



CANCER CARE, INC.

Consolidated Financial Statements and Schedules

June 30, 2019 and 2018

(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, 2019 and 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with 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, 2019 and 2018, and changes in its net assets and its cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in note 1(m) to the consolidated financial statements, for year ended June 30, 2019, Cancer Care, Inc. adopted the provisions of Financial Accounting Standard Board Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.



Other Matters

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 2019 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 2019 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2019 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 2019 consolidated financial statements or to the 2019 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 2019 consolidated financial statements as a whole.

KPMG LLP

November 25, 2019

CANCER CARE, INC.

Consolidated Balance Sheets

June 30, 2019 and 2018

Assets	2019	2018
Cash and cash equivalents	\$ 3,710,230	2,829,262
Short-term investments (note 2)	58,802,054	35,046,348
Grants and contributions receivable	21,835,111	3,207,619
Prepaid expenses and other assets	1,837,552	2,454,498
Long-term Investments (note 2)	10,240,975	9,819,756
Property and equipment, net (note 4)	1,715,005	1,978,264
Total assets	<u>\$ 98,140,927</u>	<u>55,335,747</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued liabilities	\$ 3,652,321	2,256,066
Refundable advances	34,250	54,265
Copayment assistance obligations (note 5)	25,285,363	23,498,429
Deferred rent (note 7)	1,405,231	1,538,634
Accrued postretirement benefit cost (note 6)	152,967	160,693
Annuities payable	118,235	122,395
Total liabilities	<u>30,648,367</u>	<u>27,630,482</u>
Commitments (note 7)		
Net assets:		
Without donor restrictions:		
Board-designated (notes 2 and 8)	10,151,480	8,093,600
Undesignated	5,641,984	4,943,751
Total without donor restrictions	15,793,464	13,037,351
With donor restrictions (note 8)	51,699,096	14,667,914
Total net assets	<u>67,492,560</u>	<u>27,705,265</u>
Total liabilities and net assets	<u>\$ 98,140,927</u>	<u>55,335,747</u>

See accompanying notes to consolidated financial statements.

CANCER CARE, INC.

Consolidated Statements of Activities

Years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Change in net assets without donor restrictions:		
Contributions and revenues:		
Contributions:		
Foundations and corporations	\$ 4,556,533	3,528,756
Special events, net	1,383,471	1,458,074
Donated goods and services (note 1(e))	3,156,712	3,521,640
Legacies and bequests	2,791,884	1,325,294
Direct marketing	315,988	363,193
Contributions from individuals	708,471	971,678
Sponsorships and cause-related marketing	194,003	234,544
United Way, federal, and state campaigns	49,150	65,111
Thrift shop sales, net	<u>150,028</u>	<u>160,122</u>
Total contributions	<u>13,306,240</u>	<u>11,628,412</u>
Revenues:		
Investment return on short-term investments (note 2)	1,176,129	322,640
Other income (note 7)	<u>1,079,376</u>	<u>812,465</u>
Total revenues	<u>2,255,505</u>	<u>1,135,105</u>
Total contributions and revenues before net assets released from donor restrictions	<u>15,561,745</u>	<u>12,763,517</u>
Net assets released from donor restrictions:		
Satisfaction of program restrictions – foundations and corporations	47,231,406	48,137,334
Satisfaction of program restrictions – individuals	<u>217,600</u>	<u>16,216</u>
Total net assets released from donor restrictions	<u>47,449,006</u>	<u>48,153,550</u>
Total contributions and revenues	<u>63,010,751</u>	<u>60,917,067</u>
Expenses (note 9):		
Program services:		
Counseling and support	5,110,966	5,512,087
Financial assistance	3,571,617	4,660,067
Copayment assistance	39,411,430	39,922,729
Education	2,152,256	2,177,446
Information, awareness and policy	<u>5,683,136</u>	<u>4,763,138</u>
Total program services	<u>55,929,405</u>	<u>57,035,467</u>
Supporting services:		
Fund-raising	2,821,032	2,510,625
Management and general	<u>1,925,420</u>	<u>1,386,056</u>
Total supporting services	<u>4,746,452</u>	<u>3,896,681</u>
Total expenses	<u>60,675,857</u>	<u>60,932,148</u>
Increase (decrease) net assets without donor restrictions before investment return on long-term investments	2,334,894	(15,081)
Investment return on long-term investments, net (note 2)	<u>421,219</u>	<u>527,311</u>
Increase in net assets without donor restrictions	<u>2,756,113</u>	<u>512,230</u>
Change in net assets with donor restrictions:		
Contributions from foundations and corporations	84,473,363	45,046,357
Contributions from individuals	6,825	791,419
Net assets released from donor restrictions – foundations and corporations	<u>(47,231,406)</u>	<u>(48,137,334)</u>
Net assets released from donor restrictions – individuals	<u>(217,600)</u>	<u>(16,216)</u>
Increase (decrease) in net assets with donor restrictions	<u>37,031,182</u>	<u>(2,315,774)</u>
Increase (decrease) in net assets	39,787,295	(1,803,544)
Net assets at beginning of year	<u>27,705,265</u>	<u>29,508,809</u>
Net assets at end of year	\$ <u>67,492,560</u>	<u>27,705,265</u>

See accompanying notes to consolidated financial statements.

CANCER CARE, INC.

Consolidated Statement of Functional Expenses

Year ended June 30, 2019

	Program services					Supporting services				Total
	Counseling and support	Financial assistance	Copayment assistance	Education	Information, awareness and policy	Subtotal	Fund-raising	Management and general	Subtotal	
Salaries	\$ 2,546,815	456,274	901,539	297,163	1,115,062	5,316,853	1,555,691	935,723	2,491,414	7,808,267
Employee health and retirement benefits	679,500	126,014	265,978	82,066	198,684	1,352,242	253,892	149,482	403,374	1,755,616
Payroll taxes	180,332	30,962	57,962	20,899	68,719	358,874	110,090	60,056	170,146	529,020
Total salaries and related expenses	3,406,647	613,250	1,225,479	400,128	1,382,465	7,027,969	1,919,673	1,145,261	3,064,934	10,092,903
Direct disbursements to patients and families	1,384	2,712,746	36,981,931	—	651	39,696,712	—	—	—	39,696,712
Donated goods and services	86,670	—	—	942,300	2,127,742	3,156,712	—	—	—	3,156,712
Contract services	142,690	4,970	783,765	27,228	1,499,455	2,458,108	300,054	369,200	669,254	3,127,362
Postage and shipping	16,784	16,188	27,196	164,903	58,285	283,356	49,788	3,369	53,157	336,513
Telephone	193,178	28,782	61,344	265,646	49,946	598,896	63,632	40,643	104,275	703,171
Occupancy	732,401	121,613	199,565	80,300	193,872	1,327,751	247,257	210,070	457,327	1,785,078
Supplies	39,291	8,279	14,305	6,158	16,148	84,181	17,450	10,814	28,264	112,445
Printing and publications	15,017	2,242	24,426	222,669	192,871	457,225	19,188	7,332	26,520	483,745
Equipment repairs and maintenance	44,110	5,928	10,225	4,095	11,255	75,613	31,234	17,306	48,540	124,153
Memberships and subscriptions	6,449	781	1,559	345	11,112	20,246	7,110	5,627	12,737	32,983
Staff and volunteer training and support	23,178	2,350	11,529	1,544	4,390	42,991	17,824	9,694	27,518	70,509
Travel and related costs	92,295	2,113	30,824	720	32,528	158,480	35,163	8,579	43,742	202,222
Marketing and promotion	93	—	—	—	21,539	21,632	11,768	—	11,768	33,400
Interest and taxes	1,229	184	146	127	355	2,041	425	566	991	3,032
Insurance	62,933	10,088	18,949	6,582	16,678	115,230	20,668	12,536	33,204	148,434
Miscellaneous	80,081	11,155	20,187	8,927	17,329	137,679	21,935	17,275	39,210	176,889
Total functional expenses before depreciation and amortization	4,944,430	3,540,669	39,411,430	2,131,672	5,636,621	55,664,822	2,763,169	1,858,272	4,621,441	60,286,263
Depreciation and amortization	166,536	30,948	—	20,584	46,515	264,583	57,863	67,148	125,011	389,594
Total expenses	\$ 5,110,966	3,571,617	39,411,430	2,152,256	5,683,136	55,929,405	2,821,032	1,925,420	4,746,452	60,675,857
Direct benefit costs of special events									371,778	371,778
Direct cost of thrift shop									632,534	632,534
									\$ 5,750,764	61,680,169

See accompanying notes to consolidated financial statements.

CANCER CARE, INC.

Consolidated Statement of Functional Expenses

Year ended June 30, 2018

	Program services					Supporting services				Total
	Counseling and support	Financial assistance	Copayment assistance	Education	Information, awareness and policy	Subtotal	Fund-raising	Management and general	Subtotal	
Salaries	\$ 2,802,507	464,466	1,161,755	339,373	621,734	5,389,835	1,212,910	570,575	1,783,485	7,173,320
Employee health and retirement benefits	690,888	106,303	287,483	84,204	172,954	1,341,832	252,159	96,890	349,049	1,690,881
Payroll taxes	193,398	32,120	73,820	23,360	40,736	363,434	87,489	35,505	122,994	486,428
Total salaries and related expenses	3,686,793	602,889	1,523,058	446,937	835,424	7,095,101	1,552,558	702,970	2,255,528	9,350,629
Direct disbursements to patients and families	100	3,779,417	37,400,527	—	—	41,180,044	—	—	—	41,180,044
Donated goods and services	119,264	—	—	940,450	2,461,926	3,521,640	—	—	—	3,521,640
Contract services	275,131	72,163	676,133	18,379	892,911	1,934,717	310,253	183,636	493,889	2,428,606
Postage and shipping	20,680	23,269	24,175	152,568	57,799	278,491	60,478	2,263	62,741	341,232
Telephone	181,692	20,273	59,374	270,664	35,630	567,633	52,580	22,731	75,311	642,944
Occupancy	714,436	98,643	120,967	88,295	147,641	1,169,982	281,045	348,626	629,671	1,799,653
Supplies	36,003	5,949	13,034	7,843	10,891	73,720	17,696	6,530	24,226	97,946
Printing and publications	8,510	2,032	18,241	202,910	225,232	456,925	24,698	2,259	26,957	483,882
Equipment repairs and maintenance	44,594	5,668	15,872	5,115	9,315	80,564	30,264	14,693	44,957	125,521
Memberships and subscriptions	14,568	1,098	953	1,715	2,177	20,511	8,918	3,396	12,314	32,825
Staff and volunteer training and support	22,680	1,198	2,551	1,002	10,748	38,179	11,252	14,761	26,013	64,192
Travel and related costs	86,523	2,722	42,301	1,986	7,774	141,306	28,436	5,061	33,497	174,803
Marketing and promotion	1,712	—	—	—	3,509	5,221	18,387	—	18,387	23,608
Interest and taxes	575	65	166	56	121	983	197	133	330	1,313
Insurance	52,387	8,097	19,060	6,407	12,795	98,746	19,370	7,303	26,673	125,419
Miscellaneous	53,639	4,860	6,072	6,721	6,875	78,167	13,724	11,103	24,827	102,994
Total functional expenses before depreciation and amortization	5,319,287	4,628,343	39,922,484	2,151,048	4,720,768	56,741,930	2,429,856	1,325,465	3,755,321	60,497,251
Depreciation and amortization	192,800	31,724	245	26,398	42,370	293,537	80,769	60,591	141,360	434,897
Total expenses	\$ 5,512,087	4,660,067	39,922,729	2,177,446	4,763,138	57,035,467	2,510,625	1,386,056	3,896,681	60,932,148
Direct benefit costs of special events									403,916	403,916
Direct cost of thrift shop									588,053	588,053
									\$ 4,888,650	61,924,117

See accompanying notes to consolidated financial statements.

CANCER CARE, INC.

Consolidated Statements of Cash Flows

Years ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 39,787,295	(1,803,544)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation and amortization	389,594	434,897
Realized and unrealized gains on investments	(453,280)	(483,722)
Changes in operating assets and liabilities:		
Grants and contributions receivable	(18,627,492)	3,648,304
Prepaid expenses and other assets	616,946	(666,035)
Accounts payable and accrued liabilities	1,396,255	(105,799)
Refundable advances	(20,015)	(63,348)
Copayment assistance obligations	1,786,934	9,871,390
Deferred rent	(133,403)	(124,169)
Accrued postretirement benefit cost	(7,726)	(8,015)
Annuities payable	(4,160)	33,901
Net cash provided by operating activities	24,730,948	10,733,860
Cash flows from investing activities:		
Proceeds from sales of investments	48,011,823	29,501,278
Purchases of investments	(71,735,468)	(40,687,575)
Purchase of property and equipment	(126,335)	(644,806)
Net cash used in investing activities	(23,849,980)	(11,831,103)
Net increase (decrease) in cash and cash equivalents	880,968	(1,097,243)
Cash and cash equivalents at beginning of year	2,829,262	3,926,505
Cash and cash equivalents at end of year	\$ 3,710,230	2,829,262

See accompanying notes to consolidated financial statements.

CANCER CARE, INC.

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

(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, 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, 2019 and 2018

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 2019 or 2018 except amounts for Federal unrelated business income tax on employees' pre-tax transit benefits as required under the Tax and Jobs Act of 2017.

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. Significant estimates made in the preparation of the consolidated financial statements include the net realizable value of contributions receivable, copayment assistance obligations, and functional expense allocations. Actual results could differ from those estimates.

CANCER CARE, INC.

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

(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 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 co-pay 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.

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, 2019 and 2018

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

	2019			2018		
	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	\$ 4,428,937	17,035,000	21,463,937	2,144,871	—	2,144,871
Percentage of grants and contributions receivable	92 %	100 %	98 %	70 %	— %	67 %
For the year ended June 30:						
Contributions as defined above	\$ 19,800,160	78,039,513	97,839,673	18,965,738	38,500,450	57,466,188
Contributions from the five largest donors	6,172,921	65,225,000	66,638,081	4,922,835	29,080,000	30,689,269
Percentage of contributions	31 %	84 %	68 %	26 %	76 %	53 %

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 \$349,000 are due after one year, and the remaining balance is expected to be collected in 2020.

(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:

	2019	2018
Medical and oncology publication advertising	\$ 2,060,858	2,344,007
Professional speakers on Connect Education Workshops	942,300	940,450
Social work student interns	86,669	140,690
Google ad words	66,885	96,493
	<u>\$ 3,156,712</u>	<u>3,521,640</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, 2019 and 2018

(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.

(g) Investments and Investment Income

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value based on quoted market prices. Income earned from investments, 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 2019 and 2018 was 2.8% and 3.4%, 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 20 and 19 funds with patient liability balances for the fiscal years ended June 30, 2019 and 2018, 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. Grants are awarded on a first-come, first-served based on an assessment of applicants' individual need for up to one year, after which a recipient may reapply.

CANCER CARE, INC.

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

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 Organization adopted Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* in 2019, with retrospective application in the 2018 financial statements. The main provisions of this guidance include requiring the presentation of only two classes of net assets (without donor restrictions and with donor restrictions), presenting investment return net of investment expense, and requiring disclosure of quantitative and qualitative information regarding liquidity and availability of resources. As a result, certain amounts presented in the 2018 financial statements have been reclassified to conform to the 2019 presentation.

CANCER CARE, INC.

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

(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, 2019 and 2018. There were no Level 2 or Level 3 assets as of June 30, 2019 or 2018.

	<u>2019</u>	<u>2018</u>
	<u>Level 1</u>	<u>Level 1</u>
Financial assets:		
Short-term investments:		
Certificates of deposit	\$ 282,149	8,742,465
Money market funds	13,022,582	3,550,977
Corporate and municipal bonds	<u>45,497,323</u>	<u>22,752,906</u>
Total short-term investments	\$ <u>58,802,054</u>	<u>35,046,348</u>
Long-term investments:		
Cash and cash equivalents	\$ 2,155,335	1,650,369
Fixed income funds:		
Government domestic	416,154	397,898
Corporate domestic	1,851,573	1,781,343
Equity funds:		
Domestic	3,754,814	3,453,824
International	<u>2,063,099</u>	<u>2,536,322</u>
Total long-term investments	\$ <u>10,240,975</u>	<u>9,819,756</u>

The board of trustees designated \$10,151,480 and \$8,093,600 of the investment portfolio as of June 30, 2019 and 2018, respectively, as a quasi-endowment to provide for the long-term financial stability of the Organization. As of June 30, 2019 and 2018, 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).

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:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 1,144,068	366,229
Realized and unrealized gains on investments	<u>453,280</u>	<u>483,722</u>
	\$ <u>1,597,348</u>	<u>849,951</u>

CANCER CARE, INC.

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

(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 donors. The following represents the financial assets and liquidity resources available within one year for general expenditures as of June 30:

	2019	2018
Cash and cash equivalents	\$ 3,710,230	2,829,262
Short-term investments	58,802,054	35,046,348
Grants and contributions receivable	21,835,111	3,207,619
Long-term investments	10,240,975	9,819,756
Total financial assets available within one year	94,588,370	50,902,985
Less:		
Financial assets not available within one year:		
Donor restricted net assets	(761,320)	(761,320)
Grants and contributions receivable	(349,244)	(555,919)
Financial assets restricted to direct disbursements to patients and families	(74,705,816)	(34,775,120)
Total financial assets not available within one year	(75,816,380)	(36,092,359)
Amounts unavailable to management without Board approval	(10,151,480)	(8,093,600)
Total amounts unavailable for general expenditures	(85,967,860)	(44,185,959)
Total amount of financial assets available to management for general expenditure within one year	\$ 8,620,510	6,717,026

(4) Property and Equipment

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

	2019	2018
Furniture and fixtures	\$ 1,816,882	1,812,492
Telephone equipment	562,816	542,042
Leasehold improvements	3,793,684	3,780,841
Computer equipment	224,716	136,388
	6,398,098	6,271,763
Less accumulated depreciation and amortization	4,683,093	4,293,499
	\$ 1,715,005	1,978,264

CANCER CARE, INC.

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

(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 \$327,191 and \$327,126 to the defined-contribution plan during the years ended June 30, 2019 and 2018, respectively.

(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>2019</u>	<u>2018</u>
Accrued postretirement benefit cost recognized in the		
Organization's consolidated balance sheets	\$ 152,967	160,693
Benefits cost	5,771	6,682
Benefits paid	13,497	14,697

CANCER CARE, INC.

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

(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, 2019 are as follows:

	<u>Amount</u>
Year ending June 30:	
2020	\$ 1,776,462
2021	1,552,641
2022	1,494,328
2023	1,482,033
2024	1,488,991
Thereafter	<u>1,597,590</u>
	<u>\$ 9,392,045</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 \$9.4 million total annual minimum rental commitments as of June 30, 2019, approximately \$8.2 million relates to the national office headquarters lease.

CANCER CARE, INC.

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

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:	
2020	\$ 795,417
2021	818,532
2022	904,721
2023	961,632
2024	988,467
Thereafter	<u>1,015,909</u>
	<u>\$ 5,484,678</u>

(8) Net Assets

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

	<u>2019</u>	<u>2018</u>
Copayment assistance	\$ 44,696,598	8,243,338
Patient assistance	4,039,999	3,302,976
Other program support	2,668,749	2,745,645
Time restricted	<u>293,750</u>	<u>375,955</u>
	<u>\$ 51,699,096</u>	<u>14,667,914</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, 2019 and 2018, 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, 2019 and 2018

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

	<u>2019</u>	<u>2018</u>
Endowment net assets, beginning of year	\$ 8,093,600	8,598,910
Net appreciation in fair value of investments	347,169	487,974
Designations (releases)	<u>1,710,711</u>	<u>(993,284)</u>
Endowment net assets, end of year	<u>\$ 10,151,480</u>	<u>8,093,600</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 2019 and 2018, the Organization incurred joint costs of \$216,576 and \$267,790, respectively, for informational materials and activities that included fund-raising appeals. Of those costs, \$53,381 and \$60,618, respectively, was allocated to information and publications expenses and \$163,195 and \$207,172 was allocated to fund-raising 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 \$2.2 million in 2019, 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 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 amount is eliminated in consolidation.

(11) Subsequent Events

In connection with the preparation of the consolidated financial statements, the Organization evaluated subsequent events through November 25, 2019, which was the date the consolidated financial statements were available for issuance.

CANCER CARE, INC.

Consolidating Schedule – Balance Sheet Information

June 30, 2019

Assets	Cancer Care, Inc.	Cancer Care Co-Payment Assistance Foundation, Inc.	Elimination entries	Total
Cash and cash equivalents	\$ 3,000,684	709,546	—	3,710,230
Short-term investments	951,886	57,850,168	—	58,802,054
Intercompany receivable	343,687	—	(343,687)	—
Grants and contributions receivable	4,800,111	17,035,000	—	21,835,111
Prepaid expenses and other assets	1,790,182	47,370	—	1,837,552
Long-term Investments	10,240,975	—	—	10,240,975
Property and equipment, net	1,715,005	—	—	1,715,005
Total assets	<u>\$ 22,842,530</u>	<u>75,642,084</u>	<u>(343,687)</u>	<u>98,140,927</u>
Liabilities and Net Assets				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,477,869	2,174,452	—	3,652,321
Intercompany payable	—	343,687	(343,687)	—
Refundable advances	34,250	—	—	34,250
Copayment assistance obligations	—	25,285,363	—	25,285,363
Deferred rent	1,405,231	—	—	1,405,231
Accrued postretirement benefit cost	152,967	—	—	152,967
Annuities payable	118,235	—	—	118,235
Total liabilities	<u>3,188,552</u>	<u>27,803,502</u>	<u>(343,687)</u>	<u>30,648,367</u>
Commitments				
Net assets:				
Without donor restrictions:				
Board-designated	10,151,480	—	—	10,151,480
Undesignated	2,500,000	3,141,984	—	5,641,984
Total without donor restrictions	<u>12,651,480</u>	<u>3,141,984</u>	<u>—</u>	<u>15,793,464</u>
With donor restrictions	7,002,498	44,696,598	—	51,699,096
Total net assets	<u>19,653,978</u>	<u>47,838,582</u>	<u>—</u>	<u>67,492,560</u>
Total liabilities and net assets	<u>\$ 22,842,530</u>	<u>75,642,084</u>	<u>(343,687)</u>	<u>98,140,927</u>

See accompanying independent auditors' report.

CANCER CARE, INC.

Consolidating Schedule – Statement of Activities Information

Year ended June 30, 2019

	Cancer Care, Inc.	Cancer Care Co-Payment Assistance Foundation, Inc.	Elimination entries	Total
Change in net assets without donor restrictions:				
Contributions and revenues:				
Contributions:				
Foundations and corporations	\$ 4,553,487	3,046	—	4,556,533
Special events, net	1,383,471	—	—	1,383,471
Donated goods and services	3,156,712	—	—	3,156,712
Legacies and bequests	2,791,884	—	—	2,791,884
Direct marketing	315,988	—	—	315,988
Contributions from individuals	706,754	1,717	—	708,471
Sponsorships and cause-related marketing	194,003	—	—	194,003
United Way, federal, and state campaigns	49,150	—	—	49,150
Thrift shop sales, net	150,028	—	—	150,028
Total contributions	<u>13,301,477</u>	<u>4,763</u>	<u>—</u>	<u>13,306,240</u>
Revenues:				
Investment return on short-term investments	9,341	1,166,788	—	1,176,129
Support from related organization (note 10)	2,200,000	—	(2,200,000)	—
Other income	1,062,803	16,573	—	1,079,376
Total revenues	<u>3,272,144</u>	<u>1,183,361</u>	<u>(2,200,000)</u>	<u>2,255,505</u>
Total contributions and revenues before net assets released from donor restrictions	<u>16,573,621</u>	<u>1,188,124</u>	<u>(2,200,000)</u>	<u>15,561,745</u>
Net assets released from donor restrictions:				
Satisfaction of program restrictions – foundations and corporations	5,649,916	41,581,490	—	47,231,406
Satisfaction of program restrictions – individuals	217,600	—	—	217,600
Total net assets released from donor restrictions	<u>5,867,516</u>	<u>41,581,490</u>	<u>—</u>	<u>47,449,006</u>
Total contributions and revenues	<u>22,441,137</u>	<u>42,769,614</u>	<u>(2,200,000)</u>	<u>63,010,751</u>
Expenses:				
Program services:				
Counseling and support	5,098,216	12,750	—	5,110,966
Financial assistance	3,571,617	—	—	3,571,617
Copayment assistance	—	41,611,430	(2,200,000)	39,411,430
Education	2,152,256	—	—	2,152,256
Information, awareness and policy	5,649,804	33,332	—	5,683,136
Total program services	<u>16,471,893</u>	<u>41,657,512</u>	<u>(2,200,000)</u>	<u>55,929,405</u>
Supporting services:				
Fund-raising	2,588,138	232,894	—	2,821,032
Management and general	1,744,445	180,975	—	1,925,420
Total supporting services	<u>4,332,583</u>	<u>413,869</u>	<u>—</u>	<u>4,746,452</u>
Total expenses	<u>20,804,476</u>	<u>42,071,381</u>	<u>(2,200,000)</u>	<u>60,675,857</u>
Increase in net assets without donor restrictions before investment return on long-term investments	1,636,661	698,233	—	2,334,894
Investment return on long-term investments	421,219	—	—	421,219
Increase in net assets without donor restrictions	<u>2,057,880</u>	<u>698,233</u>	<u>—</u>	<u>2,756,113</u>
Change in net assets with donor restrictions:				
Contributions from foundations and corporations	6,438,613	78,034,750	—	84,473,363
Contributions from individuals	6,825	—	—	6,825
Net assets released from donor restrictions – foundations and corporations	(5,649,916)	(41,581,490)	—	(47,231,406)
Net assets released from donor restrictions – individuals	(217,600)	—	—	(217,600)
Increase in net assets with donor restrictions	<u>577,922</u>	<u>36,453,260</u>	<u>—</u>	<u>37,031,182</u>
Increase in net assets	2,635,802	37,151,493	—	39,787,295
Net assets at beginning of year	17,018,176	10,687,089	—	27,705,265
Net assets at end of year	<u>\$ 19,653,978</u>	<u>47,838,582</u>	<u>—</u>	<u>67,492,560</u>

See accompanying independent auditors' report.

CANCER CARE, INC.

Schedule of Functional Expenses – Cancer Care, Inc.

Year ended June 30, 2019

	Counseling and support	Financial assistance	Education	Information, awareness and policy	Subtotal	Fund-raising	Management and general	Subtotal	Total
Salaries	\$ 2,540,277	456,274	297,163	1,093,908	4,387,622	1,368,105	865,865	2,233,970	6,621,592
Employee health and retirement benefits	677,154	126,014	82,066	194,169	1,079,403	238,071	138,814	376,885	1,456,288
Payroll taxes	179,625	30,962	20,899	67,498	298,984	100,892	55,460	156,352	455,336
Total salaries and related expenses	3,397,056	613,250	400,128	1,355,575	5,766,009	1,707,068	1,060,139	2,767,207	8,533,216
Direct disbursements to patients and families	1,384	2,712,746	—	651	2,714,781	—	—	—	2,714,781
Donated goods and services	86,670	—	942,300	2,127,742	3,156,712	—	—	—	3,156,712
Contract services	142,622	4,970	27,228	1,499,324	1,674,144	299,629	287,918	587,547	2,261,691
Postage and shipping	16,771	16,188	164,903	58,260	256,122	49,708	3,310	53,018	309,140
Telephone	192,666	28,782	265,646	48,961	536,055	60,134	38,317	98,451	634,506
Occupancy	730,465	121,613	80,300	190,150	1,122,528	235,208	200,971	436,179	1,558,707
Supplies	39,150	8,279	6,158	15,877	69,464	16,572	10,168	26,740	96,204
Printing and publications	14,986	2,242	222,669	192,811	432,708	18,970	7,190	26,160	458,868
Equipment repairs and maintenance	44,069	5,928	4,095	11,176	65,268	30,747	17,120	47,867	113,135
Memberships and subscriptions	6,449	781	345	11,112	18,687	7,110	5,627	12,737	31,424
Staff and volunteer training and support	23,142	2,350	1,544	4,321	31,357	17,598	9,529	27,127	58,484
Travel and related costs	92,291	2,113	720	32,153	127,277	35,086	8,403	43,489	170,766
Marketing and promotion	93	—	—	21,539	21,632	11,768	—	11,768	33,400
Interest and taxes	1,228	184	127	353	1,892	417	559	976	2,868
Insurance	62,749	10,088	6,582	16,325	95,744	19,524	11,672	31,196	126,940
Miscellaneous	79,889	11,155	8,927	16,959	116,930	20,736	16,374	37,110	154,040
Total functional expenses before depreciation and amortization	4,931,680	3,540,669	2,131,672	5,603,289	16,207,310	2,530,275	1,677,297	4,207,572	20,414,882
Depreciation and amortization	166,536	30,948	20,584	46,515	264,583	57,863	67,148	125,011	389,594
Total expenses	\$ 5,098,216	3,571,617	2,152,256	5,649,804	16,471,893	2,588,138	1,744,445	4,332,583	20,804,476
Direct benefit costs of special events								371,778	371,778
Direct cost of thrift shop								632,534	632,534
								\$ 5,336,895	21,808,788

See accompanying independent auditors' report.

CANCER CARE, INC.

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

Year ended June 30, 2019

	Counseling and support	Copayment assistance	Information and awareness	Subtotal	Fund-raising	Management and general	Subtotal	Total
Salaries	\$ 6,538	901,539	21,154	929,231	187,586	69,858	257,444	1,186,675
Employee health and retirement benefits	2,346	265,978	4,515	272,839	15,821	10,668	26,489	299,328
Payroll taxes	707	57,962	1,221	59,890	9,198	4,596	13,794	73,684
Total salaries and related expenses	9,591	1,225,479	26,890	1,261,960	212,605	85,122	297,727	1,559,687
Direct disbursements to patients	—	36,981,931	—	36,981,931	—	—	—	36,981,931
Grant to Cancer Care (note 10)	—	2,200,000	—	2,200,000	—	—	—	2,200,000
Contract services	68	783,765	131	783,964	425	81,282	81,707	865,671
Postage and shipping	13	27,196	25	27,234	80	59	139	27,373
Telephone	512	61,344	985	62,841	3,498	2,326	5,824	68,665
Occupancy	1,936	199,565	3,722	205,223	12,049	9,099	21,148	226,371
Supplies	141	14,305	271	14,717	878	646	1,524	16,241
Printing and publications	31	24,426	60	24,517	218	142	360	24,877
Equipment repairs and maintenance	41	10,225	79	10,345	487	186	673	11,018
Memberships and subscriptions	—	1,559	—	1,559	—	—	—	1,559
Staff and volunteer training and support	36	11,529	69	11,634	226	165	391	12,025
Travel and related costs	4	30,824	375	31,203	77	176	253	31,456
Interest and taxes	1	146	2	149	8	7	15	164
Insurance	184	18,949	353	19,486	1,144	864	2,008	21,494
Miscellaneous	192	20,187	370	20,749	1,199	901	2,100	22,849
Total functional expenses before depreciation	12,750	41,611,430	33,332	41,657,512	232,894	180,975	413,869	42,071,381
Depreciation	—	—	—	—	—	—	—	—
Total expenses	\$ 12,750	41,611,430	33,332	41,657,512	232,894	180,975	413,869	42,071,381

See accompanying independent auditors' report.

CANCER CARE, INC.

Consolidating Schedule – Statement of Cash Flows Information

Year ended June 30, 2019

	Cancer Care, Inc.	Cancer Care Co-Payment Assistance Foundation, Inc.	Elimination entries	Total
Cash flows from operating activities:				
Increase in net assets	\$ 2,635,802	37,151,493	—	39,787,295
Adjustments to reconcile increase in net assets to net cash provided by operating activities:				
Depreciation and amortization	389,594	—	—	389,594
Realized and unrealized gains on investments	(224,422)	(228,858)	—	(453,280)
Changes in operating assets and liabilities:				
Intercompany receivable	(60,300)	—	60,300	—
Grants and contributions receivable	(1,764,694)	(16,862,798)	—	(18,627,492)
Prepaid expenses and other assets	(381,756)	998,702	—	616,946
Accounts payable and accrued liabilities	266,442	1,129,813	—	1,396,255
Intercompany payable	—	60,300	(60,300)	—
Refundable advances	(20,015)	—	—	(20,015)
Copayment assistance obligations	—	1,786,934	—	1,786,934
Deferred rent	(133,403)	—	—	(133,403)
Accrued postretirement benefit cost	(7,726)	—	—	(7,726)
Annuities payable	(4,160)	—	—	(4,160)
Net cash provided by operating activities	<u>695,362</u>	<u>24,035,586</u>	<u>—</u>	<u>24,730,948</u>
Cash flows from investing activities:				
Proceeds from sales of investments	600,708	47,411,115	—	48,011,823
Purchases of investments	(805,750)	(70,929,718)	—	(71,735,468)
Purchase of property and equipment	(126,335)	—	—	(126,335)
Net cash used in investing activities	<u>(331,377)</u>	<u>(23,518,603)</u>	<u>—</u>	<u>(23,849,980)</u>
Net increase in cash and cash equivalents	363,985	516,983	—	880,968
Cash and cash equivalents at beginning of year	<u>2,636,699</u>	<u>192,563</u>	<u>—</u>	<u>2,829,262</u>
Cash and cash equivalents at end of year	<u>\$ 3,000,684</u>	<u>709,546</u>	<u>—</u>	<u>3,710,230</u>

See accompanying independent auditors' report.