



**CANCER CARE, INC.**

Consolidated Financial Statements and Schedules

June 30, 2024 and 2023

(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, 2024 and 2023, 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, 2024 and 2023, 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 2024 consolidating financial statement 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  
March 13, 2025

**CANCER CARE, INC.**

Consolidated Balance Sheets

June 30, 2024 and 2023

<b>Assets</b>	<b>2024</b>	<b>2023</b>
Cash and cash equivalents	\$ 1,044,202	1,422,792
Short-term investments (note 2)	64,962,443	69,848,534
Grants and contributions receivable	7,060,103	10,901,308
Prepaid expenses and other assets	854,978	1,077,178
Long-term investments (note 2)	14,778,442	13,187,708
Right-of-use assets, net – operating (note 7)	1,298,357	2,491,258
Right-of-use assets – finance (note 7)	91,667	201,399
Property and equipment, net (note 4)	2,914,499	2,219,150
Total assets	\$ 93,004,691	101,349,327
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 2,954,035	4,660,934
Deferred revenue	495,075	604,249
Co-payment assistance obligations (note 5)	6,290,840	18,520,787
Operating lease obligation	1,602,751	3,064,119
Finance lease obligation	91,667	201,399
Accrued postretirement benefit cost (note 6)	84,406	96,296
Annuities payable	102,156	106,455
Total liabilities	11,620,930	27,254,239
Commitments (note 7)		
Net assets:		
Without donor restrictions:		
Board-designated (notes 2 and 8)	13,304,672	13,071,634
Undesignated	8,692,083	8,596,907
Total without donor restrictions	21,996,755	21,668,541
With donor restrictions (note 8)	59,387,006	52,426,547
Total net assets	81,383,761	74,095,088
Total liabilities and net assets	\$ 93,004,691	101,349,327

See accompanying notes to consolidated financial statements.

**CANCER CARE, INC.**

Consolidated Statements of Activities

Years ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Change in net assets without donor restrictions:		
Contributions and revenue:		
Contributions:		
Foundations and corporations	\$ 4,354,643	4,567,643
Special events, net	1,261,324	1,359,802
Donated goods and services (note 1(e))	1,400,782	1,428,717
Legacies and bequests	922,730	1,148,141
Direct marketing	167,759	219,377
Contributions from individuals	1,374,600	1,153,925
Sponsorships and cause-related marketing	3,162	38,217
United Way, federal, and state campaigns	18,277	18,811
Total contributions	<u>9,503,277</u>	<u>9,934,633</u>
Revenue:		
Investment return on short-term investments (note 2)	3,362,158	2,575,861
Fee for service	8,380	10,000
Other income (note 7)	1,299,614	1,258,449
Total revenue	<u>4,670,152</u>	<u>3,844,310</u>
Total contributions and revenue before net assets released from donor restrictions	<u>14,173,429</u>	<u>13,778,943</u>
Net assets released from donor restrictions:		
Satisfaction of time and purpose program restrictions – foundations and corporations	56,124,537	90,799,803
Satisfaction of time and purpose program restrictions – individuals	20,000	30,000
Total net assets released from donor restrictions	<u>56,144,537</u>	<u>90,829,803</u>
Total contributions and revenues	<u>70,317,966</u>	<u>104,608,746</u>
Expenses (note 9):		
Program services:		
Counseling and support	6,026,952	5,475,841
Financial assistance	2,478,909	3,353,346
Co-payment assistance	51,208,612	82,268,909
Education	2,033,617	2,145,411
Information, awareness, and policy	4,007,737	3,738,877
Total program services	<u>65,755,827</u>	<u>96,982,384</u>
Supporting services:		
Fundraising	3,592,373	3,721,934
Management and general	2,182,059	2,018,221
Total supporting services	<u>5,774,432</u>	<u>5,740,155</u>
Total expenses	<u>71,530,259</u>	<u>102,722,539</u>
(Decrease) Increase in net assets without donor restrictions before investment return on long-term investments	(1,212,293)	1,886,207
Investment return on long-term investments, net (note 2)	1,540,507	1,134,216
Increase in net assets without donor restrictions	<u>328,214</u>	<u>3,020,423</u>
Change in net assets with donor restrictions:		
Contributions from foundations and corporations	63,087,863	85,549,446
Contributions from individuals	16,906	26,500
Interest Income on endowment	227	—
Net assets released from donor restrictions – foundations and corporations	(56,124,537)	(90,799,803)
Net assets released from donor restrictions – individuals	(20,000)	(30,000)
Increase (decrease) in net assets with donor restrictions	<u>6,960,459</u>	<u>(5,253,857)</u>
Increase (decrease) in net assets	7,288,673	(2,233,434)
Net assets at beginning of year	<u>74,095,088</u>	<u>76,328,522</u>
Net assets at end of year	\$ <u>81,383,761</u>	\$ <u>74,095,088</u>

See accompanying notes to consolidated financial statements.

**CANCER CARE, INC.**  
Consolidated Statement of Functional Expenses  
Year ended June 30, 2024

	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	\$ 2,726,174	541,334	1,452,566	355,650	1,368,617	6,444,341	1,811,480	1,105,089	2,916,569	9,360,910
Employee health and retirement benefits	945,851	150,907	431,270	111,364	259,877	1,899,269	425,197	222,127	647,324	2,546,593
Payroll taxes	204,906	39,730	97,782	26,256	98,321	466,995	130,041	79,423	209,464	676,459
Total salaries and related expenses	3,876,931	731,971	1,981,618	493,270	1,726,815	8,810,605	2,366,718	1,406,639	3,773,357	12,583,962
Direct disbursements to patients and families	—	1,450,282	47,652,231	—	—	49,102,513	—	—	—	49,102,513
Donated goods and services	174,340	—	—	1,064,550	161,892	1,400,782	—	—	—	1,400,782
Contract services	307,732	41,617	960,719	77,151	1,561,665	2,948,884	463,244	330,914	794,158	3,743,042
Postage and shipping	19,778	11,709	59,276	3,480	11,531	105,774	21,830	16,114	37,944	143,718
Telephone and data	279,214	47,952	128,024	260,843	88,800	804,833	131,233	71,401	202,634	1,007,467
Occupancy	789,223	118,172	292,865	86,832	218,055	1,505,147	320,715	195,939	516,654	2,021,801
Supplies	27,872	4,547	11,984	3,261	15,098	62,762	13,808	6,340	20,148	82,910
Printing and publications	4,244	330	15,383	687	17,679	38,323	7,078	943	8,021	46,344
Equipment repairs and maintenance	63,224	10,161	36,861	7,384	18,350	135,980	32,140	14,730	46,870	182,850
Memberships and subscriptions	16,173	2,793	787	3,779	25,294	48,826	8,812	10,709	19,521	68,347
Staff and volunteer training and support	38,977	6,386	8,575	4,400	20,162	78,500	28,238	20,286	48,524	127,024
Travel and related costs	124,727	6,203	17,944	665	35,121	184,660	64,747	17,247	81,994	266,654
Marketing and promotion	5,088	9,450	—	—	7,692	22,230	35,687	10,821	46,508	68,738
Insurance	88,842	14,197	39,379	10,309	25,482	178,209	39,015	19,936	58,951	237,160
Miscellaneous	75,376	193	498	146	33,689	109,902	1,401	8,973	10,374	120,276
Total functional expenses before depreciation and amortization	5,891,741	2,455,963	51,206,144	2,016,757	3,967,325	65,537,930	3,534,666	2,130,992	5,665,658	71,203,588
Depreciation and amortization	135,211	22,946	2,468	16,860	40,412	217,897	57,707	51,067	108,774	326,671
Total expenses	<u>\$ 6,026,952</u>	<u>2,478,909</u>	<u>51,208,612</u>	<u>2,033,617</u>	<u>4,007,737</u>	<u>65,755,827</u>	<u>3,592,373</u>	<u>2,182,059</u>	<u>5,774,432</u>	<u>71,530,259</u>
Direct benefit costs of special events									363,878	363,878
								<u>\$ 6,138,310</u>	<u>71,894,137</u>	

See accompanying notes to consolidated financial statements.

**CANCER CARE, INC.**  
Consolidated Statement of Functional Expenses  
Year ended June 30, 2023

	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	\$ 2,638,686	515,242	1,370,067	348,967	1,418,518	6,291,480	1,876,445	1,046,403	2,922,848	9,214,328
Employee health and retirement benefits	870,785	150,616	419,196	108,813	217,638	1,767,048	470,487	197,218	667,705	2,434,753
Payroll taxes	194,232	36,953	92,086	25,006	94,408	442,685	130,772	70,341	201,113	643,798
Total salaries and related expenses	3,703,703	702,811	1,881,349	482,786	1,730,564	8,501,213	2,477,704	1,313,962	3,791,666	12,292,879
Direct disbursements to patients and families	—	2,392,720	78,773,840	—	—	81,166,560	—	—	—	81,166,560
Donated goods and services	163,586	—	—	1,093,050	172,081	1,428,717	—	—	—	1,428,717
Contract services	77,747	32,576	1,052,922	174,819	1,343,921	2,681,985	442,983	291,207	734,190	3,416,175
Postage and shipping	23,932	11,317	61,616	3,535	14,514	114,914	33,697	(4,151)	29,546	144,460
Telephone and data	208,186	38,055	92,867	262,200	63,527	664,835	114,737	53,481	168,218	833,053
Occupancy	772,095	114,475	260,034	83,550	191,050	1,421,204	386,821	211,855	598,676	2,019,880
Supplies	35,701	6,036	15,313	4,313	30,504	91,867	20,663	8,014	28,677	120,544
Printing and publications	2,883	400	30,575	112	59,529	93,499	7,702	1,894	9,596	103,095
Equipment repairs and maintenance	60,220	9,514	31,505	6,842	16,156	124,237	32,858	13,571	46,429	170,666
Memberships and subscriptions	22,760	4,095	587	4,428	14,763	46,633	13,732	16,154	29,886	76,519
Staff and volunteer training and support	27,618	2,496	6,101	1,719	3,782	41,716	15,100	5,955	21,055	62,771
Travel and related costs	85,373	1,367	12,002	827	22,068	121,637	54,568	16,561	71,129	192,766
Marketing and promotion	1,857	67	5,400	45	4,323	11,692	7,032	16,392	23,424	35,116
Insurance	82,692	14,144	36,055	10,178	22,488	165,557	42,778	18,728	61,506	227,063
Miscellaneous	74,753	226	3,827	163	13,580	92,549	6,315	3,592	9,907	102,456
Total functional expenses before depreciation and amortization	5,343,106	3,330,299	82,263,993	2,128,567	3,702,850	96,768,815	3,656,690	1,967,215	5,623,905	102,392,720
Depreciation and amortization	132,735	23,047	4,916	16,844	36,027	213,569	65,244	51,006	116,250	329,819
Total expenses	\$ 5,475,841	3,353,346	82,268,909	2,145,411	3,738,877	96,982,384	3,721,934	2,018,221	5,740,155	102,722,539
Direct benefit costs of special events									394,617	394,617
									\$ 6,134,772	103,117,156

See accompanying notes to consolidated financial statements.

**CANCER CARE, INC.**

Consolidated Statements of Cash Flows

Years ended June 30, 2024 and 2023

	<b>2024</b>	<b>2023</b>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 7,288,673	(2,233,434)
Adjustments to reconcile increase (decrease) in net assets to net cash used in operating activities:		
Depreciation and amortization	326,671	329,819
Reduction in the carrying amount of the ROU operating lease asset	1,192,901	1,152,601
Reduction in the carrying amount of the ROU finance lease asset	109,732	106,684
Realized and unrealized gains on investments	(818,938)	(2,172,701)
Changes in operating assets and liabilities:		
(Release of) increase in restricted cash	(2,500)	2,500
Grants and contributions receivable	3,841,205	(3,016,708)
Prepaid expenses and other assets	222,200	892,192
Accounts payable and accrued liabilities	(1,706,899)	(739,524)
Deferred revenue	(109,174)	(1,058,557)
Co-payment assistance obligations	(12,229,947)	(5,727,350)
Operating lease liability	(1,461,368)	(1,391,899)
Accrued postretirement benefit cost	(11,890)	(12,289)
Annuities payable	(4,299)	(23,158)
Net cash used in operating activities	(3,363,633)	(13,891,824)
Cash flows from investing activities:		
Proceeds from sales of investments	110,238,035	92,291,071
Purchases of investments	(106,123,740)	(82,804,771)
Purchase of property and equipment	(1,022,020)	(888,263)
Net cash provided by investing activities	3,092,275	8,598,037
Cash flows from financing activity:		
Payments on finance lease obligations	(109,732)	(106,684)
Net cash used in financing activity	(109,732)	(106,684)
Net decrease in cash and cash equivalents	(381,090)	(5,400,471)
Cash, cash equivalents, and restricted cash at beginning of year (note 1(m))	1,441,170	6,841,641
Cash, cash equivalents, and restricted cash at end of year	\$ 1,060,080	1,441,170
Reconciling amounts reported within the consolidated balance sheets:		
Cash and cash equivalents	\$ 1,044,202	1,422,792
Restricted cash included in prepaid expenses and other assets	15,878	18,378
Total cash, cash equivalents, and restricted cash	\$ 1,060,080	1,441,170
Supplemental disclosures of noncash flow information:		
ROU asset obtained in exchange for operating lease liabilities upon adoption of ASU 842	—	4,456,018
ROU asset obtained in exchange for finance lease liabilities upon adoption of ASU 842	—	308,083
Deferred rent liability included in operating lease right-of-use assets upon adoption of ASU 842	—	(812,159)
Operating lease obligations incurred at adoption of ASU 842	—	4,456,018
Finance lease obligations incurred at adoption of ASU 842	—	308,083

See accompanying notes to consolidated financial statements.



## CANCER CARE, INC.

### Notes to Consolidated Financial Statements

June 30, 2024 and 2023

#### (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, resource navigation, 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, 2024 and 2023

*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 2024 or 2023.

#### *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, 2024 and 2023

#### **(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 valuations 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 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. Donor-restricted contributions that are received within the same reporting period in which the restrictions are satisfied are recognized as net assets without donor restrictions.

**CANCER CARE, INC.**

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

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:

	2024			2023		
	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	\$ 1,052,916	5,791,479	6,616,895	1,505,000	9,102,464	10,459,864
Percentage of grants and contributions receivable	83 %	100 %	94 %	84 %	100 %	96 %
For the year ended June 30:						
Contributions as defined above	\$ 11,967,120	60,641,153	72,608,273	14,982,581	80,527,998	95,510,579
Contributions from the five largest donors	2,591,192	57,899,900	58,487,900	2,884,149	77,623,000	78,863,714
Percentage of contributions	22 %	95 %	81 %	19 %	96 %	83 %

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 \$502,250 (\$550,000 net of present value discount of \$47,750) is due in installments from fiscal years 2026 to 2029. The remaining balance is expected to be collected in fiscal year 2025.

**(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, 2024 and 2023

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

	<u>2024</u>	<u>2023</u>
Medical and oncology publication advertising	\$ 43,987	53,987
Professional speakers on Connect Education Workshops	1,064,550	1,093,050
Social work student interns	174,340	163,586
Google ad words	117,905	118,094
	<u>\$ 1,400,782</u>	<u>1,428,717</u>

**(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 and \$18,378 security deposit for leases, for the years ended June 30, 2024 and 2023, respectively, as restricted cash, which is recorded in prepaid expenses and other assets in the accompanying consolidated balance sheets.

Cash and cash equivalents are maintained with domestic financial institutions with deposits, which exceed federally insured limits. It is the Organization's policy to monitor the financial strength of these institutions.

**(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.

Alternative investments (nontraditional, not readily marketable asset classes) within the investment portfolio are structured such that the Organization holds interests in a private investment funds such as hedge funds. These investments are reported at fair value as estimated and reported by general partners, based upon the underlying net asset value (NAV) of the fund or partnership as a practical expedient. Because of inherent uncertainty in these valuations, those estimated values may significantly differ from the values that would have been used had a ready market for the investments existed, and differences could be material.

## CANCER CARE, INC.

### Notes to Consolidated Financial Statements

June 30, 2024 and 2023

#### **(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.

#### **(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 in long-term investments 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 was 4.2% for both fiscal years 2024 and 2023. 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 has 24 funds with patient-liability balances for both of the fiscal years ended June 30, 2024 and 2023, 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) 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.

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

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The main objective of ASU 2016-13 and related ASU updates is to provide

**CANCER CARE, INC.**

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. The amendments affect loans, debt securities, trade receivables, net investments in leases, off balance sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. This guidance is effective for fiscal years beginning after December 15, 2022. The adoption of this guidance did not impact the Organization's financial position or results of activities.

**(2) Investments**

Short-term investments principally represent the unexpended proceeds from certain donor-restricted grants. The following tables present the composition of the Organization's short-term investments and long-term investments measured at fair value as of June 30, 2024 and 2023. The investments below are reported in Level 1 with the exception of the alternative investments, which is recorded at NAV in the fair value hierarchy. There were no Level 2 or Level 3 assets as of June 30, 2024 or 2023.

	<b>2024</b>	<b>2023</b>
Financial assets:		
Short-term investments:		
Certificates of deposit	\$ 3,086,031	4,837,979
Money market funds	8,650,019	4,406,305
Corporate and municipal bonds	53,226,393	60,604,250
Total short-term investments	\$ 64,962,443	69,848,534
Long-term investments:		
Cash equivalents	\$ 282,430	142,421
Fixed-income funds:		
Government domestic	2,909,212	3,174,662
Corporate domestic	2,363,532	2,102,740
Equity funds:		
Domestic	4,983,119	5,323,460
International	2,807,138	2,444,425
Alternative investments	1,433,011	—
Total long-term investments	\$ 14,778,442	13,187,708

The board of trustees designated \$13,304,672 and \$13,071,634 of long-term investments as of June 30, 2024 and 2023, 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).

The alternative investment in 2024 includes a single hedge fund purchased during the year, which is structured as a limited partnership interest and are typically carried at estimated fair value based on the NAV of the shares in each investment company or partnership. Changes in unrealized gains or losses on investments, including those for which partial liquidations were affected in the course of the year, are

**CANCER CARE, INC.**

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

calculated as the difference between the NAV of the investment at year-end less the NAV of the investment at the beginning of the year, as adjusted for contributions and redemptions made during the year. The carrying value is \$1,433,011 for the current year, with no unfunded commitments. There is no redemption period or any redemption notice required.

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>2024</b>	<b>2023</b>
Interest and dividends, net of expenses	\$ 4,083,955	1,655,154
Realized and unrealized gains (losses) on investments	818,937	2,054,923
	\$ 4,902,892	3,710,077

**(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>2024</b>	<b>2023</b>
Cash and cash equivalents	\$ 1,044,202	1,422,792
Short-term investments	64,962,443	69,848,534
Grants and contributions receivable	7,060,103	10,901,308
Long-term investments	14,778,442	13,187,708
Total financial assets available within one year	87,845,190	95,360,342
Less:		
Financial assets not available within one year:		
Grants and contributions receivable	(138,699)	—
Endowment, net of present value discount	(463,044)	(450,061)
Financial assets restricted to direct disbursements to patients and families	(64,391,161)	(70,590,075)
Total financial assets not available within one year	(64,992,904)	(71,040,136)
Amounts unavailable to management without board approval	(13,304,672)	(13,071,634)
Total amounts unavailable for general expenditures	(78,297,576)	(84,111,770)
Total amount of financial assets available to management for general expenditure within one year	\$ 9,547,614	11,248,572



**CANCER CARE, INC.**

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

**(4) Property and Equipment**

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

	<u>2024</u>	<u>2023</u>
Furniture and fixtures	\$ 1,839,715	1,839,713
Telephone equipment	215,069	216,869
Leasehold improvements	3,634,391	3,634,391
Computer equipment	240,205	443,539
Software for internal use	<u>2,480,278</u>	<u>1,479,642</u>
	8,409,658	7,614,154
Less accumulated depreciation and amortization	<u>5,495,159</u>	<u>5,395,004</u>
	<u>\$ 2,914,499</u>	<u>2,219,150</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 \$434,711 and \$458,186 to the defined-contribution plan during the years ended June 30, 2024 and 2023, respectively.

## CANCER CARE, INC.

### Notes to Consolidated Financial Statements

June 30, 2024 and 2023

#### **(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>2024</u>	<u>2023</u>
Accrued postretirement benefit cost recognized in the		
Organization's consolidated balance sheets	\$ 84,406	96,296
Benefits cost	(8,290)	(6,289)
Benefits paid	6,000	6,000

#### **(7) Leases**

The ROU assets represent the Organization's right to use the underlying assets for the lease term and the lease liabilities represent the Organization's obligation to make lease payments arising from the leases. ROU assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Organization elected to utilize the risk-free-rate-of-return for all operating and finance leases to determine the present value of lease payments.

The Organization has elected the practical expedient that allows lessees to choose to not separate lease and nonlease components by class of underlying asset and is applying this expedient to all real estate asset classes. The Organization elected the practical expedient package to not reassess at adoption (i) whether expired or existing contracts contain leases under the new definition of a lease, (ii) lease classification for expired or existing leases, or (iii) whether previously capitalized initial direct costs would qualify for capitalization under Topic 842.

The Organization rents space under noncancelable operating leases for its headquarters and regional offices.

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 \$1.6 million total annual minimum rental commitments as of June 30, 2024, approximately \$1.4 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

**CANCER CARE, INC.**

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

expected profit sharing to the Organization's landlord, is expected to be approximately \$6.1 million over the 94-month term of the lease. Amounts are recorded annually in other income on the consolidated statements of activities. The remaining net sublet income is \$1.2 million for the year ending June 30, 2025.

The following table presents the components of the ROU assets and liabilities related to leases and their classification in the consolidated balance sheet at June 30, 2024:

<u>Components of lease expense</u>	<u>Classification in consolidated statements of operations</u>	<u>2024</u>	<u>2023</u>
Assets:			
Operating lease assets	ROU asset, net – operating	1,298,357	2,491,258
Finance lease assets	ROU asset – finance	91,667	201,399
Total leased assets		<u>1,390,024</u>	<u>2,692,657</u>
Liabilities:			
Operating lease liabilities	Operating lease obligation	1,602,751	3,064,119
Finance lease liabilities	Finance lease obligation	91,667	201,399
Total lease liabilities		<u>1,694,418</u>	<u>3,265,518</u>

The weighted average lease terms and discount rates for operating and finance leases at June 30, 2024 and 2023 are presented in the following table:

	<u>2024</u>	<u>2023</u>
Weighted Average remaining lease term (years):		
Operating leases	1.1 years	2.1 years
Finance leases	1.6 years	2.2 years
Weighted Average discount rate:		
Operating leases	2.82 %	2.82 %
Finance leases	2.82 %	2.82 %

Cash flow and other information related to leases is included in the following table for the year ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	1,461,368	1,391,899
Financing cash flows from finance leases	109,732	106,684
ROU assets obtained in exchange for lease obligations:		
Operating leases	—	3,643,859
Finance leases	—	308,083

**CANCER CARE, INC.**

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Future maturities of lease liabilities at June 30, 2024 are presented in the following table:

	<b>Operating leases</b>	<b>Finance leases</b>	<b>Total</b>
2025	\$ 1,550,650	58,320	1,608,970
2026	78,604	30,480	109,084
2027	—	5,080	5,080
2028 and thereafter	—	—	—
Total lease payments	<u>\$ 1,629,254</u>	<u>93,880</u>	<u>1,723,134</u>

**(8) Net Assets**

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

	<b>2024</b>	<b>2023</b>
Co-payment assistance	\$ 56,367,087	47,763,180
Patient assistance	1,171,276	1,996,535
Other program support	885,599	1,706,771
Time restricted	500,000	510,000
Endowment	463,044	450,061
	<u>\$ 59,387,006</u>	<u>52,426,547</u>

The Organization has one donor-restricted endowment funds. 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, 2024 and 2023, 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.

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

	<b>2024</b>	<b>2023</b>
Endowment net assets, beginning of year	\$ 13,071,634	11,244,110
Net appreciation (depreciation) in fair value of investments	1,526,951	1,058,110
(Releases) designations	<u>(1,293,913)</u>	<u>769,414</u>
Endowment net assets, end of year	<u>\$ 13,304,672</u>	<u>13,071,634</u>

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

## **CANCER CARE, INC.**

### Notes to Consolidated Financial Statements

June 30, 2024 and 2023

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

In 2024 and 2023, the Organization incurred joint costs of \$181,776 and \$155,608, respectively, for informational materials and activities that included fundraising appeals. Of those costs, \$42,366 and \$36,340, respectively, was allocated to information and publications expenses and \$139,410 and \$119,268 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 \$3.5 million in 2024 and 2023, 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) 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, 2024 through March 13, 2025, 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, 2024

<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	\$ 808,661	235,541	—	1,044,202
Short-term investments	3,086,031	61,876,412	—	64,962,443
Intercompany receivable	617,060	—	(617,060)	—
Grants and contributions receivable	1,268,624	5,791,479	—	7,060,103
Prepaid expenses and other assets	618,410	236,568	—	854,978
Long-term investments	14,778,442	—	—	14,778,442
Right-of-use assets, net – operating	1,298,357	—	—	1,298,357
Right-of-use assets – finance	91,667	—	—	91,667
Property and equipment, net	430,311	2,484,188	—	2,914,499
Total assets	<u>\$ 22,997,563</u>	<u>70,624,188</u>	<u>(617,060)</u>	<u>93,004,691</u>
<b>Liabilities and Net Assets</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,796,917	1,157,118	—	2,954,035
Intercompany payable	—	617,060	(617,060)	—
Deferred revenue	495,075	—	—	495,075
Co-payment assistance obligations	—	6,290,840	—	6,290,840
Operating lease obligation	1,602,751	—	—	1,602,751
Finance lease obligation	91,667	—	—	91,667
Accrued postretirement benefit cost	84,406	—	—	84,406
Annuities payable	102,156	—	—	102,156
Total liabilities	<u>4,172,972</u>	<u>8,065,018</u>	<u>(617,060)</u>	<u>11,620,930</u>
Commitments				
Net assets:				
Without donor restrictions:				
Board-designated	13,304,672	—	—	13,304,672
Undesignated	2,500,000	6,192,083	—	8,692,083
Total without donor restrictions	<u>15,804,672</u>	<u>6,192,083</u>	<u>—</u>	<u>21,996,755</u>
With donor restrictions	3,019,919	56,367,087	—	59,387,006
Total net assets	<u>18,824,591</u>	<u>62,559,170</u>	<u>—</u>	<u>81,383,761</u>
Total liabilities and net assets	<u>\$ 22,997,563</u>	<u>70,624,188</u>	<u>(617,060)</u>	<u>93,004,691</u>

See accompanying independent auditors' report.

## CANCER CARE, INC.

## Consolidating Schedule – Statement of Activities Information

Year ended June 30, 2024

	Cancer Care, Inc.	Cancer Care Co-Payment Assistance Foundation, Inc.	Elimination entries	Total
Change in net assets without donor restrictions:				
Contributions and revenue:				
Contributions:				
Foundations and corporations	\$ 4,354,643	—	—	4,354,643
Special events, net	1,261,324	—	—	1,261,324
Donated goods and services	1,400,782	—	—	1,400,782
Legacies and bequests	922,730	—	—	922,730
Direct marketing	167,759	—	—	167,759
Contributions from individuals	1,358,361	16,239	—	1,374,600
Sponsorships and cause-related marketing	3,162	—	—	3,162
United Way, federal, and state campaigns	18,277	—	—	18,277
Total contributions	<u>9,487,038</u>	<u>16,239</u>	<u>—</u>	<u>9,503,277</u>
Revenue:				
Investment return on short-term investments	148,172	3,213,986	—	3,362,158
Fee for service	8,380	—	—	8,380
Support from related organization (note 10)	3,500,000	—	(3,500,000)	—
Other income	1,129,625	169,989	—	1,299,614
Total revenue	<u>4,786,177</u>	<u>3,383,975</u>	<u>(3,500,000)</u>	<u>4,670,152</u>
Total contributions and revenue before net assets released from donor restrictions	<u>14,273,215</u>	<u>3,400,214</u>	<u>(3,500,000)</u>	<u>14,173,429</u>
Net assets released from donor restrictions:				
Satisfaction of time and purpose program restrictions – foundations and corporations	4,103,530	52,021,007	—	56,124,537
Satisfaction of time and purpose program restrictions – individuals	20,000	—	—	20,000
Total net assets released from donor restrictions	<u>4,123,530</u>	<u>52,021,007</u>	<u>—</u>	<u>56,144,537</u>
Total contributions and revenues	<u>18,396,745</u>	<u>55,421,221</u>	<u>(3,500,000)</u>	<u>70,317,966</u>
Expenses:				
Program services:				
Counseling and support	6,026,952	—	—	6,026,952
Financial assistance	2,478,909	—	—	2,478,909
Co-payment assistance	—	54,708,612	(3,500,000)	51,208,612
Education	2,033,617	—	—	2,033,617
Information, awareness, and policy	3,935,768	71,969	—	4,007,737
Total program services	<u>14,475,246</u>	<u>54,780,581</u>	<u>(3,500,000)</u>	<u>65,755,827</u>
Supporting services:				
Fundraising	3,284,003	308,370	—	3,592,373
Management and general	1,944,965	237,094	—	2,182,059
Total supporting services	<u>5,228,968</u>	<u>545,464</u>	<u>—</u>	<u>5,774,432</u>
Total expenses	<u>19,704,214</u>	<u>55,326,045</u>	<u>(3,500,000)</u>	<u>71,530,259</u>
(Decrease) increase in net assets without donor restrictions before investment return on long-term investments	(1,307,469)	95,176	—	(1,212,293)
Investment return on long-term investments, net	1,540,507	—	—	1,540,507
Increase in net assets without donor restrictions	<u>233,038</u>	<u>95,176</u>	<u>—</u>	<u>328,214</u>
Change in net assets with donor restrictions:				
Contributions from foundations and corporations	2,462,949	60,624,914	—	63,087,863
Contributions from individuals	16,906	—	—	16,906
Investment income on endowment	227	—	—	227
Net assets released from donor restrictions – foundations and corporations	(4,103,530)	(52,021,007)	—	(56,124,537)
Net assets released from donor restrictions – individuals	(20,000)	—	—	(20,000)
(Decrease) increase in net assets with donor restrictions	<u>(1,643,448)</u>	<u>8,603,907</u>	<u>—</u>	<u>6,960,459</u>
(Decrease) increase in net assets	<u>(1,410,410)</u>	<u>8,699,083</u>	<u>—</u>	<u>7,288,673</u>
Net assets at beginning of year	<u>20,235,001</u>	<u>53,860,087</u>	<u>—</u>	<u>74,095,088</u>
Net assets at end of year	<u>\$ 18,824,591</u>	<u>62,559,170</u>	<u>—</u>	<u>81,383,761</u>

See accompanying independent auditors' report.

## CANCER CARE, INC.

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

Year ended June 30, 2024

	Counseling and support	Financial assistance	Education	Information, awareness, and policy	Subtotal	Fundraising	Management and general	Subtotal	Total
Salaries	\$ 2,726,174	541,334	355,650	1,322,690	4,945,848	1,616,032	969,819	2,585,851	7,531,699
Employee health and retirement benefits	945,851	150,907	111,364	249,932	1,458,054	396,035	187,987	584,022	2,042,076
Payroll taxes	204,906	39,730	26,256	95,292	366,184	120,250	71,134	191,384	557,568
Total salaries and related expenses	3,876,931	731,971	493,270	1,667,914	6,770,086	2,132,317	1,228,940	3,361,257	10,131,343
Direct disbursements to patients and families	—	1,450,282	—	—	1,450,282	—	—	—	1,450,282
Donated goods and services	174,340	—	1,064,550	161,892	1,400,782	—	—	—	1,400,782
Contract services	307,732	41,617	77,151	1,561,509	1,988,009	438,702	300,525	739,227	2,727,236
Postage and shipping	19,778	11,709	3,480	11,299	46,266	20,904	15,670	36,574	82,840
Telephone and data	279,214	47,952	260,843	85,605	673,614	121,800	65,281	187,081	860,695
Occupancy	789,223	118,172	86,832	210,793	1,205,020	300,960	181,598	482,558	1,687,578
Supplies	27,872	4,547	3,261	14,860	50,540	12,976	5,885	18,861	69,401
Printing and publications	4,244	330	687	17,662	22,923	6,256	911	7,167	30,090
Equipment repairs and maintenance	63,224	10,161	7,384	17,637	98,406	30,202	9,525	39,727	138,133
Memberships and subscriptions	16,173	2,793	3,779	25,294	48,039	8,287	10,709	18,996	67,035
Staff and volunteer training and support	38,977	6,386	4,400	19,934	69,697	27,638	19,849	47,487	117,184
Travel and related costs	124,727	6,203	665	35,104	166,699	53,176	17,215	70,391	237,090
Marketing and promotion	5,088	9,450	—	7,692	22,230	35,687	10,821	46,508	68,738
Insurance	88,842	14,197	10,309	24,479	137,827	36,287	18,010	54,297	192,124
Miscellaneous	75,376	193	146	33,682	109,397	1,243	8,959	10,202	119,599
Total functional expenses before depreciation and amortization	5,891,741	2,455,963	2,016,757	3,895,356	14,259,817	3,226,435	1,893,898	5,120,333	19,380,150
Depreciation and amortization	135,211	22,946	16,860	40,412	215,429	57,568	51,067	108,635	324,064
Total expenses	\$ 6,026,952	2,478,909	2,033,617	3,935,768	14,475,246	3,284,003	1,944,965	5,228,968	19,704,214
Direct benefit costs of special events								363,878	363,878
								\$ 5,592,846	20,068,092

See accompanying independent auditors' report.



## CANCER CARE, INC.

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

Year ended June 30, 2024

	<b>Co-payment assistance</b>	<b>Information and awareness</b>	<b>Subtotal</b>	<b>Fundraising</b>	<b>Management and general</b>	<b>Subtotal</b>	<b>Total</b>
Salaries	\$ 1,452,566	45,927	1,498,493	195,448	135,270	330,718	1,829,211
Employee health and retirement benefits	431,270	9,945	441,215	29,162	34,140	63,302	504,517
Payroll taxes	97,782	3,029	100,811	9,791	8,289	18,080	118,891
Total salaries and related expenses	1,981,618	58,901	2,040,519	234,401	177,699	412,100	2,452,619
Direct disbursements to patients	47,652,231	—	47,652,231	—	—	—	47,652,231
Grant to Cancer Care (note 10)	3,500,000	—	3,500,000	—	—	—	3,500,000
Contract services	960,719	156	960,875	24,542	30,389	54,931	1,015,806
Postage and shipping	59,276	232	59,508	926	444	1,370	60,878
Telephone and data	128,024	3,195	131,219	9,433	6,120	15,553	146,772
Occupancy	292,865	7,262	300,127	19,755	14,341	34,096	334,223
Supplies	11,984	238	12,222	832	455	1,287	13,509
Printing and publications	15,383	17	15,400	822	32	854	16,254
Equipment repairs and maintenance	36,861	713	37,574	1,938	5,205	7,143	44,717
Memberships and subscriptions	787	—	787	525	—	525	1,312
Staff and volunteer training and support	8,575	228	8,803	600	437	1,037	9,840
Travel and related costs	17,944	17	17,961	11,571	32	11,603	29,564
Marketing and promotion	—	—	—	—	—	—	—
Insurance	39,379	1,003	40,382	2,728	1,926	4,654	45,036
Miscellaneous	498	7	505	158	14	172	677
Total functional expenses before depreciation	54,706,144	71,969	54,778,113	308,231	237,094	545,325	55,323,438
Depreciation	2,468	—	2,468	139	—	139	2,607
Total expenses	\$ 54,708,612	71,969	54,780,581	308,370	237,094	545,464	55,326,045

See accompanying independent auditors' report.

## CANCER CARE, INC.

## Consolidating Schedule – Statement of Cash Flows Information

Year ended June 30, 2024

	Cancer Care, Inc.	Cancer Care Co-Payment Assistance Foundation, Inc.	Elimination entries	Total
Cash flows from operating activities:				
(Decrease) increase in net assets	\$ (1,410,410)	8,699,083	—	7,288,673
Adjustments to reconcile decrease (increase) in net assets to net cash used in operating activities:				
Depreciation and amortization	324,064	2,607	—	326,671
Reduction in the carrying amount of the ROU operating lease asset	1,192,901	—	—	1,192,901
Reduction in the carrying amount of the ROU finance lease asset	109,732	—	—	109,732
Realized and unrealized (gains) losses on investments	(1,385,755)	566,817	—	(818,938)
Changes in operating assets and liabilities:				
Release of restricted cash	(2,500)	—	—	(2,500)
Intercompany receivable	313,208	—	(313,208)	—
Grants and contributions receivable	530,220	3,310,985	—	3,841,205
Prepaid expenses and other assets	247,323	(25,123)	—	222,200
Accounts payable and accrued liabilities	228,168	(1,935,067)	—	(1,706,899)
Intercompany payable	—	(313,208)	313,208	—
Deferred revenue	(109,174)	—	—	(109,174)
Co-payment assistance obligations	—	(12,229,947)	—	(12,229,947)
Operating lease liability	(1,461,368)	—	—	(1,461,368)
Accrued postretirement benefit cost	(11,890)	—	—	(11,890)
Annuities payable	(4,299)	—	—	(4,299)
Net cash used in operating activities	<u>(1,439,780)</u>	<u>(1,923,853)</u>	<u>—</u>	<u>(3,363,633)</u>
Cash flows from investing activities:				
Proceeds from sales of investments	18,497,682	91,740,353	—	110,238,035
Purchases of investments	(16,950,713)	(89,173,027)	—	(106,123,740)
Purchase of property and equipment	(21,384)	(1,000,636)	—	(1,022,020)
Net cash provided by investing activities	<u>1,525,585</u>	<u>1,566,690</u>	<u>—</u>	<u>3,092,275</u>
Cash flows from financing activity:				
Payments on finance lease obligations	(109,732)	—	—	(109,732)
Net cash used in financing activity	<u>(109,732)</u>	<u>—</u>	<u>—</u>	<u>(109,732)</u>
Net decrease in cash and cash equivalents	(23,927)	(357,163)	—	(381,090)
Cash, cash equivalents, and restricted cash at beginning of year (note 1(f))	848,466	592,704	—	1,441,170
Cash, cash equivalents, and restricted cash at end of year	<u>\$ 824,539</u>	<u>235,541</u>	<u>—</u>	<u>1,060,080</u>
Reconciling amounts reported within the consolidated balance sheets:				
Cash and cash equivalents	\$ 808,661	235,541	—	1,044,202
Restricted cash included in prepaid expenses and other assets	15,878	—	—	15,878
Total cash, cash equivalents, and restricted cash	<u>\$ 824,539</u>	<u>235,541</u>	<u>—</u>	<u>1,060,080</u>

See accompanying notes to consolidated financial statements.