

**COMPASSION AND CHOICES,
COMPASSION IN DYING
AND
END-OF-LIFE CHOICES**

Combined Financial Statements
and Independent Auditors' Report

June 30, 2005



Independent Auditors' Report

**Compassion and Choices, Compassion in Dying, and End-of-Life Choices
Denver, Colorado**

We have audited the accompanying combined statement of financial position of Compassion and Choices, Compassion in Dying, and End-of-Life Choices as of June 30, 2005, and the related combined statements of activities and cash flows for the year then ended. These combined financial statements are the responsibility of the Organizations' management. Our responsibility is to express an opinion on these combined financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Compassion and Choices, Compassion in Dying, and End-of-Life Choices as of June 30, 2005, and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented on pages 11 to 16 for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Bailey Saetveit & Co., P.C.

Bailey Saetveit & Co., P.C.

September 3, 2005

**COMPASSION AND CHOICES, COMPASSION IN DYING AND
END-OF-LIFE CHOICES**

**Combined Statement of Financial Position
June 30, 2005**

ASSETS

Current assets:

Cash and cash equivalents	\$ 1,187,911
Pledges and other receivables	7,937
Investments	529,559
Book inventory	2,000
Prepaid expenses	61,522

Total current assets 1,788,929

Property and equipment, net 235,221

Other assets:

Investments	438,222
Intangible assets	4,667
Deposits	16,578

Total other assets 459,467

Total assets \$ 2,483,617

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 88,211
Accrued payroll and payroll taxes	134,822
Accrued liabilities	150

Total current liabilities 223,183

Gift annuity payments due 358,346

Total liabilities 581,529

Net Assets:

Unrestricted	1,781,622
Temporarily restricted	120,466

Total net assets 1,902,088

Total liabilities and net assets \$ 2,483,617

See notes to financial statements.

**COMPASSION AND CHOICES, COMPASSION IN DYING AND
END-OF-LIFE CHOICES**

**Combined Statement of Activities
For the Year Ended June 30, 2005**

UNRESTRICTED NET ASSETS

Support and revenue:	
Contributions	\$ 3,405,415
Membership fees	673,849
Program service revenue	16,345
Investment income	26,476
Unrealized gains on investments	50,431
Loss on disposal of property and equipment	(6,669)
Other revenue	21,800
Total support and revenue	<u>4,187,647</u>
Expenses:	
Programs	4,858,433
General and administrative	598,908
Fund raising	196,595
Total expenses	<u>5,653,936</u>
Decrease in unrestricted net assets	<u><u>\$ (1,466,289)</u></u>

TEMPORARILY RESTRICTED NET ASSETS

Net assets at beginning of year	\$ 35,490
Net assets received subject to restrictions	84,976
Temporarily restricted net assets at end of year	<u><u>\$ 120,466</u></u>

UNRESTRICTED AND TEMPORARILY RESTRICTED NET ASSETS

Change in net assets	\$ (1,466,289)
Net assets at beginning of year	3,368,377
Net assets at end of year	<u><u>\$ 1,902,088</u></u>

See notes to financial statements.

**COMPASSION AND CHOICES, COMPASSION IN DYING AND
END-OF-LIFE CHOICES**

**Combined Statement of Cash Flows
For the Year Ended June 30, 2005**

Operating activities:	
Change in net assets	\$ (1,466,289)
Adjustments to reconcile change in net assets to cash used by operating activities:	
Depreciation	65,738
Unrealized gains on investments	(52,080)
Loss on sale of investments	50,581
Loss on disposal of property and equipment	6,669
Changes in assets and liabilities:	
Pledges and other receivables	36,950
Book inventory	3,236
Prepaid expenses	2,393
Deposits	1,320
Intangibles	(4,667)
Accounts payable	40,606
Accrued payroll and payroll taxes	60,997
Net cash used by operating activities	<u>(1,254,546)</u>
Investing activities:	
Proceeds from sale of investments	1,773,573
Purchase of investments	(415,636)
Purchase of office furniture and equipment	(64,557)
Net cash provided by investing activities	<u>1,293,380</u>
Financing activities:	
Proceeds from gift annuity liabilities	83,752
Principal payments on gift annuities	(38,764)
Net cash provided by financing activities	<u>44,988</u>
Net increase in cash and cash equivalents	83,822
Beginning cash and cash equivalents	<u>1,104,089</u>
Ending cash and cash equivalents	<u>\$ 1,187,911</u>
Supplemental disclosure of cash flow information:	
Cash paid during the year for:	
Interest	\$ 28,079
Income taxes	\$ -

See notes to financial statements.

**COMPASSION AND CHOICES, COMPASSION IN DYING AND
END-OF-LIFE CHOICES**

**Notes to Combined Financial Statements
June 30, 2005**

1. Summary of Significant Accounting Policies

Organization

Compassion and Choices and Compassion in Dying Federation of America (herein referred to as Compassion in Dying) unified on January 1, 2005. The accompanying financial statements include the operations of Compassion in Dying for the period from January 1, 2005 through June 30, 2005.

Compassion and Choices and Compassion in Dying are nonprofit Organizations whose mission is to advance patients' rights through laws that allow mentally competent, terminally ill adults the legal choice of physician aid-in-dying. Compassion and Choices and Compassion in Dying seek 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.

End-of-Life Choices is a nonprofit Organization whose mission is to advance education on end-of-life choices through promoting memberships and periodicals. End-of-Life Choices' 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. End-of-Life Choices has independently governed chapters, which are located throughout the United States.

The three Organizations are considered to be under common control as defined by generally accepted accounting principles because a majority of the Board of Directors of Compassion and Choices also serves on the Board of Directors of Compassion in Dying and End-of-Life Choices. Compassion and Choices, Compassion in Dying and End-of-Life Choices are presenting combined financial statements for the year ended June 30, 2005.

Basis of Accounting and Presentation

The financial statements of Compassion and Choices, Compassion in Dying and End-of-Life Choices are prepared on the accrual basis of accounting.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards ("SFAS") No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, 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.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organizations consider all unrestricted highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Book Inventory

Inventory consists of books and other items held for resale and are stated at the lower of cost or market. Inventory value is determined by specific identification.

**COMPASSION AND CHOICES, COMPASSION IN DYING AND
END-OF-LIFE CHOICES**

**Notes to Combined Financial Statements, Continued
June 30, 2005**

1. Summary of Significant Accounting Policies, continued

Property and Equipment

Property and equipment is recorded at cost. Depreciation is provided over estimated useful lives of five to thirty-nine years using the straight-line method.

The cost and accumulated depreciation of property sold or retired is removed from the related asset and accumulated depreciation accounts, and any resulting gain or loss is recorded in the combined Statement of Activities. Maintenance and repairs are included as expenses when incurred.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair market value in the combined Statement of Financial Position. The unrealized gain or loss on investments is reflected in the combined Statement of Activities.

Revenue Recognition

Members pay dues on an annual basis and the dues are not subject to refunds or cancellation. Revenue is recognized when membership fees are received.

A gift annuity is an agreement between a donor and a charitable organization in which a donor transfers an asset to a charitable organization, and the charitable organization returns to the donor a percentage of the value. Because the agreement is between the donor and the charitable organization, Compassion and Choices is responsible for maintaining the quarterly annuity payments. See Note 8 which provides a summary of the annuities Compassion and Choices administers.

In general terms, donors who establish a charitable gift annuity receive an immediate income tax deduction. The value of the charitable gift is recognized as income by the charity. The difference between the fair market value of the asset on the date of the gift and the value of the charitable gift is a liability set up by the charitable organization for the annuity payments intended to benefit the donor during their lifetime. Compassion and Choices establishes a reserve account to ensure payments to the donor will be made in accordance with the agreement.

Contributions

Contributions and unconditional promises to give are recorded at estimated fair value as unrestricted, temporarily restricted, or permanently restricted support when received, depending on the existence and/or nature of any donor restrictions. When a time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted and reported in the statement of activities as net assets released from restrictions. Temporarily restricted contributions whose restrictions are met in the same accounting period are reported as unrestricted contributions.

**COMPASSION AND CHOICES, COMPASSION IN DYING AND
END-OF-LIFE CHOICES**

**Notes to Combined Financial Statements, Continued
June 30, 2005**

1. Summary of Significant Accounting Policies, continued

Donated Services

The Organizations receive a significant amount of donated services from unpaid volunteers who assist in fund-raising and program activities. No amounts have been recognized in the statement of activities because the criteria for recognition under SFAS No. 116, Accounting for Contributions Received and Contributions Made, have not been satisfied.

Contributions of donated services that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Expense Allocation

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

Advertising

The Organizations did not incur any direct response advertising costs in 2004 to be capitalized and deferred to future periods. Total advertising expense for the year ended June 30, 2005 was approximately \$64,000.

Income Taxes

Compassion and Choices and Compassion in Dying is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code; they are subject to tax only on their unrelated business income.

End-of-Life Choices is exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code; it is subject to tax only on its unrelated business income.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. Pledges Receivable

Pledges receivable represent promises to give which have been made by donors but have not yet been received by the Organizations. Promises to give mainly consist of funds to be received from decedent estates once the estates are finalized. The Organizations consider pledges receivable fully collectible; accordingly, no allowance for uncollectible pledges has been provided.

**COMPASSION AND CHOICES, COMPASSION IN DYING AND
END-OF-LIFE CHOICES**

**Notes to Combined Financial Statements, Continued
June 30, 2005**

3. Investments

Investments consist of the following at June 30, 2005:

	Cost	Fair Market Value	Unrealized Gain (Loss)
Current assets:			
Debt securities	\$ 292,248	\$ 289,014	\$ (3,234)
Mutual funds	234,761	240,545	5,784
	527,009	529,559	2,550
Other assets:			
Corporate bonds	435,838	438,222	2,384
	\$ 962,847	\$ 967,781	\$ 4,934

4. Property and Equipment

Property and equipment consists of the following at June 30:

Furniture and office equipment	\$ 423,834
Less: accumulated depreciation	(188,613)
	\$ 235,221

Depreciation expense was \$65,738 for the year ended June 30, 2005.

5. Employee Benefit Plan

The Organizations sponsor a 401(k) profit-sharing plan, which covers all employees, as defined in the plan document. The Organizations are required to match 100% of the employees' contributions up to 5% of gross salary. The Organizations made contributions of \$24,915 for the year ended June 30, 2005.

6. Temporarily Restricted Net Assets

Net assets temporarily restricted by contributors relate to grant money received that is for a specific purpose. Grants received during the year ended June 30, 2005 that have not been used for the temporarily restricted purpose totaled \$84,976. Prior year restrictions will be satisfied when the funds are disbursed for the specific purpose.

**COMPASSION AND CHOICES, COMPASSION IN DYING AND
END-OF-LIFE CHOICES**

**Notes to Combined Financial Statements, Continued
June 30, 2005**

7. Commitments and Contingencies

Facility Leases

The Organizations lease office facilities under operating leases expiring in April, 2010. Future minimum rental payments are as follows:

<u>Year Ended June 30</u>	<u>Amount</u>
2006	183,126
2007	187,859
2008	147,773
2009	151,906
2010	116,771
	<u>\$ 787,435</u>

Rent paid for the year ended June 30, 2005 was \$196,705.

Concentration of Credit Risk

Financial instruments which potentially subject the Organizations to concentrations of credit risk include cash deposits with a commercial bank and two brokerage firms. The Organizations maintain significant cash balances at banks. Accounts at the institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000.

As of June 30, 2005, the balances exceeded FDIC insured limits by approximately \$153,000 for Compassion and Choices. Additionally, Compassion and Choices holds cash in money market funds held at the brokerage firms which are not FDIC insured. The amounts in the money market funds held by brokers total \$435,838 at June 30, 2005.

As of June 30, 2005, the balances exceeded FDIC insured limits by approximately \$786,000 for Compassion in Dying.

**Compassion & Choices,
End-of-Life Choices, and Compassion in Dying Federation of America**
Notes to Financial Statements (Concluded)
June 30, 2005

NOTE 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 \$83,752 for the year ended June 30, 2005. Assets held in the annuity reserve fund totaled \$449,137 at June 30, 2005, 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, 2005	Annuity Reserve Fund June 30, 2005
Annuity 1	June 30, 1998	457 Shrs GE Stock	\$ 41,043	\$ 24,451	\$ 16,592	6.1 years	13.72%	\$ 1,026	10.00%	\$ -	\$ 14,207
Annuity 2	June 30, 1999	Cash	\$ 15,000	\$ 6,440	\$ 8,560	10.5 years	9.49%	322	8.60%	4,252	7,266
Annuity 3	June 30, 2000	Annuitant deceased									
Annuity 4	June 30, 2000	Cash	\$ 20,000	\$ 11,482	\$ 8,518	5.3 years	15.90%	585	11.70%	1,103	7,925
Annuity 5	June 30, 2001	Cash	\$ 10,000	\$ 3,749	\$ 6,251	18.3 years	9.42%	160	7.20%	5,451	6,508
Annuity 6	June 30, 2001	Cash	\$ 50,000	\$ 24,080	\$ 25,920	9.4 years	11.82%	1,150	9.20%	15,928	23,204
Annuity 7	June 30, 2001	105 Shrs SBC Stock	\$ 14,265	\$ 7,636	\$ 6,629	6.4 years	12.98%	385	10.80%	2,115	6,299
Annuity 8	June 30, 2001	Annuitant deceased									
Annuity 9	June 30, 2001	Cash	\$ 10,000	\$ 4,784	\$ 5,216	8.8 years	11.21%	235	9.40%	3,172	4,839
Annuity 10	June 30, 2001	Cash	\$ 10,000	\$ 4,201	\$ 5,799	12.4 years	9.96%	205	8.20%	4,538	5,668
Annuity 11	June 30, 2001	Stock & Cash	\$ 30,000	\$ 12,794	\$ 17,206	12.4 years	10.19%	615	8.20%	13,232	17,584
Annuity 12	June 30, 2001	Annuitant deceased									
Annuity 13	June 30, 2001	Annuitant deceased									
Annuity 14	June 30, 2001	Cash	\$ 10,000	\$ 4,163	\$ 5,837	11.1 years	9.32%	212	8.50%	4,377	5,444
Annuity 15	June 30, 2001	Cash	\$ 10,000	\$ 4,508	\$ 5,492	8.3 years	10.23%	248	9.90%	3,409	5,459
Annuity 16	June 30, 2001	Annuitant deceased									
Annuity 17	June 30, 2001	Cash	\$ 50,000	\$ 21,293	\$ 28,707	10.5 years	9.49%	1,088	8.70%	20,917	28,968
Annuity 18	June 30, 2001	Annuitant deceased									
Annuity 19	June 30, 2002	Stock	\$ 24,543	\$ 9,700	\$ 14,843	14.5 years	8.50%	454	7.40%	12,509	13,946
Annuity 20	June 30, 2002	Cash	\$ 10,000	\$ 4,105	\$ 5,895	13.1 years	8.80%	193	7.70%	4,831	5,519
Annuity 21	June 30, 2002	Cash	\$ 10,000	\$ 6,931	\$ 3,069	17.2 years	11.20%	405	16.20%	3,069	5,166
Annuity 22	June 30, 2002	Cash	\$ 10,000	\$ 4,340	\$ 5,660	10.5 years	8.80%	210	8.40%	4,350	5,919
Annuity 23	June 30, 2003	Cash	\$ 20,000	\$ 9,193	\$ 10,807	8.4 years	9.03%	460	9.20%	7,907	11,150
Annuity 24	June 30, 2003	Cash	\$ 50,000	\$ 13,091	\$ 36,909	18.9 years	5.51%	788	6.30%	34,302	34,498
Annuity 25	June 30, 2003	Cash	\$ 20,000	\$ 10,927	\$ 9,073	5.0 years	9.52%	575	11.50%	5,508	9,583
Annuity 26	June 30, 2003	Stock	\$ 25,544	\$ 4,941	\$ 20,603	21.4 years	4.93%	390	6.10%	19,446	18,469
Annuity 27	June 30, 2004	Cash	\$ 10,000	\$ 4,642	\$ 5,358	7.8 years	7.91%	228	9.10%	4,315	5,456
Annuity 28	June 30, 2004	Stock	\$ 49,611	\$ 17,282	\$ 32,329	12.5 years	5.60%	905	7.30%	28,603	28,094
Annuity 29	June 30, 2004	Cash	\$ 10,000	\$ 4,852	\$ 5,148	7.8 years	7.95%	220	8.80%	4,301	5,464
Annuity 30	June 30, 2004	Cash	\$ 10,000	\$ 4,172	\$ 5,828	13.1 years	7.18%	173	6.90%	5,370	5,737
Annuity 31	June 30, 2004	Cash	\$ 50,000	\$ 24,020	\$ 25,980	8.8 years	8.48%	1,038	8.30%	22,855	25,982
Annuity 32	June 30, 2004	Cash	\$ 45,671	\$ 9,250	\$ 36,422	27.6 years	5.47%	639	5.60%	35,693	35,786
Annuity 33	June 30, 2004	Cash	\$ 20,000	\$ 11,803	\$ 8,197	4.7 years	10.25%	565	11.30%	6,577	9,771
Annuity 34	June 30, 2005	Cash	\$ 20,000	\$ 11,901	\$ 8,099	4.7 years	11.34%	565	11.30%	6,827	9,771
Annuity 35	June 30, 2005	Cash	\$ 10,000	\$ 5,161	\$ 4,839	7.3 years	9.33%	230	9.20%	4,446	5,283
Annuity 36	June 30, 2005	Cash	\$ 11,000	\$ 3,510	\$ 7,490	19.1 years	6.19%	168	6.10%	7,362	7,966
Annuity 37	June 30, 2005	Cash	\$ 96,195	\$ 48,857	\$ 47,338	7.3 years	10.23%	2,213	9.20%	45,962	53,155
Annuity 38	June 30, 2005	Cash	\$ 10,000	\$ 4,606	\$ 5,394	15.9 years	6.73%	250	10.00%	5,394	6,800
Annuity 39	June 30, 2005	Cash	\$ 20,000	\$ 9,717	\$ 10,283	9.9 years	8.62%	390	7.80%	10,226	12,255

Totals \$ 802,873 \$ 352,581 \$ 450,292 \$ 17,308 \$ 358,346 \$ 449,137

SUPPLEMENTARY INFORMATION

**COMPASSION AND CHOICES, COMPASSION IN DYING, AND
END-OF-LIFE CHOICES**

**Combined Statement of Financial Position
June 30, 2005**

ASSETS

	<u>Compassion and Choices</u>	<u>Compassion in Dying</u>	<u>End-of-Life Choices</u>	<u>Combined</u>
Current assets:				
Cash and cash equivalents	\$ 273,783	\$ 902,235	\$ 11,893	\$ 1,187,911
Pledges and other receivables	7,937	-	-	7,937
Investments	529,559	-	-	529,559
Book inventory	-	-	2,000	2,000
Prepaid expenses	60,006	1,516	-	61,522
Total current assets	<u>871,285</u>	<u>903,751</u>	<u>13,893</u>	<u>1,788,929</u>
Property and equipment, net	<u>231,145</u>	<u>4,076</u>	<u>-</u>	<u>235,221</u>
Other assets:				
Investments	438,222	-	-	438,222
Intangible assets	4,667	-	-	4,667
Deposits	13,078	3,500	-	16,578
Due from (to) related entity	464,382	(461,548)	(2,834)	-
Total other assets	<u>920,349</u>	<u>(458,048)</u>	<u>(2,834)</u>	<u>459,467</u>
Total assets	<u>\$ 2,022,779</u>	<u>\$ 449,779</u>	<u>\$ 11,059</u>	<u>\$ 2,483,617</u>

**COMPASSION AND CHOICES, COMPASSION IN DYING, AND
END-OF-LIFE CHOICES**

Combined Statement of Activities
For the Year Ended June 30, 2005

TEMPORARILY RESTRICTED NET ASSETS

	<u>Compassion and Choices</u>	<u>Compassion in Dying</u>	<u>End-of-Life Choices</u>	<u>Combined</u>
Net assets beginning of year	\$ 3,102	\$ 32,388	\$ -	\$ 35,490
Net assets received subject to restrictions	-	84,976	-	84,976
Temporarily restricted net assets	<u>\$ 3,102</u>	<u>\$ 117,364</u>	<u>\$ -</u>	<u>\$ 120,466</u>

UNRESTRICTED AND TEMPORARILY RESTRICTED NET ASSETS

Change in net assets	\$ (856,514)	\$ (307,371)	\$ (302,404)	\$ (1,466,289)
Net assets at beginning of year	<u>2,373,978</u>	<u>717,557</u>	<u>276,842</u>	<u>3,368,377</u>
Net assets at end of year	<u>\$ 1,517,464</u>	<u>\$ 410,186</u>	<u>\$ (25,562)</u>	<u>\$ 1,902,088</u>

**COMPASSION AND CHOICES, COMPASSION IN DYING, AND
END-OF-LIFE CHOICES**

**Combined Statement of Activities
For the Year Ended June 30, 2005**

UNRESTRICTED NET ASSETS

	<u>Compassion and Choices</u>	<u>Compassion in Dying</u>	<u>End-of-Life Choices</u>	<u>Combined</u>
Support and revenue:				
Contributions	\$ 1,319,904	\$ 1,890,100	\$ 195,411	\$ 3,405,415
Membership fees	-	-	673,849	673,849
Sales	-	-	16,345	16,345
Investment income	19,305	7,154	17	26,476
Unrealized gains on investments	52,080	(1,649)	-	50,431
Loss on disposal of property and equipment	(6,186)	(483)	-	(6,669)
Other revenue	1,300	20,500	-	21,800
Total support and revenue	<u>1,386,403</u>	<u>1,915,622</u>	<u>885,622</u>	<u>4,187,647</u>
Expenses:				
Programs	1,571,990	2,148,135	1,138,308	4,858,433
General and administrative	495,238	54,481	49,189	598,908
Fund raising	175,689	20,377	529	196,595
Total expenses	<u>2,242,917</u>	<u>2,222,993</u>	<u>1,188,026</u>	<u>5,653,936</u>
Decrease in unrestricted net assets	<u>\$ (856,514)</u>	<u>\$ (307,371)</u>	<u>\$ (302,404)</u>	<u>\$ (1,466,289)</u>

**COMPASSION AND CHOICES, COMPASSION IN DYING, AND
END-OF-LIFE CHOICES**

**Combined Statement of Financial Position
June 30, 2005**

LIABILITIES AND NET ASSETS

	<u>Compassion and Choices</u>	<u>Compassion in Dying</u>	<u>End-of-Life Choices</u>	<u>Combined</u>
Current liabilities:				
Accounts payable	\$ 88,211	-	-	\$ 88,211
Accrued payroll and taxes	58,758	39,593	36,471	134,822
Accrued liabilities	-		150	150
Total current liabilities	<u>146,969</u>	<u>39,593</u>	<u>36,621</u>	<u>223,183</u>
Gift annuity payments due	358,346	-	-	358,346
Total liabilities	<u>505,315</u>	<u>39,593</u>	<u>36,621</u>	<u>581,529</u>
Net assets:				
Unrestricted	1,514,362	292,822	(25,562)	1,784,724
Temporarily restricted	3,102	117,364	-	120,466
Total net assets	<u>1,517,464</u>	<u>410,186</u>	<u>(25,562)</u>	<u>1,902,088</u>
Total liabilities and net assets	<u>\$ 2,022,779</u>	<u>\$ 449,779</u>	<u>\$ 11,059</u>	<u>\$ 2,483,617</u>

**COMPASSION AND CHOICES, COMPASSION IN DYING, AND
END-OF-LIFE CHOICES**

**Combined Statement of Cash Flows
For the Year Ended June 30, 2005**

	<u>Compassion and Choices</u>	<u>Compassion in Dying</u>	<u>End-of-Life Choices</u>	<u>Combined</u>
	\$ (856,514)	\$ (307,371)	\$ (302,404)	\$ (1,466,289)
Operating activities:				
Change in net assets	64,301	1,437	-	65,738
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:	(52,080)	-	-	(52,080)
Depreciation	50,581	-	-	50,581
Unrealized gains on investments	6,186	483	-	6,669
Loss on sale of investments	-	-	-	-
Loss on disposal of property and equipment	9,955	26,766	229	36,950
Changes in assets and liabilities:	-	-	3,236	3,236
Pledges and other receivables	2,393	-	-	2,393
Book inventory	1,320	-	-	1,320
Prepaid expenses	(4,667)	-	-	(4,667)
Deposits	46,884	(6,278)	-	40,606
Intangibles	19,843	21,460	19,694	60,997
Accounts payable	-	-	-	-
Accrued payroll and payroll taxes	-	-	-	-
Net cash used by operating activities	\$ (711,798)	\$ (263,503)	\$ (279,245)	\$ (1,254,546)
Investing activities:				
Proceeds from sale of investments	1,773,573	-	-	1,773,573
Proceeds from sale of property and equipment	-	-	-	-
Purchase of investments	(415,636)	-	-	(415,636)
Purchase of office furniture and equipment	(64,557)	-	-	(64,557)
Net cash provided by investing activities	\$ 1,293,380	\$ -	\$ -	\$ 1,293,380

**COMPASSION AND CHOICES, COMPASSION IN DYING, AND
END-OF-LIFE CHOICES**

**Combined Statement of Cash Flows, continued
For the Year Ended June 30, 2005**

	<u>Compassion and Choices</u>	<u>Compassion in Dying</u>	<u>End-of-Life Choices</u>	<u>Combined</u>
Financing activities:				
Proceeds from gift annuity liabilities	\$ 83,752	\$ -	\$ -	\$ 83,752
Principal payments on gift annuities	(38,764)	-	-	(38,764)
Loans from (to) related entity	(696,190)	461,548	234,642	-
Net cash provided (used) by financing activities	<u>(651,202)</u>	<u>461,548</u>	<u>234,642</u>	<u>44,988</u>
Net increase (decrease) in cash and cash equivalents	(69,620)	198,045	(44,603)	83,822
Beginning cash and cash equivalents	<u>343,403</u>	<u>704,190</u>	<u>56,496</u>	<u>1,104,089</u>
Ending cash and cash equivalents	<u>\$ 273,783</u>	<u>\$ 902,235</u>	<u>\$ 11,893</u>	<u>\$ 1,187,911</u>
Supplemental disclosure of cash flow information:				
Cash paid during the year for:				
Interest	\$ 28,079	-	-	\$ 28,079
Income taxes	\$ -	-	-	\$ -