities and net assets	<u>8,164,080</u>	<u>5,848,337</u>
Revenues, gains, and other support	<u>3,938,699</u>	<u>1,946,826</u>
Expenses:		
Hospital support	997,103	974,743
Other program services	176,021	159,664
Supporting services	<u>462,556</u>	<u>442,076</u>
Total expenses	<u>1,635,680</u>	<u>1,576,483</u>
Gain from disposal of property and equipment	<u>35</u>	<u>-</u>
Changes in net assets	2,303,054	370,343
Net assets—beginning of year	<u>5,736,413</u>	<u>5,366,070</u>
Net assets—end of year	<u>\$ 8,039,467</u>	<u>\$ 5,736,413</u>



**Investments**—The composition of investments as of June 30, 2021 and 2020, is as follows:

<b>(in 000s)</b>	<b>2021</b>	<b>2020</b>
Global equity	\$ 2,659,746	\$ 1,964,966
Marketable alternative	2,161,687	1,460,774
Real assets	288,505	283,518
Private equity	1,724,162	970,794
Fixed income	604,472	451,040
Cash	<u>169,922</u>	<u>66,176</u>
 Total	 <u>\$ 7,608,494</u>	 <u>\$ 5,197,268</u>

The composition of net investment income for the years ended June 30, 2021 and 2020, is as follows:

<b>(in 000s)</b>	<b>2021</b>	<b>2020</b>
Net realized and unrealized investment gains	\$ 1,831,718	\$ 135,153
Interest and dividend income	33,208	25,297
Investment expenses	<u>(1,623)</u>	<u>(1,643)</u>
 Net investment income	 <u>\$ 1,863,303</u>	 <u>\$ 158,807</u>

Realized and unrealized gains and losses are included in net investment income in the accompanying statements of activities. There is a \$6.8 million noncash transaction related to existing and terminated charitable gift annuities that is included in the net realized and unrealized investment gains.

**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 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.

ALSAC has elected to include investments that are measured at NAV and illiquid in the Net Asset Value – Level 3 category, and investments that are measured at NAV and liquid are included in the Net Asset Value – Other category.

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, 2021 and 2020 were fully funded and the fair value was as follows:

(in 000s)	2021				
	Level 1	Level 2	Net Asset Value - Level 3	Net Asset Value - Other	Total
Global equity	\$ 768,071	\$ -	\$ -	\$ 1,891,675	\$ 2,659,746
Marketable alternative	6,103	-	5,514	2,150,070	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>-</u>	<u>169,922</u>
Total	<u>\$ 991,550</u>	<u>\$ -</u>	<u>\$ 2,002,650</u>	<u>\$ 4,614,294</u>	<u>\$ 7,608,494</u>

(in 000s)	2020				
	Level 1	Level 2	Net Asset Value - Level 3	Net Asset Value - Other	Total
Global equity	\$ 506,922	\$ -	\$ -	\$ 1,458,044	\$ 1,964,966
Marketable alternative	2,860	-	4,859	1,453,055	1,460,774
Real assets	67,588	-	215,930	-	283,518
Private equity	-	-	970,794	-	970,794
Fixed income	30,986	-	-	420,054	451,040
Cash	<u>66,176</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,176</u>
Total	<u>\$ 674,532</u>	<u>\$ -</u>	<u>\$ 1,191,583</u>	<u>\$ 3,331,153</u>	<u>\$ 5,197,268</u>

During the year ended June 30, 2021, one investment for \$43.2 million was terminated and the remaining balance of this investment as of June 30, 2021, was immaterial. There were no significant transfers during the year ended June 30, 2020, and there were no purchases or issuances of Level 3 investments during the years ended June 30, 2021 and 2020.

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, 2021 and 2020 were fully funded and the Net Asset Value - Other was as follows:

<b>(in 000s)</b>	<b>2021</b>	<b>2020</b>	<b>Redemption Frequency</b>	<b>Redemption Notice Period</b>
Global equity <sup>(a)</sup>	\$ 1,891,675	\$ 1,458,044	Daily, monthly, quarterly, greater than one year	0-60 days
Marketable alternatives <sup>(b)</sup>	2,150,070	1,453,055	Monthly, quarterly, annually greater than one year	30-180 days
Fixed income <sup>(c)</sup>	<u>572,549</u>	<u>420,054</u>	Daily	0-30 days
Total	<u>\$ 4,614,294</u>	<u>\$ 3,331,153</u>		

There is approximately \$24.4 million across 14 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 \$16.4 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, 2018, 2017, and prior years which total approximately \$3.2 million, \$0.4 million, \$3.2 million, and \$1.3 million, respectively. There were no unfunded commitments related to investments valued at NAV in either 2021 or 2020.

<sup>(a)</sup> 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.

<sup>(b)</sup> 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.

(c) Consists of U.S. Treasury securities employing a constant duration strategy and is liquid on a daily basis.

The investments within Level 3 measured by net asset value as of June 30, 2021 and 2020 were as follows:

(in 000s)	2021	2020	Redemption Frequency	Redemption Notice Period
Marketable alternatives <sup>(d)</sup>	\$ 5,514	\$ 4,859	Manager's Discretion	Manager's Discretion
Real assets <sup>(e)</sup>	272,974	215,930	Manager Initiated Distributions	N/A
Private equity <sup>(f)</sup>	<u>1,724,162</u>	<u>970,794</u>	Manager Initiated Distributions	N/A
Total	<u>\$ 2,002,650</u>	<u>\$ 1,191,583</u>		

The majority of these assets are invested in partnerships and are illiquid. ALSAC is obligated under certain investment contracts to periodically advance funding up to contractual levels. Such commitments were approximately \$776.4 million and \$750.1 million at June 30, 2021 and 2020, respectively.

(d) Includes side pockets (a separate share class) of hedge fund strategies such as hedged equity, multi-strategy, arbitrage, global macro, distressed securities, and open mandate strategies. These side pockets are not available for redemption until the investment is liquidated by the managers.

(e) 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.

(f) Includes investments in venture capital, leverage buyouts, growth equity, and distressed investments. The funds in this category do not permit redemptions.

## 7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2021 and 2020, are restricted for the following purposes:

(in 000s)	2021	2020
<b>ENDOWMENTS:</b>		
Subject to spending policy and appropriation:		
Future needs of the hospital	\$ 786,366	\$ 670,805
Endowed chairs	381,207	228,129
Treatment and research	<u>35,420</u>	<u>35,008</u>
Total endowments	1,202,993	933,942
Subject to the passage of time	112,781	90,751
Net assets restricted to purpose	<u>39,807</u>	<u>44,109</u>
Total net assets with donor restrictions	<u>\$ 1,355,581</u>	<u>\$ 1,068,802</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, 2021 and 2020:

<b>(in 000s)</b>	<b>2021</b>	<b>2020</b>
Spending from donor-restricted endowment funds under an endowment spending policy	\$ 61,862	\$ 54,591
Expiration of split interest agreements	<u>9,179</u>	<u>8,948</u>
Total	<u>\$ 71,041</u>	<u>\$ 63,539</u>

## 8. NET ASSETS WITHOUT DONOR RESTRICTIONS

The composition of net assets without donor restrictions as of June 30, 2021 and 2020 is as follows:

<b>(in 000s)</b>	<b>2021</b>	<b>2020</b>
Cash and cash equivalents	\$ 228,305	\$ 320,938
Receivables	123,856	106,770
Investments	6,167,758	4,075,060
Inventories	17,702	16,624
Board-designated endowments	126,935	99,741
Board-designated self-insurance funding	3,209	2,419
Property and equipment—net	1,222,400	1,130,866
Deferred expenses and other assets	<u>40,590</u>	<u>31,599</u>
Total assets without donor restrictions	7,930,755	5,784,017
Liabilities	<u>(312,783)</u>	<u>(288,595)</u>
Net assets without donor restrictions	<u>\$ 7,617,972</u>	<u>\$ 5,495,422</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, 2021 and 2020.

## 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 \$1.7 million and \$1.6 million as of June 30, 2021 and 2020, 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 \$1.4 million as of June 30, 2021 and 2020. 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 \$4.3 million and \$3.3 million as of June 30, 2021 and 2020, 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, 2022, January 1, 2022, and December 31, 2021, respectively.

## 11. LEASES

Rental expense for all operating leases was approximately \$4.2 million and \$3.5 million for the years ended June 30, 2021 and 2020, respectively.

A schedule by year of future minimum lease payments under operating leases as of June 30, 2021, that have initial or remaining lease terms in excess of one year is as follows:

<b>Years Ending June 30</b>	<b>(in 000s)</b>
2022	\$ 2,203
2023	2,155
2024	1,514
2025	700
2026	123
Thereafter	<u>-</u>
Total	<u>\$ 6,695</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, 2021 and 2020, is as follows:

<b>(in 000s)</b>	<b>2021</b>	<b>2020</b>
Land improvements	\$ 19,683	\$ 18,394
Buildings and improvements	<u>1,445,319</u>	<u>1,067,814</u>
	1,465,002	1,086,208
Less accumulated depreciation	<u>(702,421)</u>	<u>(652,618)</u>
Total	<u>\$ 762,581</u>	<u>\$ 433,590</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.

\* \* \* \* \*

## **SUPPLEMENTAL INFORMATION**



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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021**

Program Type Federal Agency Grantor	Pass-Through Grantor	Pass-Through Grantor ID	CFDA Number	CFDA 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	\$ 1,565,741	\$ 636,695
			93.173 Total	Research Related to Deafness and Communication Disorders	440,929	-
			93.242 Total	Mental Health Research Grants	941,086	-
			93.310 Total	Trans-NIH Research Support	1,008,369	60,596
			93.353 Total	21st Century Cures Act—Beau Biden Cancer Moonshot	398,534	-
			93.393 Total	Cancer Cause and Prevention Research	10,212,455	1,706,807
			93.394 Total	Cancer Detection and Diagnosis Research	1,104,050	124,637
			93.395 Total	Cancer Treatment Research	12,451,715	3,789,961
			93.396 Total	Cancer Biology Research	4,561,191	(29,351)
			93.397 Total	Cancer Centers Support Grants	6,958,729	(21,924)
			93.398 Total	Cancer Research Manpower	1,468,784	-
			93.829 Total	Section 223 Demonstration Programs to Improve Community Mental Health Services	323,850	-
			93.837 Total	Cardiovascular Diseases Research	377,026	(49)
			93.839 Total	Blood Diseases and Resources Research	4,413,490	1,017,154
			93.846 Total	Arthritis, Musculoskeletal and Skin Diseases Research	693,310	-
			93.847 Total	Diabetes, Digestive, and Kidney Diseases Extramural Research	1,199,993	-
			93.853 Total	Extramural Research Programs in The Neurosciences and Neurological Disorders	3,514,141	-
			93.855 Total	Allergy and Infectious Diseases Research	20,016,511	9,766,119
			93.859 Total	Biomedical Research and Research Training	7,058,194	80,672
			93.865 Total	Child Health and Human Development Extramural Research	60,936	13,971
			93.866 Total	Aging Research	2,176,106	539,636
			93.867 Total	Vision Research	422,787	-
			93.RD Total	N/A (Federal Contract)	20,816,202	10,216,122
	Total direct awards				<u>102,184,129</u>	<u>27,901,046</u>
	Pass-through awards:					
	The University of Memphis	1NU58DD000019-01-00	93.080	Blood Disorder Program: Prevention, Surveillance, and Research	16,112	-
	University of North Carolina	5NU27DD001155-05-00	93.080	Blood Disorder Program: Prevention, Surveillance, and Research	1,626	-
	University of North Carolina	NU27DD000020-01-00	93.080	Blood Disorder Program: Prevention, Surveillance, and Research	8,822	-
	University of Tennessee Health Science Center	1NU58DD000010-01-00	93.080	Blood Disorder Program: Prevention, Surveillance, and Research	9,899	-
			93.080 Total		<u>36,459</u>	<u>-</u>
	University of Alabama at Birmingham	1R01FD006368-01A1	93.103	Food and Drug Administration Research	4,518	-
			93.103 Total		<u>4,518</u>	<u>-</u>
	University of Pittsburgh	H30MC24050	93.110	Maternal and Child Health Federal Consolidated Programs	892	-
			93.110 Total		<u>892</u>	<u>-</u>
	TN Department of Health	NU65PS923707	93.118	Acquired Immunodeficiency Syndrome (Aids) Activity	148,736	-
			93.118 Total		<u>148,736</u>	<u>-</u>
	University of Texas-Houston Medical	1R03DE029238-01	93.121	Oral Diseases and Disorders Research	44,200	-
			93.121 Total		<u>44,200</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, 2021**

Program Type Federal Agency Grantor	Pass-Through Grantor	Pass-Through Grantor ID	CFDA Number	CFDA Program Title	Federal Expenditures	Payments to Subrecipients	
	LE Bonheur Children’s Research Hospital	5H12HA24874-08	93.153	Coordinated Services and Access to Research for Women, Infants, Children, and Youth	\$ 5,516	\$ -	
	LE Bonheur Children’s Research Hospital	5H12HA24874-09	93.153	Coordinated Services and Access to Research for Women, Infants, Children, and Youth	13,546	-	
			93.153 Total		19,062	-	
	Columbia University	U24HG010733	93.172	Human Genome Research	5,873	-	
			93.172 Total		5,873	-	
	Columbia University	5R01DA041510-05	93.279	Drug Abuse and Addiction Research Programs	38,087	-	
	Columbia University	5R01DA041510-04	93.279	Drug Abuse and Addiction Research Programs	78,395	-	
			93.279 Total		116,482	-	
	The University of Memphis	A21-0154-S001	93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health	1,556	-	
			93.286 Total		1,556	-	
	Baylor College of Medicine	3P30CA12513-12S4	93.307	Minority Health and Health Disparities Research	253,417	-	
			93.307 Total		253,417	-	
	Children’s Hospital of Philadelphia	GRT-00000931/PO# 20249297	93.393	Cancer Cause and Prevention Research	10,999	-	
	Duke University	5R01CA134722-08	93.393	Cancer Cause and Prevention Research	27,653	-	
	Duke University	5R01CA134722-09	93.393	Cancer Cause and Prevention Research	4,642	-	
	Fred Hutchinson Cancer Research Center	5R01CA204378-04	93.393	Cancer Cause and Prevention Research	131,588	-	
	The Washington University	1R03CA252485-01	93.393	Cancer Cause and Prevention Research	56,220	-	
	The University of Alabama at Birmingham	000527577-SC006	93.393	Cancer Cause and Prevention Research	6,442	-	
	The University of Chicago	1R01CA237369-01A1	93.393	Cancer Cause and Prevention Research	112,627	-	
	The University of Chicago	AWD101813 (SUB00000454)	93.393	Cancer Cause and Prevention Research	14,060	-	
			93.393 Total		364,231	-	
	Children’s Hospital of Philadelphia	R01CA193478	93.394	Cancer Detection and Diagnosis Research	1,412	-	
			93.394 Total		1,412	-	
	Baylor College of Medicine		7000001283	93.395	Cancer Treatment Research	50,832	-
	Beckman Research Institute	5R01CA196854-05	93.395	Cancer Treatment Research	(147)	-	
	Boston Childrens Hospital	5R01CA227576-02	93.395	Cancer Treatment Research	3,375	-	
	Boston Childrens Hospital	5R01CA227576-03	93.395	Cancer Treatment Research	19,460	-	
	Children’s Hospital of Philadelphia	1R01CA196854-01	93.395	Cancer Treatment Research	(290)	-	
	Children’s Hospital of Philadelphia	1UM1CA228823-01	93.395	Cancer Treatment Research	8,983	-	
	Children’s Hospital of Philadelphia	2U10CA180886-06	93.395	Cancer Treatment Research	(253,996)	-	
	Children’s Hospital of Philadelphia	COG-AALL1922	93.395	Cancer Treatment Research	1,608	-	
	Children’s Hospital of Philadelphia	R01CA196854	93.395	Cancer Treatment Research	1,155	-	
	Children’s Hospital of Philadelphia	U10CA180886	93.395	Cancer Treatment Research	158,744	-	
	Children’s Hospital of Philadelphia	UM1CA228823	93.395	Cancer Treatment Research	34,072	-	
	Children’s Hospital of Philadelphia	Unknown	93.395	Cancer Treatment Research	85,847	-	
	Fred Hutchinson Cancer Research Center	5R01CA114567-12	93.395	Cancer Treatment Research	137,238	-	
	Icahn School of Medicine at Mount Sinai	5P01CA108671-12	93.395	Cancer Treatment Research	83,861	-	
	Icahn School of Medicine at Mount Sinai	5P01CA108671-13	93.395	Cancer Treatment Research	59,254	-	

(Continued)

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021**

Program Type Federal Agency Grantor	Pass-Through Grantor	Pass-Through Grantor ID	CFDA Number	CFDA Program Title	Federal Expenditures	Payments to Subrecipients
	Memorial Sloan Kettering Cancer Center	5UG1CA233332-02	93.395	Cancer Treatment Research	\$ 108,857	\$ -
	Public Health Institute	2U10CA180899-07	93.395	Cancer Treatment Research	569,548	-
	Seattle Children's Research Institute	5R01CA225629-03	93.395	Cancer Treatment Research	7,668	-
	St. Jude Children's Research Hospital	2UM1CA081457-21	93.395	Cancer Treatment Research	205,709	-
	University of California-Irvine	5R01CA222012-02	93.395	Cancer Treatment Research	(296)	-
	University of California-Irvine	5R01CA222012-03	93.395	Cancer Treatment Research	121,207	-
	University of Kentucky	1R01CA247365-01A1	93.395	Cancer Treatment Research	(22)	-
	University of Kentucky	1R01CA247365-02	93.395	Cancer Treatment Research	183,092	-
	University of Minnesota	1R01CA239701-01A1	93.395	Cancer Treatment Research	59,442	-
	University of Tennessee Health Science Center	5R01CA148706-10	93.395	Cancer Treatment Research	16,769	-
			93.395 Total		1,661,970	-
	Children's Hospital of Philadelphia	1U01CA243072-01A1	93.396	Cancer Biology Research	42,850	-
			93.396 Total		42,850	-
	The University of Alabama at Birmingham	5P50CA107399-12	93.397	Cancer Centers Support Grants	3,564	-
			93.397 Total		3,564	-
	University of Minnesota	5K08CA234232-02	93.398	Cancer Research Manpower	31,019	-
			93.398 Total		31,019	-
	Children's Hospital of Philadelphia	2UG1CA189955-06	93.399	Cancer Control	2,449	-
	Children's Hospital of Philadelphia	UG1CA189955	93.399	Cancer Control	3,531	-
			93.399 Total		5,980	-
	University of Buffalo	5R01HL137558-04	93.837	Cardiovascular Diseases Research	9,060	-
	University of Washington	1OT3HL152448	93.837	Cardiovascular Diseases Research	171,958	-
			93.837 Total		181,018	-
	Ann & Robert H Lurie Children's Hospital	1R01HL136480-04	93.839	Blood Diseases and Resources Research	52,959	-
	Ann & Robert H Lurie Children's Hospital	5R01HL136480-05	93.839	Blood Diseases and Resources Research	15,079	-
	Medical College of Wisconsin	5R01HL142657-02	93.839	Blood Diseases and Resources Research	12,602	-
	Medical College of Wisconsin	5R01HL142657-03	93.839	Blood Diseases and Resources Research	170,168	-
	The University of Alabama at Birmingham	000526031-SC001	93.839	Blood Diseases and Resources Research	9,357	-
	The University of Alabama at Birmingham	1R01HL153386-01	93.839	Blood Diseases and Resources Research	109,741	-
			93.839 Total		369,906	-
	Childrens Hospital of Philadelphia	1U19AR069525-01	93.846	Arthritis, Musculoskeletal and Skin Diseases Research	31	-
			93.846 Total		31	-
	Albert Einstein College of Medicine	1R01DK121738-01A1	93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	13,708	-
	Cincinnati Childrens Hospital	5R01DK080834-13	93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	26,925	-
	Pennsylvania State University-Hersh	5R24DK106766-03	93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	(6)	-
	Pennsylvania State University-Hersh	5R24DK106766-04	93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	163,100	-
			93.847 Total		203,727	-

(Continued)

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021**

Program Type Federal Agency Grantor	Pass-Through Grantor	Pass-Through Grantor ID	CFDA Number	CFDA Program Title	Federal Expenditures	Payments to Subrecipients
	Biostrategies LC	5R44NS084565-03	93.853	Extramural Research Programs in The Neurosciences and Neurological Disorders	\$ 119,581	\$ -
	Cornell University	5R37NS085318-06	93.853	Extramural Research Programs in The Neurosciences and Neurological Disorders	3,685	-
	Cornell University	5R37NS085318-07	93.853	Extramural Research Programs in The Neurosciences and Neurological Disorders	60,110	-
	Icahn School of Medicine at Mount Sinai	2R01NS060123-11	93.853	Extramural Research Programs in The Neurosciences and Neurological Disorders	-	-
	Icahn School of Medicine at Mount Sinai	5R01NS060123-13	93.853	Extramural Research Programs in The Neurosciences and Neurological Disorders	33,480	-
	Icahn School of Medicine at Mount Sinai	5R01NS060123-14	93.853	Extramural Research Programs in The Neurosciences and Neurological Disorders	25,130	-
	Mayo Clinic—Rochester	1U54NS110435-01A1	93.853	Extramural Research Programs in The Neurosciences and Neurological Disorders	(260)	-
	Mayo Clinic in Rochester	5U54NS110435-02	93.853	Extramural Research Programs in The Neurosciences and Neurological Disorders	483,880	-
	Northwestern University	5R01NS106379-02	93.853	Extramural Research Programs in The Neurosciences and Neurological Disorders	54,324	-
	Northwestern University	5R01NS106379-03	93.853	Extramural Research Programs in The Neurosciences and Neurological Disorders	148,023	-
	University of Miami	1R01NS11059-01A1	93.853	Extramural Research Programs in The Neurosciences and Neurological Disorders	269	-
	University of Miami	5R01NS110591-02	93.853	Extramural Research Programs in The Neurosciences and Neurological Disorders	6,443	-
	University of Miami	5U54NS092091-05	93.853	Extramural Research Programs in The Neurosciences and Neurological Disorders	1	-
	University of Miami	5U54NS092091-07	93.853	Extramural Research Programs in The Neurosciences and Neurological Disorders	141,684	-
	University of Michigan	1U54NS117170-01	93.853	Extramural Research Programs in The Neurosciences and Neurological Disorders	6,260	-
	University of Tennessee Health Science Center	1R01NS115776-01A1	93.853	Extramural Research Programs in The Neurosciences and Neurological Disorders	134,223	-
			93.853 Total		1,216,833	-
	Arietis Corp	1R44AI157081-01	93.855	Allergy and Infectious Diseases Research	20,163	-
	Arietis Corp	5R01AI141193-03	93.855	Allergy and Infectious Diseases Research	210,532	-
	Boston Children's Hospital	1R01AI154470-01	93.855	Allergy and Infectious Diseases Research	83,470	-
	Boston Children's Hospital	5U01AI124302-05	93.855	Allergy and Infectious Diseases Research	296,784	-
	Carnegie Mellon University	5R01AI134911-03	93.855	Allergy and Infectious Diseases Research	10,566	-
	Carnegie Mellon University	7R01AI134911-02	93.855	Allergy and Infectious Diseases Research	4,563	-
	Drexel University	5U19AI128910-03	93.855	Allergy and Infectious Diseases Research	(503)	-
	Drexel University	5U19AI128910-04	93.855	Allergy and Infectious Diseases Research	66,793	-
	Duke University	5P01AI104533-05	93.855	Allergy and Infectious Diseases Research	127	-
	Duke University	5R01AI139032-01	93.855	Allergy and Infectious Diseases Research	11,389	-
	Emory University	1U01AI150747-01	93.855	Allergy and Infectious Diseases Research	224,229	-
	Emory University	5U01AI150747-02	93.855	Allergy and Infectious Diseases Research	19,516	-
	Family Health International	SUM1AI068619-12	93.855	Allergy and Infectious Diseases Research	21,361	-
	Family Health International	5UM1AI068620-01	93.855	Allergy and Infectious Diseases Research	304,339	-
	Family Health International	UM1AI068619	93.855	Allergy and Infectious Diseases Research	1,522,394	75,734
	Fox Chase Cancer Center	5R01AI135025-03	93.855	Allergy and Infectious Diseases Research	23,907	-
	Fox Chase Cancer Center	5R01AI135025-04	93.855	Allergy and Infectious Diseases Research	34,266	-
	Immune Tolerance Network	SUM1AI109565-07	93.855	Allergy and Infectious Diseases Research	(304)	-
	Iowa State University	5R01AI141196-02	93.855	Allergy and Infectious Diseases Research	2,293	-
	Iowa State University	R01AI141196	93.855	Allergy and Infectious Diseases Research	2,334	-
	Johns Hopkins University	2UM1AI068632-15	93.855	Allergy and Infectious Diseases Research	136,088	-
	Johns Hopkins University	2UM1AI068632-15	93.855	Allergy and Infectious Diseases Research	2,309	-
	Johns Hopkins University	3UM1AI068632-14S2	93.855	Allergy and Infectious Diseases Research	19,147	-
	Johns Hopkins University	5UM1AI068632-14	93.855	Allergy and Infectious Diseases Research	238,873	-
	Texas A&M Health Science Center	5R01AI144459-02	93.855	Allergy and Infectious Diseases Research	237,018	-
	Texas A&M Health Science Center	5R01AI144459-03	93.855	Allergy and Infectious Diseases Research	179,825	-
	The Regents of The University of California	SUM1AI069536-14	93.855	Allergy and Infectious Diseases Research	552,181	-
	The Regents of The University of California	UM1AI068619	93.855	Allergy and Infectious Diseases Research	110,301	-
	Thomas Jefferson University	5R01AI123538-04	93.855	Allergy and Infectious Diseases Research	10,685	-
	Thomas Jefferson University	5R01AI123538-05	93.855	Allergy and Infectious Diseases Research	10,688	-
	Triangle Biotechnology, Inc	1R43AI152796-01A1	93.855	Allergy and Infectious Diseases Research	81,943	-
	The University of Alabama at Birmingham	1R01AI156898-01	93.855	Allergy and Infectious Diseases Research	16,092	-

(Continued)

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021**

Program Type Federal Agency Grantor	Pass-Through Grantor	Pass-Through Grantor ID	CFDA Number	CFDA Program Title	Federal Expenditures	Payments to Subrecipients
	University of California-San Diego	SUM1AI069536-15	93.855	Allergy and Infectious Diseases Research	\$ 274,459	\$ -
	University of Florida	5R01AI123144-04	93.855	Allergy and Infectious Diseases Research	41,401	-
	University of Florida	5R01AI123144-05	93.855	Allergy and Infectious Diseases Research	50,124	-
	University of Florida	5R01AI136803-02	93.855	Allergy and Infectious Diseases Research	34,049	-
	University of Florida	5R01AI136803-03	93.855	Allergy and Infectious Diseases Research	274,116	-
	University of Michigan	5R21AI141835-02	93.855	Allergy and Infectious Diseases Research	18,186	-
	University of Nebraska—Lincoln	1R01AI147109-01A1	93.855	Allergy and Infectious Diseases Research	22,350	-
	University of Tennessee Health Science Center	1R01AI143197-01A1	93.855	Allergy and Infectious Diseases Research	34,196	-
	University of Tennessee Health Science Center	21-3769-STJUDE	93.855	Allergy and Infectious Diseases Research	50,313	-
	University of Tennessee Health Science Center	21-3917-STJU	93.855	Allergy and Infectious Diseases Research	15,110	-
	University of Tennessee Health Science Center	5R01AI125481-04	93.855	Allergy and Infectious Diseases Research	21,771	-
	University of Tennessee Health Science Center	5R01AI125481-05	93.855	Allergy and Infectious Diseases Research	6,388	-
	University of Tennessee Health Science Center	5R21AI142044-02	93.855	Allergy and Infectious Diseases Research	8,056	-
	University of Tennessee Health Science Center	5R33AI127607-04	93.855	Allergy and Infectious Diseases Research	71,992	-
	University of Utah	7R01AI139014-03	93.855	Allergy and Infectious Diseases Research	24,748	-
	University of Utah	7R01AI139014-04	93.855	Allergy and Infectious Diseases Research	168,863	-
	University of Wisconsin-Madison	5R01AI125392-04	93.855	Allergy and Infectious Diseases Research	107,741	-
	University of Wisconsin-Madison	5R01AI125392-05	93.855	Allergy and Infectious Diseases Research	68,056	-
	Yale University	1R01AI150560-01	93.855	Allergy and Infectious Diseases Research	(34)	-
	Yale University	5R01AI150560-02	93.855	Allergy and Infectious Diseases Research	160,933	-
			93.855 Total		5,906,187	75,734
	Tymora Analytical Operations LLC	1R41GM136093	93.859	Biomedical Research and Research Training	58,875	-
	University of California—Irvine	5R01GM129264-02	93.859	Biomedical Research and Research Training	6,882	-
	University of California—Irvine	5R01GM129264-03	93.859	Biomedical Research and Research Training	46,522	-
			93.859 Total		112,279	-
	Duke University	5R01HD081044-02	93.865	Child Health and Human Development Extramural Research	(1,229)	-
	Florida State University	5U19HD089875-06	93.865	Child Health and Human Development Extramural Research	42,315	-
	Harvard Medical School	1P01HD103133-01	93.865	Child Health and Human Development Extramural Research	255,868	-
	Harvard Medical School	5U01HD052102-15	93.865	Child Health and Human Development Extramural Research	136,909	-
	Harvard T.H. Chan School of Public Health	1P01HD103133-01	93.865	Child Health and Human Development Extramural Research	55,858	-
	Harvard T.H. Chan School of Public Health	5U01HD052102-15	93.865	Child Health and Human Development Extramural Research	91,001	-
	Hektoen Institute for Medical Research	5U24HD089880-04	93.865	Child Health and Human Development Extramural Research	144,058	-
	Hektoen Institute for Medical Research	5U24HD089880-04	93.865	Child Health and Human Development Extramural Research	44,875	-
	Hudson-Alpha Institute for Biotechnology	2U24HD090744-04	93.865	Child Health and Human Development Extramural Research	79,634	-
	Hudson-Alpha Institute for Biotechnology	5U24HD090744-03	93.865	Child Health and Human Development Extramural Research	(540)	-
	Hudson-Alpha Institute for Biotechnology	5U24HD090744-05	93.865	Child Health and Human Development Extramural Research	162,086	-
	University of Michigan	5U24HD089880-05	93.865	Child Health and Human Development Extramural Research	49,776	-
	The University of North Carolina at Chapel Hill	5U24HD089880-04	93.865	Child Health and Human Development Extramural Research	84	-
	The University of North Carolina at Chapel Hill	5U24HD089880-05	93.865	Child Health and Human Development Extramural Research	7,581	-
			93.865 Total		1,068,276	-
	Icahn School of Medicine at Mount Sinai	1RF1AG057440-01	93.866	Aging Research	6,156	-
	Icahn School of Medicine at Mount Sinai	5R01AG057907-03	93.866	Aging Research	(6)	-
	Icahn School of Medicine at Mount Sinai	5R01AG057907-04	93.866	Aging Research	66,939	-
	Icahn School of Medicine at Mount Sinai	5R01AG062355-03	93.866	Aging Research	23,677	-
	University of Texas Southwest Medical Center	5R01AG064909-02	93.866	Aging Research	405,553	-
			93.866 Total		502,319	-

(Continued)

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021**

Program Type Federal Agency Grantor	Pass-Through Grantor	Pass-Through Grantor ID	CFDA Number	CFDA Program Title	Federal Expenditures	Payments to Subrecipients
	Stanford University Medical Center	3U01EY027261-03S2	93.867	Vision Research	\$ 140,641	\$ -
			93.867 Total		140,641	-
	Tennessee Hospital Association	U3REP200654-01-00	93.899	Hospital Association Covid-19 Preparedness and Response Activities	10,177	-
			93.899 Total		10,177	-
	Shelby County	CA2120594	93.914	HIV Emergency Relief Project Grants	78,869	-
			93.914 Total		78,869	-
	Shelby County	CA2220594	93.917	HIV Care Formula Grants	29,126	-
	State of Tennessee	GR-19-63887	93.917	HIV Care Formula Grants	-	-
	State of Tennessee	GR-20-66002	93.917	HIV Care Formula Grants	159,274	-
			93.917 Total		188,400	-
	Children’s Hospital of Philadelphia	U10CA180886	93.935	Cancer Treatment Research	7,467	-
			93.935 Total		7,467	-
	Tennessee Department of Health	NU62PS924643-01	93.940	HIV Prevention Activities Health Department Based	44,017	-
			93.940 Total		44,017	-
	State of Tennessee	GR-19-58315	93.994	Maternal and Child Health Services Block Grant to The States	(2,908)	-
	State of Tennessee	GR-21-65088	93.994	Maternal and Child Health Services Block Grant to The States	341,771	-
			93.994 Total		338,863	-
	Arietis Corp	5R01AI141193-02	93.RD	N/A (Federal Contract)	288,271	-
	Broad Institute of MIT and Harvard	IDIQ17X149	93.RD	N/A (Federal Contract)	21,022	-
	Children’s Hospital of Philadelphia	75F40120C00135	93.RD	N/A (Federal Contract)	25,954	-
	Johns Hopkins University	PTCL13	93.RD	N/A (Federal Contract)	15,910	-
	Leidos Biomedical Research, Inc	20X068F	93.RD	N/A (Federal Contract)	302,974	-
	University of Georgia	75N93019C00052	93.RD	N/A (Federal Contract)	1,441,521	-
	Westat	HHSN275201800001I	93.RD	N/A (Federal Contract)	496,075	121,717
			93.RD Total		2,591,727	121,717
	Total pass-through awards				15,702,958	197,451
Total department of health and human services					117,887,087	28,098,497

(Continued)

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021**

Program Type Federal Agency Grantor	Pass-Through Grantor	Pass-Through Grantor ID	CFDA Number	CFDA Program Title	Federal Expenditures	Payments to Subrecipients
National science foundation:						
	Direct award:		47.041 Total	Engineering	<u>332,507</u>	<u>134,579</u>
	Total direct award				<u>332,507</u>	<u>134,579</u>
	Pass-through awards:					
	University of California-Berkeley	2002182	47.049	Mathematical and Physical Sciences	<u>62,917</u>	<u>-</u>
			47.049 Total		<u>62,917</u>	<u>-</u>
	University of Oklahoma	1911955	47.074	Biological Sciences	<u>11,591</u>	<u>-</u>
			47.074 Total		<u>11,591</u>	<u>-</u>
	The University of Memphis	1918751	47.076	Education and Human Resources	<u>30,940</u>	<u>-</u>
			47.076 Total		<u>30,940</u>	<u>-</u>
	Total pass-through awards				<u>105,448</u>	<u>-</u>
Total national science foundation					<u>437,955</u>	<u>134,579</u>
US Department of Treasury:						
	Direct Award:		21.019	COVID-19 - Coronavirus Relief Fund	<u>2,348,417</u>	<u>-</u>
	Total direct award				<u>2,348,417</u>	<u>-</u>
Total US department of the Treasury					<u>2,348,417</u>	<u>-</u>
Total research and development cluster					<u>120,673,459</u>	<u>28,233,076</u>
Other						
Department of homeland security:	Pass-through award:					
	State of Tennessee	FEMA-Damage Description and Dime	97.036	COVID-19 - Disaster Grants—Public Assistance (Presidentially Declared Disasters)	<u>1,147,313</u>	<u>-</u>
			97.036 Total		<u>1,147,313</u>	<u>-</u>
	Total pass-through award				<u>1,147,313</u>	<u>-</u>
Total department of homeland security					<u>1,147,313</u>	<u>-</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>					<u><b>\$ 121,820,772</b></u>	<u><b>\$ 28,233,076</b></u>

(Concluded)

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

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2021

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### 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, 2021, 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.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For purposes of the Schedule, expenditures of federal award programs are recognized on the accrual basis of accounting. 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. The Hospital has elected not to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

### 3. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

The regulations and guidelines governing the preparation of federal financial reports vary by federal agency and among programs administered by the same agency. Accordingly, the amounts reported in the federal financial reports may not necessarily agree with the amounts reported in the accompanying Schedule which is prepared as explained in Notes 1 and 2 above.

### 4. FEDERAL LOANS

The Hospital has no federal loans.



## 5. SUBRECIPIENTS

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

### ST. JUDE CHILDREN'S RESEARCH HOSPITAL, INC. AND SUBSIDIARY

#### SCHEDULE OF AMOUNTS PROVIDED TO SUBAWARDEES FOR THE YEAR ENDED JUNE 30, 2021

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Subawardee	Amounts Provided to Subawardee
Ann & Robert H Lurie Children's Hospital of Chicago	\$ 65,025
Baptist Cancer Center	27,411
Baylor College of Medicine	89,649
Beckman Research Institute of The City of Hope	337,735
Ben Gurion University	85,739
Board of Trustees for The University of Alabama	5,583
Board of Trustees of The Leland Stanford Junior University	1,051,614
Boston Children's Hospital	604,824
Broad Institute	105,817
Carnegie Mellon University	60,596
Case Western Reserve University	(18,821)
Centro Medico Imbanaco	121,717
Children's Healthcare of Atlanta	21,272
Children's Hospital Colorado	39,324
Children's Hospital Los Angeles	1,777,171
Children's Hospital of Philadelphia	13,532
Children's National Medical Center	110,610
Cincinnati Children's Hospital	446,778
City of Hope National Medical Center	(58,605)
Colorado State University	480,631
Cornell University	10,204
Dana-Farber Cancer Institute	516,395
Duke University	(7,302)
Ecole Nationale Veterinaire de Toulouse	50,751
Emory University	480,504
Fred Hutchinson Cancer Research Center	1,156,134
Fundacion Amigos Contra el Cancer	(9,453)
Fundacion Ayudame a Vivir	(2,965)
Fundacion Honduera para el Nino con Cancer	(54)
Fundacion Salud para el Tropico-Tropical Health Foundation	221,948
Geneva Foundation	(61)
Hackensack University Medical Center	51,355
Harvard University	84,512
Hospital for Sick Children	62,929
Human Link	1,320,603

(Continued)

## ST. JUDE CHILDREN'S RESEARCH HOSPITAL, INC. AND SUBSIDIARY

### SCHEDULE OF AMOUNTS PROVIDED TO SUBAWARDEES FOR THE YEAR ENDED JUNE 30, 2021

Subawardee	Amounts Provided to Subawardee
Icahn School of Medicine	\$ 687,229
Institute of Environmental Science & Research Limited	2,212,763
Kansas State University	490,504
Louisiana State University	12,873
Mayo Clinic	130,485
Mayo Clinic Jacksonville	419,616
Md Anderson Cancer Center	143,124
Memorial Sloan Kettering Cancer Center	545,248
Methodist Healthcare Foundation	15,000
Monash University	207,269
National University of Singapore	405,069
New York University School of Medicine	301,108
Northeastern University	(9,071)
Nos Petits Freres et Soeurs	(9,453)
Ohio State University	902,431
Phoenix Children's Hospital	17,920
Prinses Maxima Center for Pediatric Oncology	(36,300)
Regents of University of Colorado	45,978
Research Institute at Nationwide Children's Hospital	196,280
Rutgers Biomedical and Health	66,198
Scripps Research Institute	(25,392)
Seattle Children's Hospital	492,063
St. Jude Children's Research Hospital	205,709
Stanford University	(216,905)
Sustainable Sciences Institute	874,704
Universidad de Chile	165,613
Universidad Peruana Cayetano Heredia	48,023
University of Alabama at Birmingham	15,263
University of Alberta	84,310
University of California Davis	237,746
University of California San Francisco	282,391
University of Cambridge	299,676
University of Chicago	108,718
University of Copenhagen	126,700
University of Florida	48,799
University of Florida Research Foundation	13,725
University of Georgia Research Foundation	297,701
University of Hong Kong	2,717,825
University of Melbourne	86,400

(Continued)

# ST. JUDE CHILDREN'S RESEARCH HOSPITAL, INC. AND SUBSIDIARY

## SCHEDULE OF AMOUNTS PROVIDED TO SUBAWARDEES FOR THE YEAR ENDED JUNE 30, 2021

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<b>Subawardee</b>	<b>Amounts Provided to Subawardee</b>
University of Memphis	\$ 57,430
University of Michigan Health System	2,775,330
University of Minnesota	103,037
University of Missouri	415,253
University of Pennsylvania	24,871
University of Pittsburgh	67,505
University of Rochester	626,719
University of Tennessee	307,243
University of Texas Southwestern Medical Center	132,461
University of Virginia	(3,680)
University of Washington	352,722
University of Wisconsin	81,171
University of Wisconsin Madison	62,174
University of Zurich	51,934
Vanderbilt University Medical Center	(960)
Washington University	1,209,219
Yale University	<u>60,207</u>
<b>Total</b>	<b><u>\$ 28,233,076</u></b>

(Concluded)

\* \* \* \* \*



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**INDEPENDENT AUDITORS' REPORTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AUDITS OF CONSOLIDATED FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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, 2021, and the related notes to consolidated financial statements, which collectively comprise the Hospital's basic financial statements, and have issued our reports thereon dated October 11, 2021.

**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.

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

October 11, 2021



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## **INDEPENDENT AUDITORS' 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**

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

### **Report on Compliance for 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 described 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, 2021. The Hospital's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with the federal statutes, regulations, contracts, and grants applicable to its federal programs.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the Hospital's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Hospital's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### **Opinion on Each Major Federal Program**

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

## **Report on Internal Control over Compliance**

Management of the Hospital is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Hospital's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Hospital's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. 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, 2021, and have issued our report thereon dated October 11, 2021, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken 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 consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of

America. In our opinion, the schedule of expenditure of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

*Deloitte + Touche LLP*

October 11, 2021



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

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2021

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### SECTION I—SUMMARY OF AUDITORS' RESULTS

#### Consolidated Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:  
Material weakness(es) identified? \_\_\_\_\_ Yes \_\_\_\_\_ X No  
Significant deficiency(ies) identified? \_\_\_\_\_ Yes \_\_\_\_\_ X None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes \_\_\_\_\_ X No

#### Federal Awards

Internal control over major programs:  
Material weakness(es) identified? \_\_\_\_\_ Yes \_\_\_\_\_ X No  
Significant deficiency(ies) identified? \_\_\_\_\_ Yes \_\_\_\_\_ X None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ Yes \_\_\_\_\_ X No

Identification of major programs:

#### CFDA Number Name of Federal Program or Cluster

Various Research and Development Cluster  
97.036 COVID-19 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between Type A and Type B programs: \$3,000,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ X Yes \_\_\_\_\_ No

### SECTION II—CONSOLIDATED FINANCIAL STATEMENT FINDINGS

There were no findings related to the consolidated financial statements for the year ended June 30, 2021.

### SECTION III—FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs that were reportable for the year ended June 30, 2021.



St. Jude Children's<sup>®</sup>  
Research Hospital

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

### **SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2021**

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There were no prior-year findings or questioned costs.