MARY BIRD PERKINS
CANCER CENTER™

CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

MARY BIRD PERKINS CANCER CENTER

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2023

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INDEPENDENT AUDITORS' REPORT

Finance Committee
Mary Bird Perkins Cancer Center

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Mary Bird Perkins Cancer Center and its subsidiaries (the "Center"), which comprise the consolidated statement of financial position as of June 30, 2023, the related consolidated statements of activities, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Mary Bird Perkins Cancer Center and its subsidiaries as of June 30, 2023, and the consolidated changes in their net assets and their 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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States ("*Government Auditing Standards")*. 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 Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of the Mary Bird Perkins Cancer Center and its subsidiaries as of and for the year ended June 30, 2022, were audited by another auditor who expressed an unmodified opinion on those statements on March 31, 2023.

Responsibilities of Management for the Financial Statements

The Center's 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, 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 Center's ability to continue as a going concern for 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government 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 GAAS and *Government 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 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2024, on our consideration of the Mary Bird Perkins Cancer Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Mary Bird Perkins Cancer Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Mary Bird Perkins Cancer Center's internal control over financial reporting and compliance.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating information on pages 33 - 36 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 has been subjected to the auditing procedures applied in the audits 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 is fairly stated in all material respects in relation to the financial statements as a whole.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
April 29, 2024

MARY BIRD PERKINS CANCER CENTER
BATON ROUGE, LOUISIANA

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

A S S E T S

	2023	2022
CURRENT ASSETS		
Cash and cash equivalents	$ 17,366,043	$ 12,290,677
Investments	14,022,076	21,357,971
Patient accounts receivable	20,974,837	23,169,663
Unconditional promises to give, net	2,033,447	1,294,181
Other receivables	9,134,106	3,018,655
Due from OneOncology	7,880,112	5,113,306
Inventory	4,507,224	3,646,897
Current portion of note receivable	2,160,000	-
Prepaid expenses and other current assets	4,190,217	2,131,041
Total current assets	82,268,062	72,022,391
PROPERTY AND EQUIPMENT		
Property and equipment (net of accumulated depreciation)	55,432,749	43,179,018
	55,432,749	43,179,018
OTHER ASSETS		
Investment in Gamma Knife of Louisiana, LLC	298,517	648,517
Note receivable, net	8,640,000	10,800,000
Right-of-use asset	8,583,595	5,612,347
Assets limited as to use		
Investments	25,505,565	17,761,392
Beneficial interest in split-interest agreements	1,683,789	1,705,161
Other investments	5,722,500	5,400,000
Unconditional promises to give, net	2,339,684	3,840,000
Other assets	50,221	29,212
	52,823,871	45,796,629
Total assets	$ 190,524,682	$ 160,998,038

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

LIABILITIES AND NET ASSETS

	2023	2022
CURRENT LIABILITIES		
Current portion of long-term debt	$ 1,226,531	$ 1,302,698
Accounts payable and other accrued expenses	38,910,355	18,657,435
Credit balances in patient accounts receivable	305,672	68,229
Current portion of lease liability	1,133,382	726,426
Deferred revenues	5,400,000	5,400,000
Total current liabilities	46,975,940	26,154,788
LONG-TERM LIABILITIES		
Long-term debt, net of current portion	19,117,778	20,355,748
Lease liability, net of current portion	7,694,031	4,915,097
Deferred revenues, net of current portion	13,500,000	18,900,000
Total long-term liabilities	40,311,809	44,170,845
NET ASSETS / EQUITY		
Controlling interest:		
Without donor restrictions	75,136,241	69,354,770
With donor restrictions	19,598,787	16,939,562
Total controlling interest	94,735,028	86,294,332
Noncontrolling interest	8,501,905	4,378,073
Total net assets	103,236,933	90,672,405
Total liabilities and net assets	$ 190,524,682	$ 160,998,038

MARY BIRD PERKINS CANCER CENTER
BATON ROUGE, LOUISIANA

CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES:			
Revenues from patient care	$ 134,375,380	$ -	$ 134,375,380
Medical management services	570,038	-	570,038
Shared services	18,327,080	-	18,327,080
Interest, dividends, rental, and other revenues	13,361,783	-	13,361,783
Total revenues from operations	166,634,281	-	166,634,281
OPERATING EXPENSES:			
Cost of providing patient care	129,419,432	-	129,419,432
General and administrative expenses	34,055,958	-	34,055,958
Interest, depreciation, and amortization	5,189,399	-	5,189,399
Total expenses from operations	168,664,789	-	168,664,789
Net margin from operations	(2,030,508)	-	(2,030,508)
NONOPERATING REVENUES (EXPENSES):			
Interest, dividends, and realized gains	8,467,103	-	8,467,103
Investment revenues - unrealized gains (losses)	5,852,991	-	5,852,991
Total nonoperating revenues (expenses)	14,320,094	-	14,320,094
MISSION AND PROGRAM ACTIVITIES:			
Contributions, donations, and grants	1,739,295	5,699,066	7,438,361
Research trials and cancer abstracting services	(3,650)	-	(3,650)
	1,735,645	5,699,066	7,434,711
Net assets released from restrictions	3,039,841	(3,039,841)	-
Total revenues - mission and programs	4,775,486	2,659,225	7,434,711
Less expenses incurred for:			
Cancer support services, awareness, education, and early detection	3,605,429	-	3,605,429
Research	1,773,477	-	1,773,477
Fundraising expenses	1,780,863	-	1,780,863
Total expenses - mission and programs	7,159,769	-	7,159,769
Excess of Mission and Program Revenues Over (Under) Expenses	(2,384,283)	2,659,225	274,942
CHANGE IN NET ASSETS	9,905,303	2,659,225	12,564,528
Less: increase in net assets attributable to noncontrolling interest	4,123,832	-	4,123,832
Change in net assets attributable to the Mary Bird Perkins Cancer Center	$ 5,781,471	$ 2,659,225	$ 8,440,696

The accompanying notes are an integral part of this consolidated financial statement.

MARY BIRD PERKINS CANCER CENTER
BATON ROUGE, LOUISIANA

CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES:			
Revenues from patient care	$ 91,280,663	$ -	$ 91,280,663
Medical management services	2,395,160	-	2,395,160
Shared services	7,193,276	-	7,193,276
Interest, dividends, rental, and other revenues	4,785,540	-	4,785,540
Total revenues from operations	105,654,639	-	105,654,639
OPERATING EXPENSES:			
Cost of providing patient care	85,334,471	-	85,334,471
General and administrative expenses	19,895,591	-	19,895,591
Interest, depreciation, and amortization	4,697,790	-	4,697,790
Total expenses from operations	109,927,852	-	109,927,852
Net margin from operations	(4,273,213)	-	(4,273,213)
NONOPERATING REVENUES (EXPENSES):			
Interest, dividends, and realized gains	917,361	-	917,361
Investment revenues - unrealized gains (losses)	(5,377,979)	-	(5,377,979)
Earnings of subsidiaries	20,030	-	20,030
Change in value of derivative liabilities	409,723	-	409,723
Other	989,763	-	989,763
Total nonoperating revenues (expenses)	(3,041,102)	-	(3,041,102)
MISSION AND PROGRAM ACTIVITIES:			
Contributions, donations, and grants	8,317,338	5,706,339	14,023,677
Research trials and cancer abstracting services	1,202,611	-	1,202,611
	9,519,949	5,706,339	15,226,288
Net assets released from restrictions	2,441,394	(2,441,394)	-
Total revenues - mission and programs	11,961,343	3,264,945	15,226,288
Less expenses incurred for:			
Cancer support services, awareness, education, and early detection	3,296,356	-	3,296,356
Research	2,096,984	-	2,096,984
Fundraising expenses	1,951,279	-	1,951,279
Total expenses - mission and programs	7,344,619	-	7,344,619
Excess of Mission and Program Revenues Over (Under) Expenses	4,616,724	3,264,945	7,881,669
CHANGE IN NET ASSETS	(2,697,591)	3,264,945	567,354
Less: increase in net assets attributable to noncontrolling interest	811,102	-	811,102
Change in net assets attributable to the Mary Bird Perkins Cancer Center	$ (3,508,693)	$ 3,264,945	$ (243,748)

The accompanying notes are an integral part of this consolidated financial statement.

MARY BIRD PERKINS CANCER CENTER
BATON ROUGE, LOUISIANA

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2023 AND 2022

	Mary Bird Perkins Cancer Center		
	Without Donor Restrictions	With Donor Restrictions	Total Controlling Interest
Balance at June 30, 2021	$ 72,863,463	$ 13,674,617	$ 86,538,080
Change in net assets for the year ended June 30, 2022	(3,508,693)	3,264,945	(243,748)
Distributions to noncontrolling interest	-	-	-
Balance at June 30, 2022	69,354,770	16,939,562	86,294,332
Change in net assets for the year ended June 30, 2023	5,781,471	2,659,225	8,440,696
Distributions to noncontrolling interest	-	-	-
Balance at June 30, 2023	$ 75,136,241	$ 19,598,787	$ 94,735,028

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

Noncontrolling Interest	Total
$ 3,566,971	$ 90,105,051
811,102	567,354
-	-
4,378,073	90,672,405
4,123,832	12,564,528
-	-
$ 8,501,905	$ 103,236,933

MARY BIRD PERKINS CANCER CENTER
BATON ROUGE, LOUISIANA

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES AND GAINS		
Change in net assets	$ 12,564,528	$ 567,354
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities and gains:		
Depreciation	4,564,690	3,763,833
Amortization of deferred revenues	(5,400,000)	(2,700,000)
Amortization of leases, net	214,642	29,176
Realized and unrealized (gains) losses on investments	(14,296,593)	4,600,508
Unrealized (gains) losses on investment in subsidiary	(15,000)	(20,030)
Gain on sales of property and equipment	-	(46,056)
Change in value of derivative liability	-	(409,723)
Contributions restricted for endowment purposes	107,872	(2,417,160)
Net change in patient accounts receivable	2,432,269	(30,472,801)
Net change in promises to give and beneficial interest in split interest agreements	782,422	(3,632,834)
Net change in other receivables and prepaid expenses	(10,962,442)	(6,891,970)
Net change in inventory	(860,327)	(3,646,897)
Net change in accounts payable and accrued expenses	20,252,920	26,438,541
Net cash provided by (used in) operating activities and gains	9,384,981	(14,838,059)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(16,818,421)	(7,545,228)
Net sales (purchases) of investments	13,565,815	982,844
Distributions received from Gamma Knife of Louisiana, LLC	365,000	212,499
Cash received from OneOncology transaction (Note 2)	-	9,479,051
Net cash provided by (used in) investing activities	(2,887,606)	3,129,166
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	-	20,000,000
Repayments of long-term debt	(1,314,137)	(11,707,720)
Contributions restricted for endowment purposes	(107,872)	2,417,160
Net cash provided by (used in) financing activities	(1,422,009)	10,709,440
Net change in cash and cash equivalents	5,075,366	(999,453)
Cash and cash equivalents - beginning of year	12,290,677	13,290,130
Cash and cash equivalents - end of year	$ 17,366,043	$ 12,290,677
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	$ 519,534	$ 431,509

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

MARY BIRD PERKINS CANCER CENTER
BATON ROUGE, LOUISIANA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of significant accounting policies

The accounting and reporting policies of the Mary Bird Perkins Cancer Center ("the Center") conform to accounting principles generally accepted in the United States of America and the prevailing practices within the healthcare industry. The significant accounting policies used by the Center in preparing and presenting its consolidated financial statements are summarized as follows:

Organization

The mission of the Center, a Louisiana not-for-profit corporation, is 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 hospitals, 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 a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code. 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.

The Center holds a 65% membership interest in St. Elizabeth - Mary Bird Perkins Cancer Center, LLC, 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%.

The Center holds a 50% membership interest in Gamma Knife of Louisiana, LLC, which owns cancer treatment equipment. The Center accounts for this investment using the equity method.

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. All significant intercompany accounts and transactions have been eliminated in consolidation.

1. Summary of significant accounting policies (continued)

Basis of presentation

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

> *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 the funds 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 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 these estimates.

While management uses available information in estimating the Center’s patient accounts receivable, changes in the reimbursable contract rates and the composition of the patient treatments could result in further changes in the carrying amounts of patient receivables. As such, it is reasonably possible that the estimated patient accounts receivable may change materially in the near term. The amount of the change that is reasonably possible, however, cannot be estimated.

Cash and cash equivalents

For purposes of financial statement presentation, the Center considers all checking accounts, savings accounts, money market funds, and investments with maturities of ninety days or less at the date of purchase, that are not held in brokerage accounts and are not limited as to use, to be cash and cash equivalents.

1. Summary of significant accounting policies (continued)

Patient accounts receivable

The Center provides credit in the normal course of operations to both patients located primarily in southern Louisiana and southern Mississippi and insurance companies conducting operations in these areas.

The Center determines if patient accounts receivable are past-due based on the original bill date; however, the Center does not charge interest on past-due accounts. The Center charges off patient accounts receivable if management considers the collection of the outstanding balances to be doubtful.

Patient accounts receivable are recorded at net realizable value based on certain assumptions determined for each payor. For third-party payors, including Medicare, Medicaid, and Managed Care companies, the net realizable value is based on the estimated contractual reimbursement percentage, which is based on current contract prices or historical paid claims data by payor. For self-pay accounts receivable, which includes patients who are uninsured and the patient responsibility portion for patients with insurance, the net realizable value is determined using estimates of historical collection experience. These estimates are adjusted for estimated conversions of patient responsibility portions, expected recoveries, and any anticipated changes in trends.

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 patient accounts receivable. The Center also continually reviews the net realizable value of patient accounts receivable by monitoring historical cash collections, as well as by analyzing current period patient service revenue and admissions by payor classification, aged accounts receivable by payor, days revenue outstanding, and the composition of self-pay receivables between pure self-pay patients and the patient responsibility portion of third-party insured receivables.

Contract assets, if any, consist of services provided to patients who were still receiving care at the Center’s facilities at the reporting date. This represents patient charges that have not been billed and which do not meet the conditions of unconditional right to payment at the financial position date. The Center did not have any contract assets at either June 30, 2023, 2022, or 2021.

The Center has elected the practical expedient allowed under Financial Accounting Standards Board (FASB) ASC 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.

The Center has applied the practical expedient provided by FASB ASC 340-40-25-4 and all incremental customer contract acquisition costs are expensed as incurred, as the amortization period of the asset that the Center otherwise would have recognized is one year or less in duration.

1. Summary of significant accounting policies (continued)

Investments and investment income

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. 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. Unrealized gains and losses are recorded in current year operations as increases or decreases in net assets without donor restrictions. Dividend, interest, and other investment income are recorded as increases in net assets without donor restrictions unless the use is restricted by the donor.

Donated investments are recorded at market value at the date of receipt, which is then treated as cost. Realized gains and losses on dispositions are based on the net proceeds and the adjusted cost bases of the securities sold, using the specific identification method, and these realized gains and losses flow through the Center's current operations.

Nonmarketable equity securities

Nonmarketable equity securities, which include investments in OneOncology, LLC are carried at cost.

Inventories

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

Property and equipment

Property and equipment are stated at cost. Donated property is recorded at its estimated fair value on the date of receipt, which is then treated as cost. Additions, renewals, and betterments that increase the values or extend the lives of assets are capitalized. Maintenance and repair expenditures are expensed as incurred.

Depreciation has been provided using the straight-line method over the estimated useful lives of the related assets, which range from 3 to 39 years.

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gains or losses are recognized in the Center's current operations.

Assets limited as to use

Assets limited as to use, which consist primarily of 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. The Board retains control over the designated assets and may, at its discretion, subsequently use them for other purposes. The amounts required to meet current liabilities of the Center, if any, have been reclassified in the consolidated statements of financial position as current assets.

1. Summary of significant accounting policies (continued)

Split-interest agreements and assets held in trust

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.

Debt issuance costs

The Center follows Accounting Standards Update ("ASU") 2015-03, *Interest-Imputation of Interest*, which was issued by the Financial Accounting Standards Board (FASB) to simplify the presentation of debt issuance costs. This ASU requires that debt issuance costs related to a recognized debt liability be presented in the consolidated statements of financial position as a direct reduction from the carrying amount of the debt liability. Deferred costs are amortized to interest expense over the term of the related debt.

Derivative financial instruments

The Center has used interest rate swap agreements to modify the interest rate characteristics of its outstanding indebtedness. Interest rate swaps are contracts in which a series of interest rate flows are exchanged over a prescribed period. The notional amount on which the interest payments are based is not exchanged. These swap agreements were derivative instruments and converted a portion of the Center's variable-rate debt to a fixed rate (cash flow hedge).

Leases

The FASB Accounting Standards Update (ASU) 2016-02, "*Leases* ("Topic 842")," was issued to increase transparency and comparability among financial statements by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about lease agreements. The Center adopted ASU 2016-02 and its improvements using a modified retrospective approach, and the accounting policies related to leases were revised at the adoption date of July 1, 2021.

The Center determines if an arrangement is a lease at inception of the contract and assesses the appropriate classification as operating or financing. Operating leases with terms greater than one year are included in right-of-use assets and lease liabilities on the Center's consolidated statements of financial position. Operating right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the term using the interest rate implicit in the contract, when available, or the risk-free rate.

The Center has elected the practical expedient that allows lessees to choose to not separate lease and non-lease 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 allowed the carryforward of the Center's historical assessments of whether contracts are or contain leases, the lease classification, and the treatment of initial direct costs.

1. Summary of significant accounting policies (continued)

Leases (continued)

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 the years ended June 30, 2023 or 2022.

Operating revenues and expenses

Management considers revenues and expenses associated with the provision of patient care; revenues earned and expenses incurred for medical management services rendered; all general, administrative and depreciation expenses; and other income such as rents, and grants to be components of its net margin from operations. Nonoperating revenues and expenses include investment revenues, including unrealized gains and losses on investments, earnings of subsidiaries, and the change in the value of derivative liabilities. Revenues and direct expenses associated with Center activities promoting cancer awareness, education, early detection, and non-capital campaign fundraising, together with gains and losses earned on restricted and designated funds, are considered components in the determination of Mission and Program Activities results.

Patient service revenue

The Center reports revenues from patient services 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, governmental programs, health maintenance organizations, private insurers, and others, and include variable consideration for retroactive revenue adjustments due to settlements of audits, reviews, and investigations. Revenue is recognized as the performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Center. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Center believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. The Center measures the performance obligation from the commencement of an outpatient service to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge or completion of the outpatient services. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to patients and customers in a retail setting, and the Center does not believe it is required to provide additional goods or services to the patient.

The Center determines the transaction price based on standard charges for goods and services provided, reduced by explicit concessions provided to third-party payors. The Center determines its estimates of explicit concessions 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 various classes of patients.

1. Summary of significant accounting policies (continued)

Patient service revenue (continued)

The Center has determined that it has provided implicit price concessions to uninsured patients and patients with other uninsured balances (for example, copays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Center expects to collect based on its collection history with those patients. The estimate of implicit price concessions is based on historical collection experience with these classes of patients using a portfolio approach as a practical expedient to account for patient contracts as collective groups rather than individually. The financial statement effects of using this practical expedient are not materially different from an individual contract approach.

Because all of its performance obligations relate to contracts with a duration of less than one year, the Center has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period (if any).

Charity care

The Center provides care to patients who meet certain criteria established under its charity care policy at no charge or at rates substantially lower than its prevailing rates. Because the Center does not pursue collection of amounts classified as charity care, these amounts are not reported as revenue. The Center follows ASU 2010-23, *Measuring Charity Care for Disclosure,* which requires that cost be used as the measurement basis for charity care disclosure purposes and that cost be identified as the direct and indirect costs of providing charity care.

Contributions

Contributions received are recorded based on the existence or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Promises to give

Unconditional promises to give are recognized as revenue in the period received. Promises to give are recorded at their realizable value if they are expected to be collected in one year and at their fair value if they are expected to be collected in more than one year. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. An allowance for doubtful accounts has been established based on management’s assessment of collectability.

1. Summary of significant accounting policies (continued)

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.

Communications and advertising

The Center expenses communications and advertising costs as they are incurred. Communications and advertising expense includes all expenses necessary to develop and execute initiatives, including production, printing, collateral development, media costs, and graphic design.

Expenses and functional allocation of expenses

Expenses are recorded when incurred in accordance with the accrual basis of accounting. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to program and supporting services on the basis of periodic time and expense studies. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Center.

Income taxes

The Center, the Foundation, and Cancer Services, Inc. are not-for-profit organizations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal and state income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code. St. Elizabeth - Mary Bird Perkins Cancer Center, LLC and Gulf South Oncology Holdings, LLC 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 accounts for income taxes in accordance with the guidance included in the Accounting Standards Codification (ASC). The Center recognizes the effect of income tax positions only if the positions are more likely than not of being sustained.

The Center has evaluated its position regarding the accounting for uncertain income tax positions and does not believe that it has any material uncertain tax positions at June 30, 2023. With few exceptions, the statute of limitations for the examination of the Center's income tax returns is generally three years from the due date of the tax return including extensions.

2. Transaction with OneOncology

In August 2021, the Center signed a letter of intent to affiliate with OneOncology, LLC 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 OneOncology closed in the fourth quarter of 2021, with an effective date of January 1, 2022. OneOncology brings to the Center resources, access to a broad network of physicians across the country, information technology assets and national buying power. The partnership is anticipated to support program growth, reduce costs for patients and expand access to clinical trials.

As part of this affiliation, the Center and OneOncology, LLC entered into an asset purchase and consideration agreement along with a management services agreement in which the Center sold a limited portion of its non-clinical assets but retained all of its buildings and clinical equipment. A portion of the consideration paid to the Center, which was in the form of cash and a promissory note, was for the purchase and assumption of certain assets and liabilities. The remaining balance of the consideration was paid to the Center in consideration of the Center entering into the management services agreement with OneOncology, LLC. The Center recorded these funds as deferred revenues and is recognizing these revenues over the term of the agreement.

In accordance with the terms of the management services agreement, the Center pays a management service fee to OneOncology, LLC equal to 20% of revenues less office expenses as defined. This fee totaled approximately $3,340,000 and $1,231,000 during the years ended June 30, 2023 and 2022, respectively.

As part of the management services agreement, certain expenses of the Center are paid directly by OneOncology, LLC and certain revenues of the Center are billed and collected by OneOncology, LLC on behalf of the Center. As a result of these transactions, the Center had an outstanding balance due from OneOncology, LLC of approximately $7,880,000 and $5,113,000 at June 30, 2023 and 2022, respectively.

3. Patient service revenue

The Center's revenues generally relate to contracts with patients in which the performance obligations are to provide healthcare services to patients, and the Center records revenues as performance obligations are satisfied. The performance obligations for outpatient services are generally satisfied over a period of less than one day. The contractual relationships with patients, in most cases, also involve a third-party payor (Medicare, Medicaid, managed care health plans, and commercial insurance companies).

The estimates for implicit price concessions are based upon management's assessment of historical write-offs and expected net collections, business and economic conditions, trends in federal, state, and private employer healthcare coverage, and other collection indicators. Management relies on the results of detailed reviews of historical write-offs and collections (the "hindsight analysis") as a primary source of information in estimating the collectability of accounts receivable.

The Center has agreements with governmental and other third-party payors that provide for payments to the Center at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the differences between the Center's billings at established rates for services and amounts reimbursed by third-party payors.

3. Patient service revenue (continued)

A summary of the basis of reimbursement with major third-party payors is as follows:

- *Medicare* - services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors.

- *Medicaid* - services rendered to Medicaid program beneficiaries are reimbursed at a prospectively determined fee schedule.

- *Commercial and HMO* - the Center has also entered into agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. Payment methodologies under these agreements include discounts from established charges and prospectively determined rates.

The Center recorded approximately $313,935,000 and $220,770,000 of implicit and explicit price concessions as a direct reduction of patient revenues during the years ended June 30, 2023 and 2022, respectively. The composition of patient service revenue for the years ended June 30, 2023 and 2022 was as follows:

	2023	2022
Radiation Oncology	20%	30%
Imaging	5%	3%
Medical Oncology	75%	67%
	100%	100%
Medicare and Medicaid	64%	70%
Managed care organizations	34%	29%
Patients and other	2%	1%
	100%	100%

The laws and regulations governing the Center's operations, along with the terms of participation in various government programs, regulate how the Center does business, the services offered and its interactions with patients and the public. These laws and regulations, and their interpretations, are subject to frequent change. Changes in existing laws or regulations, or their interpretations, or the enactment of new laws or regulations could materially and adversely affect the Center's operations and financial condition.

The Center is subject to various routine and non-routine governmental reviews, audits, and investigations. In recent years, federal and state civil and criminal enforcement agencies have heightened and coordinated their oversight efforts related to the healthcare industry, including referral practices, cost reporting, billing practices, joint ventures, and other financial relationships among healthcare providers. Violation of the laws governing the Center's operations, or changes in the interpretation of those laws, could result in the imposition of fines, civil or criminal penalties, and/or termination of the Center's rights to participate in federal and state-sponsored programs and suspension or revocation of the Center's licenses. The Center believes that it is in material compliance with all applicable laws and regulations.

4. Investments

Investments which are not considered limited as to use are stated at fair value and consisted of the following at June 30, 2023 and 2022:

	2023	2022
Cash and cash equivalents	$ 2,083,266	$ 1,248,409
Mutual funds, equities, and exchange traded funds	11,938,810	20,109,562
	$ 14,022,076	$ 21,357,971

The composition of investments classified as assets limited as to use at June 30, 2023 and 2022, which are stated at fair value, is as follows:

	2023	2022
Cash and cash equivalents	$ 5,543,114	$ 1,494,820
Managed accounts	19,962,451	16,266,572
	$ 25,505,565	$ 17,761,392

5. Unconditional promises to give

Unconditional promises to give at June 30, 2023 and 2022, were as follows:

	2023	2022
Promises to give expected to be collected in:		
Less than one year	$ 2,058,447	$ 1,327,736
One to five years	2,339,684	3,840,000
	4,398,131	5,167,736
Less allowance for uncollectible accounts	(25,000)	(33,555)
Net unconditional promises to give	$ 4,373,131	$ 5,134,181

6. 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, 2023 and 2022 were 5.54% and 4.55%, respectively.

Adjustments recognized for these split-interest agreements were a positive adjustment of $26,830 for the year ended June 30, 2023, and negative adjustment of $239,510 for the year ended June 30, 2022. Distributions received from the trusts totaled $48,202 and $45,982 for the years ended June 30, 2023 and 2022, respectively.

6. Split-interest agreements (continued)

As of June 30, 2023, trust distributions are expected to be received as follows:

Less than one year	$ 50,375
One to five years	1,864,697
More than five years but less than 10 years	35,782
	1,950,854
Less: discount to net present value	(267,065)
Beneficial interest in split-interest agreements	$ 1,683,789

7. Note receivable

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

The note is expected to mature as follows:

Year ending June 30th	Amount
2025	$ 2,160,000
2026	2,160,000
2027	2,160,000
2028	2,160,000
2029	2,160,000
	$ 10,800,000

8. Property and equipment

Property and equipment consisted of the following at June 30, 2023 and 2022:

	Estimated Useful life	2023	2022
Land		$ 969,294	$ 969,294
Buildings	5 - 39	56,682,259	55,210,431
Medical and physics equipment	5 - 10	49,465,373	44,022,919
Office furniture and equipment	3 - 10	7,366,859	3,467,712
Assets not placed in service		8,460,785	2,015,939
Artwork		242,325	242,325
		123,186,895	105,928,620
Less: accumulated depreciation		(67,754,146)	(62,749,602)
		$ 55,432,749	$ 43,179,018

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9. Long-term debt

Long-term debt at June 30, 2023 and 2022 consisted of the following:

	2023	2022
Loan agreement dated December 30, 2021, in the original amount of $20,000,000. The loan agreement accrues interest at a fixed rate of 2.65% and is due in monthly installments through December 30, 2031 at which time the remaining balance is due. The loan is secured by equipment, investment accounts, and cash accounts of the Center.	$ 18,916,772	$ 19,686,616
Loan agreement dated August 1, 2017, in the original amount of $4,224,723 related to the acquisition of medical equipment. The agreement, which bears no interest except for in the event of default, extends through April of 2028.	1,427,537	1,971,830
	20,344,309	21,658,446
Less: current portion	(1,226,531)	(1,302,698)
	$ 19,117,778	$ 20,355,748

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 long-term debt obligations are scheduled to mature during the years ending June 30th as follows:

Year ending June 30,	Amount
2024	$ 1,226,531
2025	1,212,835
2026	1,071,944
2027	1,094,639
2028	993,914
Thereafter	14,744,446
	$ 20,344,309

10. Line-of-credit

During the year ended June 30, 2022, the Center established a $10,000,000 line-of-credit which bears interest at a variable rate and is secured by equipment, investment accounts, and cash accounts of the Center. The line-of-credit which extends through December 30, 2031, had no outstanding balance at June 30, 2023 or 2022.

11. Net assets

Net assets with donor restrictions were restricted for the following purposes at June 30, 2023 and 2022:

	2023	2022
Net assets with purpose restrictions:		
Cancer screenings / early detection	$ 452,484	$ 405,932
Comprehensive cancer care and support	4,780,543	1,898,976
Research / education	385,119	761,885
	5,618,146	3,066,793
Net assets with permanent restrictions	13,980,641	13,872,769
	$ 19,598,787	$ 16,939,562

Net assets which were released from donor restrictions during the years ended June 30, 2023 and 2022, due to the Center making payments were as follows:

	2023	2022
Cancer screenings / early detection	$ 389,732	$ 677,560
Comprehensive cancer care and support	1,698,232	1,295,294
Research / education	951,877	468,540
	$ 3,039,841	$ 2,441,394

12. Endowed net assets

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 Foundation disbursed funds in the amounts of $715,820 and $640,728 to the Center during the years ended June 30, 2023 and 2022, respectively, in support of Mission and Program Activities. A summary of changes in endowed net assets as of and for the years ended June 30, 2023 and 2022, is as follows:

	Board Designated / Without Donor Restrictions	With Donor Restrictions	Total
Endowed net assets - June 30, 2021	$ 9,629,989	$ 11,455,609	$ 21,085,598
Investment income (loss)	(2,604,695)	-	(2,604,695)
Contributions	-	2,417,160	2,417,160
Endowed net assets - June 30, 2022	7,025,294	13,872,769	20,898,063
Investment income (loss)	5,209,390	-	5,209,390
Contributions	-	107,872	107,872
Endowed net assets - June 30, 2023	$ 12,234,684	$ 13,980,641	$ 26,215,325

13. Lease commitments - 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.

As described in Note 1, effective July 1, 2021, the Center adopted Accounting Standards Update ("ASU") No. 2016-02, "*Leases (Topic 842)*". The Center elected the practical expedient available under ASU 2018-11 *Leases: Targeted Improvements* which allowed the Center to apply the transition provision for Topic 842 at the adoption date instead of at the earliest comparative period presented in consolidated financial statements. Therefore, the Center recognized and measured leases existing at July 1, 2021, but without retrospective application.

The following table presents the components of the right-of-use assets and liabilities related to leases in the Center's consolidated balance sheets at June 20, 2023 and 2022:

	2023	2022
Operating lease assets	$ 8,583,595	$ 5,612,347
Operating lease liabilities:		
Current	$ 1,133,382	$ 726,426
Long-term	7,694,031	4,915,097
	$ 8,827,413	$ 5,641,523

Right-of-use assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The right of use assets and lease liabilities were recognized based on the present value of lease payments over the lease term at commencement date. The Center's operating leases in effect prior to July 1, 2021, were recognized at the present value of the remaining payments on the remaining lease term as of July 1, 2021.

The Center leases various facilities under operating leases which expire at various dates through April of 2033. Rental expenses totaled approximately $3,283,000 and $2,700,000 during the years ended June 30, 2023 and 2022, respectively.

The Center's operating leases are primarily for real estate. Other information related to operating leases is as follows as of June 30, 2023 and 2022:

	2023	2022
Weighted-average remaining lease term (years)	7.45	7.06
Weighted average discount rate (percent)	4.33	4.27
Cash paid for amounts included in measurement of lease liabilities	$1,114,268	$718,660

13. Lease commitments - lessee (continued)

The following is a schedule, by year, of approximate future minimum lease payments required under all of these operating leases which have initial or remaining non-cancelable lease terms in excess of one year:

Year ending June 30th	Amount
2024	$ 1,491,169
2025	1,516,889
2026	1,543,207
2027	1,428,093
2028	1,125,067
Thereafter	3,330,835
	10,435,260
Less: interest	(1,607,847)
	$ 8,827,413

14. Operating leases - lessor

In connection with the transaction described in note 2, OneOncology, LLC rents office space from the Center in order to provide management advisory services to the Center. The initial term of the agreement is for 25 years and requires monthly payments of approximately $297,000. The monthly fee, however, is subject to adjustment on an annual basis to market rates according to the provisions stipulated in the agreement. The revenues recognized under this agreement totaled approximately $3,519,000 and $1,738,000 for the years ended June 30, 2023 and 2022, respectively.

OneOncology, LLC also leases equipment from the Center under the management services agreement, with variable monthly payments required through May 31, 2031. The revenues recognized under this agreement totaled approximately $1,569,000 and $988,000 for the years ended June 30, 2023 and 2022, respectively. Future required payments to be made to the Center for the equipment are as follows:

Year ending June 30,	Amount
2024	$ 1,035,136
2025	687,339
2026	375,357
2027	334,678
2028	254,979
Thereafter	111,415
	$ 2,798,904

14. Operating leases – lessor (continued)

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, 2026, with options to renew. The revenues recognized under these agreement totaled approximately $413,000 and $811,000 for the years ended June 30, 2023 and 2022, respectively.

Future required payments to be made to the Center under these leases are as follows:

Year ending June 30,	Amount
2024	$ 287,084
2025	273,783
2026	250,968
	$ 811,835

15. Uncompensated care (unaudited)

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 $16,200,000 and $25,173,000 of costs in excess of reimbursements received for healthcare services provided to this classification of patients during the years ended June 30, 2023 and 2022, respectively.

16. 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 five percent 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 OneOncology, LLC. Under this plan, the Center makes a contribution equal to three percent of an eligible employee's covered salary and may also make a discretionary contribution.

Employer contributions totaled approximately $1,248,000 and $519,000 during the years ended June 30, 2023 and 2022, respectively.

17. Concentrations of credit risk

The Center maintains its cash and cash equivalents with several financial institutions operating primarily in southern Louisiana. The balances, at times, may exceed federally insured limits. Management believes the credit risk associated with these deposits is minimal.

The Center grants credit without collateral to its patients, most of who live southern Louisiana and southern Mississippi and are insured under various third-party payor agreements. The mix of receivables from patients and third-party payors which totaled approximately $21,000,000; $23,200,000; and $3,600,000 at June 30, 2023, 2022, and 2021, respectively were as follows as of June 30, 2023 and 2022:

	2023	2022
Medicare and Medicaid	68%	56%
Managed care organizations, patients and other	32%	44%
	100%	100%

18. Disclosures about the fair value of financial instruments

In accordance with the *Fair Value Measurements and Disclosure* topic of the FASB ASC, disclosure of fair value information about financial instruments, whether or not recognized in the statements of financial position, is required. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instruments. Therefore, the aggregate fair value amounts presented do not necessarily represent the underlying value of the Center.

The fair value guidance provides a consistent definition of fair value which focuses on an exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires use of significant judgment. The fair value is a reasonable point within the range that is most representative of fair value under current market conditions.

Fair Value Hierarchy

The topic on *Fair Value Measurements and Disclosures* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to the 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).

18. Disclosures about the fair value of financial instruments (continued)

The three levels of the fair value hierarchy are described as follows:

- Level 1 - valuation is based on quoted prices in active markets for identical assets or liabilities that the Center has the ability to access at the measurement date. Level 1 assets and liabilities generally include debt and equity securities that are traded in an active exchange market. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

- Level 2 **-** valuation is based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. The valuation may be based on quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.

- Level 3 **-** valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgment or estimation.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following methods and assumptions were used by the Center in estimating its fair value measurements and disclosures for financial instruments:

Assets limited as to use and investments - where quoted prices are available in an active market, securities are classified within level 1 of the valuation hierarchy. If quoted market prices are not available, fair values are estimated using pricing models and discounted cash flows that consider standard input factors such as observable market data, benchmark yields, interest rate volatilities, broker/dealer quotes, and credit spreads.

Fair Value of Assets and Liabilities Measured on a Recurring Basis

The Center’s securities are measured on a recurring basis through estimates and assumptions made by management. The Center values level 3 investments using inputs, which include discounted cash flow models. Unobservable inputs used in these models are significant to the fair value of the investments.

18. Disclosures about the fair value of financial instruments (continued)

The following table presents for each of the fair-value hierarchy levels, the Center's financial assets and liabilities that are measured at fair value on a recurring basis at June 30, 2023:

	Level 1	Level 2	Level 3
Investments:			
Cash and cash equivalents	$ 7,626,380	$ -	$ -
Mutual funds, equities, and exchange traded funds:			
Large Cap - value	2,153,698	-	-
Large Cap - growth	2,388,048	-	-
Large Cap - blend	1,694,148	-	-
Mid Cap - value	706,455	-	-
Mid Cap - growth	617,084	-	-
Mid Cap - blend	29,660	-	-
Small Cap - value	23,652	-	-
Small Cap - blend	777,379	-	-
International	3,670,007	-	-
Commodities	66,357	-	-
Fixed income	11,705,392	-	-
Mixed allocation	3,011,142	-	-
Alternative investments	-	-	5,058,239
	$ 34,469,402	$ -	$ 5,058,239
Split-interest agreements	$ -	$ -	$ 1,683,789

The following table presents for each of the fair-value hierarchy levels, the Center's financial assets and liabilities that are measured at fair value on a recurring basis at June 30, 2022:

	Level 1	Level 2	Level 3
Investments:			
Cash and cash equivalents	$ 2,743,229	$ -	$ -
Mutual funds, equities, and exchange traded funds:			
Large Cap - growth	5,533,508	-	-
Large Cap - value	4,580,363	-	-
Large Cap - blend	1,325,747	-	-
Mid Cap - value	1,279,465	-	-
Mid Cap - core equity	726,680	-	-
Mid Cap - growth	377,037	-	-
Small Cap - value	605,511	-	-
Small Cap - blend	66,793	-	-
International	3,035,205	-	-
Commodities	381,484	-	-
Fixed income	13,241,942	-	-
Mixed allocation	2,312,219	-	-
Alternative investments	-	-	2,910,180
	$ 36,209,183	$ -	$ 2,910,180
Split-interest agreements	$ -	$ -	$ 1,705,161

18. Disclosures about the fair value of financial instruments (continued)

The following tables represent changes in Level 3 instruments measured on a recurring basis for the years ended June 30, 2023 and 2022:

	2023	2022
Beginning balance	$ 4,615,341	$ 4,762,529
Purchases / sales / donations	2,084,946	-
Receipts	(48,202)	(45,982)
Change in value	89,943	101,206
Ending balance	$ 6,742,028	$ 4,615,341

19. Classification of expenses

The following expenses were incurred during the years ended June 30, 2023 and 2022:

	2023	2022
Salaries, benefits, and staff expenses	$ 57,682,388	$ 41,589,898
Supplies, medication, and services	87,653,132	55,373,350
Occupancy and equipment costs	11,959,903	6,059,992
Depreciation and interest	5,317,874	4,698,408
Marketing and communication	2,525,662	2,226,628
Other	10,685,599	7,324,195
Total expenses	$ 175,824,558	$ 117,272,471

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 $7,400,000 and $15,200,000 were received during the years ended June 30, 2023 and 2022, 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, 2023 and 2022, were as follows:

	2023	2022
Salaries, benefits, and staff expenses	$ 5,692,443	$ 4,850,263
Occupancy and equipment costs	203,863	176,083
Supplies and services	499,009	288,463
Marketing and communication	642,092	512,697
Other	122,362	1,517,113
Total expenses	$ 7,159,769	$ 7,344,619

20. Compensation, benefits, and other payments to the chief executive officer

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, reimbursements, and benefits paid to the agency head or chief executive officer paid from public funds. The Center is not required to report the total compensation, reimbursements, and benefits paid to the president and chief executive officer as these costs are supported by private funds.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21. Commitments and contingencies

The Center is occasionally involved in various legal actions and claims that arise in the normal course of operations. The ultimate resolution of these matters is not ascertainable at this time; however, management is of the opinion that any liability or loss in excess of insurance coverage resulting from such litigation will not have a material effect upon the financial position of the Center.

The provision of healthcare services entails an inherent risk of liability. Participants in the healthcare industry are subject to lawsuits alleging malpractice, violations of false claims acts, product liability, or related legal theories, many of which involve large claims and significant defense costs. Like many other companies engaged in the healthcare industry in the United States, the Center has the potential for liability claims, disputes and legal actions for professional liability and other related issues. It is expected that the Center will continue to be subject to such suits as a result of the nature of its business. Further, as with all healthcare providers, the Center is periodically subject to regulatory actions seeking fines and penalties for alleged violations of healthcare laws and are potentially subject to the increased scrutiny of regulators for issues related to compliance with healthcare fraud and abuse laws and with respect to the quality of care provided to its patients. Like other healthcare providers, in the ordinary course of business, the Center is also subject to claims made by employees and other disputes and litigation arising from the conduct of its business.

22. Liquidity

The Center has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The Center has the following financial assets available to meet the general needs of the Center as of June 30, 2023 and 2022:

	2023	2022
Cash and cash equivalents	$ 17,366,043	$ 12,290,677
Investments	14,022,076	21,357,971
Patient accounts receivable	20,974,837	23,169,663
Unconditional promises to give, net	2,033,447	1,294,181
Current portion of note receivable	2,160,000	-
Other receivables	17,014,218	8,131,961
	$ 73,570,621	$ 66,244,453

23. Subsequent events

Management has evaluated subsequent events through April 29, 2024, the date that the consolidated financial statements were available to be issued, and determined that the following matters required additional disclosure in the consolidated financial statements. No events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

24. Service to the community - unaudited

Integral to the Center's mission, care is provided to patients regardless of their ability to pay. As such, free care is provided to patients who are deemed to be medically indigent. The Center provides radiation therapy services to patients under government programs, including Medicare and Medicaid. These programs pay providers at predetermined rates. The amounts reimbursed by these programs fall far short of the amounts reimbursed by other third party payers for rendering the services provided to the recipients.

24. Service to the community – unaudited (continued)

The Center assisted over 343 patients in acquiring free drug assistance. The drugs that were provided to these patients free of charge totaled approximately $15,200,000.

In addition to radiation therapy services, the Center also commits significant time and financial resources to its research efforts. Unique to the Center is our academic and research partnership with Louisiana State University (LSU). The Mary Bird Perkins-LSU Medical Physics Graduate Program is nationally competitive as one of only 60 programs of its kind in the United States, accredited by the Commission on Accreditation for Medical Physics Educational Programs, Inc. This public-private partnership leverages the Center's clinical team and facilities, treatment planning and dosimetry laboratories, and commitment to patients, as well as LSU's expertise in imaging and medical physics within LSU's College of Science. This combination of resources improves patient care, provides a rich arena for medical research, and supplies much-needed manpower in the highly-specialized field of medical physics for Louisiana and the nation. In addition, the Center is home to Louisiana's first and largest medical physics residency program. Using a collaborative model, this program has affiliate sites throughout the state and in Mississippi, and has also been cited as a model program across the United States.

Furthermore, the Center commits significant time and financial resources to patient supportive care services, awareness and education, research, navigation, and early detection in an effort to reduce cancer incidence and mortality in Louisiana and to improve the quality of life for those affected by cancer.

Most of these activities are offered with the knowledge that they will not be self-supporting or financially viable. Some examples of community education and involvement include, but are not limited to, the following:

- Early detection programs are offered to the community by way of free cancer screenings. All screenings are staffed by allied health professionals and impact public awareness regarding cancer prevention, signs and symptoms of cancer, and guidelines for early detection. These important messages have the ultimate goal of reducing cancer morbidity and mortality. During the 2022-2023 fiscal year, with the help of many vital partnerships, the Center was able to provide approximately 6,000 screenings at community cancer screenings for breast, colorectal, oral, prostate, and skin cancer. Since the inception of the early detection and outreach program in 2002, approximately 114,000 people have been screened - all at no cost to the patient.

- Genetics Counseling and Assessment Clinics were offered by the Center at multiple locations. These clinics provided assessment and counseling services at no cost to individuals at risk for hereditary cancer syndromes, such as breast, ovarian, colorectal, and endometrial cancers.

- Though not covered by insurance, the Center provides free support services to those who need it most by removing barriers to treatment and care. This includes patient navigation, social services, survivorship, mind-body medicine, palliative care, nutritional counseling and supplements, and dental extractions - all vital services to ensure patients' needs are addressed at every disease stage. The Center also provides free transportation for many of the medically indigent patients who are treated at the Center each year. From July 2022 to June 2023, over $60,000 in transportation assistance was provided to patients seeking treatment residing in outlying communities in the form of gas cards and cab fare.

- During the 2022-2023 fiscal year, community education was offered through lectures to community, employer, and civic groups focusing on a variety of cancer prevention and early detection topics. Additionally, the Center participated in numerous community-based health fairs offering literature on many cancer topics, particularly promoting the importance of early detection/screening of cancer. More than 8,000 persons were reached through these venues.

SUPPLMENTAL INFORMATION

CONSOLIDATING SCHEDULES

MARY BIRD PERKINS CANCER CENTER
BATON ROUGE, LOUISIANA

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

	Mary Bird Perkins Cancer Center	Mary Bird Perkins Cancer Foundation	St. Elizabeth - Mary Bird Perkins Cancer Center, LLC
CURRENT ASSETS			
Cash and cash equivalents	$ 11,113,054	$ 31,402	$ 2,618,062
Investments	9,638,747	-	3,562,550
Patients accounts receivable	18,950,295	-	2,024,542
Unconditional promises to give, net	1,489,354	532,000	-
Other receivables	9,373,630	74,074	-
Due from OneOncology	7,880,112	-	-
Inventory	4,507,224	-	-
Current portion of note receivable	2,160,000	-	-
Prepaid expenses and other current assets	3,892,484	-	28,009
	69,004,900	637,476	8,233,163
OTHER ASSETS			
Property and equipment, net	47,011,633	-	6,667,944
Assets limited as to use:			
Investments	-	25,505,565	-
Beneficial interest in split-interest agreements	-	1,683,789	-
Investment in OneOncology, LLC	-	-	-
Investment in St. Elizabeth - MBPCC, LLC	8,413,411	-	-
Investment in Cancer Services, Inc.	2,888,847	-	-
Investment in Gamma Knife of Louisiana, LLC	298,517	-	-
Investment in Gulf South Oncology Holdings, LLC	722,207	783,343	-
Note receivable	8,640,000	-	-
Right-of-use assets	8,583,595	-	-
Unconditional promises to give, net	1,800,000	539,684	-
Other assets	50,221	-	-
	78,408,431	28,512,381	6,667,944
Total assets	$ 147,413,331	$ 29,149,857	$ 14,901,107
CURRENT LIABILITIES			
Current portion of long-term debt	$ 1,300,605	$ -	$ -
Current portion of lease liability	1,133,382	-	-
Accounts payable and other accrued expenses	35,942,295	107,205	1,357,985
Credit balances in patient accounts receivable	206,019	-	99,653
Deferred revenues	4,320,000	-	-
Contract fees payable	1,206,845	-	499,758
	44,109,146	107,205	1,957,396
Long-term debt, excluding current portion	19,117,778	-	-
Lease liability, net of current portion	7,694,031	-	-
Deferred revenues, net of current portion	10,800,000		
Total liabilities	81,720,955	107,205	1,957,396
NET ASSETS / EQUITY			
Controlling interest - without donor restrictions:			
Unrestricted - undesignated	62,836,041	783,343	12,943,711
Unrestricted - designated for endowment purposes	-	12,234,684	-
Controlling interest - with donor restrictions:			
With donor restrictions - purpose restrictions	2,850,835	2,049,484	-
With donor restrictions - perpetuity	5,500	13,975,141	-
Total controlling interest	65,692,376	29,042,652	12,943,711
Noncontrolling interest	-	-	-
Total net assets	65,692,376	29,042,652	12,943,711
Total liabilities and net assets	$ 147,413,331	$ 29,149,857	$ 14,901,107

Cancer Services, Inc.	Gulf South Oncology Holdings, LLC	Eliminations	Consolidated
$ 338,594	$ 3,264,931	$ -	$ 17,366,043
820,779	-	-	14,022,076
-	-	-	20,974,837
12,093	-	-	2,033,447
-	-	(313,598)	9,134,106
-	-	-	7,880,112
-	-	-	4,507,224
-	-	-	2,160,000
-	269,724	-	4,190,217
1,171,466	3,534,655	(313,598)	82,268,062
1,753,172	-	-	55,432,749
-	-	-	25,505,565
-	-	-	1,683,789
-	5,722,500	-	5,722,500
-	-	(8,413,411)	-
-	-	(2,888,847)	-
-	-	-	298,517
-	-	(1,505,550)	-
-	-	-	8,640,000
-	-	-	8,583,595
-	-	-	2,339,684
-	-	-	50,221
1,753,172	5,722,500	(12,807,808)	108,256,620
$ 2,924,638	$ 9,257,155	$ (13,121,406)	$ 190,524,682
$ -	$ -	$ (74,074)	$ 1,226,531
-	-	-	1,133,382
35,791	-	(239,524)	37,203,752
-	-	-	305,672
-	1,080,000	-	5,400,000
-	-	-	1,706,603
35,791	1,080,000	(313,598)	46,975,940
-	-	-	19,117,778
-	-	-	7,694,031
	2,700,000	-	13,500,000
35,791	3,780,000	(313,598)	87,287,749
2,171,020	5,477,155	(21,309,713)	62,901,557
-	-	-	12,234,684
717,827	-	-	5,618,146
-	-	-	13,980,641
2,888,847	5,477,155	(21,309,713)	94,735,028
-	-	8,501,905	8,501,905
2,888,847	5,477,155	(12,807,808)	103,236,933
$ 2,924,638	$ 9,257,155	$ (13,121,406)	$ 190,524,682

MARY BIRD PERKINS CANCER CENTER
BATON ROUGE, LOUISIANA

CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

	Mary Bird Perkins Cancer Center	Mary Bird Perkins Cancer Foundation	St. Elizabeth - Mary Bird Perkins Cancer Center, LLC
OPERATING REVENUES:			
Revenues from patient care	$ 131,039,434	$ -	$ 3,335,946
Medical management services	975,077	-	-
Shared services	18,327,080	-	-
Other operating revenues (losses)	11,942,892	-	42,026
Total revenues from operations	162,284,483	-	3,377,972
OPERATING EXPENSES:			
Cost of providing patient care	127,402,059	-	2,017,373
General and administrative expenses	33,930,015	865	530,102
Interest, depreciation, and amortization	4,848,051	-	279,513
Total expenses from operations	166,180,125	865	2,826,988
Net margin from operations	(3,895,642)	(865)	550,984
NONOPERATING REVENUES (EXPENSES)			
Interest, dividends, and realized gains	715,581	333,184	175,933
Investment revenues - unrealized gains (losses)	175,398	1,673,799	155,117
Earnings of subsidiaries	3,050,716	4,219,215	-
Total nonoperating revenues (expenses)	3,941,695	6,226,198	331,050
MISSION AND PROGRAM ACTIVITIES:			
Contributions and grants without restrictions	3,456,162	392,550	-
Contributions and grants with donor restrictions	3,293,158	1,922,963	-
Research trials and cancer abstracting services	(3,650)	-	-
Total revenues - mission and programs	6,745,670	2,315,513	-
Less expenses incurred for:			
Cancer support services, awareness, education, and early detection	2,648,046	715,820	-
Research	1,773,477	-	-
Fundraising expenses	1,634,558	119,972	-
Total expenses - mission and programs	6,056,081	835,792	-
Excess of Mission and Program Activities Revenues Over (Under) Expenses	689,589	1,479,721	-
Distributions to consolidated members	-	-	-
Change in net assets	$ 735,642	$ 7,705,054	$ 882,034

Cancer Services, Inc.		Gulf South Oncology Holdings, LLC		Eliminations		Consolidated
$	-	$	-	$	-	$	134,375,380
	-		-		(405,039)		570,038
	-		-		-		18,327,080
	296,865		1,080,000		-		13,361,783
	296,865		1,080,000		(405,039)		166,634,281
	-		-		-		129,419,432
	-		15		(405,039)		34,055,958
	69,339		-		(7,504)		5,189,399
	69,339		15		(412,543)		168,664,789
	227,526		1,079,985		7,504		(2,030,508)
	107,491		7,142,418		(7,504)		8,467,103
	16,177		3,832,500		-		5,852,991
	-		-		(7,269,931)		-
	123,668		10,974,918		(7,277,435)		14,320,094
	261,701		-		(2,371,118)		1,739,295
	482,945		-		-		5,699,066
	-		-		-		(3,650)
	744,646		-		(2,371,118)		7,434,711
	2,612,681		-		(2,371,118)		3,605,429
	-		-		-		1,773,477
	26,333		-		-		1,780,863
	2,639,014		-		(2,371,118)		7,159,769
	(1,894,368)		-		-		274,942
	-		(7,117,748)		7,117,748		-
$	(1,543,174)	$	4,937,155	$	(152,183)	$	12,564,528

MARY BIRD PERKINS
CANCER CENTER™

Additional Governmental Reports
YEAR ENDED JUNE 30, 2023

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JUNE 30, 2023

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Finance Committee
Mary Bird Perkins Cancer Center

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Mary Bird Perkins Cancer Center, which comprise the consolidated statement of financial position as of June 30, 2023, the related consolidated statements of activities, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 29, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Mary Bird Perkins Cancer Center's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Mary Bird Perkins Cancer Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Mary Bird Perkins Cancer Center's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Mary Bird Perkins Cancer Center 's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and recommendations as item 2023-001.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
April 29, 2024

MARY BIRD PERKINS CANCER CENTER
BATON ROUGE, LOUISIANA

SCHEDULE OF FINDINGS AND RECOMMENDATIONS
YEAR ENDED JUNE 30, 2023

A. Summary of Auditors' Results

Consolidated Financial Statements

Type of auditor's report issued: *Unmodified*

Internal Control over Financial Reporting:

• Material weakness(es) identified?	______ yes	__x__ no
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	______ yes	__x__ none reported
Noncompliance material to financial statements noted?	______ yes	__x__ no

B. Findings - Financial Statement Audit

None.

MARY BIRD PERKINS CANCER CENTER
BATON ROUGE, LOUISIANA

SCHEDULE OF FINDINGS AND RECOMMENDATIONS
YEAR ENDED JUNE 30, 2023

2023-001 TIMELY FILING OF REPORT WITH LOUISIANA LEGISLATIVE AUDITOR

Criteria: In accordance with R.S. 24:513, any local auditee that receives public assistance of $200,000 or more in revenues and other sources in any one fiscal year must be reviewed annually and submitted to the Louisiana Legislative Auditor. The due date for the audit report is six months after the organization's fiscal year end.

Conditions: The Mary Bird Perkins Cancer Center (the Center) was required to have a review of its financial statements completed by the filing deadline of December 31, 2023. The Center requested and received a non-emergency extension through March 31, 2024. However, despite the approval of this extension, the Center did not comply with the timeline established by regulation and therefore a finding is required by the Louisiana Legislative Auditor.

Cause: Scheduling difficulties with the external public accounting firm delayed the completion of the external audit necessary for the timely filing of the audit report with the Louisiana Legislative Auditor.

Effect: If the Center is non-compliant in the future it may result in them being placed on the non-compliance list maintained by the Louisiana Legislative Auditor. In addition, R.S. 39:72.1 prohibits the payment of funds appropriated to an agency that is not in compliance with the State Audit Law.

Recommendations: The Center should ensure proper scheduling with the external public accounting firm to ensure that future deadlines are met.

View of Responsible Official: Management agrees with the finding and will take corrective action to make certain that future deadlines are met.