Grant Thornton

Financial Statements and Reports of
Independent Certified Public Accountants

Centro Comprensivo de Cáncer de la Universidad de Puerto Rico

(A Component Unit of the Commonwealth of Puerto Rico)

Single Audit Package

June 30, 2025

Centro Comprensivo de Cáncer de la Universidad de Puerto Rico
(A Component Unit of the Commonwealth of Puerto Rico)

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Report of Independent Certified Public Accountants

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To the Board of Directors of
Centro Comprensivo de Cáncer de la Universidad de Puerto Rico:

Opinion

We have audited the accompanying financial statements of **Centro Comprensivo de Cáncer de la Universidad de Puerto Rico** (the "Center"), a component unit of the Commonwealth of Puerto Rico (the "Commonwealth"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Centro Comprensivo de Cáncer de la Universidad de Puerto Rico** as of June 30, 2025, and the respective changes in its financial position and 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 and the standard applicable to financial audits contained in G*overnment Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Centro Comprensivo de Cáncer de la Universidad de Puerto Rico**, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter — Going Concern

As described in Note (14) to the financial statements, **Centro Comprensivo de Cáncer de la Universidad de Puerto Rico** has outstanding notes payable to the Government Development Bank (GDB) that have not been paid when due, and it has incurred recurring losses from operations. These conditions indicate that substantial doubt exists about **Centro Comprensivo de Cáncer de la Universidad de Puerto Rico**'s ability to continue as a going concern. Management's evaluation of these conditions and its plans to address them are also described in Note (14). Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 **Centro Comprensivo de Cáncer de la Universidad de Puerto Rico**'s ability to continue as a going concern for twelve months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

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

In performing an audit in accordance with generally accepted auditing standards and *Governmental 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 **Centro Comprensivo de Cáncer de la Universidad de Puerto Rico** 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the **Centro Comprensivo de Cáncer de la Universidad de Puerto Rico**'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.

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Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statement in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information
Our audit as of and for the year ended June 30, 2025, was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards for the year ended June 30, 2025, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2026 on our consideration of the 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 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 Center's internal control over financial reporting and compliance.

Grant Thornton Puerto Rico LLP

San Juan, Puerto Rico,
February 13, 2026.

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Centro Comprensivo de Cáncer de la
Universidad de Puerto Rico

Management's discussion and analysis

This section represents a discussion and analysis of the "Centro Comprensivo de Cáncer de la Universidad de Puerto Rico" (the "Center") financial performance, which provides an overview of the Center's financial activities for the fiscal year ended June 30, 2025 and identifies changes in the Center's financial position. The Center is a component unit of the Commonwealth of Puerto Rico (the "Commonwealth").

This section should be read, in conjunction with the Center's basic financial statements including the notes thereto.

Going Concern

The discussion in Note (14) to the financial statements provides information regarding the Center's financial risks. In prior years, the existence of a long-term liability to the former Government Development Bank for Puerto Rico ("GDB") was considered a factor raising going concern considerations. During the current year, the conditions giving rise to the prior going concern considerations were reevaluated and are no longer considered to raise substantial doubt about the Center's ability to continue as a going concern.

As further discussed in Note (14) to the financial statements, under the Qualifying Modification approved in connection with the GDB restructuring process, the Center's loans were classified as "GDB Retained Loans", however, the beneficial interest of those loans, when and if collected, are the property of the GDB Debt Recovery Authority ("DRA"). These loans were not included in the asset pool transferred to the DRA in the near future. As explained in the Solicitation Statement (page E-133), GDB Retained Loans are not expected to be collected. While GDB is required to use commercially reasonable best efforts to maximize the return on the GDB Retained Loans, it is expressly not required to bring any action seeking to obtain a judgment against a public entity that is an obligor under any such GDB Retained Loan or seeking to foreclose upon any of such public entity's assets except, in each case, insofar as is necessary to preserve the payment or lien priority or rights in respect of any such loan.

This classification and lack of repayment expectation is further confirmed in the 2024 DRA Annual Report, which shows that GDB Retained Loans are not included in the projected collection schedules through 2030 and therefore do not form part of the DRA's repayment model at the moment.

Accordingly, although the GDB liability remains recorded as it has not been legally extinguished, there is no expectation of cash outflow, no collection activity, and no enforceability being asserted at this time. The liability currently does not result in future cash requirements and therefore does not give rise to substantial doubt about the Center's ability to continue operating for the foreseeable future. This determination will be subject to evaluation every year subject to any potential changes in the expectation of any enforceability activities over the loans.

Financial highlights

- Net position decreased by $22.5 million, from $45 million as of June 30, 2024 to $23 million as of June 30, 2025.

- During the year ended June 30, 2025, the Center incurred approximately $2 million to purchase equipment.

- Effective July 1, 2008, the Center began the administration of the Puerto Rico Cancer Registry Program. On July 1, 2012, the Cancer Prevention and Control Program was divided into Cancer Registry Program, Breast and Cervical Cancer Early Prevention Program and Community Cancer Control Program. Total revenues recorded during the year ended June 30, 2025 related to the administration of the Cancer Prevention and Control Program amounted to $1.5 million.

- Effective August 1, 2014, the Center operates as a grantee institution for the administration of National Cancer Institute Community Oncology Research Program (“NCORP”). The National Cancer Institute (“NCI”) divided this program into Clinical Trials and Cancer Care Delivery. During the year ended June 30, 2025, the Center received contributions amounting to $1 million under this program.

- Radiotherapy Oncology Services – Effective December 1, 2015, the Center began as administrator of the Radiotherapy Center located between the Research Center and the Oncologic Hospital to provide radiotherapy services to patients including conventional radiotherapy treatment, intensity-modulated radiation therapy (“IMRT”), brachytherapy procedures and neurosurgery oncologic. The Net Patient Revenues for the year ended June 30, 2025 was $7.6 million.

Overview of financial statements

These discussions and analysis are intended to serve as introduction to the Center’s basic financial statements. The Center’s financial statements consist of three statements: Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows. These financial statements and related notes provide information about the activities of the Center, including resources held by the Center but restricted for specific purposes by enabling legislation.

The statement of net position includes all of the Center's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of revenues, expenses and changes in net position regardless of when the cash is received or paid.

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position

The statement of net position and the statement of revenues, expenses and changes in net position report information about the Center’s resources and its activities in a way that helps to understand if the finances improved or worsen off as a result of the year’s activities. These statements include all restricted and unrestricted assets and all liabilities using the accrual basis of accounting. All of the current year’s revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the Center’s net position and changes thereto. You can think of the Center’s net position, which is the difference between assets plus deferred outflows of resources less liabilities and deferred inflows of resources, as one way to measure the Center’s financial health, or financial position. Over time, increases or decreases in the Center’s net position are indicators of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Center’s patient base and measures of the quality of service it provides to the community, as well as local economic factors to assess the overall financial health of the Center.

Statement of Cash Flow

The statement of cashflows reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and capital and non-capital related financing activities. This statement presents the sources and uses of cash in four categories: (a) operating activities; (b) non-capital financing activities; (c) capital and related financing activities, and (d) investing activities.

Financial analysis of the Center as a whole

We provide the readers of these basic financial statements with the following summarized discussion and analysis of the relevant facts that affected the financial statements as of June 30, 2025 and 2024.

Statements of net position

The following is condensed financial information on assets, liabilities and net position of business-type activities as of June 30, 2025 and 2024:

	2025	2024	Change	Percent %
Assets				
Current assets:				
Cash	$ 133,737	$ 528,577	$ (394,840)	-75%
Accounts receivable:				
Net patient accounts receivable - Radiotherapy and Hospital services	21,814,320	15,910,713	5,903,607	37%
Federal government	2,172,937	3,283,635	(1,110,698)	-34%
Other receivables	134,523	10,142	124,381	1226%
Prepaid expenses	1,004,744	1,966,338	(961,594)	-49%
Inventory	3,406,597	3,881,561	(474,964)	-12%
Total current assets	28,666,858	25,580,966	3,085,892	12%
Noncurrent assets:				
Restricted cash	4,859,862	11,273,111	(6,413,249)	-57%
Capital assets:				
Land	750,001	750,001	-	0%
Construction in progress	37,754,525	37,135,630	618,895	2%
Other capital assets, net of depreciation and amortization of $76,136,416	165,948,155	174,101,652	(8,153,497)	-5%
Other non-current assets	2,493,233	2,490,683	2,550	0%
Total non-current assets	211,805,776	225,751,077	(13,945,301)	-6%
Total assets	$ 240,472,634	$ 251,332,043	$ (10,859,409)	-4%
Liabilities and Net Position				
Current liabilities:				
Accounts payable and accrued liabilities	$ 9,610,373	$ 8,834,693	$ 775,680	9%
Compensated absences	3,102,019	1,838,967	1,263,052	69%
Accrued interest payable	81,563,164	70,960,098	10,603,066	15%
Lease and subscription based information technology and arrangement liability	300,584	220,114	80,470	37%
Due to other governmental entities	606,757	1,074,581	(467,824)	-44%
Notes payable	120,482,398	120,482,398	-	0%
Total current liabilities	215,665,295	203,410,851	12,254,444	6%
Non-current liabilities:				
Lease and subscription based information technology and arrangement liability	103,783	279,357	(175,574)	-63%
Compensated absences	1,770,191	2,214,966	(444,775)	-20%
Total non-current liabilities	1,873,974	2,494,323	(620,349)	-25%
Total liabilities	217,539,269	205,905,174	11,634,095	6%
Net position:				
Net investment in capital assets	83,770,283	91,304,885	(7,534,602)	-8%
Restricted for:				
Capital research and clinical trials	3,272,467	3,269,309	3,158	0%
Donated capital	200,000	200,000	-	0%
Unrestricted	(64,309,385)	(49,347,325)	(14,962,060)	30%
Total net position	22,933,365	45,426,869	(22,493,504)	-50%
Total liabilities and net position	$ 240,472,634	$ 251,332,043	$ (10,859,409)	-4%

The net position of the Center decreased by $22.5 million as of June 30, 2025. The decrease in net position was the result of a net effect of a decrease of $10.9 million in total assets and an increase of $11.6 million in total liabilities.

The decrease in total assets and the increase in total liabilities are mainly due to the following:

- Capital assets net decrease of $7.5 million as a result of an increase in depreciable assets of $2 million offset by the depreciation expense of $9.8 million for the year ended June 30, 2025.
- Restricted cash decrease of $6.4 million used for research activities.
- Increase in total liabilities of $11.6 million, mainly due to the net effect of an increase in accrued interest payable of $10.6 million and an increase in accounts payable and accrued liabilities for $776 thousand and a decrease in due to other governmental entities by $467 thousand, respectively.

Statements of revenues, expenses and changes in net position

Statements of revenues, expenses and net position for the fiscal years ended June 30, 2025 and 2024 are shown in the table below.

	2025	2024	Change	%
Operating revenues				
Net patient service revenue	$ 46,748,838	$ 31,502,485	$ 15,246,353	48%
Other operating revenues	2,016,500	1,653,868	362,632	22%
Total operating revenues	48,765,338	33,156,353	15,608,985	47%
Operating expenses				
Salaries and wages	25,670,259	21,688,407	5,012,403	23%
Professional fees and contracted services	23,351,739	20,190,008	3,161,731	16%
Supplies, food and drugs	23,261,042	16,527,471	6,733,571	41%
Employee benefits	10,664,166	8,560,070	2,104,096	25%
Depreciation and amortization	9,849,325	9,745,534	103,791	1%
Utilities	6,634,506	5,912,872	721,634	12%
Insurance	1,691,297	178,360	1,512,937	848%
Repairs and maintenance	1,556,174	2,239,064	(682,890)	-30%
Rent and other	3,014,448	2,793,810	220,638	8%
Total operating expenses	105,692,956	87,835,596	18,887,911	22%
Operating loss	(56,927,618)	(54,679,243)	(2,248,375)	4%
Non-operating revenue (expenses)				
Interest expense	(10,603,065)	(11,198,371)	595,306	-5%
Grants from U.S. Federal Government and other contributions	10,565,755	7,728,946	2,836,809	37%
Contributions from the Commonwealth of Puerto Rico	32,790,549	37,143,037	(4,352,488)	-12%
Interest income	503,779	770,266	(266,487)	-35%
Total non-operating revenue	33,257,018	34,443,878	(1,186,860)	-3%
Capital contributions from the Commonwealth of Puerto Rico	1,177,096	11,752,699	(10,575,603)	-90%
Change in net position	(22,493,504)	(8,482,666)	(14,010,838)	165%
Net position, at beginning of year	45,426,869	53,909,535	(8,482,666)	-16%
Net position, at end of year	$ 22,933,365	$ 45,426,869	$ (22,493,504)	-50%

Results of Operations

- Total operating revenues increased by $15.6 million, mostly related to an increase in activities related to patient services.
- Non-operating revenue, decreased by $1.2 million, from $34 million in 2024 to $33 million in 2025. The decrease is mostly related to the following: the Center received $4.4 million less in contributions from the Commonwealth of Puerto Rico and an increase $2.9 million in Grants from U.S. Federal Government.

The Center generates all of its operating revenues from activities related to patient services either directly or ancillary, which are typical of a hospital unit, such as cafeteria facility rent, physicians facility rent, parking facility rent, etc. In addition, the expenses incurred in those activities are accounted for as operating expenses. During the years ended June 30, 2025 and 2024, the Center reflected operating losses of approximately $56.9 million and $54.7 million, respectively.

The following table presents comparative statistical information of the patient services provided by the Comprehensive Cancer Center Hospital:

	2025	2024	Variance	% of Changes
Admissions	3,032	2,457	575	23.40%
Discharges	3,014	2,442	572	23.42%
Patient Days	19,554	12,071	7,483	61.99%
Occupancy percentage	0.70%	0.67%	0.03%	4.48%
Average length of stay	4.46	3.99	0.47	11.78%
Surgery procedures	4,028	2,583	1,445	55.94%
Laboratory samples	380,991	231,436	149,555	64.62%
Imaging Center visits	31,356	23,507	7,849	33.39%
Emergency Room visits	5,328	4,272	1,056	24.72%
Multidiciplinary Clinics visits	25,771	21,732	4,039	18.59%
Infusions	6,598	4,873	1,725	35.40%
Encounters	464,069	139,191	324,878	233.40%

As observed in the table above, the statistics presented covered the services provided at the Hospital from July 1, 2024 to June 30, 2025. During this period and according to the statistics presented, the Comprehensive Cancer Center Hospital had a total of 464,069 patient encounters versus 139,191 in the prior year, representing an increase of 233%. From its opening on June 1, 2018 to June 30, 2025, the Hospital has a total of 797,381 encounters.

During the fiscal year ended June 30, 2025, the Hospital had a significant increase in services to patients. The Hospital presents an increase of 62% in patients' days, 56% in surgery procedures and 65% in laboratory samples. This is due to hospital services related to cancer, contracting medical insurance plans and recruitment of physicians and specialized personnel in the field of health, especially cancer.

In research: the federal funding increased from $8.5 million in 2024 to $9.3 million in 2025, with an additional $1.8 million in private funding for clinical trials and collaborations with national and international entities that enhance the Center's research capacity.

In clinical operations: the hospital bed occupancy percentage steadily increased from 67% in 2024 to 70% in 2025, enabling the treatment of 15,975 patients, which, in turn, boosted billing and revenues.

Between FYs 2022 to 2025, the Center made great strides to achieve initiatives that increased the Hospital bed occupancy from 12 beds to 73 beds to have an accumulated patients' day of 43,953. The outpatient clinics increased 177% and surgeries procedure increased 56%. The hospital offers a wide range of outpatient services through its specialized clinics. These include Oncology and Surgical Oncology with subspecialties such as head and neck, colorectal, urology, general surgery, pancreato-biliary surgery, and endocrine surgery.

The Center has expanded its workforce to accommodate the growing demands of patient care. More administrative staff, nurses, doctors and technical staff have been hired to provide access to key medical subspecialties, including Behavioral Oncology and Oncology Pharmacology, Internal Medicine and its subspecialties which support both the Oncology faculty and the patients they serve.

A challenge faced during FY 2025 has been the Leukemia Unit, which was transferred from the Adults' University Hospital (known as UDH) to end 2024. This unit comprises of 20 beds and incurs an average monthly expenditure of $883,095.

From 2000 to 2022, leukemia incidence in Puerto Rico increased by 2.2%. Survival rates are approximately 63% at 5 years. Its treatment requires highly trained personnel, including hematologists. Leukemia patients are subjected to prolonged hospitalization since they have weakened immune systems which deprive them of a defense mechanism to fight common infectious processes. They also require frequent blood product transfusions, as well as frequent blood marrow testing, all of which contributes to the steep cost of their treatment. Blood Bank expenses increased by 74%, representing $2 million more than fiscal year 2024.

Capital assets and construction in progress

The Center capital assets at June 30, 2025, decreased from $211.9 million to approximately $204.4 million, net of accumulated depreciation and amortization, which amounted to $66.2 million and $76.1 million during 2025 and 2024, respectively. Capital assets include land, construction in progress, building, building improvements and equipment.

Long-term debt

The Center used long-term debt to finance the construction of the new hospital and radiotherapy facilities. At June 30, 2025, the total debt outstanding amounted to $120.5 million. Pursuant to the Qualifying Modification under Title VI of PROMESA, in November 2018, the available cash balance in the amount of $208 thousand were set off with the University of Puerto Rico (UPR) deposits and were considered as part of the transaction in a pro rata share of common units in the Public Entity Trust ("the Trust") in accordance with the GDB Restructuring Act. Subsequently, the Center's management will start conversation with the UPR's Governance in order to establish the Center's ownership of the 208 shares of common units of the Trust.

Contacting the Center's financial management

This financial report was prepared to provide our citizens, taxpayers, customers, patients and creditors with a general overview of the Center's finances and to demonstrate the Center's accountability for the funds it receives. If you have any question about this report, or need additional information, contact Mr. Rubén I. Rivera López, Chief Financial Officer, at "Centro Comprensivo de Cáncer de la Universidad de Puerto Rico", P.O. Box 363027 San Juan, Puerto Rico 00936-3027.

Centro Comprensivo de Cáncer de la Universidad de Puerto Rico
(A Component Unit of the Commonwealth of Puerto Rico)

Statement of Net Position
June 30, 2025

Assets	
Current assets:	
Cash	$ 133,737
Accounts receivable:	
Net patient accounts receivable - Radiotherapy and Hospital services	21,814,320
Federal government	2,172,937
Other receivables	134,523
Prepaid expenses	1,004,744
Inventory	3,406,597
Total current assets	28,666,858
Noncurrent assets:	
Restricted cash	4,859,862
Capital assets:	
Land	750,001
Construction in progress	37,754,525
Other capital assets, net of depreciation and amortization of $76,136,416	165,948,155
Other non-current assets	2,493,233
Total non-current assets	211,805,776
Total assets	$ 240,472,634

(continued)

Statement of Net Position (continued)
June 30, 2025

Liabilities and Net Position	
Current liabilities:	
Accounts payable and accrued liabilities	$ 9,610,373
Compensated absences	3,102,019
Accrued interest payable	81,563,164
Lease and subscription based information technology arrangement liability	300,584
Due to other governmental entities	606,757
Notes payable	120,482,398
Total current liabilities	215,665,295
Non-current liabilities:	
Lease and subscription based information technology arrangement liability	103,783
Compensated absences	1,770,191
Total non-current liabilities	1,873,974
Total liabilities	217,539,269
Net position:	
Net investment in capital assets	83,770,283
Restricted for:	
Capital research and clinical trials	3,272,467
Donated capital	200,000
Unrestricted	(64,309,385)
Total net position	22,933,365
Total liabilities and net position	$ 240,472,634

Statements of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2025

Operating revenues	
Net patient service revenue	$ 46,748,838
Other operating revenues	2,016,500
Total operating revenues	48,765,338
Operating expenses	
Salaries and wages	25,670,259
Professional fees and contracted services	23,351,739
Supplies, food and drugs	23,261,042
Employee benefits	10,664,166
Depreciation and amortization	9,849,325
Utilities	6,634,506
Insurance	1,691,297
Repairs and maintenance	1,556,174
Rent and other	3,014,448
Total operating expenses	105,692,956
Operating loss before non-operating revenue and Capital contributions from the Commonwealth of Puerto Rico	(56,927,618)
Non-operating revenue (expenses)	
Interest expense	(10,603,065)
Grants from U.S. Federal Government and other contributions	10,565,755
Contributions from the Commonwealth of Puerto Rico	32,790,549
Interest Income	503,779
Total non-operating revenue	33,257,018
Capital contributions from the Commonwealth of Puerto Rico	1,177,096
Change in net position	(22,493,504)
Net position, at beginning of year	45,426,869
Net position, at end of year	$ 22,933,365

Statement of Cash Flows
Year Ended June 30, 2025

Cash flows from operating activities:	
Cash received from patients and third party payor	$ 40,845,232
Other operating cash receipts	1,892,119
Cash payments to suppliers	(57,570,087)
Cash payments to employees for salaries and benefits	(35,516,148)
Net cash used in operating activities	(50,348,884)
Cash flows from noncapital financing activities--	
Cash received from grants and contributions	43,996,630
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(2,136,710)
Contribution from the Commonwealth of Puerto Rico	1,177,096
Net cash used in capital and related financing activities	(959,614)
Cash flows from investing activities--	
Interest received	503,779
Net change in cash	(6,808,089)
Cash, at beginning of year	11,801,688
Cash, at end of year	$ 4,993,599
Reconciliation of cash to the statements of net position:	
Cash	$ 133,737
Restricted cash	4,859,862
Total cash	$ 4,993,599

(continued)

Statement of Cash Flows
Year Ended June 30, 2025 (continued)

Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (56,927,618)
Adjustments to reconcile operating loss to net cash used in operating activities	
Depreciation and amortization	9,849,325
Provision for bad debts - patients accounts receivable	6,047,254
Changes in assets and liabilities	
(Increase) decrease in operating assets:	
Patient accounts receivable	(11,950,860)
Other accounts receivable	(124,381)
Prepaid expenses	961,594
Other non-current assets	474,964
Increase (decrease) in operating liabilities:	
Lease liability	(273,128)
Accounts payable and accrued liabilities	775,689
Compensated absences	818,277
Total adjustments	6,578,734
Net cash used in operating activities	$ (50,348,884)

(1) Reporting entity:

“Centro Comprensivo de Cáncer de la Universidad de Puerto Rico” (the "Center") is a component unit of the Commonwealth of Puerto Rico (the “Commonwealth”) which was created by Law No. 230 (the "Law") of the Legislature of the Commonwealth of Puerto Rico (the "Legislature") on August 26, 2004 as a separate and independent entity from any other agency or instrumentality of the Commonwealth. The Center was created to be the governmental entity principally responsible to execute public policy related to the prevention, orientation, investigation, and treatment of cancer in Puerto Rico. The Center is exempt from all taxation in Puerto Rico pursuant to the Law, as amended. Also pursuant to the Law, the Center has complete administrative and fiscal autonomy, and will be excluded from the dispositions of Law No. 230 of July 23, 1974 of the Commonwealth, as amended, also known as the "Law of Accounting of the Government of Puerto Rico."

On July 13, 2011, the Legislature through Law No. 141 amended the Law No. 230 and, among others, changed the composition of the Board. The Board will consist of nine members as follows:

- Four ex-officio members, which are the President of the University of Puerto Rico (the “University”), the Chancellor of the Medical Science Campus of the University of Puerto Rico, the Secretary of the Department of Health, and the Dean of the School of Medicine of the Medical Science Campus of the UPR.

- Five citizens of Puerto Rico who have shown commitment to the fight against cancer; one of which will be a member of the "Liga Puertorriqueña Contra el Cáncer"; two of which will be members of the cancer research, study, and/or treatment community; one of which will be a member with experience in finance, business administration or with previous experience in hospital or research clinic management; and one of which will be a cancer patient. These five individuals will be appointed by the Governor of Puerto Rico with the consent of the Senate.

On October 31, 2013, the Legislature through Law No. 128 amended Law No. 230 and, among others, require direct participation of Ex-Officio members which previously could delegate their functions.

Also, this amendment changed the use of funds and assigned the total amount of recurring funds to $15 million on an annual basis, to be used for capital related purposes, particularly for the construction of the Center’s clinical facilities.

On July 1, 2014, the Legislature of the Commonwealth issued Law No. 74 to amend section (1)(a) of Article 3 of Act No. 60 of 2013 to modify the use of the amounts allocated for the Comprehensive Cancer Center Infrastructure Fund for Science and Technology. On July 2, 2015, the Legislature of the Commonwealth issued Law No. 106 to amend Article 15 of Law 230 to modify the annual contributions the Center will receive. To this end, the Center received $65.7 million for the fiscal year 2016-17 to cover the operating expenses and construction projects.

The opening of the hospital was anticipated in phases, the first one specifically related to the first 6 floors of operations and all electromechanical areas. Initial substantial completion was declared on October 6, 2016 which gave the hospital administration the capability of starting all necessary processes for accrediting the hospital through the State Licensing System (SARAF). Final completion was declared in June 2017 and the contractor left the premises by August 2017.

On October 10, 2019, the Center received the accreditation of the NIAHO® Hospital Accreditation Program allowing the Center to participate in the Medicare and Medicaid program.

On August 16, 2020, the Legislature of the Commonwealth issued Act 128 to amend the Article12 of Act 230-2004, as amended, known as the “Law of the Comprehensive Cancer Center of the University of Puerto Rico”. This amendment excluded the Center from the provisions of Law 8-2017, as amended, known as the “Law for the Administration and Transformation of Human Resources in the Government of Puerto Rico”; as well as the provisions of Act No. 230 of July 23, 1974, as amended, known as the "Puerto Rico Government Accounting Act"; of Law 3-2017, as amended, known as the “Law to Address the Economic, Fiscal and Budgetary Crisis to Guarantee the Functioning of the Government of Puerto Rico”; of Law 26-2017, as amended, known as the “Law of Compliance with the Fiscal Plan”; of Law 73-2019, as amended known as the “General Services Administration Law for the Centralization of Procurement of the Government of Puerto Rico of 2019” and all the regulations promulgated by virtue of said laws. The Center will maintain a General Regulation to implement the provisions of this Law, as well as a Personnel Regulation and a Purchasing Regulation. Said regulations must be approved in accordance with the Law of Uniform Administrative Procedures of the Government of Puerto Rico, Law 38-2017, as amended, and shall maintain a healthy public administration, as well as the best use of resources for efficiency in this public corporation”.

On August 30, 2022, the Center’s accreditation granted by DNV GL Healthcare USA, Inc. by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, with the Medicare Conditions of Participation for Hospitals (42 C.F.R. §482) was extended up to October 10, 2025.

The Center Milestones and Incentives - Milestone: The Center must implement the second phase of the Electronic Health Records, which involves integrating the financial modules. Incentive: $10,253,000 to support cancer research initiatives that will allow the Comprehensive Cancer Center of Puerto Rico to obtain formal federal designation of “Cancer Center,” which will in turn provide access to additional federal funds.

For the fiscal year 2025, the joint resolution budget in the amount $10.7, under the custody of OGP, was subject to the implementation of the 340B program. This federal program allows certain healthcare providers such as hospitals and clinics, to purchase medications at reduced cost. The Center achieved the program certification on June 6, 2023.

(2) Summary of significant accounting policies:

(a) Enterprise fund financial statements -
The Center’s financial statements are presented as an enterprise fund and conform to the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34 (GASB No. 34), Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments. GASB 34, as amended, establishes standards for external financial reporting for all state and local government entities, which includes a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows. It requires the classification of net position into three components: net investment in capital assets, restricted, and unrestricted.

The statement of net position presents the Center's assets and liabilities, with the difference reported as net position. Net position is reported in three categories:

- **Net investment in capital assets** - consists of capital assets, net of accumulated depreciation and amortization, and reduced by any outstanding balances for notes and other debt that are attributed to the acquisition, construction, or improvement of those assets.

- **Restricted net position** - results when constraints are placed on net position use, either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

- **Unrestricted net position** - consists of net position that does not meet the definition of the two preceding categories. Unrestricted net position often is designated, in order to indicate that management does not consider them to be available for general operations. Unrestricted net position often has constraints on use that are imposed by management, but such constraints may be removed or modified.

(b) Measurement focus basis of accounting -
The financial statements of the Center are presented using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America, as applicable to governmental units. Under this basis, revenues are recognized when earned, regardless of when received, and expenses are recognized when incurred, regardless of when paid. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

(c) Net patient service revenue and related receivables -
The Center has agreements with third-party payors that provide for payments to the Center at amounts different from its established rates. Net patient service revenue and related receivable are recorded at the time services to patients are performed at the estimated net realizable value amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in the future periods as final settlements are determined.

Management estimates an allowance for doubtful accounts receivable based on evaluation of historical losses, current economic conditions, and other factors unique to the Center's customer base. The Center evaluates the collectability of its accounts receivable based on the length of time the receivable is outstanding, payor class, and historical experience. Accounts receivable are charged against the allowance for uncollectable accounts when they are deemed uncollectible.

(d) Prepaid expenses -
Certain payments to vendors represent costs applicable to future accounting periods are recorded as prepaid items in the accompanying statement of net position and as expenses when incurred.

(e) Inventories -
Inventories, consisting principally of medical supplies and pharmaceuticals, are valued at the lower of cost, or net realizable value, using the first-in/first-out method.

(f) Capital assets -
Capital assets include land, building and improvements, construction in progress, laboratory equipment, office furniture and equipment, computer equipment, and information systems.

Capital assets are defined by the Center as assets that have a cost of $500 or more at the date of acquisition and an expected useful life of two or more years. Purchased capital assets are valued at historical cost. Donated fixed assets are recorded at fair value at the date of the donation.

Capital assets transferred from other governmental entities within the same financial reporting entity are recorded at carrying value of the transferor. The cost of normal maintenance and repairs that do not add value to the assets or materially extend assets lives are not capitalized.

Capital assets are depreciated on the straight-line method over the assets estimated useful lives as follows:

Description	Useful lives (Years)
Building	40
Building improvements	20
Cancer research and clinical trial equipment	10
Office furniture and equipment	3 - 7
Computer equipment	5

(g) **Impairment of capital assets** -
The Center follows GASB No. 42, "*Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries".* The objective of GASB No. 42 is to establish accounting and financial reporting standards for impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. This statement also clarifies and establishes accounting requirements for insurance recoveries.

Governments are required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage among others.

The Center evaluated its capital assets, as required by GASB No. 42, and no impairment was identified during the year ended June 30, 2025.

(h) **Compensated absences** -
The Center implemented GASB No. 101, "Compensated Absences", during the fiscal year ended June 30, 2025, which requires that a liability for certain types of compensated absences like parental leave, military leave, and jury duty leave not be recognized until leave commences. This statement amends disclosure for compensated absences allowing either disclosing the gross increases and decreases in liability or the net change in the liability. The implementation of this accounting standard did not impact the financial statements.

The Center accumulates vacation and sick leave when earned (or estimated to be earned) by the employee. The employees of the Center hired before January 1, 2015 are entitled to thirty (30) days of vacations and eighteen (18) days of sick leave annually. Employees hired on or after January 1, 2015, are entitled to fifteen (15) days of vacations and twelve (12) days of sick leave annually.

Vacations and sick leave can be accumulated up to a maximum of sixty (60) days and ninety (90) days, respectively. In the event of employee resignation, the employee is paid for accumulated vacation days up to the maximum allowed. Separation from employment prior to use of all or part of the sick leave, terminates all rights for compensation.

The Center recognizes a liability for compensated absences when the following criteria are met:

(i) Obligation relating to employee's rights to receive compensation for future absences is attributable to employee's services already rendered
(ii) The obligation relates to rights that vest or accumulate
(iii) Payment of the compensation is probable
(iv) The amount can be reasonably estimated

In accordance with the above criteria and requirements as established by GASB No. 101, "*Compensated Absences*"; the Center has accrued a liability for compensated absences, which has been earned but not taken by the Center's employees as of June 30, 2025. Amounts are presented as current and noncurrent compensated absences in the accompanying statement of net position. The Center after the adoption of the GASB 101 concluded that the adoption did not have a significant impact in the financial statements.

(i) **Long-term liabilities** -
Long-term debt and other long-term obligations are reported as non-current liabilities in the accompanying statement of net position.

(j) **Leases and subscription-based information technology arrangements (SBITA)** -
The Center recognizes lease contracts or equivalents that have a term exceeding one year and the cumulative future payments on the contract exceed $25,000 that meet the definition of other than short-term lease. In addition, the Center enters into subscription-based information technology agreements that provide the right to use vendor-hosted software applications and related technology services over a specified subscription term. The Center evaluates each subscription arrangement to determine whether it conveys the right to use the underlying IT asset over the subscription term. The Center uses a discount rate that is explicitly stated or implicit in the contract. When a readily determinable discount rate is not available, the discount rate is determined using the Center's incremental borrowing rate at start of the lease for a similar asset type and term length to the contract. Short-term lease payments are expensed when incurred. The Center recognizes related expense on a straight-line basis over the term of the lease and subscription-based information technology arrangements.

(k) **Employee benefit plan** -
The Center sponsors a defined contribution profit sharing plan (the "Plan") with cash or deferred arrangements under the Popular Master Defined Contribution Retirement Plan and its Popular Master Trust. The Plan covers substantially all employees who are over 18 year of age and comply with a minimum service of at least six (6) months. The Center may make discretionary contributions to the Plan, which are recognized when due and payable in accordance with the benefit terms.

(l) **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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

(m) Certain risk disclosure -
The Center evaluated the criteria set forth in GASB Statement No. 102, *Certain Risk Disclosures*, regarding its vulnerability to the risk of a substantial impact on operations and financial position as of the close of the fiscal year. Based on this evaluation, management determined that the Center is not exposed to risks that are considered probable of occurring and that would significantly affect its ability to continue to provide services or meet its obligations.

Notwithstanding the above, the Center continues to depend, in part, on appropriations and financial support from the Commonwealth of Puerto Rico to fund operations. While management does not consider this dependency to represent a vulnerability under the criteria established in GASB 102 as of the reporting date, reductions, delays, or interruptions in such support could have an impact on the Center's operations and liquidity.

(n) Future adoption of accounting pronouncements:

GASB has issued the following standards that the Center has not yet adopted:

GASB Statement No.		Adoption required in fiscal year
103	Financial reporting model improvements	2026
104	Disclosure of certain capital assets	2026
105	Subsequent events	2027

The Center is evaluating the impact that these statements may have, if any, on its future financial statements.

(3) Cash:

Custodial credit risk deposits -
The Commonwealth requires that public funds deposited in commercial banks in Puerto Rico must be fully collateralized for the amount deposited in excess of federal depository insurance. All securities pledged as collateral are held by the Secretary of the Treasury of the Commonwealth ("STC").

As of June 30, 2025, the Center's custodial credit risk on bank balances were as follows:

Carrying amount	Bank balance	Custiodial Credit Risk Category 1	2
$ 4,993,599	$ 7,136,703	$ 7,136,703	$ -

Following is a description of the categories of custodial credit risk:

Category	Description
1	The deposits are collateralized by the Federal Deposit Insurance Corporation and by the securities pledged as collateral held with the STC.
2	The deposits are uncollateralized.

Restricted cash -
Cash in the aggregate amount $4,859,862 represent contributions from private organizations and individuals, of which $3,272,467 were for cancer research and clinical trial purposes, $1,437,880 for radiotherapy operations, $110,936 for capital projects, and other contributions in the amount of $38,579.
The total balance of $4,859,862 has been included as restricted cash in the accompanying statement of net position.

(4) Net patient accounts receivable:

Net patient accounts receivable are primarily for hospital and radiotherapy services, and as of June 30, 2025 consisted of the following:

	Hospital	Radiotherapy	Total
Patients and third-party payors	$ 46,004,611	$ 6,613,924	$ 52,618,535
Less: allowance for doubtful accounts	(26,570,184)	(4,234,031)	(30,804,215)
Patients and third-party payors, net	$ 19,434,427	$ 2,379,893	$ 21,814,320

Changes in allowance for doubtful accounts for the year ended June 30, 2025, are as follows:

	Hospital	Radiotherapy	Total
Balance, beginning of year	$ 20,361,670	$ 4,395,291	$ 24,756,961
Provision for bad debts	6,208,514	(161,260)	6,047,254
Balance, end of year	$ 26,570,184	$ 4,234,031	$ 30,804,215

The Center grants credit without collateral to its patients, most of whom are residents of Puerto Rico and are insured under third-party payors agreements. The mix of receivables from patients' and third-party payors at June 30, 2025 are mainly from the Government Health Plan Vital, Medicare, and third-party payors, among others.

(5) Net patient service revenue:

The Center has agreements with third-party payors that provide for payments to the Center at amounts different from its established rates. Estimated contractual adjustments under third-party reimbursement programs represent the difference between the Center's billings at standard rates and amounts reimbursed by third-party payors. They also include any differences between estimated third-party reimbursement settlements for prior years and subsequent final settlements.

On October 10, 2019, the Center was found in compliance by the DNV GL Healthcare USA, Inc. by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, with the Medicare Conditions of Participation for Hospitals (42 C.F.R. §482). The Center for Medicare and Medicaid Services of the U.S. Department of Health and Human Services (CMS), the agency with oversight of the Medicare and Medicaid programs, provides "deemed status" for facilities having such accreditation. As a result, by being accredited, the Center's facilities are "deemed" to be in compliance with the Medicare and Medicaid conditions of participation. The Center has been accredited for an additional period of three (3) years through October 10, 2025.

The Medicare and Medicaid reimbursement programs represent a substantial portion of the Center's revenues. The Center's operations are subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services and Medicare and Medicaid fraud and abuse.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates may change. Estimates for cost report settlements and contractual allowances can differ from actual reimbursements based on the results of subsequent reviews and cost report audits.

A summary of the most significant agreements with major third-party payors follows:

- Third-party payors - The Center has entered into payment agreements with certain commercial insurance carriers and other healthcare organizations. The basis for payment to the Center under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

- Medicare - Inpatient acute care services and outpatient services rendered to Medicare program beneficiaries are paid at a prospectively determined rate per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Inpatient capital costs are paid based on the fully prospective method.

- Medicaid - Medicaid is a program through which the Federal Government provides assistance to states and territories to pay medical expenses for certain groups of low-income people. The Puerto Rico Department of Health is responsible for facilitating the eligibility and access processes to health services offered to the medically indigent population and those socioeconomically disadvantaged people who do not have a health plan. Since 1994, it has also assumed the function of determining eligibility for the Puerto Rico Government Health Plan, known as Plan Vital.

A summary of patient service revenue, net of contractual allowances and discounts, for the year ended June 30, 2025 are as follows:

	Hospital	Radiotherapy	Total
Gross patient service revenue	$ 167,272,777	$ 25,662,397	$ 192,935,174
Contractual allowance	(121,877,496)	(18,261,586)	(140,139,082)
	45,395,281	7,400,811	52,796,092
(Provision)/release for bad debts	(6,208,514)	161,260	(6,047,254)
Total	$ 39,186,767	$ 7,562,071	$ 46,748,838

Patient revenue, net of contractual allowances, disaggregated by payor for the year ended June 30, 2025 are as follows:

	Hospital	Radiotherapy	Total
Medicare	$ 17,851,189	$ 3,060,727	$ 20,911,916
Medicaid	17,399,415	3,165,990	20,565,405
Commercial insurance	9,140,142	1,066,692	10,206,834
Self-pay and others	1,004,535	107,402	1,111,937
Total	$ 45,395,281	$ 7,400,811	$ 52,796,092

(6) Leases and subscription based information technology arrangements:

The Center leases the radiotherapy facilities under a non-cancellable operating lease agreement on premises located in the “Dr. Isaac Gonzalez Martinez” Hospital (the Oncology Hospital), requiring monthly rental payments of $18,343 through December 2026. The Center has recorded right-to-use lease assets and corresponding lease liabilities. The lease liability has been discounted at 5.1%

Future lease payments as of June 30, 2025 are as follows:

Year ending June 30,	Lease Payments	Interest	Total
2026	$ 209,659	$ 10,455	$ 220,114
2027	90,556	1,158	91,714
Total	300,215	11,613	311,828
Less: imputed interest			(11,613)
Lease liability (present value)			300,215
Less: current portion			(220,114)
Lease liability - long-term			$ 80,101

In addition, the Center has a subscription agreement requiring monthly payments of $6,706 through June 2027. The Center has recorded right-to-use subscription assets and corresponding subscription liabilities. The subscription liability has been discounted at 4.79%.

Year ending June 30,	Subscription Payments	Interest	Total
2026	$ 77,489	$ 2,981	$ 80,470
2027	26,663	160	26,823
Total	104,152	3,141	107,293
Less: imputed interest			(3,141)
Subscription liability (present value)			104,152
Less: current portion			(80,470)
Subscription liability - long-term			$ 23,682

Amortization expense amounted to $273,128 for the year ended June 30, 2025, and is included within depreciation and amortization in the accompanying statement of revenues, expenses and changes in net position.

(7) Capital assets:

The following schedule summarizes the capital assets held by the Center as of June 30, 2025:

	Balance at June 30, 2024	Additions	Retirements/ Adjustments	Balance at June 30, 2025
Nondepreciable				
Land	$ 750,001	$ -	$ -	$ 750,001
Construction in progress	37,135,630	1,558,252	(939,357)	37,754,525
Total capital assets, not being depreciated	37,885,631	1,558,252	(939,357)	38,504,526
Depreciable				
Building	178,230,613	-	-	178,230,613
Building improvements	7,646,844	29,985	(315,407)	7,361,422
Equipment	53,441,347	1,803,232	-	55,244,579
Other	1,069,934	178,023	-	1,247,957
Total capital assets, being depreciated	240,388,738	2,011,240	(315,407)	242,084,571
Less: accumulated depreciation and amortization	(66,287,086)	(9,849,330)	-	(76,136,416)
Total capital assets, being depreciated, net	174,101,652	(7,838,090)	(315,407)	165,948,155
Total capital assets, net	$ 211,987,283	$ (6,279,838)	$ (1,254,764)	$ 204,452,681

Land includes a lot of land with a carrying value of $1, but with an appraised value of $7,500,000 as of August 2007. The land serves as collateral for the $196 million note payable to the GDB as described in Note (9).

(8) Compensated absences:

The following is a summary of the changes in compensated balances for the year ended June 30, 2025:

Balance at July 1, 2024	Additions	Payments / Adjustments	Balance at June 30, 2025	Due within one year	Due over one year
$ 4,049,933	$ 3,101,272	$ 2,278,995	$ 4,872,210	$ 3,102,019	$ 1,770,191

(9) Notes payable to GDB:

The activity of notes payable for the year ended June 30, 2025 is as follows:

	Balance at July 1, 2024	Additions	Reductions	Balance at June 30, 2025
Note payable $75 million	$ 31,932,464	$ -	$ -	$ 31,932,464
Note payable $196 million	88,549,934	-	-	88,549,934
Total	$ 120,482,398	$ -	$ -	$ 120,482,398

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Notes payable as of June 30, 2025 consist of the following:

Description	Amount
On August 22, 2007, the Center entered into an $18 million non-revolving line of credit agreement with the Puerto Rico Government Development Bank ("GDB") to build the Center's administrative offices and research facilities. On May 29, 2008, the agreement was amended, mainly to increase the maximum borrowing amount to $75 million, to extend the maturity date up to October 31, 2021 and to finance the construction of the Hospital. Balance will be repaid from future annual contributions of the Commonwealth pursuant to Law 230 of August 25, 2004, as negotiated between the Puerto Rico Office of Management and Budget and GDB. The nonrevolving line of credit bears interest at a fixed rate of 6.00%.	$ 31,932,464
On November 18, 2013, the Center entered into a non-revolving line of credit agreement facility up to an aggregate principal amount not to exceed $196 million with GDB, for the construction and development of a ninety-six (96) beds hospital, a multi-disciplinary outpatient clinic, a diagnostic imaging center and a medical oncology infusion unit in a land lot property of the Center, located in the Municipality of San Juan. The principal amount shall be payable in twentyeight (28) consecutive annual installments of principal and interest computed at a rate per annum equal to the sum of Prime Rate, plus 200 basis points, with the funds assigned by Law No. 128 dated on October 31, 2013, as amended, that have been legally pledged to the Center, on the last business day of December of each year. The annual installments payments were supposed to commence the last business day of December 2016 and the final and twenty-eight (28th) installment shall be due and payable on the last business day of December 2043.	88,549,934
	$ 120,482,398

Interest expense incurred during the fiscal year ended June 30, 2025 amounted to $10,603,065, which were accrued and presented within accrued interest payable in the accompanying statement of net position. No interest payments were made during the year ended June 30, 2025.

On November 29, 2018, GDB completed a restructuring of certain of its indebtedness pursuant to a Qualifying Modification under Title VI of PROMESA (the Qualifying Modification). Under the Qualifying Modification, holders of certain bond and deposit claims against GDB exchanged their claims for bonds issued by a newly created public instrumentality—the GDB Debt Recovery Authority (“GDB DRA”) created under Act No. 109 of August 24, 2017, known as the Government Development Bank for Puerto Rico Debt Restructuring Act (the GDB Restructuring Act)—and GDB transferred to such entity its municipal loan portfolio, a portion of its public entity loan portfolio, its real estate owned assets and its unencumbered cash. In addition, pursuant to the GDB Restructuring Act, claims on account of deposits held by the Commonwealth and other public entities were exchanged for interest in a newly formed trust created pursuant to the GDB Restructuring Act, titled the Public Entity Trust (“the PET”).

Under the GDB Restructuring Act, the balance of liabilities owed between the Commonwealth and its agents, instrumentalities and affiliates (each a Non-Municipal Government Entity) and GDB were determined by applying the outstanding balance of any deposits held at GDB in a Non-Municipal Government Entity’s name against the outstanding balance of any loan of such Non-Municipal Government Entity owed to GDB or of any bond or note of such Non-Municipal Government Entity held by GDB as of such date. Those Non-Municipal

Government Entities having net claims against GDB, after giving effect to the foregoing adjustment received their pro rata share of interests in the PET, which was deemed to be full satisfaction of any and all claims such Non-Municipal Government Entity may have against GDB.

The Center's notes payable were not transferred to GDB DRA or the PET pursuant to the Qualifying Modification. GDB retained ownership of the Center's notes payable. See Note (14).

The credit agreements contain various affirmative and negative covenants that the Center must comply with. Management is not aware of any covenant violations, except for the debt repayment obligation.

(10) Related parties' transactions:

A summary of the most significant related party transactions as of June 30, 2025, and for the year then ended are as follows:

(a) Commonwealth -
Law No. 230 of August 26, 2004 requires the Commonwealth to provide contributions for operating purposes of the Center. Also, pursuant to amendments to Law No. 230, the Commonwealth is required to repay the notes payable through future contributions. From fiscal year 2016 up to fiscal year 2044, the Commonwealth will provide annual contributions up to a maximum amount of $15,000,000 for debt service purposes. However, no such contributions were received.

During the year ended June 30, 2025, the Center received contributions from the Commonwealth amounting to $32,790,549 for operations and for research and development activities.

(b) Medical Science Campus -
The Medical Science Campus ("MSC") is part of the University and the Center charges for utilities expenses related to the research facilities. Also, the MSC charges salaries and fringe benefits of faculty which has joint appointments or support personnel who work directly with the faculty. During the year ended June 30, 2025, the Center was charged approximately $943,106 for these services of which as of June 30, 2025, remained as due to MSC. Also, the Center charged the MSC for utilities in the amount of $126,731.

(c) Puerto Rico Infrastructure Financing Authority -
On March 12, 2022, the Center and the Puerto Rico Infrastructure Financing Authority entered into an agreement for the planification, auction, management, construction, inspection, and administration of a new building for administrative office spaces, outpatient clinics, parking, and radiotherapy center building for which the Commonwealth committed to the Center approximately $35 million.

(11) Federal awards:

The Center participates in a number of federal financial assistance programs. These programs are subject to audits requirements in accordance with the provisions of the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"), as well as compliance audits conducted by federal grantor agencies. For the fiscal year ended June 30, 2025, the Center complied with applicable federal regulations and grant requirements. As of this date, there have been no examinations, claims, or findings related to noncompliance with federal award requirements, with the exception of the late submission of the Single Audit report.

(12) Contingencies:

(a) The Health Insurance Portability and Accountability Act ("HIPAA") was enacted in August of 1996 to assure health insurance portability, reduce healthcare fraud and abuse, guarantee security and privacy of health information and enforce standards for health information. Organizations are subject to significant fines and penalties if they are found not to be in compliance with the provisions outlined in the regulations. Management is of the opinion that all its facilities are in compliance with HIPAA regulations.

(b) The Center participates in a number of federal financial assistance programs. Entitlement to the resources is generally based on compliance with the terms and conditions of the grant agreements and applicable federal regulations, including the expenditures of the resources for eligible purposes. Any non-compliance or disallowed costs, including amounts already collected, may constitute a liability of the applicable agreements. The amount of expenditures which may be disallowed under these agreements, if any, cannot be determined at this time.

(13) Pension plan:

The Center sponsors a defined contribution profit sharing plan with cash or deferred arrangements ("the Plan"). The Plan was created on January 1, 2015 under the Popular Master Defined Contribution Retirement Plan and its Popular Master Trust. The Plan covers substantially all employees who are over 18 year of age and comply with a minimum service of at least six (6) months. Eligible employees may contribute up to $15,000 of pre-tax annual compensation, as established by Act No. 1 of January 31, 2011 of the Internal Revenue Code for a new Puerto Rico. Eligible employees who have attained age 50 before December 31st are eligible to make catch-up contribution of $1,500. After tax contributions are also permitted up to 10% of eligible compensation, as defined by the Plan Adoption Agreement. The Center may make discretionary contributions to the Plan. Contributions made by eligible employees are immediately vested.

Vesting on the Center's matching contributions, including accumulated earnings thereon, is based on years of continuous service as follows:

Vesting Percentage	Years of service
25%	2
50%	3
75%	4
100%	5

Notwithstanding the above, contributions become fully vested upon death, disability and plan termination. Forfeitures on non-vested amounts are used as determined by the Center.

During the year ended June 30, 2025, the Center's contributions to the Plan amounted to $434,569.

(14) <u>Going concern</u>:

The financial statements have been prepared on a going concern basis, which assumes the Center will be able to realize its assets and settle its liabilities in the normal course of business for the foreseeable future. The Center management is required to evaluate whether conditions or events raise substantial doubt about the Center's ability to continue as a going concern.

The Center entered into loan agreements with the Puerto Rico Government Development Bank ("GDB") for the development of its research and clinical facilities, including the renovation and expansion of its Research and Development Building, the renovation and improvement of the facilities where its Radiotherapy Center operates, and the construction of a specialized cancer hospital and clinical research.

On May 15, 2017, the Puerto Rico Fiscal Agency and Financial Advisory Authority (AAFAF) and GDB entered into a Restructuring Support Agreement (the "RSA") with a significant portion of GDB's creditors. The parties to the RSA agreed to undertake a financial restructuring of GDB pursuant to a Qualifying Modification under Title VI of PROMESA (the "Qualifying Modification"). On August 9, 2018, GDB commenced the solicitation of votes on the Qualifying Modification and on August 10, 2018 commenced an action to obtain court approval of the Qualifying Modification. Following the conclusion of voting on September 12, 2018, GDB announced it received the necessary votes from holders of claims subject to the Qualifying Modification (the "Participating Bond Claims") to approve the Qualifying Modification, as required under PROMESA. On November 6, 2018, the Qualifying Modification was approved by the Federal Court. On November 29, 2018, the AAFAF and the GDB announced the consummation of the Qualifying Modification.

Under the Qualifying Modification, holders of certain bond and deposit claims exchanged their claims for bonds issued by a newly created public instrumentality—the GDB Debt Recovery Authority (the "Debt Recovery Authority")—and GDB transferred to such entity its municipal loan portfolio, a portion of its public entity loan portfolio, its real estate owned assets and its unencumbered cash. The Center's notes payable were not transferred to GDB DRA or the PET pursuant to the Qualifying Modification. GDB retained ownership of the Center's notes payable.

Pursuant to amendments to Law No. 230, repayment of the Center's notes payable should be made through annual contributions received from the Commonwealth. Commencing from fiscal year 2016 up to fiscal year 2044, the Commonwealth should provide annual contributions to the Center, up to a maximum amount of $15,000,000, for debt service purposes. However, as of June 30, 2025, no such contributions were received, and as such, the Center's notes payable have not been repaid when due. As of the date of the financial statements were available to be issued, there has been no negotiations between the Center and GDB for the repayment of such notes payable neither funds have been assigned by the Commonwealth to the Center for the repayment of these notes.

In addition to the outstanding notes payable to GDB which have not been paid when due, the Center experienced recurring operating losses totaling $56M in the current fiscal year and $54M in the prior year.

Management plans

The Center continues to execute its strategic initiatives in accordance with the approved Institutional Business Plan and its revised timeline. The updated plan outlines the sequence of clinical, operational, and capital projects scheduled through fiscal year 2028, all of which are designed to expand service capacity, strengthen revenue-generating operations, and progressively reduce the operational deficit.

Management has implemented key initiatives that have resulted in measurable increases in own source revenues and improvements in operational performance. These initiatives include expansion of clinical services, recruitment of specialized physicians, development of new outpatient programs, and modernization of revenue cycle processes. The revised project timeline identifies additional milestones aimed at further maximizing revenue potential and closing the financial gap by fiscal year 2028.

The Center continues to receive appropriations from the Government of Puerto Rico to support operations, research activities, and capital investments essential to fulfilling its public health mission. Management's projected cash flows, together with anticipated appropriations and the execution of ongoing strategic initiatives, support the institution's ability to continue meeting its obligations as they become due.

The Center believes that the following actions will mitigate its liquidity shortfall and recurring operating losses:

- The Commonwealth has continued to subsidize the Center's operations through appropriations amounting to $17.7 million and $5.3 million for fiscal year 2026. These subsidies are expected to fund ongoing operating deficits and address near-term liquidity needs related to the Center's operations.

- Management expects that the Government Development Bank (GDB) is unlikely to initiate collection or enforcement actions on the Center's notes payable during the next fiscal year. Although no legal release has been granted as of the audit report issuance date, management believes that the anticipated non-enforcement will reduce near-term cash demands associated with these obligations.

Management concludes that, although the conditions described above existed, substantial doubt has been alleviated due to (i) the financial support provided by the Commonwealth and (ii) the fact that, while the notes payable to GDB have not been legally extinguished, no debt service payments are required during the next fiscal year. Accordingly, the financial statements continue to be prepared using the going concern basis of accounting.

(15) Subsequent events:

Subsequent events were evaluated through February 13, 2026, the date the financial statements were available to be issued, to determine if such events should be recognized or disclosed in the fiscal year 2025 financial statements.

The Commonwealth approved contributions to the Center for the fiscal year 2026 amounting to $17.7 million and Capex $5.1 million. Also, the Center was granted additional funds for fiscal year 2025 in the amount of $10.8 million for the Center's operations.

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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*

To the Board of Directors of
Centro Comprensivo de Cáncer de la Universidad de Puerto Rico:

We have audited, in accordance with the 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, the financial statements of **Centro Comprensivo de Cáncer de la Universidad de Puerto Rico** (the "Center"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements, and have issued our report thereon dated February 13, 2026.

Report on Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the 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 opinions on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 Center'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 the 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 may exist that have not been identified.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Grant Thornton Puerto Rico LLP

San Juan, Puerto Rico,
February 13, 2026.

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Centro Comprensivo de Cáncer de la Universidad de Puerto Rico

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Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors of
Centro Comprensivo de Cáncer de la Universidad de Puerto Rico:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the **Centro Comprensivo de Cáncer de la Universidad de Puerto Rico**'s (the "Center") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Center's major federal programs for the year ended June 30, 2025. The Center's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Center and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Center's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Center's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Center's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Center's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Center's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Center's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Grant Thornton Puerto Rico LLP

San Juan, Puerto Rico,
February 13, 2026.

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Centro Comprensivo de Cáncer de la Universidad de Puerto Rico

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Amount Provided to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Centers for Disease Control and Prevention:				
Puerto Rico Cancer Prevention and Control Programs and Coordinating Center				
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898		$ -	$ 1,502,661
Research and Development Cluster:				
National Cancer Institute:				
Puerto Rico NCI Community Oncology Research Program Minority/Underserved				
Cancer Control	93.399		-	1,156,266
Cancer Prevention and Control (CAPAC) Research Training Program				
Cancer Research Manpower	93.398		-	357,495
Cross Sectional Association of the Oral Microbiota and the Inflammasome with Oral HPV among HIV+ Adults				
Cancer Biology Research	93.396		-	74,907
Implementation of School Entry Policies for Human Papillomavirus Vaccination				
Cancer Cause and Prevention Research	93.393		-	110,639
The effectiveness, cost-effectiveness, and budget impact of interventions to improve the delivery of cervical cancer screening in Puerto Rico				
Cancer Cause and Prevention Research	93.393		339,908	729,153
Posttranslational Regulation of FOXA1 in Breast Cancer				
Cancer Biology Research	93.396		-	318,054
The Caribbean Climate Change Adaptation, Cancer, and Health Disparities				
Cancer Control Research Center	93.399		343,507	553,708
National Institute of Allergy and Infectious Diseases (NIAID)				
REPMIC (Research Education Program on Microbes, Infections, and Cancer)				
Allergy and Infectious Diseases Research	93.855		-	323,382
Office of the Director, National Institutes of Health				
National Latino Network (NLN)				
Trans-NIH Research Support	93.310		-	300,259
National Institute of Dental & Craniofacial Research:				
Mechanisms of disparities in the natural history of oral and oropharyngeal HPV infection among persons living with HIV: the CAMPO oral cohort study				
Oral Diseases and Disorders Research	93.121		96,001	281,168

(continued)

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Amount Provided to Subrecipients	Federal Expenditures
Pass-through programs:				
The Emmes Company, LLC AIDS Malignancy Consortium (AMC) ANCHOR Study Cancer Treatment Research	93.395	7UM1CA121947-16	-	41,639
University of Puerto Rico Medical Sciences Campus UPR/MDACC Partnership for Excellence in Cancer Research Cancer Centers Support Grants	93.397	U54 CA096297-20	-	38,765
The Regents of the University of California, San Francisco California-Mexico-Puerto Rico Partnership (CAMPO) Center for Prevention of HPV related Cancer in HIV+ Populations Cancer Centers Support Grants	93.397	5U54CA242646-06	-	321,045
Board of Regents of the University of Wisconsin System on Behalf of the University of Wisconsin - Madison The MW Cancer Prevention Clinical Trials Network Cancer Control	93.399	1 UG1 CA242635-01A1	-	8,539
University of Miami Southeast Enrollment Center Consortium Tans-NIH Research Support	93.310	OT2OD037907	-	817,753
The Trustees of Columbia University in the City of New York Mechanisms underlying gastric intestinal metaplasia and carcinogenesis Cancer Biology Research	93.396	5 R01 CA272903-03	-	115,008
University of Puerto Rico Medical Sciences Campus Center for the Promotion of Cancer Health Equity (CEPCHE) Biomedical Research and Research Training	93.859	P20GM148324	-	950,816
University of Puerto Rico Medical Sciences Campus Genotoxicity and Inmmunogenicity of the uropathogenic specific protein (USP) in the gut Biomedical Research and Research Training	93.859	1R16GM-153691	-	6,770
University of Puerto Rico Medical Sciences Campus Unraveling the Role of MMP3 in the Cisplatin Resistance of Ovarian Cancer Biomedical Research and Research Training	93.859	5R16GM145558-03	-	7,923
University of Puerto Rico Medical Sciences Campus The Hispanic Clinical and Translational Research Education and Career Development(R25MD007607-21) Minority Health and Health Disparities Research	93.307	5R25MD007607	-	28,315

(continued)

Centro Comprensivo de Cáncer de la Universidad de Puerto Rico
(A Component Unit of the Commonwealth of Puerto Rico)

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Amount Provided to Subrecipients	Federal Expenditures
University of Puerto Rico Medical Sciences Campus The Hispanic Clinical and Translational Research Education and Career Development (R25MD007607-22) Minority Health and Health Disparities Research	93.307	5R25MD007607	-	9,405
Healthy Americas Foundation All of Us Trans-NIH Research Support	93.310	OT2OD025277	-	10,000
Healthy Americas Foundation Cancer Screening Disparities among people with disabilities Trans-NIH Research Support	93.310	OT2OD025277	-	6,600
The Regents of the University of California on behalf of its Davis Campus Latin America Genomics of Breast Cancer Risk Study (LAGENO -BCR) Cancer Cause and Prevention research	93.393	1R01CA286650-01A1	-	51,068
University of Puerto Rico Medical Sciences Campus Hispanic Clinical and Translational Research Education and Career Development Minority Health and Health Disparities Research	93.307	R25MD007607-25	-	8,790
University of Puerto Rico Medical Sciences Campus Hispanic Clinical and Translational Research Education and Career Development (HCTRECD) Minority Health and Health Disparities Research	93.307	5R25MD007607	-	11,167
University of Puerto Rico Rio Piedras Campus E-RISE RII: Cracking the development blueprint of life: Omics, computational science, and artificial intelligence Integrative Activities	47.083	2435987	-	9,413
President and Fellows of Harvard College on Behalf of Havard Medical School AIM-AHEAD Research Fellowship Program Trans-NIH Research Support	93.310	RF000250-SUB00067	-	23,871
Sub-total Research and Development Cluster			779,416	6,671,918
U.S. Department of Homeland Security				
FEMA Disaster DR-4493 Subaward Disaster Grants - Public Assistance (President Declared Disasters)	97.036	4493DRPRP00000001	-	7,092
FEMA Disaster DR-4339 Subaward Disaster Grants - Public Assistance (President Declared Disasters)	97.036	4339DRPRP00000001	-	1,053,104
Sub-total U.S. Department of Homeland Security			-	1,060,196
U.S. Department of Housing and Urban Development				
Departamento de la Vivienda Community Development Block Grants	14.228	B-18-DP-72-0001	-	32,753
Total Expenditures of Federal Awards			**$ 779,416**	**$ 9,267,528**

Notes to the Schedule of Expenditures of Federal Awards
June 30, 2025

(1) Basis of Presentation:

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal awards activity of "Centro Comprensivo de Cáncer de la Universidad de Puerto Rico" (the "Center") for the year ended June 30, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Center, it is not intended to and does not present the financial position and changes in net position of the Center.

(2) Summary of Significant Accounting Policies:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Indirect Cost Rate:

The Center uses the approved indirect cost rate of 36.9%, for use on grants, contracts, and other agreement with the federal government, as applicable.

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(4) Clusters:

A cluster of programs means federal programs with different federal assistance listing numbers that are defined as a cluster of programs because they are closely related programs that share common requirements. The Schedule includes the following cluster:

Research and Development Cluster:

Federal Program	Federal Assistance Listing Number
Puerto Rico NCI Community Oncology Research Program Minority/Underserved Cancer Control	93.399
Cancer Prevention and Control (CAPAC) Research Training Program Cancer Research Manpower	93.398
Posttranslational Regulation of FOXA1 in Breast Cancer Cancer Biology Research	93.396
Cross Sectional Association of the Oral Microbiota and the Inflammasome with Oral HPV among HIV+ Adults Cancer Biology Research	93.396
Implementation of School Entry Policies for Human Papillomavirus Vaccination Cancer Cause and Prevention Research	93.393
The effectiveness, cost-effectiveness, and budget impact of interventions to improve the delivery of cervical cancer screening in Puerto Rico Cancer Cause and Prevention Research	93.393
Mechanisms of disparities in the natural history of oral and oropharyngeal HPV infection among persons living with HIV: the CAMPO oral cohort study Oral Diseases and Disorders Research	93.121
The Emmes Company, LLC ANCHOR Study Cancer Treatment Research	93.395
University of Puerto Rico Medical Sciences Campus - UPR/MDACC Partnership for Excellence in Cancer Research Cancer Center Support Grants	93.397
The Regents of the University of California, San Francisco - California-Mexico-Puerto Rico Partnership (CAMPO) Center for Prevention of HPV related Cancer in HIV+ Populations Cancer Center Support Grants	93.397
Board of Regents of the University of Wisconsin System on Behalf of the University of Wisonsin - Madison - The MW Cancer Prevention Clinicals Trials Network Cancer Control	93.399
University of Miami - Southeast Enrollment Center Consortium 2 Tans-NIH Research Support	93.310
The Trustees of Columbia University in the City of New York - Mechanisms underlying gastric intestinal metaplasia and carcinogenesis Cancer Biology Research	93.396
University of Puerto Rico Medical Sciences Campus - Center for the Promotion of Cancer Health Equity (CEPCHE) Biomedical Research and Research Training	93.859

(continued)

Notes to the Schedule of Expenditures of Federal Awards
June 30, 2025

Federal Program	Federal Assistance Listing Number
REPMIC (Research Education Program on Microbes, Infections, and Cancer) Allergy and Infectious Diseases Research	93.855
National Latino Network (NLN) Trans-NIH Research Support	93.310
The Caribbean Climate Change Adaptation, Cancer, and Health Disparities Research Center Cancer Control	93.399
Healthy Americas Foundation - Todos Juntos Trans-NIH Research Support	93.310
University of Puerto Rico Medical Sciences Campus The Hispanic Clinical and Translational Research Education and Career Development(R25MD007607-21) Minority Health and Health Disparities Research	93.307
University of Puerto Rico Medical Sciences Campus The Hispanic Clinical and Translational Research Education and Career Development(R25MD007607-22) Minority Health and Health Disparities Research	93.307
University of Puerto Rico Medical Sciences Campus Genotoxicity and Inmmunogenicity of the uropathogenic specific protein (USP) in the gut Biomedical Research and Research Training	93.859
University of Puerto Rico Medical Sciences Campus Unraveling the Role of MMP3 in the Cisplatin Resistance of Ovarian Cancer Biomedical Research and Research Training	93.859
Healthy Americas Foundation Cancer Screening Disparities among people with disabilities Trans-NIH Research Support	93.310
The Regents of the University of California on behalf of its Davis Campus Latin America Genomics of Breast Cancer Risk Study (LAGENO -BCR) Cancer Cause and Prevention research	93.393
University of Puerto Rico Medical Sciences Campus Hispanic Clinical and Translational Research Education and Career Development Minority Health and Health Disparities Research	93.307
University of Puerto Rico Medical Sciences Campus Hispanic Clinical and Translational Research Education and Career Development (HCTRECD) Minority Health and Health Disparities Research	93.307
University of Puerto Rico Rio Piedras Campus E-RISE RII: Cracking the development blueprint of life: Omics, computational science, and artificial intelligence Integrative Activities	47.083
President and Fellows of Harvard College on Behalf of Harvard Medical School AIM AHEAD Trans-NIH Research Support	93.310

Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

Section I - Summary of Auditor's Results

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 weakness(es)?	____ Yes	X None reported
Noncompliance material to financial statements noted?	____ Yes	X No

Federal Awards -

Internal control over major programs:		
• Material weakness(es) identified?	____ Yes	X No
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	____ Yes	X None reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?	____ Yes	X No

Identification of Major Programs -

Name of Federal Program	Assistance Listing Number
Research and Development Cluster	Various
Centers for Disease Control and Prevention - Puerto Rico Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000	
Auditee qualified as low-risk auditee?	____ Yes	X No

Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

Section II- <u>Financial Statements Findings</u>

None for the year ended June 30, 2025.

Section III- <u>Federal Awards Findings and Questioned Costs</u>

None for the year ended June 30, 2025.

Centro Comprensivo de Cáncer de la Universidad de Puerto Rico
(A Component Unit of the Commonwealth of Puerto Rico)

Schedule of Prior Audit Findings
Year Ended June 30, 2025

Finding Number	Finding (Condition Found)	Federal Assistance Listing Number	Questioned Cos	Status
2024-01	The June 30, 2023 Data Collection Form and Single Audit reporting package were not submitted within the established due date. The report was due by March 31, 2024.	All Programs	None	Situation was corrected during fiscal year 2025.