



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

Combined Financial Statements
Years Ended June 30, 2014 and 2013
with
Independent Auditors' Report

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

Years Ended June 30, 2014 and 2013
(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 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, 2014 and 2013 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 combined financial statements.

Management's Responsibility for the 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, 2014 and 2013 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 16, 2014

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

Combined Statements of Financial Position
June 30, 2014 and 2013
(See Independent Auditors' Report)

Assets	<u>2014</u>	<u>2013</u>
Current assets:		
Cash and cash equivalents:		
Operating	\$ 1,228,316	\$ 405,913
Investments	575,437	180,382
Unconditional promises to give, net of allowance	2,567,927	1,008,974
Investments	13,503,884	13,154,400
Prepaid expenses	82,868	94,566
Beneficial interest in charitable remainder trusts	193,189	149,042
Other current assets	-	3,075
	<u>18,151,621</u>	<u>14,996,352</u>
Property, equipment and improvements, at cost:		
Furniture, fixtures and equipment	534,414	627,404
Leasehold improvements	55,602	32,481
	<u>590,016</u>	<u>659,885</u>
Less accumulated depreciation and amortization	<u>328,235</u>	<u>405,963</u>
	<u>261,781</u>	<u>253,922</u>
Other assets		
Unconditional promises to give, net of current portion	5,080,000	-
Intangible assets	3,014	3,014
Deposits	35,789	37,706
	<u>5,118,803</u>	<u>40,720</u>
Total other assets	<u>5,118,803</u>	<u>40,720</u>
Total assets	<u>\$ 23,532,205</u>	<u>\$ 15,290,994</u>

(See Notes to Combined Financial Statements)

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

Combined Statements of Financial Position
June 30, 2014 and 2013
(See Independent Auditors' Report)

Liabilities and Net Assets

	2014	2013
Current liabilities:		
Current portion of obligations under capital leases	\$ 12,763	\$ 13,118
Accounts payable	424,514	133,001
Accrued payroll and vacation	430,185	421,025
Accrued expenses	1,500	21,910
Total current liabilities	868,962	589,054
Long-term liabilities:		
Capital lease obligations, net of current portion	14,717	27,480
Gift annuity payments due	446,236	327,959
Total long-term liabilities	460,953	355,439
Total liabilities	1,329,915	944,493
Net assets:		
Unrestricted:		
Operating	21,842,989	14,133,177
Net investment in property, equipment and improvements	234,301	213,324
Total unrestricted net assets	22,077,290	14,346,501
Temporarily restricted	125,000	-
Total net assets	22,202,290	14,346,501
Total liabilities and net assets	\$ 23,532,205	\$ 15,290,994

(See Notes to Combined Financial Statements)

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

Combined Statements of Activities and Changes in Net Assets
Years Ended June 30, 2014 and 2013
(See Independent Auditors' Report)

	2014	2013
Revenue and other support:		
Conference and events	\$ -	\$ 725
Contributions	16,774,745	7,494,951
Membership fees	146,702	191,559
Foundation revenue	199,235	3,230,000
Restricted gifts	125,000	10,000
Investment income, net of expenses	322,498	217,211
Realized and unrealized gain on investments	1,205,545	485,301
Gain (loss) on disposal of equipment	278	(293)
Other Income	522,443	197,727
Total revenue and other support	19,296,446	11,827,181
Expenses:		
Programs	9,344,938	7,679,679
General and administrative	1,161,513	784,276
Fundraising	934,206	811,973
Total expenses	11,440,657	9,275,928
Increase in net assets	7,855,789	2,551,253
Net assets, beginning	14,346,501	11,795,248
Net assets, ending	\$ 22,202,290	\$ 14,346,501

(See Notes to Combined Financial Statements)

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

Combined Statements of Cash Flows
Years Ended June 30, 2014 and 2013
(See Independent Auditors' Report)

	2014	2013
Cash flows from operating activities:		
Cash received from contributions and donations	\$ 11,088,101	\$ 9,938,728
Cash paid to employees and vendors	(11,074,376)	(9,160,187)
Interest received	322,498	217,211
Net cash provided by operating activities	336,223	995,752
Cash flows from investing activities:		
Proceeds from sale of investments	12,497,284	858,355
Proceeds from sale of property and equipment	278	2,000
Purchases of investments	(11,641,223)	(2,319,218)
Purchases of property and equipment	(82,179)	(128,680)
Deposits refunded (paid)	1,917	(22,275)
Net cash provided (used) by investing activities	776,077	(1,609,818)
Cash flows from financing activities:		
Capital lease obligations:		
Repayments	(13,118)	(24,465)
Gift annuities:		-
Proceeds	176,710	61,650
Repayments	(58,433)	(31,645)
Net cash provided by financing activities	105,159	5,540
Net increase (decrease) in cash and cash equivalents	1,217,459	(608,526)
Cash and cash equivalents, beginning	586,295	1,194,821
Cash and cash equivalents, ending	\$ 1,803,754	\$ 586,295
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 8,826	\$ 6,377

(continued)
(See Notes to Combined Financial Statements)

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

Combined Statements of Cash Flows (continued)
Years Ended June 30, 2014 and 2013
(See Independent Auditors' Report)

	2014	2013
Cash flows from operating activities:		
Change in net assets	\$ 7,855,790	\$ 2,551,253
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	74,320	93,806
Unrealized gains on investments	(1,205,545)	(485,301)
(Gain) loss on disposal of property and equipment	(278)	293
(Increase) decrease in:		
Pledges receivable	(6,638,953)	(681,474)
Prepaid expenses	11,698	206
Beneficial interest in charitable remainder trusts	(44,147)	(2,283)
Other current assets	3,075	(2,477)
Increase (decrease) in:		
Accounts payable	291,513	(67,958)
Accrued payroll and vacation	9,160	110,963
Accrued expenses	(20,410)	(21,276)
Deferred revenue	-	(500,000)
	\$ 336,223	\$ 995,752
Net cash provided by operating activities		

(See Notes to Combined Financial Statements)

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

Notes to Combined Financial Statements
Years Ended June 30, 2014 and 2013
(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), work 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 year ended June 30, 2014. Compassion & Choices and Compassion in Dying Federation of America is included as a component of the combined financial statements as of June 30, 2013 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
and Compassion & Choices Action Network**

Notes to Combined Financial Statements
Years Ended June 30, 2014 and 2013
(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 \$74,300 and \$87,600 for the years ended June 30, 2014 and 2013, 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, 2014 and 2013
(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 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.

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 Organization uses 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 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
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Notes to Combined Financial Statements
Years Ended June 30, 2014 and 2013
(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, 2014 and 2013.

Income taxes

No provision for taxes on earnings has been made in the combined financial statements as Compassion & Choices has 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, 2014 and 2013.

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, 2014 and 2013
(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, 2014:

Description	Level 1	Level 2	Level 3	Totals
Cash and money market funds	\$ 575,437	\$ -	\$ -	\$ 575,437
Fixed income investments	3,075,137	-	-	3,075,137
Equities:				
Mutual funds	<u>10,932,800</u>	<u>-</u>	<u>-</u>	<u>10,932,800</u>
	<u>\$ 14,583,374</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,583,374</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, 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	<u>9,706,919</u>	<u>-</u>	<u>-</u>	<u>9,706,919</u>
	<u>\$ 13,334,782</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,334,782</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 \$395,600 and \$402,200 is included in each of the accounts mentioned during the years ended June 30, 2014 and 2013, respectively.

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

Notes to Combined Financial Statements
Years Ended June 30, 2014 and 2013
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3. Promises to Give

Unconditional promises to give

Unconditional promises to give for years ending after June 30, 2014 and 2013 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, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Amounts due in:		
Less than one year	\$ 2,567,927	\$ 1,008,974
One to five years	<u>5,080,000</u>	<u>-</u>
	7,647,927	1,008,974
Less allowance for uncollectible amounts	<u>-</u>	<u>-</u>
Net promises to give	<u>\$ 7,647,927</u>	<u>\$ 1,008,974</u>

4. 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, 2014.

5. 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 \$92,900 and \$93,400 for the years June 30, 2014 and 2013, respectively.

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

Notes to Combined Financial Statements
Years Ended June 30, 2014 and 2013
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6. 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, 2014 and 2013.

Following is a summary of property under capital leases at June 30, 2014 and 2013:

	2014	2013
Computer and office equipment	\$ 100,251	\$ 100,251
Less accumulated depreciation	74,990	62,865
	\$ 25,261	\$ 37,386

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, 2014 are as follows:

Year Ended June 30,		
2015	\$	14,065
2016		15,231
		29,296
Less amount representing interest		1,816
Present value of future minimum lease payments		27,480
Less current portion		12,763
	\$	14,717

**Compassion & Choices
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Notes to Combined Financial Statements
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7. Commitments

The Organizations lease office space under operating leases expiring at various dates between March 2015 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, 2014:

Year Ended June 30	Portland Office	Denver Office	Washington D.C. Office	Total
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>\$ 342,423</u>	<u>\$ 68,161</u>	<u>\$ 160,065</u>	<u>\$ 570,649</u>

Rent expense for the years ended June 30, 2014 and 2013 was approximately \$275,300 and \$212,700 respectively.

8. 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.

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8. 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.

9. 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
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Notes to Combined Financial Statements
Years Ended June 30, 2014 and 2013
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10. 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 \$158,563 for the year ended June 30, 2014. Assets held in the annuity reserve fund totaled \$596,745 at June 30, 2014, 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, 2014	Annuity Reserve Fund June 30, 2014
Annuity 5	June 30, 2001	Cash	\$ 10,000	\$ 3,749	\$ 6,251	18.3 years	9.42%	\$ 180	7.20%	\$ 2,581	\$ 4,711
Annuity 14	June 30, 2001	Cash	\$ 10,000	\$ 4,163	\$ 5,837	11.1 years	9.32%	\$ 212	8.50%	\$ (0)	\$ 3,682
Annuity 15	June 30, 2001	Cash	\$ 10,000	\$ 4,508	\$ 5,492	8.3 years	10.23%	\$ 248	9.90%	\$ (0)	\$ 3,467
Annuity 19	June 30, 2002	Stock	\$ 24,543	\$ 9,700	\$ 14,843	14.5 years	8.50%	\$ 454	7.40%	\$ 2,532	\$ 9,862
Annuity 20	June 30, 2002	Cash	\$ 10,000	\$ 4,105	\$ 5,895	13.1 years	8.80%	\$ 193	7.70%	\$ 188	\$ 3,828
Annuity 21	June 30, 2002	Cash	\$ 10,000	\$ 6,931	\$ 3,069	17.2 years	11.20%	\$ 405	16.20%	\$ 5,416	\$ 8,510
Annuity 24	June 30, 2003	Cash	\$ 50,000	\$ 13,091	\$ 36,909	18.9 years	5.51%	\$ 788	6.30%	\$ 19,758	\$ 26,308
Annuity 25	June 30, 2003	Cash	\$ 20,000	\$ 10,927	\$ 9,073	5.0 years	9.52%	\$ 575	11.50%	\$ -	\$ 5,847
Annuity 26	June 30, 2003	Stock	\$ 25,544	\$ 4,941	\$ 20,603	21.4 years	4.93%	\$ 390	6.10%	\$ 12,711	\$ 14,476
Annuity 27	June 30, 2004	Cash	\$ 10,000	\$ 4,642	\$ 5,358	7.8 years	7.91%	\$ 228	9.10%	\$ 0	\$ 3,426
Annuity 32	June 30, 2004	Cash	\$ 45,671	\$ 9,250	\$ 36,422	27.6 years	5.47%	\$ 639	5.60%	\$ 28,698	\$ 30,362
Annuity 33	June 30, 2004	Cash	\$ 20,000	\$ 11,803	\$ 8,197	4.7 years	10.25%	\$ 565	11.30%	\$ -	\$ 5,997
Annuity 34	June 30, 2005	Cash	\$ 20,000	\$ 11,901	\$ 8,099	4.7 years	11.34%	\$ 565	11.30%	\$ -	\$ 5,997
Annuity 38	June 30, 2005	Cash	\$ 10,000	\$ 4,606	\$ 5,394	15.9 years	6.73%	\$ 250	10.00%	\$ 9,492	\$ 11,978
Annuity 39	June 30, 2005	Cash	\$ 20,000	\$ 9,717	\$ 10,283	9.9 years	8.62%	\$ 390	7.80%	\$ 1,121	\$ 8,120
Annuity 40	June 30, 2006	Cash	\$ 5,000	\$ 2,503	\$ 2,497	9.4 years	9.44%	\$ 100	8.00%	\$ 193	\$ 2,008
Annuity 42	June 30, 2006	Cash	\$ 5,000	\$ 2,097	\$ 2,903	14.9 years	1.94%	\$ 81	6.50%	\$ 558	\$ 2,593
Annuity 44	June 30, 2007	Cash	\$ 10,000	\$ 5,243	\$ 4,757	8.3 years	9.84%	\$ 213	8.50%	\$ 607	\$ 4,046
Annuity 45	June 30, 2007	Cash	\$ 8,000	\$ 4,667	\$ 3,333	4.9 years	12.23%	\$ 226	11.30%	\$ -	\$ 2,884
Annuity 46	June 30, 2008	Cash	\$ 20,000	\$ 10,366	\$ 9,634	8.8 years	9.85%	\$ 414	8.30%	\$ 2,639	\$ 8,640
Annuity 47	June 30, 2008	Cash	\$ 7,717	\$ 3,308	\$ 4,409	17.5 years	8.44%	\$ 122	6.30%	\$ 3,363	\$ 4,593
Annuity 49	June 30, 2008	Cash	\$ 5,000	\$ 2,293	\$ 2,707	9.4 years	7.02%	\$ 100	8.00%	\$ 1,153	\$ 2,332
Annuity 50	June 30, 2009	Cash	\$ 10,000	\$ 5,613	\$ 4,387	6.1 years	7.86%	\$ 238	9.50%	\$ -	\$ 3,958
Annuity 52	June 30, 2010	Cash	\$ 5,000	\$ 2,623	\$ 2,377	7.8 yrs	6.81%	\$ 100	8.00%	\$ 996	\$ 2,082
Annuity 53	June 30, 2010	Cash	\$ 40,000	\$ 11,412	\$ 28,588	22.4 yrs	4.53%	\$ 510	5.10%	\$ 24,785	\$ 21,903
Annuity 54	June 30, 2010	Cash	\$ 100,000	\$ 51,354	\$ 48,646	8.8 yrs	5.97%	\$ 1,825	7.30%	\$ 25,805	\$ 44,586
Annuity 55	June 30, 2010	Cash	\$ 25,000	\$ 12,839	\$ 12,161	8.8 yrs	6.43%	\$ 456	7.30%	\$ 6,739	\$ 11,147
Annuity 56	June 30, 2011	Cash	\$ 30,000	\$ 8,154	\$ 21,846	22.4 yrs	4.78%	\$ 398	5.30%	\$ 19,454	\$ 18,176
Annuity 57	June 30, 2011	Cash	\$ 10,000	\$ 4,195	\$ 5,805	13.8 yrs	5.62%	\$ 153	6.10%	\$ 4,555	\$ 5,728
Subtotal			\$ 576,475	\$ 240,699	\$ 335,776			\$ 11,015		\$ 173,346	\$ 281,247

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

Notes to Combined Financial Statements
Years Ended June 30, 2014 and 2013
(See Independent Auditors' Report)

10. Split Interest Agreements (continued)

	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, 2014	Annuity Reserve Fund June 30, 2014
Subtotal from previous page			\$ 576,475	\$ 240,699	\$ 335,776	\$ -	\$ -	\$ 11,015	\$ -	\$ 173,346	\$ 281,247
Annuity 58	June 30, 2012	Cash	\$ 35,000	\$ 17,385	\$ 17,615	8.3 yrs	6.49%	\$ 683	7.80%	\$ 12,542	\$ 17,594
Annuity 59	June 30, 2012	Cash	\$ 30,000	\$ 8,316	\$ 21,684	21.5 yrs	4.13%	\$ 383	5.10%	\$ 19,546	\$ 17,872
Annuity 61	June 30, 2012	Cash	\$ 25,000	\$ 11,523	\$ 13,477	7.2 yrs	3.75%	\$ 544	8.70%	\$ 8,967	\$ 13,387
Annuity 62	June 30, 2012	Cash	\$ 10,000	\$ 3,909	\$ 6,091	11.1 yrs	3.86%	\$ 170	6.80%	\$ 4,907	\$ 5,870
Annuity 63	June 30, 2012	Cash	\$ 25,000	\$ 12,710	\$ 12,290	7.2 yrs	4.05%	\$ 500	8.00%	\$ 9,011	\$ 12,310
Annuity 64	June 30, 2013	Cash	\$ 20,000	\$ 7,456	\$ 12,544	14 yrs	1.93%	\$ 270	5.40%	\$ 12,544	\$ 12,355
Annuity 65	June 30, 2013	Cash	\$ 10,000	\$ 5,618	\$ 4,452	6.4 yrs	4.15%	\$ 201	8.00%	\$ 3,457	\$ 4,713
Annuity 66	June 30, 2013	Cash	\$ 10,071	\$ 4,413	\$ 5,587	10.5 yrs	3.56%	\$ 160	6.40%	\$ 4,911	\$ 5,524
Annuity 67	June 30, 2013	Cash	\$ 10,000	\$ 4,102	\$ 5,898	12.4 yrs	3.16%	\$ 145	5.80%	\$ 5,270	\$ 5,446
Annuity 68	June 30, 2013	Cash	\$ 5,000	\$ 2,870	\$ 2,130	6 yrs	4.74%	\$ 103	8.20%	\$ 1,653	\$ 2,145
Annuity 70	June 30, 2013	Cash	\$ 10,000	\$ 5,579	\$ 4,421	6.4 yrs	4.76%	\$ 200	8.00%	\$ 3,541	\$ 9,468
Annuity 71	June 30, 2013	Cash	\$ 20,000	\$ 10,613	\$ 9,387	7.3 yrs	4.35%	\$ 380	7.60%	\$ 7,989	\$ 10,045
Annuity 72	June 30, 2013	Cash	\$ 10,000	\$ 1,931	\$ 8,069	25.8 yrs	2.35%	\$ 105	4.20%	\$ 7,811	\$ 6,361
Annuity 73	June 30, 2013	Cash	\$ 10,000	\$ 5,419	\$ 4,581	6.8 yrs	3.19%	\$ 195	7.80%	\$ 3,921	\$ 4,764
Annuity 74	June 30, 2014	Cash	\$ 20,000	\$ 12,326	\$ 7,674	4.9 yrs	6.30%	\$ 450	10.50%	\$ 6,321	\$ 8,512
Annuity 75	June 30, 2014	Cash	\$ 20,000	\$ 10,212	\$ 9,788	7.8 yrs	3.87%	\$ 370	9.20%	\$ 8,755	\$ 10,872
Annuity 76	June 30, 2014	Cash	\$ 10,000	\$ 2,538	\$ 7,462	24.9 yrs	2.98%	\$ 108	5.02%	\$ 7,301	\$ 6,512
Annuity 77	June 30, 2014	Cash	\$ 200,000	\$ 90,878	\$ 109,122	11.4	4.49%	\$ 3,050	7.45%	\$ 103,564	\$ 115,847
Annuity 78	June 30, 2014	Cash	\$ 5,000	\$ 2,086	\$ 2,914	15.2	4.46%	\$ 69	5.50%	\$ 2,914	\$ 3,612
Annuity 79	June 30, 2014	Cash	\$ 10,020	\$ 6,100	\$ 3,920	5.6	5.29%	\$ 210	10.40%	\$ 3,499	\$ 4,451
Annuity 80	June 30, 2014	Cash	\$ 10,000	\$ 4,912	\$ 5,088	9.9	5.05%	\$ 165	8.10%	\$ 4,855	\$ 5,697
Annuity 82	June 30, 2014	Cash	\$ 40,000	\$ 17,920	\$ 22,080	11.4	4.25%	\$ 610	7.50%	\$ 21,349	\$ 22,271
Annuity 83	June 30, 2014	Cash	\$ 10,000	\$ 5,136	\$ 4,864	8.8	5.04%	\$ 175	8.60%	\$ 4,677	\$ 5,258
Annuity 84	June 30, 2014	Cash	\$ 10,253	\$ 6,454	\$ 3,799	4.9	6.36%	\$ 231	10.30%	\$ 3,587	\$ 4,613
Totals			\$ 1,141,819	\$ 501,106	\$ 640,713			\$ 20,490		\$ 446,236	\$ 596,745

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

Notes to Combined Financial Statements
Years Ended June 30, 2014 and 2013
(See Independent Auditors' Report)

11. Temporarily Restricted Net Assets

During the year ended June 30, 2014, the Organization received \$125,000 in unconditional promises to give that were designated for two specific programs for which expenditures had not exceeded funds received. Temporarily restricted net assets as of June 30, 2014 includes \$75,000 for the California Focus on End of Life initiative with the remaining \$50,000 designated for the DWD Access program.

12. 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,
and Compassion & Choices Action Network
Denver, Colorado

Independent Auditors' Report on Additional 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, 2014 and 2013 and have issued our report thereon dated October 16, 2014, which contained an unqualified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the combined financial statements as a whole. The schedules of functional expenses 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.

Bradley Consulting Group, P.C.
Certified Public Accountants

Lakewood, Colorado

October 16, 2014

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

Combining Statement of Financial Position
June 30, 2014

(See Independent Auditors' Report on Supplemental Information)

	Assets		
	<u>Compassion & Choices</u>	<u>Compassion & Choices Action Network</u>	<u>Combined</u>
Current assets:			
Cash and cash equivalents			
Operating	\$ 984,235	\$ 244,081	\$ 1,228,316
Investments	566,888	8,549	575,437
Unconditional promises to give, net of allowance	2,567,927	-	2,567,927
Investments	12,347,651	1,156,233	13,503,884
Prepaid expenses	82,868	-	82,868
Beneficial interest in charitable remainder trusts	193,189	-	193,189
	<u>16,742,758</u>	<u>1,408,863</u>	<u>18,151,621</u>
Total current assets			
Property, equipment and improvements:			
Furniture, fixtures and equipment	534,414	-	534,414
Leasehold improvements	55,602	-	55,602
	<u>590,016</u>	<u>-</u>	<u>590,016</u>
Accumulated depreciation and amortization	328,235	-	328,235
	<u>261,781</u>	<u>-</u>	<u>261,781</u>
Total property, equipment and improvements			
Other assets:			
Unconditional promises to give, net of current portion	5,080,000	-	5,080,000
Intangible assets	3,014	-	3,014
Deposits	35,789	-	35,789
Due (to) from related entity	18,736	(18,736)	-
	<u>5,137,539</u>	<u>(18,736)</u>	<u>5,118,803</u>
Total other assets			
Total assets	<u>\$ 22,142,078</u>	<u>\$ 1,390,127</u>	<u>\$ 23,532,205</u>

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

Combining Statement of Financial Position
June 30, 2014

(See Independent Auditors' Report on Supplemental Information)

	Liabilities and Net Assets		
	Compassion & Choices	Compassion & Choices Action Network	Combined
Current liabilities:			
Current portion of obligations under capital leases	\$ 12,763	\$ -	\$ 12,763
Accounts payable	424,514	-	424,514
Accrued payroll and vacation	430,185	-	430,185
Accrued expenses	1,500	-	1,500
Total current liabilities	868,962	-	868,962
Long-term liabilities:			
Capital lease obligations, net of current portion	14,717	-	14,717
Gift annuity payments due	446,236	-	446,236
Total long-term liabilities	460,953	-	460,953
Total liabilities	1,329,915	-	1,329,915
Net assets:			
Unrestricted:			
Operating	20,452,862	1,390,127	21,842,989
Net investment in furniture, fixtures equipment and improvements	234,301	-	234,301
Total unrestricted net assets	20,812,163	1,390,127	22,077,290
Temporarily restricted	125,000	-	125,000
Total net assets	20,812,163	1,390,127	22,202,290
Total liabilities and net assets	\$ 22,142,078	\$ 1,390,127	\$ 23,532,205

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

Combining Statement of Activities
Year Ended June 30, 2014

(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	\$ 16,700,687	\$ 74,058	\$ 16,774,745
Membership fees	-	146,702	146,702
Foundation revenue	199,235	-	199,235
Investment income, net of expenses	294,222	28,276	322,498
Realized and unrealized gain on investments	1,102,875	102,670	1,205,545
Gain on disposal of equipment	278	-	278
Restricted gifts	125,000	-	125,000
Other Income	517,054	5,390	522,444
	<u>18,939,351</u>	<u>357,096</u>	<u>19,296,447</u>
Total revenue and other support			
Expenses:			
Programs	9,246,176	98,762	9,344,938
General and administrative	1,144,682	16,831	1,161,513
Fundraising	931,206	3,000	934,206
	<u>11,322,064</u>	<u>118,593</u>	<u>11,440,657</u>
Total expenses			
Increase in net assets	7,617,287	238,503	7,855,790
Net assets, beginning	<u>13,194,876</u>	<u>1,151,624</u>	<u>14,346,500</u>
Net assets, ending	<u>\$ 20,812,163</u>	<u>\$ 1,390,127</u>	<u>\$ 22,202,290</u>

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

Combining Statement of Revenue and Functional Expenses
Year Ended June 30, 2014
(See Independent Auditors' Report on Supplemental Information)

	Total for Compassion & Choices	Total for Compassion & Choices Action Network	Combined Total
	<u> </u>	<u> </u>	<u> </u>
Revenue and other support:			
Contributions	\$ 16,700,687	\$ 74,058	\$ 16,774,745
Membership fees	-	146,702	146,702
Foundation Revenue	199,235	-	199,235
Restricted Gifts	125,000	-	125,000
Investment income, net of expenses	294,222	28,276	322,498
Realized and unrealized gain on investments	1,102,875	102,670	1,205,545
Gain on sale of assets	278	-	278
Other income	517,054	5,390	522,444
	<u>18,939,351</u>	<u>357,096</u>	<u>19,296,447</u>
Total revenue and other support			
Expenses:			
Advertising	354,729	54,905	409,634
Bank and merchant fees	34,313	3,678	37,991
Conference/booth fees	110,045	-	110,045
Depreciation	73,365	956	74,321
Development costs	1,039,369	-	1,039,369
Facilities	275,287	272	275,559
Donations to other organizations	100	-	100
Grants	2,400	-	2,400
Graphics	46,212	-	46,212
Insurance	116,158	1,023	117,181
Interest and taxes	7,045	100	7,145
Local groups	(49,457)	-	(49,457)
Magazine	175,713	-	175,713
Membership and telefunding costs	8,731	10,436	19,167
Memberships - organizations	26,593	121	26,714
Operational expenses	426,938	5,204	432,142
Organization sponsorships	25	-	25
Outside services	2,489,300	22,094	2,511,394
Payroll expense	3,820,278	4,618	3,824,896
Printing	116,040	46	116,086
Publications and subscriptions	46,798	86	46,884
Registration fees	12,786	10,501	23,287
Staff costs - development dept.	1,351,566	-	1,351,566
Staff development	15,793	-	15,793
Technology/data management	235,045	2,441	237,486
Temporary staff	100,652	1,483	102,135
Travel and entertainment	486,240	629	486,869
	<u>11,322,064</u>	<u>118,593</u>	<u>11,440,657</u>
Total expenses			
Increase (decrease) in net assets	<u>\$ 7,617,287</u>	<u>\$ 238,503</u>	<u>\$ 7,855,790</u>

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

Compassion & Choices
Statement of Revenue and Functional Expenses
Year Ended June 30, 2014
(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:				
Contributions	\$ -	\$ -	\$ 150,000	\$ 9,502
Membership fees	-	-	-	-
Foundation Revenue	-	-	-	-
Investment income, net of expenses	-	-	-	-
Realized and unrealized gain on investments	-	-	-	-
Gain on sale of assets	-	-	-	-
Restricted Gifts	-	-	-	-
Other income	-	-	-	-
	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>9,502</u>
Total revenue and other support	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>9,502</u>
Expenses:				
Advertising	-	84,458	-	149,729
Bank and merchant fees	-	-	-	31,454
Conference/booth fees	-	-	-	29,464
Depreciation	-	-	-	25,687
Development costs	-	-	-	627,616
Facilities	-	-	-	72,228
Donations to other organizations	-	-	-	-
Grants	-	-	-	-
Graphics	-	-	-	41,640
Insurance	-	-	-	27,502
Interest and taxes	-	-	-	2,764
Local groups	-	-	-	(45,726)
Magazine	-	-	-	173,076
Membership and telefunding costs	-	-	-	8,731
Memberships - organizations	-	-	-	10,567
Operational expenses	3,264	25,839	-	164,652
Organization sponsorships	-	-	-	-
Outside services	369,431	23,700	68,458	673,775
Payroll expense	738	-	-	861,142
Printing	-	-	6,542	33,806
Publications and subscriptions	-	-	-	27,778
Registration fees	-	-	-	11,994
Staff costs - development dept.	-	-	-	854,009
Staff development	-	-	-	1,040
Technology/data management	-	-	-	88,129
Temporary staff	-	-	-	39,843
Travel and entertainment	17,850	34	-	131,797
	<u>391,283</u>	<u>134,031</u>	<u>75,000</u>	<u>4,042,697</u>
Total expenses	<u>391,283</u>	<u>134,031</u>	<u>75,000</u>	<u>4,042,697</u>
Increase (decrease) in net assets	<u>\$ (391,283)</u>	<u>\$ (134,031)</u>	<u>\$ 75,000</u>	<u>\$ (4,033,195)</u>

(continued)

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

Compassion & Choices
Statement of Revenue and Functional Expenses (continued)
Year Ended June 30, 2014
(See Independent Auditors' Report on Supplemental Information)

	Field Ops	Policy, Research, & Legal	Consultation	Total Programs
Revenue and other support:				
Contributions	\$ 51	\$ 6,548	\$ 379,500	\$ 545,601
Membership fees	-	-	-	-
Foundation Revenue	-	-	-	-
Investment income, net of expenses	-	-	-	-
Realized and unrealized gain on investments	-	-	-	-
Gain on sale of assets	-	-	-	-
Restricted Gifts	-	-	-	-
Other income	-	-	-	-
	<u>51</u>	<u>6,548</u>	<u>379,500</u>	<u>545,601</u>
Total revenue and other support	<u>51</u>	<u>6,548</u>	<u>379,500</u>	<u>545,601</u>
Expenses:				
Advertising	90,359	18,936	4,099	347,581
Bank and merchant fees	-	-	-	31,454
Conference/booth fees	71,008	2,035	7,538	110,045
Depreciation	13,914	1,943	7,566	49,110
Development costs	7,500	-	-	635,116
Facilities	57,817	14,137	35,844	180,026
Donations to other organizations	-	-	-	-
Grants	400	-	2,000	2,400
Graphics	1,362	1,087	1,896	45,985
Insurance	23,048	3,325	45,268	99,143
Interest and taxes	1,556	209	814	5,343
Local groups	(3,731)	-	-	(49,457)
Magazine	2,637	-	-	175,713
Membership and telefunding costs	-	-	-	8,731
Memberships - organizations	11,060	1,984	997	24,608
Operational expenses	98,487	20,457	45,355	358,054
Organization sponsorships	25	-	-	25
Outside services	759,439	122,158	446,876	2,463,837
Payroll expense	893,374	611,318	681,726	3,048,298
Printing	56,560	5,489	12,884	115,281
Publications and subscriptions	2,756	13,236	1,601	45,371
Registration fees	715	-	-	12,709
Staff costs - development dept.	-	-	-	854,009
Staff development	6,321	2,059	-	9,420
Technology/data management	58,859	15,738	32,013	194,739
Temporary staff	21,581	3,013	11,735	76,172
Travel and entertainment	151,641	39,488	61,653	402,463
	<u>2,326,688</u>	<u>876,612</u>	<u>1,399,865</u>	<u>9,246,176</u>
Total expenses	<u>2,326,688</u>	<u>876,612</u>	<u>1,399,865</u>	<u>9,246,176</u>
Increase (decrease) in net assets	<u>\$ (2,326,637)</u>	<u>\$ (870,064)</u>	<u>\$ (1,020,365)</u>	<u>\$ (8,700,575)</u>

(continued)

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

Compassion & Choices
Statement of Revenue and Functional Expenses (continued)
Year Ended June 30, 2014
(See Independent Auditors' Report on Supplemental Information)

	Total Programs	General and administrative	Fundraising	Total for Compassion & Choices
Revenue and other support:				
Contributions	\$ 545,601	\$ 307	\$ 16,154,779	\$ 16,700,687
Membership fees	-	-	-	-
Foundation Revenue	-	-	199,235	199,235
Investment income, net of expenses	-	294,222	-	294,222
Realized and unrealized gain on investments	-	1,102,875	-	1,102,875
Gain on sale of assets	-	278	-	278
Restricted Gifts	-	-	125,000	125,000
Other income	-	-	517,054	517,054
	<u>545,601</u>	<u>1,397,682</u>	<u>16,996,068</u>	<u>18,939,351</u>
Total revenue and other support				
Expenses:				
Advertising	347,581	7,148	-	354,729
Bank and merchant fees	31,454	2,859	-	34,313
Conference/booth fees	110,045	-	-	110,045
Depreciation	49,110	24,255	-	73,365
Development costs	635,116	-	404,253	1,039,369
Facilities	180,026	95,261	-	275,287
Donations to other organizations	0	100	-	100
Grants	2,400	-	-	2,400
Graphics	45,985	227	-	46,212
Insurance	99,143	17,015	-	116,158
Interest and taxes	5,343	1,702	-	7,045
Local groups	(49,457)	-	-	(49,457)
Magazine	175,713	-	-	175,713
Membership and telefunding costs	8,731	-	-	8,731
Memberships - organizations	24,608	1,985	-	26,593
Operational expenses	358,054	68,884	-	426,938
Organization sponsorships	25	-	-	25
Outside services	2,463,837	25,463	-	2,489,300
Payroll expense	3,048,298	771,980	-	3,820,278
Printing	115,281	759	-	116,040
Publications and subscriptions	45,371	1,427	-	46,798
Registration fees	12,709	77	-	12,786
Staff costs - development dept.	854,009	2,321	495,236	1,351,566
Staff development	9,420	6,373	-	15,793
Technology/data management	194,739	40,306	-	235,045
Temporary staff	76,172	24,480	-	100,652
Travel and entertainment	402,463	52,060	31,717	486,240
	<u>9,246,176</u>	<u>1,144,682</u>	<u>931,206</u>	<u>11,322,064</u>
Total expenses				
Increase (decrease) in net assets	<u>\$ (8,700,575)</u>	<u>\$ 253,000</u>	<u>\$ 16,064,862</u>	<u>\$ 7,617,287</u>

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

Compassion & Choices Action Network
Statement of Revenue and Functional Expenses
Year Ended June 30, 2014

(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	-	-	-	74,058	74,058
Membership fees	-	-	-	146,702	146,702
Grants	-	-	-	-	-
Investment income, net of expenses	-	-	28,276	-	28,276
Realized and unrealized gain on investments	-	-	102,670	-	102,670
Loss on sale of assets	-	-	-	-	-
Other income	-	-	-	5,390	5,390
	<u>-</u>	<u>-</u>	<u>130,946</u>	<u>226,150</u>	<u>357,096</u>
Total revenue and other support	<u>-</u>	<u>-</u>	<u>130,946</u>	<u>226,150</u>	<u>357,096</u>
Expenses:					
Advertising	54,458	59	388	-	54,905
Bank and merchant fees	-	3,521	157	-	3,678
Conference/booth fees	-	-	-	-	-
Depreciation	-	125	831	-	956
Development costs	-	-	-	-	-
Facilities	-	272	-	-	272
Grants	-	-	-	-	-
Insurance	-	134	889	-	1,023
Interest and taxes	-	10	90	-	100
Local groups	-	-	-	-	-
Magazine	-	-	-	-	-
Membership and telefunding costs	-	7,436	-	3,000	10,436
Memberships - organizations	-	16	105	-	121
Operational expenses	-	1,415	3,789	-	5,204
Organization sponsorships	-	-	-	-	-
Outside services	-	20,202	1,892	-	22,094
Payroll expense	-	-	4,618	-	4,618
Printing	-	6	40	-	46
Publications and subscriptions	-	11	75	-	86
Registration fees	-	10,501	-	-	10,501
Staff costs - development dept.	-	-	-	-	-
Staff development	-	-	-	-	-
Technology/data management	-	320	2,121	-	2,441
Temporary staff	-	194	1,289	-	1,483
Travel and entertainment	-	82	547	-	629
	<u>54,458</u>	<u>44,304</u>	<u>16,831</u>	<u>3,000</u>	<u>118,593</u>
Total expenses	<u>54,458</u>	<u>44,304</u>	<u>16,831</u>	<u>3,000</u>	<u>118,593</u>
Increase (decrease) in net assets	<u>\$ (54,458)</u>	<u>\$ (44,304)</u>	<u>\$ 114,115</u>	<u>\$ 223,150</u>	<u>\$ 238,503</u>