Combined Financial Statements and Supplementary Information, Audit Reports and Schedules Related to the Uniform Guidance

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations
Year Ended December 31, 2023
With Reports of Independent Auditors

Ernst & Young LLP

Building a better working world

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Combined Financial Statements and Supplementary Information, Audit Reports
and Schedules Related to the Uniform Guidance

Year Ended December 31, 2023

Contents

Ernst & Young LLP
One Manhattan West
New York, NY 10001-8604

Tel: +1 212 773 3000
ey.com

Report of Independent Auditors

The Board of Trustees and Governing Trustees
Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Report on the Audit of the Financial Statements

Opinion

We have audited the combined financial statements of Memorial Sloan Kettering Cancer Center and Affiliated Corporations (the Institution), which comprise the combined balance sheets as of December 31, 2023 and 2022, and the related combined statements of activities without donor restrictions, changes in net assets, and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements").

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

We did not audit the financial statements of MSK Insurance US, Inc., a wholly owned subsidiary, which statements reflect total assets constituting 2.8% and 3.1% and total liabilities constituting 5.9% and 6.1% of the related combined totals as of December 31, 2023 and 2022, respectively, and total revenues constituting 0.1% and 0.1%, respectively, of combined total revenues for the years then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for MSK Insurance US, Inc., is based solely on the report of the other auditors.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Institution, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The financial statements of MSK Insurance US, Inc. were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institution's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institution's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements or the accompanying Financial Responsibility Supplemental Schedule Related to the U.S. Department of Education Title IV Regulations (the Financial Responsibility Supplemental Schedule) as of and for the year ended December 31, 2023 subsequent to April 3, 2024. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the accompanying Financial Responsibility Supplemental Schedule are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated April 3, 2024, on our consideration of the Institution's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Institution's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Institution's internal control over financial reporting and compliance.

Ernst & Young LLP

April 3, 2024, except for our report on the
Schedule of Expenditures of Federal Awards, for
which the date is September 30, 2024.

Memorial Sloan Kettering Cancer Center and Affiliated Corporations

Combined Balance Sheets

	December 31 2023	December 31 2022
	(In Thousands)	
Assets		
Current assets:		
Cash and cash equivalents	**$ 675,870**	$ 327,081
Short-term investments – at fair value	**1,077,070**	1,225,430
Accounts receivable – net	**742,168**	691,464
Pledges, trusts and estates receivable	**156,096**	149,025
Other current assets	**197,948**	205,628
Total current assets	**2,849,152**	2,598,628
Noncurrent assets:		
Assets whose use is limited:		
Investments in marketable securities – at fair value:		
Construction and debt service funds	**102,510**	150,171
Captive insurance funds	**65,625**	66,568
Employee benefit funds	**107,114**	93,310
Total investments in marketable securities whose use is limited	**275,249**	310,049
Investments – at fair value	**6,089,699**	5,592,200
Property and equipment – net	**4,502,520**	4,535,314
Pledges, trusts and estates receivable	**368,862**	353,294
Other noncurrent assets	**596,301**	623,105
Total noncurrent assets	**11,832,631**	11,413,962
Total assets	**$ 14,681,783**	$ 14,012,590
Liabilities and net assets		
Current liabilities:		
Accounts payable	**$ 634,340**	$ 380,400
Accrued expenses	**694,804**	708,778
Current portion of operating lease liabilities	**26,137**	29,807
Current portion of long-term debt and finance lease liabilities	**28,821**	61,251
Total current liabilities	**1,384,102**	1,180,236
Noncurrent liabilities:		
Long-term debt and finance lease liabilities – less current portion	**3,173,140**	3,206,694
Operating lease liabilities – less current portion	**75,087**	98,154
Other noncurrent liabilities	**815,595**	787,224
Total noncurrent liabilities	**4,063,822**	4,092,072
Total liabilities	**5,447,924**	5,272,308
Net assets:		
Without donor restrictions:		
Undesignated	**6,886,856**	6,476,872
Board-designated	**600,768**	578,936
Total without donor restrictions	**7,487,624**	7,055,808
With donor restrictions	**1,746,235**	1,684,474
Total net assets	**9,233,859**	8,740,282
Total liabilities and net assets	**$ 14,681,783**	$ 14,012,590

See notes to combined financial statements.

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Combined Statements of Activities Without Donor Restrictions

	Year Ended December 31	
	2023	**2022**
	(In Thousands)	
Undesignated operating revenues		
Hospital care and services	**$ 6,082,112**	$ 5,393,762
Grants and contracts	**475,076**	427,125
Contributions	**201,427**	183,434
Net assets released from restrictions	**189,579**	202,595
Other income	**184,042**	220,422
Investment earnings supporting operations	**221,992**	203,106
Total operating revenues	**7,354,228**	6,630,444
Operating expenses		
Compensation and fringe benefits	**3,714,130**	3,628,897
Purchased supplies and services	**2,943,840**	2,689,562
Depreciation and amortization	**430,356**	437,224
Interest	**131,625**	122,813
Total operating expenses	**7,219,951**	6,878,496
Income (loss) from operations	**134,277**	(248,052)
Nonoperating income and expenses – net		
Investment returns, net of expenses, allocations to operations and amounts recorded in net assets with donor restrictions	**332,867**	(932,091)
Other components of net periodic benefit credits	**37,497**	69,136
Other nonoperating income and expenses – net	**1,369**	(10,361)
Total nonoperating income and expenses – net	**371,733**	(873,316)
Change in pension and postretirement benefit obligations other than net periodic benefit (cost) credit to be recognized in future periods	**(74,215)**	70,978
Transfer of Board-designated funds	**(21,811)**	(10,256)
Increase (decrease) in undesignated net assets	**409,984**	(1,060,646)
Board-designated		
Board-designated philanthropy	**21**	–
Board-designated other additions and transfers	**21,811**	10,256
Increase in Board-designated net assets	**21,832**	10,256
Increase (decrease) in net assets without donor restrictions	**$ 431,816**	$ (1,050,390)

See notes to combined financial statements.

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Combined Statements of Changes in Net Assets

Years Ended December 31, 2023 and 2022

		With Donor Restrictions				
	Total Without Donor Restrictions	**Time Restricted**	**Purpose Restricted**	**Endowments**	**Total With Donor Restrictions**	**Total Net Assets**
			(In Thousands)			
Net assets at January 1, 2022	$ 8,106,198	$ 919,144	$ 39,806	$ 759,242	$ 1,718,192	$ 9,824,390
Decrease in net assets without donor restrictions	(1,050,390)	–	–	–	–	(1,050,390)
Contributions, pledges, and bequests	–	263,877	629	4,143	268,649	268,649
Investment returns on donor restricted assets	–	(97,088)	–	(2,684)	(99,772)	(99,772)
Net assets released from restrictions	–	(201,709)	(886)	–	(202,595)	(202,595)
Net asset transfers	–	(12,785)	400	12,385	–	–
Net assets at December 31, 2022	7,055,808	871,439	39,949	773,086	1,684,474	8,740,282
Increase in net assets without donor restrictions	**431,816**	**–**	**–**	**–**	**–**	**431,816**
Contributions, pledges, and bequests	**–**	**243,709**	**(1,595)**	**5,122**	**247,236**	**247,236**
Investment returns on donor restricted assets	**–**	**4,285**	**–**	**(181)**	**4,104**	**4,104**
Net assets released from restrictions	**–**	**(188,307)**	**(1,272)**	**–**	**(189,579)**	**(189,579)**
Net asset transfers	**–**	**(36,698)**	**13,367**	**23,331**	**–**	**–**
Net assets at December 31, 2023	**$ 7,487,624**	**$ 894,428**	**$ 50,449**	**$ 801,358**	**$ 1,746,235**	**$ 9,233,859**

See notes to combined financial statements.

Memorial Sloan Kettering Cancer Center and Affiliated Corporations

Combined Statements of Cash Flows

	Year Ended December 31 2023	2022
	(In Thousands)	
Operating activities		
Change in net assets	**$ 493,577**	$ (1,084,108)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	**430,356**	437,224
Equity in earnings of investments – net	**(819)**	10,934
Unrealized net (gains) losses on investments	**(257,517)**	1,613,299
Realized net gains on investments	**(223,503)**	(706,965)
Amortization of bond premium and issuance costs	**(4,734)**	(22,514)
Donor restricted contributions, pledges and bequests transferred to financing activities	**(247,236)**	(268,649)
Change in pension and postretirement benefit obligations other than net periodic benefit cost (credit) to be recognized in future periods	**74,215**	(70,978)
Operating lease right-of-use asset impairment	**–**	56,000
Loss on disposal of property and equipment	**4,471**	12,800
Changes in assets:		
Accounts receivable – net	**(50,704)**	(12,817)
Pledges, trusts and estates receivable	**(22,639)**	(46,814)
Other current assets	**7,680**	(15,626)
Other noncurrent assets	**27,623**	(233,056)
Changes in liabilities:		
Accounts payable, accrued expenses and current portion of operating lease liabilities	**41,892**	(164,747)
Other noncurrent liabilities and operating lease liabilities – less current portion	**(68,763)**	103,483
Net cash provided by (used in) operating activities	**203,899**	(392,534)
Investing activities		
Net acquisitions of property and equipment	**(407,777)**	(547,591)
Decrease (increase) in investments, net	**164,297**	(13,127)
Net cash used in investing activities	**(243,480)**	(560,718)
Financing activities		
Proceeds from financing	**–**	517,520
Finance lease payments	**(2,089)**	(3,734)
Repayment of finance lease	**–**	(170,062)
Repayment of debt	**(59,161)**	(54,720)
Advanced proceeds from conditional pledge	**200,000**	–
Donor restricted contributions, pledges and bequests transferred from operating activities	**247,236**	268,649
Net cash provided by financing activities	**385,986**	557,653
Net change in cash, cash equivalents and restricted cash	**346,405**	(395,599)
Cash, cash equivalents, and restricted cash at beginning of year	**457,366**	852,965
Cash, cash equivalents, and restricted cash at end of year	**$ 803,771**	$ 457,366

See notes to combined financial statements.

1. Organization and Significant Accounting Policies

The mission of Memorial Sloan Kettering Cancer Center and Affiliated Corporations is ending cancer for life by leading in the prevention, diagnosis and treatment of cancer and associated diseases through three core pillars: compassionate care, research innovation, and training the next generation. The accompanying financial statements are presented on a combined basis and include the accounts of the following tax-exempt, Section 501(c)(3), incorporated affiliates: Memorial Sloan Kettering Cancer Center (the Center), Memorial Hospital for Cancer and Allied Diseases (the Hospital), Sloan Kettering Institute for Cancer Research (the Institute), S.K.I. Realty, Inc. (S.K.I. Realty), MSK Insurance US, Inc. (MSKI), the Louis V. Gerstner Jr. Graduate School of Biomedical Sciences (School), and the Prostate Cancer Clinical Trials Consortium, LLC (Consortium). All these entities are collectively referred to as the “Institution”.

The following is a summary of the Institution’s significant accounting policies:

Principles of Combination

The accompanying combined financial statements include the accounts of the Center and all incorporated affiliates. All significant intercompany accounts and transactions have been eliminated in combination.

Cash and Cash Equivalents

The Institution considers as cash and cash equivalents all cash and certain highly liquid investments with original maturities of less than three months. Amounts within restricted cash include cash and cash equivalents held within assets whose use is limited and represent funds set aside based on contractual arrangements. At December 31, 2023 and 2022, the Institution had cash and investment balances in financial institutions that exceeded the Federal depository insurance limits. Management believes that the credit risk related to these deposits is minimal.

1. Organization and Significant Accounting Policies (continued)

The following is a reconciliation of cash, cash equivalents, and restricted cash between the combined balance sheets and combined statements of cash flows:

	December 31	
	2023	**2022**
	(In Thousands)	
Cash and cash equivalents	**$ 675,870**	$ 327,081
Restricted cash within assets whose use is limited	**127,901**	130,285
Total cash, cash equivalents, and restricted cash	**$ 803,771**	$ 457,366

Investments

Investments in marketable securities are carried at fair value, based on quoted market prices.

Alternative investments are stated in the accompanying combined balance sheets at fair value, which is estimated using the net asset value (NAV) of each alternative investment as a practical expedient. Financial information used by the Institution to evaluate its alternative investments is provided by the investment manager or general partner and may include fair value valuations (quoted market prices and values determined through other means) of underlying securities and other financial instruments held by the investee and estimates that require varying degrees of judgment. The financial statements of the investee companies are audited annually by independent auditors, although the timing for reporting the results of such audits does not always coincide with the Institution's annual financial statement reporting.

Realized gains or losses on investments sold or redeemed, together with unrealized appreciation or depreciation on investments and investment income, are distributed to all categories of net assets, as appropriate. The total investment return (investment income and realized and unrealized gains and losses) is reflected in the accompanying combined statements of activities without donor restrictions as either investment earnings supporting operations or investment return classified as nonoperating. The investment earnings supporting operations is determined by application of a 4% normal return to a three-year average market value of investments.

1. Organization and Significant Accounting Policies (continued)

Investment earnings supporting operations consist of the following:

	Year Ended December 31	
	2023	**2022**
	(In Thousands)	
Allocation of endowment returns	**$ 60,299**	$ 56,074
Allocation of Board-designated returns	**14,715**	10,306
Allocation of long-term investment returns	**146,978**	136,726
Total	**$ 221,992**	$ 203,106

The investment return classified as nonoperating represents the difference between the actual total investment return and the amount allocated to support operations less amounts recorded in Board-designated net assets and in net assets with donor restrictions for endowments. Investment expenses, other than fees paid directly to investment managers, amounted to $14.3 million and $17.9 million in 2023 and 2022, respectively, and are included in the combined statements of activities without donor restrictions in investment earnings supporting operations and investment returns, net of expenses, allocations to operations and amounts recorded in net assets with donor restrictions.

Total investment returns, net of investment expenses, consist of the following:

	Year Ended December 31	
	2023	**2022**
	(In Thousands)	
Investment income	**$ 77,943**	$ 77,577
Realized gains	**223,503**	706,965
Unrealized gains (losses)	**257,517**	(1,613,299)
Total	**$ 558,963**	$ (828,757)

1. Organization and Significant Accounting Policies (continued)

Grants and Contracts Revenues

Grants and contracts revenues represent reimbursements of costs incurred in direct support of research and other sponsored activities related to the prevention and treatment of cancer. The Institution contracted with Federal, state, and private agencies for reimbursement of costs incurred, which are recorded as contributions of approximately $274.0 million and $241.2 million for the years ended December 31, 2023 and 2022, respectively. The Institution records conditional contribution revenue upon performance of the conditions or when the barriers on which they depend, as stated in the contracts, have been substantially met. Additionally, the Institution contracted with industry sponsors for reimbursement of costs incurred, which are recorded as exchange transactions of approximately $201.1 million and $185.9 million for the years ended December 31, 2023 and 2022, respectively. Exchange transactions are recognized as revenue at the amount that reflects the consideration to which the Institution expects to be entitled in exchange for performance under the contract.

Contributions and Unconditional Promises to Give

Contributions represent the utilization of donor funds intended to support the current period's operations. Contributions of cash and other assets are reported at fair value at the date the assets are received. Unconditional promises to give are recorded at fair value when the gift intent is made known in writing. A receivable and net assets with donor restrictions are recorded at the value of the promises time-discounted at the risk-free rate. Irrevocable trusts are recorded at the point of notification and are recorded as net assets with donor restrictions as determined by the trust instruments. Estates are estimated and recorded at the conclusion of probate.

Total contributions, pledges, trusts, and estates raised through fund raising efforts were approximately $448.7 million and $452.1 million for 2023 and 2022, respectively.

During 2023, the Institution received conditional pledges of $400.0 million. The Institution received $200.0 million of cash by December 31, 2023. From the cash received, at least $150.0 million is to be used to fund the construction of a new inpatient pavilion and up to $50.0 million is to be used to fund operations. Certain conditions required by the related gift agreement were not yet met as of December 31, 2023. As a result, the funds received are recorded as accounts payable within the combined financial statements for the year ended December 31, 2023. The remaining conditional pledges of $200.0 million have not been recognized in the combined balance sheets.

1. Organization and Significant Accounting Policies (continued)

The Institution is aware of numerous unconditional promises to give and estimates the year of receipt to the extent possible. At December 31, 2023, the anticipated present value of the receivable is as follows (in thousands):

2024	$ 156,096
2025	136,634
2026	62,165
2027	48,177
2028	30,034
Thereafter	91,852
	$ 524,958

The present value discount and allowance for doubtful accounts on unconditional promises to give are approximately $42.9 million and $39.3 million at December 31, 2023 and 2022, respectively.

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions may be expended for any purpose in fulfilling the Institution's mission. These net assets may be used at the discretion of the Institution's management and Board of Trustees and Governing Trustees (the Board).

The Board, through specific action, has created self-imposed limits on certain net assets without donor restrictions. As of December 31, 2023 and 2022, funds have been established for $600.8 million and $578.9 million, respectively, to support various strategic initiatives. All Board-designated net assets function as endowments and follow the Institution's policy of appropriating for spending an annualized percentage of each fund's value. However, unlike endowments, all Board-designated net assets are available for general expenditures with Board approval and will not accumulate investment returns in excess or deficit of the spending rate.

1. Organization and Significant Accounting Policies (continued)

Net Assets With Donor Restrictions

Gifts are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Institution or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets are reclassified as net assets without donor restrictions and are reported in the combined financial statements as net assets released from restrictions or as net assets released from restrictions for capital purposes. There were no net assets released from restrictions for capital purposes for the years ended December 31, 2023 or 2022.

Gifts that have been restricted by donors to be maintained by the Institution in perpetuity are reflected in the accompanying combined statements of changes in net assets as endowments within net assets with donor restrictions.

The Institution follows the New York Prudent Management of Institutional Funds Act which was enacted on September 17, 2010. The Institution has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while maintaining the historic dollar value of endowment contributions. The Institution classifies as endowments: (a) the original value of the gifts donated, (b) the original value of subsequent gifts, (c) the net realizable value of future payments in accordance with the donor's gift instrument (outstanding pledges, net of applicable discount), and (d) appreciation (depreciation), gains (losses), and income earned on the fund when the donor states that such increases or decreases are to be treated as changes in endowments. The endowment assets are pooled with assets without donor restrictions and invested in various diversified asset classes.

The Institution has a policy of appropriating for spending an annualized percentage of each endowment fund's value, with certain exceptions. In establishing this policy, the Institution considered the long-term expected return on its investment portfolio and the impact of inflation. The spending rate appropriated by the Institution was 4% in 2023 and 2022, applied to each endowment fund's value plus its accumulated returns. The accumulated returns were not required by donors to be treated as a change in endowment.

1. Organization and Significant Accounting Policies (continued)

To satisfy its long-term rate-of-return objectives, the Institution relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Institution targets a diversified asset allocation (see Note 4) to achieve its long-term return objectives within prudent risk constraints. As a result of fluctuations in the investment markets, from time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the Institution to retain as a fund of perpetual duration. There were no deficiencies of this nature as of December 31, 2023 and 2022.

Changes in donor endowment funds consisted of the following:

	Without Donor Restrictions	Time or Purpose Restricted	Endowments
	(In Thousands)		
Balance at January 1, 2022	$ –	$ 492,367	$ 759,242
Investment returns on donor restricted assets	66,380	(97,088)	(2,684)
Contributions and net asset transfers	–	–	16,528
Appropriations	(66,380)	–	–
Balance at December 31, 2022	–	395,279	773,086
Investment returns on donor restricted assets	**53,562**	**4,285**	**(181)**
Contributions and net asset transfers	**–**	**–**	**28,453**
Appropriations	**(53,562)**	**–**	**–**
Balance at December 31, 2023	**$ –**	**$ 399,564**	**$ 801,358**

1. Organization and Significant Accounting Policies (continued)

Included in endowments are amounts that represent the Institution's beneficial interests in certain perpetual trusts which are held by third-party trustees. The beneficial interests in the underlying assets of the perpetual trusts, which consist of equity securities and mutual funds, are included in other noncurrent assets on the combined balance sheets. The fair value of the beneficial interests in perpetual trusts held by third parties at December 31, 2023 and 2022 was approximately \$22.1 million and \$22.2 million, respectively. The change in fair value of the beneficial interests in perpetual trusts held by third parties is included in the change in net assets with donor restrictions.

Property and Equipment

Property and equipment is carried at cost, less accumulated depreciation and amortization. Depreciation on building components and equipment is computed on the straight-line method over the estimated useful service lives. Leasehold improvements are amortized over the lesser of the term of the lease or estimated useful service life, based on the straight-line method.

The carrying value of assets and the related accumulated depreciation or amortization are removed from the accounts when such assets are disposed of and any resulting gain or loss is included in operations.

All eligible costs incurred for the development of computer software for internal use are capitalized and carried at cost, less accumulated amortization. Amortization of capitalized internal use software cost is based on the straight-line method over the estimated useful life of the software.

Use of Estimates

The preparation of the combined financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

1. Organization and Significant Accounting Policies (continued)

Tax Status

The entities comprising the Institution are Section 501(c)(3) organizations exempt from Federal income taxes under Section 501(a) of the Internal Revenue Code. The entities are also exempt from New York State and City income taxes. Income taxes from unrelated business activities of the tax-exempt entities are not significant to the accompanying combined financial statements.

Recent Accounting Pronouncements

In June 2016, the Financial Account Standards Board (FASB) issued Accounting Standards Update No. (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The credit losses standard changes the impairment model for most financial assets and certain other instruments. For trade and other receivables, contract assets recognized as a result of applying ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, loans and certain other instruments, entities are required to use a new forward-looking "expected loss" model that generally will result in earlier recognition of credit losses than under today's incurred loss model. ASU 2016-13 is effective for annual periods beginning after December 15, 2022. The Institution adopted ASU 2016-13 effective January 1, 2023. The adoption of ASU 2016-13 did not have a significant impact on the combined financial statements.

2. Community Benefit Programs

Consistent with its mission, the Institution expends significant amounts for the benefit of the worldwide community that is served through its patient care, education, and research activities. Listed below are quantifiable benefits provided.

Charity care represents the cost of services provided to patients who cannot afford health care services due to inadequate resources and/or who are uninsured/underinsured. Under the Institution's established policy, a patient is eligible for charity care if their household income is less than 500% of the Federal poverty guidelines. Services provided as charity care are not reported as revenue in the combined statements of activities without donor restrictions. The cost of providing charity care is estimated by multiplying the total charges incurred by patients that qualify for charity care by a ratio of historical expenses to charges as derived from the Institution's accounting records.

Additionally, the Institution makes payments into the New York State Public Goods Pool (the Pool) for charity care. For the years ended December 31, 2023 and 2022, such amounts totaled approximately $10.5 million and $10.0 million, respectively. The Institution did not receive payments from the Pool during the years ended December 31, 2023 and 2022.

The Institution provides services to patients who participate in government-sponsored health programs, such as Medicare and Medicaid. Payments received by the Institution for patient services provided under these programs are significantly less than the actual cost of providing such services. Therefore, to the extent Medicare and Medicaid payments are less than the cost of care provided, the uncompensated cost of that care is considered a community benefit.

Research community benefit costs represent the Institution's costs for basic, translational, and clinical research. Certain of these costs are reimbursed by sources such as governmental agencies, industrial agreements, and philanthropic sources.

The Institution is a preeminent provider of health training to health professionals who desire training in the skills necessary to treat cancer patients. The Institution trains physicians, radiology students, nursing students, social work students and individuals looking to create a career in the field of cancer research. The amounts shown below for health training and research education and training represent costs in excess of amounts reimbursed by third-party payors from sources such as training grant revenues and direct medical education payments from the Medicare and Medicaid program.

2. Community Benefit Programs (continued)

The following is a summary of the Institution's estimated costs of providing community benefit program services:

	Year Ended December 31	
	2023	**2022**
	(In Thousands)	
Charity care	**$ 12,618**	$ 16,789
Unpaid cost of government sponsored health care	**725,878**	841,683
Research supported by governmental/voluntary agencies	**274,018**	241,204
Research supported by industrial agreements	**201,058**	185,921
Research supported by philanthropic sources	**178,438**	154,817
Research supported by funds from the Institution	**321,893**	359,629
Health training and research education and training	**184,342**	181,384
Other community benefit programs	**19,027**	19,821
	$ 1,917,272	$ 2,001,248

3. Hospital Care and Services Revenue

Hospital Care and Services Revenue and Accounts Receivable

Hospital care and services revenue is reported at the amount that reflects the consideration to which the Hospital expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and include variable consideration (reductions to revenue) in determining the transaction price.

The Hospital uses a portfolio approach to account for categories of patient contracts as a collective group, rather than recognizing revenue on an individual contract basis. The portfolios consist of major payor classes for inpatient revenue and major payor classes and types of services provided for outpatient revenue. Based on historical collection trends and other analyses, the Hospital believes that revenue recognized by utilizing the portfolio approach approximates the revenue that would have been recognized if an individual contract approach were used.

3. Hospital Care and Services Revenue (continued)

The Hospital's initial estimate of the transaction price for services provided to patients subject to revenue recognition is determined by reducing the total standard charges related to the patient services provided by various elements of variable consideration, including contractual allowances, discounts, implicit price concessions, and other reductions to the Hospital's standard charges. The Hospital determines the transaction price associated with services provided to patients who have third-party payor coverage based on contractual or formula-driven rates for the services rendered (see description of third-party payor payment programs below). The estimates for contractual allowances and discounts are based on contractual agreements, the Hospital's discount policies and historical experience. For uninsured and under-insured patients who do not qualify for charity care, the Hospital determines the transaction price associated with services based on charges reduced by implicit price concessions. Implicit price concessions included in the estimate of the transaction price are based on the Hospital's historical collection experience for applicable patient portfolios. Patients who meet the Hospital's criteria for charity care are provided care without charge; such amounts are not reported as revenue.

Generally, the Hospital bills patients and third-party payors several days after the services are performed and/or the patient is discharged. Hospital care and services revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Hospital. Hospital care and services revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total charges. The Hospital believes that this method provides a reasonable depiction of the transfer of services over the term of the performance obligation based on the total services needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients receiving inpatient acute care services or patients receiving services in the Hospital's outpatient and ambulatory care centers. The Hospital measures the performance obligation from admission into the hospital or the commencement of an outpatient service to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge or the completion of the outpatient visit.

As substantially all its performance obligations relate to contracts with a duration of less than one year, the Hospital is not required to disclose the aggregate transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. These unsatisfied or partially unsatisfied performance obligations are primarily related to

3. Hospital Care and Services Revenue (continued)

inpatient acute care services for patients who remain admitted at the end of the reporting period (in-house patients). The performance obligations for in-house patients are generally completed when the patients are discharged, which for the majority of the Hospital's in-house patients occurs within days or weeks after the end of the reporting period.

Subsequent changes to the estimate of the transaction price (determined on a portfolio basis when applicable) are generally recorded as adjustments to hospital care and services revenue in the period of the change (see third-party payment programs below). Portfolio collection estimates are updated monthly based on collection trends. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay (determined on a portfolio basis when applicable) are recorded as bad debt expense. Bad debt expense for the years ended December 31, 2023 and 2022 is not significant.

The Hospital has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the following factors: payors, lines of business and timing of revenue recognition. Tables providing details of these factors are presented below.

The percent of hospital care and services revenue, by payor, is as follows:

	Year Ended December 31	
	2023	**2022**
Medicare	**30%**	31%
Medicaid	**4**	2
Contracted managed care	**62**	65
Non-contracted managed care and self-pay	**4**	2
	100%	100%

Deductibles, copayments, and coinsurance under third-party payment programs, which are the patient's responsibility, are included within the non-contracted managed care and self-pay category above.

The Hospital provides pharmaceuticals and related support services to patients through a retail and specialty pharmacy. Revenue is recognized at the point in time of the transaction.

3. Hospital Care and Services Revenue (continued)

Hospital care and services revenue, by line of business, is as follows:

	Year Ended December 31	
	2023	**2022**
	(In Thousands)	
Hospital	**$ 4,886,774**	$ 4,344,651
Physician services	**802,853**	741,218
Retail and specialty pharmacy	**392,485**	307,893
	$ 6,082,112	$ 5,393,762

The Hospital elected the practical expedient and does not adjust the expected consideration from patients and third-party payors for the effects of a significant financing component, due to the Hospital's expectation that the period between the time the service is provided to a patient and the time the patient, or a third-party payor, pays for that service will be one year or less. However, the Hospital does, in certain instances, enter into payment agreements with patients that allow payment terms in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

Third-Party Payment Programs

Settlements with third-party payors for cost report filings and retroactive adjustments due to ongoing and future audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Hospital's historical settlement activity, including an assessment to ensure it is probable that a significant reversal in cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Such estimates are determined through either a probability-weighted estimate or an estimate of the most likely amount, depending on the circumstances related to a given estimated settlement item. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available) or as years are settled or are no longer subject to such audits, reviews, and investigations.

3. Hospital Care and Services Revenue (continued)

Non-Medicare Reimbursement

In New York State, hospitals and all non-Medicare payors, except Medicaid, workers' compensation, and no-fault insurance programs, negotiate hospitals' payment rates. If negotiated rates are not established, payors are billed at hospitals' established charges. Medicaid pays hospital rates promulgated by the New York State Department of Health. The Hospital is exempt from the New York prospective payment system used to reimburse hospitals for inpatient services provided to Medicaid beneficiaries and instead is paid using a cost-based methodology. These payments are based on costs from 2005, updated with trend factors as determined by the New York State Department of Health to 2010. Outpatient services are paid based on a statewide prospective system. Effective for dates of service on or after April 2, 2020 through March 31, 2022, all Medicaid payments received by the Hospital were uniformly reduced by 1.5%. The reduction was eliminated, effective for dates of service on or after April 1, 2022. Medicaid rate methodologies are subject to approval at the Federal level by the Centers for Medicare & Medicaid Services (CMS), which may routinely request information about such methodologies prior to approval. Revenue related to specific rate components that have not been approved by CMS are not recognized until the Hospital is reasonably assured that such amounts are realizable. Adjustments to the current and prior years' payment rates for those payors will continue to be made in future years.

Medicare Reimbursement

The Hospital is exempt from the national prospective payment system used to reimburse hospitals for inpatient services provided to Medicare beneficiaries and instead is paid using a cost-based methodology. These payments are subject to a limit based on average costs from 2004 to 2006 for rate years beginning on or subsequent to January 1, 2007, which are then updated based on annual trend factors calculated by CMS. The Hospital is paid for outpatient services under the national prospective payment system and other methodologies of the Medicare program for certain other services. The outpatient payments are subject to a floor that ensures the Hospital receives a specified percentage of its Medicare defined allowable outpatient costs. Federal regulations provide for certain adjustments to current and prior years' payment rates, based on hospital-specific data.

3. Hospital Care and Services Revenue (continued)

The Hospital has established estimates, based on information presently available, of amounts due to or from Medicare and non-Medicare payors for adjustments to current and prior years' payment rates. The current Medicaid, Medicare and other third-party payor programs are based upon complex laws and regulations that are subject to interpretation. Medicare cost reports, the basis for final settlement with the Medicare program, have been audited by the Medicare Administrative Contractor and settled through the year ended December 31, 2017. Other Medicare cost report years remain open for audit and subsequent settlement, as are certain issues related to the New York State Medicaid program for prior years. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount when open years are settled, audits are completed and additional information is obtained. Changes in these estimates could also affect the amounts reported as the unpaid cost of government sponsored health care (see Note 2). Approximately 0.7% of operating revenues in 2023 and 0.6% of operating revenues in 2022 are due to adjustments of prior year operating revenues. Additionally, noncompliance with such laws and regulations could result in fines, penalties, and exclusion from such programs. The Hospital is not aware of any allegations of noncompliance that could have a material adverse effect on the combined financial statements and believes that it is in compliance with all applicable laws and regulations.

There are various Federal and State proposals that could, among other things, reduce payment rates or modify payment methods. The ultimate outcome of these proposals and other market changes, including the potential effects of health care reform by the Federal or State government, cannot presently be determined. Future regulatory changes in Medicare and Medicaid programs could impact the Hospital, positively or negatively. Additionally, Medicare payment rates for various years have been appealed by the Hospital. If the appeals are successful, additional income applicable to those years could be realized.

Significant concentrations of accounts receivable – net at December 31, 2023 include 40% from government-related programs, 18% from Empire Health Choice and 11% from UnitedHealthcare (40%, 19%, and 12%, respectively, at December 31, 2022).

4. Cash, Cash Equivalents, and Investments at Fair Value

For assets and liabilities required to be measured at fair value, the Institution measures fair value based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are applied based on the unit of account from the Institution's perspective. The unit of account determines what is being measured by reference to the level at which the asset or liability is aggregated (or disaggregated) for purposes of applying other accounting pronouncements.

The Institution follows a valuation hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

- Level 1 – Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

- Level 2 – Observable inputs are based on inputs not quoted in active markets, but corroborated by market data.

- Level 3 – Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input significant to the fair value measurement. In determining fair value, the Institution uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible and considers nonperformance risk in its assessment of fair value. Certain investments valued based upon the NAV are not subject to classification in the valuation hierarchy.

Short-term investments include fixed income corporate bonds and treasury securities valued at quoted market prices.

Mutual funds are valued based on the quoted market prices of the securities as reported on national securities exchanges.

4. Cash, Cash Equivalents, and Investments at Fair Value (continued)

United States-based equity securities, international equity securities and inflation hedging securities consist of individually held securities, commodities, and commingled funds. Individual securities, commodities and certain commingled funds are valued based on the quoted market prices of the securities as reported on national securities exchanges. Commingled funds primarily are valued based on the NAV of shares held by the Institution at year end.

Fixed income securities include corporate bonds and U.S. government securities. Corporate bonds and U.S. government securities are valued based on readily available market quotations received from commercial pricing services. Such pricing services and brokers will generally provide bid-side quotations.

Alternative investments include absolute return funds, long/short funds, global macro funds, venture capital, private equity, opportunistic funds, and hard assets. Alternative investment interests generally are structured such that the Institution holds a limited partnership interest. The Institution’s ownership structure does not provide for control over the related investees, and the Institution’s financial risk is limited to the funded and unfunded commitment for each investment. As of December 31, 2023, the Institution had outstanding commitments to provide additional capital of approximately $843.3 million to various alternative investment managers.

Individual investment holdings within the alternative investments include nonmarketable and market-traded debt and equity securities and interests in other alternative investments. The Institution may be exposed indirectly to securities lending, short sales of securities, and trading in futures and forward contracts, options, and other derivative products. Alternative investments often have liquidity restrictions under which the Institution’s capital may be divested only at specified times. The Institution’s liquidity restrictions range from several months to ten years for certain alternative investments. Liquidity restrictions may apply to all or portions of a particular invested amount.

4. Cash, Cash Equivalents, and Investments at Fair Value (continued)

There is uncertainty in determining fair values of alternative investments arising from factors such as lack of active markets (primary and secondary), lack of transparency into underlying holdings, time lags associated with reporting by the investee companies and the subjective evaluation of liquidity restrictions. As a result, the estimated fair values reported in the accompanying combined balance sheets might differ from the values that would have been used had a ready market for the alternative investment interests existed, and there is at least a reasonable possibility that those estimates will change.

The following is a description of the Institution's valuation methodologies for assets measured at fair value. Fair value for Level 1 is based upon quoted market prices. Fair value for Level 2 is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Fair value for Level 3 is based on unobservable inputs when little or no market data is available, which include estimates and risk-adjusted value ranges. Inputs are obtained from various sources, including market participants, dealers, and brokers. The methods described above may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Institution believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

4. Cash, Cash Equivalents, and Investments at Fair Value (continued)

Financial instruments, other than pension plan assets (see Note 8), carried at fair value as of December 31, 2023, are classified in the table below as described above:

	Level 1	Level 2	Level 3	Total
	(In Thousands)			
Investments measured at fair value				
Cash and cash equivalents	**$ 803,771**	**$ –**	**$ –**	**$ 803,771**
Mutual funds	**163,054**	**–**	**–**	**163,054**
United States-based equity securities	**179,089**	**–**	**–**	**179,089**
International equity securities	**224,213**	**–**	**–**	**224,213**
Fixed income securities:				
U.S. Government	**716,589**	**–**	**–**	**716,589**
Corporate bonds and other	**531,530**	**338,882**	**–**	**870,412**
Inflation hedging securities	**421,190**	**(939)**	**–**	**420,251**
Private equity funds	**–**	**–**	**38,174**	**38,174**
	$ 3,039,436	**$ 337,943**	**$ 38,174**	**3,415,553**
Investments measured at NAV as a practical expedient				
Commingled funds:				
United States-based equity funds				**594,486**
International equity funds				**405,749**
Alternative investments:				
Absolute return funds				**634,127**
Long/short funds				**632,878**
Global macro funds				**148,030**
Venture capital				**1,380,588**
Private equity				**587,094**
Opportunistic funds				**29,520**
Hard assets				**289,863**
Total investments at fair value				**$ 8,117,888**

4. Cash, Cash Equivalents, and Investments at Fair Value (continued)

Financial instruments, other than pension plan assets (see Note 8), carried at fair value as of December 31, 2022, are classified in the table below as described above:

	Level 1	Level 2	Level 3	Total
	(In Thousands)			
Investments measured at fair value				
Cash and cash equivalents	$ 457,366	$ –	$ –	$ 457,366
Mutual funds	135,222	–	–	135,222
United States-based equity securities	121,641	–	–	121,641
International equity securities	203,353	11,683	–	215,036
Fixed income securities:				
U.S. Government	509,133	100,831	–	609,964
Corporate bonds and other	841,424	77,378	–	918,802
Inflation hedging securities	521,192	395	–	521,587
	$ 2,789,331	$ 190,287	$ –	2,979,618
Investments measured at NAV as a practical expedient				
Commingled funds:				
United States-based equity funds				555,893
International equity funds				345,501
Alternative investments:				
Absolute return funds				616,385
Long/short funds				658,062
Global macro funds				169,697
Venture capital				1,304,803
Private equity				525,160
Opportunistic funds				36,575
Hard assets				263,066
Total investments at fair value				$ 7,454,760

Other financial instruments that are not required to be carried at fair value include debt, pledges and mortgages receivable. Debt, pledges and mortgages receivable are recorded at carrying value, net of applicable discounts in the accompanying combined balance sheets which approximates fair value.

4. Cash, Cash Equivalents, and Investments at Fair Value (continued)

As part of the Institution's liquidity management, it has a practice to structure its financial assets to be available for its operating and capital needs. Working capital requirements are held in cash and cash equivalents and short-term investments. Accounts receivable – net on the combined balance sheets represent amounts expected to be collected within one year. To help manage unanticipated liquidity needs, the Institution has committed lines of credit upon which it could draw.

Additionally, the Institution invests in a diversified long-term investment portfolio (the Unified Pool). Although the Institution does not intend to spend from the Unified Pool, other than amounts appropriated for spending as part of its annual budget approval and appropriation process discussed in Note 1, amounts from the Unified Pool could be made available if necessary. However, the Unified Pool contains investments with lock-up provisions that would reduce the total investments available.

The following represents assets that could be made available for general expenditures within one year:

	December 31	
	2023	**2022**
	(In Thousands)	
Cash and cash equivalents	**$ 475,870**	$ 327,081
Short-term investments – at fair value	**1,077,070**	1,225,430
Accounts receivable – net	**742,168**	691,464
Investments – at fair value	**2,941,343**	2,642,747
Undrawn lines of credit	**100,000**	100,000
	$ 5,336,451	$ 4,986,722

5. Property and Equipment

Property and equipment consists of the following:

	December 31	
	2023	**2022**
	(In Thousands)	
Land	**$ 423,133**	$ 423,133
Buildings and leasehold improvements	**5,931,097**	5,919,937
Finance lease right-of-use assets	**122,495**	122,495
Equipment	**2,563,734**	2,405,480
Construction-in-progress	**382,136**	250,338
	9,422,595	9,121,383
Less accumulated depreciation and amortization	**4,920,075**	4,586,069
	$ 4,502,520	$ 4,535,314

In December 2022, the Institution entered into a contract with a third party to purchase specific floors of a Manhattan office building. As part of the purchase agreement, the Institution entered into a joint venture agreement with the same party. The joint venture owns one parcel of land underlying the office building and leases another from a ground lessor. Both members have equal decision-making abilities regarding common areas of the building and the underlying land. The Institution's investment in the joint venture is accounted for using the equity method of accounting and is recorded at $106.1 million in other noncurrent assets at December 31, 2023 and 2022, respectively. In December 2022, the Institution recorded $182.1 million as buildings and leasehold improvements for its ownership in the building floors.

The Institution wrote off approximately $107.6 million and $19.6 million of assets in 2023 and 2022, respectively, the majority of which were fully depreciated. The remaining assets written off resulted in a loss on disposal of approximately $4.5 million and $12.8 million in 2023 and 2022, respectively. Accumulated amortization for the finance lease right-of-use assets is approximately $11.2 million and $7.1 million at December 31, 2023 and 2022, respectively.

6. Long-Term Debt and Finance Lease Liabilities

Long-term debt and finance lease liabilities consist of the following:

	December 31 2023	December 31 2022
	(In Thousands)	
DASNY Series 1998, tax-exempt bonds matured in 2023 at a fixed interest rate of 5.50%	**$ –**	$ 27,100
DASNY Series 2010, tax-exempt bonds matured in 2023 at a fixed interest rate of 2.18%	**–**	6,000
Series 2011A taxable bonds maturing in 2042 at a fixed interest rate of 5.00%	**400,000**	400,000
Series 2012A taxable bonds maturing in 2052 at a fixed interest rate of 4.125%	**400,000**	400,000
Series 2015A taxable bonds maturing in 2055 at a fixed interest rate of 4.20%	**550,000**	550,000
DASNY Series 2016-1, tax-exempt bonds repaid through 2028 at a fixed interest rate of 1.97%	**83,522**	87,448
NJEDA Series 2016-2, tax-exempt bonds maturing through 2026 at a fixed rate interest rate of 1.43%	**39,875**	54,375
DASNY Series 2017-1, tax-exempt bonds maturing through 2047 at various fixed interest rates ranging from 4.00% to 5.00%	**272,465**	280,100
DASNY Series 2019-1, tax-exempt bonds maturing through 2039 at various fixed interest rates ranging from 2.00% to 5.00%	**284,545**	284,545
Series 2020 taxable bonds maturing in 2040 and 2050 at fixed interest rates of 2.65% and 2.96%, respectively	**500,000**	500,000
DASNY Series 2022 1-A and 1-B, tax-exempt bonds maturing in 2051 at a fixed interest rate of 4.00%	**217,520**	217,520
Series 2022-2, taxable bonds maturing in 2052 and 2062 at fixed interest rates of 4.59% and 4.69%, respectively	**200,000**	200,000
DASNY 2022 Series 2, tax-exempt bonds maturing 2026 through 2047 at a conditional fixed interest rate of 3.65%	**100,000**	100,000
Finance lease liabilities *(Note 10)*	**117,656**	119,745
Unamortized bond premiums, discounts, and issuance costs	**36,378**	41,112
	3,201,961	3,267,945
Less current portion	**28,821**	61,251
	$ 3,173,140	$ 3,206,694

6. Long-Term Debt and Finance Lease Liabilities (continued)

In June 2022, the Institution issued $217.5 million of Dormitory Authority of the State of New York (DASNY) Series 2022 1-A and 1-B tax-exempt revenue bonds (the 2022 Bonds). The 2022 Bonds will be paid in one bullet maturing in 2051 at a fixed interest rate of 4.00%. An optional redemption at the discretion of DASNY begins in July 2032. The proceeds will be used for hospital equipment and space expansion. The 2022 Bonds were issued at a discount of approximately $17.5 million.

In August 2022, the Institution issued $200.0 million of Series 2022-2 taxable bonds, which will be paid in two bullets maturing in 2052 and 2062 at fixed interest rates of 4.59% and 4.69%, respectively. Additionally, the Institution issued $100.0 million of DASNY 2022 Series 2 tax-exempt revenue bonds, which were privately placed with a bank. Annual repayment will begin July 1, 2026 and the bonds will mature on July 1, 2047, at a fixed interest rate of 3.65%, conditional upon maintenance of the Institution's current bond rating, until January 2035. An optional put at the discretion of the bank begins in January 2035. The interest rate may increase upon certain events, such as significant credit downgrades. The proceeds will be used for hospital equipment, space expansion, and renovations.

Annual maturities on all long-term debt, excluding finance lease payments, as of December 31, 2023, for the years 2024 through 2028 are as follows (in thousands):

2024	$ 26,516
2025	27,002
2026	27,879
2027	64,063
2028	77,037

Total interest paid in 2023 and 2022 was approximately $127.6 million and $110.9 million, respectively.

Certain of the above debts are secured by a pledge of revenues from certain facilities, bond insurance and springing collateral, which would require the Institution to mortgage a substantial portion of real property if certain financial covenants and ratios are not maintained. The Institution was in compliance with all such financial requirements during 2023 and 2022.

6. Long-Term Debt and Finance Lease Liabilities (continued)

The Institution had an unsecured line of credit available with a bank for $100.0 million at December 31, 2023 and 2022, with renewable terms and varying interest. There were no amounts drawn at December 31, 2023 and 2022.

7. Other Noncurrent Liabilities

Other noncurrent liabilities consist of the following:

	December 31	
	2023	**2022**
	(In Thousands)	
Postretirement obligation *(Note 8)*	**$ 108,718**	$ 101,100
Insurance reserves *(Note 9)*	**314,438**	315,623
Deferred compensation *(Note 8)*	**91,544**	80,178
Asset retirement obligations	**39,061**	39,209
Deferred gift annuities	**11,955**	11,679
Royalty Interest liability	**107,199**	122,048
Third-party payor settlements, net of current portion	**141,781**	115,781
Other	**899**	1,606
	$ 815,595	$ 787,224

Effective July 1, 2020, the Institution entered into a Revenue Interest Purchase Agreement (RIPA) with a third party. Pursuant to the RIPA, the Institution issued to the third party the right to receive certain royalty amounts (Royalty Interest), specifically 1% of net sales of a certain drug, for each calendar quarter, in exchange for $156.0 million. The third party's rights to receive the Royalty Interest shall terminate on the date on which total royalties paid to the third party reach the cap of $265.0 million, unless the RIPA is terminated earlier.

In connection with the RIPA, the Institution recorded a liability, included in accrued expenses and in other noncurrent liabilities on the combined balance sheets. The amounts recorded at December 31, 2023 and 2022 were approximately $14.1 million and $12.8 million, respectively, in accrued expenses and approximately $107.2 million and $122.0 million, respectively, in other noncurrent liabilities. The Institution imputes non-cash interest expense associated with this

7. Other Noncurrent Liabilities (continued)

liability using the effective interest rate method. The effective interest rate is calculated based on the rate that would enable the debt to be repaid in full over the anticipated life of the arrangement. The interest rate on this liability may vary during the term of the agreement depending on a number of factors, including the level of actual and forecasted sales. The Institution evaluates the interest rate quarterly based on actual sales and its current sales forecasts utilizing the prospective method. The Institution recorded approximately $9.5 million and $7.9 million in interest expense related to this arrangement as of December 31, 2023 and 2022, respectively.

8. Retiree Pension and Health Plans

The Institution has a retirement annuity plan which provides eligible staff members with retirement income through individual deferred annuity contracts purchased in each participant's name. In addition, the Institution maintains a nonqualified deferred compensation plan which is used for employer contributions in excess of those allowed by the retirement annuity plan. The effective date of this plan was January 1, 1983, and it has been grandfathered from changes made by the Tax Reform Act of 1986. The plans' assets are included in assets whose use is limited in the combined balance sheets and consist of money market and mutual funds. The Institution contributes a fixed percentage of an individual's compensation to these plans.

Effective January 1, 2013, the Institution amended an existing 403(b) plan (composed of the basic plan and the voluntary plan) with a new plan design and renamed it as the Memorial Sloan Kettering Cancer Center Retirement Savings Plan (the RSP). Under the RSP, all Institution employees are eligible to make voluntary employee contributions (salary deferrals), subject to IRS limits. Mandatory employee contributions are not required.

The Institution makes base contributions to the RSP for eligible employees, which depend on the employee's age (determined as of the preceding December 31). Additionally, the Institution matches voluntary employee contributions made by eligible employees. The Institution's cost for these plans was approximately $176.3 million and $169.5 million in 2023 and 2022, respectively.

The Institution also maintains a trusteed defined benefit pension plan (the Plan). The benefits are based on years of service, the employee's average compensation during the highest five of the last ten years of employment and a pension formula. Effective December 16, 2012, the Plan was amended and frozen to new participants. Effective December 19, 2020, the Plan was amended and frozen for all future benefit accruals.

8. Retiree Pension and Health Plans (continued)

Beginning December 20, 2020, participants of the Plan are eligible for the Institution's matching contributions under the RSP.

For employees hired prior to January 1, 2007, the Institution offers retirees and their spouses hospital and basic medical coverage which supplements any available Medicare coverage, through a postretirement health plan. The plan pays the balance of charges not paid by Medicare up to Medicare allowable charges. All employees become eligible for postretirement health care if they retire at age 60 or older, with at least 10 years of service, or under age 60 with 30 years of service, or with 20 years of service in a benefits-eligible position and employment was terminated in a layoff. The accounting for the health care plan anticipates future retiree contributions increasing by annual health care cost increases plus 2%. Employees hired after December 31, 2006, or those who do not meet the eligibility criteria, are not eligible for coverage under the postretirement health plan.

Effective January 1, 2016, the Institution provides each Medicare-eligible retiree and spouse with a defined contribution amount that can be used to purchase individual Medicare supplemental coverage. This defined contribution replaces the Institution's hospital and basic medical coverage for all Medicare-eligible participants who retire after December 31, 2006.

The Institution recognizes the funded status (i.e., the difference between the fair value of plan assets and the projected benefit obligations) of the defined benefit pension and postretirement health plans in its combined balance sheets. Net unrecognized actuarial gains or losses and net unrecognized prior service credits or costs at the reporting date will be subsequently recognized in the future as net periodic benefit credit or cost pursuant to the Institution's accounting policy for amortizing such amounts. Further, actuarial gains and losses that arise in subsequent periods and are not recognized as net periodic benefit credit or cost in the same periods will be recognized as a component of net assets without donor restrictions. Included in net assets without donor restrictions at December 31, 2023 and 2022, are the following amounts that have not yet been recognized in net periodic benefit credit or cost: unrecognized prior service credit of $11.6 million and $18.0 million, respectively, and unrecognized actuarial gains of $111.0 million and $178.8 million, respectively.

8. Retiree Pension and Health Plans (continued)

The following tables provide a reconciliation of the change in the benefit obligations and fair value of plan assets and funded status of the Institution's pension and postretirement plans:

	Pension Benefits		Postretirement Health	
	December 31		December 31	
	2023	2022	2023	2022
	(In Thousands)			
Reconciliation of benefit obligations				
Benefit obligations at beginning of year	**$ 1,054,825**	$ 1,670,813	**$ 105,391**	$ 146,927
Service cost	**2,000**	1,800	**2,109**	3,434
Interest cost	**57,579**	51,997	**5,898**	4,590
Plan participants' contributions	**–**	–	**1,359**	1,243
Actuarial losses (gains)	**8,631**	(586,765)	**3,049**	(46,390)
Plan settlements	**–**	(66,714)	**–**	–
Benefits paid	**(60,922)**	(13,844)	**(4,518)**	(4,413)
Expenses paid	**(2,030)**	(2,462)	**–**	–
Benefit obligations at end of year	**$ 1,060,083**	$ 1,054,825	**$ 113,288**	$ 105,391

	Pension Benefits		Postretirement Health	
	December 31		December 31	
	2023	2022	2023	2022
	(In Thousands)			
Reconciliation of fair value of plan assets				
Fair value of plan assets at beginning of year	**$ 1,354,131**	$ 1,873,605	**$ –**	$ –
Actual return on plan assets	**38,439**	(436,454)	**–**	–
Employer contributions	**–**	–	**3,159**	3,170
Plan participants' contributions	**–**	–	**1,359**	1,243
Plan settlements	**–**	(66,714)	**–**	–
Benefits paid	**(60,922)**	(13,844)	**(4,518)**	(4,413)
Expenses paid	**(2,030)**	(2,462)	**–**	–
Fair value of plan assets at end of year	**1,329,618**	1,354,131	**–**	–
Funded (unfunded) status at end of year	**$ 269,535**	$ 299,306	**$ (113,288)**	$ (105,391)
Current portion of obligation	**$ –**	$ –	**$ (4,570)**	$ (4,291)
Noncurrent portion of asset (obligation)	**269,535**	299,306	**(108,718)**	(101,100)
Total	**$ 269,535**	$ 299,306	**$ (113,288)**	$ (105,391)

8. Retiree Pension and Health Plans (continued)

There were no settlement gains during the year ended December 31, 2023. During the year ended December 31, 2022, settlement gains were recognized in conjunction with lump sum payments made to Plan participants. Actuarial gains were primarily due to the increase in the discount rate.

The funded balance of the Institution's pension plan is recorded within other noncurrent assets in the combined balance sheets at December 31, 2023 and 2022.

The accumulated benefit obligation for the pension and postretirement plans as of December 31, 2023 and 2022, was approximately $1.17 billion and $1.16 billion, respectively.

The following table provides the components of the net periodic benefit (credit) cost for the pension and postretirement plans:

	Pension Benefits		**Postretirement Health**	
	Year Ended December 31		**Year Ended December 31**	
	2023	**2022**	**2023**	**2022**
	(In Thousands)			
Components of net periodic benefit (credit) cost				
Service cost	**$ 2,000**	$ 1,800	**$ 2,109**	$ 3,434
Interest cost	**57,579**	51,997	**5,898**	4,590
Expected return on assets	**(92,655)**	(106,030)	**–**	–
Settlement gain	**–**	(13,497)	**–**	–
Amortization of net (gain) loss	**(511)**	(309)	**(1,415)**	506
Amortization of prior service credit	**–**	–	**(6,393)**	(6,393)
Total net periodic benefit (credit) cost	**$ (33,587)**	$ (66,039)	**$ 199**	$ 2,137

Actuarial Assumptions

Weighted-average assumptions used to determine benefit obligations are as follows:

	Pension Benefits		**Postretirement Health**	
	December 31		**December 31**	
	2023	**2022**	**2023**	**2022**
Discount rate	**5.55%**	5.59%	**5.25%**	5.60%

8. Retiree Pension and Health Plans (continued)

Weighted-average assumptions used to determine net periodic benefit (credit) cost are as follows:

	Pension Benefits		Postretirement Health	
	December 31		December 31	
	2023	2022	2023	2022
Discount rate	**5.59%**	3.08%	**5.60%**	3.10%
Expected long-term return on plan assets	**6.97%**	5.91%	**–**	–

The expected return of the portfolio was arrived at using the weighted-average of the expected returns of the underlying benchmark asset classes.

Plan Assets

The following table presents the weighted-average long-term target asset allocations and the percentages of the fair value of pension plan assets as of December 31:

	Target Allocation	Percentage of Plan Assets	
	2023	2023	2022
Cash, cash equivalents and fixed income investments	**61%**	**58%**	56%
Alternative investments	**39**	**42**	44

The Plan assets consist of cash and cash equivalents, fixed income securities, commingled funds, and alternative investments. Alternative investments are listed by their corresponding strategy and holdings include relative value funds, real estate funds, credit funds, private debt, and private equity funds. In 2022, the investment strategy was changed to reduce risk and volatility in market conditions.

8. Retiree Pension and Health Plans (continued)

Fixed income securities are valued based on readily available market quotations received from commercial pricing services. Such pricing services and brokers will generally provide bid-side quotations. Commingled funds are valued based on the NAV of shares held by the Plan at year end or based on quoted market prices as reported on national securities exchanges, if applicable. Alternative investments are stated at fair value as determined by Morgan Guaranty Trust Company of New York or by the investees. Value may be based on historical cost, appraisals, or other estimates that require varying degrees of judgment. Generally, fair value is stated at NAV, which reflects net contributions to the investee and an ownership share of realized and unrealized investment income and expenses.

The financial statements of the investees are audited annually by independent auditors. These investments may indirectly expose the Plan to securities lending, short sales of securities, and trading in futures and forward contracts, options, swap contracts and other derivative products. While these financial instruments may contain varying degrees of risk, the Plan's risk with respect to such transactions is limited to the funded and unfunded commitment for each investment.

Certain Plan assets could have liquidity restrictions that range from several months to ten years for certain alternative investments. Liquidity restrictions may apply to all or portions of a particular invested amount. Unfunded commitments for the alternative investments in the Plan at December 31, 2023, are approximately $110.6 million.

8. Retiree Pension and Health Plans (continued)

Financial instruments of the Plan, carried at fair value as of December 31, 2023, are classified in the table below as described in Note 4:

	Level 1	Level 2	Level 3	Total
	(In Thousands)			
Investments measured at fair value				
Cash and cash equivalents	**$ 92,168**	**$ –**	**$ –**	**$ 92,168**
Fixed income securities:				
U.S. Government	**163,098**	**–**	**–**	**163,098**
Corporate bonds and other	**–**	**453,452**	**–**	**453,452**
Private equity funds	**–**	**–**	**42,884**	**42,884**
	$ 255,266	**$ 453,452**	**$ 42,884**	**751,602**
Investments measured at NAV as a practical expedient				
Commingled funds:				
Fixed income				**65,697**
Alternative investments:				
Relative value funds				**176**
Real estate funds				**50,022**
Credit funds				**186,105**
Private debt				**13,449**
Private equity funds				**262,567**
Total investments at fair value				**$ 1,329,618**

8. Retiree Pension and Health Plans (continued)

Financial instruments of the Plan, carried at fair value as of December 31, 2022, are classified in the table below as described in Note 4:

	Level 1	Level 2	Level 3	Total
	(In Thousands)			
Investments measured at fair value				
Cash and cash equivalents	$ 91,700	$ –	$ –	$ 91,700
Fixed income securities:				
U.S. Government and other	221,418	365,740	–	587,158
Private equity funds	–	–	24,721	24,721
	$ 313,118	$ 365,740	$ 24,721	703,579
Investments measured at NAV as a practical expedient				
Commingled funds:				
Fixed income				84,755
Futures				(1,921)
Alternative investments:				
Relative value funds				278
Real estate funds				52,092
Credit funds				208,471
Private debt				13,900
Private equity funds				292,977
Total investments at fair value				$ 1,354,131

8. Retiree Pension and Health Plans (continued)

Plan Objectives and Guidelines

The overall investment objective of the pension trust fund is to outperform a composite benchmark (an asset-weighted series of market indices used to measure the performance of each asset class) over a market cycle, while maintaining similar risk to the benchmark.

The portfolio is diversified to reduce the impact of losses in individual investments in a manner that is responsive to fiduciary standards. Single issuers are limited to 5% of the portfolio's aggregate market value at time of purchase, with the exception of U.S. government and agency securities and commingled funds. The underlying products that comprise a diversified portfolio may have exposure to derivatives which are managed and controlled.

Cash Flows

Contributions: The Institution does not expect to contribute to its pension plan in 2024.

Estimated future benefit payments: The Institution expects to pay the following benefit payments, which reflect expected future service, as appropriate:

	Pension Benefits	Postretirement Health
	(In Thousands)	
2024	$ 47,277	$ 4,687
2025	51,560	5,538
2026	55,266	6,322
2027	55,640	6,934
2028	58,010	7,343
2029 to 2033	326,648	42,340

9. Insurance Programs

MSKI, a domestic tax-exempt corporation, is the primary insurance company for certain insurable risks of the Institution. The primary coverages provided by MSKI to the Institution are health care professional liability, warranty coverage for covered health care equipment, terrorism and assumed coverage for workers' compensation, general liability, and certain employee benefits of long-term disability and life insurance. The Institution's liability is limited, with catastrophic risk insured by commercial insurance carriers or, in the case of terrorism risk, by the U.S. government under a formula established by Federal law.

Insurance reserves of MSKI represent estimated unpaid losses and loss adjustment expenses. Such amounts are established using management's estimates based on claims records and independent actuarial reviews and include an amount for the adverse development of reported claims. Adjustments to the estimate of the liability for losses are reflected in earnings in the period in which the adjustment is determined. The insurance reserves are necessarily based on estimates and, while management believes that the amount is adequate, the ultimate liability may vary significantly from the amount provided.

The liability amounts recorded as of December 31 are as follows:

	2023	2022
	(In Thousands)	
Estimated unpaid losses and loss adjustment expenses, including losses incurred but not reported	**$ 321,137**	$ 318,032
Actuarially determined present value	**314,438**	315,623
Discount rate	**2.0%–4.0%**	1.0%–4.0%

10. Leases

The Institution leases certain property and equipment under finance and operating leases. Leases are classified as either finance or operating leases based on the underlying terms of the agreement and certain criteria, such as the term of the lease relative to the useful life of the asset and the total lease payments to be made as compared to the fair value of the asset, amongst other criteria. Finance leases result in an accounting treatment similar to an acquisition of the asset.

For leases with initial terms greater than a year, the Institution records the related right-of-use assets and liabilities at the present value of the lease payments to be paid over the life of the lease. The Institution's leases may include variable lease payments and renewal options. Variable lease payments are excluded from the amounts used to determine the right-of-use assets and liabilities unless the variable lease payments depend on an index or rate or are in substance fixed payments. Lease payments related to periods subject to renewal options are also excluded from the amounts used to determine the right-of-use assets and liabilities unless the Institution is reasonably certain to exercise the option to extend the lease. The present value of lease payments is calculated by utilizing the discount rate stated in the lease, when readily determinable. For leases for which this rate is not readily available, the Institution has elected to use a risk-free discount rate determined using a period comparable with that of the lease term. The Institution has made an accounting policy election not to separate lease components from non-lease components in contracts when determining lease payments for its asset classes. As such, the Institution accounts for the applicable non-lease components together with the related lease components when determining the right-of-use assets and liabilities.

The Institution has made an accounting policy election not to record leases with an initial term of less than a year as right-of-use assets and liabilities.

10. Leases (continued)

The following schedule summarizes information related to the lease assets and liabilities (in thousands):

	December 31	
	2023	**2022**
Lease cost for the year ended December 31:		
Operating lease cost	**$ 13,619**	$ 33,666
Finance lease cost:		
Amortization of right-of-use assets	**4,083**	7,950
Interest on lease liabilities	**2,802**	5,459
Total lease cost	**$ 20,504**	$ 47,075
Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	**$ 33,093**	$ 37,339
Operating cash flows for finance leases	**2,802**	5,459
Financing cash flows for finance leases	**2,089**	3,734
Right-of-use assets obtained in non-cash exchange for new operating lease liabilities:	**–**	24,727
Change in right-of-use assets resulting from lease modifications and remeasurements:		
Operating lease right-of-use assets	**2,908**	(15,434)
Weighted-average remaining lease term – operating leases	**6.07 years**	6.30 years
Weighted-average discount rate – operating leases	**2.80%**	2.71%
Weighted-average remaining lease term – finance leases	**27.25 years**	28.25 years
Weighted-average discount rate – finance leases	**2.34%**	2.34%

10. Leases (continued)

The following table presents the lease-related assets and liabilities:

	Combined Balance Sheet Classification	December 31 2023	2022
		(In Thousands)	
Assets:			
Operating leases	Other noncurrent assets	**$ 62,326**	$ 69,618
Finance leases	Property and equipment – net	**111,266**	115,349
Total lease assets		**$ 173,592**	$ 184,967
Liabilities:			
Current:			
Operating leases	Current portion of operating lease liabilities	**$ 26,137**	$ 29,807
Finance leases	Current portion of long-term debt and finance lease liabilities	**2,305**	2,089
Noncurrent:			
Operating leases	Operating lease liabilities, less current portion	**75,087**	98,154
Finance leases	Long-term debt and finance lease liabilities, less current portion	**115,351**	117,656
Total lease liabilities		**$ 218,880**	$ 247,706

10. Leases (continued)

The following table reconciles the undiscounted future lease payments to the lease liabilities recorded on the accompanying combined balance sheets at December 31, 2023:

	Operating Leases	Finance Leases
	(In Thousands)	
2024	$ 28,899	$ 5,058
2025	24,573	5,114
2026	17,015	5,114
2027	9,950	5,280
2028	7,193	5,336
Thereafter	24,365	137,404
Total lease payments	111,995	163,306
Less imputed interest	10,771	45,650
Total lease obligation	101,224	117,656
Less current portion	26,137	2,305
Long-term portion	$ 75,087	$ 115,351

In 2022, the Institution abandoned certain leased properties and recorded an impairment loss and reduction of operating lease right-of-use assets of $51.7 million. Additionally, the Institution recorded a similar impairment loss of $4.3 million pertaining to related leasehold improvements.

In August 2022, the Institution purchased a property for $184.8 million that was previously recorded as a finance lease. This resulted in a reduction of $170.0 million in finance lease liabilities, as well as a $159.0 million reduction of finance lease right-of-use assets.

11. Grant Awards

The accompanying combined financial statements do not include amounts related to research grants (or portions thereof) that have been awarded to the Institute for which expenditures have not been incurred or cash has not been received. Such grant awards approximated $173.8 million and $172.5 million at December 31, 2023 and 2022, respectively.

12. Other Noncurrent Assets

Amounts included in other noncurrent assets are as follows:

	Year Ended December 31	
	2023	2022
	(In Thousands)	
Mortgage loans receivable	**$ 85,809**	$ 76,449
Operating lease right-of-use assets *(Note 10)*	**62,326**	69,618
Pension asset *(Note 8)*	**269,535**	299,306
Equity in joint ventures	**117,520**	116,301
Other	**61,111**	61,431
	$ 596,301	$ 623,105

13. Other Income

Other income consists of the following:

	Year Ended December 31	
	2023	2022
	(In Thousands)	
Royalty income	**$ 66,273**	$ 50,885
Housing and parking	**36,096**	34,530
Cafeteria and food service	**6,412**	5,971
Services provided	**8,848**	8,048
Coronavirus Disease 2019 (COVID-19) relief funding *(Note 16)*	**15,244**	79,168
Other	**51,169**	41,820
	$ 184,042	$ 220,422

14. Commitments and Contingencies

The Institution is involved in various litigation and claims that are not considered unusual given the complexity and size of the Institution's business. Management believes the ultimate resolution of these matters will not have a significant impact on the Institution's combined financial statements.

In 2022, the Institution entered into an agreement with the intent to purchase residential apartment units. The building is estimated to be completed by December 2024. In 2022, the Institution made a $34.1 million refundable deposit recorded in other noncurrent assets as of December 31, 2023 and 2022, respectively. The Institution acquires the units upon completion of construction, at which time an additional payment up to $37.5 million will be made.

15. Functional Expenses

The functional expenses related to the fulfillment of the Institution's mission are as follows:

	Patient Care	Research	Education	Fundraising	Management and General	Total
	(In Thousands)					
Year ended December 31, 2023						
Compensation and fringe benefits	**$ 2,923,878**	**$ 538,920**	**$ 190,733**	**$ 47,227**	**$ 13,372**	**$ 3,714,130**
Purchased supplies and services	**2,508,540**	**325,054**	**38,568**	**33,111**	**38,567**	**2,943,840**
Depreciation and amortization	**326,150**	**88,064**	**11,012**	**255**	**4,875**	**430,356**
Interest	**107,931**	**23,694**	**–**	**–**	**–**	**131,625**
Total	**$ 5,866,499**	**$ 975,732**	**$ 240,313**	**$ 80,593**	**$ 56,814**	**$ 7,219,951**

15. Functional Expenses (continued)

	Patient Care	Research	Education	Fundraising	Management and General	Total
	(In Thousands)					
Year ended December 31, 2022						
Compensation and fringe benefits	$ 2,895,367	$ 487,883	$ 180,686	$ 46,983	$ 17,978	$ 3,628,897
Purchased supplies and services	2,242,110	345,362	40,846	38,721	22,523	2,689,562
Depreciation and amortization	327,509	88,684	15,547	340	5,144	437,224
Interest	103,160	19,642	11	–	–	122,813
Total	$ 5,568,146	$ 941,571	$ 237,090	$ 86,044	$ 45,645	$ 6,878,496

The combined financial statements report certain expense categories that are attributable to more than one service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, including depreciation and amortization, interest, and other occupancy costs, are allocated to a function based on square footage, full-time equivalents, units of service basis, or other statistics.

16. COVID-19

The Institution's combined COVID-19 relief funding received and recognized in other income in the accompanying combined statements of activities without donor restrictions is as follows:

	Year Ended December 31	
	2023	**2022**
	(In Thousands)	
Health and Human Services COVID-19 Relief Fund	**$ –**	$ 74,342
Federal Emergency Management Agency Disaster Relief Fund	**–**	4,826
New York State COVID-19 relief funds	**8,479**	–
Employee Retention Credit	**6,765**	–
	$ 15,244	$ 79,168

17. Department of Education Title IV Information

The U.S. Department of Education (the DOE) requires additional disclosures deemed necessary to calculate certain ratios for determining sufficient financial responsibility under Title IV regulations. The information as of and for the year ended December 31, 2023, as required by the DOE, is as follows (in thousands):

Assets	
Finance lease right-of-use assets with outstanding debt	$ 111,266
Property and equipment – net without outstanding debt	4,009,118
Construction-in-progress	382,136
Property and equipment	$ 4,502,520
Post-employment and pension, net asset	$ 156,247
Intangible assets	–
Liabilities	
Long-term debt and finance lease liabilities, pre-implementation	$ 1,761,800
Long-term debt and finance lease liabilities, post implementation	$ 1,440,161
Net Assets	
Net assets with donor restrictions: time restricted and purpose restricted	$ 944,877

18. Subsequent Events

Subsequent events have been evaluated through April 3, 2024, which is the date the combined financial statements were issued. No subsequent events have occurred that require disclosure in or adjustment to the combined financial statements.

Supplementary Information

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Financial Responsibility Supplemental Schedule Related to the U.S. Department of Education Title IV Regulations

(In Thousands)

Year Ended December 31, 2023

Reference to Financial Statements and/or Notes	Ratio Element	Amount
Primary reserve ratio		
Expendable net assets:		
Combined Balance Sheets	Net assets without donor restrictions	$ 7,487,624
Not applicable	Term endowments with donor restrictions	–
Combined Statements of Changes in Net Assets	Net assets with donor restrictions: time restricted and purpose restricted	944,877
Combined Statements of Changes in Net Assets	Net assets with donor restrictions: restricted in perpetuity	801,358
Combined Balance Sheets	Net assets with donor restrictions	1,746,235
Not applicable	Secured and unsecured related party receivables	–
Note 17. Department of Education Title IV Information	Finance lease right-of-use assets with outstanding debt	111,266
Note 17. Department of Education Title IV Information	Property and equipment – net without outstanding debt	4,009,118
Note 17. Department of Education Title IV Information	Construction-in-progress	382,136
Note 17. Department of Education Title IV Information	Property and equipment – net	4,502,520
Not applicable	Lease right-of-use assets, Pre-implementation*	–
Note 10. Leases	Lease right-of-use assets, Post-implementation*	173,592
Not applicable	Intangible assets	–
Note 17. Department of Education Title IV Information	Post-employment and pension, net asset	156,247

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Financial Responsibility Supplemental Schedule Related to the
U.S. Department of Education Title IV Regulations (continued)
(In Thousands)

Reference to Financial Statements and/or Notes	Ratio Element	Amount
Note 17. Department of Education Title IV Information	Total long-term debt and finance lease liabilities, Pre-implementation*	$ 1,761,800
Note 17. Department of Education Title IV Information	Long-term debt and finance lease liabilities, Post-implementation*	1,440,161
Note 6. Long-Term Debt and Finance Lease Liabilities	Total long-term debt and finance lease liabilities	3,201,961
Not applicable	Lease right-of-use liabilities, Pre-implementation*	–
Note 10. Leases	Lease Right-of-use liabilities, Post-implementation*	218,880
Total expenses and losses without donor restrictions:		
Combined Statements of Activities Without Donor Restrictions	Total expenses without donor restrictions	7,219,951
Combined Statements of Activities Without Donor Restrictions	Investment returns, net of expenses, allocations to operations and amounts recorded in net assets with donor restrictions	332,867
Combined Statements of Activities Without Donor Restrictions	Other non-operating income and expenses – net	1,369
Combined Statements of Activities Without Donor Restrictions	Other components of net periodic pension credits	37,497
Equity ratio		
Modified net assets:		
Combined Balance Sheets	Net assets without donor restrictions	7,487,624
Combined Balance Sheets	Net assets with donor restrictions	1,746,235
Not applicable	Intangible assets	–
Not applicable	Due from related organizations, net	–

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Financial Responsibility Supplemental Schedule Related to the
U.S. Department of Education Title IV Regulations (continued)
(In Thousands)

Reference to Financial Statements and/or Notes	Ratio Element	Amount
Modified assets:		
Combined Balance Sheets	Total assets	$ 14,681,783
Not applicable	Lease right-of-use assets, Pre-implementation*	–
Not applicable	Lease right-of-use liabilities, Pre-implementation*	–
Not applicable	Due from related organizations, net	–
Net income ratio		
Total revenues and gains without donor restrictions:		
Combined Statements of Activities Without Donor Restrictions	Operating revenue	7,354,228
Combined Statements of Activities Without Donor Restrictions	Non-operating gains	371,733

*As defined by the Department of Education.

Supplementary Information,
Audit Reports and Schedules Related to the
Uniform Guidance

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2023

	Federal Department Program Title	ALN Number	Pass-Through Entity Identifying Number	Research and Development Cluster	Other Expenditures	Total Expenditures	Expenditures to Subrecipients
12	**Department of Defense**						
	Military Medical Research and Development	12.420		$ 12,757,983	$ –	$ 12,757,983	$ 796,802
	Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	12.420	225832/241637	82,866	–	82,866	–
	Pass-Through Ceramedix Holding, LLC	12.420	W81XWH-20-C-0042-SUB01	212,684	–	212,684	–
	Pass-Through New York University, on behalf of its Grossman School of Medicine	12.420	20-A0-00-1003912	84,543	–	84,543	–
	Pass-Through University of Pennsylvania	12.420	582539	49,754	–	49,754	–
	Pass-Through Johns Hopkins University	12.420	2005603115	1,590	–	1,590	–
	Pass-Through Northwestern University	12.420	6006360 MSKCC	25,745	–	25,745	–
				13,215,165	–	13,215,165	796,802
	Uniformed Services University Medical Research Projects						
	Pass-Through The Henry M. Jackson Foundation for the Advancement of Military Medicine, Inc.	12.750	5885	75,000	–	75,000	–
				75,000	–	75,000	–
	Total Department of Defense			**13,290,165**	**–**	**13,290,165**	**796,802**
47	**National Science Foundation**						
	Engineering	47.041		95,492	–	95,492	–
	Mathematical and Physical Sciences	47.049		58,950	–	58,950	–
	Biological Sciences	47.074		124,509	–	124,509	–
	Total National Science Foundation			**278,951**	**–**	**278,951**	**–**
84	**Department of Education**						
	Federal Direct Student Loans	84.268		–	10,392	10,392	–
	Total Department of Education			**–**	**10,392**	**10,392**	**–**

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Schedule of Expenditures of Federal Awards (continued)

	Federal Department Program Title	ALN Number	Pass-Through Entity Identifying Number	Research and Development Cluster	Other Expenditures	Total Expenditures	Expenditures to Subrecipients
93	**Department of Health & Human Services (HHS)**						
	Food and Drug Administration Research	93.103		$ 819,011	$ –	$ 819,011	$ –
	Pass-Through Regents of the University of California, San Francisco	93.103	14246SC	12,265	–	12,265	–
	Pass-Through University of Pennsylvania	93.103	585995	157,373	–	157,373	–
	Pass-Through University of Pennsylvania	93.103	586416	10,566	–	10,566	–
				999,215	–	999,215	–
	Environmental Health						
	Pass-Through The Washington University	93.113	WU-23-0303/WU-23-0303-MOD-1	54,259	–	54,259	–
				54,259	–	54,259	–
	Oral Diseases and Disorders Research	93.121		299,785	–	299,785	65,179
	Human Genome Research	93.172		7,361,054	–	7,361,054	502,548
	Pass-Through Johns Hopkins University	93.172	2005820285	148,630	–	148,630	–
	Pass-Through New York Genome Center	93.172	2019-0014-MSK-01	96,347	–	96,347	–
				7,606,031	–	7,606,031	502,548
	Research and Training in Complementary and Integrative Health	93.213		332,345	–	332,345	–
	Pass-Through New York University, on behalf of its Grossman School of Medicine	93.213	17-A0-00-008501	140,034	–	140,034	–
				472,379	–	472,379	–
	Mental Health Research Grants	93.242		594,400	–	594,400	22,104
	Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.242	225039	13,545	–	13,545	–
	Pass-Through Icahn School of Medicine at Mount Sinai	93.242	0255-G241-4609	106,841	–	106,841	–
				714,786	–	714,786	22,104

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Schedule of Expenditures of Federal Awards (continued)

Federal Department Program Title	ALN Number	Pass-Through Entity Identifying Number	Research and Development Cluster	Other Expenditures	Total Expenditures	Expenditures to Subrecipients
Drug Abuse and Addiction Research Programs						
Pass-Through New York University, on behalf of its Grossman School of Medicine	93.279	20-00-00-1005210	$ 3,115	$ –	$ 3,115	$ –
			3,115	–	3,115	–
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		2,387,655	–	2,387,655	655,135
Pass-Through Montana State University	93.286	G264-20-W8315	311,405	–	311,405	–
Pass-Through Vanderbilt University Medical Center	93.286	61353	68,289	–	68,289	–
Pass-Through Americas Corp.	93.286	SKICR-02	6,547	–	6,547	–
Pass-Through Washington University in St. Louis	93.286	WU-20-530-MOD-3	6,904	–	6,904	–
			2,780,800	–	2,780,800	655,135
Minority Health and Health Disparities Research	93.307		1,342,890	–	1,342,890	69,559
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.307	225031-1	39,396	–	39,396	–
			1,382,286	–	1,382,286	69,559
Trans-NIH Research Support	93.310		1,525,378	–	1,525,378	155,343
Pass-Through President and Fellows of Harvard College, Harvard T.H. Chan School of Public Health	93.310	115007-5125345	38,558	–	38,558	–
			1,563,936	–	1,563,936	155,343
National Center for Advancing Translational Sciences						
Pass-Through Clinical & Translational Science Center	93.350	220470-10/230822-10 / 220470-11 / 220470-12/230822-12	722,539	–	722,539	–
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.350	TL#5250105309	12,211	–	12,211	–
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.350	220470-11/230822-11	33,050	–	33,050	–
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.350	5310002715	45,358	–	45,358	–

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Schedule of Expenditures of Federal Awards (continued)

Federal Department Program Title	ALN Number	Pass-Through Entity Identifying Number	Research and Development Cluster	Other Expenditures	Total Expenditures	Expenditures to Subrecipients
National Center for Advancing Translational Sciences (continued)						
Pass-Through Clinical & Translational Science Center	93.350	225257-1/230823-1	$ 288,176	$ –	$ 288,176	$ –
Pass-Through Clinical & Translational Science Center	93.350	525008592	13,250	–	13,250	–
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.350	KL2#5250086503	79,702	–	79,702	–
			1,194,286	–	1,194,286	–
Research Infrastructure Programs			–	–	–	–
Pass-Through University of California, San Diego	93.351	108737867 (s9002076)	105,698	–	105,698	–
			105,698	–	105,698	–
21st Century Cures Act – Beau Biden Cancer Moonshot	93.353		4,026,143	–	4,026,143	270,815
Pass-Through University of Utah	93.353	10048136-03	446,995	–	446,995	202,666
Pass-Through University of North Carolina at Chapel Hill	93.353	5118373	4,913	–	4,913	–
Pass-Through Dana Farber Cancer Institute	93.353	1288401/1288405	861,005	–	861,005	–
Pass-Through Dana Farber Cancer Institute	93.353	1207005	126,236	–	126,236	–
Pass-Through Beckman Research Institute of the City of Hope	93.353	62014.2008301.669303	26,373	–	26,373	–
Pass-Through Medical University of South Carolina	93.353	A21-0052-S001	243,610	–	243,610	–
Pass-Through Dana Farber Cancer Institute	93.353	1207105	65,188	–	65,188	–
Pass-Through Dana Farber Cancer Institute	93.353	1204505	35,773	–	35,773	–
			5,836,236	–	5,836,236	473,481
Nursing Research	93.361		824,123	–	824,123	441,905
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.361	213266-1/226589-1	105,592	–	105,592	–
			929,715	–	929,715	441,905
Cancer Cause and Prevention Research	93.393		19,610,997	–	19,610,997	3,076,226
Pass-Through Johns Hopkins University	93.393	Klein U01 CA247283	11,002	–	11,002	–
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.393	230195-2	13,686	–	13,686	–

Memorial Sloan Kettering Cancer Center and Affiliated Corporations

Schedule of Expenditures of Federal Awards (continued)

Federal Department Program Title	ALN Number	Pass-Through Entity Identifying Number	Research and Development Cluster	Other Expenditures	Total Expenditures	Expenditures to Subrecipients
Cancer Cause and Prevention Research (continued)						
Pass-Through University of Florida	93.393	SUB00003908	$ 15,328	$ –	$ 15,328	$ –
Pass-Through The Regents of the University of California	93.393	1424/3016	21,896	–	21,896	–
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.393	211769	32,541	–	32,541	–
Pass-Through The Regents of the University of California	93.393	2023-2035	56,416	–	56,416	–
Pass-Through HMH Hospital Corporation	93.393	G00017-2228	61,357	–	61,357	–
Pass-Through Arizona Board of Regents, University of Arizona	93.393	627153	62,610	–	62,610	–
Pass-Through Board of Trustees of the Leland Stanford Junior University	93.393	62428431-179132	174,476	–	174,476	–
Pass-Through The University of North Carolina at Chapel Hill	93.393	5116922	256,252	–	256,252	–
New York University, on behalf of its Grossman School of Medicine	93.393	20-A-1-00-1003702	101,917	–	101,917	–
Pass-Through Albert Einstein College of Medicine	93.393	31175A	33,090	–	33,090	–
Pass-Through Brigham and Women’s Hospital	93.393	124902	307,435	–	307,435	–
Pass-Through Columbia University	93.393	4(GG015007-29)	441,278	–	441,278	–
Pass-Through Columbia University	93.393	4(GG015389-02)/4(GG015389-03)	128,111	–	128,111	–
Pass-Through Dartmouth-Hitchcock Clinic	93.393	GC10446-06	65,994	–	65,994	–
Pass-Through Duke University	93.393	A031193	32,957	–	32,957	–
Pass-Through Duke University	93.393	A032803	123,012	–	123,012	–
Pass-Through Duke University	93.393	A033097	216,883	–	216,883	–
Pass-Through Fred Hutchinson Cancer Research Center	93.393	0001134487/0001164385	45,151	–	45,151	–
Pass-Through Fred Hutchinson Cancer Research Center	93.393	0001134560	87,262	–	87,262	–
Pass-Through Fred Hutchinson Cancer Research Center	93.393	0001130405/0001150564	91,845	–	91,845	–
Pass-Through Fred Hutchinson Cancer Research Center	93.393	582539	15,846	–	15,846	–
Pass-Through Fred Hutchinson Cancer Research Center	93.393	0001124480	159,092	–	159,092	10,247
Pass-Through Georgetown University	93.393	424170_GR413950-MSKCC	77,246	–	77,246	–
Pass-Through Indiana University	93.393	8597	237,943	–	237,943	–
Pass-Through International Agency for Research on Cancer – WHO	93.393	CRA-GEM-2021-10	86,051	–	86,051	–

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Schedule of Expenditures of Federal Awards (continued)

Federal Department Program Title	ALN Number	Pass-Through Entity Identifying Number	Research and Development Cluster	Other Expenditures	Total Expenditures	Expenditures to Subrecipients
Cancer Cause and Prevention Research (continued)						
Pass-Through Kaiser Foundation Research Institute	93.393	RNG210667-MSKCC	$ 105,945	$ –	$ 105,945	$ –
Pass-Through Massachusetts General Hospital	93.393	232008	38,566	–	38,566	–
Pass-Through Rutgers, the State University of New Jersey	93.393	1424/3016	137,442	–	137,442	–
Pass-Through Saint Jude Children's Research Hospital	93.393	112584010-8088786/GR-0003339-8088786	268,736	–	268,736	–
Pass-Through The Ohio State University	93.393	SPC-1000005515/GR124741	43,807	–	43,807	–
Pass-Through The Regents of the University of New Mexico for its Health Sciences Center	93.393	3RCQ4	198,143	–	198,143	–
Pass-Through University of Chicago	93.393	AWD101813 (SUB00000458)	62,622	–	62,622	–
Pass-Through University of Rochester	93.393	417637-G/UR FAO GR510968	28,974	–	28,974	–
Pass-Through Washington University in St. Louis	93.393	WU-21-293-MOD-2/WU-21-293-MOD-3	82,206	–	82,206	59,898
			23,534,115	–	23,534,115	3,146,371
Cancer Detection and Diagnosis Research	93.394		19,657,975	–	19,657,975	1,876,588
Pass-Through Duke University	93.394	A03-5187	10,127	–	10,127	–
Pass-Through GE Global Research	93.394	401090460	179	–	179	–
Pass-Through Icahn School of Medicine at Mount Sinai	93.394	0255-E551-4609	53,285	–	53,285	–
Pass-Through Icahn School of Medicine at Mount Sinai	93.394	0255-A691-4609	105,244	–	105,244	–
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.394	241109-2 / 232969-2	50,234	–	50,234	–
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.394	226733 / 231343	94,625	–	94,625	–
Pass-Through Johns Hopkins University	93.394	2006007231	2,976	–	2,976	–
Pass-Through Johns Hopkins University	93.394	2005127187	69,020	–	69,020	–
Pass-Through New York University, on behalf of its Grossman School of Medicine	93.394	20-A1-00-1001955	52,904	–	52,904	–
Pass-Through Research Foundation of CUNY on behalf of The City College of New York	93.394	CM00005555-03/CM00005555-04	313,238	–	313,238	–
Pass-Through Summit Biomedical Imaging, LLC	93.394	CA254776B	81,055	–	81,055	–

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Schedule of Expenditures of Federal Awards (continued)

Federal Department Program Title	ALN Number	Pass-Through Entity Identifying Number	Research and Development Cluster	Other Expenditures	Total Expenditures	Expenditures to Subrecipients
Cancer Detection and Diagnosis Research (continued)						
Pass-Through The Regents of the University of California, San Francisco	93.394	10937sc	$ 52,737	$ –	$ 52,737	$ –
Pass-Through The Regents of the University of Michigan	93.394	SUBK00013601	198,948	–	198,948	–
Pass-Through The Trustees of Columbia University in the City of New York	93.394	1(GG017869-01)	19,508	–	19,508	–
Pass-Through The Trustees of Columbia University in the City of New York	93.394	1(GG014739-01)	33,293	–	33,293	–
Pass-Through The Trustees of Columbia University in the City of New York	93.394	1(GG013698-01)	98,108	–	98,108	–
Pass-Through University of Michigan	93.394	34-1905-2268-102	31,481	–	31,481	–
Pass-Through University of Utah	93.394	10064795-01-SKI	73,074	–	73,074	–
			20,998,011	–	20,998,011	1,876,588
Cancer Treatment Research	93.395		29,833,637	–	29,833,637	916,504
Pass-Through Icahn School of Medicine at Mount Sinai	93.395	0254-4057-4609	135,304	–	135,304	–
Pass-Through Icahn School of Medicine at Mount Sinai	93.395	0254-4056-4609	285,816	–	285,816	–
Pass-Through Icahn School of Medicine at Mount Sinai	93.395	0254-4053-4609	197,473	–	197,473	–
Pass-Through Icahn School of Medicine at Mount Sinai	93.395	0254-4055-4609	129,461	–	129,461	–
Pass-Through The Rector and Visitors of the University of Virginia	93.395	GB10832.PO#2261017/GR013 336.SUB00000595	177,744	–	177,744	–
Pass-Through Icahn School of Medicine at Mount Sinai	93.395	0255-3141-4609	8,592	–	8,592	–
Pass-Through Rutgers, The State University of New Jersey	93.395	2576	246,211	–	246,211	10,500
Pass-Through Rutgers, The State University of New Jersey	93.395	SUB00002796/2796	75,579	–	75,579	–
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.395	223295-1/230768-1	253,361	–	253,361	–
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.395	223295-3/230768-03	58,744	–	58,744	–
Pass-Through University of Kentucky Research Foundation	93.395	3200002635-20-010	247,629	–	247,629	–
Pass-Through Beckman Research Institute of the City of Hope	93.395	63052.20009484.669302	15,487	–	15,487	–
Pass-Through Icahn School of Medicine at Mount Sinai	93.395	0255-H431-4609	174,416	–	174,416	–

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Schedule of Expenditures of Federal Awards (continued)

Federal Department Program Title	ALN Number	Pass-Through Entity Identifying Number	Research and Development Cluster	Other Expenditures	Total Expenditures	Expenditures to Subrecipients
Cancer Treatment Research (continued)						
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.395	225048	$ 36,789	$ –	$ 36,789	$ –
Pass-Through ECOG-ACRIN Medical Research Foundation, Inc.	93.395	U10CA180820-06-MSK1C	17,339	–	17,339	–
Pass-Through New York University, on behalf of its Grossman School of Medicine	93.395	20-A0-00-1005189	2,767	–	2,767	–
Pass-Through University of Chicago	93.395	AWD103430 (SUB0000849)	20,962	–	20,962	–
Pass-Through Icahn School of Medicine at Mount Sinai	93.395	0255-D693-4609/0255-D694-4609	131,975	–	131,975	–
Pass-Through ECOG-ACRIN Medical Research Foundation, Inc.	93.395	U10CA180820-06-MSK2C	18,569	–	18,569	–
Pass-Through NRG Oncology Foundation, Inc.	93.395	NRG-Ilson-GY6/NRG-Ilson-GY10	5,318	–	5,318	–
Pass-Through NRG Oncology Foundation, Inc.	93.395	NRG-Aghajanian-GY6	16,898	–	16,898	–
Pass-Through NRG Oncology Foundation, Inc.	93.395	NRG-O’Cearbhaill-GY6/NRG-O’Cearbhaill-GY10	31,014	–	31,014	–
Pass-Through Mayo Clinic	93.395	SKI-188695-03/SKI-188695-04	70,248	–	70,248	–
Pass-Through Public Health Institute	93.395	AR60313/AR70432	19,120	–	19,120	–
Pass-Through Public Health Institute	93.395	AR66292	5,974	–	5,974	–
Pass-Through Oregon Health and Science University	93.395	1013080_MSKCC_Schwartz	2,552	–	2,552	–
Pass-Through The Children’s Hospital of Philadelphia	93.395	O20845	214,247	–	214,247	–
Pass-Through Public Health Institute	93.395	AR59624/AR67601	51,167	–	51,167	–
Pass-Through Emory University	93.395	A620739/A807208	25,704	–	25,704	–
Pass-Through St. Jude Children’s Research Hospital	93.395	11006824H-8144021	252,211	–	252,211	–
Pass-Through Johns Hopkins University	93.395	2006036324	219,515	–	219,515	–
Pass-Through Johns Hopkins University	93.395	2004724593	5,639	–	5,639	–
Pass-Through Fred Hutchinson Cancer Research Center	93.395	1156761	10,470	–	10,470	–
Pass-Through Public Health Institute	93.395	AR63397/AR67548	20,013	–	20,013	–
Pass-Through The Emmes Company, LLC.	93.395	13765/13992	214,820	–	214,820	–

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Schedule of Expenditures of Federal Awards (continued)

Federal Department Program Title	ALN Number	Pass-Through Entity Identifying Number	Research and Development Cluster	Other Expenditures	Total Expenditures	Expenditures to Subrecipients
Cancer Treatment Research (continued)						
Pass-Through Cleveland Clinic Lerner College of Medicine of CWRU	93.395	1495-SUB	$ 28,067	$ –	$ 28,067	$ –
Pass-Through Icahn School of Medicine at Mount Sinai	93.395	0255-G651-4609	107,763	–	107,763	–
Pass-Through The University of Texas MD Anderson Cancer Center	93.395	3001923738	15,364	–	15,364	–
Pass-Through Mirimus Inc	93.395	05102023MSKCC	90,390	–	90,390	–
Pass-Through Icahn School of Medicine at Mount Sinai	93.395	0255-F111-4609	9,859	–	9,859	–
Pass-Through New York University, on behalf of its Grossman School of Medicine	93.395	20-A1-00-1002832	139,581	–	139,581	–
Pass-Through Public Health Institute	93.395	AR13062 / AR66261	8,127	–	8,127	–
Pass-Through Public Health Institute	93.395	AR61613 / AR64199	1,801	–	1,801	–
Pass-Through Public Health Institute	93.395	AR10013 / AR64204	4,417	–	4,417	–
Pass-Through Public Health Institute	93.395	AR63396 / AR71630A	26,395	–	26,395	–
Pass-Through Public Health Institute	93.395	AR63395 / AR71629	13,554	–	13,554	–
Pass-Through Public Health Institute	93.395	AR13060	8,006	–	8,006	–
Pass-Through Health Research, Inc- Roswell Park Division	93.395	472-01	395,072	–	395,072	–
Pass-Through Rutgers, The State University of New Jersey	93.395	2795	57,158	–	57,158	–
Pass-Through St. Jude Children’s Research Hospital	93.395	11128728M-8150586	15,790	–	15,790	–
Pass-Through Texas Tech University Health Sciences Center	93.395	A22-0004-S002	26,237	–	26,237	–
Pass-Through University of Massachusetts Chan Medical School	93.395	SUB00000145	27,187	–	27,187	–
Pass-Through University of Southern California	93.395	SCON-00003683	46,544	–	46,544	–
Pass-Through Washington University in St. Louis	93.395	WU-22-0416/WU-22-0416-MOD-1	10,640	–	10,640	–
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.395	226729-3 / 234253-3	60,628	–	60,628	–
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.395	225048	205,493	–	205,493	–
			34,530,838	–	34,530,838	927,004

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Schedule of Expenditures of Federal Awards (continued)

Federal Department Program Title	ALN Number	Pass-Through Entity Identifying Number	Research and Development Cluster	Other Expenditures	Total Expenditures	Expenditures to Subrecipients
Cancer Biology Research	93.396		$ 29,611,924	$ –	$ 29,611,924	$ 3,409,474
Pass-Through Cold Spring Harbor Laboratory	93.396	25605015	44,680	–	44,680	–
Pass-Through The Trustees of Columbia University in the City of New York	93.396	3(GG013365-05)	6,179	–	6,179	–
Pass-Through The Trustees of Columbia University in the City of New York	93.396	2(GG016496-01)/2(GG016496-09)	881,749	–	881,749	–
Pass-Through Dana Farber Cancer Institute	93.396	1174504/1174505	105,339	–	105,339	–
Pass-Through Jackson Laboratory	93.396	210374-0623-02 / 210374-0625-02	303,988	–	303,988	–
Pass-Through The General Hospital Corporation d/b/a Massachusetts General Hospital	93.396	234829	189,564	–	189,564	–
Pass-Through The University of Texas MD Anderson Cancer Center	93.396	3002028021 / 3002266471	130,083	–	130,083	–
Pass-Through The University of Texas MD Anderson Cancer Center	93.396	3001720529	75,995	–	75,995	–
Pass-Through H. Lee Moffitt Cancer Center & Research Institute, Inc.	93.396	10-20124-99-01-G1	166,016	–	166,016	–
Pass-Through Icahn School of Medicine at Mount Sinai	93.396	0255-A191-4609	66,004	–	66,004	–
Pass-Through Icahn School of Medicine at Mount Sinai	93.396	0255-G411-4609	92,531	–	92,531	–
Pass-Through Icahn School of Medicine at Mount Sinai	93.396	0255-G421-4609	88,552	–	88,552	–
Pass-Through New York University, on behalf of its Grossman School of Medicine	93.396	21-A0-00-1005669	10,566	–	10,566	–
Pass-Through Beckman Research Institute of the City of Hope	93.396	66397.2013230.669301	244,956	–	244,956	–
Pass-Through Board of Trustees of the Leland Stanford Junior University	93.396	63019361-142986	75,518	–	75,518	–
Pass-Through The Administrators of the Tulane Educational Fund (dba Tulane University)	93.396	TUL-HSC-556938-19 / TUL-HSC-556938-20	26,970	–	26,970	–
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.396	224383 / 232133	130,592	–	130,592	–
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.396	221985 / 227914	151,576	–	151,576	–

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Schedule of Expenditures of Federal Awards (continued)

Federal Department Program Title	ALN Number	Pass-Through Entity Identifying Number	Research and Development Cluster	Other Expenditures	Total Expenditures	Expenditures to Subrecipients
Cancer Biology Research (continued)						
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.396	221414 / 232150	$ 133,982	$ –	$ 133,982	$ –
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.396	225195	77,572	–	77,572	–
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.396	226290	361,915	–	361,915	–
			32,976,251	–	32,976,251	3,409,474
Cancer Centers Support Grants	93.397		28,619,021	–	28,619,021	108,355
Pass-Through Indiana University	93.397	9460/9874/9464/9870/9476/ 9878	628,881	–	628,881	–
Pass-Through Research Foundation of CUNY on behalf of The City College of New York	93.397	CM00009193-00	34,458	–	34,458	–
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.397	221679-ADMIN/231136	30,887	–	30,887	–
Pass-Through The Trustees of Indiana University	93.397	9878	1,509	–	1,509	–
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.397	221679-DSIA/231136	107,908	–	107,908	–
Pass-Through Dana Farber Cancer Institute	93.397	1220314/1220315	42,315	–	42,315	–
			29,464,979	–	29,464,979	108,355
Cancer Research Manpower	93.398		10,417,752	–	10,417,752	120,772
Pass-Through Icahn School of Medicine at Mount Sinai	93.398	0253-1731-4609	3,802	–	3,802	–
Pass-Through The University of Texas MD Anderson Cancer Center	93.398	3002028017/3002252686	35,001	–	35,001	–
Pass-Through The Rockefeller University	93.398	SUB00000283	52,652	–	52,652	–
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.398	4100713582/4110061473	30,890	–	30,890	–
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.398	4110100586	14,049	–	14,049	–
			10,554,146	–	10,554,146	120,772

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Schedule of Expenditures of Federal Awards (continued)

Federal Department Program Title	ALN Number	Pass-Through Entity Identifying Number	Research and Development Cluster	Other Expenditures	Total Expenditures	Expenditures to Subrecipients
Cancer Control						
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.399	221284/232107	$ 42,238	$ –	$ 42,238	$ –
Pass-Through Public Health Institute	93.399	AR61539/AR70398/AR65295	7,976	–	7,976	–
Pass-Through Physical Sciences, Inc.	93.399	10-06074-108058-46	39,993	–	39,993	–
			90,207	–	90,207	–
COVID-19 Provider Relief Fund	93.498		–	73,135,307	73,135,307	–
Cardiovascular Diseases Research	93.837		27,796	–	27,796	–
Pass-Through New York University, on behalf of its Grossman School of Medicine	93.837	18-A0-00-001664	181,360	–	181,360	–
Pass-Through Beckman Research Institute of the City of Hope	93.837	61695.2007934.669301	8,584	–	8,584	–
Pass-Through National Marrow Donor Program	93.837	10130/514-1903	5,277	–	5,277	–
Pass-Through Trustees of the University of Pennsylvania	93.837	580479	35,977	–	35,977	–
			258,994	–	258,994	–
Blood Diseases and Resources Research	93.839		2,215,178	–	2,215,178	316,068
Pass-Through Beth Israel Deaconess Medical Center, Inc.	93.839	01064483	88,631	–	88,631	–
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.839	213158/226728	242,689	–	242,689	–
Pass-Through Fred Hutchinson Cancer Research Center	93.839	0001109999	389,414	–	389,414	–
			2,935,912	–	2,935,912	316,068
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		921,456	–	921,456	67,630
Pass-Through National Jewish Health	93.846	20123503/20123504	123,159	–	123,159	–
Pass-Through NYU Grossman School of Medicine	93.846	20-A1-00-1002810	143,081	–	143,081	–
			1,187,696	–	1,187,696	67,630

Schedule of Expenditures of Federal Awards (continued)

Federal Department Program Title	ALN Number	Pass-Through Entity Identifying Number	Research and Development Cluster	Other Expenditures	Total Expenditures	Expenditures to Subrecipients
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847		$ 2,844,744	$ –	$ 2,844,744	$ 140,994
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.847	2213307-1/230173-1	12,366	–	12,366	–
Pass-Through University of Utah	93.847	10051304-01	13,373	–	13,373	–
Pass-Through University of Utah	93.847	10059219-01	240,304	–	240,304	–
			3,110,787	–	3,110,787	140,994
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		5,349,091	–	5,349,091	295,181
Pass-Through Icahn School of Medicine at Mount Sinai	93.853	0255-D201-4609	15,529	–	15,529	–
Pass-Through New York University, on behalf of its Grossman School of Medicine	93.853	21-A1-00-1005982	216,316	–	210,270	–
Pass-Through The Rockefeller University	93.853	SUB00000305/SUB00000337	162,893	–	162,893	–
Pass-Through University of Miami	93.853	OS00000702	159,157	–	159,157	–
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.853	214693/230991	75,549	–	75,549	–
			5,978,535	–	5,978,535	295,181
Allergy and Infectious Diseases Research	93.855		30,778,358	–	30,778,360	9,761,002
Pass-Through Hospital for Special Surgery	93.855	2R01AI079178	12,504	–	12,504	–
Pass-Through University of Utah	93.855	10054020-02-MSK	190,264	–	190,264	–
Pass-Through The Rockefeller University	93.855	SUB00000303	139,524	–	139,524	–
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.855	222457/231155	186,403	–	186,403	–
Pass-Through University of Utah	93.855	10064103-01-SKI	457,079	–	457,079	–
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.855	222493/228305	5,174	–	5,174	–
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.855	223869/231156	143,062	–	143,062	–
Pass-Through Ceramedix Holding, LLC	93.855	R44-AI106283	255,213	–	255,213	–
Pass-Through Regents of the University of California, San Francisco	93.855	14632sc	51,481	–	51,481	–

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Schedule of Expenditures of Federal Awards (continued)

Federal Department Program Title	ALN Number	Pass-Through Entity Identifying Number	Research and Development Cluster	Other Expenditures	Total Expenditures	Expenditures to Subrecipients
Allergy and Infectious Diseases Research (continued)						
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.855	222463/228319-5	$ 133,296	$ –	$ 133,296	$ –
Pass-Through Regents of the University of California, San Francisco	93.855	11940sc	341	–	341	–
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.855	222463/228319-1	263,216	–	263,216	–
Pass-Through The Rockefeller University	93.855	SUB00000245	175,084	–	175,084	–
Pass-Through MHM Hospitals Corporation	93.855	G10200-2217/G20200-2217	1,274,508	–	1,274,508	–
Pass-Through The Regents of the University of Minnesota	93.855	N009239601	98,704	–	98,704	–
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.855	215334/230143-1	153,286	–	153,286	–
Pass-Through Fred Hutchinson Cancer Research Center	93.855	0001128359	356,068	–	356,068	–
Pass-Through The Research Foundation for the State University of New York	93.855	97073/2/1181574	18,694	–	18,694	–
Pass-Through The Administrators of the Tulane Educational Fund (dba Tulane University)	93.855	TUL-HSC-560648-23 / TUL-HSC-560648-24	2,016	–	2,016	–
			34,694,275	–	34,694,275	9,761,002
Biomedical Research and Research Training	93.859		18,052,084	–	18,052,084	–
Pass-Through Rutgers, The State University of New Jersey	93.859	1032	60,115	–	60,115	–
Pass-Through The Regents of the University of Colorado	93.859	1558948	53,585	–	53,585	–
Pass-Through Board of Trustees of the Leland Stanford Junior University	93.859	62913396-178690	56,589	–	56,589	–
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.859	215126-1/227185-2	24,153	–	24,153	–
			18,246,526	–	18,246,526	–

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Schedule of Expenditures of Federal Awards (continued)

Federal Department Program Title	ALN Number	Pass-Through Entity Identifying Number	Research and Development Cluster	Other Expenditures	Total Expenditures	Expenditures to Subrecipients
Child Health and Human Development Extramural Research	93.865		$ 1,859,637	$ –	$ 1,859,637	$ 30,968
Pass-Through The Board of Trustees of the University of Alabama for the University of Alabama at Birmingham	93.865	000518457-SC002	12,066	–	12,066	–
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.865	2244095-2/230174-2	78,169	–	78,169	–
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.865	223616/232157	510,379	–	510,379	–
Pass-Through Yale University	93.865	CON-80003773 (GR117099)	112,982	–	112,982	–
			2,573,233	–	2,573,233	30,968
Aging Research	93.866		6,207,950	–	6,207,950	1,295,984
Pass-Through Arizona Board of Regents, University of Arizona	93.866	723427	8,432	–	8,432	–
Pass-Through Rutgers, The State University of New Jersey	93.866	2949	40,604	–	40,604	–
Pass-Through Georgetown University	93.866	42367_GR424282-MSKCC	42,663	–	42,663	–
Pass-Through Jackson Laboratory	93.866	210349-0523-02/ 210349-0524-02	96,178	–	96,178	–
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.866	222487-1/230902-1	12,437	–	12,437	–
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.866	222835/231901	19,838	–	19,838	–
Pass-Through The Research Foundation for the State University of New York	93.866	93414	72,543	–	72,543	–
Pass-Through The Regents of the University of California, Los Angeles	93.866	2000 G ZD520	72,466	–	72,466	–
Pass-Through Virginia Polytechnic and State University	93.866	412847-19D57	43,850	–	43,850	–
Pass-Through Joan & Sanford I. Weill Medical College of Cornell University	93.866	233275	70,800	–	70,800	–
Pass-Through The Regents of the University of California, Los Angeles	93.866	2000 G IA681	7,056	–	7,056	–
			6,694,817	–	6,612,817	1,295,984

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Schedule of Expenditures of Federal Awards (continued)

Federal Department Program Title	ALN Number	Pass-Through Entity Identifying Number	Research and Development Cluster	Other Expenditures	Total Expenditures	Expenditures to Subrecipients
Vision Research						
Pass-Through Michigan State University	93.867	RC110138SK	$ 20,184	$ –	$ 20,184	$ –
		93.867	20,184	–	20,184	–
Health and Human Services Grants and Contracts/Other	93.RD		508,679	–	508,679	–
Pass-Through Fred Hutchinson Cancer Research Center	93.RD	0001135970	14,467	–	14,467	–
Pass-Through Leidos Biomedical Research	93.RD	17X173	53,659	–	53,659	–
Pass-Through Leidos Biomedical Research	93.RD	23X031	232,640	–	232,640	–
Pass-Through SRI International	93.RD	PO64949	325,380	–	325,380	–
			1,134,825	–	1,134,825	–
National Bioterrorism Hospital Preparedness Program						
Pass-Through Greater New York Hospital Foundation	93.889	U3REP190597	–	62,338	62,338	–
			–	62,338	62,338	–
Total Department of Health & Human Services (HHS)			**252,926,858**	**73,197,645**	**326,124,503**	**23,816,466**
Total Expenditures of Federal Awards			**$ 266,495,974**	**$ 73,208,037**	**$ 339,704,011**	**$ 24,678,448**

See accompanying notes.

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Notes to Schedule of Expenditures of Federal Awards

Year Ended December 31, 2023

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Memorial Sloan Kettering Cancer Center and Affiliated Corporations (the Institution) and is presented on the accrual basis of accounting. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). For purposes of the Schedule, federal awards include any assistance provided by a federal agency directly or indirectly in the form of grants, contracts, cooperative agreements, loan and loan guarantees, or other non-cash assistance. In accordance with applicable requirements, certain programs may be presented in a fiscal period based on the program-specific guidance (see Note 4). Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the presentation of, the combined financial statements of the Institution.

Direct and indirect costs are charged to awards in accordance with cost principles contained in the United States Department of Health and Human Services *Cost Principles for Hospitals* at 45 CFR Part 75 Appendix IX for awards subject to the Uniform Guidance. Under these cost principles, certain types of expenditures are not allowable or are limited as to reimbursement.

2. Indirect Cost Rate

The Uniform Guidance provides for a 10% de minimis indirect cost rate election; however, the Institution did not make this election and uses a negotiated indirect cost rate.

3. Categorization of Expenditures

The Schedule reflects federal expenditures for all individual grants that were active during the year. The categorization of expenditures by program included in the Schedule is based on the *Assistance Listings*. Changes in the categorization of expenditures occur based on revisions to the *Assistance Listings*, which are issued periodically.

4. COVID-19 – Provider Relief Fund

In accordance with the U.S. Department of Health and Human Services' requirements specific to Federal Assistance Listing Number 93.498, COVID-19 Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution, the amount presented on the accompanying Schedule for the year ended December 31, 2023 relates to Provider Relief Fund and ARP (collectively, PRF) payments received from January 1, 2022 through June 30, 2022 used for lost revenues for the period January 1, 2020 through June 30, 2023. The amounts presented reconcile to the PRF information previously reported to the Health Resources and Services Administration (HRSA) for PRF Reporting Period 5 as follows:

Name of Reporting Entity for HRSA Reporting Period 5 Provider Relief Fund Report	Reporting Entity Tax Identification Number (TIN)	Reporting Period	Type of Distribution	Total Other PRF Payments Applied to Unreimbursed Expenses Attributable to COVID-19	Total Other PRF / ARP Payments Applied to Lost Revenues	Total Amount Reported on the Accompanying Schedule for the Year Ended December 31, 2023
Memorial Hospital for Cancer and Allied Diseases	131624082	5	General		$ 73,115,963	$ 73,115,963
Memorial Medical Consultation Group	133278550	5	General		19,344	19,344
Total PRF Activity for the year ended December 31, 2023					$ 73,135,307	$ 73,135,307

In 2022, the Institution received approximately $73.1 million in PRF payments on a combined basis. The lost revenues incurred by the Institution during the period of availability for PRF Reporting Period 5 (January 1, 2020 through June 30, 2023) are in excess of the general and ARP distributions received in PRF Reporting Periods 1, 2, 3 and 4 (which addressed payments received during the period from April 10, 2020 to December 31, 2021, and which were previously reported on the applicable Schedule for the years ended December 31, 2022 and 2021) and distributions received in PRF Reporting Period 5 (which addressed payments received during the period from January 1, 2022 through June 30, 2022) and, therefore, the amounts presented in the table above and on the accompanying Schedule are limited to the amount of such distributions. The Institution did not receive PRF payments beyond June 30, 2022 for PRF Reporting Period 6 and, accordingly, has reported all funding received pursuant to the requirements specific to Federal Assistance Listing Number 93.498.

Ernst & Young LLP
One Manhattan West
New York, NY 10001-8604

Tel: +1 212 773 3000
ey.com

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

The Board of Trustees and Governing Trustees
Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Memorial Sloan Kettering Cancer Center and Affiliated Corporations (the Institution), which comprise the combined balance sheets as of December 31, 2023, and the related combined statements of activities without donor restrictions, changes in net assets, and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated April 3, 2024. Our report includes a reference to other auditors who audited the financial statements of MSK Insurance US, Inc. as described in our report on the Institution's financial statements. The financial statements of MSK Insurance US, Inc. were not audited in accordance with *Government Auditing Standards*, and accordingly this report does not include reporting on internal control over financial reporting or compliance and other matters associated with MSK Insurance US, Inc. or that are reported on separately by those auditors who audited the financial statements of MSK Insurance US, Inc.

Report on Internal Control Over Financial Reporting

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

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

Building a better
working world

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ernst & Young LLP

April 3, 2024

Ernst & Young LLP
One Manhattan West
New York, NY 10001-8604

Tel: +1 212 773 3000
ey.com

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

The Board of Trustees and Governing Trustees
Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Report of Independent Auditors on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, the Institution complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Institution's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Institution's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Institution's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001 related to the Research and Development Cluster compliance requirement I. Procurement and Suspension and Debarment. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Institution's response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The Institution's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001 related to the Research and Development Cluster for Procurement and Suspension and Debarment to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on the Institution's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The Institution's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The Institution is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The Institution's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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.

Ernst & Young LLP

September 30, 2024

Memorial Sloan Kettering Cancer Center
and Affiliated Corporations

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2023

Section I – Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified, with reference to other auditors.
Internal control over financial reporting:	
Material weakness(es) identified?	____ **Yes** __X__ **No**
Significant deficiency(ies) identified?	____ **Yes** __X__ **None reported**
Noncompliance material to financial statements noted?	____ **Yes** __X__ **No**

Federal Awards

Internal control over major federal programs:	
Material weakness(es) identified?	____ **Yes** __X__ **No**
Significant deficiency(ies) identified?	__X__ **Yes** ____ **None reported**
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	__X__ **Yes** ____ **No**

Identification of major federal programs:

Assistance Listing Number(s)	**Name of Federal Program or Cluster**
93.498	COVID-19 Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution
Various	Research and Development Cluster

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 – Financial Statement Findings

There are no matters that are required to be reported.

Section III – Federal Award Findings and Questioned Costs

Finding 2023-001 – Procurement and Suspension and Debarment

Identification of the Federal Program:

Grantor: Department of Health and Human Services

Program Name: Research and Development Cluster

Assistance Listing No.: Various

Criteria or specific requirement:

In accordance with Title 2 U.S. *Code of Federal Regulations*, Part 200.303, *Internal controls*, "Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)."

Title 2, Subtitle A, Chapter II, Part 200, Subpart D 200.320(a)(2) Small purchases, "The acquisition of property or services, the aggregate dollar amount of which is higher than the micro-purchase threshold but does not exceed the simplified acquisition threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources as determined appropriate by the non-Federal entity."

Condition:

Management has an established procurement and suspension and debarment policy to monitor procurement requirements. However, management did not have an effective control in place to retain documentation supporting the performance of these procedures for certain small purchases.

Cause:

For certain vendors, the Institution has long established contracts for which management did not maintain evidence for recent evaluation of price or rate quotations as required.

Effect or potential effect:

The lack of an effective control has the potential to result in noncompliance.

Questioned costs

Questioned costs of $313,028 were identified, representing small purchases for which documentation was not retained to support that price or rate quotations were obtained.

Context

In a sample of 30 small-purchase procurement transactions, 16 selections (totaling $313,028) did not have evidence of the Institution obtaining price or rate quotations in accordance with the small purchase requirements. Management informed us that, for these purchases, goods were procured from vendors with existing contracts. However, documentation to support that price or rate quotations were obtained could not be provided.

Identification as a repeat finding, if applicable:

This is not a repeat finding.

Recommendation:

The Institution revised its procurement policy in 2024 to further detail the requirements of 2 CFR sections 317 – 326 and should ensure that it appropriately follows the necessary provisions, including the requirements to retain price and rate quotations for small purchases.

Views of Responsible Officials:

As responsible officials of the supply chain organization, we understand the above finding is a result of not being able to produce the required price analysis, quotes and/or bid documentation for certain contracts that we utilize federal funds for purchasing of goods and services. We take this finding very seriously and will ensure the required controls and processes, as found in our updated enterprise procurement policy, be implemented to ensure best procurement practices are being enforced within our organization as it relates to federal funds purchases.

The Institution agrees with the findings and will implement a corrective action that includes maintaining an explicit number, 2 or more quotation or sole source documentation for purchases that meet the small purchase threshold.

EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

ey.com

Memorial Sloan Kettering Cancer Center

Current Year Audit Findings Corrective Action Plan

For the Year Ended December 31, 2023

Finding 2023-001 – I. Procurement and Suspension and Debarment
Identification of the federal program:

Grantor: U.S Department of Defense, U.S. Department of Health and Human Services
Program Name: Research and Development Cluster
Assistance Listing No.: various

Views of responsible officials and planned corrective action:

As responsible officials of the supply chain organization, we understand the above finding is a result of not being able to produce the required price analysis, quotes and/or bid documentation for certain contracts that we utilize federal funds for purchasing of goods and services. We take this finding very seriously and will ensure the required controls and processes, as found in our updated enterprise procurement policy, be implemented to ensure best procurement practices are being enforced within our organization as it relates to federal funds purchases.

With regards to above findings, the Institution agrees with the findings and will implement a corrective action that includes maintaining an explicit number, 2 or more quotation or sole source documentation for purchases that meet the small purchase threshold. Purchases of such nature will be reviewed by the Institutions' procurement staff prior to the purchase of such goods.

The Institution's supply chain organization revised its procurement policy in July 2024 to further detail the requirements of 2 CFR sections 317 – 326 and will ensure that it appropriately follows the necessary provisions, including the requirements to retain price and rate quotations for small purchases.

Name of responsible official: Aaron Tappan, Interim VP, Supply Chain Services and Sustainability

Projected completion date: 12/31/2024

1275 York Ave, New York, NY 10065
www.mskcc.org

NCI-designated Comprehensive Cancer Center