



The Assistance Fund, Inc.

Financial Statements
Year Ended June 30, 2015

The Assistance Fund, Inc.

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The Assistance Fund, Inc.

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Independent Auditor's Report

To the Board of Directors of
The Assistance Fund, Inc.
Orlando, Florida

We have audited the accompanying financial statements of The Assistance Fund, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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 audits 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Assistance Fund, Inc. as of June 30, 2015, and the results of its activities and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

BDO USA, LLP

October 22, 2015

Financial Statements

The Assistance Fund, Inc.
Statement of Financial Position

June 30,

2015

Assets

Current Assets:

Cash and cash equivalents	\$ 43,565,271
Investments (Note 2)	18,025,671
Contributions receivable	8,707,996
Prepaid expenses and other current assets	32,203
Property and Equipment, net (Note 3)	302,806

Total Assets **\$ 70,633,947**

Liabilities and Net Assets

Liabilities:

Accounts payable and accrued expenses	\$ 274,459
Claims payable	1,101,482
Deferred revenue	21,307

Total Liabilities **1,397,248**

Commitments and Contingencies (Note 8, 9 and 10) -

Net Assets:

Unrestricted (Note 5)	9,541,188
Temporarily restricted (Note 4)	59,695,511

Total Net Assets **69,236,699**

Total Liabilities and Net Assets **\$ 70,633,947**

See accompanying notes to financial statements.

The Assistance Fund, Inc.

Statement of Activities

<i>Year ended June 30,</i>	2015		Total
	Unrestricted	Temporarily Restricted	
Revenue and Support			
Contributions	\$ 7,161,143	\$ 71,808,845	\$ 78,969,988
Special events	294,534	-	294,534
Investment income, net (Note 2)	33,592	-	33,592
Net assets released from restrictions (Note 4)	56,026,878	(56,026,878)	-
Total revenue and support	63,516,147	15,781,967	79,298,114
Functional Expenses:			
Program services	58,508,583	-	58,508,583
Management and general	1,565,793	-	1,565,793
Fundraising	1,025,379	-	1,025,379
Total functional expenses	61,099,755	-	61,099,755
Increase in net assets	2,416,392	15,781,967	18,198,359
Net Assets, beginning of year	7,124,796	43,913,544	51,038,340
Net Assets, end of year	\$ 9,541,188	\$ 59,695,511	\$ 69,236,699

See accompanying notes to financial statements.

The Assistance Fund, Inc.
Statement of Functional Expenses

<i>Year ended June 30,</i>	2015			Total
	Program Services	Management and General	Fundraising	
Insurance co-pay and financial assistance	\$ 56,026,878	\$ -	\$ -	\$ 56,026,878
Management fees (Note 6)	1,807,323	921,150	-	2,728,473
Salaries, payroll taxes, and other related expenses	525,451	280,323	495,242	1,301,016
Travel and meeting expenses	29,233	70,709	146,878	246,820
Special events	-	-	274,521	274,521
Office related expenses	35,458	60,632	17,827	113,917
Professional fees	3,868	185,688	350	189,906
Occupancy and rentals	50,281	18,856	31,426	100,563
Depreciation and amortization	22,314	8,368	13,947	44,629
Other expenses	7,777	20,067	45,188	73,032
Total functional expenses	\$ 58,508,583	\$ 1,565,793	\$ 1,025,379	\$ 61,099,755

See accompanying notes to financial statements.

The Assistance Fund, Inc.

Statement of Cash Flows

<i>Year ended June 30,</i>	2015
Operating Activities:	
Contributions received from donors	\$ 72,170,361
Cash paid to patients, vendors and employees	(60,873,195)
Interest and dividends received	171,417
Net cash provided by operating activities	11,468,583
Investing Activities:	
Purchases of property and equipment	(165,480)
Purchases of investments	(22,053,993)
Proceeds from sale of investments	16,915,877
Net cash used in investing activities	(5,303,596)
Net increase in Cash and Cash Equivalents	6,164,987
Cash and Cash Equivalents, beginning of year	37,400,284
Cash and Cash Equivalents, end of year	\$ 43,565,271
Reconciliation of increase in net assets to net cash provided by operating activities:	
Increase in net assets	\$ 18,198,359
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	44,629
Net realized and unrealized loss on investments	137,825
Changes in operating assets and liabilities:	
Contributions receivable	(7,087,996)
Prepaid expenses and other current assets	41,574
Accounts payable and accrued expenses	(115,457)
Claims payable	255,814
Deferred revenue	(6,165)
Net cash provided by operating activities	\$ 11,468,583

See accompanying notes to financial statements.

The Assistance Fund, Inc.

Notes to Financial Statements

1. Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities - The Assistance Fund, Inc. ("the Organization") is an independent 501 (c)(3) organization that stands above similar organizations due to industry-leading technology employed to streamline financial assistance and decrease barriers children and adults face when accessing health care. Speed to access is the main objective in helping these chronically and critically ill individuals. By employing a mobile app; incorporating electronic claims systems that easily integrate with pharmacies; offering user-friendly online program enrollment tools and more, advanced and revolutionary processes are expediently introduced to the industry, which allows patients to receive more quickly financial assistance such as medication co-pays, health insurance premiums and incidental medical expenses. Understanding the need to remove barriers and being time sensitive helps to insure that enrolled individuals will receive a determination of acceptance in the program(s) within minutes. The Organization was incorporated in the State of Delaware on May 12, 2009 and began operations on January 1, 2010.

Basis of Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting. Revenue and support are recognized when earned or unconditionally received, and expenses are recognized when incurred. Changes in the net assets of the Organization as a result of revenue, support, expenses, gains and losses are classified based on the existence of any donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Temporarily Restricted - Net assets whose use by the Organization is subject to donor imposed stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations or that expire by the passage of time. When a restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Unrestricted - Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Expenses are reported as decreases in unrestricted net assets.

Recognition of Contributions

The Organization reports gifts of cash as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributed services are recognized and recorded at fair market value only to the extent they create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations. Contributed goods are recognized at fair market value on the date received.

The Assistance Fund, Inc.

Notes to Financial Statements

Liquidity

Assets are presented in the accompanying statement of financial position according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

Cash and Cash Equivalents

Cash and cash equivalents consist of bank deposits and an interest-bearing money market account with a financial institution, which may at times exceed federally insured limits. For the purpose of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investments

Investments are carried at fair market value. Realized and unrealized gains and losses are combined with interest income and dividends earned during the period and are recorded in investment income, net on the statements of activities.

Fair Value of Financial Instruments

The Organization reports its financial assets and liabilities using a three-tier hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

Level 1 - Valuation based on unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 - Valuation based on observable quoted prices for similar assets and liabilities in active markets.

Level 3 - Valuation based on inputs that are unobservable and are supported by little or no market activity, therefore requiring management's best estimate of what market participants would use as fair value.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The respective carrying value of certain on-balance-sheet financial instruments approximates their fair values due to the short-term nature of these instruments. These financial instruments include cash and cash equivalents, contributions receivable, accounts payable and accrued expenses, and claims payable.

The Organization's Level 1 financial assets consist of investments identified in Note 2 and are valued on a daily basis in an active market. There were no Level 2 or 3 financial assets or liabilities.

The Assistance Fund, Inc.

Notes to Financial Statements

Contributions Receivable

Contributions receivable are recorded when a written or oral agreement to receive cash or other assets is received. Contributions receivable are written off when they are determined to be uncollectible. Any allowance for doubtful contributions is based on prior experience and management's analysis of promises made. At June 30, 2015, management determined no allowance for doubtful accounts is necessary. All contributions receivable at June 30, 2015 are due in one year or less.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the property and equipment which ranges from 3 to 7 years. Leasehold improvements are amortized over the shorter of the life of the asset or the lease term. Repairs and maintenance are charged to operations as incurred.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Organization is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state taxes under similar provisions of the Florida statutes. The Organization files federal income tax returns for tax-exempt organizations. Taxes are payable on unrelated business income, if any. Accordingly, no provision for federal and state income taxes has been recorded in the accompanying financial statements.

The Organization identifies and evaluates uncertain tax positions, if any, and recognizes the impact of uncertain tax positions for which there is a less than more-likely-than-not probability of the position being upheld when reviewed by the relevant taxing authority. Such positions are deemed to be unrecognized tax benefits and a corresponding liability is established on the statement of financial position. The Organization has not recognized a liability for uncertain tax positions. If there were an unrecognized tax benefit, the Organization would recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. The Organization's remaining open tax years subject to examination by the Internal Revenue Service generally remain open for three years from the date of filing.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The Assistance Fund, Inc.

Notes to Financial Statements

Subsequent Events

The Organization has evaluated events and transactions occurring subsequent to June 30, 2015 as of October 22, 2015, which is the date the financial statements were available to be issued. Subsequent events occurring after October 22, 2015 have not been evaluated by management.

2. Investments

The Organization's investments consist of the following:

<i>June 30,</i>	2015
Level 1:	
Money market	\$ 537,199
Fixed income mutual funds	5,070,349
Equity mutual funds	12,418,123
	<hr/>
	\$ 18,025,671

The Organization's investment income, net consists of the following:

<i>Year ended June 30,</i>	2015
Net realized and unrealized loss on investments	\$ (137,825)
Interest and dividends	171,417
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	\$ 33,592

3. Property and Equipment

Property and equipment consists of the following:

<i>June 30,</i>	2015
Computer and related equipment	\$ 231,420
Furniture and fixtures	204,668
Leasehold improvements	14,743
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	450,831
Less: accumulated depreciation and amortization	(148,025)
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	\$ 302,806

The Assistance Fund, Inc.

Notes to Financial Statements

4. Temporarily Restricted Net Assets

At June 30, 2015, temporarily restricted net assets of \$59,695,511 were available for insurance co-pay and financial assistance. During the year ended June 30, 2015, temporarily restricted net assets of \$56,026,878 were released from donor restrictions by incurring expenses related to insurance co-pay and financial assistance which satisfied the donor restricted purpose.

5. Concentrations

The Organization received funding from significant donors as follows:

<i>Year ended June 30,</i>	2015
Donor:	
A	\$ 44,225,000
B	9,960,368

A significant reduction in funding from the above donors may lead to a reduction in program activities.

6. Operating Lease

The Organization leases office space under an agreement accounted for as an operating lease. The lease is non-cancelable and was set to expire in February 2016. In August 2015, the Organization executed a new lease for their office space that will commence no later than February 1, 2016 and expires 64 months after the commencement date. This includes rent abatement from February 2016 through May 2016. Future minimum lease commitment under this operating lease is as follows:

<i>Year ended June 30,</i>	Amount
2016	\$ 56,500
2017	170,600
2018	175,700
2019	181,000
2020	186,400
2021	175,800
	\$ 946,000

Rent expense was approximately \$80,000 during the year ended June 30, 2015.

The Assistance Fund, Inc.

Notes to Financial Statements

7. Employee Benefit Plan

The Organization sponsors a 401(k) qualified retirement plan covering full-time employees meeting certain age and length of service requirements. The Organization makes a safe-harbor match of which participants are immediately fully vested. Participants may make voluntary contributions to this plan under its 401(k) provisions, subject to limitations based on IRS regulations and compensation. For the year ended June 30, 2015 contributions to the plan totaled approximately \$26,000.

8. General Contingencies

The Organization may be involved in lawsuits in the normal course of business. Management cannot predict the outcome of the lawsuits or estimate the amount of any loss that may result. Accordingly, no provision for any contingent liabilities that may result has been made in the financial statements. Management believes that losses resulting from these matters, if any, would not have a material adverse effect on the financial position or results of operations of the Organization.