

PATIENT ACCESS NETWORK FOUNDATION

FINANCIAL STATEMENTS

*Year Ended December 31, 2016 (with Comparative
Totals for the Year Ended December 31, 2015)*

PATIENT ACCESS NETWORK FOUNDATION
STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2016 (WITH COMPARATIVE TOTALS FOR 2015)

	<u>2016</u>	<u>2015</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 64,769,684	\$ 10,722,070
Investments	255,163,178	492,075,397
Pledges receivable	53,305,500	53,205,000
Prepaid expenses and other assets	333,017	147,977
Total Current Assets	<u>373,571,379</u>	<u>556,150,444</u>
Fixed assets, net	<u>3,253,267</u>	<u>99,138</u>
Total Assets	<u><u>\$ 376,824,646</u></u>	<u><u>\$ 556,249,582</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 9,096,457	\$ 16,001,134
Line of credit	65,209,235	-
Co-payment assistance obligation, net	<u>219,592,489</u>	<u>217,199,905</u>
Total Current Liabilities	<u>293,898,181</u>	<u>233,201,039</u>
Net Assets:		
Unrestricted:		
Undesignated	10,994,112	17,146,488
Strategic Patient Assistance Initiative	1,782,187	341,616
Temporarily restricted	<u>70,150,166</u>	<u>305,560,439</u>
Total Net Assets	<u>82,926,465</u>	<u>323,048,543</u>
Total Liabilities and Net Assets	<u><u>\$ 376,824,646</u></u>	<u><u>\$ 556,249,582</u></u>

PATIENT ACCESS NETWORK FOUNDATION
STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2016 (WITH COMPARATIVE TOTALS FOR 2015)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2016 Total</u>	<u>2015 Total</u>
Support and Revenue:				
Contributions	\$ 345,429	\$ 582,195,790	\$ 582,541,219	\$ 801,155,793
Investment loss	<u>(2,437,341)</u>	<u>-</u>	<u>(2,437,341)</u>	<u>(5,184,599)</u>
	(2,091,912)	582,195,790	580,103,878	795,971,194
Net assets released from restrictions	<u>817,606,063</u>	<u>(817,606,063)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>815,514,151</u>	<u>(235,410,273)</u>	<u>580,103,878</u>	<u>795,971,194</u>
Expenses:				
Program service:				
Co-payment assistance	784,840,353	-	784,840,353	942,172,470
Fees for program operation, patient determinations and related services	28,147,034	-	28,147,034	18,351,898
Personnel expenses	<u>932,892</u>	<u>-</u>	<u>932,892</u>	<u>530,306</u>
Total program service expenses	<u>813,920,279</u>	<u>-</u>	<u>813,920,279</u>	<u>961,054,674</u>
Management and general:				
Personnel expenses	1,523,953	-	1,523,953	1,437,671
Office expenses	661,378	-	661,378	459,326
Board fees	159,440	-	159,440	138,475
Professional fees	1,181,711	-	1,181,711	1,274,365
Insurance	111,338	-	111,338	79,284
Printing/stationery/supplies	17,224	-	17,224	15,662
Interest	1,400,009	-	1,400,009	716,504
Other	<u>56,124</u>	<u>-</u>	<u>56,124</u>	<u>66,720</u>
Total management and general expenses	<u>5,111,177</u>	<u>-</u>	<u>5,111,177</u>	<u>4,188,007</u>
Fundraising				
Personnel expenses	537,629	-	537,629	890,052
Other fundraising expenses	<u>656,871</u>	<u>-</u>	<u>656,871</u>	<u>155,486</u>
Total fundraising expenses	<u>1,194,500</u>	<u>-</u>	<u>1,194,500</u>	<u>1,045,538</u>
Total expenses	<u>820,225,956</u>	<u>-</u>	<u>820,225,956</u>	<u>966,288,219</u>
Change in net assets	(4,711,805)	(235,410,273)	(240,122,078)	(170,317,025)
Net assets, beginning of year	<u>17,488,104</u>	<u>305,560,439</u>	<u>323,048,543</u>	<u>493,365,568</u>
Net assets, end of year	<u>\$ 12,776,299</u>	<u>\$ 70,150,166</u>	<u>\$ 82,926,465</u>	<u>\$ 323,048,543</u>

PATIENT ACCESS NETWORK FOUNDATION
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016 (WITH COMPARATIVE TOTALS FOR 2015)

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Change in net assets	\$ (240,122,078)	\$ (170,317,025)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation expense	26,705	28,651
Unrealized and realized losses on investments	10,591,276	15,285,936
Change in operating assets and liabilities:		
Pledges receivables	(100,500)	56,810,000
Prepaid expenses and other assets	(185,040)	(24,804)
Accounts payable	(6,904,677)	5,415,084
Co-payment assistance obligation	2,392,584	134,270,675
Net cash flows from operating activities	<u>(234,301,730)</u>	<u>41,468,517</u>
Cash flows from investing activities:		
Purchases of investments	(707,657,863)	(863,400,999)
Proceeds from sale of investments	933,978,806	781,393,021
Purchases of fixed assets	(3,180,834)	(32,480)
Net cash flows from investing activities	<u>223,140,109</u>	<u>(82,040,458)</u>
Cash flows from financing activities:		
Proceeds from portfolio loan	683,360,345	666,999,038
Repayment of portfolio loan	(618,151,110)	(666,999,038)
Net cash flows from financing activities	<u>65,209,235</u>	<u>-</u>
Net change in cash and cash equivalents	54,047,614	(40,571,941)
Cash and cash equivalents, beginning	<u>10,722,070</u>	<u>51,294,011</u>
Cash and cash equivalents, ending	<u>\$ 64,769,684</u>	<u>\$ 10,722,070</u>
Supplemental disclosure:		
Cash paid for interest	<u>\$ 1,400,009</u>	<u>\$ 716,504</u>