

CHILDREN'S ONCOLOGY SERVICES OF MASSACHUSETTS, INC.

Financial Statements

Years Ended December 31, 2025 and 2024

CHILDREN'S ONCOLOGY SERVICES OF MASSACHUSETTS, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Children's Oncology Services of Massachusetts, Inc.

Opinion

We have audited the accompanying financial statements of Children's Oncology Services of Massachusetts, Inc. (a nonprofit corporation), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, as well as the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Children's Oncology Services of Massachusetts, Inc. as of December 31, 2025 and 2024, and the change 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Children's Oncology Services of Massachusetts, Inc. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Children's Oncology Services of Massachusetts, Inc.'s ability to continue as a going concern for a period within one year after the date that the financial statements were available to be issued.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it 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 do the following:

- 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 Children's Oncology Services of Massachusetts, Inc.'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 Children's Oncology Services of Massachusetts, Inc.'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.

Pozerski Hatch & Company, P.C.

Rockland, Massachusetts
August 6, 2026

CHILDREN'S ONCOLOGY SERVICES OF MASSACHUSETTS, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash and cash equivalents	\$ 566,894	\$ 273,686
Contributions receivable	40,000	15,605
Prepaid expenses	30,963	22,586
Investments	6,885,093	6,029,246
Property and equipment, net	<u>1,191,028</u>	<u>1,205,936</u>
Total assets	<u>\$ 8,713,978</u>	<u>\$ 7,547,059</u>
Liabilities and Net Assets		
Liabilities		
Accrued payroll and other expenses	\$ <u>77,029</u>	\$ <u>77,647</u>
Net Assets		
Without donor restrictions	5,465,427	4,689,262
With donor restriction	<u>3,171,522</u>	<u>2,780,150</u>
Total net assets	<u>8,636,949</u>	<u>7,469,412</u>
Total liabilities and net assets	<u>\$ 8,713,978</u>	<u>\$ 7,547,059</u>

The accompanying notes are an integral part of these financial statements.

CHILDREN'S ONCOLOGY SERVICES OF MASSACHUSETTS, INC.

STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating activities						
Revenue and support						
Contributions	\$ 1,084,209	\$ 70,740	\$ 1,154,949	\$ 861,573	\$ 21,955	\$ 883,528
Donated goods and services	40,514	-	40,514	107,255	-	107,255
Fundraising events, net of related expenses of \$64,780 in 2025 and \$59,130 in 2024	297,280	-	297,280	299,701	-	299,701
Net assets released from restrictions	40,015	(40,015)	-	25,181	(25,181)	-
Total revenue and support	<u>1,462,018</u>	<u>30,725</u>	<u>1,492,743</u>	<u>1,293,710</u>	<u>(3,226)</u>	<u>1,290,484</u>
Expenses						
Program	803,526	-	803,526	840,699	-	840,699
General and administrative	102,217	-	102,217	59,362	-	59,362
Fundraising	271,894	-	271,894	198,694	-	198,694
Total expenses	<u>1,177,637</u>	<u>-</u>	<u>1,177,637</u>	<u>1,098,755</u>	<u>-</u>	<u>1,098,755</u>
Change in net assets from operating activities	284,381	30,725	315,106	194,955	(3,226)	191,729
Nonoperating activities						
Capital campaign contributions	-	-	-	-	255,889	255,889
Loss on the disposal of property and equipment	(2,303)	-	(2,303)	(8,519)	-	(8,519)
Investment income, net	494,087	360,647	854,734	246,755	180,208	426,963
Net assets released from restrictions	-	-	-	255,889	(255,889)	-
Change in net assets from nonoperating activities	<u>491,784</u>	<u>360,647</u>	<u>852,431</u>	<u>494,125</u>	<u>180,208</u>	<u>674,333</u>
Change in net assets	776,165	391,372	1,167,537	689,080	176,982	866,062
Net assets, beginning of year	<u>4,689,262</u>	<u>2,780,150</u>	<u>7,469,412</u>	<u>4,000,182</u>	<u>2,603,168</u>	<u>6,603,350</u>
Net assets, end of year	<u>\$ 5,465,427</u>	<u>\$ 3,171,522</u>	<u>\$ 8,636,949</u>	<u>\$ 4,689,262</u>	<u>\$ 2,780,150</u>	<u>\$ 7,469,412</u>

The accompanying notes are an integral part of these financial statements.

CHILDREN'S ONCOLOGY SERVICES OF MASSACHUSETTS, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended December 31, 2025 and 2024

	2025				2024			
	Program	General and Administrative	Fundraising	Total Expenses	Program	General and Administrative	Fundraising	Total Expenses
Salaries	\$ 261,332	\$ 27,206	\$ 166,561	\$ 455,099	\$ 312,272	\$ 23,132	\$ 127,222	\$ 462,626
Employee benefits	26,319	2,740	16,774	45,833	13,322	987	5,428	19,737
Payroll taxes	20,486	2,132	13,057	35,675	34,441	2,551	14,031	51,023
Retirement plans	10,718	1,116	6,830	18,664	9,837	729	4,008	14,574
Total personnel expenses	318,855	33,194	203,222	555,271	369,872	27,399	150,689	547,960
Repairs and maintenance	108,801	-	-	108,801	99,335	-	-	99,335
Utilities and telephone	99,272	-	-	99,272	71,553	-	-	71,553
Depreciation	88,520	4,659	-	93,179	72,353	-	-	72,353
Office and general	15,009	4,661	51,599	71,269	12,331	4,229	32,615	49,175
Professional fees	7,800	52,120	300	60,220	-	20,975	-	20,975
Cleaning	48,947	-	-	48,947	40,872	-	-	40,872
Insurance	34,279	6,421	348	41,048	42,164	6,642	60	48,866
Household and kitchen supplies	24,556	-	-	24,556	14,085	-	-	14,085
Taxes - real estate	21,275	-	-	21,275	20,158	-	-	20,158
Household enhancements	13,128	-	-	13,128	-	-	-	-
Printing and publications	6,238	-	6,545	12,783	2,549	-	12,778	15,327
Postage and shipping	1,311	127	4,979	6,417	1,578	117	643	2,338
Subcontractors	6,250	-	-	6,250	43,780	-	-	43,780
Trash removal	6,167	-	-	6,167	20,135	-	-	20,135
Dues and subscriptions	3,118	1,035	1,714	5,867	7,167	-	-	7,167
Vounteer recognition	-	-	3,187	3,187	-	-	1,909	1,909
Rent	-	-	-	-	22,767	-	-	22,767
Total operating expenses	803,526	102,217	271,894	1,177,637	840,699	59,362	198,694	1,098,755
Fundraising event expenses	-	-	64,780	64,780	-	-	59,130	59,130
Total expenses	<u>\$ 803,526</u>	<u>\$ 102,217</u>	<u>\$ 336,674</u>	<u>\$ 1,242,417</u>	<u>\$ 840,699</u>	<u>\$ 59,362</u>	<u>\$ 257,824</u>	<u>\$ 1,157,885</u>

The accompanying notes are an integral part of these financial statements.

CHILDREN'S ONCOLOGY SERVICES OF MASSACHUSETTS, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 1,167,537	\$ 866,062
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	93,179	72,353
Donated property and equipment	(18,750)	(56,215)
Loss on disposal of property and equipment	2,303	8,519
Net realized and unrealized gains on investments	(419,739)	(138,744)
(Increase) decrease in operating assets:		
Contributions receivable	(24,395)	30,973
Prepaid expenses	(8,377)	(10,045)
Decrease in operating liabilities:		
Accrued payroll and other expenses	(618)	(13,758)
Net cash provided by operating activities	<u>791,140</u>	<u>759,145</u>
Cash Flows From Investing Activities		
Purchases of investments	(818,521)	(1,495,431)
Proceeds from sale of investments	382,413	1,525,071
Purchases of property and equipment	(61,824)	(776,152)
Net cash used by investing activities	<u>(497,932)</u>	<u>(746,512)</u>
Net change in cash and cash equivalents	293,208	12,633
Cash and cash equivalents, beginning of year	<u>273,686</u>	<u>261,053</u>
Cash and cash equivalents, end of year	<u>\$ 566,894</u>	<u>\$ 273,686</u>
Non-cash investing activity disclosure:		
Donated property and equipment	<u>\$ 18,750</u>	<u>\$ 56,215</u>

The accompanying notes are an integral part of these financial statements.

CHILDREN'S ONCOLOGY SERVICES OF MASSACHUSETTS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – NATURE OF THE ORGANIZATION

Organization

Children's Oncology Services of Massachusetts, Inc. (the "Organization") is a 501(c)3 non-profit organization in the Commonwealth of Massachusetts who provides supportive, no-cost housing and other assistance to young oncology patients and their families who must travel to Boston to receive specialized medical treatment at nearby hospitals. When children must travel long distances to access top medical care, accommodations and support for families can be expensive or not readily available. The Organization helps families stay close to their ill child through their program located in Brookline, which provides temporary lodging, meals, and other support to children and their families. The program provides families with emotional and physical comfort and increases the caregivers' ability to spend more time with their child, to interact with their clinical care team, and to participate in critical medical care decisions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Statement Presentation

The accompanying financial statements are presented on the accrual basis of accounting in accordance with the reporting standards for nonprofit organizations. Generally accepted accounting principles (GAAP) require the classification of net assets, revenues, expenses, gains, and losses into two categories based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net Assets Without Donor Restrictions – Net assets without donor restrictions represent available resources other than donor-restricted contributions. These resources may be expended at the discretion of the board of directors. As of December 31, 2025 and 2024, the board designated endowment funds totaled \$3,773,972 and \$3,278,772, respectively.

Net Assets With Donor Restrictions – Net assets with donor restrictions represent 1) contributions that are restricted by the donor as to purpose or time of expenditure, 2) contributions that require that the principal be maintained in perpetuity but permit the organization to expend the income earned thereon (donor-restricted endowment assets), and 3) the accumulated investment income and gains on donor-restricted endowment assets that have not been appropriated for expenditure.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law. Expirations of temporary restrictions on net assets, that is, the donor-imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed, are reported as net assets released from restrictions.

CHILDREN'S ONCOLOGY SERVICES OF MASSACHUSETTS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Statement Presentation (Continued)

Operations

The statements of activities present a change in net assets from operating and nonoperating activities. Operating activities consist of those revenues and expenses related to support programs of the Organization, including annual fund contributions to support these programs. It also includes endowment income used for operations under the Organization's endowment spending policy. Nonoperating activities consist of contributions for long-term purposes (e.g., endowment and capital), investment results (other than those used to support operations), loss on disposal of property and equipment, and other items not directly related to the Organization's general programs.

Use of Estimates

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

Cash and Cash Equivalents

Cash equivalents include money market funds and all highly liquid investments with a maturity date of less than three months from the date of purchase. Cash held in the Organization's investment portfolio is not included in cash and cash equivalents.

The Organization's cash balances that are maintained in bank accounts may exceed Federal Deposit Insurance Corporation (FDIC) limits from time to time. The Organization has not experienced any losses in such accounts, and management believes that it is not exposed to any significant credit risk with regard to cash.

Contributions Receivable

Contributions receivable are unconditional promises to give. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flow. Contribution receivables are written off when deemed uncollectible. All receivables are expected to be collected during the year ending December 31, 2026.

Investments and Investment Income

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Realized and unrealized gains and losses and investment income are included in the statements of activities. See Note 4 for a discussion of fair value measurements.

CHILDREN'S ONCOLOGY SERVICES OF MASSACHUSETTS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are stated at cost, if purchased, or estimated fair value, if donated, at the date of donation. Additions of \$2,500 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as incurred. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

<u>Asset Category:</u>	<u>Estimated Useful Life:</u>
Building and building improvements	10 to 40 Years
Furniture and fixtures	7 Years
Land improvements	15 Years
Office equipment	5 Years

Impairment of Long-Lived Assets

The Organization evaluates its long-lived assets for any events or changes in circumstances that indicate that the carrying amount of such assets may not be fully recoverable. The Organization evaluates the recoverability of long-lived assets by measuring the carrying amount of such assets against the estimated undiscounted future cash flows associated with them. At the time, if the evaluation indicates that the future undiscounted cash flows of certain long-lived assets are not sufficient to recover the carrying value of such assets, the assets are adjusted to their fair value.

Contributions

Unconditional promises to give are recognized as revenue in the period the promise was made, provided there is written documentation. Conditional promises are recorded as revenue when the conditions are substantially met. Contributions, grants, and bequests are recognized as donor restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue Recognition

The Organization recognizes revenue at an amount that reflects the consideration to which the Organization expects to be entitled in exchange for transferring goods or services to its customers using the following five-step process:

1. Identify the contract(s) with the customer
2. Identify the performance obligation(s) in the contract
3. Determine the transaction price
4. Allocate the transaction price to performance obligations in the contract
5. Recognize revenue when (or as) the Organization satisfies a performance obligation

Revenue from fundraising events is recognized at a point in time when the event occurs. At December 31, 2025 and 2024, there were no contract assets or liabilities related to fundraising events.

CHILDREN'S ONCOLOGY SERVICES OF MASSACHUSETTS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Goods and Services

Donated property and equipment, and other noncash goods are recorded as contributions at their fair values at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Donated services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization also receives donated services from other contributors and volunteers that do not meet this criteria and therefore, are excluded from the financial statements.

Functional Allocation of Expenses

The costs of providing the Organization's programs and supporting services have been summarized in the statements of activities. Expenses related directly to program activities are charged directly to program services, while other expenses that are common to several functions are allocated based on management's estimates, among major classes of program services and supporting activities. The expenses that have been allocated include personnel expenses, which have been allocated based on time and effort.

Income tax status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). The Organization is also exempt from any applicable state income taxes.

Subsequent Events

Management has evaluated subsequent events through August 6, 2026, the date the financial statements were available to be issued.

CHILDREN'S ONCOLOGY SERVICES OF MASSACHUSETTS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES

As of December 31, 2025 and 2024, the following financial assets could readily be made available within one year of the statement of financial position date to meet general expenditures:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 566,894	\$ 273,686
Contributions receivable	40,000	15,605
Investments, at fair value	6,885,093	6,029,246
Financial assets available at year-end	<u>7,492,077</u>	<u>6,318,537</u>
Less: amounts unavailable for general expenditures within one year due to:		
Restriction – purpose	(60,401)	(29,676)
Restriction – endowment (perpetuity)	<u>(3,111,121)</u>	<u>(2,750,474)</u>
Total amounts unavailable for general expenditures within one year	(3,171,522)	(2,780,150)
Less: amounts unavailable to management without board approval:		
Board designated for endowment	<u>(3,773,972)</u>	<u>(3,278,772)</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 546,583</u>	<u>\$ 259,615</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations may come due. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization anticipates collecting sufficient revenue and support to cover general expenditures not covered by donor restricted resources. The Organization's board of directors has designated a portion of its net assets without donor restrictions for endowment and other purposes. The Organization's long-term investments include board designated funds of \$3,773,972 and \$3,278,772 at December 31, 2025 and 2024, respectively, that may be drawn upon as necessary with the approval from the board of directors. Although not expected to be needed, the spendable yet restricted portion of the Organization's net assets could be used to meet cash needs, if necessary. Prudent investment management, however, must be considered to ensure the preservation of the funds for future use.

NOTE 4 – FAIR VALUE MEASUREMENTS

GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;

Level 2 - Valuations based on unadjusted quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets; and

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

CHILDREN'S ONCOLOGY SERVICES OF MASSACHUSETTS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)

At December 31, 2025, investments were recorded at fair value and were summarized as follows:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 422,615	\$ -	\$ -	\$ 422,615
Mutual funds – commodities	210,264	-	-	210,264
Mutual funds – equities	3,919,602	-	-	3,919,602
Mutual funds – fixed income	2,332,612	-	-	2,332,612
Total investments	\$ 6,885,093	\$ -	\$ -	\$ 6,885,093

At December 31, 2024, investments were recorded at fair value and were summarized as follows:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 374,259	\$ -	\$ -	\$ 374,259
Mutual funds – commodities	184,880	-	-	184,880
Mutual funds – equities	3,397,697	-	-	3,397,697
Mutual funds – fixed income	2,072,410	-	-	2,072,410
Total investments	\$ 6,029,246	\$ -	\$ -	\$ 6,029,246

The composition of investment income on the Organization's investment portfolio for the years ended December 31, 2025 and 2024, is as follows:

	2025	2024
Interest and dividends	\$ 466,645	\$ 318,292
Realized and unrealized gain, net	419,739	138,744
Less investment expense	(31,650)	(30,073)
Investment income, net	\$ 854,734	\$ 426,963

NOTE 5 – PROPERTY AND EQUIPMENT

At December 31, 2025 and 2024, property and equipment consisted of the following:

	2025	2024
Land	\$ 20,228	\$ 20,228
Buildings	1,830,173	1,830,173
Building improvements	1,610,894	1,604,966
Furniture and fixtures	444,425	410,900
Land improvements	124,369	122,216
Office equipment	35,039	29,954
Total	4,065,128	4,018,437
Less: accumulated depreciation and amortization	(2,874,100)	(2,812,501)
Property and equipment, net	\$ 1,191,028	\$ 1,205,936

Depreciation expense was \$93,179 and \$72,353 for the years ended December 31, 2025 and 2024, respectively.

CHILDREN'S ONCOLOGY SERVICES OF MASSACHUSETTS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – NET ASSETS AND ENDOWMENT FUNDS

Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following at December 31, 2025 and 2024:

	2025	2024
Donor restricted – purpose restricted	\$ 60,401	\$ 29,676
Endowment	3,111,121	2,750,474
Total net assets with donor restrictions	<u>\$ 3,171,522</u>	<u>\$ 2,780,150</u>

Endowment Funds

The Organization's endowment consists of individual funds established for specific purposes. Its endowment includes both donor restricted funds and funds designated by the board of directors to function as an endowment. As required by GAAP, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Absent explicit donor stipulations to the contrary, the board of directors of the Organization 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 gift date of the donor restricted endowment funds. As a result of this interpretation, the Organization classifies as with donor restrictions net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with the standard, the Organization considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

The Organization has adopted investment and spending policies, approved by the board of directors, for endowment assets. Those policies attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long term. Accordingly, the investment process seeks to achieve an after cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution, with acceptable levels of risk. Endowment assets are invested in a diversified asset mix, which includes equity and debt securities, which is intended to result in a consistent inflation protected rate of return that has sufficient liquidity to make an annual distribution of 1%- 5%, while growing the funds if possible. The Organization expects its endowment assets, over time, to produce an average rate of return of approximately 6% to 8% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to prevent exposing the fund to unacceptable levels of risk.

CHILDREN'S ONCOLOGY SERVICES OF MASSACHUSETTS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – NET ASSETS AND ENDOWMENT FUNDS (CONTINUED)

Endowment Funds (Continued)

The Organization has a policy of appropriating for distribution each year a range of 1%- 5% of its endowment fund's fair value of the preceding fiscal year, in which the distribution is planned, depending on needs that year. In establishing this policy, the Organization considered the long term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor restrictions, and the possible effects of inflation. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return. During the year ended December 31, 2025, the Organization did not appropriate an annual distribution to fund operations or projects. During the year ended December 31, 2024, the Organization did not appropriate an annual distribution but approved a withdrawal of \$320,000 from the board designated endowment to fund certain capital projects.

Changes in endowment portfolio net assets for the years ended December 31, 2025 and 2024:

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets – December 31, 2024	\$ 3,349,877	\$ 2,570,266	\$ 5,920,143
Investment income, net	246,755	180,208	426,963
Donated equities	2,140	-	2,140
Appropriated for expenditure	(320,000)	-	(320,000)
Endowment net assets – December 31, 2024	\$ 3,278,772	\$ 2,750,474	\$ 6,029,246
Investment income, net	494,087	360,647	854,734
Donated equities	1,113	-	1,113
Endowment net assets – December 31, 2025	\$ 3,773,972	\$ 3,111,121	\$ 6,885,093

NOTE 7 – DONATED GOODS AND SERVICES

The fair value of donated goods and services included as contributions in the financial statements and the corresponding expense categories for the years ended December 31, 2025 and 2024 are as follows:

	2025	2024
Capitalized property and equipment	\$ 18,750	\$ 56,215
Repairs and maintenance	11,300	-
Subcontractors	6,250	43,780
Fundraising printing expense	4,214	4,260
Fundraising event expense	-	3,000
Total	\$ 40,514	\$ 107,255

Contributed goods and services are valued and are reported at the estimated fair value in the financial statements based on current rates or current purchase price of such goods.

CHILDREN'S ONCOLOGY SERVICES OF MASSACHUSETTS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – FUNDRAISING EVENTS REVENUE

The Organization holds various events to help fund operations. Expenses incurred in relation to these events are netted against the revenue earned from these events, which is shown as net revenue from fundraising events, in the accompanying statement of activities.

Revenues and expenses related to these events for the year ended December 31, 2025, are as follows:

Fundraising Event	Revenue	Direct Cost	Net
Falmouth Road Race	\$ 199,811	\$ 16,454	\$ 183,357
Golf Tournament	138,225	39,898	98,327
Mini Golf Tournament	23,524	8,428	15,096
Other Fundraising Events and Costs	500	-	500
Total	<u>\$ 362,060</u>	<u>\$ 64,780</u>	<u>\$ 297,280</u>

Revenues and expenses related to these events for the year ended December 31, 2024, are as follows:

Fundraising Event	Revenue	Direct Cost	Net
Falmouth Road Race	\$ 181,104	\$ 16,014	\$ 165,090
Golf Tournament	135,751	37,999	97,752
Rodman Ride	19,809	-	19,809
Mini Golf Tournament	10,575	1,658	8,917
Other Fundraising Events and Costs	11,592	3,459	8,133
Total	<u>\$ 358,831</u>	<u>\$ 59,130</u>	<u>\$ 299,701</u>

NOTE 9 – RETIREMENT CONTRIBUTIONS

The Organization sponsors a 401(k) defined contribution retirement plan for its eligible employees. The Organization, at the discretion of the board of directors, may make certain additional matching, qualified nonelective, and discretionary contributions to all eligible participants for the plan year. The Organization made discretionary contributions totaling \$18,664 and \$14,574 for the years ended December 31, 2025 and 2024, respectively.

NOTE 10 – TRANSACTIONS WITH RELATED PARTIES

During 2025, the Organization paid approximately \$30,000 to a construction company, owned by a board member, for the removal and installation of carpeting, installation of a new children's play structure and miscellaneous maintenance projects at the Organization's facilities. At December 31, 2025, \$4,868 is due to the company and included in accounts payable and accrued expenses in the statements of financial position. In addition, the company provided approximately \$25,000 of donated services to the Organization in connection with the carpeting project and other miscellaneous maintenance projects, which is included in donated goods and services for the year ended December 31, 2025.

CHILDREN'S ONCOLOGY SERVICES OF MASSACHUSETTS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 10 – TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

During 2024, the Organization paid approximately \$743,000 to the same construction company, for the renovation of the parking deck and facilities during the year. In addition, the construction company provided approximately \$45,000 of donated services to the Organization in relation to these projects which is included in donated goods and services for the year ended December 31, 2024.

The Organization's Co-Executive Directors and House Managers have a family relationship.

NOTE 11 – CONCENTRATIONS

During the years ended December 31, 2025 and 2024, approximately 26% and 20%, respectively, of contribution revenue was derived from one donor. Additionally, contributions receivable at December 31, 2025 is comprised of amounts due from two donors and at December 31, 2024, 96% of contributions receivable is from one donor.