

CHRONIC DISEASE FUND, INC. DBA
GOOD DAYS FROM CDF

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2015 AND 2014

Independent Auditor's Report

Board of Directors
Chronic Disease Fund, Inc. d\b\|a
Good Days from CDF
Plano, Texas

We have audited the accompanying financial statements of Chronic Disease Fund, Inc. d\b\|a Good Days from CDF (Organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Chronic Disease Fund, Inc. d\b\|a
Good Days from CDF

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chronic Disease Fund, Inc. d\b\|a Good Days from CDF as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BKD, LLP

Dallas, Texas
June 10, 2016

CHRONIC DISEASE FUND, INC. DBA GOOD DAYS FROM CDF
STATEMENTS OF FINANCIAL POSITION
December 31,

	2015	2014
ASSETS		
Cash and cash equivalents	\$ 23,643,535	\$ 16,714,460
Assets limited as to use	-	625,000
Accounts receivable	6,905	500,000
Contributions receivable	8,250,000	3,000,000
Prepaid expenses	122,635	66,144
Deposits held by third-parties	2,500,000	4,500,000
Investments	97,294,092	182,014,272
Property and equipment, net	12,714,752	25,201,967
Total assets	\$ 144,531,919	\$ 232,621,843
LIABILITIES AND NET ASSETS		
Co-pay payable	\$ 2,387,572	\$ 2,256,465
Accounts payable and accrued expenses	352,518	258,326
Deferred rent	108,817	122,413
Deferred revenue	150,000	-
Note Payable	9,894,415	11,956,162
Total liabilities	12,893,322	14,593,366
NET ASSETS		
Unrestricted	13,333,636	26,244,302
Temporarily restricted assets	118,304,961	191,784,175
Total net assets	131,638,597	218,028,477
Total liabilities and net assets	\$ 144,531,919	\$ 232,621,843

CHRONIC DISEASE FUND, INC. DBA GOOD DAYS FROM CDF
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Total
REVENUE, GAINS AND OTHER SUPPORT			
Co-pay assistance program revenues	\$ -	\$ 51,831,420	\$ 51,831,420
Contributions	5,621,512	-	5,621,512
Sponsorships for educational events	135,000	-	135,000
Other revenue	10,856	-	10,856
Software license revenue	630,645	-	630,645
Investment return	300,607	-	300,607
Net assets released from restrictions	<u>125,310,634</u>	<u>(125,310,634)</u>	<u>-</u>
Total revenues and other support	<u>132,009,254</u>	<u>(73,479,214)</u>	<u>58,530,040</u>
EXPENSES			
Program services	140,718,558	-	140,718,558
Supporting services	3,079,598	-	3,079,598
Fundraising	<u>1,121,764</u>	<u>-</u>	<u>1,121,764</u>
Total expenses	<u>144,919,920</u>	<u>-</u>	<u>144,919,920</u>
CHANGE IN NET ASSETS	(12,910,666)	(73,479,214)	(86,389,880)
Net assets, beginning of year	<u>26,244,302</u>	<u>191,784,175</u>	<u>218,028,477</u>
Net assets, end of year	<u>\$ 13,333,636</u>	<u>\$ 118,304,961</u>	<u>\$ 131,638,597</u>

CHRONIC DISEASE FUND, INC. DBA GOOD DAYS FROM CDF
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Total
REVENUE, GAINS AND OTHER SUPPORT			
Co-pay assistance program revenues	\$ -	\$ 72,189,871	\$ 72,189,871
Contributions	6,130,620	-	6,130,620
Sponsorships for educational events	164,032	-	164,032
Other revenue	270,017	-	270,017
Software license revenue	5,200,000	-	5,200,000
Investment return	159,682	-	159,682
Net assets released from restrictions	170,628,203	(170,628,203)	-
Total revenues and other support	182,552,554	(98,438,332)	84,114,222
EXPENSES			
Program services	187,674,702	-	187,674,702
Supporting services	3,464,086	-	3,464,086
Fundraising	1,308,523	-	1,308,523
Total expenses	192,447,311	-	192,447,311
CHANGE IN NET ASSETS	(9,894,757)	(98,438,332)	(108,333,089)
Net assets, beginning of year	36,139,059	290,222,507	326,361,566
Net assets, end of year	\$ 26,244,302	\$ 191,784,175	\$ 218,028,477

CHRONIC DISEASE FUND, INC. DBA GOOD DAYS FROM CDF
 STATEMENTS OF FUNCTIONAL EXPENSES
 Year Ended December 31, 2015

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Fundraising</u>	<u>Total</u>
Co-pay expenses	\$ 125,310,634	\$ -	\$ -	\$ 125,310,634
Salaries and wages	1,464,044	475,343	245,931	2,185,318
Payroll taxes benefits and other	416,267	135,153	69,925	621,345
Professional fees	256,111	1,309,396	600,427	2,165,934
Advertising/promotion	-	-	68,489	68,489
Office expenses	-	44,694	-	44,694
Information technology	79,882	79,882	17,751	177,515
Rent and utilities	139,382	139,382	30,973	309,737
Meals and entertainment and travel	8,058	21,489	24,176	53,723
Conferences and conventions	169,425	268,256	32,944	470,625
Interest	188,252	-	-	188,252
Depreciation	12,155,594	293,023	-	12,448,617
Insurance	-	13,877	1,542	15,419
Printing and processing	397,685	4,017	-	401,702
Miscellaneous other	-	55,170	-	55,170
Phone and internet	133,224	133,224	29,606	296,054
Loss on disposal of property and equipment	-	106,692	-	106,692
Total expenses	<u>\$ 140,718,558</u>	<u>\$ 3,079,598</u>	<u>\$ 1,121,764</u>	<u>\$ 144,919,920</u>

CHRONIC DISEASE FUND, INC. DBA GOOD DAYS FROM CDF
 STATEMENTS OF FUNCTIONAL EXPENSES
 Year Ended December 31, 2014

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Fundraising</u>	<u>Total</u>
Co-pay expenses	\$ 170,628,203	\$ -	\$ -	\$ 170,628,203
Salaries and wages	1,533,909	576,692	196,995	2,307,596
Payroll taxes benefits and other	411,037	152,867	51,713	615,617
Professional fees	1,153,855	1,642,674	735,336	3,531,865
Advertising/promotion	-	-	45,528	45,528
Office expenses	-	35,907	-	35,907
Information technology	113,678	21,315	7,105	142,098
Rent and utilities	146,756	146,756	73,378	366,890
Meals and entertainment and travel	15,833	42,222	47,499	105,554
Conferences and conventions	78,521	314,085	130,869	523,475
Interest	800,052	-	-	800,052
Depreciation	12,155,594	282,451	-	12,438,045
Insurance	-	45,715	5,080	50,795
Printing and processing	396,931	44,103	-	441,034
Miscellaneous other	-	114,236	-	114,236
Phone and internet	240,333	45,063	15,020	300,416
Total expenses	<u>\$ 187,674,702</u>	<u>\$ 3,464,086</u>	<u>\$ 1,308,523</u>	<u>\$ 192,447,311</u>

CHRONIC DISEASE FUND, INC. DBA GOOD DAYS FROM CDF
STATEMENTS OF CASH FLOWS
Years Ended December 31,

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (86,389,880)	\$ (108,333,089)
Items not requiring (providing) cash		
Depreciation	12,448,617	12,438,045
Net realized and unrealized losses on investments	865,712	988,883
Contribution of property and equipment	-	(10,000)
Assets limited as to use	625,000	-
Loss on disposal of property and equipment	106,692	-
Changes in		
Accounts receivable	493,095	848,378
Contributions receivable	(5,250,000)	5,500,000
Prepaid expenses	(56,491)	(31,310)
Co-pay Payable	131,107	-
Accounts payable	94,192	(4,777,591)
Deferred rent	(13,596)	(15,573)
Deferred revenue	150,000	-
Net cash used in operating activities	(76,795,552)	(93,392,257)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(39,003,202)	(197,983,529)
Proceeds from disposition of investments	122,857,671	114,980,374
Proceeds from sale of other assets	-	335,250
Deposits held by third-parties	2,000,000	(2,000,000)
Purchases of property and equipment	(68,095)	(234,464)
Net cash provided by (used in) investing activities	85,786,374	(84,902,369)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on note payable and capital lease obligation	(2,061,747)	(11,199,948)
Net cash used in financing activities	(2,061,747)	(11,199,948)
Net increase (decrease) in cash and cash equivalents	6,929,075	(189,494,574)
Cash and cash equivalents at beginning of year	16,714,460	206,209,034
Cash and cash equivalents at end of year	\$ 23,643,535	\$ 16,714,460
Supplemental disclosures		
In kind imputed amount paid for interest	\$ 188,252	\$ 800,052