

CHRONIC DISEASE FUND, INC. DBA
GOOD DAYS

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2018

Independent Auditor's Report

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

We have audited the accompanying financial statements of Chronic Disease Fund, Inc. d\b\ a Good Days (Organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year 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 audit. We conducted our audit 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.

Board of Directors
Chronic Disease Fund, Inc. d\b\ a
Good Days
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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, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

The financial statements, in 2018, the Organization adopted ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

The 2018 beginning net assets has been restated to correct a material misstatement. Our opinion is not modified with respect to this matter.

BKD, LLP

Dallas, Texas
August 30, 2019

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

ASSETS

Cash and cash equivalents	\$	22,481,601
Accounts receivable		57,295
Program services receivable		424,946
Other receivable		240,325
Prepaid expenses		284,156
Investments		42,426,175
Property, equipment and software, net		<u>362,817</u>
Total assets	\$	<u>66,277,315</u>

LIABILITIES AND NET ASSETS

Co-pay payable	\$	4,158,340
Accounts payable and accrued expenses		560,044
Deferred rent		16,266
Deferred revenue		100,000
Note payable		<u>4,738,971</u>
Total liabilities		<u>9,573,621</u>
NET ASSETS		
Without donor restrictions		25,306,888
With donor restrictions		<u>31,396,806</u>
Total net assets		<u>56,703,694</u>
Total liabilities and net assets	\$	<u>66,277,315</u>

Chronic Disease Fund, Inc. dba Good Days
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
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 services revenue	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, as previously reported	23,939,038	28,356,648	52,295,686
Adjustment applicable to prior years	(9,561,218)	9,561,218	-
Net assets, beginning of year, as restated	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, 2018

	Supporting Services			Total
	Program Services	General and Administrative	Fundraising	
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 other	-	66,875	-	66,875
Phone and internet	75,729	75,729	16,829	168,287
	<u>\$ 229,430,548</u>	<u>\$ 6,018,265</u>	<u>\$ 484,511</u>	<u>\$ 235,933,324</u>
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
Year ended December 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 4,408,008
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities	
Depreciation and amortization	199,923
Net realized and unrealized loss (gains) on investments	33,608
Changes in operating assets and liabilities	
Accounts receivable	(57,295)
Program services receivable	(42,859)
Other receivable	473,928
Prepaid expenses	(110,892)
Co-pay payable	(2,496,136)
Accounts payable and accrued expenses	(196,574)
Deferred rent	(36,846)
Net cash provided by operating activities	2,174,865

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investments	(108,797,864)
Proceeds from sales of investments	125,167,513
Purchases of property and equipment	(43,241)
Net cash provided by investing activities	16,326,408

CASH FLOWS FROM FINANCING ACTIVITIES

Principal payments on note payable	(2,982,264)
Net cash used in financing activities	(2,982,264)

Net increase in cash and cash equivalents 15,519,009

Cash and cash equivalents at beginning of year 6,962,592

Cash and cash equivalents at end of year \$ 22,481,601

Supplemental disclosures

In-kind imputed amount paid for interest	\$ 17,736
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