



**Compassion & Choices,
Compassion & Choices of Oregon
and Compassion & Choices Action Network**

Combined Financial Statements
Years Ended June 30, 2013 and 2012
with
Independent Auditors' Report

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Years Ended June 30, 2013 and 2012
(See Independent Auditors' Report)

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

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of Compassion & Choices, Compassion & Choices of Oregon and Compassion & Choices Action Network which comprise the statements of financial position as of June 30, 2013 and 2012 and the related statements of activities and changes in net assets and cash flows for the years then ended and the related notes to financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Compassion & Choices, Compassion & Choices of Oregon and Compassion & Choices Action Network of June 30, 2013 and 2012 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.

Bradley Consulting Group, P.C.
Certified Public Accountants

Lakewood, Colorado

October 9, 2013

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Combined Statements of Financial Position
June 30, 2013 and 2012
(See Independent Auditors' Report)

Assets	2013	2012
Current assets:		
Cash and cash equivalents:		
Operating	\$ 405,913	\$ 1,092,236
Investments	180,382	102,585
Pledges receivable	1,008,974	327,500
Investments	13,154,400	11,208,236
Prepaid expenses	94,566	94,772
Beneficial interest in charitable remainder trusts	149,042	146,759
Other current assets	3,075	598
Total current assets	14,996,352	12,972,686
Property, equipment and improvements, at cost:		
Furniture, fixtures and equipment	627,404	541,692
Leasehold improvements	32,481	26,604
	659,885	568,296
Less accumulated depreciation and amortization	405,963	346,955
Total property, equipment and improvements	253,922	221,341
Other assets		
Intangible assets	3,014	3,014
Deposits	37,706	15,431
Total other assets	40,720	18,445
Total assets	\$ 15,290,994	\$ 13,212,472

(See Notes to Combined Financial Statements)

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Combined Statements of Financial Position
June 30, 2013 and 2012
(See Independent Auditors' Report)

Liabilities and Net Assets

	2013	2012
Current liabilities:		
Current portion of obligations under capital leases	\$ 13,118	\$ 25,561
Accounts payable	133,001	200,959
Accrued payroll and vacation	421,025	310,062
Accrued expenses	21,910	43,186
Deferred revenue	-	500,000
	<u>589,054</u>	<u>1,079,768</u>
 Long-term liabilities:		
Capital lease obligations, net of current portion	27,480	39,502
Gift annuity payments due	327,959	297,954
	<u>355,439</u>	<u>337,456</u>
 Total liabilities	<u>944,493</u>	<u>1,417,224</u>
 Net assets:		
Unrestricted:		
Operating	14,133,177	11,638,970
Net investment in property, equipment and improvements	213,324	156,278
	<u>14,346,501</u>	<u>11,795,248</u>
 Total liabilities and net assets	<u>\$ 15,290,994</u>	<u>\$ 13,212,472</u>

(See Notes to Combined Financial Statements)

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Combined Statements of Activities and Changes in Net Assets
Years Ended June 30, 2013 and 2012
(See Independent Auditors' Report)

	<u>2013</u>	<u>2012</u>
	Total	Total
	<u>Unrestricted</u>	<u>Unrestricted</u>
Revenue and other support:		
Conference and events	\$ 725	\$ 140,656
Contributions	7,494,951	5,376,632
Membership fees	191,559	207,882
Foundation revenue	3,230,000	-
Restricted gifts	10,000	-
Grants	-	8,472,293
Investment income, net of expenses	217,211	130,717
Realized and unrealized gain on investments	485,301	110,878
Loss on disposal of equipment	(293)	(664)
Other Income	<u>197,727</u>	<u>221,472</u>
Total revenue and other support	<u>11,827,181</u>	<u>14,659,866</u>
Expenses:		
Programs	7,679,679	6,333,076
General and administrative	784,276	866,345
Fundraising	<u>811,973</u>	<u>543,387</u>
Total expenses	<u>9,275,928</u>	<u>7,742,808</u>
Increase in net assets	2,551,253	6,917,058
Net assets, beginning	<u>11,795,248</u>	<u>4,878,190</u>
Net assets, ending	<u>\$ 14,346,501</u>	<u>\$ 11,795,248</u>

(See Notes to Combined Financial Statements)

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Combined Statements of Cash Flows
Years Ended June 30, 2013 and 2012
(See Independent Auditors' Report)

	2013	2012
Cash flows from operating activities:		
Cash received from contributions and donations	\$ 9,938,728	\$ 14,584,972
Cash paid to employees and vendors	(9,160,187)	(7,484,993)
Interest received	217,211	130,717
Net cash provided by operating activities	995,752	7,230,696
Cash flows from investing activities:		
Proceeds from sale of investments	858,355	5,396,334
Proceeds from sale of property and equipment	2,000	-
Purchases of investments	(2,319,218)	(12,190,965)
Purchases of property and equipment	(128,680)	(75,673)
Deposits paid	(22,275)	-
Net cash used by investing activities	(1,609,818)	(6,870,304)
Cash flows from financing activities:		
Capital lease obligations:		
Proceeds	-	60,627
Repayments	(24,465)	(23,507)
Gift annuities:	-	
Proceeds	61,650	77,296
Repayments	(31,645)	(35,139)
Net cash provided by financing activities	5,540	79,277
Net increase (decrease) in cash and cash equivalents	(608,526)	439,669
Cash and cash equivalents, beginning	1,194,821	755,152
Cash and cash equivalents, ending	\$ 586,295	\$ 1,194,821
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 6,377	\$ 7,313

(continued)
(See Notes to Combined Financial Statements)

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Combined Statements of Cash Flows (continued)
Years Ended June 30, 2013 and 2012
(See Independent Auditors' Report)

	2013	2012
Cash flows from operating activities:		
Change in net assets	\$ 2,551,253	\$ 6,917,058
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	93,806	87,619
Unrealized gains on investments	(485,301)	(114,547)
(Gain) loss on sale of investments	-	3,669
Loss on disposal of property and equipment	293	664
(Increase) decrease in:		
Pledges receivable	(681,474)	(327,500)
Prepaid expenses	206	(11,292)
Beneficial interest in charitable remainder trusts	(2,283)	(24,210)
Other current assets	(2,477)	17,748
Increase (decrease) in:		
Accounts payable	(67,958)	127,044
Accrued payroll and vacation	110,963	59,225
Accrued expenses	(21,276)	(4,782)
Deferred revenue	(500,000)	500,000
Net cash provided by operating activities	\$ 995,752	\$ 7,230,696

(See Notes to Combined Financial Statements)

Compassion & Choices, Compassion & Choices of Oregon, and Compassion & Choices Action Network

Notes to Combined Financial Statements
Years Ended June 30, 2013 and 2012
(See Independent Auditors' Report)

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of operations

Compassion & Choices and Compassion & Choices of Oregon, which have been granted not-for-profit status under Internal Revenue Code Section 501(c)(3), work to advance patients' rights through laws that allow mentally competent, terminally ill adults the legal choice of physician aid-in-dying. Compassion & Choices and Compassion & Choices of Oregon 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.

The accounts and activity of Compassion & Choices of Oregon is included in the balances of Compassion & Choices and is not separately stated in any of the combining schedules based on the joint operating agreement between the entities as described in note 8.

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 three 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 three Organizations' are presented as combined financial statements for the year ended June 30, 2013. Compassion & Choices and Compassion in Dying Federation of America is included as a component of the combined financial statements as of June 30, 2012 but was essentially dissolved during 2011.

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

Basis of presentation

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, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Notes to Combined Financial Statements
Years Ended June 30, 2013 and 2012
(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 statement of cash flows exclude permanently restricted cash and cash equivalents. The Organizations maintain cash in bank deposit accounts at various financial institutions in bank deposit accounts 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 unlimited coverage by the FDIC for non-interest bearing transaction accounts as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act. As of the date of this report, this program is effective through December 31, 2012. 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 statement of financial position. Realized and unrealized gains and losses are included in the combined statement 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 \$87,600 and \$69,800 for the years ended June 30, 2013 and 2012, respectively.

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Notes to Combined Financial Statements
Years Ended June 30, 2013 and 2012
(See Independent Auditors' Report)

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

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. 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 statement 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.

Use of estimates in the preparation of financial statements

The preparation of 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Notes to Combined Financial Statements
Years Ended June 30, 2013 and 2012
(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, 2013 and 2012.

Income taxes

No provision for taxes on earnings has been made in the combined financial statements as Compassion & Choices and Compassion & Choices of Oregon have qualified as not-for-profit organizations 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. All entities are only subject to unrelated business taxes and they had no unrelated business income during the years ended June 30, 2013 and 2012.

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, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Notes to Combined Financial Statements
Years Ended June 30, 2013 and 2012
(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, 2013:

Description	Level 1	Level 2	Level 3	Totals
Cash and money market funds	\$ 180,382	\$ -	\$ -	\$ 180,382
Fixed income investments	3,447,481	-	-	3,447,481
Equities:				
Mutual funds	9,706,919	-	-	9,706,919
	<u>\$ 13,334,782</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,334,782</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, 2012:

Description	Level 1	Level 2	Level 3	Totals
Cash and money market funds	\$ 102,585	\$ -	\$ -	\$ 102,585
Fixed income investments	2,506,669	-	-	2,506,669
Equities:				
Mutual funds	8,701,567	-	-	8,701,567
	<u>\$ 11,310,821</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,310,821</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.

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 \$402,200 and \$483,100 is included in each of the accounts mentioned during the years ended June 30, 2013 and 2012, respectively.

**Compassion & Choices, Compassion & Choices of Oregon,
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Notes to Combined Financial Statements
Years Ended June 30, 2013 and 2012
(See Independent Auditors' Report)

3. Note Payable, Line of Credit

In August 2009, the Organization entered into a revolving line of credit agreement which allows for maximum borrowings of \$150,000. The note, which was unsecured, matured in November 2010 bearing interest at prime plus 1%, with a floor of 5.0%, payable monthly. The Organization had an outstanding balance of \$0 at June 30, 2012. The line was not renewed during 2011.

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 \$93,400 and \$75,600 for the years June 30, 2013 and 2012, respectively.

5. Capital Lease Obligations

The Organization leases computer and office equipment under five capital leases, with two leases expiring during 2012, with one lease each expiring during 2013, 2014 and 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, 2013 and 2012.

Following is a summary of property under capital leases at June 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Computer and office equipment	\$ 100,251	\$ 100,251
Less accumulated depreciation	<u>62,865</u>	<u>35,371</u>
	<u>\$ 37,386</u>	<u>\$ 64,880</u>

**Compassion & Choices, Compassion & Choices of Oregon,
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Notes to Combined Financial Statements
Years Ended June 30, 2013 and 2012
(See Independent Auditors' Report)

5. Capital Lease Obligations (continued)

The interest rates, which range from 5.39% to 13.44%, were determined by the lessor's implicit rate identified in the lease agreements. Future minimum lease payments under these leases, including the present value of such payments, for the years ending after June 30, 2013 are as follows:

<u>Year Ended June 30,</u>	
2014	\$ 15,166
2015	14,065
2016	<u>15,231</u>
	44,462
Less amount representing interest	<u>3,864</u>
Present value of future minimum lease payments	40,598
Less current portion	<u>13,118</u>
	<u><u>\$ 27,480</u></u>

**Compassion & Choices, Compassion & Choices of Oregon,
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Notes to Combined Financial Statements
Years Ended June 30, 2013 and 2012
(See Independent Auditors' Report)

6. Commitments

The Organizations lease office space under operating leases expiring at various dates between January 2014 and July 2018. Monthly payments range from \$1,500 up to \$7,573 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, 2013:

Year Ended June 30	Portland Office	Denver Office	Washington D.C. Office	New York City Office	Total
2014	\$ 57,669	\$ 90,881	\$ 84,063	\$ 10,500	\$ 243,113
2015	80,713	68,161	86,375	-	235,249
2016	82,731	-	73,690	-	156,421
2017	84,800	-	-	-	84,800
2018	86,921	-	-	-	86,921
Thereafter	7,258	-	-	-	7,258
	<u>\$ 400,092</u>	<u>\$ 159,042</u>	<u>\$ 244,128</u>	<u>\$ 10,500</u>	<u>\$ 813,762</u>

Rent expense for the years ended June 30, 2013 and 2012 was approximately \$212,700 and \$230,800 respectively.

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 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.

**Compassion & Choices, Compassion & Choices of Oregon,
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Notes to Combined Financial Statements
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7. Income Taxes (continued)

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 financial statements of the Organizations as of and for the year ended June 30, 2010. 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.

8. Joint Operating Agreement with Affiliate

During 2011, Compassion & Choices (C&C) entered into a joint operating agreement with Compassion & Choices of Oregon (COO) whereby COO would be included as an operating entity under the C&C umbrella. At the date of the agreement, COO assets were comprised of \$148,877 in cash and no liabilities.

Effective June 2013, COO was dissolved and all remaining assets were transferred to Compassion & Choices.

**Compassion & Choices, Compassion & Choices of Oregon,
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Notes to Combined Financial Statements
Years Ended June 30, 2013 and 2012
(See Independent Auditors' Report)

9. 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 attributed 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 \$53,420 for the year ended June 30, 2013. Assets held in the annuity reserve fund totaled \$474,343 at June 30, 2013, and are reported at the 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, 2013	Annuity Reserve Fund June 30, 2013
Annuity 5	June 30, 2001	Cash	\$ 10,000	\$ 3,749	\$ 6,251	18.3 years	9.42%	\$ 180	7.20%	\$ 3,031	\$ 4,917
Annuity 14	June 30, 2001	Cash	\$ 10,000	\$ 4,163	\$ 5,837	11.1 years	9.32%	\$ 212	8.50%	\$ (0)	\$ 3,858
Annuity 15	June 30, 2001	Cash	\$ 10,000	\$ 4,508	\$ 5,492	8.3 years	10.23%	\$ 248	9.90%	\$ (0)	\$ 3,641
Annuity 17	June 30, 2001	Cash	\$ 50,000	\$ 21,293	\$ 28,707	10.5 years	9.49%	\$ 1,088	8.70%	\$ (0)	\$ 19,553
Annuity 19	June 30, 2002	Stock	\$ 24,543	\$ 9,700	\$ 14,843	14.5 years	8.50%	\$ 454	7.40%	\$ 4,050	\$ 10,293
Annuity 20	June 30, 2002	Cash	\$ 10,000	\$ 4,105	\$ 5,895	13.1 years	8.80%	\$ 193	7.70%	\$ 902	\$ 4,002
Annuity 21	June 30, 2002	Cash	\$ 10,000	\$ 6,931	\$ 3,069	17.2 years	11.20%	\$ 405	16.20%	\$ 6,361	\$ 8,894
Annuity 24	June 30, 2003	Cash	\$ 50,000	\$ 13,091	\$ 36,909	18.9 years	5.51%	\$ 788	6.30%	\$ 21,750	\$ 27,285
Annuity 25	June 30, 2003	Cash	\$ 20,000	\$ 10,927	\$ 9,073	5.0 years	9.52%	\$ 575	11.50%	\$ -	\$ 6,257
Annuity 26	June 30, 2003	Stock	\$ 25,544	\$ 4,941	\$ 20,603	21.4 years	4.93%	\$ 390	6.10%	\$ 13,614	\$ 14,957
Annuity 27	June 30, 2004	Cash	\$ 10,000	\$ 4,642	\$ 5,358	7.8 years	7.91%	\$ 228	9.10%	\$ 0	\$ 3,603
Annuity 30	June 30, 2004	Cash	\$ 10,000	\$ 4,172	\$ 5,828	13.1 years	7.18%	\$ 173	6.90%	\$ 2,119	\$ 4,226
Annuity 32	June 30, 2004	Cash	\$ 45,671	\$ 9,250	\$ 36,422	27.6 years	5.47%	\$ 639	5.60%	\$ 29,654	\$ 31,045
Annuity 33	June 30, 2004	Cash	\$ 20,000	\$ 11,803	\$ 8,197	4.7 years	10.25%	\$ 565	11.30%	\$ -	\$ 6,409
Annuity 34	June 30, 2005	Cash	\$ 20,000	\$ 11,901	\$ 8,099	4.7 years	11.34%	\$ 565	11.30%	\$ -	\$ 6,409
Annuity 38	June 30, 2005	Cash	\$ 10,000	\$ 4,606	\$ 5,394	15.9 years	6.73%	\$ 250	10.00%	\$ 5,394	\$ 12,270
Annuity 39	June 30, 2005	Cash	\$ 20,000	\$ 9,717	\$ 10,283	9.9 years	8.62%	\$ 390	7.80%	\$ 2,509	\$ 8,528
Annuity 40	June 30, 2006	Cash	\$ 5,000	\$ 2,503	\$ 2,497	9.4 years	9.44%	\$ 100	8.00%	\$ 553	\$ 2,120
Annuity 42	June 30, 2006	Cash	\$ 5,000	\$ 2,097	\$ 2,903	14.9 years	1.94%	\$ 81	6.50%	\$ 868	\$ 2,703
Annuity 44	June 30, 2007	Cash	\$ 10,000	\$ 5,243	\$ 4,757	8.3 years	9.84%	\$ 213	8.50%	\$ 1,351	\$ 4,245
Annuity 45	June 30, 2007	Cash	\$ 8,000	\$ 4,667	\$ 3,333	4.9 years	12.23%	\$ 226	11.30%	\$ -	\$ 3,050
Annuity 46	June 30, 2008	Cash	\$ 20,000	\$ 10,366	\$ 9,634	8.8 years	9.85%	\$ 414	8.30%	\$ 3,957	\$ 9,074
Annuity 47	June 30, 2008	Cash	\$ 7,717	\$ 3,308	\$ 4,409	17.5 years	8.44%	\$ 122	6.30%	\$ 3,555	\$ 4,751
Annuity 48	June 30, 2008	Cash	\$ 10,000	\$ 4,805	\$ 5,195	9.9 years	8.30%	\$ 195	7.80%	\$ 2,770	\$ 4,479
Annuity 49	June 30, 2008	Cash	\$ 5,000	\$ 2,293	\$ 2,707	9.4 years	7.02%	\$ 100	8.00%	\$ 1,459	\$ 2,456
Annuity 50	June 30, 2009	Cash	\$ 10,000	\$ 5,613	\$ 4,387	6.1 years	7.86%	\$ 238	9.50%	\$ 905	\$ 4,175
Annuity 51	June 30, 2009	Cash	\$ 20,000	\$ 9,922	\$ 10,078	9.4 yrs	7.91%	\$ 380	7.60%	\$ 5,971	\$ 8,728
Annuity 52	June 30, 2010	Cash	\$ 5,000	\$ 2,623	\$ 2,377	7.8 yrs	6.81%	\$ 100	8.00%	\$ 1,314	\$ 2,187
Annuity 53	June 30, 2010	Cash	\$ 40,000	\$ 11,412	\$ 28,588	22.4 yrs	4.53%	\$ 510	5.10%	\$ 25,677	\$ 22,414
Annuity 54	June 30, 2010	Cash	\$ 100,000	\$ 51,354	\$ 48,646	8.8 yrs	5.97%	\$ 1,825	7.30%	\$ 31,356	\$ 47,046
Annuity 55	June 30, 2010	Cash	\$ 25,000	\$ 12,839	\$ 12,161	8.8 yrs	6.43%	\$ 456	7.30%	\$ 8,077	\$ 11,762
Annuity 56	June 30, 2011	Cash	\$ 30,000	\$ 8,154	\$ 21,846	22.4 yrs	4.78%	\$ 398	5.30%	\$ 20,095	\$ 18,629
Annuity 57	June 30, 2011	Cash	\$ 10,000	\$ 4,195	\$ 5,805	13.8 yrs	5.62%	\$ 153	6.10%	\$ 4,897	\$ 5,959
Annuity 58	June 30, 2012	Cash	\$ 35,000	\$ 17,385	\$ 17,615	8.3 yrs	6.49%	\$ 683	7.80%	\$ 14,383	\$ 18,543
Annuity 59	June 30, 2012	Cash	\$ 30,000	\$ 8,316	\$ 21,684	21.5 yrs	4.13%	\$ 383	5.10%	\$ 20,250	\$ 18,327
Annuity 60	June 30, 2012	Cash	\$ 15,000	\$ 8,863	\$ 6,137	4.9 yrs	6.96%	\$ 368	9.80%	\$ 4,532	\$ 6,584
Annuity 61	June 30, 2012	Cash	\$ 25,000	\$ 11,523	\$ 13,477	7.2 yrs	3.75%	\$ 544	8.70%	\$ 10,763	\$ 14,036
Annuity 62	June 30, 2012	Cash	\$ 10,000	\$ 3,909	\$ 6,091	11.1 yrs	3.86%	\$ 170	6.80%	\$ 5,386	\$ 12,907
Annuity 63	June 30, 2012	Cash	\$ 25,000	\$ 12,710	\$ 12,290	7.2 yrs	4.05%	\$ 500	8.00%	\$ 10,605	\$ 6,127
Annuity 64	June 30, 2013	Cash	\$ 20,000	\$ 7,456	\$ 12,544	14 yrs	1.93%	\$ 270	5.40%	\$ 12,544	\$ 12,778
Annuity 65	June 30, 2013	Cash	\$ 10,000	\$ 5,618	\$ 4,452	6.4 yrs	4.15%	\$ 201	8.00%	\$ 4,102	\$ 4,980
Annuity 66	June 30, 2013	Cash	\$ 10,071	\$ 4,413	\$ 5,587	10.5 yrs	3.56%	\$ 160	6.40%	\$ 5,366	\$ 5,767
Annuity 67	June 30, 2013	Cash	\$ 10,000	\$ 4,102	\$ 5,898	12.4 yrs	3.16%	\$ 145	5.80%	\$ 5,676	\$ 5,666
Annuity 68	June 30, 2013	Cash	\$ 5,000	\$ 2,870	\$ 2,130	6 yrs	4.74%	\$ 103	8.20%	\$ 1,975	\$ 2,268
Annuity 69	June 30, 2013	Cash	\$ 10,000	\$ 5,419	\$ 4,581	6.8 yrs	3.98%	\$ 195	7.80%	\$ 4,297	\$ 4,750
Annuity 70	June 30, 2013	Cash	\$ 10,000	\$ 5,579	\$ 4,421	6.4 yrs	4.76%	\$ 200	8.00%	\$ 4,154	\$ 9,890
Annuity 71	June 30, 2013	Cash	\$ 20,000	\$ 10,613	\$ 9,387	7.3 yrs	4.35%	\$ 380	7.60%	\$ 9,130	\$ 10,459
Annuity 72	June 30, 2013	Cash	\$ 10,000	\$ 1,931	\$ 8,069	25.8 yrs	2.35%	\$ 105	4.20%	\$ 8,044	\$ 6,312
Annuity 73	June 30, 2013	Cash	\$ 10,000	\$ 5,419	\$ 4,581	6.8 yrs	3.19%	\$ 195	7.80%	\$ 4,563	\$ 5,027
Totals			\$ 921,546	\$ 397,018	\$ 524,527			\$ 17,451		\$ 327,959	\$ 474,343

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Notes to Combined Financial Statements
Years Ended June 30, 2013 and 2012
(See Independent Auditors' Report)

9. Split Interest Agreements (continued)

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 attributed 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 \$62,706 for the year ended June 30, 2012. Assets held in the annuity reserve fund totaled \$437,030 at June 30, 2012, and are reported at the 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, 2012	Annuity Reserve Fund June 30, 2012
Annuity 2	June 30, 1999	Cash	\$ 15,000	\$ 6,440	\$ 8,560	10.5 years	9.49%	\$ 322	8.60%	\$ -	\$ 4,487
Annuity 5	June 30, 2001	Cash	\$ 10,000	\$ 3,749	\$ 6,251	18.3 years	9.42%	\$ 180	7.20%	\$ 3,440	\$ 5,353
Annuity 14	June 30, 2001	Cash	\$ 10,000	\$ 4,163	\$ 5,837	11.1 years	9.32%	\$ 212	8.50%	\$ 83	\$ 4,039
Annuity 15	June 30, 2001	Cash	\$ 10,000	\$ 4,508	\$ 5,492	8.3 years	10.23%	\$ 248	9.90%	\$ (0)	\$ 3,825
Annuity 17	June 30, 2001	Cash	\$ 50,000	\$ 21,293	\$ 28,707	10.5 years	9.49%	\$ 1,088	8.70%	\$ (0)	\$ 20,584
Annuity 19	June 30, 2002	Stock	\$ 24,543	\$ 9,700	\$ 14,843	14.5 years	8.50%	\$ 454	7.40%	\$ 5,445	\$ 10,733
Annuity 20	June 30, 2002	Cash	\$ 10,000	\$ 4,105	\$ 5,895	13.1 years	8.80%	\$ 193	7.70%	\$ 1,556	\$ 4,181
Annuity 21	June 30, 2002	Cash	\$ 10,000	\$ 6,931	\$ 3,069	17.2 years	11.20%	\$ 405	16.20%	\$ 7,207	\$ 9,286
Annuity 24	June 30, 2003	Cash	\$ 50,000	\$ 13,091	\$ 36,909	18.9 years	5.51%	\$ 788	6.30%	\$ 23,635	\$ 28,264
Annuity 25	June 30, 2003	Cash	\$ 20,000	\$ 10,927	\$ 9,073	5.0 years	9.52%	\$ 575	11.50%	\$ -	\$ 6,659
Annuity 26	June 30, 2003	Stock	\$ 25,544	\$ 4,941	\$ 20,603	21.4 years	4.93%	\$ 390	6.10%	\$ 14,474	\$ 15,430
Annuity 27	June 30, 2004	Cash	\$ 10,000	\$ 4,642	\$ 5,358	7.8 years	7.91%	\$ 228	9.10%	\$ 0	\$ 3,792
Annuity 29	June 30, 2004	Cash	\$ 10,000	\$ 4,852	\$ 5,148	7.8 years	7.95%	\$ 220	8.80%	\$ (0)	\$ 3,061
Annuity 30	June 30, 2004	Cash	\$ 10,000	\$ 4,172	\$ 5,828	13.1 years	7.18%	\$ 173	6.90%	\$ 2,633	\$ 4,408
Annuity 32	June 30, 2004	Cash	\$ 45,671	\$ 9,250	\$ 36,422	27.6 years	5.47%	\$ 639	5.60%	\$ 30,560	\$ 31,707
Annuity 33	June 30, 2004	Cash	\$ 20,000	\$ 11,803	\$ 8,197	4.7 years	10.25%	\$ 565	11.30%	\$ -	\$ 6,812
Annuity 34	June 30, 2005	Cash	\$ 20,000	\$ 11,901	\$ 8,099	4.7 years	11.34%	\$ 565	11.30%	\$ -	\$ 6,812
Annuity 35	June 30, 2005	Cash	\$ 10,000	\$ 5,161	\$ 4,839	7.3 years	9.33%	\$ 230	9.20%	\$ -	\$ 3,782
Annuity 38	June 30, 2005	Cash	\$ 10,000	\$ 4,606	\$ 5,394	15.9 years	6.73%	\$ 250	10.00%	\$ 5,394	\$ 10,895
Annuity 39	June 30, 2005	Cash	\$ 20,000	\$ 9,717	\$ 10,283	9.9 years	8.62%	\$ 390	7.80%	\$ 3,783	\$ 8,950
Annuity 40	June 30, 2006	Cash	\$ 5,000	\$ 2,503	\$ 2,497	9.4 years	9.44%	\$ 100	8.00%	\$ 882	\$ 2,237
Annuity 42	June 30, 2006	Cash	\$ 5,000	\$ 2,097	\$ 2,903	14.9 years	1.94%	\$ 81	6.50%	\$ 1,173	\$ 2,813
Annuity 43	June 30, 2007	Cash	\$ 10,000	\$ 6,275	\$ 3,725	4.3 years	11.75%	\$ 283	11.30%	\$ -	\$ 3,733
Annuity 44	June 30, 2007	Cash	\$ 10,000	\$ 5,243	\$ 4,757	8.3 years	9.84%	\$ 213	8.50%	\$ 2,026	\$ 4,450
Annuity 45	June 30, 2007	Cash	\$ 8,000	\$ 4,667	\$ 3,333	4.9 years	12.23%	\$ 226	11.30%	\$ -	\$ 3,218
Annuity 46	June 30, 2008	Cash	\$ 20,000	\$ 10,366	\$ 9,634	8.8 years	9.85%	\$ 414	8.30%	\$ 5,152	\$ 9,524
Annuity 47	June 30, 2008	Cash	\$ 7,717	\$ 3,308	\$ 4,409	17.5 years	8.44%	\$ 122	6.30%	\$ 3,732	\$ 4,908
Annuity 48	June 30, 2008	Cash	\$ 10,000	\$ 4,805	\$ 5,195	9.9 years	8.30%	\$ 195	7.80%	\$ 3,292	\$ 4,685
Annuity 49	June 30, 2008	Cash	\$ 5,000	\$ 2,293	\$ 2,707	9.4 years	7.02%	\$ 100	8.00%	\$ 1,744	\$ 2,583
Annuity 50	June 30, 2009	Cash	\$ 10,000	\$ 5,613	\$ 4,387	6.1 years	7.86%	\$ 238	9.50%	\$ 1,742	\$ 4,407
Annuity 51	June 30, 2009	Cash	\$ 20,000	\$ 9,922	\$ 10,078	9.4 yrs	7.91%	\$ 380	7.60%	\$ 6,969	\$ 9,129
Annuity 52	June 30, 2010	Cash	\$ 5,000	\$ 2,623	\$ 2,377	7.8 yrs	6.81%	\$ 100	8.00%	\$ 1,612	\$ 2,295
Annuity 53	June 30, 2010	Cash	\$ 40,000	\$ 11,412	\$ 28,588	22.4 yrs	4.53%	\$ 510	5.10%	\$ 26,529	\$ 22,912
Annuity 54	June 30, 2010	Cash	\$ 100,000	\$ 51,354	\$ 48,646	8.8 yrs	5.97%	\$ 1,825	7.30%	\$ 36,587	\$ 49,583
Annuity 55	June 30, 2010	Cash	\$ 25,000	\$ 12,839	\$ 12,161	8.8 yrs	6.43%	\$ 456	7.30%	\$ 9,331	\$ 12,396
Annuity 56	June 30, 2011	Cash	\$ 30,000	\$ 8,154	\$ 21,846	22.4 yrs	4.78%	\$ 398	5.30%	\$ 20,706	\$ 19,072
Annuity 57	June 30, 2011	Cash	\$ 10,000	\$ 4,195	\$ 5,805	13.8 yrs	5.62%	\$ 153	6.10%	\$ 5,221	\$ 6,189
Annuity 58	June 30, 2012	Cash	\$ 35,000	\$ 17,385	\$ 17,615	8.3 yrs	6.49%	\$ 683	7.80%	\$ 16,108	\$ 19,515
Annuity 59	June 30, 2012	Cash	\$ 30,000	\$ 8,316	\$ 21,684	21.5 yrs	4.13%	\$ 383	5.10%	\$ 21,091	\$ 18,773
Annuity 60	June 30, 2012	Cash	\$ 15,000	\$ 8,863	\$ 6,137	4.9 yrs	6.96%	\$ 368	9.80%	\$ 5,369	\$ 6,926
Annuity 61	June 30, 2012	Cash	\$ 25,000	\$ 11,523	\$ 13,477	7.2 yrs	3.75%	\$ 544	8.70%	\$ 12,493	\$ 14,711
Annuity 62	June 30, 2012	Cash	\$ 10,000	\$ 3,909	\$ 6,091	11.1 yrs	3.86%	\$ 170	6.80%	\$ 5,847	\$ 6,385
Annuity 63	June 30, 2012	Cash	\$ 25,000	\$ 12,710	\$ 12,290	7.2 yrs	4.05%	\$ 500	8.00%	\$ 12,136	\$ 13,528
Totals			\$ 851,475	\$ 366,326	\$ 485,149			\$ 16,551		\$ 297,954	\$ 437,030

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Notes to Combined Financial Statements
Years Ended June 30, 2013 and 2012
(See Independent Auditors' Report)

10. Grant Revenue

During the year ended June 30, 2012, Compassion & Choices was the recipient of a one-time unrestricted grant of \$5,000,000. The proceeds are to be used in the following years to fund operating costs as well as provide the Organization with the funds needed to enhance and build a donor base to provide continued revenue in the future.

11. Subsequent Events

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

Supplemental Information

(See Independent Auditors' Report on Supplemental Information)



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

Independent Auditors' Report on Additional Information

We have audited the financial statements of Compassion & Choices, Compassion & Choices of Oregon and Compassion & Choices Action Network as of and for the years ended June 30, 2013 and 2012 and have issued our report thereon dated October 9, 2013, which contained an unqualified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The schedules of function expenses are presented for the purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Bradley Consulting Group, P.C.
Certified Public Accountants

Lakewood, Colorado

October 9, 2013

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Combining Statement of Financial Position
June 30, 2013

(See Independent Auditors' Report on Supplemental Information)

	Assets		
	Compassion & Choices	Compassion & Choices Action Network	Combined
Current assets:			
Cash and cash equivalents	\$ 226,700	\$ 179,213	\$ 405,913
Pledges receivable	1,008,974	-	1,008,974
Investments	12,300,946	1,033,836	13,334,782
Prepaid expenses	94,566		94,566
Beneficial interest in charitable remainder trusts	149,042		149,042
Other current assets	3,075		3,075
	<u>13,783,303</u>	<u>1,213,049</u>	<u>14,996,352</u>
Total current assets			
Property, equipment and improvements:			
Furniture, fixtures and equipment	627,404	-	627,404
Leasehold improvements	32,481	-	32,481
	<u>659,885</u>	<u>-</u>	<u>659,885</u>
Accumulated depreciation and amortization	405,963	-	405,963
	<u>253,922</u>	<u>-</u>	<u>253,922</u>
Total property, equipment and improvements			
Other assets:			
Intangible assets	3,014	-	3,014
Deposits	37,706	-	37,706
Due (to) from related entity	51,426	(51,426)	-
	<u>92,146</u>	<u>(51,426)</u>	<u>40,720</u>
Total other assets			
Total assets	<u>\$ 14,129,371</u>	<u>\$ 1,161,623</u>	<u>\$ 15,290,994</u>

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Combining Statement of Financial Position
June 30, 2013

(See Independent Auditors' Report on Supplemental Information)

Liabilities and Net Assets

	<u>Compassion & Choices</u>	<u>Compassion & Choices Action Network</u>	<u>Combined</u>
Current liabilities:			
Current portion of obligations under capital leases	\$ 13,118	\$ -	\$ 13,118
Accounts payable	123,001	10,000	133,001
Accrued payroll and vacation	421,025		421,025
Accrued expenses	21,910	-	21,910
Deferred revenue	<u>-</u>		<u>-</u>
Total current liabilities	<u>579,054</u>	<u>10,000</u>	<u>589,054</u>
Long-term liabilities:			
Capital lease obligations, net of current portion	27,480	-	27,480
Gift annuity payments due	<u>327,959</u>	<u>-</u>	<u>327,959</u>
Total long-term liabilities	<u>355,439</u>	<u>-</u>	<u>355,439</u>
Total liabilities	<u>934,493</u>	<u>10,000</u>	<u>944,493</u>
Net assets:			
Unrestricted:			
Operating	12,981,553	1,151,624	14,133,177
Net investment in furniture, fixtures equipment and improvements	<u>213,324</u>	<u>-</u>	<u>213,324</u>
Net assets	<u>13,194,877</u>	<u>1,151,624</u>	<u>14,346,501</u>
Total liabilities and net assets	<u>\$ 14,129,370</u>	<u>\$ 1,161,624</u>	<u>\$ 15,290,994</u>

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Combining Statement of Activities
Year Ended June 30, 2013

(See Independent Auditors' Report on Supplemental Information)

	<u>Compassion & Choices</u>	<u>Compassion & Choices Action Network</u>	<u>Combined</u>
Revenue and other support:			
Conference and events	\$ 725	\$ -	\$ 725
Contributions	6,926,983	567,968	7,494,951
Membership fees	-	191,559	191,559
Foundation revenue	3,230,000	-	3,230,000
Investment income, net of expenses	197,672	19,539	217,211
Realized and unrealized gain on investments	432,531	52,770	485,301
Loss on disposal of equipment	(293)	-	(293)
Restricted gifts	10,000	-	10,000
Other Income	194,559	3,168	197,727
	<u>10,992,177</u>	<u>835,004</u>	<u>11,827,181</u>
Total revenue and other support			
Expenses:			
Programs	6,873,362	806,317	7,679,679
General and administrative	764,469	19,807	784,276
Fundraising	803,865	8,108	811,973
	<u>8,441,696</u>	<u>834,232</u>	<u>9,275,928</u>
Total expenses			
Increase in net assets	2,550,481	772	2,551,253
Net assets, beginning	<u>10,644,396</u>	<u>1,150,852</u>	<u>11,795,248</u>
Net assets, ending	<u>\$ 13,194,877</u>	<u>\$ 1,151,624</u>	<u>\$ 14,346,501</u>

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Combining Statement of Revenue and Functional Expenses
Year Ended June 30, 2013
(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:			
Conferences and events	\$ 725	\$ -	\$ 725
Contributions	6,926,983	567,968	7,494,951
Membership fees	-	191,559	191,559
Foundation Revenue	3,230,000	-	3,230,000
Restricted Gifts	10,000	-	10,000
Investment income, net of expenses	197,672	19,539	217,211
Realized and unrealized gain on investments	432,531	52,770	485,301
Loss on sale of assets	(293)	-	(293)
Other income	194,559	3,168	197,727
	<u>10,992,177</u>	<u>835,004</u>	<u>11,827,181</u>
Total revenue and other support			
Expenses:			
Advertising	118,479	19	118,498
Bank and merchant fees	38,663	5,626	44,289
Conference/booth fees	24,694	5	24,699
Depreciation	92,834	972	93,806
Development costs	916,026	-	916,026
Facilities	212,688	2,954	215,642
Donations to other organizations	399	-	399
Grants	12,000	50,000	62,000
Graphics	31,944	-	31,944
Insurance	95,151	575	95,726
Interest expense	8,745	81	8,826
Local groups	20,772	-	20,772
Magazine	156,079	-	156,079
Membership and telefunding costs	7,352	16,254	23,606
Memberships - organizations	16,442	34	16,476
Operational expenses	331,297	11,415	342,712
Organization sponsorships	13,250	-	13,250
Outside services	1,598,132	693,561	2,291,693
Payroll expense	3,193,443	40,007	3,233,450
Printing	153,468	1,225	154,693
Publications and subscriptions	53,871	49	53,920
Registration fees	18,508	9,900	28,408
Staff costs - development dept.	811,887	-	811,887
Staff development	11,619	-	11,619
Technology/data management	159,430	798	160,228
Temporary staff	15,351	-	15,351
Travel and entertainment	329,172	757	329,929
	<u>8,441,696</u>	<u>834,232</u>	<u>9,275,928</u>
Total expenses			
Increase (decrease) in net assets	<u>\$ 2,550,481</u>	<u>\$ 772</u>	<u>\$ 2,551,253</u>

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Compassion & Choices
Statement of Revenue and Functional Expenses
Year Ended June 30, 2013

(See Independent Auditors' Report on Supplemental Information)

	<u>Direct Lobbying</u>	<u>Grassroots Lobbying</u>	<u>Restricted Grant</u>	<u>Public Education</u>
Revenue and other support:				
Conferences and events	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	23,750
Membership fees	-	-	-	-
Foundation Revenue	-	-	-	-
Investment income, net of expenses	-	-	-	-
Realized and unrealized gain on investments	-	-	-	-
Loss on sale of assets	-	-	-	-
Restricted Gifts	-	-	10,000	-
Other income	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue and other support	-	-	10,000	23,750
	<hr/>	<hr/>	<hr/>	<hr/>
Expenses:				
Advertising	-	33,296	-	7,219
Bank and merchant fees	-	-	-	38,526
Conference/booth fees	300	-	-	8,258
Depreciation	-	-	-	39,632
Development costs	-	-	-	521,747
Facilities	-	-	-	77,789
Donations to other organizations	-	-	-	-
Grants	-	-	10,000	2,000
Graphics	-	-	-	10,357
Insurance	-	-	-	23,452
Interest expense	-	-	-	3,547
Local groups	-	-	-	-
Magazine	-	-	-	156,079
Membership and telefunding costs	-	-	-	7,227
Memberships - organizations	-	-	-	5,689
Operational expenses	160	7,896	-	148,014
Organization sponsorships	-	-	-	-
Outside services	238,624	-	-	366,300
Payroll expense	96,541	-	-	757,104
Printing	278	3,192	-	32,199
Publications and subscriptions	-	-	-	39,210
Registration fees	-	-	-	16,686
Staff costs - development dept.	-	-	-	389,847
Staff development	-	-	-	2,856
Technology/data management	-	-	-	100,512
Temporary staff	-	-	-	-
Travel and entertainment	257	6,708	-	55,376
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	336,160	51,092	10,000	2,809,626
	<hr/>	<hr/>	<hr/>	<hr/>
Increase (decrease) in net assets	\$ (336,160)	(51,092)	-	\$ (2,785,876)

(continued)

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Compassion & Choices
Statement of Revenue and Functional Expenses (continued)
Year Ended June 30, 2013
(See Independent Auditors' Report on Supplemental Information)

	Field Ops	Government Affairs	Legal	Consultation	Total Programs
Revenue and other support:					
Conferences and events	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions	676,503	-	8,400	393,800	1,102,453
Membership fees	-	-	-	-	-
Foundation Revenue	-	-	-	-	-
Investment income, net of expenses	-	-	-	-	-
Realized and unrealized gain on investments	-	-	-	-	-
Loss on sale of assets	-	-	-	-	-
Restricted Gifts	-	-	-	-	10,000
Other income	28,741	-	-	-	28,741
	<u>705,244</u>	<u>-</u>	<u>8,400</u>	<u>393,800</u>	<u>1,141,194</u>
Total revenue and other support					
Expenses:					
Advertising	75,705	49	52	1,331	117,652
Bank and merchant fees	-	-	-	-	38,526
Conference/booth fees	13,930	1,263	14	850	24,615
Depreciation	18,448	2,486	2,634	13,651	76,851
Development costs	27,886	-	-	-	549,633
Facilities	23,044	10,435	-	16,618	127,886
Donations to other organizations	200	-	-	199	399
Grants	-	-	-	-	12,000
Graphics	21,250	-	-	-	31,607
Insurance	11,648	1,471	2,700	47,239	86,510
Interest expense	1,639	221	234	1,213	6,854
Local groups	20,772	-	-	-	20,772
Magazine	-	-	-	-	156,079
Membership and telefunding costs	-	-	125	-	7,352
Memberships - organizations	1,421	8,257	92	475	15,934
Operational expenses	78,465	8,165	9,644	41,112	293,456
Organization sponsorships	12,250	1,000	-	-	13,250
Outside services	315,351	140,263	19,310	513,740	1,593,588
Payroll expense	866,900	236,790	210,229	544,343	2,711,907
Printing	111,325	1,270	130	2,830	151,224
Publications and subscriptions	3,101	8,531	487	1,810	53,139
Registration fees	1,740	-	-	-	18,426
Staff costs - development dept.	-	-	-	-	389,847
Staff development	1,453	895	269	1,470	6,943
Technology/data management	16,883	8,930	2,161	19,114	147,600
Temporary staff	-	-	-	-	-
Travel and entertainment	86,957	15,554	9,869	46,591	221,312
	<u>1,710,368</u>	<u>445,580</u>	<u>257,950</u>	<u>1,252,586</u>	<u>6,873,362</u>
Total expenses					
Increase (decrease) in net assets	<u>\$ (1,005,124)</u>	<u>\$ (445,580)</u>	<u>\$ (249,550)</u>	<u>\$ (858,786)</u>	<u>\$ (5,732,168)</u>

(continued)

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Compassion & Choices
Statement of Revenue and Functional Expenses (continued)
Year Ended June 30, 2013
(See Independent Auditors' Report on Supplemental Information)

	Total Programs	General and administrative	Fundraising	Total for Compassion & Choices
Revenue and other support:				
Conferences and events	\$ -	\$ -	\$ 725	\$ 725
Contributions	1,102,453	1,952	5,822,578	6,926,983
Membership fees	-	-	-	-
Foundation Revenue	-	-	3,230,000	3,230,000
Investment income, net of expenses	-	-	197,672	197,672
Realized and unrealized gain on investments	-	-	432,531	432,531
Loss on sale of assets	0	(293)	-	(293)
Restricted Gifts	10,000	-	-	10,000
Other income	28,741	-	165,818	194,559
	<u>1,141,194</u>	<u>1,659</u>	<u>9,849,324</u>	<u>10,992,177</u>
Total revenue and other support				
Expenses:				
Advertising	117,652	827	-	118,479
Bank and merchant fees	38,526	137	-	38,663
Conference/booth fees	24,615	79	-	24,694
Depreciation	76,851	15,983	-	92,834
Development costs	549,633	-	366,393	916,026
Facilities	127,886	84,802	-	212,688
Donations to other organizations	399	-	-	399
Grants	12,000	-	-	12,000
Graphics	31,607	337	-	31,944
Insurance	86,510	8,641	-	95,151
Interest expense	6,854	1,891	-	8,745
Local groups	20,772	-	-	20,772
Magazine	156,079	-	-	156,079
Membership and telefunding costs	7,352	-	-	7,352
Memberships - organizations	15,934	508	-	16,442
Operational expenses	293,456	37,841	-	331,297
Organization sponsorships	13,250	-	-	13,250
Outside services	1,593,588	4,544	-	1,598,132
Payroll expense	2,711,907	481,536	-	3,193,443
Printing	151,224	2,244	-	153,468
Publications and subscriptions	53,139	732	-	53,871
Registration fees	18,426	82	-	18,508
Staff costs - development dept.	389,847	16,096	405,944	811,887
Staff development	6,943	4,676	-	11,619
Technology/data management	147,600	11,830	-	159,430
Temporary staff	-	15,351	-	15,351
Travel and entertainment	221,312	76,332	31,528	329,172
	<u>6,873,362</u>	<u>764,469</u>	<u>803,865</u>	<u>8,441,696</u>
Total expenses				
Increase (decrease) in net assets	<u>\$ (5,732,168)</u>	<u>\$ (762,810)</u>	<u>\$ 9,045,459</u>	<u>\$ 2,550,481</u>

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Compassion & Choices Action Network
Statement of Revenue and Functional Expenses
Year Ended June 30, 2013

(See Independent Auditors' Report on Supplemental Information)

	Grassroots Lobbying	Public Education and Total Programs	General and Administrative	Fundraising	Total for Compassion & Choices Action Network
Revenue and other support:					
Conferences and events	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions	522,198	-	-	45,770	567,968
Membership fees	-	-	-	191,559	191,559
Grants	-	-	-	-	-
Investment income, net of expenses	-	-	-	19,539	19,539
Realized and unrealized gain on investments	-	-	-	52,770	52,770
Loss on sale of assets	-	-	-	-	-
Other income	-	-	-	3,168	3,168
	<u>522,198</u>	<u>-</u>	<u>-</u>	<u>312,806</u>	<u>835,004</u>
Total revenue and other support	522,198	-	-	312,806	835,004
Expenses:					
Advertising	-	4	15	-	19
Bank and merchant fees	141	5,485	-	-	5,626
Conference/booth fees	-	1	4	-	5
Depreciation	-	203	769	-	972
Development costs	-	-	-	-	-
Facilities	-	-	2,954	-	2,954
Grants	50,000	-	-	-	50,000
Insurance	-	120	455	-	575
Interest expense	-	13	68	-	81
Local groups	-	-	-	-	-
Magazine	-	-	-	-	-
Membership and telefunding costs	-	13,146	-	3,108	16,254
Memberships - organizations	-	7	27	-	34
Operational expenses	7,180	2,543	1,692	-	11,415
Organization sponsorships	-	-	-	-	-
Outside services	684,729	63	3,769	5,000	693,561
Payroll expense	30,772	-	9,235	-	40,007
Printing	1,177	10	38	-	1,225
Publications and subscriptions	-	10	39	-	49
Registration fees	-	9,900	-	-	9,900
Staff costs - development dept.	-	-	-	-	-
Staff development	-	-	-	-	-
Technology/data management	-	167	631	-	798
Temporary staff	-	-	-	-	-
Travel and entertainment	617	29	111	-	757
	<u>774,616</u>	<u>31,701</u>	<u>19,807</u>	<u>8,108</u>	<u>834,232</u>
Total expenses	774,616	31,701	19,807	8,108	834,232
Increase (decrease) in net assets	<u>\$ (252,418)</u>	<u>\$ (31,701)</u>	<u>\$ (19,807)</u>	<u>\$ 304,698</u>	<u>\$ 772</u>