

**Compassion & Choices
and Compassion & Choices Action Network**

Combined Financial Statements
Years Ended June 30, 2017 and 2016
with
Independent Auditors' Report

**Compassion & Choices
and Compassion & Choices Action Network**

Years Ended June 30, 2017 and 2016
(See Independent Auditors' Report)

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Board of Directors
Compassion & Choices,
and Compassion & Choices Action Network
Denver, Colorado

Independent Auditors' Report

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of Compassion & Choices and Compassion & Choices Action Network which comprise the combined statements of financial position as of June 30, 2017 and 2016 and the related combined statements of activities and changes in net assets and cash flows for the years then ended and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined 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 combined financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of Compassion & Choices and Compassion & Choices Action Network of June 30, 2017 and 2016 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.

Stratagem PC
Certified Public Accountants

Lakewood, Colorado

October 20, 2017

**Compassion & Choices
and Compassion & Choices Action Network**

Combined Statements of Financial Position
June 30, 2017 and 2016
(See Independent Auditors' Report)

Assets	2017	2016
Current assets:		
Cash and cash equivalents:	\$ 847,722	\$ 1,656,078
Unconditional promises to give, net of allowance	3,109,000	2,645,150
Investments:		
Cash and money market funds	1,914,276	1,007,932
Marketable securities	10,262,276	12,879,631
Prepaid expenses	184,908	133,503
Beneficial interest in charitable remainder trusts	157,385	169,046
Other current assets	215	15,532
Total current assets	16,475,782	18,506,872
Property, equipment and improvements, at cost:		
Furniture, fixtures and equipment	435,886	454,920
Leasehold improvements	62,446	62,446
	498,332	517,366
Less accumulated depreciation and amortization	406,407	391,214
Total property, equipment and improvements, net	91,925	126,152
Other assets:		
Unconditional promises to give, net of current portion	591,000	2,635,500
Intangible assets	13,430	14,764
Deposits	30,875	30,875
Total other assets	635,305	2,681,139
Total assets	\$ 17,203,012	\$ 21,314,163

(See Notes to Combined Financial Statements)

**Compassion & Choices
and Compassion & Choices Action Network**

Combined Statements of Financial Position
June 30, 2017 and 2016
(See Independent Auditors' Report)

Liabilities and Net Assets

	2017	2016
Current liabilities:		
Accounts payable	\$ 197,444	\$ 341,733
Accrued expenses	465,207	471,800
Total current liabilities	662,651	813,533
Long-term liabilities:		
Gift annuity payments due	478,662	477,969
Total liabilities	1,141,313	1,291,502
Net assets:		
Unrestricted:		
Operating	14,714,575	17,261,009
Net investment in property, equipment and improvements	91,925	126,152
Total unrestricted net assets	14,806,500	17,387,161
Temporarily restricted	1,255,199	2,635,500
Total net assets	16,061,699	20,022,661
Total liabilities and net assets	\$ 17,203,012	\$ 21,314,163

(See Notes to Combined Financial Statements)

**Compassion & Choices
and Compassion & Choices Action Network**

Combined Statements of Activities and Changes in Net Assets
Year Ended June 30, 2017
(See Independent Auditors' Report)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and other support:			
Contributions	\$ 11,606,766	\$ 1,550,000	\$ 13,156,766
Membership fees	119,888	-	119,888
Foundation revenue	125,000	-	125,000
Investment income, net of expenses	98,336	-	98,336
Realized and unrealized gain on investments	510,759	-	510,759
Loss on sale of asset	(3,810)	-	(3,810)
Other income	632,336	-	632,336
Net assets released from restrictions:			
Satisfaction of:			
Program restrictions	85,801	(85,801)	-
Time restrictions	<u>2,844,500</u>	<u>(2,844,500)</u>	<u>-</u>
Total revenue and other support	<u>16,019,576</u>	<u>(1,380,301)</u>	<u>14,639,275</u>
Expenses:			
Programs	15,344,656	-	15,344,656
General and administrative	1,957,383	-	1,957,383
Fundraising	<u>1,298,198</u>	<u>-</u>	<u>1,298,198</u>
Total expenses	<u>18,600,237</u>	<u>-</u>	<u>18,600,237</u>
Decrease in net assets	(2,580,661)	(1,380,301)	(3,960,962)
Net assets, beginning	<u>17,387,161</u>	<u>2,635,500</u>	<u>20,022,661</u>
Net assets, ending	<u>\$ 14,806,500</u>	<u>\$ 1,255,199</u>	<u>\$ 16,061,699</u>

(See Notes to Combined Financial Statements)

**Compassion & Choices
and Compassion & Choices Action Network**

Combined Statements of Activities and Changes in Net Assets
Year Ended June 30, 2016
(See Independent Auditors' Report)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and other support:			
Contributions	\$ 13,547,749	\$ 5,260,500	\$ 18,808,249
Membership fees	137,311	-	137,311
Foundation revenue	25,000	-	25,000
Investment income, net of expenses	64,779	-	64,779
Realized and unrealized loss on investments	(39,261)	-	(39,261)
Gain on sale of asset	63,457	-	63,457
Other income	559,968	-	559,968
Net assets released from restrictions:			
Satisfaction of:			
Program restrictions	-	-	-
Time restrictions	2,762,000	(2,762,000)	-
	<u>17,121,003</u>	<u>2,498,500</u>	<u>19,619,503</u>
Total revenue and other support			
Expenses:			
Programs	19,386,501	-	19,386,501
General and administrative	1,818,770	-	1,818,770
Fundraising	1,264,454	-	1,264,454
	<u>22,469,725</u>	<u>-</u>	<u>22,469,725</u>
Total expenses			
Increase (decrease) in net assets	(5,348,722)	2,498,500	(2,850,222)
Net assets, beginning	<u>22,735,883</u>	<u>137,000</u>	<u>22,872,883</u>
Net assets, ending	<u>\$ 17,387,161</u>	<u>\$ 2,635,500</u>	<u>\$ 20,022,661</u>

(See Notes to Combined Financial Statements)

**Compassion & Choices
and Compassion & Choices Action Network**

Combined Statements of Cash Flows
Years Ended June 30, 2017 and 2016
(See Independent Auditors' Report)

	2017	2016
Cash flows from operating activities:		
Cash received from contributions and donations	\$ 16,114,240	\$ 16,999,705
Cash paid to employees and vendors	(19,243,395)	(22,358,918)
Interest paid	-	(4,881)
Interest received	98,336	64,779
Net cash used by operating activities	(3,030,819)	(5,299,315)
Cash flows from investing activities:		
Proceeds from sale of investments	9,444,413	10,269,254
Proceeds from sale of property and equipment	-	64,261
Purchases of investments	(7,222,643)	(5,388,263)
Net cash provided by investing activities	2,221,770	4,945,252
Cash flows from financing activities:		
Capital lease obligations:		
Repayments	-	(14,717)
Gift annuities:		
Proceeds	86,235	49,150
Repayments	(85,542)	(61,529)
Net cash provided (used) by financing activities	693	(27,096)
Net decrease in cash and cash equivalents	(808,356)	(381,159)
Cash and cash equivalents, beginning	1,656,078	2,037,237
Cash and cash equivalents, ending	\$ 847,722	\$ 1,656,078

(continued)
(See Notes to Combined Financial Statements)

**Compassion & Choices
and Compassion & Choices Action Network**

Combined Statements of Cash Flows (continued)
Years Ended June 30, 2017 and 2016
(See Independent Auditors' Report)

	2017	2016
Cash flows from operating activities:		
Change in net assets	\$ (3,960,962)	\$ (2,850,222)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization	31,751	77,543
Unrealized (gain) loss on investments	(510,759)	39,261
Gain (loss) on sale of property and equipment	3,810	(63,457)
(Increase) decrease in:		
Unconditional promises to give	1,565,650	(2,522,650)
Allowance for doubtful accounts	15,000	-
Prepaid expenses	(51,405)	13,926
Beneficial interest in charitable remainder trusts	11,661	(62)
Other current assets	15,317	(8,111)
Increase (decrease) in:		
Accounts payable	(144,289)	(115,166)
Accrued payroll and vacation	(6,593)	129,623
Net cash used by operating activities	\$ (3,030,819)	\$ (5,299,315)

(See Notes to Combined Financial Statements)

**Compassion & Choices
and Compassion & Choices Action Network**

Notes to Combined Financial Statements
Years Ended June 30, 2017 and 2016
(See Independent Auditors' Report)

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of operations

Compassion & Choices, which has been granted not-for-profit status under Internal Revenue Code Section 501(c)(3), works to advance patients' rights through laws that allow mentally competent, terminally ill adults the legal choice of physician aid-in-dying. Compassion & Choices seeks to achieve this goal by advocating patient's rights, educating the public about the issues surrounding physician aid-in-dying, and empowering patients so they can make informed choices.

Compassion & Choices Action Network is a not-for-profit organization with a 501(c)(4) status under the Internal Revenue Code Section, whose mission is to advance education on end-of-life choices through promoting memberships and periodicals. Compassion & Choices Action Network's mission is also to engage in programs to advance legislation which will permit terminally ill individuals of sound mind to receive physician aid-in-dying. Compassion & Choices Action Network has independently governed chapters which are located throughout the United States.

The two Organizations are considered to be under common control as defined by generally accepted accounting principles based on financial control and/or joint operating agreements. As such, the financial operations of the two Organizations' are presented as combined financial statements for the years ended June 30, 2017 and 2016.

Funding is received through donations from individuals, businesses and organizations as well as membership dues.

Basis of presentation

The combined financial statements are prepared using the accrual method of accounting under accounting principles generally accepted in the United States of America whereby income is reported as earned and expenses reported as incurred.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC), Topic 958 *Revenue Recognition of Not-for-Profit Organizations*. Under Topic 958, the Organizations are required to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**Compassion & Choices
and Compassion & Choices Action Network**

Notes to Combined Financial Statements
Years Ended June 30, 2017 and 2016
(See Independent Auditors' Report)

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Cash and cash equivalents

The Organizations consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the combined statement of cash flows exclude permanently restricted cash and cash equivalents. The Organizations maintain cash in bank deposit accounts at various financial institutions in which the deposits are guaranteed by the Federal Deposit Insurance Corporation ("FDIC").

The operating accounts of the Organizations are held at institutions that are provided insurance up to \$250,000 per FDIC-insured depository institution. Topic 825 of the FASB ASC, *Financial Instruments* identifies such accounts as a concentration of credit risk requiring disclosure regardless of the degree of risk. Risk related to deposits held outside of institutions participating in the above program is managed by maintaining deposits with high quality financial institutions and monitoring cash such that balances are rarely, if ever, in excess of any applicable FDIC insurance limits that may be in place. In addition, management does not believe that the Organizations are exposed to any significant risk related to cash and cash equivalents.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are stated at their fair values in the combined statements of financial position. Realized and unrealized gains and losses are included in the combined statements of activities. Donated investments are reflected as contributions at their market values at date of receipt.

Property, equipment and improvements

Property, equipment and improvements are recorded at acquisition cost with donated property and equipment recorded at estimated fair market value. When items are disposed, the cost and related depreciation and amortization are removed from the accounts, with gains or losses on disposal recorded. Depreciation and amortization is computed by the straight-line method, over the estimated useful lives of the assets ranging from three to thirty-nine years. Maintenance and repairs are included as expenses when incurred.

Total depreciation expense was approximately \$31,800 and \$77,500 for the years ended June 30, 2017 and 2016, respectively.

Donations

The Organizations report gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

**Compassion & Choices
and Compassion & Choices Action Network**

Notes to Combined Financial Statements
Years Ended June 30, 2017 and 2016
(See Independent Auditors' Report)

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Donations (continued)

Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organizations report expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. 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 combined statement of activities as net assets released from restrictions.

All donations are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statements of activities as net assets released from restrictions.

Contributions

Under FASB ASC Topic 958, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Promises to give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

The Organizations use the allowance method to record uncollectible accounts. The allowance is based on past experience and on specific analysis of the collectability of individual account balances.

Use of estimates in the preparation of combined financial statements

The preparation of combined financial statements in the conformity with accounting principles generally accepted in the United States of America 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 combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Compassion & Choices
and Compassion & Choices Action Network**

Notes to Combined Financial Statements
Years Ended June 30, 2017 and 2016
(See Independent Auditors' Report)

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Advertising costs

Advertising costs, except for costs associated with direct-response advertising, are charged to operations when incurred. The costs of direct-response advertising are capitalized and amortized over the period which future benefits are expected to be received. There was no regular or direct-response advertising incurred during the years ended June 30, 2017 and 2016.

Income taxes

No provision for taxes on earnings has been made in the combined financial statements as Compassion & Choices has qualified as a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code. Compassion & Choices Action Network qualifies as a not-for-profit organization under Section 501(c)(4) of the Internal Revenue Code. Both entities are only subject to taxes on unrelated business income; however, neither entity had any unrelated business income during the years ended June 30, 2017 and 2016.

Fair value measurements

During 2009, the Organizations adopted FASB ASC Topic 820, *Fair Value Measurements*. Topic 820 establishes a single authoritative definition of fair value and sets a hierarchy for measuring fair value. The adoption of Topic 820 has no impact on the Organization's accounting policies for investments, but requires additional disclosures about fair value measurement. The hierarchy for measuring fair value prioritizes the inputs to valuation techniques used to measure fair value and gives the highest priority to unadjusted quoted prices for securities traded in active markets (level 1) and the lowest priority to unobservable inputs (level 3). The asset or liability'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.

The hierarchy for measuring fair value under Topic 820 is as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 – Inputs to the valuation methodology include a) quoted prices for similar assets or liabilities in active markets; b) quoted prices for identical or similar assets or liabilities in inactive markets; c) inputs other than quoted prices that are observable for the asset or liability; and d) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**Compassion & Choices
and Compassion & Choices Action Network**

Notes to Combined Financial Statements
Years Ended June 30, 2017 and 2016
(See Independent Auditors' Report)

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Fair value measurements (continued)

As required by Topic 820, the Organization's managed investments were classified as follows, based on the lowest level of input that is significant to the fair value measurement as of June 30, 2017:

Description	Level 1	Level 2	Level 3	Totals
Cash and money market funds	\$ 1,914,276	\$ -	\$ -	\$ 1,914,276
Marketable securities				
Fixed income investments	4,132,130	-	-	4,132,130
Equities:				
Mutual funds	5,444,498	-	-	5,444,498
Alternative investments	685,648	-	-	685,648
Total marketable securities	10,262,276	-	-	10,262,276
	<u>\$ 12,176,552</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,176,552</u>

As required by Topic 820, the Organization's managed investments were classified as follows, based on the lowest level of input that is significant to the fair value measurement as of June 30, 2016:

Description	Level 1	Level 2	Level 3	Totals
Cash and money market funds	\$ 1,007,932	\$ -	\$ -	\$ 1,007,932
Investments:				
Fixed income investments	3,615,105	-	-	3,615,105
Equities:				
Mutual funds	8,737,959	-	-	8,737,959
Alternative investments	526,567	-	-	526,567
Total marketable securities	12,879,631	-	-	12,879,631
	<u>\$ 13,887,563</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,887,563</u>

Valuation techniques used to measure assets at fair value include net asset value of shares held by the Organization at year end and closing prices reported on the active markets in which securities held by the Organization are traded.

**Compassion & Choices
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Notes to Combined Financial Statements
Years Ended June 30, 2017 and 2016
(See Independent Auditors' Report)

2. In-Kind Contributions

Certain professional fees for legal, consulting and valuation services to program activities were provided without charge to the Organization and are treated as, and included in "Contributions". The services were valued by their providers as of the dates of which the services were performed. A corresponding amount is included in the appropriate category of "Program service expenses". On these bases, approximately \$2,826,900 and \$1,005,500 is included in each of the accounts mentioned during the years ended June 30, 2017 and 2016, respectively.

3. Promises to Give

Unconditional promises to give

Unconditional promises to give for years ending after June 30, 2017 and 2016 are reflected as either current or non-current assets based on the terms of the commitment by the individual donors. The allowance for uncollectible amounts is determined by management based on the evaluation of collectability of the promises outstanding

The following is a summary of unconditional promises to give at June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Amounts due in:		
Less than one year	\$ 3,124,000	\$ 2,645,150
One to five years	<u>591,000</u>	<u>2,635,500</u>
	3,715,000	5,280,650
Less allowance for uncollectible amounts	<u>15,000</u>	<u>-</u>
Net promises to give	<u><u>\$ 3,700,000</u></u>	<u><u>\$ 5,280,650</u></u>

4. Retirement Plan

The Organizations sponsor a 401(k) profit sharing plan covering substantially all employees who meet specified service requirements as defined in the plan document. The Plan allows for employee contributions up to the maximum allowable by the Internal Revenue Code. Contributions by employees are matched 100% by the Organization up to 5% of gross eligible salary and totaled approximately \$189,700 and \$145,300 for the years June 30, 2017 and 2016, respectively.

**Compassion & Choices
and Compassion & Choices Action Network**

Notes to Combined Financial Statements
Years Ended June 30, 2017 and 2016
(See Independent Auditors' Report)

5. Capital Lease Obligations

The Organization leases computer and office equipment under two capital leases, one of which expired in 2014 with the other expiring in 2016. The assets and liabilities under capital leases are recorded at the lower of present value of the minimum lease payments or the fair value of the asset. The assets are depreciated over the lower of their related lease terms or their estimated productive lives. Depreciation of assets under capital leases is included in depreciation expense at June 30, 2017 and 2016.

Following is a summary of property under capital leases at June 30, 2017 and 2016:

	2017	2016
Computer and office equipment	\$ 60,627	\$ 60,627
Less accumulated depreciation	60,627	59,616
	\$ -	\$ 1,011

The interest rates, which range from 5.39% to 13.44%, were determined by the lessor's implicit rate identified in the lease agreements. The lease expired and liability was paid in full during 2016.

6. Commitments

The Organizations lease office space under operating leases expiring at various dates between March 2018 and April 2019. Monthly payments range from \$3,000 up to \$13,100 in the final year of certain leases. The following is a summary of the minimum annual commitments under the terms of the leases for years ending after June 30, 2017:

Year Ended June 30	Portland Office	Denver Office	Washington D.C. Office	Los Angeles Office	Total
2018	\$ 84,972	\$ 27,000	\$ 153,900	\$ 39,109	\$ 304,981
2019	-	-	131,176	-	131,176
	\$ 84,972	\$ 27,000	\$ 285,076	\$ 39,109	\$ 436,157

Rent expense for the years ended June 30, 2017 and 2016 was approximately \$390,000 and \$402,500 respectively.

**Compassion & Choices
and Compassion & Choices Action Network**

Notes to Combined Financial Statements
Years Ended June 30, 2017 and 2016
(See Independent Auditors' Report)

7. Income Taxes

In July, 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109", hereafter referred to as Topic 740 of the FASB ASC. Topic 740 clarifies the accounting for uncertainty in income tax positions and defines the threshold for recognizing the tax benefits of tax return filing positions in the combined financial statements as "more likely than not" to be sustained upon examination, based on the technical merits of the positions. A tax position that meets the more-likely-than-not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than 50 percent likelihood of being realized. Tax positions which previously would have failed to meet the more-likely-than-not recognition threshold should be recognized in the first subsequent financial reporting period in which the threshold is met. Conversely, previously recognized tax positions which no longer meet the more-likely-than-not recognition should be derecognized in the first subsequent financial reporting period in which the threshold is no longer met.

The Organizations adopted the provisions of Topic 740 on July 1, 2009. The adoption of Topic 740 did not result in a material modification of the overall combined financial statements of the Organizations as of and for the year ended June 30, 2014. As the Organizations are qualified as nonprofit Organizations under the Internal Revenue Code, any income tax position would be primarily related to unrelated business activities outside the core mission of the Organizations. Based on prior examinations of contractual arrangements of the Organizations and correspondence received from the Internal Revenue Service, management believes there to be no potential income tax positions that would result in related tax liability for the Organizations. Management will continue to evaluate any future contractual arrangements with respect to potential income tax positions under this guidance.

**Compassion & Choices
and Compassion & Choices Action Network**

Notes to Combined Financial Statements
Years Ended June 30, 2017 and 2016
(See Independent Auditors' Report)

8. Split Interest Agreements

The Organization administers the following gift annuities. A gift annuity provides for the payment of distributions to the grantor or other designated beneficiaries over the annuity's term (usually the designated beneficiary's lifetime). At the end of the annuity's term the remaining assets are available for the Organization's use. The portion of the annuity attributable to the present value of the future benefits to be received by the Organization is recorded in the Combined Statement of Activities as an unrestricted contribution in the period the annuity is established. Such contributions totaled \$93,765 for the year ended June 30, 2017. Assets held in the annuity reserve fund totaled \$722,702 at June 30, 2017, and are reported at fair market value and included in Investments in the Organization's Combined Statement of Financial Position.

	Fiscal Year of Gift	Description of Asset Donated	FMV of Asset	Value of Gift	Amount of Liability	Gift Donor Life Expectancy	Discount Rate	Required Quarterly Payment	Guaranteed Interest Rate	Gift Annuity Payments Due June 30, 2017	Annuity Reserve Fund June 30, 2017
Annuity 5	June 30, 2001	Cash	\$ 10,000	\$ 3,749	\$ 6,251	18.3 years	9.42%	\$ 180	7.20%	\$ 950	\$ 4,098
Annuity 14	June 30, 2001	Cash	\$ 10,000	\$ 4,163	\$ 5,837	11.1 years	9.32%	\$ 212	8.50%	\$ (0)	\$ 3,193
Annuity 15	June 30, 2001	Cash	\$ 10,000	\$ 4,508	\$ 5,492	8.3 years	10.23%	\$ 248	9.90%	\$ (0)	\$ 2,978
Annuity 19	June 30, 2002	Stock	\$ 24,543	\$ 9,700	\$ 14,843	14.5 years	8.50%	\$ 454	7.40%	\$ 0	\$ 8,630
Annuity 20	June 30, 2002	Cash	\$ 10,000	\$ 4,105	\$ 5,895	13.1 years	8.80%	\$ 193	7.70%	\$ -	\$ 3,336
Annuity 24	June 30, 2003	Cash	\$ 50,000	\$ 13,091	\$ 36,909	18.9 years	5.51%	\$ 788	6.30%	\$ 13,085	\$ 23,431
Annuity 25	June 30, 2003	Cash	\$ 20,000	\$ 10,927	\$ 9,073	5.0 years	9.52%	\$ 575	11.50%	\$ -	\$ 4,584
Annuity 26	June 30, 2003	Stock	\$ 25,544	\$ 4,941	\$ 20,603	21.4 years	4.93%	\$ 390	6.10%	\$ 9,719	\$ 13,010
Annuity 27	June 30, 2004	Cash	\$ 10,000	\$ 4,642	\$ 5,358	7.8 years	7.91%	\$ 228	9.10%	\$ 0	\$ 2,944
Annuity 32	June 30, 2004	Cash	\$ 45,671	\$ 9,250	\$ 36,422	27.6 years	5.47%	\$ 639	5.60%	\$ 25,497	\$ 28,183
Annuity 33	June 30, 2004	Cash	\$ 20,000	\$ 11,803	\$ 8,197	4.7 years	10.25%	\$ 565	11.30%	\$ -	\$ 4,731
Annuity 34	June 30, 2005	Cash	\$ 20,000	\$ 11,901	\$ 8,099	4.7 years	11.34%	\$ 565	11.30%	\$ -	\$ 4,731
Annuity 38	June 30, 2005	Cash	\$ 10,000	\$ 4,606	\$ 5,394	15.9 years	6.73%	\$ 250	10.00%	\$ 8,301	\$ 9,507
Annuity 39	June 30, 2005	Cash	\$ 20,000	\$ 9,717	\$ 10,283	9.9 years	8.62%	\$ 390	7.80%	\$ 0	\$ 6,798
Annuity 40	June 30, 2006	Cash	\$ 5,000	\$ 2,503	\$ 2,497	9.4 years	9.44%	\$ 100	8.00%	\$ 0	\$ 1,711
Annuity 42	June 30, 2006	Cash	\$ 5,000	\$ 2,097	\$ 2,903	14.9 years	1.94%	\$ 81	6.50%	\$ 0	\$ 2,276
Annuity 45	June 30, 2007	Cash	\$ 8,000	\$ 4,667	\$ 3,333	4.9 years	12.23%	\$ 226	11.30%	\$ -	\$ 2,323
Annuity 46	June 30, 2008	Cash	\$ 20,000	\$ 10,366	\$ 9,634	8.8 years	9.85%	\$ 414	8.30%	\$ (0)	\$ 7,169
Annuity 47	June 30, 2008	Cash	\$ 7,717	\$ 3,308	\$ 4,409	17.5 years	8.44%	\$ 122	6.30%	\$ 2,681	\$ 4,108
Annuity 49	June 30, 2008	Cash	\$ 5,000	\$ 2,293	\$ 2,707	9.4 years	7.02%	\$ 100	8.00%	\$ 98	\$ 1,988
Annuity 50	June 30, 2009	Cash	\$ 10,000	\$ 5,613	\$ 4,387	6.1 years	7.86%	\$ 238	9.50%	\$ 0	\$ 3,283
Annuity 52	June 30, 2010	Cash	\$ 5,000	\$ 2,623	\$ 2,377	7.8 yrs	6.81%	\$ 100	8.00%	\$ 0	\$ 1,697
Annuity 53	June 30, 2010	Cash	\$ 40,000	\$ 11,412	\$ 28,588	22.4 yrs	4.53%	\$ 510	5.10%	\$ 21,857	\$ 20,309
Annuity 54	June 30, 2010	Cash	\$ 100,000	\$ 51,354	\$ 48,646	8.8 yrs	5.97%	\$ 1,825	7.30%	\$ 7,035	\$ 35,566
Annuity 55	June 30, 2010	Cash	\$ 25,000	\$ 12,839	\$ 12,161	8.8 yrs	6.43%	\$ 456	7.30%	\$ 2,175	\$ 8,891
Annuity 56	June 30, 2011	Cash	\$ 30,000	\$ 8,154	\$ 21,846	22.4 yrs	4.78%	\$ 398	5.30%	\$ 17,338	\$ 16,774
Annuity 57	June 30, 2011	Cash	\$ 10,000	\$ 4,195	\$ 5,805	13.8 yrs	5.62%	\$ 153	6.10%	\$ 3,407	\$ 4,814
Annuity 58	June 30, 2012	Cash	\$ 35,000	\$ 17,385	\$ 17,615	8.3 yrs	6.49%	\$ 683	7.80%	\$ 6,253	\$ 14,621
Annuity 59	June 30, 2012	Cash	\$ 30,000	\$ 8,316	\$ 21,684	21.5 yrs	4.13%	\$ 383	5.10%	\$ 17,452	\$ 16,466
Annuity 62	June 30, 2012	Cash	\$ 10,000	\$ 3,909	\$ 6,091	11.1 yrs	3.86%	\$ 170	6.80%	\$ 3,355	\$ 4,968
Annuity 64	June 30, 2013	Cash	\$ 20,000	\$ 7,456	\$ 12,544	14 yrs	1.93%	\$ 270	5.40%	\$ 7,935	\$ 11,081
Subtotal			\$ 651,475	\$ 265,590	\$ 385,885			\$ 11,903		\$ 147,140	\$ 278,199

**Compassion & Choices
and Compassion & Choices Action Network**

Notes to Combined Financial Statements
Years Ended June 30, 2017 and 2016
(See Independent Auditors' Report)

8. Split Interest Agreements

	Fiscal Year of Gift	Description of Asset Donated	FMV of Asset	Value of Gift	Amount of Liability	Gift Donor Life Expectancy	Discount Rate	Required Quarterly Payment	Guaranteed Interest Rate	Gift Annuity Payments Due June 30, 2017	Annuity Reserve Fund June 30, 2017
Subtotal from previous page			\$ 651,475	\$ 265,590	\$ 385,885			\$ 11,903		\$ 147,140	\$ 278,199
Annuity 65	June 30, 2013	Cash	\$ 10,000	\$ 5,618	\$ 4,452	6.4 yrs	4.15%	\$ 201	8.00%	\$ 1,353	\$ 3,987
Annuity 66	June 30, 2013	Cash	\$ 10,071	\$ 4,413	\$ 5,587	10.5 yrs	3.56%	\$ 160	6.40%	\$ 3,444	\$ 4,876
Annuity 67	June 30, 2013	Cash	\$ 10,000	\$ 4,102	\$ 5,898	12.4 yrs	3.16%	\$ 145	5.80%	\$ 3,974	\$ 4,862
Annuity 68	June 30, 2013	Cash	\$ 5,000	\$ 2,870	\$ 2,130	6 yrs	4.74%	\$ 103	8.20%	\$ 590	\$ 1,818
Annuity 70	June 30, 2013	Cash	\$ 10,000	\$ 5,579	\$ 4,421	6.4 yrs	4.76%	\$ 200	8.00%	\$ 1,518	\$ 7,998
Annuity 71	June 30, 2013	Cash	\$ 20,000	\$ 10,613	\$ 9,387	7.3 yrs	4.35%	\$ 380	7.60%	\$ 4,253	\$ 8,503
Annuity 72	June 30, 2013	Cash	\$ 10,000	\$ 1,931	\$ 8,069	25.8 yrs	2.35%	\$ 105	4.20%	\$ 7,077	\$ 5,952
Annuity 73	June 30, 2013	Cash	\$ 10,000	\$ 5,419	\$ 4,581	6.8 yrs	3.19%	\$ 195	7.80%	\$ 1,867	\$ 4,124
Annuity 74	June 30, 2014	Cash	\$ 20,000	\$ 12,326	\$ 7,674	4.9 yrs	6.30%	\$ 450	10.50%	\$ 1,731	\$ 7,236
Annuity 75	June 30, 2014	Cash	\$ 20,000	\$ 10,212	\$ 9,788	7.8 yrs	3.87%	\$ 370	9.20%	\$ 5,143	\$ 9,259
Annuity 76	June 30, 2014	Cash	\$ 10,000	\$ 2,538	\$ 7,462	24.9 yrs	2.98%	\$ 108	5.02%	\$ 6,637	\$ 6,094
Annuity 77	June 30, 2014	Cash	\$ 200,000	\$ 90,878	\$ 109,122	11.4	4.49%	\$ 3,050	7.45%	\$ 81,604	\$ 101,756
Annuity 78	June 30, 2014	Cash	\$ 5,000	\$ 2,086	\$ 2,914	15.2	4.46%	\$ 69	5.50%	\$ 2,624	\$ 2,813
Annuity 79	June 30, 2014	Cash	\$ 10,020	\$ 6,100	\$ 3,920	5.6	5.29%	\$ 210	10.40%	\$ 1,379	\$ 3,768
Annuity 80	June 30, 2014	Cash	\$ 10,000	\$ 4,912	\$ 5,088	9.9	5.05%	\$ 165	8.10%	\$ 3,519	\$ 5,101
Annuity 82	June 30, 2014	Cash	\$ 40,000	\$ 17,920	\$ 22,080	11.4	4.25%	\$ 610	7.50%	\$ 16,474	\$ 19,570
Annuity 83	June 30, 2014	Cash	\$ 10,000	\$ 5,136	\$ 4,864	8.8	5.04%	\$ 175	8.60%	\$ 3,184	\$ 4,511
Annuity 84	June 30, 2014	Cash	\$ 10,253	\$ 6,454	\$ 3,799	4.9	6.36%	\$ 231	10.30%	\$ 1,310	\$ 3,845
Annuity 86	June 30, 2015	Cash	\$ 10,000	\$ 4,574	\$ 5,426	11.8	4.37%	\$ 150	6.70%	\$ 4,343	\$ 5,179
Annuity 87	June 30, 2015	Cash	\$ 10,000	\$ 5,911	\$ 4,089	6	6.10%	\$ 205	10.30%	\$ 2,401	\$ 4,245
Annuity 88	June 30, 2015	Cash	\$ 10,555	\$ 6,394	\$ 4,161	5.6	4.89%	\$ 222	10.30%	\$ 2,268	\$ 4,344
Annuity 89	June 30, 2015	Cash	\$ 10,000	\$ 5,102	\$ 4,898	11.8	4.95%	\$ 89	7.10%	\$ 4,898	\$ 5,576
Annuity 90	June 30, 2015	Cash	\$ 17,143	\$ 8,717	\$ 8,426	8.8	4.74%	\$ 300	8.60%	\$ 6,235	\$ 7,117
Annuity 91	June 30, 2015	Cash	\$ 10,000	\$ 4,908	\$ 5,092	9.4	5.11%	\$ 170	8.40%	\$ 3,980	\$ 5,108
Annuity 92	June 30, 2015	Cash	\$ 10,000	\$ 4,965	\$ 5,035	9.4	5.30%	\$ 170	8.40%	\$ 3,953	\$ 5,769
Annuity 93	June 30, 2015	Cash	\$ 30,000	\$ 15,083	\$ 14,917	7.5	4.69%	\$ 593	9.80%	\$ 10,973	\$ 15,545
Annuity 94	June 30, 2015	Cash	\$ 25,000	\$ 11,719	\$ 13,281	9.8	3.68%	\$ 413	8.10%	\$ 10,731	\$ 14,389
Annuity 95	June 30, 2015	Cash	\$ 25,000	\$ 11,719	\$ 13,281	9.8	3.83%	\$ 413	8.10%	\$ 10,670	\$ 13,564
Annuity 96	June 30, 2015	Cash	\$ 10,000	\$ 6,693	\$ 3,307	4.3	4.78%	\$ 225	10.60%	\$ 1,707	\$ 3,716
Annuity 97	June 30, 2015	Stock	\$ 10,805	\$ 6,513	\$ 4,292	5.6	5.58%	\$ 227	10.30%	\$ 2,868	\$ 4,878
Annuity 98	June 30, 2015	Cash	\$ 5,000	\$ 2,655	\$ 2,345	7.7	4.43%	\$ 93	10.90%	\$ 1,643	\$ 2,214
Annuity 99	June 30, 2016	Cash	\$ 100,000	\$ 56,216	\$ 43,784	6.8	4.92%	\$ 1,950	9.80%	\$ 34,392	\$ 41,811
Annuity 100	June 30, 2016	Cash	\$ 10,000	\$ 4,633	\$ 5,367	10.1	3.93%	\$ 163	8.00%	\$ 4,677	\$ 5,617
Annuity 101	June 30, 2017	Cash	\$ 40,000	\$ 18,412	\$ 21,588	9.9	3.93%	\$ 660	8.10%	\$ 19,931	\$ 23,762
Annuity 102	June 30, 2017	Cash	\$ 10,000	\$ 5,112	\$ 4,888	8.3	4.46%	\$ 180	8.90%	\$ 4,440	\$ 6,090
Annuity 103	June 30, 2017	Cash	\$ 100,000	\$ 54,610	\$ 45,390	6.8	3.81%	\$ 1,950	9.80%	\$ 40,105	\$ 53,173
Annuity 104	June 30, 2017	Cash	\$ 10,000	\$ 3,052	\$ 1,948	5.2	6.30%	\$ 109	11.00%	\$ 1,693	\$ 2,338
Annuity 105	June 30, 2017	Cash	\$ 5,000	\$ 3,108	\$ 1,892	4.9	5.67%	\$ 113	11.40%	\$ 1,689	\$ 2,412
Annuity 106	June 30, 2017	Cash	\$ 10,000	\$ 2,927	\$ 7,073	19.7	2.86%	\$ 118	5.60%	\$ 6,938	\$ 7,038
Annuity 107	June 30, 2017	Cash	\$ 10,000	\$ 6,543	\$ 3,457	4.6	6.68%	\$ 225	11.40%	\$ 3,306	\$ 4,545
Totals			\$ 1,550,323	\$ 714,265	\$ 831,057			\$ 27,562		\$ 478,662	\$ 722,702

**Compassion & Choices
and Compassion & Choices Action Network**

Notes to Combined Financial Statements
Years Ended June 30, 2017 and 2016
(See Independent Auditors' Report)

9. Temporarily Restricted Net Assets

Temporarily restricted net assets as of June 30, 2017 and 2016 reflect donations restricted by donors and consist of the following:

	2017	2016
Unconditional promises to give that are due in more than one year:		
- Time restriction only	\$ 341,000	\$ 2,635,500
- Time and purpose restriction: Truth in Treatment Initiative	250,000	-
Total due in more than one year	591,000	2,635,500
End-of-Life Information Center	250,000	-
Stupski Bay Area Grant - Truth in Treatment Campaign	414,199	-
	\$ 1,255,199	\$ 2,635,500

10. Contingencies

From time to time, the Organization is a party to various disputes, claims and legal actions which are incidental to its mission. Provisions for costs and losses relating to these matters are made as management deems them appropriate. As of June 30, 2017, management has determined that there are no matters for which any provision is required.

11. Presentation

Certain reclassifications have been made to the 2016 amounts to conform with the 2017 presentation.

12. Subsequent Events

Subsequent events have been evaluated by management as of the date of these combined financial statements. This date represents the date the combined financial statements were available to be issued.

Supplemental Information

(See Independent Auditors' Report on Supplemental Information)

Board of Directors
Compassion & Choices,
and Compassion & Choices Action Network
Denver, Colorado

Independent Auditors' Report on Supplemental Information

We have audited the combined financial statements of Compassion & Choices and Compassion & Choices Action Network as of and for the years ended June 30, 2017 and 2016 and have issued our report thereon dated October 20, 2017, which contained an unqualified opinion on those combined financial statements. Our audits were performed for the purpose of forming an opinion on the combined financial statements as a whole. The following statements are presented for the purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Stratagem PC
Certified Public Accountants

Lakewood, Colorado

October 20, 2017

**Compassion & Choices
and Compassion & Choices Action Network**

Combining Statement of Financial Position
June 30, 2017

(See Independent Auditors' Report on Supplemental Information)

	Assets		
	Compassion & Choices	Compassion & Choices Action Network	Combined
	<u> </u>	<u> </u>	<u> </u>
Current assets:			
Cash and cash equivalents	\$ 678,468	\$ 169,254	\$ 847,722
Unconditional promises to give, net of allowance	3,109,000	-	3,109,000
Investments			
Cash and money market funds	1,659,938	254,338	1,914,276
Marketable securities	7,332,825	2,929,451	10,262,276
Prepaid expenses and other	184,908	-	184,908
Beneficial interest in charitable remainder trusts	157,385	-	157,385
Other current assets	215	-	215
	<u>13,122,739</u>	<u>3,353,043</u>	<u>16,475,782</u>
Total current assets			
Property, equipment and improvements:			
Furniture, fixtures and equipment	435,886	-	435,886
Leasehold improvements	60,070	2,376	62,446
	<u>495,956</u>	<u>2,376</u>	<u>498,332</u>
Accumulated depreciation and amortization	406,280	127	406,407
	<u>89,676</u>	<u>2,249</u>	<u>91,925</u>
Total property, equipment and improvements			
Other assets:			
Unconditional promises to give, net of current portion	591,000	-	591,000
Intangible assets	13,430	-	13,430
Deposits	30,875	-	30,875
Due (to) from related entity	(599,535)	599,535	-
	<u>35,770</u>	<u>599,535</u>	<u>635,305</u>
Total other assets			
Total assets	<u>\$ 13,248,185</u>	<u>\$ 3,954,827</u>	<u>\$ 17,203,012</u>

**Compassion & Choices
and Compassion & Choices Action Network**

Combining Statement of Financial Position
June 30, 2017

(See Independent Auditors' Report on Supplemental Information)

	Liabilities and Net Assets		
	Compassion & Choices	Compassion & Choices Action Network	Combined
	<u> </u>	<u> </u>	<u> </u>
Current liabilities:			
Accounts payable	\$ 187,444	\$ 10,000	\$ 197,444
Accrued expenses	465,147	60	465,207
	<u> </u>	<u> </u>	<u> </u>
Total current liabilities	652,591	10,060	662,651
Long-term liabilities:			
Gift annuity payments due	478,662	-	478,662
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	1,131,253	10,060	1,141,313
Net assets:			
Unrestricted:			
Operating	10,772,057	3,942,518	14,714,575
Net investment in furniture, fixtures equipment and improvements	89,676	2,249	91,925
	<u> </u>	<u> </u>	<u> </u>
Total unrestricted net assets	10,861,733	3,944,767	14,806,500
Temporarily restricted	1,255,199	-	1,255,199
	<u> </u>	<u> </u>	<u> </u>
Total net assets	12,116,932	3,944,767	16,061,699
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and net assets	<u>\$ 13,248,185</u>	<u>\$ 3,954,827</u>	<u>\$ 17,203,012</u>

**Compassion & Choices
and Compassion & Choices Action Network**

Combining Statement of Activities
Year Ended June 30, 2017

(See Independent Auditors' Report on Supplemental Information)

	<u>Compassion & Choices</u>	<u>Compassion & Choices Action Network</u>	<u>Combined</u>
Revenue and other support:			
Contributions	\$ 10,549,378	\$ 2,607,388	\$ 13,156,766
Membership fees	-	119,888	119,888
Foundation revenue	125,000	-	125,000
Investment income, net of expenses	97,111	1,225	98,336
Realized and unrealized gain on investments	454,778	55,981	510,759
Loss on sale of asset	(3,810)	-	(3,810)
Other Income	627,828	4,508	632,336
	<u>11,850,285</u>	<u>2,788,990</u>	<u>14,639,275</u>
Total revenue and other support			
Expenses:			
Programs	14,402,059	942,597	15,344,656
General and administrative	1,939,137	18,246	1,957,383
Fundraising	1,294,448	3,750	1,298,198
	<u>17,635,644</u>	<u>964,593</u>	<u>18,600,237</u>
Total expenses			
Increase (decrease) in net assets	(5,785,359)	1,824,397	(3,960,962)
Net assets, beginning	<u>17,902,291</u>	<u>2,120,370</u>	<u>20,022,661</u>
Net assets, ending	<u>\$ 12,116,932</u>	<u>\$ 3,944,767</u>	<u>\$ 16,061,699</u>

**Compassion & Choices
and Compassion & Choices Action Network**

Combining Statement of Revenue and Functional Expenses
Year Ended June 30, 2017
(See Independent Auditors' Report on Supplemental Information)

	<u>Total for Compassion & Choices</u>	<u>Total for Compassion & Choices Action Network</u>	<u>Combined Total</u>
Revenue and other support:			
Contributions	\$ 10,549,378	\$ 2,607,388	\$ 13,156,766
Membership fees	-	119,888	119,888
Foundation Revenue	125,000	-	125,000
Investment income, net of expenses	97,111	1,225	98,336
Realized and unrealized gain on investments	454,778	55,981	510,759
Loss on sale of asset	(3,810)	-	(3,810)
Other income	627,828	4,508	632,336
	<u>11,850,285</u>	<u>2,788,990</u>	<u>14,639,275</u>
Total revenue and other support			
Expenses:			
Advertising	147,339	-	147,339
Bank and merchant fees	42,969	4,521	47,490
Closing property costs	-	-	-
Conference/booth fees	69,224	-	69,224
Depreciation	31,546	205	31,751
Development costs	948,085	489,871	1,437,956
Donations	22,100	316,822	338,922
Facilities	395,770	3,296	399,066
Graphics	64,321	1	64,322
Grants	1,598	-	1,598
Insurance	124,517	397	124,914
Interest and taxes	9,620	4,001	13,621
Local groups	4,395	-	4,395
Magazine	111,699	-	111,699
Membership and telefunding costs	-	-	-
Memberships - organizations	21,262	9,035	30,297
Operational expenses	315,260	973	316,233
Outside services	5,719,550	89,938	5,809,488
Payroll expense	6,914,077	29,962	6,944,039
Printing	58,808	842	59,650
Publications and subscriptions	99,566	47	99,613
Registration fees	18,920	11,048	29,968
Sponsorships	24,500	-	24,500
Staff costs - development dept.	1,541,776	636	1,542,412
Staff development	15,101	-	15,101
Technology/data management	412,995	2,105	415,100
Temporary staff	7,092	21	7,113
Travel and entertainment	513,554	872	514,426
	<u>17,635,644</u>	<u>964,593</u>	<u>18,600,237</u>
Total expenses			
Increase (decrease) in net assets	<u>\$ (5,785,359)</u>	<u>\$ 1,824,397</u>	<u>\$ (3,960,962)</u>

**Compassion & Choices
and Compassion & Choices Action Network**

Compassion & Choices
Statement of Revenue and Functional Expenses
Year Ended June 30, 2017

(See Independent Auditors' Report on Supplemental Information)

	Direct Lobbying	Grassroots Lobbying	Stupski Bay Area Grant	Legal & Litigation	Public Education
Revenue and other support:					
Contributions	\$ -	\$ -	\$ 500,000	\$ 2,701,741	\$ 7,218,798
Foundation Revenue	-	-	-	-	125,000
Investment income, net of expenses	-	-	-	-	-
Realized and unrealized gain on investments	-	-	-	-	-
Loss on sale of asset	-	-	-	-	-
Other income	-	-	-	-	581,683
	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>2,701,741</u>	<u>7,925,481</u>
Total revenue and other support	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>2,701,741</u>	<u>7,925,481</u>
Expenses:					
Advertising	-	-	-	1,032	102,794
Bank and merchant fees	-	-	-	-	42,938
Closing property costs	-	-	-	-	-
Conference/booth fees	-	-	-	790	13,770
Depreciation	-	-	-	1,015	11,666
Donations	-	-	-	1,500	100
Development costs	-	-	-	-	480,838
Facilities	-	-	-	14,801	131,079
Graphics	-	-	-	7	50,429
Grants	-	-	-	-	-
Insurance	-	-	-	5,149	32,050
Interest and taxes	-	-	-	175	1,113
Local groups	-	-	-	1,500	-
Magazine	-	-	-	-	111,699
Memberships - organizations	-	-	-	1,195	3,389
Operational expenses	618	-	-	7,236	112,293
Outside services	336,361	13,333	-	2,746,356	536,096
Payroll expense	231,836	42,700	86,477	358,524	1,747,722
Printing	2,152	-	-	1,433	28,427
Publications and subscriptions	-	-	-	29,523	38,265
Registration fees	-	-	-	-	14,307
Sponsorships	-	-	-	12,500	5,000
Staff costs - development dept.	-	-	-	-	769,433
Staff development	-	-	-	1,007	2,258
Technology/data management	1,247	-	-	10,823	252,662
Temporary staff	-	-	-	146	4,234
Travel and entertainment	41,556	-	1,341	43,374	138,434
	<u>613,770</u>	<u>56,033</u>	<u>87,818</u>	<u>3,238,086</u>	<u>4,630,996</u>
Total expenses	<u>613,770</u>	<u>56,033</u>	<u>87,818</u>	<u>3,238,086</u>	<u>4,630,996</u>
Increase (decrease) in net assets	<u>\$ (613,770)</u>	<u>\$ (56,033)</u>	<u>\$ 412,182</u>	<u>\$ (536,345)</u>	<u>\$ 3,294,485</u>

(continued)

**Compassion & Choices
and Compassion & Choices Action Network**

Compassion & Choices
Statement of Revenue and Functional Expenses (continued)
Year Ended June 30, 2017
(See Independent Auditors' Report on Supplemental Information)

	Advocacy & Integrated Programs	Policy, Research, & Implementation	EOLRC	Total Programs
Revenue and other support:				
Contributions	\$ -	\$ 650	\$ 125,163	\$ 10,546,352
Foundation Revenue	-	-	-	125,000
Investment income, net of expenses	-	-	-	-
Realized and unrealized gain on investments	-	-	-	-
Loss on sale of asset	-	-	-	-
Other income	470	-	-	582,153
	<u>470</u>	<u>-</u>	<u>-</u>	<u>582,153</u>
Total revenue and other support	<u>470</u>	<u>650</u>	<u>125,163</u>	<u>11,253,505</u>
Expenses:				
Advertising	34,626	8,887	-	147,339
Bank and merchant fees	-	-	-	42,938
Closing property costs	-	-	-	-
Conference/booth fees	32,970	19,594	2,100	69,224
Depreciation	6,573	4,646	1,483	25,383
Donations	20,400	-	-	22,000
Development costs	156	-	-	480,994
Facilities	27,759	16,340	10,000	199,979
Graphics	13,601	236	9	64,282
Grants	-	1,598	-	1,598
Insurance	26,579	12,764	31,044	107,586
Interest and taxes	7,979	234	8	9,509
Local groups	2,895	-	-	4,395
Magazine	-	-	-	111,699
Memberships - organizations	5,573	8,378	44	18,579
Operational expenses	85,373	48,229	20,466	274,215
Outside services	1,348,244	530,130	156,250	5,666,770
Payroll expense	1,380,864	1,099,734	408,018	5,355,875
Printing	14,820	11,564	80	58,476
Publications and subscriptions	4,256	18,581	1,775	92,400
Registration fees	2,350	1,992	-	18,649
Sponsorships	4,500	-	2,500	24,500
Staff costs - development dept.	1,102	-	-	770,535
Staff development	3,248	3,541	3,536	13,590
Technology/data management	50,496	35,528	11,355	362,111
Temporary staff	945	668	213	6,206
Travel and entertainment	140,648	74,500	13,374	453,227
	<u>3,215,957</u>	<u>1,897,144</u>	<u>662,255</u>	<u>14,402,059</u>
Total expenses	<u>3,215,957</u>	<u>1,897,144</u>	<u>662,255</u>	<u>14,402,059</u>
Increase (decrease) in net assets	<u>\$ (3,215,487)</u>	<u>\$ (1,896,494)</u>	<u>\$ (537,092)</u>	<u>\$ (3,148,554)</u>

(continued)

**Compassion & Choices
and Compassion & Choices Action Network**

Compassion & Choices
Statement of Revenue and Functional Expenses (continued)
Year Ended June 30, 2017
(See Independent Auditors' Report on Supplemental Information)

	Total Programs	General and administrative	Fundraising	Total for Compassion & Choices
Revenue and other support:				
Contributions	\$ 10,546,352	\$ 3,026	\$ -	\$ 10,549,378
Foundation Revenue	125,000	-	-	125,000
Investment income, net of expenses	-	97,111	-	97,111
Realized and unrealized gain on investments	-	454,778	-	454,778
Loss on sale of asset	-	(3,810)	-	(3,810)
Other income	582,153	45,675	-	627,828
	<u>11,253,505</u>	<u>596,780</u>	<u>-</u>	<u>11,850,285</u>
Total revenue and other support				
Expenses:				
Advertising	147,339	-	-	147,339
Bank and merchant fees	42,938	31	-	42,969
Closing property costs	-	-	-	-
Conference/booth fees	69,224	-	-	69,224
Depreciation	25,383	6,163	-	31,546
Donations	22,000	100	-	22,100
Development costs	480,994	-	467,091	948,085
Facilities	199,979	165,952	29,839	395,770
Graphics	64,282	39	-	64,321
Grants	1,598	-	-	1,598
Insurance	107,586	16,931	-	124,517
Interest and taxes	9,509	111	-	9,620
Local groups	4,395	-	-	4,395
Magazine	111,699	-	-	111,699
Memberships - organizations	18,579	2,683	-	21,262
Operational expenses	274,215	41,045	-	315,260
Outside services	5,666,770	52,780	-	5,719,550
Payroll expense	5,355,875	1,558,202	-	6,914,077
Printing	58,476	332	-	58,808
Publications and subscriptions	92,400	7,166	-	99,566
Registration fees	18,649	271	-	18,920
Sponsorships	24,500	-	-	24,500
Staff costs - development dept.	770,535	706	770,535	1,541,776
Staff development	13,590	1,511	-	15,101
Technology/data management	362,111	50,884	-	412,995
Temporary staff	6,206	886	-	7,092
Travel and entertainment	453,227	33,344	26,983	513,554
	<u>14,402,059</u>	<u>1,939,137</u>	<u>1,294,448</u>	<u>17,635,644</u>
Total expenses				
Increase (decrease) in net assets	<u>\$ (3,148,554)</u>	<u>\$ (1,342,357)</u>	<u>\$ (1,294,448)</u>	<u>\$ (5,785,359)</u>

**Compassion & Choices
and Compassion & Choices Action Network**

Compassion & Choices Action Network
Statement of Revenue and Functional Expenses
Year Ended June 30, 2017

(See Independent Auditors' Report on Supplemental Information)

	<u>Direct Lobbying</u>	<u>Grassroots Lobbying</u>	<u>Electioneering Lobbying</u>	<u>Legal Defense Fund</u>	<u>Policy & Implementation</u>	<u>Field</u>
Revenue and other support:						
Conferences and events	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-	-	46,435
Membership fees	-	-	-	-	-	-
Investment income, net of expenses	-	-	-	-	-	-
Realized and unrealized gain on investments	-	-	-	-	-	-
Other income	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue and other support	-	-	-	-	-	46,435
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Expenses:						
Advertising	-	-	-	-	-	-
Bank and merchant fees	-	-	-	-	-	2,077
Conference/booth fees	-	-	-	-	-	-
Depreciation	-	-	-	-	-	31
Development costs	140,697	-	-	-	-	13,500
Donations	316,822	-	-	-	-	-
Facilities	-	-	-	-	-	-
Graphics	-	-	-	-	-	-
Insurance	-	-	-	-	-	86
Interest and taxes	-	-	-	-	-	4,000
Membership and telefunding costs	-	-	-	-	-	-
Memberships - organizations	-	-	-	-	-	1
Operational expenses	-	-	-	-	-	212
Outside services	63,824	-	-	-	8,787	13,505
Payroll expense	1,504	-	-	-	-	17,950
Printing	-	-	-	-	-	2
Publications and subscriptions	-	-	-	-	-	10
Registration fees	-	-	-	-	-	-
Staff costs - development dept.	-	-	-	-	-	636
Technology/data management	1,000	-	-	-	-	240
Temporary staff	-	-	-	-	-	5
Travel and entertainment	-	-	-	-	-	788
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Total expenses	523,847	-	-	-	8,787	53,043
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Increase (decrease) in net assets	\$ (523,847)	\$ -	\$ -	\$ -	\$ (8,787)	\$ (6,608)

**Compassion & Choices
and Compassion & Choices Action Network**

Compassion & Choices Action Network
Statement of Revenue and Functional Expenses (continued)
Year Ended June 30, 2017
(See Independent Auditors' Report on Supplemental Information)

	<u>Public Education</u>	<u>Total Programs</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total for Compassion & Choices Action Network</u>
Revenue and other support:					
Conferences and events	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions	2,559,889	2,606,324	1,064	-	2,607,388
Membership fees	119,888	119,888	-	-	119,888
Investment income, net of expenses	-	-	1,225	-	1,225
Realized and unrealized gain on investments	-	-	55,981	-	55,981
Other income	4,508	4,508	-	-	4,508
	<u>2,684,285</u>	<u>2,730,720</u>	<u>58,270</u>	<u>-</u>	<u>2,788,990</u>
Total revenue and other support					
Expenses:					
Advertising	-	-	-	-	-
Bank and merchant fees	2,444	4,521	-	-	4,521
Conference/booth fees	-	-	-	-	-
Depreciation	-	31	174	-	205
Development costs	331,924	486,121	-	3,750	489,871
Donations	-	316,822	-	-	316,822
Facilities	1,053	1,053	2,243	-	3,296
Graphics	-	-	1	-	1
Insurance	-	86	311	-	397
Interest and taxes	-	4,000	1	-	4,001
Membership and telefunding costs	-	-	-	-	-
Memberships - organizations	9,031	9,032	3	-	9,035
Operational expenses	-	212	761	-	973
Outside services	-	86,116	3,822	-	89,938
Payroll expense	586	20,040	9,922	-	29,962
Printing	834	836	6	-	842
Publications and subscriptions	-	10	37	-	47
Registration fees	11,048	11,048	-	-	11,048
Staff costs - development dept.	-	636	-	-	636
Technology/data management	-	1,240	865	-	2,105
Temporary staff	-	5	16	-	21
Travel and entertainment	-	788	84	-	872
	<u>356,920</u>	<u>942,597</u>	<u>18,246</u>	<u>3,750</u>	<u>964,593</u>
Total expenses					
Increase (decrease) in net assets	<u>\$ 2,327,365</u>	<u>\$ 1,788,123</u>	<u>\$ 40,024</u>	<u>\$ (3,750)</u>	<u>\$ 1,824,397</u>