

# **Accessia Health and Affiliates**

## **Consolidated Financial Statements**

**Year Ended December 31, 2021**

# Table of Contents

<b>Independent Auditors' Report</b> .....	1
<b>Consolidated Financial Statements:</b>	
Consolidated Statement of Financial Position .....	3
Consolidated Statement of Activities .....	4
Consolidated Statement of Functional Expenses.....	5
Consolidated Statement of Cash Flows .....	6
Notes to Consolidated Financial Statements .....	7

## Independent Auditors' Report

Board of Directors  
Accessia Health and Affiliates  
Midlothian, VA

### **Opinion**

We have audited the consolidated financial statements of Accessia Health and Affiliates, which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Accessia Health and Affiliates as of December 31, 2021, and the results of their operations and their 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Accessia Health and Affiliates 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**

As discussed in Note 9, an error resulting in an understatement of a death benefit payable in a prior period was discovered by management of the Company during the current year. Accordingly, net assets as of January 1, 2021 have been restated. Our opinion is not modified with respect to that matter.

### **Responsibilities of Management for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Accessia Health and Affiliates' ability to continue as a going concern for within one year after the date that the consolidated financial statements are available to be issued.

## ***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Accessia Health and Affiliates' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Accessia Health and Affiliates' 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.

**FORVIS,LLP**

**Richmond, VA  
October 31, 2022**

**Accessia Health and Affiliates**  
**Consolidated Statement of Financial Position**  
**December 31, 2021**

---

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 61,618,610
Contributions and contract fees receivable, net	6,474,993
Other prepaid expenses	<u>146,347</u>
Total current assets	<u>68,239,950</u>

**PROPERTY AND EQUIPMENT**

Land	291,100
Buildings	2,612,430
Furniture and equipment	<u>274,974</u>
	3,178,504
Less accumulated depreciation	<u>1,369,004</u>
Total property and equipment	<u>1,809,500</u>

**OTHER ASSETS**

Life insurance annuities	1,607,234
Investments	7,917,251
Deposits	<u>2,000</u>
Total other assets	<u>9,526,485</u>

Total assets	<u><u>\$ 79,575,935</u></u>
--------------	-----------------------------

**LIABILITIES AND NET ASSETS**

Current liabilities:

Accounts payable	\$ 662,010
Accrued expenses	<u>505,668</u>
Total current liabilities	<u>1,167,678</u>

Non-current liabilities:

Death benefit payable	<u>600,033</u>
Total liabilities	<u>1,767,711</u>

**NET ASSETS**

Without donor restrictions	14,649,889
With donor restrictions	<u>63,158,335</u>

Total net assets	<u>77,808,224</u>
------------------	-------------------

Total liabilities and net assets	<u><u>\$ 79,575,935</u></u>
----------------------------------	-----------------------------

**Accessia Health and Affiliates**  
**Consolidated Statement of Activities**  
**Year Ended December 31, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and other support:			
Contributions	\$ 6,915,294	\$ 22,870,892	\$ 29,786,186
Fees for contracted services	294,541	2,720,825	3,015,366
Interest income	69,998	-	69,998
Miscellaneous income	24,336	-	24,336
Uncollectible contributions recovery, net	497,240	-	497,240
Gain on investments and life insurance annuity	467,645	-	467,645
	<u>46,106,755</u>	<u>(46,106,755)</u>	<u>-</u>
Net assets released from restrictions			
	<u>46,106,755</u>	<u>(46,106,755)</u>	<u>-</u>
Total revenues and other support	<u>54,375,809</u>	<u>(20,515,038)</u>	<u>33,860,771</u>
Expenses and losses:			
Program services	46,673,039	180,000	46,853,039
Fund-raising	1,034,585	-	1,034,585
Management and general	3,206,428	-	3,206,428
	<u>50,914,052</u>	<u>180,000</u>	<u>51,094,052</u>
Total expenses and losses			
	<u>50,914,052</u>	<u>180,000</u>	<u>51,094,052</u>
Change in net assets	3,461,757	(20,695,038)	(17,233,281)
Net assets, beginning of year as previously reported	11,430,956	83,853,373	95,284,329
Change in reporting entity	343,925	-	343,925
Prior period adjustment	(586,749)	-	(586,749)
	<u>11,188,132</u>	<u>83,853,373</u>	<u>95,041,505</u>
Net assets, beginning of year, as adjusted			
	<u>11,188,132</u>	<u>83,853,373</u>	<u>95,041,505</u>
Net assets, end of year	<u>\$ 14,649,889</u>	<u>\$ 63,158,335</u>	<u>\$ 77,808,224</u>

See accompanying notes.

**Accessia Health and Affiliates**  
**Consolidated Statement of Functional Expenses**  
**Year Ended December 31, 2021**

	<b>Program Services</b>	<b>Fund- Raising</b>	<b>Management and General</b>	<b>Total</b>
Direct expenses				
Direct payment assistance	\$ 44,243,749	\$ -	\$ -	\$ 44,243,749
Indirect expenses				
Advertising	-	360	2,873	3,233
Bank fees	-	-	35,453	35,453
Computer network	130,251	43,825	122,413	296,489
Conferences and travel	12,704	46,045	51,445	110,194
Continuing education	-	168	9,313	9,481
Depreciation	39,909	7,642	37,361	84,912
Dues and subscriptions	2,834	8,709	75,653	87,196
Gifts and incentives	876	37	7,701	8,614
Insurance	25,134	4,121	20,258	49,513
Legal and accounting	59,743	1,137	179,218	240,098
Meals	1,888	5,561	12,166	19,615
Miscellaneous expense	-	-	24,702	24,702
Occupancy	43,660	8,360	40,871	92,891
Office expense	80,340	9,590	4,533	94,463
Patient representation	2,351	-	-	2,351
Public relations	-	2,790	59,734	62,524
Registration fees	15,477	35	345	15,857
Salaries and benefits	1,717,043	800,741	1,845,976	4,363,760
Subcontractors	312,813	94,914	674,370	1,082,097
Taxes and licenses	15,558	-	443	16,001
Telecommunications	148,709	550	1,600	150,859
Total indirect expenses	<u>2,609,290</u>	<u>1,034,585</u>	<u>3,206,428</u>	<u>6,850,303</u>
Total expenses and losses	<u>\$ 46,853,039</u>	<u>\$ 1,034,585</u>	<u>\$ 3,206,428</u>	<u>\$ 51,094,052</u>

**Accessia Health and Affiliates**  
**Consolidated Statement of Cash Flows**  
**Year Ended December 31, 2021**

---

Cash flows from operating activities:	
Change in net assets	\$ (17,233,281)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Reinvested interest and dividends	(63,824)
Depreciation expense	84,912
Gain on life insurance annuity	(121,285)
Gain on investments	(346,360)
Changes in assets and liabilities:	
Contributions and contract fees receivable	16,480,436
Other prepaid expenses	(46,237)
Death benefit payable	13,284
Accounts payable	(428,788)
Accrued expenses	176,959
	<u>16,480,436</u>
Net cash used by operating activities	<u>(1,484,184)</u>
Cash flows from investing activities:	
Purchase of investments	<u>(1,000,000)</u>
Net cash used by investing activities	<u>(1,000,000)</u>
Net decrease in cash and cash equivalents	(2,484,184)
Cash and cash equivalents, beginning of year	<u>64,102,794</u>
Cash and cash equivalents, ending of year	<u><u>\$ 61,618,610</u></u>



## Notes to Consolidated Financial Statements

### 1. Nature of Operations and Significant Accounting Policies

Accessia Health (formerly known as Patient Services Inc.) is a national non-profit organization based in Midlothian, Virginia. Accessia Health provides financial support, insurance case management, and legal assistance to patients and families effected by Alpha 1 Antitrypsin Deficiency, Chronic Myelogenous Leukemia, Circadian Rhythm Disorders, Fabry, Gastrointestinal Stromal Tumors, Gaucher Disease, Hereditary Angioedema, Hypoparathyroidism, Inherited and Acquired Factor Deficiencies, Inherited Retinal Diseases, Kidney Stones (includes Cystinuria), Lambert-Eaton Myasthenic Syndrome, Lysosomal Acid Lipase Deficiency (LAL), Mucopolysaccharidosis Type 1, Multifocal Motor Neuropathy, Pompe, Primary Immune Deficiency Diseases, Pseudobulbar Affect, Pulmonary Fibrosis and Sickle Cell Disease. In addition to the funded programs listed above, the following unfunded programs are available Acromegaly, Acute Lymphoblastic Leukemia, Alzheimer's, Amyotrophic Lateral Sclerosis, Asthma, Autoimmune Disorders, Basal and Squamous Cell Skin Cancer, B-Cell Lymphoma, Behavioral Health, Beta Thalassemia, Breast Cancer, Chronic Obstructive Pulmonary Disease, Diabetes, Duchenne Muscular Dystrophy, Epilepsy, Fibrodysplasia Ossificans Progressiva, Gastrointestinal Cancers, Guillain-Barre Syndrome, Hepatitis C, Huntington's Disease, Immune Thrombocytopenic Purpura, Inflammatory Bowel Disease, Lung Cancer, Metachromatic Leukodystrophy, Mucopolysaccharidosis Type VII, Multiple Myeloma, Multiple Sclerosis, Myasthenia Gravis, Neuromyelitis Optica Disorder, Pancreatic Cancer, Parkinson's, Plasminogen Deficiency, Progressive Familial Intrahepatic Cholestasis, Prostate Cancer, Pulmonary Hypertension, Schizophrenia & Schizoaffective Disorders, Screening and Diagnostics, Spinal Muscular Atrophy, Thrombotic Thrombocytopenic Purpura, and Urea Cycle Disorder. Accessia Health changed its name from Patient Services, Inc. effective December 1, 2021.

Accessia Health formed Accessia, Inc. ("Accessia"), as a wholly-owned taxable subsidiary, with its primary office located in Virginia. Accessia was established as a Virginia stock corporation on April 25, 2012. Its purpose is to provide certain services to third parties in connection with the administration of patient assistant programs. Accessia is structured to comply, and operated in compliance with, relevant provisions of the Social Security Act, including the maintenance of an "ethical wall" between Accessia Health and Accessia designed to ensure Accessia Health's independence in the operation of its patient assistance programs. During 2015, the Board of Directors decided to suspend operations of Accessia. As of December 31, 2021, Accessia operations remain suspended.

Accessia Health Foundation (formerly known as P.S.I. Foundation) (the Foundation) is organized and operates as a supporting organization, described in section 509(a)(3) of the Internal Revenue Code by conducting and supporting activities that carry out the charitable, educational, and scientific purposes of Accessia Health, as described in sections 170(b)(1)(A)(vi), 501(c)(3) and 509(a)(1) of the Internal Revenue Code, without limiting or expanding the foregoing. The purpose of the Foundation is to promote the development of public and private support for, and to acquire, manage, invest, and administer assets in support of Accessia Health's mission to provide case management, patient services, and financial assistance to people living with rare or chronic diseases and disabilities. Accessia Health has both control and an economic interest in Accessia Health Foundation. As a result, the consolidated financial statements include all assets, liabilities, revenue and expenses of Accessia Health Foundation as required under U.S. GAAP, for the year ended December 31, 2021. Prior to January 1, 2021, the financial results of the Foundation were not significant and not consolidated into Accessia Health.

## **2. Summary of Significant Accounting Policies**

### ***Principles of consolidation***

The accompanying consolidated financial statements include the accounts of Accessia Health, Accessia, and Accessia Health Foundation (collectively, the “Organization”). All significant intercompany accounts and transactions have been eliminated in consolidation.

### ***Use of estimates***

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

### ***Consolidated financial statement presentation***

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”), under the accrual basis of accounting. The accrual basis of accounting records revenue in the period in which earned rather than when received and records expenses in the period in which incurred rather than when paid. The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Accordingly, the net assets and revenues of the Organization are classified and reported as follows:

#### **Net assets without donor restrictions**

Net assets which are not subject to donor-imposed restrictions.

#### **Net assets with donor restrictions**

Net assets which are stipulated by donors for specific purposes, use restrictions, or are restricted in perpetuity. As of December 31, 2021, total net assets with donor restrictions of \$63,158,335 are restricted by donors for program purposes in the amount of \$61,428,835, and restricted by time for administrative purposes in the amount of \$1,729,500.

### ***Cash and cash equivalents***

For purposes of reporting cash flows, the Organization considers demand deposits and all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

### ***Investments***

Investments are reported at fair value in the consolidated statement of financial position. Donated stocks and other securities are recorded at fair value as of the date received. Interest, dividends, and realized and unrealized gains and losses are reflected in the consolidated statement of activities.

***Promises to give***

Contributions are promises to give to the Organization that are, in substance, unconditional. Donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires or is otherwise satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions.

***Property and equipment***

Property and equipment are recorded at cost if purchased or fair value if contributed. Depreciation is computed using the straight-line method for all asset classes over estimated useful lives as follows:

Furniture and equipment	5 - 15 years
Buildings	7 - 39 years

New acquisitions of property and equipment having a cost of less than \$2,500, or which are not expected to last for more than a year, are expensed in the year of acquisition. Depreciation expense was \$84,912 in 2021.

In accordance with GAAP, management reviews the recorded value of the property for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

***Contributions and contract fees***

Contributions are recognized as revenue when received and are unconditional contributions. They are recognized at fair value and are classified in the appropriate net asset class based on donor stipulation.

Fees for contracted services are recorded in the year the grant is made and are considered unconditional contributions to support the Organization's operations and not an exchange transaction. They are recognized at fair value and are classified in the appropriate net asset class based on donor stipulation.

All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, either by action or the passage of time, amounts are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

***Contract fees receivable***

Contract fees receivable consist primarily of amounts due from the contributing donors. Receivables are recorded at the net realizable value, which approximates their fair value, and reported net of allowance for doubtful accounts. Management reviews receivables on a regular basis and accounts are written-off once deemed uncollectible. The allowance for doubtful accounts balance was \$300,000 at December 31, 2021.

***Functional allocation of expenses***

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services based on recording organizational expenses in department categories that align with these functions. Direct program expenses represent payments for health care services such as copayments and premiums made to or on behalf of patients. Indirect program expenses include the work of patient service representatives, and associated costs most directly involved with delivering financial assistance and support services to patients. Fundraising expenses include the work of the Development team. Management, General, and Administrative expenses reflect a variety of business functions including Information Technology, Finance, Human Resources, Advocacy, and Executive Management.

***Income taxes***

Accessia Health is exempt from paying income taxes under Internal Revenue Code Section 501(c)(3) and is an organization that is not a private foundation under Section 509(A)(1). Accessia was formed as a C corporation during 2012. Due to its lack of activity during 2021, no provision or liability for income taxes has been included in the accompanying consolidated financial statements. Accessia Health Foundation is exempt from paying income taxes under Internal Revenue Code Section 501(c)(3). No income tax was paid during the year ended December 31, 2021.

Management has evaluated the effect of accounting guidance surrounding uncertain income tax positions and concluded that the Organization has no significant financial statement exposure to uncertain tax provisions at December 31, 2021. The Organization is not currently under audit by any tax jurisdiction.

***Advertising***

Advertising costs are expensed as incurred and are included in functional expenses in the accompanying consolidated statements of activities. Advertising expense was \$3,233 in 2021.

***Recently issued accounting standards***

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606). The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in GAAP. Topic 606 also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization implemented the provisions of Topic 606 effective January 1, 2021 using the modified retrospective basis. The adoption of this standard did not have a significant impact on the consolidated financial statements.

***Subsequent events***

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 31, 2022, the date the financial statements were available to be issued.

**3. Fair Value Measurements of Assets**

The Organization has adopted Financial Accounting Standards Board (“FASB”) guidance on fair value measurements. The provisions of the guidance provide a framework for measuring fair value under GAAP and defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. This guidance also establishes a fair value hierarchy which prioritizes the valuation inputs into three broad levels. Based on the underlying inputs, each fair value measurement in its entirety is reported in one of three levels.

The Organization’s assets recorded at fair value on a recurring basis are categorized based on the priority of the inputs used to measure fair value. The inputs used in measuring fair value are categorized into three levels, as follows:

- Level 1**      Inputs that are based upon quoted prices for identical instruments traded in active markets.

**Accessia Health and Affiliates**  
**Notes to Consolidated Financial Statements**

---

**Level 2** Inputs that are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar investments in markets that are not active, or models based on valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the investment.

**Level 3** Inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flows models, and similar techniques.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for assets measured at fair value.

***Stocks and bonds***

Valued at the closing price as reported on the active market on which stocks or bonds are traded.

***Money market funds***

Valued at cost plus accrued interest.

***Annuity contracts***

Valued based on summation of values assigned to underlying investments in equity and fixed income securities, most of which are traded on an active market.

The following table summarizes the valuation of the Organization's financial assets measured at fair value on a recurring basis at December 31, 2021, based on the level of input utilized to measure fair value:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Stocks	\$ 204,262	\$ -	\$ -	\$ 204,262
Bonds	739,425	-	-	739,425
Mutual Funds	3,556,896	-	-	3,556,896
Money Market Funds	3,416,668	-	-	3,416,668
Annuity Contracts	-	-	1,607,234	1,607,234
Total assets at fair value	<u>\$ 7,917,251</u>	<u>\$ -</u>	<u>\$ 1,607,234</u>	<u>\$ 9,524,485</u>

There were no assets or liabilities measured using Level 2 criteria at December 31, 2021.

Inputs used to estimate the value of Level 3 assets (annuity contracts) include third-party pricing sources. The value is reflective of surrender charges and interest adjustments as specified in the annuity contract. At December 31, 2021, there were no unfunded commitments or redemption restrictions on the Organization's Level 3 assets.

**Accessia Health and Affiliates**  
**Notes to Consolidated Financial Statements**

---

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**4. Leases**

The Organization has entered into various leases for office space and office equipment that originally ranged in duration from three to five years. Rent expense was \$64,497 for 2021. Future minimum lease payments at December 31, 2021 were:

2022	\$	75,300
2023		54,710
2024		33,286
2025		33,956
2026		34,646
Thereafter		<u>12,109</u>
	\$	<u>244,007</u>

**5. Fund-Raising Expenditures**

The Organization solicits funds from organizations and individuals within the chronic illness community. Contributions are solicited through attending conferences, direct contract, literature mailings and other methods. Fund-raising expenditures totaled \$1,034,585 in 2021.

**6. Retirement Plan**

The Organization sponsors a qualified defined contribution plan under section 401(k) of the Internal Revenue Code, which covers eligible full-time employees after six months of continuous service. Voluntary contributions made by Accessia Health are determined annually. Retirement expense was \$92,606 for 2021.

**7. Concentrations**

The Organization maintains multiple bank accounts at two banks located in the United States. The Federal Deposit Insurance Corporation (FDIC) provides insurance coverage for up to \$250,000 for substantially all depository account. At December 31, 2021, the Organization had deposits in excess of the amount insured by the Federal Deposit Insurance Organization (FDIC) totaling \$52,530,921.

The Organization maintains investments through three financial institutions. The Securities Investor Protection Corporation (SIPC) insures deposits up to \$500,000. Investments as of December 31, 2021, exceeded the insured limits by \$6,917,251.

For the year ended December 31, 2021, contributions from four donors comprised approximately 92% of total contributions. In addition, 97% of contributions and contract fees receivable are due from two donors as of December 31, 2021.

## 8. Liquidity and Availability of Financial Assets

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statements of financial position date, comprise the following:

Cash and cash equivalents	\$ 61,618,610
Investments	7,917,251
Contributions and contract fees receivables, net	<u>6,474,993</u>
Total	76,010,854
 Net assets with donor restrictions	 <u>63,158,335</u>
 Total financial assets available within one year after net assets with donor restrictions	  <u>\$ 12,852,519</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures become due. In addition, the Organization invests excess cash in investments and money market funds. The Organization takes a conservative approach to liquidity management to ensure funding availability to meet patient assistance needs, which can vary significantly month to month throughout the year.

## 9. Correction of Prior Period Error

The Organization has restated net assets as of January 1, 2021 with a \$586,749 decrease due to an unrecorded liability resulting from a 2018 agreement. To reflect the proper nature of the transaction, a death benefit payable was also recorded at the present value of \$586,749 as of January 1, 2021. See note 10.

## 10. Death Benefit Payable

In 2012, the Organization established an Executive Death Benefit Plan for a former president of the Organization (the Participant). The plan was subsequently modified in 2018, which provided that upon death of the Participant, the Participant's Beneficiary shall be entitled to a death benefit payable out of the Organization's general assets equal to \$1,000,000. The present value of the future liability was determined using the remaining life expectancy of the Participant and the federal bank prime loan rate of 3.25% at December 31, 2021 as the discount rate. Death benefit plan expense of \$13,284 was recorded in 2021 to reflect the present value of the death benefit payable of \$600,033 at December 31, 2021.