

Chronic Disease Fund, Inc.
dba
Good Days
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

December 31, 2019 AND 2018

Independent Auditor's Report

Board of Directors
Chronic Disease Fund, Inc. d\b\ a
Good Days
Frisco, Texas

We have audited the accompanying financial statements of Chronic Disease Fund, Inc. d\b\ a Good Days (Organization), which comprise the statements of financial position as of December 31, 2019 and 2018, 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.

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

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 as of December 31, 2019 and 2018, 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.

Emphasis of Matter

The financial statements, in 2019, for Chronic Disease Fund, Inc. d\b\|a Good Days adopted Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Our opinion is not modified with respect to this matter.

BKD, LLP

Dallas, Texas
September 18, 2020

Chronic Disease Fund, Inc. dba Good Days
STATEMENT OF FINANCIAL POSITION
December 31, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 22,372,232	\$ 22,481,601
Accounts receivable	192,835	57,295
Contributions receivable	63,599	-
Program services receivable	454,774	424,946
Other receivables	1,019,041	240,325
Prepaid expenses	442,184	284,156
Investments	52,693,890	42,426,175
Property, equipment and software, net	365,606	362,817
Total assets	\$ 77,604,161	\$ 66,277,315
LIABILITIES AND NET ASSETS		
Co-pay payable	\$ 4,679,297	\$ 4,158,340
Accounts payable and accrued expenses	702,850	560,044
Deferred rent	138,867	16,266
Deferred revenue	100,000	100,000
Note payable	-	4,738,971
Total liabilities	5,621,014	9,573,621
NET ASSETS		
Without donor restrictions	37,426,012	25,306,888
With donor restrictions	34,557,135	31,396,806
Total net assets	71,983,147	56,703,694
Total liabilities and net assets	\$ 77,604,161	\$ 66,277,315

Chronic Disease Fund, Inc. dba Good Days
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year ended December 31, 2019

	Without donor restrictions	With donor restrictions	Total
REVENUE, GAINS AND OTHER SUPPORT			
Assistance program contributions	\$ -	\$ 254,046,784	\$ 254,046,784
Contributions	18,617,145	-	18,617,145
Sponsorships for educational events	74,750	-	74,750
Software license revenue	598,841	-	598,841
Program service income	3,225,501	-	3,225,501
Investment return	1,426,512	-	1,426,512
Other income	1,154,542	-	1,154,542
Net assets released from restrictions	250,886,455	(250,886,455)	-
Total revenue, gains and other support	275,983,746	3,160,329	279,144,075
EXPENSES			
Program services	256,835,572	-	256,835,572
Supporting services	6,325,138	-	6,325,138
Fundraising	703,912	-	703,912
Total expenses	263,864,622	-	263,864,622
CHANGE IN NET ASSETS	12,119,124	3,160,329	15,279,453
Net assets, beginning of year	25,306,888	31,396,806	56,703,694
Net assets, end of year	\$ 37,426,012	\$ 34,557,135	\$ 71,983,147

Chronic Disease Fund, Inc. dba Good Days
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (Continued)
Year ended December 31, 2018

	Without donor restrictions	With donor restrictions	Total
REVENUE, GAINS AND OTHER SUPPORT			
Assistance program contributions	\$ -	\$ 217,605,090	\$ 217,605,090
Contributions	17,857,585	-	17,857,585
Sponsorships for educational events	88,250	-	88,250
Software license revenue	393,168	-	393,168
Program service income	2,844,210	-	2,844,210
Investment return	919,535	-	919,535
Other income	633,494	-	633,494
Net assets released from restrictions	224,126,150	(224,126,150)	-
Total revenue, gains and other support	246,862,392	(6,521,060)	240,341,332
EXPENSES			
Program services	229,430,548	-	229,430,548
Supporting services	6,018,265	-	6,018,265
Fundraising	484,511	-	484,511
Total expenses	235,933,324	-	235,933,324
CHANGE IN NET ASSETS	10,929,068	(6,521,060)	4,408,008
Net assets, beginning of year	14,377,820	37,917,866	52,295,686
Net assets, end of year	\$ 25,306,888	\$ 31,396,806	\$ 56,703,694

Chronic Disease Fund, Inc. dba Good Days
STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2019

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	
Assistance expenses	\$ 252,947,716	\$ -	\$ -	\$ 252,947,716
Salaries and wages	2,067,805	963,228	166,934	3,197,967
Payroll taxes, benefits and other	554,251	258,182	44,745	857,178
Legal fees	232,799	1,077,991	6,840	1,317,630
Professional fees	157,912	415,493	90,143	663,548
Advertising and promotion	-	-	156,278	156,278
Office expenses	-	68,528	-	68,528
Information technology	222,274	222,274	49,394	493,942
Rent and utilities	162,587	162,587	36,131	361,305
Meals, entertainment and travel	20,583	54,887	61,748	137,218
Conferences and conventions	247,528	391,919	48,130	687,577
Interest	11,029	-	-	11,029
Depreciation and amortization	64,760	64,760	14,391	143,911
Insurance	-	87,818	9,757	97,575
Printing and processing	65,988	14,102	1,567	81,657
Other expense	-	2,350,000	-	2,350,000
Miscellaneous expense	-	113,029	-	113,029
Phone and internet	80,340	80,340	17,854	178,534
Total expenses	<u>\$ 256,835,572</u>	<u>\$ 6,325,138</u>	<u>\$ 703,912</u>	<u>\$ 263,864,622</u>

Chronic Disease Fund, Inc. dba Good Days
STATEMENT OF FUNCTIONAL EXPENSES (Continued)
Year ended December 31, 2018

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	
Assistance expenses	\$ 225,512,529	\$ -	\$ -	\$ 225,512,529
Salaries and wages	1,985,550	807,384	152,981	2,945,915
Payroll taxes, benefits and other	567,357	230,704	43,713	841,774
Legal fees	149,004	3,497,053	6,840	3,652,897
Professional fees	224,403	460,812	82,359	767,574
Advertising and promotion	246,476	-	-	246,476
Office expenses	-	40,084	-	40,084
Information technology	99,064	99,066	22,015	220,145
Rent and utilities	153,508	153,508	34,113	341,129
Meals, entertainment and travel	17,096	45,588	51,286	113,970
Conferences and conventions	227,691	360,511	44,273	632,475
Interest	17,736	-	-	17,736
Depreciation and amortization	89,966	89,965	19,992	199,923
Insurance	-	83,988	9,332	93,320
Printing and processing	64,439	6,998	778	72,215
Miscellaneous expense	-	66,875	-	66,875
Phone and internet	75,729	75,729	16,829	168,287
Total expenses	<u>\$ 229,430,548</u>	<u>\$ 6,018,265</u>	<u>\$ 484,511</u>	<u>\$ 235,933,324</u>

Chronic Disease Fund, Inc. dba Good Days
STATEMENT OF CASH FLOWS
Years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 15,279,453	\$ 4,408,008
Adjustments to reconcile change in net assets to cash provided by operating activities		
Depreciation and amortization	143,911	199,923
Net realized and unrealized (gains) loss on investments	(278,590)	33,608
Changes in operating assets and liabilities		
Accounts receivable	(135,540)	(57,295)
Contributions receivable	(63,599)	-
Program services receivable	(29,828)	(42,859)
Other receivable	(778,716)	473,928
Prepaid expenses	(158,028)	(110,892)
Co-pay payable	520,957	(2,496,136)
Accounts payable and accrued expenses	142,806	(196,574)
Deferred rent	<u>122,601</u>	<u>(36,846)</u>
Net cash provided by operating activities	14,765,427	2,174,865
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(86,011,310)	(108,797,864)
Proceeds from sales of investments	76,022,185	125,167,513
Purchases of property and equipment	<u>(146,700)</u>	<u>(43,241)</u>
Net cash (used in) provided by investing activities	(10,135,825)	16,326,408
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on note payable	<u>(4,738,971)</u>	<u>(2,982,264)</u>
Net cash used in financing activities	<u>(4,738,971)</u>	<u>(2,982,264)</u>
Net (decrease) increase in cash and cash equivalents	(109,369)	15,519,009
Cash and cash equivalents at beginning of year	<u>22,481,601</u>	<u>6,962,592</u>
Cash and cash equivalents at end of year	<u>\$ 22,372,232</u>	<u>\$ 22,481,601</u>
Supplemental disclosures		
In-kind imputed amount paid for interest	<u>\$ 11,029</u>	<u>\$ 17,736</u>