

Mary Bird Perkins Cancer Center

Consolidated Financial Statements
For the Years Ended June 30, 2025 and 2024

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



Mary Bird Perkins Cancer Center

Consolidated Financial Statements
For the Years Ended June 30, 2025 and 2024

Mary Bird Perkins Cancer Center

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Independent Auditor's Report

Finance Committee
Mary Bird Perkins Cancer Center
Baton Rouge, Louisiana

Opinion

We have audited the consolidated financial statements of Mary Bird Perkins Cancer Center and its subsidiaries (the Center), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, the related consolidated statements of activities, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Center as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center'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 financial statements as of and for the years ended June 30, 2025 and 2024, as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial



statements. The information as of and for the year ended June 30, 2025, has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information as of and for the year ended June 30, 2025, is fairly stated in all material respects in relation to the financial statements as a whole.

BDO USA, P.C.

(Formerly HORNE LLP)

May 22, 2026

Consolidated Financial Statements

Mary Bird Perkins Cancer Center
Consolidated Statements of Financial Position

June 30,	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	\$ 7,363,209	\$ 9,936,296
Investments	8,880,749	11,941,542
Net patient accounts receivable	37,270,504	30,206,997
Current portion unconditional promises to give	1,234,052	385,359
Drug rebate receivables	7,749,789	7,720,346
Due from other third parties	7,470,063	3,018,501
Inventory	5,956,823	4,463,943
Current portion note receivable	2,160,000	2,160,000
Prepaid expenses and other assets	3,203,183	3,866,946
Total Current Assets	81,288,372	73,699,930
Assets Limited as to Use		
Investments	35,891,094	33,269,670
Property and equipment, net	55,126,974	53,654,714
Right-of-use assets - operating leases	9,806,127	9,308,889
Note receivable, net of current portion	4,320,000	6,480,000
Unconditional promises to give, net of current portion	2,673,283	4,345,931
Other assets	7,038,585	5,791,867
Total Assets	\$ 196,318,216	\$ 188,314,854
Liabilities and Net Assets		
Current Liabilities		
Current maturities of operating lease obligations	\$ 1,934,664	\$ 1,397,284
Current maturities of long-term debt	17,845,662	1,249,368
Accounts payable	40,025,816	37,501,581
Accrued expenses	12,815,126	9,211,408
Due to OneOncology	12,487,549	1,764,415
Deferred revenue	3,388,125	4,340,887
Total Current Liabilities	88,496,942	55,464,943
Operating lease obligation, net of current maturities	8,101,453	8,085,482
Long-term debt, net of current maturities	1,003,531	17,853,034
Deferred revenues, net of current maturities	3,448,339	7,615,131
Total Liabilities	101,050,265	89,018,590
Net Assets		
Controlling Interest:		
Net Assets Without Donor Restrictions		
Undesignated	53,438,451	59,478,041
Designated for endowment purposes	10,318,863	8,997,071
Net Assets With Donor Restrictions	24,627,334	22,575,177
Total Controlling Interest	88,384,648	91,050,289
Noncontrolling interest	6,883,303	8,245,975
Total Net Assets	95,267,951	99,296,264
Total Liabilities and Net Assets	\$ 196,318,216	\$ 188,314,854

See accompanying notes.

Mary Bird Perkins Cancer Center

Consolidated Statements of Activities

Year Ended June 30,	2025	2024
Revenues Without Donor Restrictions		
Net patient service revenue	\$ 281,402,353	\$ 196,047,991
Medical management services	577,507	565,037
Hospital shared services	21,875,451	19,644,263
Other operating revenues	4,752,646	5,832,036
Total Unrestricted Revenues, Gains and Other Support	308,607,957	222,089,327
Expenses		
Salaries and wages	62,320,403	39,042,080
Purchased services and professional fees	45,458,061	41,218,340
Supplies and other	204,939,755	140,258,874
Repairs and maintenance	1,883,705	1,532,550
Bad debt (recoupments) expense	(86,544)	236,500
Depreciation	5,128,339	5,091,814
Interest	501,139	614,049
Total Expenses	320,144,858	227,994,207
Operating Loss	(11,536,901)	(5,904,880)
Nonoperating Revenue		
Investment income, net	3,050,689	3,217,733
Total Nonoperating Revenue	3,050,689	3,217,733
Mission and Program Activities		
Contributions and grants without donor restrictions	6,290,884	3,635,144
Research trials and cancer abstracting services	1,922,532	811,094
Net assets released from restriction	3,482,601	4,007,649
Total Mission and Program Revenues	11,696,017	8,453,887
Cancer support services	3,000,270	2,856,185
Research expenses	2,576,924	2,234,779
Fundraising expenses	2,202,941	2,135,926
Total Mission and Program Expenses	7,780,135	7,226,890
Excess of Mission and Program Activities		
Revenues Over Expenses	3,915,882	1,226,997
Deficiency of Revenues, Gains and Other Support over		
Expenses and Losses, Before Noncontrolling Interest	(4,570,330)	(1,460,150)
Less: increase in net assets attributed to noncontrolling interest	585,792	760,820
Change in Net Assets Without Donor Restrictions	\$ (5,156,122)	\$ (2,220,970)

See accompanying notes.

Mary Bird Perkins Cancer Center
Consolidated Statements of Changes in Net Assets

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Noncontrolling Interests	Total
Balances at July 1, 2023	\$ 70,696,082	\$ 19,598,787	\$ 8,501,905	\$ 98,796,774
Excess (deficiency) of revenues, gains and other support over expenses and losses	(2,220,970)	-	760,820	(1,460,150)
Contributions and grants with donor restrictions	-	5,333,739	-	5,333,739
Investment income with donor restrictions	-	1,965,159	-	1,965,159
Change in value of split-interest agreements	-	120,263	-	120,263
Grants to the Mary Bird Perkins Cancer Center	-	(435,122)	-	(435,122)
Net assets released from restriction	-	(4,007,649)	-	(4,007,649)
Distribution to noncontrolling interest	-	-	(1,016,750)	(1,016,750)
Change in Net Assets	(2,220,970)	2,976,390	(255,930)	499,490
Balances at June 30, 2024	68,475,112	22,575,177	8,245,975	99,296,264
Excess (deficiency) of revenues, gains and other support over expenses and losses	(5,156,122)	-	585,792	(4,570,330)
Contributions and grants with donor restrictions	-	3,380,998	-	3,380,998
Investment income with donor restrictions	-	2,518,987	-	2,518,987
Change in value of split-interest agreements	-	123,543	-	123,543
Grants to the Mary Bird Perkins Cancer Center	-	(488,770)	-	(488,770)
Net assets released from restriction	-	(3,482,601)	-	(3,482,601)
Stock purchase	438,324	-	-	438,324
Distribution to noncontrolling interest	-	-	(1,948,464)	(1,948,464)
Change in Net Assets	(4,717,798)	2,052,157	(1,362,672)	(4,028,313)
Balances at June 30, 2025	\$ 63,757,314	\$ 24,627,334	\$ 6,883,303	\$ 95,267,951

See accompanying notes.

Mary Bird Perkins Cancer Center

Consolidated Statements of Cash Flows

Year Ended June 30,	2025	2024
Cash Flows from Operating Activities		
Changes in net assets	\$ (4,028,313)	\$ 499,490
Adjustments to reconcile changes in net assets to net cash used in operating activities		
Depreciation	5,128,339	5,091,814
Forgiveness of debt	401,453	-
Loss (gain) on the extinguishment of debt	-	(452,486)
Amortization of deferred revenue	(4,500,942)	(4,340,887)
Right-of-use assets - operating leases amortization	1,474,436	1,680,111
Net realized and unrealized gain on investments	(5,171,859)	(4,292,356)
Changes in assets and liabilities		
Net patient accounts receivable	(7,063,507)	(8,511,680)
Prepays and other receivables	(2,903,960)	6,179,663
Inventory	(1,492,880)	(24,093)
Accounts payable and accrued expenses	6,958,714	7,381,377
Due to OneOncology	10,723,134	(3,993,320)
Deferred revenues	(618,612)	1,103,800
Operating lease obligation	(1,418,323)	(1,750,052)
Unconditional promises to give and beneficial interest	2,414,027	(438,223)
Net Cash Used in Operating Activities	(98,293)	(1,866,842)
Cash Flows from Investing Activities		
Purchase of property and equipment	(7,431,360)	(3,680,786)
Purchase of investments	(11,078,504)	(11,331,758)
Sale of investments	18,638,196	14,222,224
Distributions received from Gamma Knife	-	298,517
Net Cash Used in Investing Activities	128,332	(491,803)
Cash Flows from Financing Activities		
Proceeds from long-term debt	185,568	-
Principal payments on long-term debt	(840,230)	(789,421)
Distributions to noncontrolling interests	(1,948,464)	(1,016,750)
Net Cash Used in Financing Activities	(2,603,126)	(1,806,171)
Net Change in Cash and Cash Equivalents	(2,573,087)	(4,164,816)
Cash and Cash Equivalents, beginning of year	9,936,296	14,101,112
Cash and Cash Equivalents, end of year	\$ 7,363,209	\$ 9,936,296
Supplemental Disclosure of Cash Flow Information		
Interest paid	\$ 501,139	\$ 614,049
Supplemental disclosure of noncash investing and financing activities		
Purchase of capital assets with operating lease obligations	\$ 1,971,674	\$ 2,405,405

See accompanying notes.

Mary Bird Perkins Cancer Center

Notes to Consolidated Financial Statements

1. Organization and Summary of Significant Accounting Policies

Organization

Mary Bird Perkins Cancer Center (the Center) is a Louisiana not-for-profit corporation with a mission to improve survivorship and lessen the burden of cancer through expert treatment, compassionate care, early detection, research, and education. The Center owns and operates cancer treatment and research facilities in both Louisiana and Mississippi. Partnering with companies, physicians, and support organizations, the Center has assumed responsibilities for developing and delivering programs and services to reduce cancer incidence and mortality and to improve the quality of life for those affected by cancer within these communities. The Center is also affiliated with the Louisiana State University Medical Physics and Health Physics Program and provides didactic instruction and clinical and research training to Masters and Doctoral students in medical physics.

The Center is the sole member of the Mary Bird Perkins Cancer Foundation (the Foundation), which was organized in 2005 for the purpose of building a long-term sustainable endowment fund to provide financial support to cancer programs conducted in the geographic areas served by the Center. The Foundation is governed by a Board of Directors of not less than six and not more than nine members selected for their knowledge and interest in the purposes for which the Foundation was created.

The Center is also the sole member of Cancer Services, Inc. (CSI), which was organized effective January 1, 2018. CSI merged with Cancer Services of Greater Baton Rouge on March 1, 2018, for the purpose of furthering the mission of the Center. This mission-based entity provides supportive services to cancer patients in the greater Baton Rouge area.

The Center holds a 65% membership interest in St. Elizabeth - Mary Bird Perkins Cancer Center, LLC, (STEMBPCC) which operates a cancer treatment and research facility in Gonzales, Louisiana.

Gulf South Oncology Holdings, LLC (GSOH) was formed during the year ended June 30, 2022, in connection with the Center's transaction with OneOncology, LLC (see Note 2). The Center and the Foundation each hold membership interests in GSOH of approximately 33% and 35%, respectively.

Consolidation

The consolidated financial statements include the accounts of the Mary Bird Perkins Cancer Center, the Mary Bird Perkins Cancer Foundation, St. Elizabeth - Mary Bird Perkins Cancer Center, LLC, Cancer Services, Inc., and Gulf South Oncology Holdings, LLC, (thereafter referred to as the Center). All significant intercompany accounts and transactions have been eliminated in consolidation.

Mary Bird Perkins Cancer Center

Notes to Consolidated Financial Statements

The following is a summary of significant accounting policies:

Basis of Preparation

The accompanying consolidated financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America, which requires the Center to report information regarding its financial position and activities according to the following net asset classification:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Center's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Center or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that resources be maintained in perpetuity. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities.

Use of Estimates

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

Sensitive estimates included in these consolidated financial statements relate to valuation allowances for patient accounts receivable. In particular, laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates related to these programs will change by a material amount in the near term.

Cash and Cash Equivalents

The Center considers all cash and highly liquid financial instruments with original maturities of three months or less, which are not held in brokerage accounts, necessary for redemption upon vesting, and neither held nor restricted by donors for long-term purposes, to be cash and cash equivalents. Restricted cash and equivalents are reported within assets limited as to use.

Inventories

Inventories, which consist primarily of medical supplies and drugs, are stated at the lower of cost or net realizable value. Cost is determined by the first in, first-out (FIFO) method.

Mary Bird Perkins Cancer Center

Notes to Consolidated Financial Statements

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are recorded at fair value based on quoted market prices on the consolidated statements of financial position. For those investments for which quoted market prices are unavailable, management estimates fair value based on information provided by the fund managers or the general partners. Investment income, including unrealized capital gains and losses, dividends, and realized capital gains and losses, less external investment expenses, are reported in the consolidated statements of activities as nonoperating revenue.

Assets Limited as to Use

Assets limited as to use principally include assets held with brokerage firms, beneficial interests in split-interest agreements, and assets held in trust for the benefit of the Center, represent assets permanently restricted by donors and designated assets set aside by the Board of Directors for equipment replacement and endowment purposes. As the Board retains control over designated assets, they may, at their discretion, subsequently use the assets for alternative purposes.

Split-Interest Agreements

Irrevocable split-interest agreements are recorded as revenue when the trust agreements are executed. Revenues from the split-interest agreements are based on the present value of the expected cash flows to be received by the Center over the term of the agreement.

Prepaid Expenses

Prepaid expenses, related to insurance policies for general liability, workers compensation, automobiles and others, are amortized over the estimated period of future benefit, generally on a straight-line basis.

Drug Rebates Receivable

Drug rebates receivable are amounts due from pharmaceutical companies in accordance with agreements related to drug purchases.

Net Patient Service Revenue and Patient Accounts Receivable

Patient service revenue is reported at the amount that reflects the consideration to which the Center expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Center. Revenue for performance obligations is satisfied at a point in time and is generally recognized when services are provided.

Mary Bird Perkins Cancer Center

Notes to Consolidated Financial Statements

The Center is utilizing the portfolio approach practical expedient in Accounting Standards Codification (ASC 606) for contracts related to net patient service revenue. The Center accounts for the contracts within each portfolio as a collective group, rather than individual contracts, based on the payment pattern expected in each portfolio category and the similar nature and characteristics of the patients within each portfolio. The portfolios consist of major payor classes for revenue. Based on historical collection trends and other analysis, the Center has concluded that revenue for a given portfolio would not be materially different from accounting for revenue on a contract-by-contract basis.

The Center determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Center's policy, and implicit price concessions provided to uninsured patients. The Center determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience. The Center determines its estimate of implicit price concessions based on its historical collection experience with the class of patients.

Patient accounts receivable is based upon the estimated amounts expected to be paid from patients and third-party payors. The estimated uncollectible amounts for patient accounts receivable are generally considered implicit rate concessions that are a direct reduction to patient accounts receivable rather than an allowance for doubtful accounts.

Agreements with third-party payors typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors is as follows:

- **Medicare** - Certain services are paid at prospectively determined rates based on clinical, diagnostic, and other factors. Certain services are paid based on cost reimbursement methodologies subject to certain limits. Physician services are paid based upon established fee schedules.
- **Medicaid** - Reimbursements for Medicaid services are generally paid at prospectively determined rates per occasion of service, or per covered member.
- **Other** - Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations which provide for payments discounted from established charges.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Center's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the Center. In addition, the contracts the Center has with commercial payors also provide for retroactive audit and review of claims.

Mary Bird Perkins Cancer Center

Notes to Consolidated Financial Statements

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and the Center's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustments is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in the transaction price were not significant in 2025 and 2024.

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Center also provides services to uninsured patients and offers those uninsured patients a discount from standard charges. The Center estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change.

Patient accounts receivable can be impacted by the effectiveness of the Center's collection efforts. Additionally, significant changes in payor mix, business office operations, economic conditions, or trends in federal and state governmental healthcare coverage could affect the net realizable value of accounts receivable. The Center also continually reviews the net realizable value of accounts receivable by monitoring historical cash collections and admissions by payor classification, days revenue outstanding, the composition of self-pay receivables between pure self-pay patients and the patient responsibility portion of third-party insured receivables.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at fair value as of the date of receipt. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method.

Land improvements	5 – 39 years
Buildings and improvements	5 – 39 years
Equipment	5 – 10 years
Furniture and fixtures	3 – 10 years

Expenditures for maintenance and repairs which do not extend the useful lives of the applicable assets are charged to expense when incurred. Major renewals and betterments which extend the useful lives are capitalized. Upon sale or disposal of an asset, the asset and accumulated depreciation and amortization accounts are adjusted accordingly. Any resulting gain or loss is included in current operations.

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Notes to Consolidated Financial Statements

Long-Lived Assets

The Center evaluates the recoverability of its long-lived assets in accordance with ASC 360, *Property, Plant and Equipment*. ASC 360 requires recognition of impairment of long-lived assets in the event the net book value of such assets exceeds the estimated future undiscounted cash flows attributable to such assets or the projection of amounts ultimately expected to be recovered for such assets. Management believes there was no impairment of long-lived assets in 2025 or 2024.

Compensated Absences

The Center's paid time off (PTO) policy is to compensate employees for absences due to earned vacation and sick leave. Accumulated pay is accrued at the balance sheet date and is payable at 100% of unused PTO upon termination of employment as long as the employee is in good standing.

Professional Liability Claims

The Center maintains insurance for protection from losses resulting from professional liability claims. The policy is of the claims-made type. The Center has not experienced material losses from professional liability claims in the past. As such, no accrual for losses has been established.

Deferred Revenues

Contract liabilities are reported as deferred revenue in the consolidated statements of financial position. Deferred revenue represents the excess of payments received as compared to amounts recognized as revenue in the statements of activities and changes in net assets.

Right-of-Use Asset and Operating Lease Liabilities

The Center leases various facilities and equipment under noncancelable operating leases expiring at various dates through 2034 and records the corresponding right-of-use asset and operating lease liabilities on the statement of financial position. Right-of-use asset is calculated as the lease liability plus any prepaid lease payments and initial direct costs, less any lease incentives. Renewal options to extend the lease term that are reasonably certain to be exercised are included in the measurement of leases. Operating lease liabilities are calculated as the present value of the remaining lease payments, discounted at rates ranging from 4.02% to 11.50%. The Center excludes operating leases with terms of 12 months or less and includes any fixed nonlease components in lease measurement.

The Center has elected the practical expedient that allows lessees to choose to not separate lease and nonlease components by class of underlying asset and are applying this expedient to all relevant asset classes. Additionally, the Center elected the package of transition provisions available which allows the carryforward of the Center's historical assessments of whether the contracts are or contain leases, the lease classification, and the treatment of initial direct costs.

The Center reviews the carrying values of right-of-use assets for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the right-of-use assets. No impairments were recognized during 2025 or 2024.

Mary Bird Perkins Cancer Center

Notes to Consolidated Financial Statements

Unconditional Promises to Give, Gifts and Contributions

Unconditional promises to give cash and other assets are reported at fair value at the time of commitment. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the accompanying consolidated financial statements.

For contributions of long-lived assets or of cash and other assets restricted to the purchase of long-lived assets for which donors have not expressly stipulated how long the long-lived asset must be used, the Center has adopted an accounting policy of implying time restrictions on the use of such contributed assets that expire over the assets' expected useful lives.

Functional Expenses

The costs of program and supporting services have been summarized on a functional basis in Note 19. The Center provides program services including cancer support services such as family support, patient therapy, financial assistance, and other services for the patients. Administrative services include administration, finance and accounting, contract services, depreciation, utilities, legal, and other functions. Fundraising includes advertising and activities related to fundraising. Expenses are allocated to the different categories based on the functional department for which they are incurred.

Financing Component

The Center has elected the practical expedient allowed under Financial Accounting Standards Board (FASB) Accounting Standard Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606-10-32-18), and does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to the Center's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less. However, the Center does, in certain instances, enter into payment agreements with patients that allow payments in excess of one year.

For those cases, the financing component is not deemed to be significant to the contract.

Excess (Deficiency) of Revenue Over (Under) Expenses

The consolidated statements of activities and changes in net assets include revenue, gains and other support in excess (deficiency) of expenses and losses as the Center's performance indicator. Consistent with industry practice, changes in net assets without donor restrictions that are excluded from revenue, gains and other support in excess (deficiency) of expenses and losses include unrealized and realized gains and losses on investments other than trading securities, the impact of noncontrolling interest in a subsidiary, permanent transfers of assets to and from

Mary Bird Perkins Cancer Center

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affiliates for other than goods and services and contributions of long-lived assets (including assets acquired using contributions, which by donor restrictions were to be used for the purposes of acquiring such assets).

Advertising

Advertising and program costs are charged to expenses as incurred. Advertising expense for the years ended June 30, 2025 and 2024 was approximately \$2,390,000 and \$2,380,000, respectively.

Income Taxes

The Center, Foundation and CSI are not-for-profit organizations as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and are exempt from federal and state income taxes on related income pursuant to Section 501(a) of the IRC. STEMBPCC and GSOH are taxed as partnerships. Since the partners of these organizations are taxed based on their proportionate share of taxable income, no provision is made for income taxes. The Center recognized an income tax liability and corresponding expense in the amount of \$261,000 for the year ended June 30, 2024 due to unrelated business income recognized in fiscal year 2023. There was no income tax liability and corresponding expense for the year ended June 30, 2025.

The Center recognizes a tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination of the taxing authorities. Management evaluated the Center's tax positions and concluded that the Center had no material uncertainties in income taxes as of June 30, 2025 and 2024. The Center's tax years subject to examination by the Internal Revenue Service generally remain open for three years from the date of filing.

Reclassifications

Certain prior year amounts have been reclassified to conform to the 2025 presentation, with no impact to total net assets.

2. Transaction with OneOncology

In August 2021, the Center signed a letter of intent to affiliate with OneOncology, LLC (OO) and Hematology-Oncology Associates of Baton Rouge, L.L.C. d/b/a Louisiana Hematology-Oncology Associates (LHOA), a medical oncology group in Baton Rouge. The transaction with OO closed in the fourth quarter of 2021, with an effective date of January 1, 2022. OO brings to the Center resources, access to a broad network of physicians across the country, information technology assets and national buying power. The partnership was entered into to support program growth, reduce costs for patients and expand access to clinical trials.

As part of this affiliation, the Center and OO entered into an asset purchase and consideration agreement along with a management services agreement in which the Center sold a limited portion of its nonclinical assets but retained all of its buildings and clinical equipment. A portion of the consideration was paid to the Center, which was in the form of cash, ownership units in OO and a promissory note. The Center recorded a portion of these funds as deferred revenues and is recognizing these revenues over the terms of the agreement.

In accordance with the terms of the management services agreement, the Center pays a management service fee to OO equal to 20% of revenues less office expenses as defined.

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This fee totaled approximately \$4,370,000 and \$2,820,000 during the years ended June 30, 2025 and 2024, respectively. As part of the management services agreement, certain expenses of the Center are paid directly by OO and certain revenues of the Center are billed and collected by OO on behalf of the Center. As a result of these transactions, the Center had an outstanding balance due from (to) OO of approximately (\$12,490,000) and (\$1,760,000) at June 30, 2025 and 2024, respectively.

3. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use include the following:

<i>Within one year of June 30,</i>	2025	2024
Financial Assets at Year-End:		
Cash and cash equivalents	\$ 7,363,209	\$ 9,936,296
Investments	8,880,749	11,941,542
Net patient accounts receivable	37,270,504	30,206,997
Current portion of unconditional promises to give	1,234,052	385,359
Drug rebate receivable	7,749,789	7,720,346
Current portion of note receivable	2,160,000	2,160,000
Assets limited as to use - investments	35,891,094	33,269,670
Total Financial Assets	100,549,397	95,620,210
Less Those Unavailable for General Expenditures		
Within One Year Due to:		
Net assets with donor restrictions	(24,627,334)	(22,575,177)
Board designated net assets	(10,318,863)	(8,997,071)
Current maturities of debt related to debt covenant violation	(17,315,093)	-
GSOH-restricted investments	(387,786)	(3,658,100)
Financial Assets Available to Meet Cash Needs for		
General Expenditures Within One Year	\$ 47,900,321	\$ 60,389,862

As part of the Center's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Center does have the ability to use the board designated assets for general expenditures if the need arises.

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4. Investments

The Center holds investments carried at fair value. The Center's investments held were as follows:

<i>June 30,</i>	2025	2024
Investments		
Money market funds	\$ 1,042,936	\$ 5,348,770
Mutual funds	9,817,339	9,776,436
Equity securities	9,755,130	12,682,988
Fixed income	5,307,701	6,580,650
Alternative investments	18,848,737	10,822,368
Total Investments	\$ 44,771,843	\$ 45,211,212

Investment income and gains for investments, assets limited as to use, cash equivalents and other investments are approximately comprised of the following:

<i>For the Year Ended June 30,</i>	2025	2024
Investment Income		
Interest and dividend income	\$ 584,185	\$ 1,070,856
Net realized and unrealized gains	5,171,859	4,292,356
Investment expense	(186,368)	(180,320)
Total Investment Income, Net	\$ 5,569,676	\$ 5,182,892

The Center invests in securities that are exposed to multiple 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 those changes could materially affect the amounts reported in the consolidated statements of financial position.

5. Fair Value Measurements

The Center holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Center's mission, the Center determined that the disclosures related to these investments only need to be disaggregated by major type. The Center elected a narrative format for the fair value disclosures.

FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a hierarchal disclosure framework for measuring fair value and requires expanded disclosures about fair value measurements. The provisions of this statement apply to all financial instruments that are being measured and reported on a fair value basis.

Financial assets and liabilities recorded on the consolidated statements of financial position are categorized based on the inputs to the valuation techniques as follows:

- Level 1 inputs are quoted (unadjusted) prices in active markets for identical financial assets or liabilities that the Center has the ability to access at the measurement date;

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- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the financial asset or liability.

The following tables represent the fair value measurements:

At June 30,		2025			
	Balance at June 30, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at Net Asset Value
Investments					
Money market funds	\$ 1,042,936	\$ 1,042,936	\$ -	\$ -	\$ -
Mutual funds	9,817,339	9,817,339	-	-	-
Equity securities	9,755,130	9,755,130	-	-	-
Fixed income	5,307,701	5,307,701	-	-	-
Alternative investments ¹	18,848,737	-	-	-	18,848,737
	44,771,843	25,923,106	-	-	18,848,737
Split-interest agreements	173,781	-	-	173,781	-
Total	\$ 44,945,624	\$ 25,923,106	\$ -	\$ 173,781	\$ 18,848,737

At June 30,		2024			
	Balance at June 30, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at Net Asset Value
Investments					
Money market funds	\$ 5,348,770	\$ 5,348,770	\$ -	\$ -	\$ -
Mutual funds	9,776,436	9,776,436	-	-	-
Equity securities	12,682,988	12,682,988	-	-	-
Fixed income	6,580,650	6,580,650	-	-	-
Alternative investments ¹	10,822,368	-	-	-	10,822,368
	45,211,212	34,388,844	-	-	10,822,368
Split-interest agreements	1,763,853	-	-	1,763,853	-
Total	\$ 46,975,065	\$ 34,388,844	\$ -	\$ 1,763,853	\$ 10,822,368

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¹ In accordance with Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

The fair value of the beneficial interest in split-interest agreements is determined by calculating the present value of expected cash flows over the term of the underlying agreement and therefore, is classified as Level 3. A discount rate of 5.85% and 5.46% as of June 30, 2025 and 2024, respectively, was used to calculate the present value.

The following is a reconciliation of the beginning balance and ending balances for the split-interest agreements measured at fair value on a recurring basis using the significant unobservable inputs (Level 3):

<i>Years Ended June 30,</i>	2025	2024
Balance , beginning of year	\$ 1,763,853	\$ 1,683,789
Change in value of split-interest agreements	123,543	80,064
Distributions received	(1,713,615)	-
Balance , end of year	\$ 173,781	\$ 1,763,853

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The following summarizes the alternative investments measured at fair value based on net asset value per share as of June 30, 2025 and 2024:

	Assets at Fair Value at June 30, 2025				
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	
Investments					
59 North Offshore Partners Ltd. - U.S. Equity Fund ^(e)	\$ 1,147,770	\$ -	Quarterly	Daily	
Aleutian Fund Ltd. - Series 1 ⁽ⁱ⁾	1,036,912	-	Quarterly	Daily	
Brown Advisory Global Managers Fund - Class J Sub Class 1 TCI ^(j)	1,313,951	-	Monthly	Daily	
Brown Advisory Global Private Equity Fund ^(j)	96,741	-	N/A	Daily	
Cantillon - Series 1 Shares - Class G ^(b)	1,252,972	-	Monthly	Daily	
Darlington Partners Offshore, L.P. - U.S. Equity Fund ^(c)	1,469,798	-	Quarterly	Daily	
Diameter Dislocation Offshore Fund III LP ^(g)	62,835	340,000	Quarterly	Daily	
Egerton Capital Equity Fund - Class I ^(b)	1,723,084	-	Weekly	Daily	
Hudson Bay International Fund Ltd. - Global Equity Fund ^(f)	1,327,320	-	Quarterly	Daily	
Independent Franchise Partners Global Equity II, L.P. - Global Equity Fund ^(d)	1,727,516	-	Semi-monthly	Daily	
Kline Hill Partners Offshore Feeder Fund ^(k)	688,217	642,423	Quarterly	Daily	
Niatross Investments Asia OPS Feeder Fund - Class E Shares ^(l)	657,143	-	Quarterly	Daily	
Oasis Japan Strategic Fund Y Offshore Feeder Ltd. - Class A ^(h)	1,028,917	-	Quarterly	Daily	
Partners Group Private Equity Fund - Class I ^(a)	987,821	-	N/A	N/A	
Redwood Opportunity Offshore Fund Ltd. - Private Investment/Fixed Income Fund ^(g)	1,220,873	-	Quarterly	Daily	
SH Stony Creek - Common Series 3 ^(a)	1,058,681	-	Quarterly	Daily	
Woodline Spire Fund LP - Class A ^(a)	2,048,186	-	Quarterly	Daily	
Total	\$ 18,848,737	\$ 982,423			

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	Assets at Fair Value at June 30, 2024			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Investments				
Partners Group - Private Equity Fund - Class I ^(a)	\$ 928,106	\$ -	N/A	N/A
Cantillon - Series 1 Shares - Class G ^(b)	1,800,023	-	Monthly	Daily
Darlington Partners Offshore, L.P. - U.S. Equity Fund ^(c)	1,253,540	-	Quarterly	Daily
Independent Franchise Partners Global Equity II, L.P. - Global Equity Fund ^(d)	1,906,205	-	Semi-monthly	Daily
Egerton Capital Equity Fund - Class I ^(b)	1,524,683	-	Weekly	Daily
59 North Offshore Partners Ltd. - U.S. Equity Fund ^(e)	1,058,997	-	Quarterly	Daily
Hudson Bay International Fund Ltd. - Global Equity Fund ^(f)	1,218,088	-	Quarterly	Daily
Redwood Opportunity Offshore Fund Ltd. - Private Investment/Fixed Income Fund ^(g)	1,132,726	-	Quarterly	Daily
Total	\$ 10,822,368	\$ -		

(a) This private equity fund invests in long-only funds focused primarily on equity investments in North America and Europe.

(b) This private equity fund invests in equity and equity-related securities, including securities of emerging market issuers.

(c) This private equity fund invests in equity securities, focusing on companies within the transportation services and amusement/recreation services industries.

(d) This private equity fund invests in franchise companies listed on the major global stock exchanges.

(e) This private equity fund invests in oil and gas exploration and production assets located offshore.

(f) This private equity fund invests in diverse range of global market opportunities across multiple strategies, including distressed debt, special situations, and shareholder activism.

(g) This private equity fund invests in hedge funds focused on distressed / stressed credit investments.

(h) This private equity fund invests in a variety of asset classes, including equities, commodities, and debt securities.

(i) This private equity fund invests in hedge funds focused on long/short equity strategies.

(j) This private equity fund invests in hedge funds focused on equity securities of companies who are leaders within their industry or country.

(k) This private equity fund invests in various sectors including buyout, venture capital, growth equity, technology, healthcare, and real assets.

(l) This private equity fund invests in large and mid-cap Pan-Asia equity strategies.

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6. Unconditional Promises to Give

Unconditional promises to give were as follows:

<i>At June 30,</i>	2025	2024
Promises to Give Expected to be Collected in:		
Less than one year	\$ 1,234,052	\$ 385,359
One to five years	2,698,283	4,379,486
	3,932,335	4,764,845
Less: allowance for uncollectible accounts	(25,000)	(33,555)
Total Unconditional Promises to Give, Net	\$ 3,907,335	\$ 4,731,290

7. Split-Interest Agreements

The Center is the irrevocable beneficiary of several split-interest agreements. The funds are held and administered by an unrelated third-party trustee. The Center's interest in the funds held by the trustee is measured at present value and is recorded at fair market value in the consolidated statements of financial position as a beneficial interest in split-interest agreements.

The discount rate used in the present value calculation for future payments is the prevailing rate of interest for similar types of high-quality, fixed income investments. The discount rates used for the years ended June 30, 2025 and 2024 were 5.85% and 5.46%, respectively.

Adjustments were recognized for these split-interest agreements of approximately \$124,000 and \$120,000 for the years ended June 30, 2025 and 2024, respectively. Distributions received from the trusts totaled approximately \$1,714,000 and \$40,000 for the years ended June 30, 2025 and 2024, respectively.

Trust distributions are expected to be received as follows:

<i>As of June 30,</i>	2025	2024
Less than one year	\$ 46,657	\$ 44,120
One to five years	147,135	1,895,607
More than five years but less than 10 years	-	-
	193,792	1,939,727
Less: discount to net present value	(20,011)	(175,874)
Total Beneficial Interest in Split-Interest Agreements, Net	\$ 173,781	\$ 1,763,853

8. Note Receivable

In connection with the transaction described in Note 2, OO executed a promissory note with the Center in the amount of \$10,800,000. The promissory note, which is payable from OO to the Center, bears interest at 4.25%, is unsecured, and requires five annual principal payments which began on January 1, 2024.

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The note is expected to mature as follows:

Year Ending June 30,	
2026	\$ 2,160,000
2027	2,160,000
2028	2,160,000
Total	\$ 6,480,000

9. Property and Equipment

Property and equipment consists of the following:

June 30,	2025	2024
Land	\$ 1,069,293	\$ 969,293
Buildings and building improvements	59,719,961	58,581,883
Furniture and fixtures	10,129,473	8,176,274
Equipment	58,772,023	57,967,442
	129,690,750	125,694,892
Less: accumulated depreciation	(77,956,458)	(72,845,959)
	51,734,292	52,848,933
Construction in progress	3,150,357	563,456
Artwork	242,325	242,325
Total	\$ 55,126,974	\$ 53,654,714

10. Line of Credit

The Center has a line of credit of \$10,000,000 which bears interest at a variable rate and is secured by equipment, investment accounts, and cash accounts. The line of credit which extends through December 30, 2031, had no outstanding balance at June 30, 2025 or 2024. The credit agreement contains certain restrictive covenants which require, amongst other things, the maintenance of certain financial ratios by the Center. Total borrowings available were \$10,000,000 as of June 30, 2025 and 2024.

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Notes to Consolidated Financial Statements

11. Long-Term Debt

A summary of long-term debt follows:

<i>June 30,</i>	2025	2024
Loan agreement dated December 30, 2021 for \$20,000,000. The loan is due in monthly installments of principle and interest of \$107,448 maturing in December 2031. The loan bears interest at 2.65% per annum and is secured by equipment, investment accounts, and cash accounts of the Center.	\$ 17,315,093	\$ 18,127,351
Loan agreement dated August 1, 2017 for \$4,224,723 related to the acquisition of medical equipment. Maturing in April 2028, the loan is noninterest bearing and is secured by medical equipment of the Center.	1,376,505	975,051
Loan agreement dated August 1, 2017 for \$185,567 related to the acquisition of medical equipment. The loan is due in monthly installments of principle, maturing in December 2027, the loan bears interest at 7.59% per annum and is secured by medical equipment.	157,595	-
Total Long-Term Debt	18,849,193	19,102,402
Less: current portion of long-term debt	(17,845,662)	(1,249,368)
Long-Term Portion, Net of Current Maturities	\$ 1,003,531	\$ 17,853,034

As part of these agreements, the Center has agreed to comply with certain covenants. These primarily consist of reporting requirements, restrictions on additional debt and security interests, maintenance of its tax-exempt status, maintenance of its facilities and other administrative requirements. The Center was not in compliance with certain covenants as of June 30, 2025 and, therefore, the obligations of this loan agreement are included in the current portion of long-term debt at June 30, 2025.

Principal maturities of long-term debt are as follows:

<i>Year Ending June 30,</i>	
2026	\$ 17,845,662
2027	551,208
2028	452,323
2029	-
2030	-
Thereafter	-
Total	\$ 18,849,193

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Interest expense for the years ended June 30, 2025 and 2024, totaled approximately \$500,000 and \$610,000, respectively.

12. Leases

Operating Leases - Lessor

The Center also leases office space to several unrelated medical organizations under operating leases whose terms expire at various times through the year ending June 30, 2030, with options to renew. The revenues recognized under these agreements totaled approximately \$400,000 for the years ended June 30, 2025 and 2024. Future required payments to be made to the Center for the office space are as follows:

<i>Year Ending June 30,</i>		
2026	\$	315,563
2027		34,824
2028		34,824
2029		34,824
2030		14,510
Total	\$	434,545

Operating Leases - Lessee

The parcels of land on which certain of the Center's treatment facilities are located are owned by various unrelated Hospitals. Use of these pieces of property has been provided at little or no cost to the Center. These land leases expire at various dates through June 30, 2082. Since the fair values of these land leases cannot be determined with reasonable certainty, they are not included in the accompanying consolidated financial statements.

The Center primarily leases real estate, as well as offices, facilities, certain medical equipment and certain furniture and other equipment under terms that expire in various years through 2034. Lease payments are stated in lease agreements and are set for the entire term. Variable lease costs are primarily comprised of maintenance, utilities, insurance, taxes, and additional fees based upon usage that are not included as part of the lease payments. Termination of the leases is generally prohibited unless there is a violation under the lease agreement. Rental expenses totaled approximately \$5,401,000 and \$4,907,000 during the years ended June 30, 2025 and 2024, respectively.

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The following is a schedule by years of future minimum payments required under these operating leases together with their present values as of June 30, 2025:

Year Ending June 30,

2026	\$	2,631,893
2027		2,523,616
2028		2,141,816
2029		1,724,393
2030		1,186,382
Thereafter		2,322,885
Total Minimum Lease Payments		12,530,985
Less: amounts representing interest		(2,494,868)
Present Value of Operating Lease Obligation		10,036,117
Less: current maturities		(1,934,664)
Operating Lease Obligation, Net of Current Maturities	\$	8,101,453

The components of lease expense and other required information are as follows:

<i>June 30,</i>	2025	2024
Lease Expense		
Operating lease expense	\$ 2,338,225	\$ 1,624,143
Short-term lease expense	237,813	63,361
Total	\$ 2,576,038	\$ 1,687,504

Other Information

Right-of-use assets obtained in exchange for lease liabilities		
Operating leases	\$ 1,971,674	\$ 2,405,405
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 1,434,436	\$ 1,680,111
Weighted-average remaining lease term		
Operating leases	5.5 years	6.6 years
Weighted-average discount rate		
Operating leases	7.88%	7.41%

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13. Net Assets with Donor Restrictions

Net assets with donor restrictions were restricted for the following purposes:

<i>June 30,</i>	2025	2024
Net Assets with Purpose Restrictions:		
Cancer screenings / early detection	\$ 399,293	\$ 242,236
Comprehensive cancer care and support	976,036	1,069,567
Research / education	372,429	1,545,317
Net assets with permanent restrictions	22,879,576	19,718,057
Total Net Assets with Donor Restrictions	\$ 24,627,334	\$ 22,575,177

Net assets which were released from donor restrictions are as follows:

<i>Years Ended June 30,</i>	2025	2024
Cancer screenings / early detection	\$ 1,558,429	\$ 1,476,368
Comprehensive cancer care and support	825,545	1,135,208
Research / education	1,098,627	1,396,073
Total Net Assets Released from Donor Restrictions	\$ 3,482,601	\$ 4,007,649

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14. Endowment

The Foundation has established prudent investment and spending policies with the objective of maintaining the purchasing power of its endowed net assets in perpetuity. Both policies are reviewed annually by the Foundation's Board of Directors. The investment policy sets forth the guidelines relative to asset allocation parameters and investment return goals. The Foundation's Board of Directors determines the amount of funds to be disbursed to the Center and the types of cancer programs to be funded.

The Center's Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2025 and 2024, there were no such donor stipulations. From time to time, certain donor-restricted funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Center has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. The Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

Changes in endowed net assets are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Endowment Net Assets, July 1, 2023	\$ 8,196,225	\$ 16,030,125	\$ 24,226,350
Investment return, net	1,075,520	1,965,159	3,040,679
Split-interest agreements	-	120,263	120,263
Contributions	(44,800)	2,037,632	1,992,832
Appropriation of endowment net assets for expenditure	(229,874)	(435,122)	(664,996)
Endowment Net Assets, June 30, 2024	8,997,071	19,718,057	28,715,128
Investment return, net	1,742,597	2,518,987	4,261,584
Split-interest agreements	-	123,543	123,543
Contributions	31,139	1,007,759	1,038,898
Appropriation of endowment net assets for expenditure	(451,944)	(488,770)	(940,714)
Endowment Net Assets, June 30, 2025	\$ 10,318,863	\$ 22,879,576	\$ 33,198,439

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The Foundation disbursed funds in the amounts of approximately \$941,000 and \$665,000 to the Center during the years ended June 30, 2025 and 2024, respectively, in support of the mission and program activities.

15. Retirement Plan

The Center previously sponsored a 403(b) retirement program which covered substantially all of its employees. The Center matched 100% of the contributions made by eligible employees up to 5.0% of their covered salaries. On September 8, 2022, the Compensation Committee of the Board of Directors adopted a resolution to terminate the Plan effective December 31, 2022. On January 1, 2023, eligible employees began participating in a 401(k) retirement plan sponsored by OO. Under this plan, the Center makes a contribution equal to 3.0% of an eligible employee's covered salary and may also make a discretionary contribution. Employer contributions totaled approximately \$2,270,000 and \$1,678,000 during the years ended June 30, 2025 and 2024, respectively.

16. Professional Liability and Other Contingencies

The Center purchases general liability insurance to cover nonmedical and facility claims against the Center. There are known claims and incidents that may result in the assertion of additional claims, as well as claims from unknown incidents that may be asserted arising from nonmedical and facility operations. Management expects most claims will likely be covered by liability insurance, and that any noncovered losses would not have a materially adverse effect on the Center's future financial position or results of operations.

The Center purchases claims-made professional liability insurance to cover medical malpractice claims. There are known claims and incidents that may result in the assertion of additional claims, as well as claims from unknown incidents that may be asserted arising from services provided to patients. In addition, the Center is sometimes subject to litigation resulting from claims in the ordinary course of business. Historically, any awards or settlements resulting from these proceedings have been covered under professional liability insurance or have not been significant.

17. Concentration Risks

The Center has concentrated its credit risk for cash by maintaining deposits in financial institutions which at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation. The Center has not experienced any losses in such accounts, and management believes the Center is not exposed to significant credit risk with respect to cash and cash equivalents.

Mary Bird Perkins Cancer Center

Notes to Consolidated Financial Statements

Net patient accounts receivable, by payor class, consisted of the following:

<i>June 30,</i>	2025	2024
Medicare	16%	22%
Medicare Advantage	33	25
Medicaid	18	20
Commercial	28	28
Other, including Self-Pay	5	5
	100%	100%

The composition of net patient service revenue by primary payor for the years ended June 30, 2025 and 2024, is as follows:

	2025	Percent		2024	Percent
Medicare	\$ 63,587,797	22.6%	\$	53,866,171	27.5%
Medicare Advantage	99,581,309	35.4		61,952,431	31.6
Medicaid	31,091,005	11.0		11,047,504	5.6
Commercial	74,798,055	26.6		60,706,074	31.0
Other, including self-pay	12,344,187	4.4		8,475,811	4.3
Net patient service revenue	\$ 281,402,353	100%	\$	196,047,991	100%

As of June 30, 2025, the Center's accounts payable included amounts due to a single vendor representation approximately 77% of total accounts payable. The Center's operations could be adversely affected by changes in the relationship with this vendor. Management regularly monitors vendor relationships and considers the potential impact of vendor concentration on liquidity and operations.

18. Uncompensated Care

Integral to the Center's mission, care is provided to patients regardless of their ability to pay. In addition to providing patient care for which it receives no compensation, the Center participates in the Medicare and Medicaid programs that do not reimburse the Center at a rate sufficient to cover its costs of providing services. The Center incurred approximately \$40,600,000 and \$33,300,000 of costs in excess of reimbursements received for healthcare services provided to this classification of patients during the years ended June 30, 2025 and 2024, respectively.

Mary Bird Perkins Cancer Center

Notes to Consolidated Financial Statements

19. Functional Expense

Operating expenses were incurred as follows:

<i>June 30,</i>	2025			
	Fundraising	Health Care Services	General & Administrative	Total
Salaries and wages	\$ -	\$ 45,423,085	\$ 16,897,318	\$ 62,320,403
Purchases services and professional fees	-	18,571,652	26,886,409	45,458,061
Supplies and other	-	190,504,384	14,435,371	204,939,755
Repairs and maintenance	-	-	1,883,705	1,883,705
Bad debt expense (recoupment)	-	-	(86,544)	(86,544)
Depreciation	-	-	5,128,339	5,128,339
Interest	-	-	501,139	501,139
	\$ -	\$ 228,443,967	\$ 91,700,891	\$320,144,858

<i>June 30,</i>	2024			
	Fundraising	Health Care Services	General & Administrative	Total
Salaries and wages	\$ -	\$ 24,339,979	\$ 14,702,101	\$ 39,042,080
Purchases services and professional fees	-	22,819,271	18,399,069	41,218,340
Supplies and other	-	126,688,366	13,570,508	140,258,874
Repairs and maintenance	-	-	1,532,550	1,532,550
Bad debt expense	-	-	236,500	236,500
Depreciation	-	-	5,091,814	5,091,814
Interest	-	-	614,049	614,049
	\$ -	\$ 164,247,964	\$ 63,746,111	\$ 227,994,207

Mary Bird Perkins Cancer Center

Notes to Consolidated Financial Statements

Included in the total expenses are the following costs and expenses incurred by the Center in support of the Mission and Program Activities. Contributions, grants, and sponsorship funds of approximately \$9,600,000 and \$8,900,000 were received during the years ended June 30, 2025 and 2024, respectively, and were used to offset these expenses and are included in the accompanying financial statements as revenues. The expenses attributable to Mission and Program Activities for the years ended June 30, 2025 and 2024, were as follows:

2025					
	Fundraising	Program Expenses	General & Administrative	Total	
Salaries and wages	\$ 1,357,553	\$ 2,044,026	\$ -	\$ 3,401,579	
Purchases services and professional fees	162,570	109,505	-	272,075	
Supplies and other	682,818	804,151	-	1,486,969	
Repairs and maintenance	-	42,588	-	42,588	
Research expenses	-	2,576,924	-	2,576,924	
	\$ 2,202,941	\$ 5,577,194	\$ -	\$ 7,780,135	

2024					
	Fundraising	Program Expenses	General & Administrative	Total	
Salaries and wages	\$ 1,264,921	\$ 1,623,137	\$ -	\$ 2,888,058	
Purchases services and professional fees	173,808	324,928	-	498,736	
Supplies and other	697,197	881,396	-	1,578,593	
Repairs and maintenance	-	26,724	-	26,724	
Research expenses	-	2,234,779	-	2,234,779	
	\$ 2,135,926	\$ 5,090,964	\$ -	\$ 7,226,890	

20. Subsequent Events

In preparing these financial statements, the Center has evaluated events and transactions for potential recognition or disclosure through May 22, 2026, the date the financial statements were available to be issued.

Supplemental Information

Mary Bird Perkins Cancer Center													
Consolidating Statement of Financial Position													
	Mary Bird Perkins Cancer Center		Mary Bird Perkins Cancer Foundation		St. Elizabeth - Mary Bird Perkins Cancer Center, LLC		Cancer Services, Inc.		Gulf South Oncology Holdings, LLC		Eliminations		Total
June 30, 2025													
Assets													
Current Assets													
Cash and cash equivalents	\$	4,476,638	\$	1,047,058	\$	1,776,134	\$	63,379	\$	-	\$	-	\$ 7,363,209
Investments		6,708,443		-		1,173,744		998,562		-		-	8,880,749
Net patient accounts receivable		35,362,931		-		1,907,573		-		-		-	37,270,504
Current portion unconditional promises to give		1,116,447		100,000		-		17,605		-		-	1,234,052
Drug rebate receivables		7,749,789		-		-		-		-		-	7,749,789
Due from other third parties		7,031,739		-		-		-		438,324		-	7,470,063
Inventory		5,956,823		-		-		-		-		-	5,956,823
Current portion note receivable		2,160,000		-		-		-		-		-	2,160,000
Prepaid expenses and other		3,026,325		-		176,858		-		-		-	3,203,183
Total Current Assets		73,589,135		1,147,058		5,034,309		1,079,546		438,324		-	81,288,372
Equity Method Investments													
Investment in St. Elizabeth, LLC		6,919,844		-		-		-		-		(6,919,844)	-
Investment in Cancer Services, Inc.		2,187,615		-		-		-		-		(2,187,615)	-
Investment in Gulf South Oncology Holdings, LLC		1,925,783		2,042,089		-		-		-		(3,967,872)	-
Total Equity Method Investments		11,033,242		2,042,089		-		-		-		(13,075,331)	-
Assets Limited as to Use													
Investments		-		35,503,308		-		-		387,786		-	35,891,094
Beneficial interest in split-interest agreements		-		173,781		-		-		-		-	173,781
Property and equipment, net		52,458,442		-		7,604,783		1,658,652		-		(6,594,903)	55,126,974
Right-of-use assets - operating leases		9,806,127		-		-		-		-		-	9,806,127
Note receivable, net of current portion		4,320,000		-		-		-		-		-	4,320,000
Unconditional promises to give, net of current portion		1,211,603		1,461,680		-		-		-		-	2,673,283
Other assets		71,292		-		-		-		6,967,293		-	7,038,585
Total Assets	\$	152,489,841	\$	40,327,916	\$	12,639,092	\$	2,738,198	\$	7,793,403	\$	(19,670,234)	\$ 196,318,216
Liabilities and Net Assets													
Current Liabilities													
Current maturities of operating lease obligations	\$	1,934,664	\$	-	\$	-	\$	-	\$	-	\$	-	\$ 1,934,664
Current maturities of long-term debt		17,845,662		-		-		-		-		-	17,845,662
Accounts payable		39,459,239		7,100		559,477		-		-		-	40,025,816
Accrued expenses		11,269,649		258,280		1,287,197		-		-		-	12,815,126
Due to OneOncology		19,082,452		-		-		-		-		(6,594,903)	12,487,549
Due to (from) related party		(298,720)		571,900		146,508		532,017		(951,705)		-	-
Deferred revenue		2,308,125		-		-		-		1,080,000		-	3,388,125
Total Current Liabilities		91,601,071		837,280		1,993,182		532,017		128,295		(6,594,903)	88,496,942
Operating lease obligation, net of current maturities		8,101,453		-		-		-		-		-	8,101,453
Long-term debt, less current maturities		1,003,531		-		-		-		-		-	1,003,531
Deferred revenues, net of current portion		2,908,339		-		-		-		540,000		-	3,448,339
Total Liabilities		103,614,394		837,280		1,993,182		532,017		668,295		(6,594,903)	101,050,265
Net Assets													
Controlling interest without donor restrictions													
Undesignated		47,716,319		6,297,697		10,645,910		1,612,051		7,125,108		(19,958,634)	53,438,451
Designated for endowment purposes		-		10,318,863		-		-		-		-	10,318,863
Controlling interest with donor restrictions		1,159,128		22,874,076		-		594,130		-		-	24,627,334
		48,875,447		39,490,636		10,645,910		2,206,181		7,125,108		(19,958,634)	88,384,648
Noncontrolling interest		-		-		-		-		-		6,883,303	6,883,303
Total Net Assets		48,875,447		39,490,636		10,645,910		2,206,181		7,125,108		(13,075,331)	95,267,951
Total Liabilities and Net Assets	\$	152,489,841	\$	40,327,916	\$	12,639,092	\$	2,738,198	\$	7,793,403	\$	(19,670,234)	\$ 196,318,216

See accompanying notes.

Mary Bird Perkins Cancer Center

Consolidating Statement of Activities

	Mary Bird Perkins Cancer Center	Mary Bird Perkins Cancer Foundation	St. Elizabeth - Mary Bird Perkins Cancer Center, LLC	Cancer Services, Inc.	Gulf South Oncology Holdings, LLC	Eliminations	Total
<i>Year Ended June 30, 2025</i>							
Revenues without Donor Restrictions							
Net patient service revenues	\$ 274,450,382	\$ -	\$ 6,951,971	\$ -	\$ -	\$ -	281,402,353
Medical management services	1,392,847	-	-	-	-	(815,340)	577,507
Hospital shared services	21,875,451	-	-	-	-	-	21,875,451
Other operating revenues	10,143,929	-	40,676	-	1,099,315	(6,531,274)	4,752,646
Total Unrestricted Revenues, Gains and Other Support	307,862,609	-	6,992,647	-	1,099,315	(7,346,614)	308,607,957
Expenses							
Salaries and wages	62,319,721	-	612	70	-	-	62,320,403
Purchased services and professional fees	43,977,628	-	1,742,237	37,097	65	(298,966)	45,458,061
Supplies and other	205,058,399	17,980	5,473,997	86,142	3,750	(5,700,513)	204,939,755
Repairs and maintenance	1,845,243	-	15,115	23,347	-	-	1,883,705
Bad debt expense (recoupment)	-	-	(86,544)	-	-	-	(86,544)
Depreciation	5,315,792	-	497,658	145,650	-	(830,761)	5,128,339
Interest	496,045	-	5,094	-	-	-	501,139
Total Expenses	319,012,828	17,980	7,648,169	292,306	3,815	(6,830,240)	320,144,858
Operating Income (Loss)	(11,150,219)	(17,980)	(655,522)	(292,306)	1,095,500	(516,374)	(11,536,901)
Nonoperating Revenue							
Investment income, net	1,073,373	1,806,179	194,901	93,020	(116,784)	-	3,050,689
Income from subsidiaries	(283,646)	342,550	-	-	-	(58,904)	-
Total Nonoperating Revenue	789,727	2,148,729	194,901	93,020	(116,784)	(58,904)	3,050,689
Mission and Program Activities							
Contributions and grants without donor restrictions	6,078,049	846,846	-	339,197	-	(973,208)	6,290,884
Research trials and cancer abstracting services	1,922,532	-	-	-	-	-	1,922,532
Net assets released from restriction	3,165,632	-	-	316,969	-	-	3,482,601
Total Mission and Program Revenues	11,166,213	846,846	-	656,166	-	(973,208)	11,696,017
Cancer support services	3,220,201	637,511	-	694,564	-	(1,552,006)	3,000,270
Research expenses	2,576,924	-	-	-	-	-	2,576,924
Fundraising expenses	2,144,573	29,231	-	29,137	-	-	2,202,941
Total Mission and Program Expenses	7,941,698	666,742	-	723,701	-	(1,552,006)	7,780,135
Excess (deficiency) of mission and program activities revenues over (under) expenses	3,224,515	180,104	-	(67,535)	-	578,798	3,915,882
Revenues, Gains and Other Support in Excess (Deficiency) of Expenses and Losses, Before Noncontroller Interest	\$ (7,135,977)	\$ 2,310,853	\$ (460,621)	\$ (266,821)	\$ 978,716	\$ 3,520	(4,570,330)

See accompanying notes.

Mary Bird Perkins Cancer Center
Consolidating Statement of Changes in Net Assets

<i>Year Ended June 30, 2025</i>	Mary Bird Perkins Cancer Center	Mary Bird Perkins Cancer Foundation	St. Elizabeth - Mary Bird Perkins Cancer Center, LLC	Cancer Services, Inc.	Gulf South Oncology Holdings, LLC	Eliminations	Total
Net assets without donor restrictions							
Revenues, gains and other support in excess (deficiency) of expenses and losses, before noncontroller interest	\$ (7,135,977)	\$ 2,310,853	\$ (460,621)	\$ (266,821)	\$ 978,716	\$ 3,520	(4,570,330)
Net assets with donor restrictions							
Contributions and grants with donor restrictions	2,145,032	1,007,759	-	290,631	-	(62,424)	3,380,998
Investment income	-	2,518,987	-	-	-	-	2,518,987
Change in value of split interest agreements	-	123,543	-	-	-	-	123,543
Grants to the Mary Bird Perkins Cancer Center	-	(488,770)	-	-	-	-	(488,770)
Net assets released from restriction	(3,165,632)	-	-	(316,969)	-	-	(3,482,601)
Increase (decrease) in net assets with donor restrictions	(1,020,600)	3,161,519	-	(26,338)	-	(62,424)	2,052,157
Additional stock	-	-	-	-	1,390,029	(951,705)	438,324
Distribution to noncontrolling interest	-	-	-	-	(1,948,464)	-	(1,948,464)
Increase (decrease) in net assets	(8,156,577)	5,472,372	(460,621)	(293,159)	420,281	(1,010,609)	(4,028,313)
Net assets, beginning of year	57,032,024	34,018,264	11,106,531	2,499,340	6,704,827	(12,064,722)	99,296,264
Net assets, end of year	\$ 48,875,447	\$ 39,490,636	\$ 10,645,910	\$ 2,206,181	\$ 7,125,108	\$ (13,075,331)	95,267,951

See accompanying notes.

Mary Bird Perkins Cancer Center

Schedule of Compensation, Benefits, and Other Payments to Agency Head

Agency Head

Jonas Fontenot, President and Chief Executive Officer

Purpose	Amount
Salary	\$ -
Benefits - insurance	-
Benefits - retirement	-
Benefits - other - Employer 457 match	-
Benefits - other - FICA Medicare	-
Benefits - other - FICA OADSI	-
Car allowance	-
Vehicle provided by government	-
Cellphone	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing Professional Education fees	-
Housing	-
Unvouchered expenses	-
Other - dues	-

R.S. 24:513 (A) (3) requires reporting of the total compensation, reimbursements, and benefits paid to the agency head or chief executive officer. This law was further amended by Act 462 of the 2015 Regular Session which clarified that nongovernmental or not for profit local auditees are required to report only the compensation, benefits, and other payments paid to the agency head or chief executive officer paid from public funds.

There were no compensation, benefits, and other payments paid from July 1, 2024 to June 30, 2025 from public funds.

Mary Bird Perkins Cancer Center

Independent Accountant's Report on Applying Agreed-Upon Procedures

**For the Reporting Period
July 1, 2024 through June 30, 2025**

The report accompanying these financial statements was issued by BDO USA, LLP, a Virginia limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.



Mary Bird Perkins Cancer Center

Independent Accountant's Report
on Applying Agreed-Upon Procedures

For the Reporting Period
July 1, 2024 through June 30, 2025



Independent Accountant's Report on Applying Agreed-Up Procedures

Finance Committee
Mary Bird Perkins Cancer Center

We have performed the procedures enumerated below, which were agreed to by Mary Bird Perkins Cancer Center (the Center) and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Up Procedures (SAUPs) for the reporting period July 1, 2024 through June 30, 2025. The Center's management is responsible for those control and compliance areas identified in the SAUPs.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Determine whether the Center's written policies and procedures address each of the following financial/business functions: budgeting, purchasing, disbursements, receipts/collections, payroll/personnel, contracting, travel and expense reimbursement, credit cards, ethics, debt service, information technology disaster recovery/business continuity and prevention of sexual harassment.

We obtained and examined the Center's policies and procedures documentation for each of the financial/business functions listed above and noted the inclusion of all necessary times as defined by the LLA's SAUPs.

Board/Committee Meetings

2. Determine whether the managing Board meets (with quorum) at least monthly, or on a frequency in accordance with the Board of Commissioners (the Board) enabling legislation, charter, bylaws or other equivalent document.
3. Observe that the minutes referenced or included financial activity.
4. Obtain the prior year audit report and observe the unrestricted fund balance. If the unrestricted fund balance in the prior year had a negative ending balance, observe that the minutes for at least one meeting during the reporting period referenced or included a formal plan to eliminate the negative unrestricted balance.



5. Observe that the minutes include updates of the progress of resolving audit findings, if applicable.

We obtained and examined the Center's Board minutes and related documentation for each of the requirements listed above and confirmed the inclusion of all necessary items as defined by LLA's SAUPs.

Bank Reconciliations

6. Obtain from management a listing of all bank accounts held by the Center.

We obtained from management a list of all bank accounts held by the Center during the period.

7. Select the Center's main operating account and a sample of four other bank accounts provided in the listing obtained from management in SAUP #6. For each sample, randomly select one month from the reporting period, obtain bank statements and corresponding reconciliations for month selected, and determine whether:

- a. Bank reconciliations have been prepared within two months of the related statement closing date;

We inspected supporting documentation, including bank statements and reconciliations, for all months related to the accounts sampled. We noted that all months were reconciled to the general ledger within the required time frame.

- b. Bank reconciliations were properly reviewed by management within one month of being prepared; and

We inspected supporting documentation, including bank statements and reconciliations, for all months related to the accounts sampled. We noted that all months were approved by personnel other than the employee responsible for preparing the reconciliation within the required time frame.

- c. Management has researched reconciling items that have been outstanding for more than 12 months from the statement closing date and documented such research accordingly, if applicable.

We inspected supporting documentation for reconciling items per the bank reconciliations, noting no research of reconciling items deemed applicable at this time.

Collections

8. Obtain from management a listing of all deposit sites maintained by the Center and select a sample of five deposit sites. For each deposit site, obtain from management a listing of all cash collection locations maintained by the Center.
9. Select a sample of one collection location for each deposit site provided in the listing obtained from management in SAUP #8. For each sample, obtain and inspect written policies and procedures related to employee job duties. Observe that job duties are properly segregated at each collection location such that:



- a. Employees who are responsible for cash collections do not share cash drawers/registers.
 - b. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
10. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
11. Select two deposit dates for each of the five bank accounts selected for SAUP #7 and obtain supporting documentation such that:
- a. Observe that receipts are sequentially pre-numbered.
 - b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c. Trace the deposit slip total to the actual deposit per the bank statement.
 - d. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles or the deposit is less than \$100).
 - e. Trace the actual deposit per the bank statement to the general ledger.

We obtained and examined the Center's collections documentation for each of the requirements listed above and confirmed the inclusion of all necessary items as defined by LLA's SAUPs.

Nonpayroll Disbursements

12. Obtain from management a listing of all Center disbursements for the reporting period and a listing of all employees involved with nonpayroll purchasing and payment functions.
13. Obtain written policies and procedures related to employee job duties and observe job duties are properly segregated such that:
- a. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b. At least two employees are involved in processing and approving payments to vendors.
 - c. The employee responsible for processing payments is prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.

- d. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - e. Only employees/officials authorized to sign checks approve the release of electronic reimbursements.
14. Select a sample of five disbursements, excluding credit cards and travel reimbursements, provided in the listing obtained from management in SAUP #12. Obtain supporting documentation for each transaction and:
- a. Observe that the disbursement matched the related original invoice/billing statement.
 - b. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under SAUP #13, as applicable.
15. Select a sample of five electronic disbursements and observe that the disbursement was approved by the appropriate personnel per the Hospital's policy.

We obtained and examined the Center's disbursements documentation for each of the requirements listed above and confirmed the inclusion of all necessary items as defined by LLA's SAUPs.

Credit Cards

16. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards maintained by the Center.
- We obtained from management a list of all active credit cards, bank debit cards, fuel cards, and P-cards.**
17. Select a sample of five cards used from the listing obtained from management in SAUP #16 during the reporting period. For each sample, obtain one monthly statement and reconciliation during the reporting period and:
- a. Observe that there is evidence that the monthly statement and supporting documentation (e.g., original receipts for purchases, exception reports, etc.) were reviewed and approved in writing/electronically by someone other than the authorized card holder.

We reviewed monthly statements and supporting documentation related to credit card activity selected and noted all items were approved in accordance with written policy.

- b. Observe that finance charges and/or late fees were not assessed on the selected statements.

We reviewed monthly statements and supporting documentation related to credit card activity selected and noted no finance charges or late fees were assessed on the selected statements.

18. Using the monthly statements obtained from management in SAUP #17, excluding fuel cards, select ten transactions from each statement and obtain supporting documentation including:
 - a. An itemized receipt that identifies precisely what was purchased;
 - b. Written documentation of the business/public purpose; and
 - c. Documentation of individuals participating in meals, if applicable.

We reviewed supporting documentation related to credit card activity selected and noted all items were properly documented as defined by LLA's SAUPs.

Travel and Expense Reimbursement

19. Obtain from management a listing of all travel and related expense reimbursements for the reporting period.

We obtained from management a list of all travel and related expense reimbursements for the reporting period.

20. Select a sample of five reimbursements from the listing obtained from management in SAUP #19. For each sample, obtain the related expense reimbursement forms or prepaid expense documentation, as well as supporting documentation, and determine:
 - a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

We reviewed management's travel and expense reimbursement policy and noted that mileage is reimbursed per the IRS standard mileage rates. We noted that the Center has a set rate for lodging and daily transactions related to meal reimbursement.

- b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

We performed inquiries and reviewed supporting documentation related to the reimbursement sample and noted all expenses reimbursed (or prepaid) had original receipts identifying what was purchased.

- c. Observe that each reimbursement is supported by documentation for the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy.

We performed inquiries and reviewed supporting documentation related to the reimbursement sample and noted all expenses reimbursed (or prepaid) had documentation regarding the business/public purpose of the travel.

- d. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

We reviewed supporting documentation related to each reimbursement and noted all were approved in accordance with written policy.

Contracts

21. Obtain from management a listing of all contracts in effect during the reporting period.

We obtained from management a list of all contracts in effect during the reporting period.

22. Select a sample of five contracts during the reporting period, excluding payments to practitioners, provided in the listing obtained from management in SAUP #21. Obtain the related contracts, paid invoices and:
- Observe whether each contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - Observe whether each contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment.
 - Select one payment from the reporting period for each of the five contracts selected, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

We obtained and examined the Center's contracts documentation for each of the requirements listed above and confirmed the inclusion of all applicable items as defined by LLA's SAUPs. We noted the Center is not subject to Louisiana Public Bid Law as a nonprofit organization.

Payroll and Personnel

23. Obtain from management a listing of all employees employed during the reporting period. Select a sample of five employees, obtain their paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates within their personnel files.

We obtained from management a list of all employees employed during the period.

24. Select one pay period during the reporting period and, for the five employees selected above in SAUP #23, obtain attendance leave records and leave documentation, and:
- Observe that all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - Observe that supervisors approved the attendance and leave of the selected employees.
 - Observe that any leave accrued or taken for those selected employees is reflected in the Center's cumulative leave records.
 - Observe the rate paid to the employees agrees to the authorized salary/pay rate found within the personnel file.

25. Obtain from management a listing of all employees that received termination payments during the reporting period. Select a sample of two employees and obtain related documentation of the hours and pay rates used in termination payment calculations. Agree hours to the employees' cumulative leave records and agree pay rates to the employees' authorized pay rates per their personnel files.
26. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid and associated forms were submitted to the applicable agencies by the required deadlines.

We obtained and examined the Center's payroll and personnel documentation for each of the requirements listed above and confirmed the inclusion of all necessary items as defined by LLA's SAUPs.

Ethics

27. Using the sample of five employees from the listing provided in SAUP #23, obtain ethics compliance documentation from management and determine whether the Center maintained documentation to demonstrate:
 - a. Each employee completed one hour of required ethics training during the reporting period.
 - b. Each employee attested through signature verification that they have read the Center's ethics policy during the reporting period.

We obtained and examined the Center's ethics documentation for each of the requirements listed above and confirmed the inclusion of all necessary items as defined by LLA's SAUPs.

28. Inquire and/or observe whether the agency has appointed an ethics designee.

We confirmed with the Louisiana Ethics Administration Program that the Center had not appointed an ethics designee as of the reporting period ended June 30, 2025. We noted that the Center, as a nonprofit organization, is not subject to the regulations requiring the appointment of an ethics designee.

Debt Service

29. If debt was issued during the reporting period, obtain supporting documentation from the Center and determine whether approval was obtained from the State Bond Commission.
30. If the Center had outstanding debt during the reporting period, obtain from management a listing of all bonds/notes outstanding. Select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

We obtained and examined the Center's debt service documentation for each of the requirements listed above and confirmed the inclusion of all necessary items as defined by LLA's SAUPs.



Fraud Notice

31. Inquire of management whether the Center had any misappropriations of public funds or assets during the reporting period. If applicable, review supporting documentation and determine whether the Center reported the misappropriation to the legislative auditor and the Center attorney of the parish in which the Center is domiciled.
32. Observe whether the Center has posted on its premises and website the notice required by R.S 24:523.1 related to the reporting of misappropriation, fraud, waste or abuse of public funds.

We obtained and examined the Center's fraud notice documentation for each of the requirements listed above. HORNE noted the fraud notice had not been posted on the website or premises as required by the LLA's SAUPs.

Management's Response: The Center will correct this by posting the fraud notice on both its website and premises.

Information Technology Disaster Recovery/Business Continuity

33. Obtain and inspect the Center's most recent documentation that it has backed up its critical data. Observe evidence that such back up occurred within the past week, was not maintained on local server/network, and was encrypted.
34. Obtain and inspect the Center's most recent documentation that it has tested/verified that its backups can be restored. Confirm that the test/verification was successfully performed within the past three months.
35. Obtain a listing of the Center's computers currently in use. Select a sample of five computers and observe that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
36. Using the listing of terminated employees provided in SAUP #25, select five terminated employees and observe evidence that they have been removed or disabled from the network.
37. Using the listing of employees from payroll and personnel testing, obtain cybersecurity training documentation and determine that training occurred in accordance with R.S 42:1267.

We obtained and examined the Center's information technology documentation for each of the requirements listed above and confirmed the inclusion of all necessary items as defined by LLA's SAUPs. We performed the procedures and discussed the results with management.

Prevention of Sexual Harassment

38. Using the five employees selected above in SAUP #23, obtain sexual harassment training documentation demonstrating at least one hour of training during the calendar year.

We reviewed training documentation for all employees selected and noted all employees completed trainings within a year.



39. Observe the Center has posted its sexual harassment policy and complaint procedure on its website.

We examined the Center's website and confirmed the inclusion of all necessary sexual harassment policy and complaint procedure documentation as defined by LLA's SAUPs.

40. Obtain the Center's annual sexual harassment report for the current fiscal period, confirm that it was dated on or before February 1, and observe it includes the following:
- a. Number and age of public servants in the Center who have completed the training requirements;
 - b. Number of sexual harassment complaints received by the Center;
 - c. Number of complaints which resulted in a finding that sexual harassment occurred;
 - d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e. Amount of time it took to resolve each complaint.

We obtained and examined the Center's sexual harassment documentation for the requirements listed above and confirmed the inclusion of all necessary items as defined by LLA's SAUPs. We noted that the Center did not submit any such documentation to the state. As a nonprofit, the Center is not subject to that level of disclosure.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

BDO USA, P.C.

May 22, 2026