



**CANCER CARE, INC.**

Consolidated Financial Statements and Schedules

June 30, 2021 and 2020

(With Independent Auditors' Report Thereon)



KPMG LLP  
345 Park Avenue  
New York, NY 10154-0102

## Independent Auditors' Report

The Board of Trustees  
Cancer Care, Inc.:

We have audited the accompanying consolidated financial statements of Cancer Care, Inc., which comprise the consolidated balance sheets as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

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

### *Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Cancer Care, Inc. as of June 30, 2021 and 2020, and changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.



*Other Matter*

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included in the accompanying schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the 2021 consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2021 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2021 consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2021 consolidated financial statements or to the 2021 consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 2021 consolidated financial statements as a whole.

*KPMG LLP*

January 31, 2022

**CANCER CARE, INC.**

## Consolidated Balance Sheets

June 30, 2021 and 2020

<b>Assets</b>	<b>2021</b>	<b>2020</b>
Cash and cash equivalents	\$ 6,290,157	5,558,828
Short-term investments (note 2)	72,424,516	60,442,000
Grants and contributions receivable	10,761,642	19,036,812
Prepaid expenses and other assets	1,721,417	1,581,975
Long-term investments (note 2)	12,588,523	10,517,824
Property and equipment, net (note 4)	<u>1,255,727</u>	<u>1,533,919</u>
Total assets	<u>\$ 105,041,982</u>	<u>98,671,358</u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 4,584,396	3,591,562
Deferred revenue	1,841,437	1,209,921
Copayment assistance obligations (note 5)	21,282,034	12,617,430
Payroll Protection Program refundable advance (note 11)	1,861,575	1,861,575
Deferred rent (note 7)	1,022,957	1,213,178
Accrued postretirement benefit cost (note 6)	122,898	135,397
Annuities payable	<u>163,552</u>	<u>128,444</u>
Total liabilities	<u>30,878,849</u>	<u>20,757,507</u>
Commitments (note 7)		
Net assets:		
Without donor restrictions:		
Board-designated (notes 2 and 8)	11,766,882	10,684,945
Undesignated	<u>7,302,541</u>	<u>6,530,512</u>
Total without donor restrictions	19,069,423	17,215,457
With donor restrictions (note 8)	<u>55,093,710</u>	<u>60,698,394</u>
Total net assets	<u>74,163,133</u>	<u>77,913,851</u>
Total liabilities and net assets	<u>\$ 105,041,982</u>	<u>98,671,358</u>

See accompanying notes to consolidated financial statements.

**CANCER CARE, INC.**

Consolidated Statements of Activities

Years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Change in net assets without donor restrictions:		
Contributions and revenue:		
Contributions:		
Foundations and corporations	\$ 4,251,068	5,001,093
Special events, net	1,339,392	1,094,046
Donated goods and services (note 1(e))	1,938,492	2,252,892
Legacies and bequests	683,514	1,062,118
Direct marketing	264,095	283,480
Contributions from individuals	668,042	645,031
Sponsorships and cause-related marketing	72,588	181,834
United Way, federal, and state campaigns	31,733	33,319
Thrift shop sales, net	<u>(125,107)</u>	<u>(121,965)</u>
Total contributions	<u>9,123,817</u>	<u>10,431,848</u>
Revenue:		
Investment return on short-term investments (note 2)	10,658	1,306,591
Fee for service	539,955	62,091
Other income (note 7)	<u>1,241,012</u>	<u>1,168,722</u>
Total revenue	<u>1,791,625</u>	<u>2,537,404</u>
Total contributions and revenue before net assets released from donor restrictions	<u>10,915,442</u>	<u>12,969,252</u>
Net assets released from donor restrictions:		
Satisfaction of program restrictions – foundations and corporations	85,705,084	57,179,834
Satisfaction of program restrictions – individuals	<u>212,500</u>	<u>279,599</u>
Total net assets released from donor restrictions	<u>85,917,584</u>	<u>57,459,433</u>
Total contributions and revenues	<u>96,833,026</u>	<u>70,428,685</u>
Expenses (note 9):		
Program services:		
Counseling and support	5,210,212	4,948,577
Financial assistance	4,087,885	4,572,721
Copayment assistance	76,127,004	48,021,324
Education	2,047,966	2,147,403
Information, awareness, and policy	<u>4,041,408</u>	<u>4,702,393</u>
Total program services	<u>91,514,475</u>	<u>64,392,418</u>
Supporting services:		
Fundraising	3,499,483	2,920,238
Management and general	<u>2,035,801</u>	<u>1,970,885</u>
Total supporting services	<u>5,535,284</u>	<u>4,891,123</u>
Total expenses	<u>97,049,759</u>	<u>69,283,541</u>
(Decrease) increase in net assets without donor restrictions before investment return on long-term investments	<u>(216,733)</u>	<u>1,145,144</u>
Investment return on long-term investments, net (note 2)	<u>2,070,699</u>	<u>276,849</u>
Increase in net assets without donor restrictions	<u>1,853,966</u>	<u>1,421,993</u>
Change in net assets with donor restrictions:		
Contributions from foundations and corporations	80,259,575	66,396,150
Contributions from individuals	7,573	62,581
Net assets released from donor restrictions – foundations and corporations	<u>(85,659,332)</u>	<u>(57,179,834)</u>
Net assets released from donor restrictions – individuals	<u>(212,500)</u>	<u>(279,599)</u>
(Decrease) increase in net assets with donor restrictions	<u>(5,604,684)</u>	<u>8,999,298</u>
(Decrease) increase in net assets	<u>(3,750,718)</u>	<u>10,421,291</u>
Net assets at beginning of year	<u>77,913,851</u>	<u>67,492,560</u>
Net assets at end of year	<u>\$ 74,163,133</u>	<u>77,913,851</u>

See accompanying notes to consolidated financial statements.

**CANCER CARE, INC.**  
Consolidated Statement of Functional Expenses  
Year ended June 30, 2021

	<b>Program services</b>					<b>Supporting services</b>				<b>Total</b>
	<b>Counseling and support</b>	<b>Financial assistance</b>	<b>Copayment assistance</b>	<b>Education</b>	<b>Information, awareness, and policy</b>	<b>Subtotal</b>	<b>Fundraising</b>	<b>Management and general</b>	<b>Subtotal</b>	
Salaries	\$ 2,588,246	501,672	1,041,894	306,762	1,360,189	5,798,763	1,851,727	1,034,383	2,886,110	8,684,873
Employee health and retirement benefits	760,841	161,437	296,403	87,822	235,937	1,542,440	306,058	171,895	477,953	2,020,393
Payroll taxes	189,457	34,127	69,498	21,557	88,650	403,289	121,757	66,427	188,184	591,473
Total salaries and related expenses	3,538,544	697,236	1,407,795	416,141	1,684,776	7,744,492	2,279,542	1,272,705	3,552,247	11,296,739
Direct disbursements to patients and families	—	3,054,775	73,391,872	—	—	76,446,647	—	—	—	76,446,647
Donated goods and services	133,765	—	—	1,204,150	600,577	1,938,492	—	—	—	1,938,492
Contract services	203,892	76,369	945,733	46,725	1,228,011	2,500,730	576,340	338,359	914,699	3,415,429
Postage and shipping	19,466	4,729	23,589	16,153	22,331	86,268	47,649	13,720	61,369	147,637
Telephone and data	198,180	42,620	65,752	246,036	68,663	621,251	83,779	51,652	135,431	756,682
Occupancy	788,424	147,089	210,260	83,345	232,980	1,462,098	283,743	198,038	481,781	1,943,879
Supplies	10,959	2,249	4,771	1,248	3,860	23,087	8,910	2,807	11,717	34,804
Printing and publications	2,562	770	25,509	357	76,528	105,726	4,215	1,574	5,789	111,515
Equipment repairs and maintenance	65,498	12,685	24,360	7,177	20,094	129,814	25,030	18,479	43,509	173,323
Memberships and subscriptions	17,317	4,735	587	2,192	16,112	40,943	18,207	14,417	32,624	73,567
Staff and volunteer training and support	17,049	1,683	3,619	992	2,678	26,021	5,792	6,822	12,614	38,635
Travel and related costs	2,424	(12)	—	(8)	2,378	4,782	5,721	1,596	7,317	12,099
Marketing and promotion	437	—	—	—	—	437	83,688	7,216	90,904	91,341
Interest and taxes	758	161	334	90	246	1,589	311	182	493	2,082
Insurance	58,889	12,104	20,224	6,793	18,599	116,609	23,331	13,528	36,859	153,468
Miscellaneous	23,338	409	133	66	19,782	43,728	1,209	44,187	45,396	89,124
Total functional expenses before depreciation and amortization	5,081,502	4,057,602	76,124,538	2,031,457	3,997,615	91,292,714	3,447,467	1,985,282	5,432,749	96,725,463
Depreciation and amortization	128,710	30,283	2,466	16,509	43,793	221,761	52,016	50,519	102,535	324,296
Total expenses	<u>\$ 5,210,212</u>	<u>4,087,885</u>	<u>76,127,004</u>	<u>2,047,966</u>	<u>4,041,408</u>	<u>91,514,475</u>	<u>3,499,483</u>	<u>2,035,801</u>	<u>5,535,284</u>	<u>97,049,759</u>
Direct benefit costs of special events									113,440	113,440
Direct cost of thrift shop									549,933	549,933
									<u>\$ 6,198,657</u>	<u>97,713,132</u>

See accompanying notes to consolidated financial statements.

**CANCER CARE, INC.**  
Consolidated Statement of Functional Expenses  
Year ended June 30, 2020

	<b>Program services</b>					<b>Supporting services</b>				<b>Total</b>
	<b>Counseling and support</b>	<b>Financial assistance</b>	<b>Copayment assistance</b>	<b>Education</b>	<b>Information, awareness, and policy</b>	<b>Subtotal</b>	<b>Fundraising</b>	<b>Management and general</b>	<b>Subtotal</b>	
Salaries	\$ 2,523,660	481,394	916,587	297,664	1,391,359	5,610,664	1,608,337	1,011,941	2,620,278	8,230,942
Employee health and retirement benefits	655,638	129,902	282,906	82,644	215,749	1,366,839	284,293	153,331	437,624	1,804,463
Payroll taxes	180,573	32,470	61,860	20,778	91,007	386,688	105,313	64,081	169,394	556,082
Total salaries and related expenses	3,359,871	643,766	1,261,353	401,086	1,698,115	7,364,191	1,997,943	1,229,353	3,227,296	10,591,487
Direct disbursements to patients and families	10,100	3,689,735	45,025,402	—	—	48,725,237	—	—	—	48,725,237
Donated goods and services	115,920	—	—	1,067,550	1,069,422	2,252,892	—	—	—	2,252,892
Contract services	164,573	4,088	1,308,041	28,719	1,193,384	2,698,805	298,269	347,340	645,609	3,344,414
Postage and shipping	16,223	13,672	28,585	106,831	42,018	207,329	43,908	3,725	47,633	254,962
Telephone and data	193,064	34,001	68,867	271,988	65,102	633,022	79,486	48,403	127,889	760,911
Occupancy	675,460	115,964	195,504	75,720	207,866	1,270,514	264,042	177,240	441,282	1,711,796
Supplies	39,487	8,100	15,316	5,574	17,959	86,436	21,955	12,417	34,372	120,808
Printing and publications	8,884	1,258	14,831	136,794	262,925	424,692	10,258	3,362	13,620	438,312
Equipment repairs and maintenance	67,090	11,503	21,016	7,644	20,513	127,766	33,206	22,996	56,202	183,968
Memberships and subscriptions	7,841	992	1,147	681	8,990	19,651	13,059	9,170	22,229	41,880
Staff and volunteer training and support	22,963	2,481	5,760	1,558	17,469	50,231	27,931	17,704	45,635	95,866
Travel and related costs	28,337	3,241	19,559	13,982	17,906	83,025	27,223	12,569	39,792	122,817
Marketing and promotion	1,441	—	—	164	1,654	3,259	6,717	—	6,717	9,976
Interest and taxes	1,484	236	91	168	428	2,407	611	808	1,419	3,826
Insurance	55,346	10,555	19,749	6,786	18,291	110,727	23,284	13,206	36,490	147,217
Miscellaneous	61,528	7,895	34,847	5,525	17,932	127,727	19,211	20,980	40,191	167,918
Total functional expenses before depreciation and amortization	4,829,612	4,547,487	48,020,068	2,130,770	4,659,974	64,187,911	2,867,103	1,919,273	4,786,376	68,974,287
Depreciation and amortization	118,965	25,234	1,256	16,633	42,419	204,507	53,135	51,612	104,747	309,254
Total expenses	\$ 4,948,577	4,572,721	48,021,324	2,147,403	4,702,393	64,392,418	2,920,238	1,970,885	4,891,123	69,283,541
Direct benefit costs of special events									32,893	32,893
Direct cost of thrift shop									692,850	692,850
									\$ 5,616,866	70,009,284

See accompanying notes to consolidated financial statements.

**CANCER CARE, INC.**

Consolidated Statements of Cash Flows

Years ended June 30, 2021 and 2020

	<b>2021</b>	<b>2020</b>
Cash flows from operating activities:		
(Decrease) increase in net assets	\$ (3,750,718)	10,421,291
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	324,296	309,254
Realized and unrealized (gains) losses on investments	(1,190,054)	94,601
Release of restricted cash	(5,000)	—
Changes in operating assets and liabilities:		
Grants and contributions receivable	8,275,170	2,798,299
Prepaid expenses and other assets	(139,442)	255,577
Accounts payable and accrued liabilities	992,834	(60,759)
Deferred revenue	631,516	1,175,671
Copayment assistance obligations	8,664,604	(12,667,933)
Deferred rent	(190,221)	(192,053)
Accrued postretirement benefit cost	(12,499)	(17,570)
Annuities payable	35,108	10,209
Net cash provided by operating activities	13,635,594	2,126,587
Cash flows from investing activities:		
Proceeds from sales of investments	56,298,344	62,622,635
Purchases of investments	(69,161,505)	(64,634,031)
Purchase of property and equipment	(46,104)	(128,168)
Net cash used in investing activities	(12,909,265)	(2,139,564)
Cash flows from financing activity:		
Proceeds from Payroll Protection Program refundable advance (note 11)	—	1,861,575
Net cash provided by financing activity	—	1,861,575
Net increase in cash and cash equivalents	726,329	1,848,598
Cash, cash equivalents, and restricted cash at beginning of year (note 1(m))	5,601,999	3,753,401
Cash, cash equivalents, and restricted cash at end of year	\$ 6,328,328	5,601,999
Reconciling amounts reported within the consolidated balance sheets:		
Cash and cash equivalents	\$ 6,290,157	5,558,828
Restricted cash included in prepaid expenses and other assets	38,171	43,171
Total cash, cash equivalents, and restricted cash	\$ 6,328,328	5,601,999

See accompanying notes to consolidated financial statements.



## CANCER CARE, INC.

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

### (1) Organization and Summary of Significant Accounting Policies

#### *Organization*

Cancer Care, Inc. (Cancer Care) is a national not-for-profit voluntary health organization that provides free professional support services to anyone affected by cancer: people with cancer, caregivers, children, loved ones, and the bereaved. Cancer Care's programs – including counseling, education, financial assistance, and practical help – are provided by masters-prepared oncology social workers and are completely free of charge. Founded in 1944, Cancer Care provides individual and group counseling in three modalities: face to face, over the telephone, and online. Individuals affected by cancer and their loved ones seek information and resources from its comprehensive website, its Connect Education Workshops via the telephone, or podcast in addition to a comprehensive selection of print publications.

On July 23, 2007, Cancer Care incorporated the Cancer Care Co-Payment Assistance Foundation, Inc. (the Co-Pay Foundation) as a Type B corporation, as defined in Section 201 of the Not-for-Profit Corporation Law in the State of New York. The primary function of the Co-Pay Foundation is to provide financial assistance to individuals with cancer in the form of copayment assistance for both prescribed treatment and supporting medications, premium assistance, or other direct financial assistance in order to ensure access to care, treatment, and prescribed medications.

The accompanying consolidated financial statements include the financial position and changes in net assets of Cancer Care and the Co-Pay Foundation (collectively, the Organization).

The Organization has five main program areas:

*Counseling and support* – Provides group and individual counseling in three different ways: face to face, over the telephone, or online; all support services are offered by professional oncology social workers.

*Financial assistance* – Offers assistance by providing funds for treatment-related costs, such as pain medication, transportation, home care, and childcare.

*Copayment assistance (Co-Pay Foundation)* – Provides financial assistance to individuals with cancer in the form of copayment assistance for both prescribed treatment and supporting medications, premium assistance, or other direct financial assistance in order to ensure access to care, treatment, and prescribed medications.

*Education* – Connect Education Workshops provide cancer patients and caregivers with the opportunity to listen to, and ask questions from, top cancer experts from around the country on a variety of cancer-related topics in a telephone conference format. Connect Education Workshops are archived on the Organization's website as well.

*Information, awareness, and policy* – Offers practical help, including education materials, disease-specific awareness campaigns and information, and referrals to other sources of help; the Organization's website, [www.cancercare.org](http://www.cancercare.org), is a comprehensive resource where visitors can communicate with a social worker, join a support group, listen to an archived Connect Education Workshop, and learn about topics ranging from managing careers to talking to your families during a time of crisis. The Organization's policy function monitors, researches, and reports on healthcare issues that affect cancer patients, caregivers, and their families.

## **CANCER CARE, INC.**

### Notes to Consolidated Financial Statements

June 30, 2021 and 2020

Cancer Care is a Section 501(c)(3) organization exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (the Code) and has been classified as a publicly supported organization as defined in Section 509(a)(1) of the Code. In addition, Cancer Care has been classified as nonprofit in character for state and local income tax purposes.

The Co-Pay Foundation is a Section 501(c)(3) organization exempt from federal income taxes under Section 501(a) of the Code and has been classified as a Type I supporting organization to Cancer Care. In addition, the Co-Pay Foundation has been classified as nonprofit in character for state and local income tax purposes.

Accordingly, the Organization is not subject to income taxes except to the extent it has taxable income from activities that are not related to its exempt purpose. The Organization recognizes the effects of income tax positions only if those positions are more likely than not of being sustained. The Organization has no uncertain tax positions. No provision for income taxes was required for fiscal year 2021 or 2020.

#### *Summary of Significant Accounting Policies*

The Organization's significant accounting policies are as follows:

##### **(a) Basis of Presentation**

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting. All intercompany transactions have been eliminated in consolidation. Net assets and the changes therein are classified and reported as follows:

*Net assets without donor restrictions* – Net assets that are not subject to donor-imposed restrictions. As reflected in the accompanying consolidated balance sheets, the Organization's board of trustees has designated a portion of the net assets without donor restrictions of the Organization for long-term investment purposes.

*Net assets with donor restrictions* – Net assets subject to donor-imposed restrictions that will be met by actions of the Organization and/or the passage of time.

##### **(b) Accounting Estimates**

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the consolidated financial statements and revenue and expenses recognized during the reporting period. Estimates made in the preparation of the consolidated financial statements include copayment assistance obligations and functional expense allocations. Actual results could differ from those estimates.

## CANCER CARE, INC.

### Notes to Consolidated Financial Statements

June 30, 2021 and 2020

#### **(c) Fair Value Measurements**

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Accounting Standards Codification Topic 820, *Fair Value Measurement*, also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices or published values per share in active markets for identical assets or liabilities
- Level 2: Observable inputs other than Level 1 prices, such as quoted or published prices for similar assets or liabilities
- Level 3: Unobservable inputs that are supported by little or no market activity.

#### **(d) Contributions**

Contributions, including unconditional promises to give (pledges), are recognized as revenue upon receipt and are considered to be without donor restrictions unless they are received with donor stipulations that limit their use to a future period through either purpose or time restrictions. Contributions with donor stipulations that limit their use to a future period or activity are recognized in net assets with donor restrictions until the donor restrictions expire, that is, when a time restriction ends or purpose restriction is fulfilled. Contributions restricted to patient or copay assistance, including pledges, are recognized in net assets with donor restrictions until grants are awarded to patients.

Upon the expiration of donor stipulations, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statements of activities as net assets released from restrictions.

A contribution, gift, or grant is conditional if an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right or release of a promisor's obligation to transfer assets. The presence of both a barrier and a right of return or right of release indicates that a recipient promises to give are not recognized until they become unconditional, that is when the barriers in the agreement are overcome.

Fair value is estimated giving consideration to anticipated future cash receipts (after allowance is made for uncollectible contributions) and discounting amounts not expected to be received within one year at a risk-adjusted rate commensurate with the duration of the donor's payment plan. In subsequent periods, the discount rate is unchanged, and the allowance for uncollectible contributions is reassessed and adjusted if necessary. Amortization of the discounts is recorded as additional contribution revenue.

**CANCER CARE, INC.**

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

Grants and contributions receivable, and contributions, excluding net assets released from restriction but including contributions with donor restrictions, are as follows:

	2021			2020		
	Cancer Care, Inc.	Cancer Care Co-Payment Assistance Foundation, Inc.	Consolidated	Cancer Care, Inc.	Cancer Care Co-Payment Assistance Foundation, Inc.	Consolidated
As of June 30:						
Grants and contributions receivable from the five largest donors	\$ 806,641	9,626,437	10,014,134	1,024,355	17,493,523	18,517,878
Percentage of grants and contributions receivable	71 %	100 %	93 %	66 %	100 %	97 %
For the year ended June 30:						
Contributions as defined above	\$ 14,766,059	74,624,906	89,390,965	15,359,746	61,539,833	76,899,579
Contributions from the five largest donors	3,812,392	66,520,800	68,958,085	4,713,093	54,633,899	56,585,807
Percentage of contributions	26 %	89 %	77 %	31 %	89 %	73 %

The Organization has received conditional promises to give in the form of bequests, currently of indeterminable value, that have not been reflected in the accompanying consolidated financial statements because the conditions on which they depend have not been substantially met.

Grants and contributions receivable of approximately \$65,000 is due after one year, and the remaining balance is expected to be collected in fiscal year 2022.

**(e) Contributed Goods and Services**

Contributed services are recognized as revenue and expense if the services create or enhance nonfinancial assets or require specialized skills provided by individuals possessing those skills and typically need to be purchased if not provided by donation. Contributed services are recorded at the fair value of the services provided. Contributed services and promises to contribute services that do not meet the above criteria are not recognized as revenue or expenses and are not reported in the accompanying consolidated financial statements.

Contributed goods and services consist of the following for the years ended June 30:

	2021	2020
Medical and oncology publication advertising	\$ 490,850	964,107
Professional speakers on Connect Education Workshops	1,204,150	1,067,550
Social work student interns	133,765	115,920
Google ad words	109,727	105,315
	<u>\$ 1,938,492</u>	<u>2,252,892</u>

Contributions of clothing and merchandise are valued at the estimated fair value at the date of receipt and recognized as revenue when received and expensed from inventory when used.

## **CANCER CARE, INC.**

### Notes to Consolidated Financial Statements

June 30, 2021 and 2020

#### **(f) Cash and Cash Equivalents**

For the purpose of the consolidated statements of cash flows, the Organization considers highly liquid investments purchased with an original maturity of three months or less, other than those held in the long- and short-term investment portfolio, to be cash equivalents. The Organization considers the \$38,171 security deposit for leases as restricted cash, which is recorded in prepaid expenses and other assets.

#### **(g) Investments and Investment Income**

Investments are reported at fair value based on quoted or published market prices. Income earned from net of investment management fees, including realized and unrealized gains and losses, is recorded in the net asset classes based on donor restrictions or the absence thereof. Return on investments held for long-term purposes is included in nonoperating activities in the consolidated statements of activities.

The Organization invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated balance sheets.

#### **(h) Property and Equipment**

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets ranging from five to seven years. Amortization of leasehold improvements is calculated on the straight-line basis over the lesser of the estimated useful life of the asset or the remaining term of the lease.

#### **(i) Gift Annuity Agreements**

The Organization is the beneficiary of a number of charitable gift annuity agreements with donors. The Organization controls the donated assets and shares the income generated from those assets with the donor or donor's designee until such time as stated in the agreement (usually, upon death of the donor or donor's designee). The Organization records the assets related to these agreements on its consolidated balance sheets at fair value. At the time of gift, and adjusted annually, the Organization records contribution income and a liability for amounts payable to annuitants using an actuarial calculation. The discount rate used in fiscal years 2021 and 2020 was 1.2% and 0.6%, respectively. State-mandated insurance reserves related to these agreements are maintained at required levels.

#### **(j) Copayment Assistance Liability**

The Co-Pay Foundation requires that all prospective grant recipients complete an application, and such applications are processed in order of receipt on a first-come, first-served basis, to the extent funding is available. The Co-Pay Foundation has established objective criteria for determining eligibility for assistance based upon an applicant's medical condition and financial need. The Co-Pay Foundation currently has 25 and 23 funds with patient liability balances for the fiscal years ended June 30, 2021 and 2020, respectively, classified by disease state. The medical criteria to determine a disease-state fund is based upon a particular diagnosis or subset of a diagnosis determined by the Co-Pay

## CANCER CARE, INC.

### Notes to Consolidated Financial Statements

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Foundation's board of trustees. The financial need criteria are based on certain national standards of indigence.

The Co-Pay Foundation records a copayment assistance obligation for patients currently awarded funds as the estimated amount of payments that are expected to be made based on historical experience by disease state.

#### **(k) *Deferred Rent***

Rent expense is recorded on a straight-line basis over the term of the lease, with the difference between the straight-line expense and rent payments reported as either prepaid rent or as deferred rent liability. The lease term provided for tenant free-rent period and tenant improvement allowances. Free rent and tenant improvement allowances are accounted for on a straight-line basis over the life of the lease and are recorded as deferred rent in the consolidated balance sheets.

#### **(l) *Functional Expense Allocations***

Salaries and payroll taxes are charged directly to the assigned primary functional area for each position. Employee benefits and overhead costs such as rent, utilities, and equipment costs, are allocated either by head count or square footage utilized determined by the percentage of staff in each functional area.

Expenses for certain senior managers and supporting functions that are not specifically attributable to either program, fundraising or management and general are allocated based on an estimate of annual percentage of effort between functional areas.

#### **(m) *Recently Adopted Accounting Pronouncement***

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU No. 2014-09 provides guidance based on the principle that revenue is recognized at the amount expected to be collected, which the entity expects to be entitled in exchange for the transfer of goods or services. The guidance can be adopted either retrospectively or with cumulative-effect adjustment as of the date of adoption. The Organization adopted ASU No. 2014-09 for the year ending June 30, 2021. The adoption of this guidance did not have a material impact on the Organization's financial statements.

#### **(n) *New Accounting Pronouncements Not Yet Adopted***

The FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This guidance is designed to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. The Organization is currently evaluating the impact of this ASU and expects to apply it using the modified retrospective approach for the year ending June 30, 2023, in accordance with ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (842)*.

The FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. This guidance is an amendment to address certain stakeholders' concerns about the lack of transparency about the measurement of contributed nonfinancial assets recognized by not-for-profit entities, as well as the amount of those contributions

**CANCER CARE, INC.**

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

used in a not-for-profit entity's program and other activities. The Organization is currently evaluating the impact of this ASU and expects to apply it retrospectively for the year ending June 30, 2022.

**(2) Investments**

Short-term investments principally represent the unexpended proceeds from certain donor-restricted grants. The following tables present the fair value hierarchy for the Organization's short-term investments and long-term investments measured at fair value as of June 30, 2021 and 2020. There were no Level 2 or Level 3 assets as of June 30, 2021 or 2020.

	2021	2020
	Level 1	
Financial assets:		
Short-term investments:		
Certificates of deposit	\$ 2,290,632	2,288,150
Money market funds	5,710,107	8,760,560
Corporate and municipal bonds	64,423,777	49,393,290
Total short-term investments	\$ 72,424,516	60,442,000
Long-term investments:		
Cash equivalents	\$ 3,150,875	2,697,746
Fixed-income funds:		
Government domestic	326,495	449,347
Corporate domestic	2,164,386	1,914,648
Equity funds:		
Domestic	4,511,765	3,520,530
International	2,435,002	1,935,553
Total long-term investments	\$ 12,588,523	10,517,824

The board of trustees designated \$11,766,882 of long-term investments as of June 30, 2021 and \$10,517,824 of long-term investments and \$167,122 of short-term investments as of June 30, 2020, as a quasi-endowment to provide for the long-term financial stability of the Organization. As of June 30, 2021 and 2020, the quasi-endowment calculation was not attributed to a specific portion of long-term investments but rather a specific portion of net assets without donor restrictions (note 8).

**CANCER CARE, INC.**

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

The net return on short-term and long-term investments and interest-bearing cash and cash equivalents for the years ended June 30 consist of the following:

	<b>2021</b>	<b>2020</b>
Interest and dividends, net of expenses	\$ 953,837	1,678,041
Realized and unrealized gains (losses) on investments, net of expenses	1,127,520	(94,601)
	\$ 2,081,357	1,583,440

**(3) Liquidity and Availability of Resources**

The Organization defines general expenditures as operating expenses, excluding direct disbursements to patients and families – both general financial assistance and copayment assistance – as those expenses are funded by restricted donations dependent on patient demand. The following represents the financial assets and liquidity resources available within one year for general expenditures as of June 30:

	<b>2021</b>	<b>2020</b>
Cash and cash equivalents	\$ 6,290,157	5,558,828
Short-term investments	72,424,516	60,442,000
Grants and contributions receivable	10,761,642	19,036,812
Long-term investments	12,588,523	10,517,824
Total financial assets available within one year	102,064,838	95,555,464
Less:		
Financial assets not available within one year:		
Grants and contributions receivable	(65,000)	(160,725)
Financial assets restricted to direct disbursements to patients and families	(75,856,587)	(71,750,292)
Total financial assets not available within one year	(75,921,587)	(71,911,017)
Amounts unavailable to management without board approval	(11,766,882)	(10,684,945)
Total amounts unavailable for general expenditures	(87,688,469)	(82,595,962)
Total amount of financial assets available to management for general expenditure within one year	\$ 14,376,369	12,959,502



**CANCER CARE, INC.**

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

**(4) Property and Equipment**

Property and equipment, net consisted of the following at June 30:

	<u>2021</u>	<u>2020</u>
Furniture and fixtures	\$ 1,839,712	1,843,893
Telephone equipment	206,109	574,969
Leasehold improvements	3,631,416	3,798,430
Computer equipment	<u>327,127</u>	<u>308,974</u>
	6,004,364	6,526,266
Less accumulated depreciation and amortization	<u>4,748,637</u>	<u>4,992,347</u>
	<u>\$ 1,255,727</u>	<u>1,533,919</u>

**(5) Copayment Assistance Obligations**

Copayment assistance obligations represent the unpaid portion of copayment assistance grants to patients. The initial 12-month grant for each patient award is calculated based on the then expected average cumulative claims that will be paid out per patient in the patient's respective disease state fund. The obligation is adjusted throughout the life of the award based upon actual payment experience. Copayment assistance obligations will be satisfied at varying dates, which are generally no later than 15 months from each active patient's respective award date and, collectively, no later than 15 months from the balance sheet date.

Because the copayment assistance program is funded by contributions with donor restrictions, simultaneously for each award transaction, copayment assistance obligations are recorded and a corresponding amount of revenue is released from net assets with donor restrictions to net assets without donor restrictions. Copayment assistance obligations are reduced as claims are paid. At the close of the 15-month account activity cycle for each patient, which includes a three-month open claim period after the 12-month grant cycle has ended, any amounts that represent the difference between adjusted expected average claims and actual claims are adjusted against net assets with donor restrictions.

**(6) Pension and Postretirement Healthcare Benefit Plans**

**(a) Defined-Contribution Plan**

The Organization sponsors a defined-contribution plan covering substantially all employees who meet certain age and length-of-service requirements. The plan provides for annual contributions to be made by the Organization at its discretion. The Organization contributed \$440,276 and \$319,929 to the defined-contribution plan during the years ended June 30, 2021 and 2020, respectively.

**CANCER CARE, INC.**

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

**(b) Postretirement Healthcare Benefit Plan**

The Organization also sponsors a defined-benefit postretirement healthcare benefit plan for certain employees. The plan was amended on December 31, 2003. Pursuant to the amendment, benefits will no longer be offered to employees who retire after December 31, 2003. The healthcare benefits are provided through insurance companies. The plan is contributory and contains cost-sharing features, such as coinsurance. In addition, for approximately half of the participants, there is a \$1,200 annual limit on the benefits payable to a retiree.

The following table presents information with respect to the obligation as of and for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Accrued postretirement benefit cost recognized in the Organization's consolidated balance sheets	\$ 122,898	135,397
Benefits cost	5,299	2,985
Benefits paid	7,200	14,209

**(7) Commitments**

The Organization rents space under noncancelable operating leases for its headquarters, regional offices, and a thrift shop. The Organization's headquarters and certain of its regional office leases include a rent-free period. Rental expense is recognized on the straight-line basis, rather than in accordance with base payment schedules for purposes of recognizing a constant annual rental expense. The difference between straight lining the rental charge and actual payments is reflected as deferred rent in the accompanying consolidated balance sheets.

The annual minimum rental commitments as of June 30, 2021 are as follows:

	<u>Amount</u>
Year ending June 30:	
2022	\$ 1,577,848
2023	1,565,553
2024	1,572,511
2025	1,546,826
2026	<u>78,604</u>
	<u>\$ 6,341,342</u>

Under the terms of the lease agreement for its headquarters, an irrevocable letter of credit in the amount of \$274,492 has been established with a financial institution in lieu of a security deposit. On May 12, 2010, the Organization entered into a lease agreement for its national headquarters in order to consolidate its tenancy into two consecutive floors and to secure its occupancy for the next 15 years. The lease commenced on July 1, 2010 and will expire on June 30, 2025. Of the approximately \$6.3 million total

**CANCER CARE, INC.**

Notes to Consolidated Financial Statements

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annual minimum rental commitments as of June 30, 2021, approximately \$5.5 million relates to the national office headquarters lease.

The Organization entered into a lease agreement to sublet one-half of its national office headquarters space commencing partially on September 1, 2017 and at full occupancy on March 1, 2018 through June 30, 2025. Cumulative rental income, net of broker's commission, free-rent periods, work credits, and expected profit sharing to the Organization's landlord, is expected to be approximately \$6.1 million over the 94-month term of the lease. The remaining net sublet income is as follows:

	<u>Amount</u>
Year ending June 30:	
2022	\$ 904,721
2023	961,632
2024	988,467
2025	<u>1,015,909</u>
	<u>\$ 3,870,729</u>

**(8) Net Assets**

Net assets with donor restrictions at June 30 are available for the following purposes:

	<u>2021</u>	<u>2020</u>
Copayment assistance	\$ 50,968,630	56,154,827
Patient assistance	1,871,519	2,635,071
Other program support	1,748,561	1,338,496
Time restricted	<u>505,000</u>	<u>570,000</u>
	<u>\$ 55,093,710</u>	<u>60,698,394</u>

The Organization has no donor-restricted endowment funds. The Organization's endowment consists of one board-designated endowment fund established for Cancer Care only to provide for the long-term stability of the Organization.

As of June 30, 2021 and 2020, the level of undesignated net assets without donor restrictions for Cancer Care has been set by the board at \$2,500,000 and the remaining net assets without donor restrictions are board-designated as endowment.

## CANCER CARE, INC.

### Notes to Consolidated Financial Statements

June 30, 2021 and 2020

The following represents the Organization's board-designated endowment funds and the changes in designated endowment funds for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Endowment net assets, beginning of year	\$ 10,684,945	10,151,480
Net appreciation in fair value of investments	2,070,699	274,440
Designations (releases)	<u>(988,762)</u>	<u>259,025</u>
Endowment net assets, end of year	<u>\$ 11,766,882</u>	<u>10,684,945</u>

The Organization's investment objective is the highest total return consistent with prudent investment management and the preservation of capital.

#### (9) Allocation of Joint Costs Information

In 2021 and 2020, the Organization incurred joint costs of \$336,894 and \$218,744, respectively, for informational materials and activities that included fundraising appeals. Of those costs, \$257,610 and \$168,346, respectively, was allocated to information and publications expenses and \$79,284 and \$50,398 was allocated to fundraising expenses, respectively.

#### (10) Grant to Cancer Care

As a Type I supporting organization, the Co-Pay Foundation exists to support and compliment the mission of Cancer Care. Through a grant to its supported organization of \$2.5 million in 2021 and \$2.0 million in 2020, the Co-Pay Foundation receives a comprehensive array of patient support services for individuals who apply for or receive copayment assistance. Such services include individual and group counselling – in-person, over the telephone or on-line, access to transportation and other financial assistance, education, and information. These services are an integral part of supportive care to patients in order to address the physical, practical, and emotional needs, as well as the financial burdens, that accompany a cancer diagnosis. Such amounts are eliminated in consolidation.

#### (11) Payroll Protection Program Refundable Advance

On March 11, 2020, the World Health Organization designated COVID-19 as a pandemic. In April 2020, the Organization received funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act through the Payroll Protection Program. Funding through this program consists of loans that are designed to provide a direct incentive for small business to keep their workers on payroll. These loans will be forgiven if certain criteria are met and the funds are used for eligible expenses.

The Organization applied for and received a Payroll Protection Program Loan in April 2020 in the amount of \$1,861,575. Any portion of the loan that is not forgiven will be assessed at a 1% interest rate payable over a five-year period. The loan is recorded in the consolidated balance sheet in Payroll Protection Program refundable advance as of June 30, 2021. The Organization applied for complete forgiveness in accordance with the provisions for loan forgiveness in July 2021 and the application for forgiveness was approved in September 2021.

**CANCER CARE, INC.**

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

**(12) COVID-19 Impact**

As a result of the COVID-19 pandemic, economic uncertainties have arisen, which may negatively affect the balance sheet, results of operations, and cash flows of the Organization. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

**(13) Subsequent Events**

In connection with the preparation of the consolidated financial statements, the Organization evaluated subsequent events after the consolidated balance sheet date of June 30, 2021 through January 31, 2022, which was the date the consolidated financial statements were available to be issued, and determined that there were no additional matters that are required to be disclosed.

## CANCER CARE, INC.

## Consolidating Schedule – Balance Sheet Information

June 30, 2021

<b>Assets</b>	<b>Cancer Care, Inc.</b>	<b>Cancer Care Co-Payment Assistance Foundation, Inc.</b>	<b>Elimination entries</b>	<b>Total</b>
Cash and cash equivalents	\$ 6,061,850	228,307	—	6,290,157
Short-term investments	2,293,837	70,130,679	—	72,424,516
Intercompany receivable	128,497	—	(128,497)	—
Grants and contributions receivable	1,135,205	9,626,437	—	10,761,642
Prepaid expenses and other assets	1,549,412	172,005	—	1,721,417
Long-term Investments	12,588,523	—	—	12,588,523
Property and equipment, net	1,241,390	14,337	—	1,255,727
Total assets	<u>\$ 24,998,714</u>	<u>80,171,765</u>	<u>(128,497)</u>	<u>105,041,982</u>
<b>Liabilities and Net Assets</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,594,333	2,990,063	—	4,584,396
Intercompany payable	—	128,497	(128,497)	—
Deferred revenue	1,841,437	—	—	1,841,437
Copayment assistance obligations	—	21,282,034	—	21,282,034
Payroll Protection Program refundable advance	1,861,575	—	—	1,861,575
Deferred rent	1,022,957	—	—	1,022,957
Accrued postretirement benefit cost	122,898	—	—	122,898
Annuities payable	163,552	—	—	163,552
Total liabilities	<u>6,606,752</u>	<u>24,400,594</u>	<u>(128,497)</u>	<u>30,878,849</u>
Commitments				
Net assets:				
Without donor restrictions:				
Board-designated	11,766,882	—	—	11,766,882
Undesignated	2,500,000	4,802,541	—	7,302,541
Total without donor restrictions	<u>14,266,882</u>	<u>4,802,541</u>	<u>—</u>	<u>19,069,423</u>
With donor restrictions	4,125,080	50,968,630	—	55,093,710
Total net assets	<u>18,391,962</u>	<u>55,771,171</u>	<u>—</u>	<u>74,163,133</u>
Total liabilities and net assets	<u>\$ 24,998,714</u>	<u>80,171,765</u>	<u>(128,497)</u>	<u>105,041,982</u>

See accompanying independent auditors' report.

## CANCER CARE, INC.

## Consolidating Schedule – Statement of Activities Information

Year ended June 30, 2021

	Cancer Care, Inc.	Cancer Care Co-Payment Assistance Foundation, Inc.	Elimination entries	Total
Change in net assets without donor restrictions:				
Contributions and revenue:				
Contributions:				
Foundations and corporations	\$ 4,251,068	—	—	4,251,068
Special events, net	1,339,392	—	—	1,339,392
Donated goods and services	1,938,492	—	—	1,938,492
Legacies and bequests	683,514	—	—	683,514
Direct marketing	264,095	—	—	264,095
Contributions from individuals	630,076	37,966	—	668,042
Sponsorships and cause-related marketing	72,588	—	—	72,588
United Way, federal, and state campaigns	31,733	—	—	31,733
Thrift shop sales, net	(125,107)	—	—	(125,107)
Total contributions	<u>9,085,851</u>	<u>37,966</u>	<u>—</u>	<u>9,123,817</u>
Revenue:				
Investment return on short-term investments	3,573	7,085	—	10,658
Fee for service	539,955	—	—	539,955
Support from related organization (note 10)	2,500,000	—	(2,500,000)	—
Other income	1,112,096	128,916	—	1,241,012
Total revenue	<u>4,155,624</u>	<u>136,001</u>	<u>(2,500,000)</u>	<u>1,791,625</u>
Total contributions and revenue before net assets released from donor restrictions	<u>13,241,475</u>	<u>173,967</u>	<u>(2,500,000)</u>	<u>10,915,442</u>
Net assets released from donor restrictions:				
Satisfaction of program restrictions – foundations and corporations	5,886,195	79,818,889	—	85,705,084
Satisfaction of program restrictions – individuals	212,500	—	—	212,500
Total net assets released from donor restrictions	<u>6,098,695</u>	<u>79,818,889</u>	<u>—</u>	<u>85,917,584</u>
Total contributions and revenues	<u>19,340,170</u>	<u>79,992,856</u>	<u>(2,500,000)</u>	<u>96,833,026</u>
Expenses:				
Program services:				
Counseling and support	5,190,685	19,527	—	5,210,212
Financial assistance	4,087,885	—	—	4,087,885
Copayment assistance	—	78,627,004	(2,500,000)	76,127,004
Education	2,047,966	—	—	2,047,966
Information, awareness, and policy	3,988,737	52,671	—	4,041,408
Total program services	<u>15,315,273</u>	<u>78,699,202</u>	<u>(2,500,000)</u>	<u>91,514,475</u>
Supporting services:				
Fundraising	3,142,139	357,344	—	3,499,483
Management and general	1,871,520	164,281	—	2,035,801
Total supporting services	<u>5,013,659</u>	<u>521,625</u>	<u>—</u>	<u>5,535,284</u>
Total expenses	<u>20,328,932</u>	<u>79,220,827</u>	<u>(2,500,000)</u>	<u>97,049,759</u>
(Decrease) increase in net assets without donor restrictions before investment return on long-term investments	(988,762)	772,029	—	(216,733)
Investment return on long-term investments	2,070,699	—	—	2,070,699
Increase in net assets without donor restrictions	<u>1,081,937</u>	<u>772,029</u>	<u>—</u>	<u>1,853,966</u>
Change in net assets with donor restrictions:				
Contributions from foundations and corporations	5,672,635	74,586,940	—	80,259,575
Contributions from individuals	7,573	—	—	7,573
Net assets released from donor restrictions – foundations and corporations	(5,886,195)	(79,773,137)	—	(85,659,332)
Net assets released from donor restrictions – individuals	(212,500)	—	—	(212,500)
Decrease in net assets with donor restrictions	<u>(418,487)</u>	<u>(5,186,197)</u>	<u>—</u>	<u>(5,604,684)</u>
Increase (decrease) in net assets	663,450	(4,414,168)	—	(3,750,718)
Net assets at beginning of year	17,728,512	60,185,339	—	77,913,851
Net assets at end of year	<u>\$ 18,391,962</u>	<u>55,771,171</u>	<u>—</u>	<u>74,163,133</u>

See accompanying independent auditors' report.

## CANCER CARE, INC.

Consolidating Schedule – Functional Expenses Information – Cancer Care, Inc.

Year ended June 30, 2021

	<u>Counseling and support</u>	<u>Financial assistance</u>	<u>Education</u>	<u>Information, awareness, and policy</u>	<u>Subtotal</u>	<u>Fundraising</u>	<u>Management and general</u>	<u>Subtotal</u>	<u>Total</u>
Salaries	\$ 2,582,984	501,672	306,762	1,327,113	4,718,531	1,645,967	955,805	2,601,772	7,320,303
Employee health and retirement benefits	755,744	161,437	87,822	228,420	1,233,423	287,656	161,381	449,037	1,682,460
Payroll taxes	187,748	34,127	21,557	86,329	329,761	110,125	61,652	171,777	501,538
Total salaries and related expenses	3,526,476	697,236	416,141	1,641,862	6,281,715	2,043,748	1,178,838	3,222,586	9,504,301
Direct disbursements to patients and families	—	3,054,775	—	—	3,054,775	—	—	—	3,054,775
Donated goods and services	133,765	—	1,204,150	600,577	1,938,492	—	—	—	1,938,492
Contract services	203,867	76,369	46,725	1,227,978	1,554,939	493,846	320,100	813,946	2,368,885
Postage and shipping	19,385	4,729	16,153	22,225	62,492	34,642	13,562	48,204	110,696
Telephone and data	196,657	42,620	246,036	66,672	551,985	78,236	48,730	126,966	678,951
Occupancy	783,659	147,089	83,345	226,748	1,240,841	267,995	188,537	456,532	1,697,373
Supplies	10,877	2,249	1,248	3,752	18,126	8,294	2,649	10,943	29,069
Printing and publications	2,538	770	357	76,496	80,161	3,989	1,527	5,516	85,677
Equipment repairs and maintenance	65,091	12,685	7,177	19,561	104,514	23,447	17,663	41,110	145,624
Memberships and subscriptions	17,317	4,735	2,192	16,112	40,356	17,815	14,417	32,232	72,588
Staff and volunteer training and support	17,020	1,683	992	2,640	22,335	5,692	6,756	12,448	34,783
Travel and related costs	2,424	(12)	(8)	2,378	4,782	5,721	1,596	7,317	12,099
Marketing and promotion	437	—	—	—	437	83,688	7,216	90,904	91,341
Interest and taxes	752	161	90	238	1,241	288	170	458	1,699
Insurance	58,372	12,104	6,793	17,923	95,192	21,697	12,532	34,229	129,421
Miscellaneous	23,338	409	66	19,782	43,595	1,166	6,708	7,874	51,469
Total functional expenses before depreciation and amortization	5,061,975	4,057,602	2,031,457	3,944,944	15,095,978	3,090,264	1,821,001	4,911,265	20,007,243
Depreciation and amortization	128,710	30,283	16,509	43,793	219,295	51,875	50,519	102,394	321,689
Total expenses	\$ 5,190,685	4,087,885	2,047,966	3,988,737	15,315,273	3,142,139	1,871,520	5,013,659	20,328,932
Direct benefit costs of special events								113,440	113,440
Direct cost of thrift shop								549,933	549,933
								\$ 5,677,032	20,992,305

See accompanying independent auditors' report.



## CANCER CARE, INC.

Consolidating Schedule – Functional Expenses Information – Cancer Care Co-Payment Assistance Foundation, Inc.

Year ended June 30, 2021

	<b>Counseling and support</b>	<b>Copayment assistance</b>	<b>Information and awareness</b>	<b>Subtotal</b>	<b>Fundraising</b>	<b>Management and general</b>	<b>Subtotal</b>	<b>Total</b>
Salaries	\$ 5,262	1,041,894	33,076	1,080,232	205,760	78,578	284,338	1,364,570
Employee health and retirement benefits	5,097	296,403	7,517	309,017	18,402	10,514	28,916	337,933
Payroll taxes	1,709	69,498	2,321	73,528	11,632	4,775	16,407	89,935
Total salaries and related expenses	12,068	1,407,795	42,914	1,462,777	235,794	93,867	329,661	1,792,438
Direct disbursements to patients	—	73,391,872	—	73,391,872	—	—	—	73,391,872
Grant to Cancer Care (note 10)	—	2,500,000	—	2,500,000	—	—	—	2,500,000
Contract services	25	945,733	33	945,791	82,494	18,259	100,753	1,046,544
Postage and shipping	81	23,589	106	23,776	13,007	158	13,165	36,941
Telephone and data	1,523	65,752	1,991	69,266	5,543	2,922	8,465	77,731
Occupancy	4,765	210,260	6,232	221,257	15,748	9,501	25,249	246,506
Supplies	82	4,771	108	4,961	616	158	774	5,735
Printing and publications	24	25,509	32	25,565	226	47	273	25,838
Equipment repairs and maintenance	407	24,360	533	25,300	1,583	816	2,399	27,699
Memberships and subscriptions	—	587	—	587	392	—	392	979
Staff and volunteer training and support	29	3,619	38	3,686	100	66	166	3,852
Travel and related costs	—	—	—	—	—	—	—	—
Marketing and promotion	—	—	—	—	—	—	—	—
Interest and taxes	6	334	8	348	23	12	35	383
Insurance	517	20,224	676	21,417	1,634	996	2,630	24,047
Miscellaneous	—	133	—	133	43	37,479	37,522	37,655
Total functional expenses before depreciation	19,527	78,624,538	52,671	78,696,736	357,203	164,281	521,484	79,218,220
Depreciation	—	2,466	—	2,466	141	—	141	2,607
Total expenses	\$ 19,527	78,627,004	52,671	78,699,202	357,344	164,281	521,625	79,220,827

See accompanying independent auditors' report.

## CANCER CARE, INC.

## Consolidating Schedule – Statement of Cash Flows Information

Year ended June 30, 2021

	Cancer Care, Inc.	Cancer Care Co-Payment Assistance Foundation, Inc.	Elimination entries	Total
Cash flows from operating activities:				
Increase (decrease) in net assets	\$ 663,450	(4,414,168)	—	(3,750,718)
Cash provided by operating activities:				
Depreciation and amortization	321,689	2,607	—	324,296
Realized and unrealized (gain) loss on investments	(2,019,282)	829,228	—	(1,190,054)
Release of restricted cash	(5,000)	—	—	(5,000)
Changes in operating assets and liabilities:				
Intercompany receivable	647,687	—	(647,687)	—
Grants and contributions receivable	408,084	7,867,086	—	8,275,170
Prepaid expenses and other assets	(88,630)	(50,812)	—	(139,442)
Accounts payable and accrued liabilities	217,055	775,779	—	992,834
Intercompany payable	—	(647,687)	647,687	—
Deferred revenue	631,516	—	—	631,516
Copayment assistance obligations	—	8,664,604	—	8,664,604
Deferred rent	(190,221)	—	—	(190,221)
Accrued postretirement benefit cost	(12,499)	—	—	(12,499)
Annuities payable	35,108	—	—	35,108
Net cash provided by operating activities	<u>608,957</u>	<u>13,026,637</u>	<u>—</u>	<u>13,635,594</u>
Cash flows from investing activities:				
Proceeds from sales of investments	1,262,516	55,035,828	—	56,298,344
Purchases of investments	(643,123)	(68,518,382)	—	(69,161,505)
Purchase of property and equipment	(46,104)	—	—	(46,104)
Net cash provided by (used in) investing activities	<u>573,289</u>	<u>(13,482,554)</u>	<u>—</u>	<u>(12,909,265)</u>
Cash flows from financing activity:				
Proceeds from Payroll Protection Program refundable advance	—	—	—	—
Net cash provided by financing activity	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net increase (decrease) in cash and cash equivalents	1,182,246	(455,917)	—	726,329
Cash, cash equivalents, and restricted cash at beginning of year (note 1(m))	4,917,775	684,224	—	5,601,999
Cash, cash equivalents, and restricted cash at end of year	<u>\$ 6,100,021</u>	<u>228,307</u>	<u>—</u>	<u>6,328,328</u>
Reconciling amounts reported within the consolidated balance sheets:				
Cash and cash equivalents	\$ 6,061,850	228,307	—	6,290,157
Restricted cash included in prepaid expenses and other assets	38,171	—	—	38,171
Total cash, cash equivalents, and restricted cash	<u>\$ 6,100,021</u>	<u>228,307</u>	<u>—</u>	<u>6,328,328</u>

See accompanying independent auditors' report.