



**CANCER CARE, INC.**

Consolidated Financial Statements and Schedules

June 30, 2022 and 2021

(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.:

### *Opinion*

We have audited the consolidated financial statements of Cancer Care, Inc. (the Organization), which comprise the consolidated balance sheets as of June 30, 2022 and 2021, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Consolidated Financial Statements*

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

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

### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

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



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 audit was 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 to 5 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*KPMG LLP*

New York, New York  
January 25, 2023

**CANCER CARE, INC.**  
Consolidated Balance Sheets  
June 30, 2022 and 2021

<b>Assets</b>	<b>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 6,825,763	6,290,157
Short-term investments (note 2)	78,296,425	72,424,516
Grants and contributions receivable (note 1(d))	7,884,600	10,761,642
Prepaid expenses and other assets	1,969,370	1,721,417
Long-term investments (note 2)	12,053,416	12,588,523
Property and equipment, net (note 4)	1,660,706	1,255,727
Total assets	<u>\$ 108,690,280</u>	<u>105,041,982</u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 5,400,458	4,584,396
Deferred revenue	1,662,806	1,841,437
Co-payment assistance obligations (note 5)	24,248,137	21,282,034
Payroll Protection Program refundable advance (note 11)	—	1,861,575
Deferred rent (note 7)	812,159	1,022,957
Accrued postretirement benefit cost (note 6)	108,585	122,898
Annuities payable	129,613	163,552
Total liabilities	<u>32,361,758</u>	<u>30,878,849</u>
Commitments (note 7)		
Net assets:		
Without donor restrictions:		
Board designated (notes 2 and 8)	11,244,110	11,766,882
Undesignated	7,404,008	7,302,541
Total without donor restrictions	<u>18,648,118</u>	<u>19,069,423</u>
With donor restrictions (note 8)	<u>57,680,404</u>	<u>55,093,710</u>
Total net assets	<u>76,328,522</u>	<u>74,163,133</u>
Total liabilities and net assets	<u>\$ 108,690,280</u>	<u>105,041,982</u>

See accompanying notes to consolidated financial statements.

**CANCER CARE, INC.**

Consolidated Statements of Activities

Years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Change in net assets without donor restrictions:		
Contributions and revenue:		
Contributions:		
Foundations and corporations	\$ 3,640,084	4,251,068
Special events, net	1,353,311	1,339,392
Donated goods and services (note 1(e))	1,623,911	1,938,492
Legacies and bequests	743,706	683,514
Direct marketing	253,809	264,095
Contributions from individuals	1,186,679	668,042
Sponsorships and cause-related marketing	10,000	72,588
United Way, federal, and state campaigns	20,524	31,733
Thrift shop sales, net	508	(125,107)
Total contributions	<u>8,832,532</u>	<u>9,123,817</u>
Revenue:		
Investment return on short-term investments (note 2)	(320,991)	10,658
Fee for service	—	539,955
Payroll Protection Program loan forgiveness (note 11)	1,861,575	—
Other income (note 7)	1,234,532	1,241,012
Total revenue	<u>2,775,116</u>	<u>1,791,625</u>
Total contributions and revenue before net assets released from donor restrictions	<u>11,607,648</u>	<u>10,915,442</u>
Net assets released from donor restrictions:		
Satisfaction of program restrictions – foundations and corporations	91,392,526	85,705,084
Satisfaction of program restrictions – individuals	174,906	212,500
Total net assets released from donor restrictions	<u>91,567,432</u>	<u>85,917,584</u>
Total contributions and revenues	<u>103,175,080</u>	<u>96,833,026</u>
Expenses (note 9):		
Program services:		
Counseling and support	5,684,941	5,210,212
Financial assistance	2,128,201	4,087,885
Co-payment assistance	82,884,574	76,127,004
Education	2,108,472	2,047,966
Information, awareness, and policy	3,683,853	4,041,408
Total program services	<u>96,490,041</u>	<u>91,514,475</u>
Supporting services:		
Fundraising	3,554,243	3,499,483
Management and general	2,016,993	2,035,801
Total supporting services	<u>5,571,236</u>	<u>5,535,284</u>
Total expenses	<u>102,061,277</u>	<u>97,049,759</u>
Increase (decrease) in net assets without donor restrictions before investment return on long-term investments	1,113,803	(216,733)
Investment return on long-term investments, net (note 2)	<u>(1,535,108)</u>	<u>2,070,699</u>
(Decrease) Increase in net assets without donor restrictions	<u>(421,305)</u>	<u>1,853,966</u>
Change in net assets with donor restrictions:		
Contributions from foundations and corporations	94,053,273	80,259,575
Contributions from individuals	100,853	7,573
Net assets released from donor restrictions – foundations and corporations	(91,392,526)	(85,659,332)
Net assets released from donor restrictions – individuals	(174,906)	(212,500)
Increase (decrease) in net assets with donor restrictions	<u>2,586,694</u>	<u>(5,604,684)</u>
Increase (decrease) in net assets	2,165,389	(3,750,718)
Net assets at beginning of year	<u>74,163,133</u>	<u>77,913,851</u>
Net assets at end of year	\$ <u>76,328,522</u>	<u>74,163,133</u>

See accompanying notes to consolidated financial statements.

**CANCER CARE, INC.**

Consolidated Statement of Functional Expenses

Year ended June 30, 2022

	Program services					Supporting services				Total
	Counseling and support	Financial assistance	Co-payment assistance	Education	Information, awareness, and policy	Subtotal	Fundraising	Management and general	Subtotal	
Salaries	\$ 2,591,936	517,892	1,244,575	333,694	1,337,933	6,026,030	1,919,266	1,059,577	2,978,843	9,004,873
Employee health and retirement benefits	882,144	134,262	385,887	97,676	215,028	1,714,997	387,573	172,916	560,489	2,275,486
Payroll taxes	191,866	36,301	83,944	23,893	85,842	421,846	133,249	67,859	201,108	622,954
Total salaries and related expenses	3,665,946	688,455	1,714,406	455,263	1,638,803	8,162,873	2,440,088	1,300,352	3,740,440	11,903,313
Direct disbursements to patients and families	—	1,164,148	79,840,234	—	—	81,004,382	350	—	350	81,004,732
Donated goods and services	153,916	—	—	1,225,350	244,644	1,623,910	—	—	—	1,623,910
Contract services	379,092	54,073	827,768	33,482	1,073,016	2,367,431	385,914	323,785	709,699	3,077,130
Postage and shipping	21,657	7,679	65,513	3,886	34,708	133,443	31,796	4,055	35,851	169,294
Telephone and data	230,446	37,539	81,865	260,520	65,985	676,355	106,904	52,741	159,645	836,000
Occupancy	792,851	115,482	235,449	84,796	200,568	1,429,146	356,437	180,350	536,787	1,965,933
Supplies	20,813	2,822	6,493	2,023	14,670	46,821	13,231	3,906	17,137	63,958
Printing and publications	2,095	151	33,077	790	255,032	291,145	5,176	704	5,880	297,025
Equipment repairs and maintenance	74,164	11,453	30,220	8,349	19,389	143,575	34,589	16,993	51,582	195,157
Memberships and subscriptions	22,108	4,317	587	5,067	20,440	52,519	16,544	15,825	32,369	84,888
Staff and volunteer training and support	22,559	1,308	2,872	1,415	2,146	30,300	10,358	6,073	16,431	46,731
Travel and related costs	32,368	828	15,910	562	13,981	63,649	34,450	14,184	48,634	112,283
Marketing and promotion	4,430	6,105	—	2,090	2,187	14,812	15,000	30,832	45,832	60,644
Interest and taxes	—	—	—	—	—	—	—	—	—	—
Insurance	76,156	11,738	27,638	8,535	20,012	144,079	33,610	15,312	48,922	193,001
Miscellaneous	53,342	123	32	99	41,716	95,312	10,714	4,704	15,418	110,730
Total functional expenses before depreciation and amortization	5,551,943	2,106,221	82,882,064	2,092,227	3,647,297	96,279,752	3,495,161	1,969,816	5,464,977	101,744,729
Depreciation and amortization	132,998	21,980	2,510	16,245	36,556	210,289	59,082	47,177	106,259	316,548
Total expenses	\$ 5,684,941	2,128,201	82,884,574	2,108,472	3,683,853	96,490,041	3,554,243	2,016,993	5,571,236	102,061,277
Direct benefit costs of special events									281,424	281,424
Direct cost of thrift shop									—	—
								\$ 5,852,660		102,342,701

See accompanying notes to consolidated financial statements.

**CANCER CARE, INC.**

Consolidated Statement of Functional Expenses

Year ended June 30, 2021

	Program services					Supporting services				Total
	Counseling and support	Financial assistance	Co-payment assistance	Education	Information, awareness, and policy	Subtotal	Fundraising	Management and general	Subtotal	
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	\$ 5,210,212	4,087,885	76,127,004	2,047,966	4,041,408	91,514,475	3,499,483	2,035,801	5,535,284	97,049,759
Direct benefit costs of special events									113,440	113,440
Direct cost of thrift shop									549,933	549,933
									\$ 6,198,657	97,713,132

See accompanying notes to consolidated financial statements.

**CANCER CARE, INC.**

Consolidated Statements of Cash Flows

Years ended June 30, 2022 and 2021

	<b>2022</b>	<b>2021</b>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 2,165,389	(3,750,718)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation and amortization	316,548	324,296
Forgiveness of Payroll Protection Program refundable advance (note 11)	(1,861,575)	—
Realized and unrealized losses (gains) on investments	2,445,206	(1,190,054)
Release of restricted cash	(22,293)	(5,000)
Changes in operating assets and liabilities:		
Grants and contributions receivable	2,877,042	8,275,170
Prepaid expenses and other assets	(247,953)	(139,442)
Accounts payable and accrued liabilities	816,062	992,834
Deferred revenue	(178,631)	631,516
Co-payment assistance obligations	2,966,103	8,664,604
Deferred rent	(210,798)	(190,221)
Accrued postretirement benefit cost	(14,313)	(12,499)
Annuities payable	(33,939)	35,108
Net cash provided by operating activities	9,016,848	13,635,594
Cash flows from investing activities:		
Proceeds from sales of investments	3,621,743	56,298,344
Purchases of investments	(11,403,751)	(69,161,505)
Purchase of property and equipment	(721,527)	(46,104)
Net cash used in investing activities	(8,503,535)	(12,909,265)
Net increase in cash and cash equivalents	513,313	726,329
Cash and cash equivalents and restricted cash at beginning of year (note 1(m))	6,328,328	5,601,999
Cash and cash equivalents and restricted cash at end of year	\$ 6,841,641	6,328,328
Reconciling amounts reported within the consolidated balance sheets:		
Cash and cash equivalents	\$ 6,825,763	6,290,157
Restricted cash included in prepaid expenses and other assets	15,878	38,171
Total cash and cash equivalents and restricted cash	\$ 6,841,641	6,328,328
Supplemental disclosures of cash flow information:		
Noncash financing activity – Forgiveness of Payroll Protection Program refundable advance	\$ 1,861,575	—

See accompanying notes to consolidated financial statements.

## **CANCER CARE, INC.**

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

### **(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 master's-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, 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 co-payment 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 counselling services are offered by professional oncology social workers. The Organization's professional resource navigators and oncology social workers provide cancer-focused guidance services including practical information about treatment, resources in the community, and helping patients improve communication with their medical team and loved ones.

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

*Co-payment assistance (Co-Pay Foundation)* – Provides financial assistance to individuals with cancer in the form of co-payment 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.

## CANCER CARE, INC.

### Notes to Consolidated Financial Statements

June 30, 2022 and 2021

*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.cancer.org](http://www.cancer.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 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 position. No provision for income taxes was required for fiscal year 2022 or 2021.

#### *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. A portion of net assets with donor restrictions consist of endowment funds.

## CANCER CARE, INC.

### Notes to Consolidated Financial Statements

June 30, 2022 and 2021

#### **(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 co-payment assistance obligations and functional expense allocations. Actual results could differ from those estimates.

#### **(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 or published prices 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**

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.

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.

**CANCER CARE, INC.**

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

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.

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

	2022			2021		
	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	\$ 1,347,628	6,126,749	7,309,377	806,641	9,626,437	10,014,134
Percentage of grants and contributions receivable	77 %	100 %	93 %	71 %	100 %	93 %
For the year ended June 30:						
Contributions as defined above	\$ 15,234,311	87,752,347	102,986,658	14,766,059	74,624,906	89,390,965
Contributions from the five largest donors	4,266,667	78,185,000	79,423,833	3,812,392	66,520,800	68,958,085
Percentage of contributions	28 %	89 %	77 %	26 %	89 %	77 %

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 \$709,095 (\$800,000 net of present value discount of \$90,905) is due in installments from fiscal years 2024 to 2029. The remaining balance is expected to be collected in fiscal year 2023.

**(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.

**CANCER CARE, INC.**

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

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

	<u>2022</u>	<u>2021</u>
Medical and oncology publication advertising	\$ 130,651	490,850
Professional speakers on Connect Education Workshops	1,225,350	1,204,150
Social work student interns	153,916	133,765
Google ad words	113,994	109,727
	<u>\$ 1,623,911</u>	<u>1,938,492</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.

**(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 \$15,878 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, Equipment, and Internal Use Software**

Property, equipment, and internal use software 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.

## **CANCER CARE, INC.**

### Notes to Consolidated Financial Statements

June 30, 2022 and 2021

#### **(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 2022 and 2021 was 3.6% and 1.2%, respectively. State-mandated insurance reserves related to these agreements are maintained at required levels.

#### **(j) Co-payment 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 26 and 25 funds with patient-liability balances for the fiscal years ended June 30, 2022 and 2021, 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 Foundation's board of trustees. The financial need criteria are based on certain national standards of indigence.

The Co-Pay Foundation records a co-payment 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 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

**CANCER CARE, INC.**

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

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 used in a not-for-profit entity's program and other activities. The Organization adopted this guidance retrospectively for the year ended June 30, 2022. 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.

**(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, 2022 and 2021. There were no Level 2 or Level 3 assets as of June 30, 2022 or 2021.

	<b>2022</b>	<b>2021</b>
	<b>Level 1</b>	
Financial assets:		
Short-term investments:		
Certificates of deposit	\$ 537,783	2,290,632
Money market funds	168,552	5,710,107
Corporate and municipal bonds	77,590,090	64,423,777
Total short-term investments	\$ 78,296,425	72,424,516
Long-term investments:		
Cash equivalents	\$ 171,464	3,150,875
Fixed-income funds:		
Government domestic	1,989,113	326,495
Corporate domestic	3,236,187	2,164,386
Equity funds:		
Domestic	4,478,646	4,511,765
International	2,178,006	2,435,002
Total long-term investments	\$ 12,053,416	12,588,523

The board of trustees designated \$11,244,110 and \$11,766,882 of long-term investments as of June 30, 2022 and 2021, respectively, as a quasi-endowment to provide for the long-term financial stability of the Organization. The quasi-endowment calculation is 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, 2022 and 2021

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>2022</b>	<b>2021</b>
Interest and dividends, net of expenses	\$ 966,165	953,837
Realized and unrealized (losses) gains on investments, net of expenses	(2,822,264)	1,127,520
	\$ (1,856,099)	2,081,357

**(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 co-payment 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>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 6,825,763	6,290,157
Short-term investments	78,296,425	72,424,516
Grants and contributions receivable	7,884,600	10,761,642
Long-term investments	12,053,416	12,588,523
Total financial assets available within one year	105,060,204	102,064,838
Less:		
Financial assets not available within one year:		
Grants and contributions receivable	—	(65,000)
Endowment, net of present value discount	(436,952)	—
Financial assets restricted to direct disbursements to patients and families	(82,061,881)	(75,856,587)
Total financial assets not available within one year	(82,498,833)	(75,921,587)
Amounts unavailable to management without board approval	(11,244,110)	(11,766,882)
Total amounts unavailable for general expenditures	(93,742,943)	(87,688,469)
Total amount of financial assets available to management for general expenditure within one year	\$ 11,317,261	14,376,369

**CANCER CARE, INC.**

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

**(4) Property and Equipment**

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

	<u>2022</u>	<u>2021</u>
Furniture and fixtures	\$ 1,839,713	1,839,712
Telephone equipment	210,817	206,109
Leasehold improvements	3,634,514	3,631,416
Computer equipment	359,071	327,127
Software for internal use	681,776	—
	<u>6,725,891</u>	<u>6,004,364</u>
Less accumulated depreciation and amortization	<u>5,065,185</u>	<u>4,748,637</u>
	<u>\$ 1,660,706</u>	<u>1,255,727</u>

**(5) Co-payment Assistance Obligations**

Co-payment assistance obligations represent the unpaid portion of co-payment 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. Co-payment 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 co-payment assistance program is funded by contributions with donor restrictions, simultaneously for each award transaction, co-payment assistance obligations are recorded and a corresponding amount of revenue is released from net assets with donor restrictions to net assets without donor restrictions. Co-payment 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 \$473,004 and \$440,276 to the defined-contribution plan during the years ended June 30, 2022 and 2021, respectively.

**CANCER CARE, INC.**

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

**(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>2022</u>	<u>2021</u>
Accrued postretirement benefit cost recognized in the Organization's consolidated balance sheets	\$ 108,585	122,898
Benefits cost	7,113	5,299
Benefits paid	7,200	7,200

**(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, 2022 are as follows:

	<u>Amount</u>
Year ending June 30:	
2023	\$ 1,596,033
2024	1,602,991
2025	1,577,306
2026	109,084
2027	5,080
	<u>\$ 4,890,494</u>

**CANCER CARE, INC.**

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

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 \$4.9 million total annual minimum rental commitments as of June 30, 2022, approximately \$4.2 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:

	<b>Amount</b>
Year ending June 30:	
2023	\$ 961,632
2024	988,467
2025	1,015,909
	\$ 2,966,008

**(8) Net Assets**

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

	<b>2022</b>	<b>2021</b>
Co-payment assistance	\$ 52,081,616	50,968,630
Patient assistance	3,086,214	1,871,519
Other program support	1,478,122	1,748,561
Time restricted	597,500	505,000
Endowment	436,952	—
	\$ 57,680,404	55,093,710

The Organization has one donor-restricted endowment fund. Additionally, the Organization has a board-designated quasi-endowment fund established to provide for the long-term stability of the Organization.

As of June 30, 2022 and 2021, 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, 2022 and 2021

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

	<u>2022</u>	<u>2021</u>
Endowment net assets, beginning of year	\$ 11,766,882	10,684,945
Net appreciation (depreciation) in fair value of investments	(1,434,865)	2,070,699
Designations (releases)	<u>912,093</u>	<u>(988,762)</u>
Endowment net assets, end of year	<u>\$ 11,244,110</u>	<u>11,766,882</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 2022 and 2021, the Organization incurred joint costs of \$296,574 and \$336,894, respectively, for informational materials and activities that included fundraising appeals. Of those costs, \$224,623 and \$257,610, respectively, was allocated to information and publications expenses and \$71,951 and \$79,284 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 complement the mission of Cancer Care. Through a grant to its supported organization of \$3.0 million in 2022 and \$2.5 million in 2021, the Co-Pay Foundation receives a comprehensive array of patient support services for individuals who apply for or receive co-payment assistance. Such services include individual and group counseling in person, over the telephone, or online; 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, 2022. 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, 2022 and 2021

**(12) 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, 2022 through January 25, 2023, 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, 2022

<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	\$ 6,681,770	143,993	—	6,825,763
Short-term investments	537,783	77,758,642	—	78,296,425
Intercompany receivable	303,716	—	(303,716)	—
Grants and contributions receivable	1,757,851	6,126,749	—	7,884,600
Prepaid expenses and other assets	1,599,817	369,553	—	1,969,370
Long-term Investments	12,053,416	—	—	12,053,416
Property and equipment, net	967,200	693,506	—	1,660,706
Total assets	<u>\$ 23,901,553</u>	<u>85,092,443</u>	<u>(303,716)</u>	<u>108,690,280</u>
<b>Liabilities and Net Assets</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,845,492	3,554,966	—	5,400,458
Intercompany payable	—	303,716	(303,716)	—
Deferred revenue	1,662,806	—	—	1,662,806
Co-payment assistance obligations	—	24,248,137	—	24,248,137
Payroll Protection Program refundable advance	—	—	—	—
Deferred rent	812,159	—	—	812,159
Accrued postretirement benefit cost	108,585	—	—	108,585
Annuities payable	129,613	—	—	129,613
Total liabilities	<u>4,558,655</u>	<u>28,106,819</u>	<u>(303,716)</u>	<u>32,361,758</u>
Commitments				
Net assets:				
Without donor restrictions:				
Board designated	11,244,110	—	—	11,244,110
Undesignated	2,500,000	4,904,008	—	7,404,008
Total without donor restrictions	<u>13,744,110</u>	<u>4,904,008</u>	<u>—</u>	<u>18,648,118</u>
With donor restrictions	5,598,788	52,081,616	—	57,680,404
Total net assets	<u>19,342,898</u>	<u>56,985,624</u>	<u>—</u>	<u>76,328,522</u>
Total liabilities and net assets	<u>\$ 23,901,553</u>	<u>85,092,443</u>	<u>(303,716)</u>	<u>108,690,280</u>

See accompanying independent auditors' report.

## CANCER CARE, INC.

## Consolidating Schedule – Statement of Activities Information

Year ended June 30, 2022

	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	\$ 3,640,084	—	—	3,640,084
Special events, net	1,353,311	—	—	1,353,311
Donated goods and services	1,623,911	—	—	1,623,911
Legacies and bequests	743,706	—	—	743,706
Direct marketing	253,809	—	—	253,809
Contributions from individuals	1,177,498	9,181	—	1,186,679
Sponsorships and cause-related marketing	10,000	—	—	10,000
United Way, federal, and state campaigns	20,524	—	—	20,524
Thrift shop sales, net	508	—	—	508
Total contributions	<u>8,823,351</u>	<u>9,181</u>	<u>—</u>	<u>8,832,532</u>
Revenue:				
Investment return on short-term investments	2,296	(323,287)	—	(320,991)
Fee for service	—	—	—	—
Support from related organization (note 10)	3,000,000	—	(3,000,000)	—
Payroll Protection Program loan forgiveness (note 11)	1,861,575	—	—	1,861,575
Other income	1,083,755	150,777	—	1,234,532
Total revenue	<u>5,947,626</u>	<u>(172,510)</u>	<u>(3,000,000)</u>	<u>2,775,116</u>
Total contributions and revenue before net assets released from donor restrictions	<u>14,770,977</u>	<u>(163,329)</u>	<u>(3,000,000)</u>	<u>11,607,648</u>
Net assets released from donor restrictions:				
Satisfaction of program restrictions – foundations and corporations	4,762,346	86,630,180	—	91,392,526
Satisfaction of program restrictions – individuals	174,906	—	—	174,906
Total net assets released from donor restrictions	<u>4,937,252</u>	<u>86,630,180</u>	<u>—</u>	<u>91,567,432</u>
Total contributions and revenues	<u>19,708,229</u>	<u>86,466,851</u>	<u>(3,000,000)</u>	<u>103,175,080</u>
Expenses:				
Program services:				
Counseling and support	5,668,545	16,396	—	5,684,941
Financial assistance	2,128,201	—	—	2,128,201
Co-payment assistance	—	85,884,574	(3,000,000)	82,884,574
Education	2,108,472	—	—	2,108,472
Information, awareness, and policy	3,629,950	53,903	—	3,683,853
Total program services	<u>13,535,168</u>	<u>85,954,873</u>	<u>(3,000,000)</u>	<u>96,490,041</u>
Supporting services:				
Fundraising	3,284,270	269,973	—	3,554,243
Management and general	1,876,455	140,538	—	2,016,993
Total supporting services	<u>5,160,725</u>	<u>410,511</u>	<u>—</u>	<u>5,571,236</u>
Total expenses	<u>18,695,893</u>	<u>86,365,384</u>	<u>(3,000,000)</u>	<u>102,061,277</u>
Increase in net assets without donor restrictions before investment return on long-term investments	1,012,336	101,467	—	1,113,803
Investment return on long-term investments	(1,535,108)	—	—	(1,535,108)
(Decrease) increase in net assets without donor restrictions	<u>(522,772)</u>	<u>101,467</u>	<u>—</u>	<u>(421,305)</u>
Change in net assets with donor restrictions:				
Contributions from foundations and corporations	6,310,107	87,743,166	—	94,053,273
Contributions from individuals	100,853	—	—	100,853
Net assets released from donor restrictions – foundations and corporations	(4,762,346)	(86,630,180)	—	(91,392,526)
Net assets released from donor restrictions – individuals	(174,906)	—	—	(174,906)
Increase in net assets with donor restrictions	<u>1,473,708</u>	<u>1,112,986</u>	<u>—</u>	<u>2,586,694</u>
Increase in net assets	950,936	1,214,453	—	2,165,389
Net assets at beginning of year	18,391,962	55,771,171	—	74,163,133
Net assets at end of year	<u>\$ 19,342,898</u>	<u>56,985,624</u>	<u>—</u>	<u>76,328,522</u>

See accompanying independent auditors' report.

## CANCER CARE, INC.

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

Year ended June 30, 2022

	<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	\$ 2,589,990	517,892	333,694	1,304,713	4,746,289	1,722,345	975,243	2,697,588	7,443,877
Employee health and retirement benefits	876,643	134,262	97,676	207,089	1,315,670	370,532	159,883	530,415	1,846,085
Payroll taxes	190,394	36,301	23,893	83,695	334,283	122,960	62,585	185,545	519,828
Total salaries and related expenses	3,657,027	688,455	455,263	1,595,497	6,396,242	2,215,837	1,197,711	3,413,548	9,809,790
Direct disbursements to patients and families	—	1,164,148	—	—	1,164,148	350	—	350	1,164,498
Donated goods and services	153,916	—	1,225,350	244,644	1,623,910	—	—	—	1,623,910
Contract services	379,056	54,073	33,482	1,072,965	1,539,576	373,397	302,460	675,857	2,215,433
Postage and shipping	21,532	7,679	3,886	34,530	67,627	31,445	3,766	35,211	102,838
Telephone and data	228,863	37,539	260,520	63,740	590,662	101,784	49,309	151,093	741,755
Occupancy	788,383	115,482	84,796	194,238	1,182,899	343,988	170,273	514,261	1,697,160
Supplies	20,688	2,822	2,023	14,493	40,026	12,811	3,635	16,446	56,472
Printing and publications	2,094	151	790	255,030	258,065	4,739	701	5,440	263,505
Equipment repairs and maintenance	73,685	11,453	8,349	18,710	112,197	33,068	15,931	48,999	161,196
Memberships and subscriptions	22,108	4,317	5,067	20,440	51,932	16,152	15,825	31,977	83,909
Staff and volunteer training and support	22,506	1,308	1,415	2,071	27,300	10,123	5,955	16,078	43,378
Travel and related costs	32,368	828	562	13,981	47,739	23,843	14,184	38,027	85,766
Marketing and promotion	4,430	6,105	2,090	2,187	14,812	15,000	30,832	45,832	60,644
Interest and taxes	—	—	—	—	—	—	—	—	—
Insurance	75,549	11,738	8,535	19,152	114,974	32,033	13,992	46,025	160,999
Miscellaneous	53,342	123	99	41,716	95,280	10,714	4,706	15,420	110,700
Total functional expenses before depreciation and amortization	5,535,547	2,106,221	2,092,227	3,593,394	13,327,389	3,225,284	1,829,280	5,054,564	18,381,953
Depreciation and amortization	132,998	21,980	16,245	36,556	207,779	58,986	47,175	106,161	313,940
Total expenses	\$ 5,668,545	2,128,201	2,108,472	3,629,950	13,535,168	3,284,270	1,876,455	5,160,725	18,695,893
Direct benefit costs of special events								281,424	281,424
Direct cost of thrift shop								—	—
								\$ 5,442,149	18,977,317

See accompanying independent auditors' report.

## CANCER CARE, INC.

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

Year ended June 30, 2022

	Counseling and support	Co-payment assistance	Information and awareness	Subtotal	Fundraising	Management and general	Subtotal	Total
Salaries	\$ 1,946	1,244,575	33,220	1,279,741	196,921	84,334	281,255	1,560,996
Employee health and retirement benefits	5,501	385,887	7,939	399,327	17,041	13,033	30,074	429,401
Payroll taxes	1,472	83,944	2,147	87,563	10,289	5,274	15,563	103,126
Total salaries and related expenses	8,919	1,714,406	43,306	1,766,631	224,251	102,641	326,892	2,093,523
Direct disbursements to patients	—	79,840,234	—	79,840,234	—	—	—	79,840,234
Grant to Cancer Care (note 10)	—	3,000,000	—	3,000,000	—	—	—	3,000,000
Contract services	36	827,768	51	827,855	12,517	21,325	33,842	861,697
Postage and shipping	125	65,513	178	65,816	351	289	640	66,456
Telephone and data	1,583	81,865	2,245	85,693	5,120	3,432	8,552	94,245
Occupancy	4,468	235,449	6,330	246,247	12,449	10,077	22,526	268,773
Supplies	125	6,493	177	6,795	420	271	691	7,486
Printing and publications	1	33,077	2	33,080	437	3	440	33,520
Equipment repairs and maintenance	479	30,220	679	31,378	1,521	1,062	2,583	33,961
Memberships and subscriptions	—	587	—	587	392	—	392	979
Staff and volunteer training and support	53	2,872	75	3,000	235	118	353	3,353
Travel and related costs	—	15,910	—	15,910	10,607	—	10,607	26,517
Marketing and promotion	—	—	—	—	—	—	—	—
Interest and taxes	—	—	—	—	—	—	—	—
Insurance	607	27,638	860	29,105	1,577	1,320	2,897	32,002
Miscellaneous	—	32	—	32	—	(2)	(2)	30
Total functional expenses before depreciation	16,396	85,882,064	53,903	85,952,363	269,877	140,536	410,413	86,362,776
Depreciation	—	2,510	—	2,510	96	2	98	2,608
Total expenses	\$ 16,396	85,884,574	53,903	85,954,873	269,973	140,538	410,511	86,365,384

See accompanying independent auditors' report.

## CANCER CARE, INC.

## Consolidating Schedule – Statement of Cash Flows Information

Year ended June 30, 2022

	Cancer Care, Inc.	Cancer Care Co-Payment Assistance Foundation, Inc.	Elimination entries	Total
Cash flows from operating activities:				
Increase in net assets	\$ 950,936	1,214,453	—	2,165,389
Adjustments to reconcile increase in net assets to net cash provided by operating activities:				
Depreciation and amortization	313,940	2,608	—	316,548
Forgiveness of Payroll Protection Program refundable advance	(1,861,575)	—	—	(1,861,575)
Realized and unrealized loss on investments	1,616,861	828,345	—	2,445,206
Release of restricted cash	(22,293)	—	—	(22,293)
Changes in operating assets and liabilities:				
Intercompany receivable	(175,219)	—	175,219	—
Grants and contributions receivable	(622,646)	3,499,688	—	2,877,042
Prepaid expenses and other assets	(50,405)	(197,548)	—	(247,953)
Accounts payable and accrued liabilities	251,159	564,903	—	816,062
Intercompany payable	—	175,219	(175,219)	—
Deferred revenue	(178,631)	—	—	(178,631)
Co-payment assistance obligations	—	2,966,103	—	2,966,103
Deferred rent	(210,798)	—	—	(210,798)
Accrued postretirement benefit cost	(14,313)	—	—	(14,313)
Annuities payable	(33,939)	—	—	(33,939)
Net cash provided by operating activities	<u>(36,923)</u>	<u>9,053,771</u>	<u>—</u>	<u>9,016,848</u>
Cash flows from investing activities:				
Proceeds from sales of investments	3,621,743	—	—	3,621,743
Purchases of investments	(2,947,443)	(8,456,308)	—	(11,403,751)
Purchase of property and equipment	(39,750)	(681,777)	—	(721,527)
Net cash provided by (used in) investing activities	<u>634,550</u>	<u>(9,138,085)</u>	<u>—</u>	<u>(8,503,535)</u>
Net increase (decrease) in cash and cash equivalents	597,627	(84,314)	—	513,313
Cash and cash equivalents and restricted cash at beginning of year (note 1(m))	6,100,021	228,307	—	6,328,328
Cash and cash equivalents and restricted cash at end of year	<u>\$ 6,697,648</u>	<u>143,993</u>	<u>—</u>	<u>6,841,641</u>
Reconciling amounts reported within the consolidated balance sheets:				
Cash and cash equivalents	\$ 6,681,770	143,993	—	6,825,763
Restricted cash included in prepaid expenses and other assets	15,878	—	—	15,878
Total cash and cash equivalents and restricted cash	<u>\$ 6,697,648</u>	<u>143,993</u>	<u>—</u>	<u>6,841,641</u>
Supplemental disclosures of cash flow information:				
Noncash financing activity – Forgiveness of Payroll Protection Program refundable advance	\$ 1,861,575	—	—	1,861,575

See accompanying independent auditors' report.