

**Children's Oncology
Services of
Massachusetts, Inc.
Financial Statements**

Years Ended December 31, 2022 and
2021

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Children’s Oncology Services of Massachusetts, Inc.

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Independent Auditors' Report

To the Board of Directors of
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 organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and 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 the Organization as of December 31, 2022, and the changes in its net assets and its cash flows for the year 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. 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 the organization 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 the Children's Oncology Services of Massachusetts, Inc.'s, ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

Samet & Company, P.C., who merged with Mazars USA, LLP effective December 1, 2022, had previously audited the Organization's 2021 financial statements, and they expressed an unmodified audit opinion on those audited financial statements in their report dated November 15, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Mazars USA LLP

November 15, 2023

Children's Oncology Services of Massachusetts, Inc.

Statements of Financial Position

December 31, 2022

(With Summarized Comparative Amounts as of December 31, 2021)

	2022	2021 (restated)
Assets		
Cash and cash equivalents	\$ 789,940	\$ 585,737
Pledges receivable	92,267	43,511
Prepaid expenses	18,482	18,536
Investments, at fair value	4,728,645	5,926,051
Property and equipment, net	450,466	469,133
	<hr/>	<hr/>
Total assets	\$ 6,079,800	\$ 7,042,968
	<hr/> <hr/>	<hr/> <hr/>
Liabilities and Net Assets		
Liabilities:		
Accrued expenses	\$ 87,555	\$ 88,929
	<hr/>	<hr/>
Net assets (see note 12):		
Net assets without donor restrictions	3,651,862	4,105,596
Net assets with donor restrictions	2,340,383	2,848,443
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Total net assets	5,992,245	6,954,039
	<hr/>	<hr/>
Total liabilities and net assets	\$ 6,079,800	\$ 7,042,968
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The accompanying notes are an integral part of these financial statements.

Children's Oncology Services of Massachusetts, Inc.

Statements of Activities and Changes in Net Assets

Year Ended December 31, 2022

(With Summarized Comparative Totals for the Year Ended December 31, 2021)

	2022			2021 (restated)
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues and other support:				
Contributions	\$ 809,586	\$ -	\$ 809,586	\$ 672,970
Donated goods and services	105,250	-	105,250	94,832
	<u>914,836</u>	<u>-</u>	<u>914,836</u>	<u>767,802</u>
Special events revenue	297,536	-	297,536	263,626
Less direct benefit costs	50,834	-	50,834	37,891
Net revenue from special events	<u>246,702</u>	<u>-</u>	<u>246,702</u>	<u>225,735</u>
Net assets released from restrictions	77,117	(77,117)	-	-
Total revenues and other support	<u>1,238,655</u>	<u>(77,117)</u>	<u>1,161,538</u>	<u>993,537</u>
Expenses:				
Program services	901,219	-	901,219	891,822
Supporting services:				
Management and general administration	127,293	-	127,293	116,403
Fundraising	108,452	-	108,452	95,544
Total expenses	<u>1,136,964</u>	<u>-</u>	<u>1,136,964</u>	<u>1,103,769</u>
Change in net assets from operations	101,691	(77,117)	24,574	(110,232)
Investment (loss) income, net	<u>(555,425)</u>	<u>(430,943)</u>	<u>(986,368)</u>	<u>621,020</u>
Change in net assets	(453,734)	(508,060)	(961,794)	510,788
Net assets, beginning of year	<u>4,105,596</u>	<u>2,848,443</u>	<u>6,954,039</u>	<u>6,443,251</u>
Net assets, end of year	<u>\$ 3,651,862</u>	<u>\$ 2,340,383</u>	<u>\$ 5,992,245</u>	<u>\$ 6,954,039</u>

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

Children's Oncology Services of Massachusetts, Inc.

Statements of Functional Expenses

Year Ended December 31, 2022

(With Summarized Comparative Totals for the Year Ended December 31, 2021)

	2022				2021
	Program Services	Management and General	Fundraising	Total	Total
Salaries and wages	\$ 312,645	\$ 76,545	\$ 73,867	\$ 463,057	\$ 472,030
Employee benefits	43,230	-	-	43,230	50,654
Payroll taxes and fees	29,477	8,163	7,709	45,349	49,610
Retirement contributions and fees	21,580	1,199	1,199	23,978	23,440
Total salaries and related expenses	406,932	85,907	82,775	575,614	595,734
Cleaning	34,806	-	-	34,806	34,358
Depreciation expense	60,099	-	-	60,099	69,046
Dues and subscriptions	7,987	-	-	7,987	4,255
Household and kitchen supplies	26,711	-	-	26,711	49,649
Insurance	43,662	-	-	43,662	41,302
Office and general	25,443	368	22,444	48,255	31,095
Other	27,223	-	-	27,223	24,461
Professional fees and services	59,375	36,500	-	95,875	58,603
Postage, printing and publishing	643	2,024	2,393	5,060	6,137
Repairs and maintenance	86,902	-	-	86,902	75,321
Subcontractors	4,695	-	-	4,695	9,525
Taxes - real estate	16,643	-	-	16,643	16,614
Telephone	7,022	2,473	396	9,891	12,583
Trash removal	25,148	-	-	25,148	16,609
Utilities	67,738	-	-	67,738	53,359
Volunteer recognition	190	21	444	655	5,118
Total expenses	\$ 901,219	\$ 127,293	\$ 108,452	\$ 1,136,964	\$ 1,103,769

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

Children's Oncology Services of Massachusetts, Inc.

Statements of Cash Flows

Year Ended December 31, 2022

(With Summarized Comparative Totals for the Year Ended December 31, 2021)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ (961,794)	\$ 510,788
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	60,099	69,046
Realized and unrealized losses and (gains) on investments	1,290,322	(131,096)
(Increase) decrease in assets:		
Pledges receivable	(48,756)	9,599
Prepaid expenses	54	(8,684)
Decrease in liabilities:		
Accrued expenses	(1,374)	18,260
	<u>338,551</u>	<u>467,913</u>
Net cash provided by (used in) operating activities		
Cash flows from investing activities:		
Purchase of investments	(484,071)	(921,052)
Proceeds from sale of investments	391,155	521,045
Purchase of property and equipment	(41,432)	(6,576)
	<u>(134,348)</u>	<u>(406,583)</u>
Net cash used in investing activities		
Net change in cash and cash equivalents	204,203	61,330
Cash and cash equivalents, beginning of year	<u>585,737</u>	<u>524,407</u>
Cash and cash equivalents, end of year	<u>\$ 789,940</u>	<u>\$ 585,737</u>

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

Children’s Oncology Services of Massachusetts, Inc.

Notes To Financial Statements Year Ended December 31, 2022 (With Comparative Amounts for December 31, 2021)

1. Nature of organization

Children’s Oncology Services of Massachusetts, Inc. (the “Organization”) which operates under the name The Boston House, provides supportive, low-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. Bylaws of the Organization allow for solicitation of contributions from the general public. The bylaws also allow for the housing, care or treatment of children afflicted with serious physical or mental diseases or disorders.

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 or injured child through their program located in Boston, 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.

2. Summary of significant accounting policies

Basis of accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Basis of presentation

Accounting standards require the Organization to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions are comprised of assets relating to activities that are not subject to donor stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors. As of December 31, 2022 and 2021, there were board designated endowment funds which total \$2,979,625 and \$3,590,309, respectively.

Net assets with donor restrictions are comprised of those assets for which use is limited by donor-imposed stipulations that will either expire with the passage of time or be fulfilled by the Organization.

Donor-restricted contributions consist of donor restricted endowment funds and funds which are restricted by the donors for specific purposes. Donor restricted endowment funds are established so that the principal be maintained in perpetuity. Generally, the donors of these assets permit the Organization to use all, or part of the income earned on related investments for unrestricted purposes.

Net assets with donor restrictions consisted of the following at December 31, 2022 and 2021:

<u>Purpose</u>	<u>2022</u>	<u>2021</u>
Donor restricted - other	\$ 37,816	\$ 71,243
Endowment	<u>2,302,567</u>	<u>2,777,200</u>
	<u>\$ 2,340,383</u>	<u>\$ 2,848,443</u>

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management of the Organization 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Children’s Oncology Services of Massachusetts, Inc.

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. The Organization's cash balances that are maintained in bank accounts may exceed Federal Deposit Insurance Corporation 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.

Pledges receivable

Pledges 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 flows. Contributions receivable are written off when deemed uncollectible. All pledges are expected to be collected during the year ending December 31, 2022.

Investments

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 and changes in net assets.

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 \$1,000 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 improvements	10- 40 Years
Furniture and fixtures	7 Years
Land improvements	15 Years
Motor vehicles	5 Years
Office equipment	5 Years

Impairment of long-lived assets

The Organization evaluates its long-lived assets for any events or changes in circumstances which 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 such 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 values.

Donated assets, property and equipment, and services

Donated marketable securities, property and equipment, and other noncash donations 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.

Children's Oncology Services of Massachusetts, Inc.

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 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 and changes in net assets as net assets released from restrictions. When restrictions are met in the same period as the contribution is received, the Organization records the contribution revenue as unrestricted.

Functional allocation of expenses

The costs of providing the Organization's programs and supporting services have been summarized in the statements of activities and changes in net assets. 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 salaries and wages and related expenses, which have been allocated based on factors such as 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.

Fair value of financial instruments

Accounting standards provide a common definition of fair value and establishes a framework to make the measurement of fair value in generally accepted accounting principles more consistent and comparable. Accounting standards also require expanded disclosures to provide information about the extent to which fair value is used to measure certain financial assets and liabilities, the methods and assumptions used to measure fair value and the effect of fair value measures on earnings. The Organization's financial assets reflected in the financial statements at fair value include its investments (see Note 4).

Subsequent events

Management evaluated subsequent events through November 15, 2023, the date the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in the financial statements.

Children's Oncology Services of Massachusetts, Inc.

3. Availability and liquidity

The following reflects the Organization's financial assets as of December 31, 2022, available to meet general and operational expenditures:

Financial assets at year end:	
Cash and cash equivalents	\$ 789,940
Pledges receivable	92,267
Investments, at fair value	4,728,645
Financial assets available at year-end	<u>5,610,852</u>
Less:	
Amounts unavailable for general expenditures within one year due to:	
Restricted by donors for purpose or time	37,816
Restricted by donors in perpetuity-endowment	2,302,567
Total amounts unavailable for general expenditures within one year:	<u>2,340,383</u>
Amounts unavailable to management without	
Board approval:	
Board designated for endowment	2,979,625
Total amounts unavailable to management without board approval:	<u>2,979,625</u>
Total financial assets available within one year for general and operational expenditures	<u>\$ 290,844</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.

4. Fair value measurements

In determining fair value, the Organization uses various valuation approaches within the fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability. A hierarchy for inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Levels within the hierarchy are based on the reliability of inputs as follows:

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 - Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models, and similar techniques not based on market, exchange, dealer, or broker-traded transactions.

Children's Oncology Services of Massachusetts, Inc.

The fair values of assets measured on a recurring basis as of December 31, 2022 and 2021 are as follows:

<u>December 31, 2022</u>		Fair Value Measurements Using			
<u>Assets</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds - broad commodities	\$ 325,571	\$ 196,476	\$ 196,476	\$ -	\$ -
Mutual funds - equities	2,619,454	2,945,071	2,945,071	-	-
Mutual funds - fixed income	1,857,875	1,587,098	1,587,098	-	-
Total	<u>\$ 4,802,900</u>	<u>\$ 4,728,645</u>	<u>\$ 4,728,645</u>	<u>\$ -</u>	<u>\$ -</u>

<u>December 31, 2021</u>		Fair Value Measurements Using			
<u>Assets</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds - broad commodities	\$ 321,792	\$ 226,268	\$ 226,268	\$ -	\$ -
Mutual funds - equities	2,414,749	3,658,672	3,658,672	-	-
Mutual funds - fixed income	2,120,965	2,041,111	2,041,111	-	-
Total	<u>\$ 4,857,506</u>	<u>\$ 5,926,051</u>	<u>\$ 5,926,051</u>	<u>\$ -</u>	<u>\$ -</u>

Fair values for Level 1 investments are determined by reference to unadjusted quoted market prices and other relevant information generated by market transactions. There have been no changes in valuation techniques and related inputs.

The composition of investment income on the Organization's investment portfolio for the years ended December 31, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 303,954	\$ 489,924
Realized and unrealized gain (loss), net	(1,262,723)	161,890
Less investment expenses	(27,599)	(30,794)
Investment income, net	<u>\$ (986,368)</u>	<u>\$ 621,020</u>

Children's Oncology Services of Massachusetts, Inc.

5. Property and equipment

Property and equipment consist of the following as of December 31, 2022 and 2021 :

	2022	2021
Land	\$ 20,228	\$ 20,228
Buildings	1,091,277	1,091,277
Building improvements	1,484,763	1,452,680
Furniture and fixtures	531,468	527,927
Land improvements	122,216	122,215
Motor vehicle	44,000	44,000
Office equipment	98,946	93,137
	<u>3,392,898</u>	<u>3,351,464</u>
Less - accumulated depreciation	2,942,432	2,882,331
	<u>\$ 450,466</u>	<u>\$ 469,133</u>

Depreciation expense for the years ended December 31, 2022 and 2021 totaled \$60,099 and \$69,046, respectively.

6. 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 U.S. 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 permanently restricted 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.

Investment Return Objectives, Risk Parameters and Strategies: 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 well-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 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.

Spending Policy: 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. The Organization expects the current spending policy to allow its endowment funds to grow at an average rate of 6% to 8% annually. 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.

Changes in endowment portfolio net assets for the year ended December 31, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets -beginning of year	\$ 3,590,309	\$ 2,777,200	\$ 6,367,509
Investment (loss) Income, net	(555,425)	(430,943)	(986,368)
Donated Stock	1,051	-	1,051
Appropriated for expenditure	(56,310)	(43,690)	(100,000)
Balance, December 31, 2022	\$ 2,979,625	\$ 2,302,567	\$ 5,282,192

Fund Deficiencies: From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. There were no deficiencies of this nature reported in net assets with donor restrictions as of December 31, 2022 and 2021.

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, 2022 and 2021 are as follows:

	2022	2021
Repairs and maintenance	\$ 6,050	\$ 300
Professional services	59,375	35,775
Household and kitchen supplies	14,310	38,659
Other	25,515	20,098
Total	\$ 105,250	\$ 94,832

The contributed services recognized comprise of repairs and maintenance services and professional services provided for maintenance support and IT consulting services, which for the year ended December 31, 2022 totaled \$6,050 and \$59,375, respectively. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates.

Contributed goods which are comprised of household kitchen supplies and other products donated to the Organization for supplies and goods to be used by families staying at the house which total \$14,310 and \$25,515 for the year ended December 31, 2022, respectively. These goods are valued and are reported at the estimated fair value in the financial statements based on the current purchase price of such goods.

Children's Oncology Services of Massachusetts, Inc.

8. Paycheck Protection Program

On May 4, 2020, the Organization received \$58,014 of unsecured funds under the Paycheck Protection Program of H.R. 748 ("PPP"), the purpose of which is to provide emergency assistance for organizations affected by the 2020 coronavirus pandemic. The Organization may request in writing that the principal balance of the note and all accrued interest be forgiven upon certification that all proceeds of the note have been used for forgivable purposes as described in 13 CFR Part 120 and the guidance promulgated thereunder by Small Business Administration, an Agency of the United States of America ("SBA").

Management received confirmation on March 22, 2021 that the loan amount of \$58,014 has been forgiven. The amount of \$58,014, relating to funds received during the year ended December 31, 2021, were used for the restricted purpose and therefore the funds were recognized as a grant and included as part of contributions in the accompanying statements of activities for the year ended December 31, 2021.

9. Special 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 special events, net of direct costs, in the statements of activities and changes in net assets.

Revenues and expenses related to these events for the year ended December 31, 2022, are as follows:

<u>Special Event</u>	December 31, 2022		
	<u>Revenue</u>	<u>Direct Costs</u>	<u>Net</u>
Falmouth Road Race	\$ 138,888	\$ 16,573	\$ 122,315
Golf Tournament	130,159	34,261	95,898
Rodman Ride	28,489	-	28,489
	<u>\$ 297,536</u>	<u>\$ 50,834</u>	<u>\$ 246,702</u>

Revenues and expenses related to these events for the year ended December 31, 2021, are as follows:

<u>Special Event</u>	December 31, 2021		
	<u>Revenue</u>	<u>Direct Costs</u>	<u>Net</u>
Falmouth Road Race	\$ 110,970	\$ 7,007	\$ 103,963
Golf Tournament	122,446	30,089	92,357
Rodman Ride	30,210	795	29,415
	<u>\$ 263,626</u>	<u>\$ 37,891</u>	<u>\$ 225,735</u>

10. 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 non-elective, and discretionary contributions to all eligible participants for the plan year. The Organization made discretionary contributions totaling \$23,978 and \$23,440 for the years ended December 31, 2022 and 2021, respectively.

The Organization also established a 457(b) non-qualified deferred compensation plan during the year ended December 31, 2012 for selected key employees. There were no contributions made to the non-qualified deferred compensation plan for the years ended December 31, 2022 and 2021.

11. Transactions with Related Parties

During the years ended December 31, 2022 and 2021, the Organization received \$82,642 and \$40,388, respectively, in various donations from board members.

Children’s Oncology Services of Massachusetts, Inc.

12. Prior period adjustment

The Organization determined that its classification of net assets without donor restrictions and with donor restrictions were not properly reflecting the activity and earnings in the underlying board designated and donor restricted endowments due to an incorrect allocation of income earned on the underlying investments of these endowments. The following adjustment was required to correct these mis-allocations.

	As previously stated	Correction	Restated
Net assets without donor restrictions at January 1, 2022	\$ 4,561,725	\$ (456,129)	\$ 4,105,596
Net assets with donor restrictions at January 1, 2022	\$ 2,392,314	\$ 456,129	\$ 2,848,443

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