BAKER NEWMAN NOYES

Dempsey Centers for Quality Cancer Care and Subsidiary

Consolidated Financial Statements
and Supplementary Information

For the Years Ended June 30, 2026 and 2025
With Independent Auditors' Report

Baker Newman & Noyes LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnncpa.com

HLB WE ARE AN INDEPENDENT MEMBER OF THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

DEMPSEY CENTERS FOR QUALITY CANCER CARE AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

For the Years Ended June 30, 2026 and 2025

Independent Auditors' Report 1

Consolidated Financial Statements:
- Consolidated Statements of Financial Position 3
- Consolidated Statements of Activities and Changes In Net Assets 4
- Consolidated Statements of Functional Expenses 5
- Consolidated Statements of Cash Flows 7
- Notes to Consolidated Financial Statements 8

Supplementary Information:
- Independent Auditors' Report on Supplementary Information 19
- Consolidating Statements of Financial Position 20
- Consolidating Statements of Activities and Changes In Net Assets 22

BAKER NEWMAN NOYES

Baker Newman & Noyes LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnncpa.com
WE ARE AN INDEPENDENT MEMBER OF THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

INDEPENDENT AUDITORS' REPORT

Board of Directors
Dempsey Centers for Quality Cancer Care and Subsidiary

Opinion

We have audited the consolidated financial statements of Dempsey Centers for Quality Cancer Care and Subsidiary (Dempsey Center), which comprise the consolidated statements of financial position as of June 30, 2026 and 2025, the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Dempsey Center as of June 30, 2026 and 2025, and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Dempsey 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.

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 Dempsey Center's ability to continue as a going concern within a period of one year after the date the financial statements are issued or available to be issued.

Board of Directors
Dempsey Centers for Quality Cancer Care and Subsidiary

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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Dempsey 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 Dempsey 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.

Baker Newman + Noyes LLC

Portland, Maine
October 22, 2026

DEMPSEY CENTERS FOR QUALITY CANCER CARE AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2026 and 2025

ASSETS

	2026	2025
Cash and cash equivalents	$ 1,100,896	$ 1,171,301
Certificates of deposit	148,951	144,083
Contributions receivable	502,790	408,441
Other receivables	–	357,385
Prepaid expenses and other assets	63,602	126,953
Investments and donor restricted funds	4,805,343	4,232,727
Property and equipment:		
Land	451,289	442,775
Buildings	556,790	731,982
Leasehold improvements	2,907,597	3,197,224
Computers, printing equipment and website	317,962	306,599
Furniture, fixtures and equipment	209,298	262,379
	4,442,936	4,940,959
Accumulated depreciation	(1,140,895)	(1,374,296)
Total property and equipment	3,302,041	3,566,663
Right-of-use assets	3,024,586	3,269,945
Total assets	$12,948,209	$13,277,498

LIABILITIES AND NET ASSETS

Accounts payable	$ 25,525	$ 24,216
Accrued expenses and other liabilities	178,358	292,804
Lease obligations	5,521,972	5,970,723
Total liabilities	5,725,855	6,287,743
Net assets:		
Without donor restrictions	5,184,976	5,068,065
With donor restrictions	2,037,378	1,921,690
Total net assets	7,222,354	6,989,755
Total liabilities and net assets	$12,948,209	$13,277,498

See accompanying notes.

DEMPSEY CENTERS FOR QUALITY CANCER CARE AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended June 30, 2026 and 2025

	2026			2025		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:						
Grants	$ 196,000	$ 291,180	$ 487,180	$ –	$ 50,000	$ 50,000
Federal awards	–	140,948	140,948	–	–	–
Donations and contributions	1,120,995	151,500	1,272,495	2,305,888	212,547	2,518,435
In-kind contributions	322,694	–	322,694	185,501	–	185,501
Fundraisers	1,886,013	–	1,886,013	1,914,309	–	1,914,309
Fundraising event sponsorship	407,380	–	407,380	216,476	–	216,476
Merchandise	52,742	–	52,742	59,821	–	59,821
Investment income, net	57,460	–	57,460	61,353	–	61,353
Investment return appropriated for operations	100,398	–	100,398	265,755	–	265,755
Net assets released from restriction for operations	439,284	(439,284)	–	567,148	(567,148)	–
Total revenue	4,582,966	144,344	4,727,310	5,576,251	(304,601)	5,271,650
Expenses:						
Program	4,039,932	–	4,039,932	4,538,930	–	4,538,930
Management and general	357,096	–	357,096	417,200	–	417,200
Fundraising	650,680	–	650,680	570,206	–	570,206
Total expenses	5,047,708	–	5,047,708	5,526,336	–	5,526,336
Net operating income (loss)	(464,742)	144,344	(320,398)	49,915	(304,601)	(254,686)
Nonoperating income (loss):						
Net realized and unrealized gain on investments	432,191	197,557	629,748	305,651	155,651	461,302
Investment income, net	–	23,647	23,647	–	20,217	20,217
Investment return appropriated for operations	–	(100,398)	(100,398)	(265,755)	–	(265,755)
Total nonoperating income	432,191	120,806	552,997	39,896	175,868	215,764
Net assets released from restriction for property and equipment	149,462	(149,462)	–	–	–	–
Change in net assets	116,911	115,688	232,599	89,811	(128,733)	(38,922)
Net assets, beginning of year	5,068,065	1,921,690	6,989,755	4,978,254	2,050,423	7,028,677
Net assets, end of year	$5,184,976	2,037,378	$7,222,354	$5,068,065	$1,921,690	$6,989,755

See accompanying notes.

DEMPSEY CENTERS FOR QUALITY CANCER CARE AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended June 30, 2026 and 2025

	2026									
	Community Engage-ment	Comple-mentary Therapy	Program Support Services	Coun-seling	Health and Wellness	Clayton's House	Total Programs	Management and General	Fund-raising	Total
Personnel:										
Salaries and wages	$235,622	$207,730	$ 760,097	$457,156	$149,867	$ 20,781	$1,831,253	$213,058	$146,881	$2,191,192
Payroll benefits	25,597	22,567	82,575	49,665	16,281	2,258	198,943	25,143	15,957	240,043
Payroll taxes	18,714	16,499	60,370	36,309	11,903	1,651	145,446	16,922	11,666	174,034
Total personnel	279,933	246,796	903,042	543,130	178,051	24,690	2,175,642	255,123	174,504	2,605,269
Occupancy	104,577	24,236	237,052	47,160	91,237	–	504,262	25,129	20,954	550,345
Professional fees	171,724	32,356	98,016	16,063	18,839	10,615	347,613	37,202	191,283	576,098
General and administrative expenses:										
Advertising and promotion	35,914	14	5,158	27	52	–	41,165	14	22,821	64,000
Amortization	46,595	10,828	105,911	21,070	40,763	–	225,167	11,228	9,283	245,678
Business licenses and permits	105	41	155	206	60	–	567	16	57	640
Conferences, conventions and meetings	341	15	149	602	57	–	1,164	16	498	1,678
Credit card and other service charges	–	–	–	–	–	–	–	–	89,778	89,778
Depreciation	36,154	4,174	40,825	8,122	15,713	36,387	141,375	4,328	3,578	149,281
Equipment rental	38,283	243	2,378	473	915	–	42,292	(838)	23,421	64,875
Finance charges	1,741	405	3,957	787	1,523	–	8,413	419	336	9,168
Insurance	7,807	1,099	10,750	2,139	4,137	–	25,932	1,140	2,861	29,933
Meals and entertainment	19,332	50	490	511	189	163	20,735	52	12,413	33,200
Office supplies	22,494	5,016	11,700	2,159	5,793	401	47,563	988	12,678	61,229
Other expenses	109,006	23,098	26,602	580	1,121	2,375	162,782	9,953	67,556	240,291
Postage and delivery	2,280	143	1,394	277	537	–	4,631	148	3,589	8,368
Repairs and maintenance	7,637	814	7,966	1,585	3,066	19,454	40,522	844	1,733	43,099
State and local taxes	10,887	2,109	20,630	4,104	7,940	–	45,670	2,187	2,937	50,794
Telecommunication	22,350	5,015	49,052	9,759	18,879	1,893	106,948	4,757	4,779	116,484
Travel expenses	287	131	568	591	739	–	2316	60	1,928	4,304
Utilities	20,610	4,308	42,137	8,383	16,218	3,517	95,173	4,330	3,693	103,196
Total general and administrative expenses	381,823	57,503	329,822	61,375	117,702	64,190	1,012,415	39,642	263,939	1,315,996
	$938,057	$360,891	$1,567,932	$667,728	$405,829	$ 99,495	$4,039,932	$357,096	$650,680	$5,047,708

	2025									
	Community Engage-ment	Comple-mentary Therapy	Program Support Services	Coun-seling	Health and Wellness	Clayton's House	Total Programs	Management and General	Fund-raising	Total
Personnel:										
Salaries and wages	$215,104	$212,102	$1,038,963	$492,048	$150,665	$ 46,569	$2,155,451	$320,263	$134,091	$2,609,805
Payroll benefits	23,186	22,862	111,989	53,038	16,240	5,020	232,335	34,521	14,454	281,310
Payroll taxes	16,945	16,709	81,845	38,762	11,869	3,669	169,799	25,229	10,563	205,591
Total personnel	255,235	251,673	1,232,797	583,848	178,774	55,258	2,557,585	380,013	159,108	3,096,706
Occupancy	18,987	117,935	239,122	134,409	173,013	811	684,277	4,260	12,087	700,624
Professional fees	182,129	41,402	104,263	20,628	18,855	–	367,277	20,551	123,806	511,634
General and administrative expenses:										
Advertising and promotion	28,227	130	7,698	149	819	275	37,298	16	17,868	55,182
Amortization	6,094	40,979	83,088	46,703	60,117	–	236,981	4,987	3,710	245,678
Business licenses and permits	113	521	702	395	508	–	2,239	42	71	2,352
Conferences, conventions and meetings	2,309	425	861	484	623	627	5,329	52	1,439	6,820
Credit card and other service charges	105	706	1,431	805	1,036	–	4,083	86	90,080	94,249
Depreciation	2,499	16,809	34,082	19,157	24,660	43,309	140,516	2,046	1,522	144,084
Equipment rental	36,994	1,195	2,423	1,362	1,753	–	43,727	145	23,059	66,931
Finance charges	990	1,258	2,552	1,434	1,846	–	8,080	153	375	8,608
Insurance	3,500	5,830	11,820	6,644	8,553	–	36,347	710	2,169	39,226
Meals and entertainment	10,010	388	4,715	784	569	–	16,466	47	31,935	48,448
Office supplies	23,150	4,729	6,659	4,959	6,766	2,190	48,453	322	14,421	63,196
Other expenses	125,960	1,363	25,475	1,554	2,000	950	157,302	232	79,450	236,984
Postage and delivery	1,487	257	568	304	378	–	2,994	31	972	3,997
Repairs and maintenance	60	406	824	463	596	11,943	14,292	49	33	14,374
State and local taxes	2,416	3,087	6,259	3,518	4,529	–	19,809	376	1,500	21,685
Telecommunication	4,796	23,541	47,732	26,830	34,676	1,780	139,355	2,865	2,939	145,159
Travel expenses	770	466	1,007	714	828	–	3,785	57	3,510	7,352
Utilities	258	1,312	2,661	1,496	1,925	5,083	12,735	160	152	13,047
Total general and administrative expenses	249,738	103,402	240,557	117,755	152,182	66,157	929,791	12,376	275,205	1,217,372
	$706,089	$514,412	$1,816,739	$856,640	$522,824	$ 122,226	$4,538,930	$417,200	$570,206	$5,526,336

See accompanying notes.

DEMPSEY CENTERS FOR QUALITY CANCER CARE AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended June 30, 2026 and 2025

	2026	2025
Cash flows from operating activities:		
Change in net assets	$ 232,599	$ (38,922)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization	394,959	389,762
Net realized and unrealized gains on investments	(629,748)	(461,302)
Net change in lease obligations	(203,392)	601,162
Restricted grants and contributions	(583,628)	(262,547)
Loss on disposal of property and equipment	14,600	2,288
(Decrease) increase in cash resulting from a change in:		
Other receivables	357,385	(357,385)
Prepaid expenses and other assets	63,351	(47,509)
Accounts payable	1,309	(35,012)
Accrued expenses and other liabilities	(114,446)	8,045
Net cash used by operating activities	(467,011)	(201,420)
Cash flows from investing activities:		
Purchases of property and equipment	(144,937)	(2,765,913)
Cash received for lease incentives	–	2,099,616
Purchases of investments	(112,226)	(123,181)
Sales of investments	169,358	729,613
Net purchases and maturities of certificates of deposit	(4,868)	(5,478)
Net cash used by investing activities	(92,673)	(65,343)
Cash flows from financing activities:		
Proceeds from restricted grants and contributions	489,279	735,938
Net cash provided by financing activities	489,279	735,938
Net (decrease) increase in cash	(70,405)	469,175
Cash at beginning of year	1,171,301	702,126
Cash at end of year	$ 1,100,896	$ 1,171,301
Noncash activities:		
Right-of-use assets acquired through lease obligations	$ –	$ 5,976,497
Right-of-use assets reduced by lease incentives	$ –	$ 2,457,001

See accompanying notes.

1. Summary of Significant Accounting Policies

Organization and Nature of Activities

The Dempsey Centers for Quality Cancer Care (Dempsey Center) is an independent not-for-profit organization incorporated on April 27, 2017. Prior to receiving a favorable Internal Revenue Service determination as a public charity in 2017, Dempsey Center operated as a program of Central Maine Healthcare, since its founding in 2008.

The Dempsey Center is committed to making life better for people managing the impact of cancer. The Dempsey Center provides programming in person at both their Lewiston and Westbrook locations as well as virtually at their third center – *Dempsey Connects*. Through the provision of a wide range of evidence-informed services known to ease the side effects of cancer, the Dempsey Center works with youth and adult cancer patients, survivors and caregivers, regardless of where medical treatment is being received. Programs and services include complementary therapies like oncology massage and acupuncture, individual and family counseling, nutrition education, movement and fitness classes, support groups and cancer resource navigation. Dempsey Center services provide people with cancer-related knowledge, skills and tools in individual and group settings. All Dempsey Center services are provided at no cost to users of those services.

Clayton's House LLC (Clayton's House), a for-profit entity, was organized on December 2, 2019 as a Maine limited liability company, with Dempsey Center as its sole member. Clayton's House owned property to be used solely for temporary lodging for individuals who are cancer patients receiving cancer-related health care services or treatment from a Maine oncology program and/or their caregivers. In 2026, this property was transferred to the Dempsey Center. As the transfer occurred between entities under common control, the property was transferred at its carrying value and no gain or loss was recognized.

The Dempsey Center and Clayton's House are collectively referred to as the Organization in these consolidated financial statements.

Basis of Presentation

The consolidated financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The accrual basis of accounting recognizes revenues in the accounting period in which revenues are earned regardless of when cash is received, and recognizes expenses in the accounting period in which expenses are incurred regardless of when cash is disbursed.

In accordance with GAAP, the Organization is required to report information regarding its financial position and activities according to the following classes of net assets:

Net assets without donor restrictions represent expendable resources that are available for operations at management's discretion.

Net assets with donor restrictions are those subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

1. Summary of Significant Accounting Policies (Continued)

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Dempsey Center and its wholly owned subsidiary, Clayton's House. Significant intercompany balances and transactions have been eliminated from the consolidated financial statements.

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual amounts could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents includes all unrestricted highly liquid investments with an initial maturity of three months or less, except for those cash equivalents that are held as part of the investment portfolio.

Certificates of Deposit

Fair values approximate carrying values because these instruments are payable on demand or have short-term maturities and present low credit risk and interest rate risk. Certificates of deposit are considered Level 1 assets as defined in note 3.

Contributions Receivable

Contributions receivable represent unconditional promises to give from individuals, corporations, and foundations and are recorded at estimated net realizable value. The majority of contributions receivable are expected to be collected in the next year with $50,000 to be collected in each year ended 2028 and 2029. An allowance for contributions receivable is provided as necessary by management based on a review of the underlying contributions. The Organization has determined that an allowance for contributions receivable of $5,600 is necessary at June 30, 2026. There was no allowance deemed necessary at June 30, 2025. Amounts will be charged off against the allowance when deemed necessary.

Investments

Investments are stated at fair value. Gains and losses on investments are computed on the specific identification basis. Investment income and realized and unrealized gains/losses are included in revenue and other income without donor restrictions unless restricted by donor or law. In addition, investment returns from donor restricted net assets are classified as donor restricted until appropriated for expenditures.

Investments, in general, are exposed to various risks, such as interest rate, credit, liquidity and overall market volatility. As such, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position and activities and changes in net assets.

1. Summary of Significant Accounting Policies (Continued)

Investment and Spending Policies

GAAP provides guidance on classifying the net assets associated with board designated and donor-restricted endowment funds held by organizations that are subject to an enacted version of the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA), which serves as a model act for states to modernize their laws governing donor-restricted endowment funds. UPMIFA was adopted by the State of Maine in 2009. The Organization makes the following disclosures related to this guidance and adoption of UPMIFA:

The Organization has adopted an investment policy, approved by the Board of Directors, which seeks to maximize the long-term total return of financial assets consistent with the current and future funding needs of the Organization.

Accordingly, the Organization's ability to achieve these returns will depend upon the ability to accept reasonable risk, recognizing that some degree of volatility in market value is necessary to achieve long-term capital appreciation and maintain spending growth.

The Organization has adopted a spending policy, approved by the Board of Directors, which allows for annual distributions of up to 4.5% of the endowment market value calculated on a twelve-quarter moving average. Distributions from the unrestricted investment general fund may be made at any time at the discretion of the Organization's Finance Committee.

The Board of Directors interpreted UPMIFA as requiring the preservation of the fair value of an endowed gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

Property and Equipment

The Organization has an approved capitalization policy whereby property and equipment will be recorded at cost and depreciation is to be computed over the estimated useful life in conformity with GAAP. Repairs and maintenance are expensed as incurred and major renewals and improvements are capitalized. When items of property or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

1. Summary of Significant Accounting Policies (Continued)

In-Kind Contributions

The Organization records various types of in-kind support including professional services, tangible assets and the use of tangible assets. Contributed professional services are recognized if the services received, (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contribution of tangible assets or the use thereof is recognized when promised or received, whichever is earlier. The amounts reflected in the accompanying consolidated financial statements as in-kind contributions are offset by like amounts included in expenses or, in the case of long-term assets, over the period benefited. Additionally, the Organization receives a significant amount of contributed time, which does not meet the recognition criteria described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the accompanying consolidated financial statements.

The Organization's consolidated financial statements include the following in-kind contributions revenue and support, and associated expense for the fiscal years ended June 30:

	2026	2025
Professional services	$128,261	$ 18,224
Legal services	10,000	1,857
Advertising and promotion	93,918	158,880
Supplies	90,515	6,540
	$322,694	$185,501

In-kind contributions are valued based upon estimates of fair market or wholesale values that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor. In-kind contributions are not sold and goods are only distributed for program use.

Public Support and Revenue Recognition

The Organization receives much of its support from fundraising events, and individual and corporate donations. The most significant fundraising event is the Dempsey Challenge, held annually in the fall.

Unconditional promises to give cash and other assets to the Organization are reported at their fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at their fair value at the date the gift is actually received or the conditions are met. Gifts are reported as donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When donor restrictions expire, 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 statement of activities and changes in net assets as net assets released from restrictions.

1. Summary of Significant Accounting Policies (Continued)

Concentrations

For fiscal year 2026, no single organization accounted for a significant concentration of total revenues. For fiscal year 2025, one organization accounts for approximately 20% of total revenues.

Donated Assets

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

Income Taxes and Accounting for Uncertain Tax Position

Dempsey Center is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been recorded in the consolidated financial statements.

Tax-exempt organizations could be required to record an obligation for income taxes as the result of a tax position they have historically taken on various tax exposure items including unrelated business income or tax status. Under guidance issued by the Financial Accounting Standards Board (FASB), assets and liabilities are established for uncertain tax positions taken or positions expected to be taken in income tax returns when such positions are judged to not meet the "more-likely-than-not" threshold, based upon the technical merits of the position.

Dempsey Center has evaluated the position taken on its filed tax returns. Dempsey Center has not taken, nor does it expect to take, any uncertain tax positions in any income tax return.

Clayton's House taxable income or loss flows through to its sole member, Dempsey Center. Accordingly, no provision has been made for income taxes in the accompanying consolidated financial statements. Management has determined that Clayton's House has not taken, nor does it expect to take, any uncertain tax positions in any income tax return.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statement of activities and changes in net assets. The consolidated statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program services, fundraising, and management and general, based upon square footage and on employees' time and effort. The Dempsey Challenge provides participants and the community with knowledge and accessibility to the services offered by the Dempsey Center, therefore, certain costs associated with the Dempsey Challenge are considered joint program costs. For the year end June 30, 2026, joint costs of $1,174,448 have been allocated between fundraising, in the amount of $500,426, and community engagement program costs, in the amount of $674,022. For the year end June 30, 2025, joint costs of $1,180,481 have been allocated between fundraising, in the amount of $508,690, and community engagement program costs, in the amount of $671,791.

1. Summary of Significant Accounting Policies (Continued)

Advertising

The Organization expenses all advertising, including printing, costs when incurred.

Leases

At the inception of an arrangement, the Organization determines whether the arrangement is, or contains, a lease based on the unique facts and circumstances present in the arrangement. A lease is a contract, or part of a contract, that conveys the right to control the use of identified property or equipment (an identified asset) for a period of time in exchange for consideration. The Organization determines if the contract conveys the right to control the use of an identified asset for a period of time. The Organization assesses throughout the period of use whether the Organization has both of the following: (1) the right to obtain substantially all of the economic benefits from use of the identified asset, and (2) the right to direct the use of the identified asset. This determination is reassessed if the terms of the contract are changed.

Leases are classified as operating or finance leases based on the terms of the lease agreement and certain characteristics of the identified asset. Leases with a term greater than one year are recognized on the consolidated statement of financial position as right-of-use assets and lease obligations, as applicable.

The interest rate implicit in lease contracts is typically not readily determinable. As a result, the Organization elected to utilize the risk-free rate as the discount rate.

Operating lease expense is recognized on a straight-line basis over the lease.

The lease may require the Organization to pay additional amounts for taxes, insurance, maintenance and other expenses, which are generally referred to as nonlease components. Such adjustments to rental payments and variable nonlease components are treated as variable lease payments and recognized in the period in which the obligation for these payments was incurred. Variable lease components and variable nonlease components are not measured as part of the right-of-use asset and liability. Only when lease components and their associated nonlease components are fixed are they accounted for as a single lease component and are recognized as part of a right-of-use asset and liability. Total contract consideration is allocated to the combined fixed lease and nonlease component. This policy election applies consistently to all asset classes under lease agreements.

The Organization assesses at the commencement of a lease any options to extend or terminate the lease agreement, and will include in the lease term any extensions or renewals which it determines it is reasonably certain to exercise. Assumptions made at the lease commencement date are re-evaluated upon the occurrence of certain events, including a lease modification. A lease modification results in a separate contract when the modification grants the lessee an additional right-of-use not included in the original lease and when lease payments increase commensurate with the standalone price for the additional right-of-use. When a lease modification results in a separate contract, it is accounted for in the same manner as a new lease.

The Organization's lease agreements do not contain any significant residual value guarantees or material restrictive covenants imposed by the leases.

The Organization does not have any sublease agreements.

1. Summary of Significant Accounting Policies (Continued)

Reclassifications

Certain 2025 amounts have been reclassified to permit comparison with the 2026 consolidated financial statements presentation format.

Subsequent Events

Events occurring after the consolidated statement of financial position date are evaluated by management to determine whether such events should be recognized or disclosed in the consolidated financial statements. Management has evaluated subsequent events through October 22, 2026, which is the date the consolidated financial statements were available to be issued.

2. Investments and Donor Restricted Funds

Investments and donor restricted funds consist of the following as of June 30:

	2026	2025
Money market funds	$ 71,800	$ 165,658
Mutual funds	67,412	–
U.S. Government Agency	236,213	212,821
Marketable equity securities	2,400,159	2,447,125
Corporate bonds	470,530	501,482
Exchange traded funds	1,559,229	905,641
	$4,805,343	$4,232,727

3. Fair Value Measurements

As defined in GAAP, fair value 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. In determining fair value, the Organization uses various methods, including market, income and cost approaches. Based on these approaches, the Organization utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Valuations for assets traded in active exchange markets, such as the New York Stock Exchange. Level 1 includes cash and cash equivalents as well as mutual funds, marketable equity securities, money market and exchange traded funds, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

3. Fair Value Measurements (Continued)

Level 2 – Valuations for assets traded in less active dealer or broker markets. Valuations are obtained from third party pricing services and other sources for identical or similar assets.

Level 3 – Valuations for assets that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

In determining the appropriate levels, the Organization performs a detailed analysis of the assets and liabilities that are reported at fair value.

The following table provides information on the assets carried at fair value as of June 30:

	Level 1	Level 2	Level 3	Total
2026:				
Money market funds	$ 71,800	$ –	$ –	$ 71,800
Mutual funds	67,412	–	–	67,412
U.S. Government Agency	–	236,213	–	236,213
Marketable equity securities	2,400,159	–	–	2,400,159
Corporate bonds	–	470,530	–	470,530
Exchange traded funds	1,559,229	–	–	1,559,229
	$4,098,600	$ 706,743	$ –	$4,805,343
2025:				
Money market funds	$ 165,658	$ –	$ –	$ 165,658
U.S. Government Agency	–	212,821	–	212,821
Marketable equity securities	2,447,125	–	–	2,447,125
Corporate bonds	–	501,482	–	501,482
Exchange traded funds	905,641	–	–	905,641
	$3,518,424	$ 714,303	$ –	$4,232,727

4. Net Assets

Net assets with donor restrictions are subject to the following time and purpose restrictions at June 30:

	2026	2025
Restricted for general program support:		
Subject to endowment appropriation	$ 507,279	$ 386,473
Available for specified purpose	307,812	312,930
Held in perpetuity	1,222,287	1,222,287
Total net assets with donor restrictions	$2,037,378	$1,921,690

4. Net Assets (Continued)

The changes in the Organization's endowment funds by net asset category are as follows for the years ended June 30:

	Board Designated	Purpose Restriction	Perpetual in Nature	Total
Changes in endowment net assets:				
Endowment net assets, July 1, 2024	$ 133,733	$ 210,605	$1,222,287	$1,566,625
Appreciation	327,108	175,868	–	502,976
Appropriated for expenditure	(460,841)	–	–	(460,841)
Endowment net assets, June 30, 2025	–	386,473	1,222,287	1,608,760
Appreciation	–	221,204	–	221,204
Appropriated for expenditure	–	(100,398)	–	(100,398)
Endowment net assets, June 30, 2026	$ –	$ 507,279	$1,222,287	$1,729,566

5. Concentration of Credit Risk

The Organization occasionally maintains significant cash balances in one financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to $250,000. As of June 30, 2026, the Organization has not experienced any losses from deposit concentrations.

6. Liquidity and Availability

Financial assets available for general expenditure within one year of the consolidated statement of financial position date consist of the following at June 30, 2026:

Financial assets at year end:	
Cash and cash equivalents	$ 1,100,896
Certificates of deposit	148,951
Receivables – due within one year	402,790
Investments and donor restricted funds	4,805,343
	6,457,980
Less amounts not available to be used within one year:	
Donor restricted funds – endowments	(1,222,287)
Donor restricted funds – endowment appreciation	(507,279)
Financial assets available to meet general expenditures within one year	$ 4,728,414

6. Liquidity and Availability (Continued)

The Organization receives significant contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures.

7. Leases

The Organization is party to several operating lease agreements for office space and certain office equipment under both short-term and long-term operating lease agreements.

During the year ended June 30, 2025, the Organization entered into a ten-year operating lease for office space in Westbrook, Maine. As part of the lease agreement, the Organization received a tenant improvement allowance totaling $2,457,001, of which $1,500,000 was funded directly by the landlord and $957,001 was structured as additional rent obligations to be recognized over the lease term. The leasehold improvements were capitalized at cost. In accordance with Accounting Standards Codification (ASC) 842, the tenant improvement allowance was applied against the cost of the improvements and resulted in a corresponding reduction to the right-of-use asset. As of June 30, 2025, $357,385 of the allowance had not yet been received and is recorded as other receivables on the consolidated statement of financial position. The remaining balance was collected in 2026.

In February 2025, the Organization terminated its operating lease in South Portland, Maine in connection with its move to the new Westbrook location. No termination fees were incurred.

During 2025, the Organization was party to a month-to-month operating building lease in Lewiston, Maine. In 2026, the Organization terminated its month-to-month operating lease and entered into a new operating lease in Lewiston, Maine, with an initial one-year term and successive one-year renewal options. Rent under the new lease is approximately $1,000 per month. The Organization is not reasonably certain it will exercise renewal options. Therefore, the renewal periods are not included in the lease terms.

Lease Term and Discount Rate

The weighted-average lease terms and discount rates for long-term operating leases are as follows for the year ended June 30:

	2026	2025
Weighted-average remaining lease term	8.73 years	9.72 years
Weighted-average discount rate	4.00%	4.00%

7. Leases (Continued)

Lease Cost

Operating lease costs and rent expense recorded in operating expenses on the accompanying consolidated statements of activities and changes in net assets was $676,583 and $767,554 for the years ended June 30, 2026 and 2025, respectively, which includes lease expense related to short-term and other immaterial leases.

Commitments related to noncancellable operating lease obligations for each of the next five years and thereafter after June 30, 2026 are as follows:

2027	$ 676,027
2028	675,630
2029	671,505
2030	707,018
2031	814,679
Thereafter	3,058,753
Total minimum future lease payments	6,603,612
Less imputed interest	(1,081,640)
Total lease obligations	$ 5,521,972

8. Commitments

The Organization was responsible for a portion of the construction costs to bring the building leased in Westbrook, Maine to use. In connection with the construction of the building, the Organization was party to a $112,500 letter of credit agreement with TD Bank which expired in July 2026. The Organization formalized a pledge agreement with TD Bank as security for all amounts due in respect to the letter of credit. The pledge agreement was collateralized by a short-term Certificate of Deposit.

Other Commitments

The Organization has also entered into various agreements related to event management consulting, software usage, and licensing. Commitments extend for varying periods.

BAKER NEWMAN NOYES

Baker Newman & Noyes LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnncpa.com
WE ARE AN INDEPENDENT MEMBER OF THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors
Dempsey Centers for Quality Cancer Care and Subsidiary

We have audited the consolidated financial statements of Dempsey Centers for Quality Cancer Care and Subsidiary as of and for the years ended June 30, 2026 and 2025, and have issued our report thereon, which contains an unmodified opinion on those consolidated financial statements. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating and supplementary information is presented for purposes of additional analysis rather than to present the financial position, results of operations and cash flows of the individual entities and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating and supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with 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 consolidated financial statements as a whole.

Baker Newman + Noyes LLC

Portland, Maine
October 22, 2026

DEMPSEY CENTERS FOR QUALITY CANCER CARE AND SUBSIDIARY

CONSOLIDATING STATEMENTS OF FINANCIAL POSITION

June 30, 2026 and 2025

ASSETS

	2026				2025			
	Dempsey Center	Clayton's House	Eliminations	Total	Dempsey Center	Clayton's House	Eliminations	Total
Cash and cash equivalents	$ 1,100,796	$ 100	$ –	$ 1,100,896	$1,171,201	$ 100	$ –	$ 1,171,301
Certificates of deposit	148,951	–	–	148,951	144,083	–	–	144,083
Contributions receivable	502,790	–	–	502,790	408,441	–	–	408,441
Other receivables	–	–	–	–	357,385	–	–	357,385
Prepaid expenses and other assets	61,603	1,999	–	63,602	124,485	2,468	–	126,953
Investments	4,805,343	–	–	4,805,343	4,232,727	–	–	4,232,727
Due from Clayton's House	600,527	–	(600,527)	–	524,412	–	(524,412)	–
Due from Dempsey Center	–	547,599	(547,599)	–	–	479,938	(479,938)	–
Property and equipment:								
Land	451,289	–	–	451,289	–	442,775	–	442,775
Buildings	556,790	–	–	556,790	4,565	727,417	–	731,982
Leasehold improvements	2,907,597	–	–	2,907,597	3,197,224	–	–	3,197,224
Computers, printing equipment and website	314,453	3,509	–	317,962	303,090	3,509	–	306,599
Furniture, fixtures and equipment	195,149	14,149	–	209,298	248,230	14,149	–	262,379
	4,425,278	17,658	–	4,442,936	3,753,109	1,187,850	–	4,940,959
Accumulated depreciation	(1,125,011)	(15,884)	–	(1,140,895)	(1,177,021)	(197,275)	–	(1,374,296)
Total property and equipment	3,300,267	1,774	–	3,302,041	2,576,088	990,575	–	3,566,663
Right-of-use assets	3,024,586	–	–	3,024,586	3,269,945	–	–	3,269,945
Investment in Clayton's House	(79,115)	–	79,115	–	918,491	–	(918,491)	–
Total assets	$13,465,748	$551,472	$(1,069,011)	$12,948,209	$13,727,258	$1,473,081	$(1,922,841)	$13,277,498

LIABILITIES, NET ASSETS AND MEMBER'S EQUITY

	2026				2025			
	Dempsey Center	Clayton's House	Eliminations	Total	Dempsey Center	Clayton's House	Eliminations	Total
Accounts payable	$ 25,525	$ –	$ –	$ 25,525	$ 24,216	$ –	$ –	$ 24,216
Accrued expenses and other liabilities	178,257	101	–	178,358	292,584	220	–	292,804
Due to Clayton's House	517,640	–	(517,640)	–	449,980	–	(449,980)	–
Due to Dempsey Center	–	630,486	(630,486)	–	–	554,370	(554,370)	–
Lease obligations	5,521,972	–	–	5,521,972	5,970,723	–	–	5,970,723
Total liabilities	6,243,394	630,587	(1,148,126)	5,725,855	6,737,503	554,590	(1,004,350)	6,287,743
Net assets:								
Without donor restrictions	5,184,976	–	–	5,184,976	5,068,065	–	–	5,068,065
With donor restrictions	2,037,378	–	–	2,037,378	1,921,690	–	–	1,921,690
Total net assets	7,222,354	–	–	7,222,354	6,989,755	–	–	6,989,755
Member's equity	–	(79,115)	79,115	–	–	918,491	(918,491)	–
Total liabilities, net assets and member's equity	$13,465,748	$551,472	$(1,069,011)	$12,948,209	$13,727,258	$1,473,081	$(1,922,841)	$13,277,498

DEMPSEY CENTERS FOR QUALITY CANCER CARE AND SUBSIDIARY

CONSOLIDATING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2026

	Dempsey Center					
	Without Donor Restrictions	With Donor Restrictions	Total	Clayton's House	Eliminations	Consolidated Total
Revenue:						
Grants	$ 196,000	$ 291,180	$ 487,180	$ –	$ –	$ 487,180
Federal awards	–	140,948	140,948	–	–	140,948
Donations and contributions	1,076,370	151,500	1,227,870	44,625	–	1,272,495
In-kind contributions	1,265,430	–	1,265,430	107,036	(1,049,772)	322,694
Fundraisers	1,886,013	–	1,886,013	–	–	1,886,013
Fundraising event sponsorship	407,380	–	407,380	–	–	407,380
Merchandise	52,742	–	52,742	–	–	52,742
Investment income, net	57,460	–	57,460	–	–	57,460
Investment return appropriated for operations	100,398	–	100,398	–	–	100,398
Net assets released from restriction	439,284	(439,284)	–	–	–	–
Total revenue	5,481,077	144,344	5,625,421	151,661	(1,049,772)	4,727,310
Expenses:						
Program	3,940,437	–	3,940,437	1,149,267	(1,049,772)	4,039,932
Management and general	357,096	–	357,096	–	–	357,096
Fundraising	650,680	–	650,680	–	–	650,680
Total expenses	4,948,213	–	4,948,213	1,149,267	(1,049,772)	5,047,708
Net operating income (loss)	532,864	144,344	677,208	(997,606)	–	(320,398)
Nonoperating income (loss):						
Net realized and unrealized gain on investments	432,191	197,557	629,748	–	–	629,748
Loss from investment in subsidiary	(997,606)	–	(997,606)	–	997,606	–
Investment income, net	–	23,647	23,647	–	–	23,647
Investment return appropriated for operations	–	(100,398)	(100,398)	–	–	(100,398)
Total nonoperating (loss) income	(565,415)	120,806	(444,609)	–	997,606	552,997
Net assets released from restriction for property equipment	149,462	(149,462)	–	–	–	–
Change in net assets	116,911	115,688	232,599	(997,606)	997,606	232,599
Net assets/member's equity, beginning of year	5,068,065	1,921,690	6,989,755	918,491	(918,491)	6,989,755
Net assets/member's equity, end of year	$ 5,184,976	$2,037,378	$ 7,222,354	$ (79,115)	$ 79,115	$7,222,354

DEMPSEY CENTERS FOR QUALITY CANCER CARE AND SUBSIDIARY

CONSOLIDATING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2025

	Dempsey Center					
	Without Donor Restrictions	With Donor Restrictions	Total	Clayton's House	Eliminations	Consolidated Total
Revenue:						
Grants	$ –	$ 50,000	$ 50,000	$ –	$ –	$ 50,000
Donations and contributions	2,274,517	212,547	2,487,064	31,371	–	2,518,435
In-kind contributions	185,301	–	185,301	200	–	185,501
Fundraisers	1,914,309	–	1,914,309	–	–	1,914,309
Fundraising event sponsorship	216,476	–	216,476	–	–	216,476
Merchandise	59,821	–	59,821	–	–	59,821
Investment income, net	61,353	–	61,353	–	–	61,353
Investment return appropriated for operations	265,755	–	265,755	–	–	265,755
Net assets released from restriction	567,148	(567,148)	–	–	–	–
Total revenue	5,544,680	(304,601)	5,240,079	31,571	–	5,271,650
Expenses:						
Program	4,416,704	–	4,416,704	122,226	–	4,538,930
Management and general	417,200	–	417,200	–	–	417,200
Fundraising	570,206	–	570,206	–	–	570,206
Total expenses	5,404,110	–	5,404,110	122,226	–	5,526,336
Net operating income (loss)	140,570	(304,601)	(164,031)	(90,655)	–	(254,686)
Nonoperating income (loss):						
Net realized and unrealized gain on investments	305,651	155,651	461,302	–	–	461,302
Loss from investment in subsidiary	(90,655)	–	(90,655)	–	90,655	–
Investment income, net	–	20,217	20,217	–	–	20,217
Investment return appropriated for operations	(265,755)	–	(265,755)	–	–	(265,755)
Total nonoperating (loss) income	(50,759)	175,868	125,109	–	90,655	215,764
Change in net assets	89,811	(128,733)	(38,922)	(90,655)	90,655	(38,922)
Net assets/member's equity, beginning of year	4,978,254	2,050,423	7,028,677	1,009,146	(1,009,146)	7,028,677
Net assets/member's equity, end of year	$ 5,068,065	$1,921,690	$ 6,989,755	$ 918,491	$ (918,491)	$6,989,755