

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

Combined Financial Statements
Years Ended June 30, 2016 and 2015
with
Independent Auditors' Report

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

Years Ended June 30, 2016 and 2015
(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, 2016 and 2015 and the related combined statements of activities and changes in net assets and cash flows for the years then ended and the related notes to the combined financial statements.

Management's Responsibility for the 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, 2016 and 2015 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Stratagem PC
Certified Public Accountants

Lakewood, Colorado

October 28, 2016

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

Combined Statements of Financial Position
June 30, 2016 and 2015
(See Independent Auditors' Report)

Assets	2016	2015
Current assets:		
Cash and cash equivalents:	\$ 1,656,078	\$ 2,037,237
Unconditional promises to give, net of allowance	2,645,150	2,621,000
Investments:		
Cash and money market funds	1,007,932	2,588,649
Marketable securities	12,879,631	16,219,146
Prepaid expenses	133,503	147,429
Beneficial interest in charitable remainder trusts	169,046	168,984
Other current assets	15,532	7,421
Total current assets	18,506,872	23,789,866
Property, equipment and improvements, at cost:		
Furniture, fixtures and equipment	454,920	456,744
Leasehold improvements	62,446	62,446
	517,366	519,190
Less accumulated depreciation and amortization	391,214	315,671
Total property, equipment and improvements	126,152	203,519
Other assets		
Unconditional promises to give, net of current portion	2,635,500	137,000
Intangible assets	14,764	15,764
Deposits	30,875	30,875
Total other assets	2,681,139	183,639
Total assets	\$ 21,314,163	\$ 24,177,024

(See Notes to Combined Financial Statements)

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

Combined Statements of Financial Position
June 30, 2016 and 2015
(See Independent Auditors' Report)

Liabilities and Net Assets

	2016	2015
Current liabilities:		
Current portion of obligations under capital leases	\$ -	\$ 14,717
Accounts payable	341,733	456,899
Accrued payroll and vacation	471,800	340,677
Accrued expenses	-	1,500
Total current liabilities	813,533	813,793
Long-term liabilities:		
Gift annuity payments due	477,969	490,348
Total liabilities	1,291,502	1,304,141
Net assets:		
Unrestricted:		
Operating	17,261,009	22,547,081
Net investment in property, equipment and improvements	126,152	188,802
Total unrestricted net assets	17,387,161	22,735,883
Temporarily restricted	2,635,500	137,000
Total net assets	20,022,661	22,872,883
Total liabilities and net assets	\$ 21,314,163	\$ 24,177,024

(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, 2016 and 2015
(See Independent Auditors' Report)

	2016	2015
Revenue and other support:		
Contributions	\$ 18,808,249	\$ 15,373,419
Membership fees	137,311	207,355
Foundation revenue	25,000	135,000
Investment income, net of expenses	64,779	389,624
Realized and unrealized loss on investments	(39,261)	(261,571)
Gain on sale of asset	63,457	-
Other income	559,968	525,589
	<u>19,619,503</u>	<u>16,369,416</u>
Expenses:		
Programs	19,386,501	12,849,683
General and administrative	1,818,770	1,836,558
Fundraising	1,264,454	1,012,582
	<u>22,469,725</u>	<u>15,698,823</u>
Increase (decrease) in net assets	(2,850,222)	670,593
Net assets, beginning	<u>22,872,883</u>	<u>22,202,290</u>
Net assets, ending	<u>\$ 20,022,661</u>	<u>\$ 22,872,883</u>

(See Notes to Combined Financial Statements)

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

Combined Statements of Cash Flows
Years Ended June 30, 2016 and 2015
(See Independent Auditors' Report)

	2016	2015
Cash flows from operating activities:		
Cash received from contributions and donations	\$ 16,999,705	\$ 20,875,360
Cash paid to employees and vendors	(22,358,918)	(15,430,890)
Interest paid	(4,881)	(1,302)
Interest received	64,779	389,624
Net cash provided (used) by operating activities	(5,299,315)	5,832,792
Cash flows from investing activities:		
Proceeds from sale of investments	10,269,254	3,977,378
Proceeds from sale of property and equipment	64,261	-
Purchases of investments	(5,388,263)	(8,967,422)
Purchases of property and equipment	-	(55,090)
Purchase of intangible asset	-	(15,000)
Deposits refunded	-	4,914
Net cash provided (used) by investing activities	4,945,252	(5,055,220)
Cash flows from financing activities:		
Capital lease obligations:		
Repayments	(14,717)	(12,763)
Gift annuities:		
Proceeds	49,150	96,435
Repayments	(61,529)	(52,323)
Net cash provided (used) by financing activities	(27,096)	31,349
Net increase (decrease) in cash and cash equivalents	(381,159)	808,921
Cash and cash equivalents, beginning	2,037,237	1,228,316
Cash and cash equivalents, ending	\$ 1,656,078	\$ 2,037,237

(continued)
(See Notes to Combined Financial Statements)

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

Combined Statements of Cash Flows (continued)
Years Ended June 30, 2016 and 2015
(See Independent Auditors' Report)

	2016	2015
Cash flows from operating activities:		
Change in net assets	\$ (2,850,222)	\$ 670,593
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	77,543	115,602
Unrealized loss on investments	39,261	261,571
Gain on sale of property and equipment	(63,457)	-
(Increase) decrease in:		
Unconditional promises to give	(2,522,650)	4,889,927
Prepaid expenses	13,926	(64,562)
Beneficial interest in charitable remainder trusts	(62)	24,205
Other current assets	(8,111)	(7,421)
Increase (decrease) in:		
Accounts payable	(115,166)	32,385
Accrued payroll and vacation	131,123	(89,508)
Accrued expenses	(1,500)	-
Net cash provided (used) by operating activities	\$ (5,299,315)	\$ 5,832,792

(See Notes to Combined Financial Statements)

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

Notes to Combined Financial Statements
Years Ended June 30, 2016 and 2015
(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 years ended June 30, 2016 and 2015.

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

Basis of presentation

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

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

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

Notes to Combined Financial Statements
Years Ended June 30, 2016 and 2015
(See Independent Auditors' Report)

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

Cash and cash equivalents

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

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

Investments

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

Property, equipment and improvements

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

Total depreciation expense was approximately \$76,500 and \$115,300 for the years ended June 30, 2016 and 2015, 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, 2016 and 2015
(See Independent Auditors' Report)

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

Donations (continued)

Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organizations report expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statement of activities as net assets released from restrictions.

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

Contributions

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

Promises to give

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

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

Use of estimates in the preparation of combined financial statements

The preparation of combined financial statements in the conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

Notes to Combined Financial Statements
Years Ended June 30, 2016 and 2015
(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, 2016 and 2015.

Income taxes

No provision for taxes on earnings has been made in the combined financial statements as Compassion & Choices has qualified as a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code. Compassion & Choices Action Network qualifies as a not-for-profit organization under Section 501(c)(4) of the Internal Revenue Code. Both entities are only subject to taxes on unrelated business income; however, neither entity had any unrelated business income during the years ended June 30, 2016 and 2015.

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, 2016 and 2015
(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, 2016:

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

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, 2015:

Description	Level 1	Level 2	Level 3	Totals
Cash and money market funds	\$ 2,588,649	\$ -	\$ -	\$ 2,588,649
Investments:				
Fixed income investments	7,978,021	-	-	7,978,021
Equities:				
Mutual funds	7,153,703	-	-	7,153,703
Alternative investments	1,087,422	-	-	1,087,422
 Total marketable securities	 16,219,146	 -	 -	 16,219,146
	<u>\$ 18,807,795</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,807,795</u>

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

**Compassion & Choices
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Notes to Combined Financial Statements
Years Ended June 30, 2016 and 2015
(See Independent Auditors' Report)

2. In-Kind Contributions

Certain professional fees for legal, consulting and valuation services to program activities were provided without charge to the Organization and are treated as, and included in "Contributions". The services were valued by their providers as of the dates of which the services were performed. A corresponding amount is included in the appropriate category of "Program service expenses". On these bases, approximately \$1,005,500 and \$498,000 is included in each of the accounts mentioned during the years ended June 30, 2016 and 2015, respectively.

3. Promises to Give

Unconditional promises to give

Unconditional promises to give for years ending after June 30, 2016 and 2015 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, 2016 and 2015:

	2016	2015
Amounts due in:		
Less than one year	\$ 2,645,150	\$ 2,621,000
One to five years	2,635,500	137,000
	5,280,650	2,758,000
Less allowance for uncollectible amounts	-	-
Net promises to give	\$ 5,280,650	\$ 2,758,000

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 \$145,300 and \$127,700 for the years June 30, 2016 and 2015, respectively.

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

Notes to Combined Financial Statements
Years Ended June 30, 2016 and 2015
(See Independent Auditors' Report)

5. Capital Lease Obligations

The Organization leases computer and office equipment under two capital leases, one of which expired in 2014 with the other expiring in 2016. The assets and liabilities under capital leases are recorded at the lower of present value of the minimum lease payments or the fair value of the asset. The assets are depreciated over the lower of their related lease terms or their estimated productive lives. Depreciation of assets under capital leases is included in depreciation expense at June 30, 2016 and 2015.

Following is a summary of property under capital leases at June 30, 2016 and 2015:

	2016	2015
Computer and office equipment	\$ 60,627	\$ 60,627
Less accumulated depreciation	59,616	47,491
	\$ 1,011	\$ 13,136

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

6. Commitments

The Organizations lease office space under operating leases expiring at various dates between March 2015 and July 2018. Monthly payments range from \$1,500 up to \$8,400 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, 2016:

Year Ended June 30	Portland Office	Denver Office	Washington D.C. Office	Los Angeles Office	Total
2017	\$ 84,800	\$ 99,000	\$ 56,509	\$ 45,792	\$ 286,101
2018	86,921	75,600	58,063	39,109	259,693
2019	7,258	-	49,489	-	56,747
	\$ 178,979	\$ 174,600	\$ 164,061	\$ 84,901	\$ 602,541

Rent expense for the years ended June 30, 2016 and 2015 was approximately \$402,500 and \$396,800 respectively.

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

Notes to Combined Financial Statements
Years Ended June 30, 2016 and 2015
(See Independent Auditors' Report)

7. Income Taxes

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

The Organizations adopted the provisions of Topic 740 on July 1, 2009. The adoption of Topic 740 did not result in a material modification of the overall combined financial statements of the Organizations as of and for the year ended June 30, 2011. As the Organizations are qualified as nonprofit Organizations under the Internal Revenue Code, any income tax position would be primarily related to unrelated business activities outside the core mission of the Organizations. Based on prior examinations of contractual arrangements of the Organizations and correspondence received from the Internal Revenue Service, management believes there to be no potential income tax positions that would result in related tax liability for the Organizations. Management will continue to evaluate any future contractual arrangements with respect to potential income tax positions under this guidance.

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

Notes to Combined Financial Statements
Years Ended June 30, 2016 and 2015
(See Independent Auditors' Report)

8. Split Interest Agreements

The Organization administers the following gift annuities. A gift annuity provides for the payment of distributions to the grantor or other designated beneficiaries over the annuity's term (usually the designated beneficiary's lifetime). At the end of the annuity's term the remaining assets are available for the Organization's use. The portion of the annuity attributable to the present value of the future benefits to be received by the Organization is recorded in the Combined Statement of Activities as an unrestricted contribution in the period the annuity is established. Such contributions totaled \$49,150 for the year ended June 30, 2016. Assets held in the annuity reserve fund totaled **\$694,690** at June 30, 2016, 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, 2016	Annuity Reserve Fund June 30, 2016
Annuity 5	June 30, 2001	Cash	\$ 10,000	\$ 3,749	\$ 6,251	18.3 years	9.42%	\$ 180	7.20%	\$ 1,545	\$ 4,300
Annuity 14	June 30, 2001	Cash	\$ 10,000	\$ 4,163	\$ 5,837	11.1 years	9.32%	\$ 212	8.50%	\$ -	\$ 3,350
Annuity 15	June 30, 2001	Cash	\$ 10,000	\$ 4,508	\$ 5,492	8.3 years	10.23%	\$ 248	9.90%	\$ -	\$ 3,139
Annuity 19	June 30, 2002	Stock	\$ 24,543	\$ 9,700	\$ 14,843	14.5 years	8.50%	\$ 454	7.40%	\$ -	\$ 9,029
Annuity 20	June 30, 2002	Cash	\$ 10,000	\$ 4,105	\$ 5,895	13.1 years	8.80%	\$ 193	7.70%	\$ -	\$ 3,495
Annuity 21	June 30, 2002	Cash	\$ 10,000	\$ 6,931	\$ 3,069	17.2 years	11.20%	\$ 405	16.20%	\$ 3,182	\$ 7,773
Annuity 24	June 30, 2003	Cash	\$ 50,000	\$ 13,091	\$ 36,909	18.9 years	5.51%	\$ 788	6.30%	\$ 15,432	\$ 24,376
Annuity 25	June 30, 2003	Cash	\$ 20,000	\$ 10,927	\$ 9,073	5.0 years	9.52%	\$ 575	11.50%	\$ -	\$ 5,007
Annuity 26	June 30, 2003	Stock	\$ 25,544	\$ 4,941	\$ 20,603	21.4 years	4.93%	\$ 390	6.10%	\$ 10,766	\$ 13,501
Annuity 27	June 30, 2004	Cash	\$ 10,000	\$ 4,642	\$ 5,358	7.8 years	7.91%	\$ 228	9.10%	\$ -	\$ 3,099
Annuity 32	June 30, 2004	Cash	\$ 45,671	\$ 9,250	\$ 36,422	27.6 years	5.47%	\$ 639	5.60%	\$ 26,622	\$ 28,931
Annuity 33	June 30, 2004	Cash	\$ 20,000	\$ 11,803	\$ 8,197	4.7 years	10.25%	\$ 565	11.30%	\$ -	\$ 5,155
Annuity 34	June 30, 2005	Cash	\$ 20,000	\$ 11,901	\$ 8,099	4.7 years	11.34%	\$ 565	11.30%	\$ -	\$ 5,155
Annuity 38	June 30, 2005	Cash	\$ 10,000	\$ 4,606	\$ 5,394	15.9 years	6.73%	\$ 250	10.00%	\$ 8,725	\$ 9,822
Annuity 39	June 30, 2005	Cash	\$ 20,000	\$ 9,717	\$ 10,283	9.9 years	8.62%	\$ 390	7.80%	\$ -	\$ 7,350
Annuity 40	June 30, 2006	Cash	\$ 5,000	\$ 2,503	\$ 2,497	9.4 years	9.44%	\$ 100	8.00%	\$ -	\$ 1,804
Annuity 42	June 30, 2006	Cash	\$ 5,000	\$ 2,097	\$ 2,903	14.9 years	1.94%	\$ 81	6.50%	\$ -	\$ 2,379
Annuity 45	June 30, 2007	Cash	\$ 8,000	\$ 4,667	\$ 3,333	4.9 years	12.23%	\$ 226	11.30%	\$ -	\$ 2,548
Annuity 46	June 30, 2008	Cash	\$ 20,000	\$ 10,366	\$ 9,634	8.8 years	9.85%	\$ 414	8.30%	\$ -	\$ 7,821
Annuity 47	June 30, 2008	Cash	\$ 7,717	\$ 3,308	\$ 4,409	17.5 years	8.44%	\$ 122	6.30%	\$ 2,928	\$ 4,271
Annuity 49	June 30, 2008	Cash	\$ 5,000	\$ 2,293	\$ 2,707	9.4 years	7.02%	\$ 100	8.00%	\$ 475	\$ 2,097
Annuity 50	June 30, 2009	Cash	\$ 10,000	\$ 5,613	\$ 4,387	6.1 years	7.86%	\$ 238	9.50%	\$ -	\$ 3,564
Annuity 52	June 30, 2010	Cash	\$ 5,000	\$ 2,623	\$ 2,377	7.8 yrs	6.81%	\$ 100	8.00%	\$ 290	\$ 1,885
Annuity 53	June 30, 2010	Cash	\$ 40,000	\$ 11,412	\$ 28,588	22.4 yrs	4.53%	\$ 510	5.10%	\$ 22,877	\$ 20,849
Annuity 54	June 30, 2010	Cash	\$ 100,000	\$ 51,354	\$ 48,646	8.8 yrs	5.97%	\$ 1,825	7.30%	\$ 13,666	\$ 39,948
Annuity 55	June 30, 2010	Cash	\$ 25,000	\$ 12,839	\$ 12,161	8.8 yrs	6.43%	\$ 456	7.30%	\$ 3,795	\$ 9,987
Annuity 56	June 30, 2011	Cash	\$ 30,000	\$ 8,154	\$ 21,846	22.4 yrs	4.78%	\$ 398	5.30%	\$ 18,077	\$ 17,248
Annuity 57	June 30, 2011	Cash	\$ 10,000	\$ 4,195	\$ 5,805	13.8 yrs	5.62%	\$ 153	6.10%	\$ 3,811	\$ 5,266
Annuity 58	June 30, 2012	Cash	\$ 35,000	\$ 17,385	\$ 17,615	8.3 yrs	6.49%	\$ 683	7.80%	\$ 8,486	\$ 15,788
Annuity 59	June 30, 2012	Cash	\$ 30,000	\$ 8,316	\$ 21,684	21.5 yrs	4.13%	\$ 383	5.10%	\$ 18,241	\$ 16,940
Subtotal			\$ 631,475	\$ 261,156	\$ 370,319			\$ 11,868		\$ 158,918	\$ 285,874

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

Notes to Combined Financial Statements
Years Ended June 30, 2016 and 2015
(See Independent Auditors' Report)

8. 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, 2016	Annuity Reserve Fund June 30, 2016
Subtotal from previous page			\$ 631,475	\$ 261,156	\$ 370,319			\$ 11,868		\$ 158,918	\$ 285,874
Annuity 61	June 30, 2012	Cash	\$ 25,000	\$ 11,523	\$ 13,477	7.2 yrs	3.75%	\$ 544	8.70%	\$ 5,167	\$ 12,162
Annuity 62	June 30, 2012	Cash	\$ 10,000	\$ 3,909	\$ 6,091	11.1 yrs	3.86%	\$ 170	6.80%	\$ 3,892	\$ 5,359
Annuity 63	June 30, 2012	Cash	\$ 25,000	\$ 12,710	\$ 12,290	7.2 yrs	4.05%	\$ 500	8.00%	\$ 5,623	\$ 11,183
Annuity 64	June 30, 2013	Cash	\$ 20,000	\$ 7,456	\$ 12,544	14 yrs	1.93%	\$ 270	5.40%	\$ 8,844	\$ 11,505
Annuity 65	June 30, 2013	Cash	\$ 10,000	\$ 5,618	\$ 4,452	6.4 yrs	4.15%	\$ 201	8.00%	\$ 2,084	\$ 4,215
Annuity 66	June 30, 2013	Cash	\$ 10,071	\$ 4,413	\$ 5,587	10.5 yrs	3.56%	\$ 160	6.40%	\$ 3,950	\$ 5,044
Annuity 67	June 30, 2013	Cash	\$ 10,000	\$ 4,102	\$ 5,898	12.4 yrs	3.16%	\$ 145	5.80%	\$ 4,420	\$ 5,007
Annuity 68	June 30, 2013	Cash	\$ 5,000	\$ 2,870	\$ 2,130	6 yrs	4.74%	\$ 103	8.20%	\$ 961	\$ 1,920
Annuity 70	June 30, 2013	Cash	\$ 10,000	\$ 5,579	\$ 4,421	6.4 yrs	4.76%	\$ 200	8.00%	\$ 2,224	\$ 8,460
Annuity 71	June 30, 2013	Cash	\$ 20,000	\$ 10,613	\$ 9,387	7.3 yrs	4.35%	\$ 380	7.60%	\$ 5,553	\$ 8,995
Annuity 72	June 30, 2013	Cash	\$ 10,000	\$ 1,931	\$ 8,069	25.8 yrs	2.35%	\$ 105	4.20%	\$ 7,327	\$ 6,091
Annuity 73	June 30, 2013	Cash	\$ 10,000	\$ 5,419	\$ 4,581	6.8 yrs	3.19%	\$ 195	7.80%	\$ 2,574	\$ 4,268
Annuity 74	June 30, 2014	Cash	\$ 20,000	\$ 12,326	\$ 7,674	4.9 yrs	6.30%	\$ 450	10.50%	\$ 3,358	\$ 7,633
Annuity 75	June 30, 2014	Cash	\$ 20,000	\$ 10,212	\$ 9,788	7.8 yrs	3.87%	\$ 370	9.20%	\$ 6,394	\$ 9,780
Annuity 76	June 30, 2014	Cash	\$ 10,000	\$ 2,538	\$ 7,462	24.9 yrs	2.98%	\$ 108	5.02%	\$ 6,865	\$ 6,236
Annuity 77	June 30, 2014	Cash	\$ 200,000	\$ 90,878	\$ 109,122	11.4	4.49%	\$ 3,050	7.45%	\$ 89,903	\$ 106,363
Annuity 78	June 30, 2014	Cash	\$ 5,000	\$ 2,086	\$ 2,914	15.2	4.46%	\$ 69	5.50%	\$ 2,777	\$ 2,913
Annuity 79	June 30, 2014	Cash	\$ 10,020	\$ 6,100	\$ 3,920	5.6	5.29%	\$ 210	10.40%	\$ 2,123	\$ 3,980
Annuity 80	June 30, 2014	Cash	\$ 10,000	\$ 4,912	\$ 5,088	9.9	5.05%	\$ 165	8.10%	\$ 3,987	\$ 5,202
Annuity 82	June 30, 2014	Cash	\$ 40,000	\$ 17,920	\$ 22,080	11.4	4.25%	\$ 610	7.50%	\$ 18,168	\$ 20,456
Annuity 83	June 30, 2014	Cash	\$ 10,000	\$ 5,136	\$ 4,864	8.8	5.04%	\$ 175	8.60%	\$ 3,707	\$ 4,754
Annuity 84	June 30, 2014	Cash	\$ 10,253	\$ 6,454	\$ 3,799	4.9	6.36%	\$ 231	10.30%	\$ 2,117	\$ 4,055
Annuity 85	June 30, 2015	Cash	\$ 20,000	\$ 12,116	\$ 7,884	5.6	5.88%	\$ 420	9.80%	\$ 5,279	\$ 8,231
Annuity 86	June 30, 2015	Cash	\$ 10,000	\$ 4,574	\$ 5,426	11.8	4.37%	\$ 150	6.70%	\$ 4,742	\$ 5,406
Annuity 87	June 30, 2015	Cash	\$ 10,000	\$ 5,911	\$ 4,089	6	6.10%	\$ 205	10.30%	\$ 3,050	\$ 4,487
Annuity 88	June 30, 2015	Cash	\$ 10,555	\$ 6,394	\$ 4,161	5.6	4.89%	\$ 222	10.30%	\$ 3,021	\$ 4,590
Annuity 89	June 30, 2015	Cash	\$ 10,000	\$ 5,102	\$ 4,898	11.8	4.95%	\$ 89	7.10%	\$ 4,898	\$ 5,011
Annuity 90	June 30, 2015	Cash	\$ 17,143	\$ 8,717	\$ 8,426	8.8	4.74%	\$ 300	8.60%	\$ 7,113	\$ 7,473
Annuity 91	June 30, 2015	Cash	\$ 10,000	\$ 4,908	\$ 5,092	9.4	5.11%	\$ 170	8.40%	\$ 4,442	\$ 5,359
Annuity 92	June 30, 2015	Cash	\$ 10,000	\$ 4,965	\$ 5,035	9.4	5.30%	\$ 170	8.40%	\$ 4,410	\$ 5,359
Annuity 93	June 30, 2015	Cash	\$ 30,000	\$ 15,083	\$ 14,917	7.5	4.69%	\$ 593	9.80%	\$ 12,775	\$ 16,427
Annuity 94	June 30, 2015	Cash	\$ 25,000	\$ 11,719	\$ 13,281	9.8	3.68%	\$ 413	8.10%	\$ 11,952	\$ 15,084
Annuity 95	June 30, 2015	Cash	\$ 25,000	\$ 11,719	\$ 13,281	9.8	3.83%	\$ 413	8.10%	\$ 11,877	\$ 14,259
Annuity 96	June 30, 2015	Cash	\$ 10,000	\$ 6,693	\$ 3,307	4.3	4.78%	\$ 225	10.60%	\$ 2,502	\$ 3,975
Annuity 97	June 30, 2015	Stock	\$ 10,805	\$ 6,513	\$ 4,292	5.6	5.58%	\$ 227	10.30%	\$ 3,590	\$ 5,172
Annuity 98	June 30, 2015	Cash	\$ 5,000	\$ 2,655	\$ 2,345	7.7	4.43%	\$ 93	10.90%	\$ 1,931	\$ 2,338
Annuity 99	June 30, 2016	Cash	\$ 100,000	\$ 56,216	\$ 43,784	6.8	4.92%	\$ 1,950	9.80%	\$ 40,318	\$ 44,609
Annuity 100	June 30, 2016	Cash	\$ 10,000	\$ 4,633	\$ 5,367	10.1	3.93%	\$ 163	8.00%	\$ 5,132	\$ 5,449
Totals			\$ 1,445,323	\$ 663,781	\$ 781,541			\$ 26,077		\$ 477,969	\$ 694,690

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

Notes to Combined Financial Statements
Years Ended June 30, 2016 and 2015
(See Independent Auditors' Report)

9. Temporarily Restricted Net Assets

Temporarily restricted net assets as of June 30, 2016 and 2015 reflect unconditional promises to give that will be received in fiscal years ending after June 30, 2017. These are reflected as such as there is both a purpose and time restriction relative to these promises to give.

10. Subsequent Events

Subsequent to June 30, 2016, the Organization received notification of a complaint filed by an opponent to a Colorado ballot measure of the Organization. The complaint, which was brought against Compassion & Choices Action Network, indicates the Organization failed to file as an issue committee. Management and legal counsel of the Organization are taking all appropriate steps to defend all claims advanced in the complaint and is of the opinion that the Organization has properly filed all relative documentation and is not subject to any costs or fees.

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

Supplemental Information

(See Independent Auditors' Report on Supplemental Information)

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

Independent Auditors' Report on Supplemental Information

We have audited the combined financial statements of Compassion & Choices and Compassion & Choices Action Network as of and for the years ended June 30, 2016 and 2015 and have issued our report thereon dated October 28, 2016, which contained an unqualified opinion on those combined financial statements. Our audits were performed for the purpose of forming an opinion on the combined financial statements as a whole. The following statements are presented for the purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Stratagem PC
Certified Public Accountants

Lakewood, Colorado

October 28, 2016

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

Combining Statement of Financial Position
June 30, 2016

(See Independent Auditors' Report on Supplemental Information)

	Assets		
	Compassion & Choices	Compassion & Choices Action Network	Combined
	<u> </u>	<u> </u>	<u> </u>
Current assets:			
Cash and cash equivalents	\$ 624,119	\$ 1,031,959	\$ 1,656,078
Unconditional promises to give, net of allowance	2,645,150	-	2,645,150
Investments			
Cash and money market funds	980,357	27,575	1,007,932
Marketable securities	11,680,624	1,199,007	12,879,631
Prepaid expenses and other	133,503	-	133,503
Beneficial interest in charitable remainder trusts	169,046	-	169,046
Other current assets	<u>15,532</u>	<u>-</u>	<u>15,532</u>
Total current assets	<u>16,248,331</u>	<u>2,258,541</u>	<u>18,506,872</u>
Property, equipment and improvements:			
Furniture, fixtures and equipment	454,920	-	454,920
Leasehold improvements	<u>60,070</u>	<u>2,376</u>	<u>62,446</u>
	514,990	2,376	517,366
Accumulated depreciation and amortization	<u>391,148</u>	<u>66</u>	<u>391,214</u>
Total property, equipment and improvements	<u>123,842</u>	<u>2,310</u>	<u>126,152</u>
Other assets:			
Unconditional promises to give, net of current portion	2,635,500	-	2,635,500
Intangible assets	14,764	-	14,764
Deposits	26,964	3,911	30,875
Due (to) from related entity	<u>84,833</u>	<u>(84,833)</u>	<u>-</u>
Total other assets	<u>2,762,061</u>	<u>(80,922)</u>	<u>2,681,139</u>
Total assets	<u>\$ 19,134,234</u>	<u>\$ 2,179,929</u>	<u>\$ 21,314,163</u>

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

Combining Statement of Financial Position
June 30, 2016

(See Independent Auditors' Report on Supplemental Information)

	Liabilities and Net Assets		
	Compassion & Choices	Compassion & Choices Action Network	Combined
Current liabilities:			
Accounts payable	\$ 336,733	\$ 5,000	\$ 341,733
Accrued expenses	471,800	-	471,800
Total current liabilities	808,533	5,000	813,533
Long-term liabilities:			
Gift annuity payments due	477,969	-	477,969
Total liabilities	1,286,502	5,000	1,291,502
Net assets:			
Unrestricted:			
Operating	15,088,390	2,172,619	17,261,009
Net investment in furniture, fixtures equipment and improvements	123,842	2,310	126,152
Total unrestricted net assets	15,212,232	2,174,929	17,387,161
Temporarily restricted	2,635,500	-	2,635,500
Total net assets	17,847,732	2,174,929	20,022,661
Total liabilities and net assets	<u>\$ 19,134,234</u>	<u>\$ 2,179,929</u>	<u>\$ 21,314,163</u>

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

Combining Statement of Activities
Year Ended June 30, 2016
(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	\$ 16,164,642	\$ 2,643,607	\$ 18,808,249
Membership fees	-	137,311	137,311
Foundation revenue	25,000	-	25,000
Investment income, net of expenses	55,607	9,172	64,779
Realized and unrealized gain (loss) on investments	(87,447)	48,186	(39,261)
Gain on sale of asset	63,457	-	63,457
Other Income	550,603	9,365	559,968
	<u>16,771,862</u>	<u>2,847,641</u>	<u>19,619,503</u>
Total revenue and other support			
Expenses:			
Programs	14,755,425	4,631,076	19,386,501
General and administrative	1,789,452	29,318	1,818,770
Fundraising	1,243,725	20,729	1,264,454
	<u>17,788,602</u>	<u>4,681,123</u>	<u>22,469,725</u>
Total expenses			
Decrease in net assets	(1,016,740)	(1,833,482)	(2,850,222)
Net assets, beginning	<u>18,864,472</u>	<u>4,008,411</u>	<u>22,872,883</u>
Net assets, ending	<u>\$ 17,847,732</u>	<u>\$ 2,174,929</u>	<u>\$ 20,022,661</u>

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

Combining Statement of Revenue and Functional Expenses
Year Ended June 30, 2016
(See Independent Auditors' Report on Supplemental Information)

	Total for Compassion & Choices	Total for Compassion & Choices Action Network	Combined Total
Revenue and other support:			
Contributions	\$ 16,164,642	\$ 2,643,607	\$ 18,808,249
Membership fees	-	137,311	137,311
Foundation Revenue	25,000	-	25,000
Investment income, net of expenses	55,607	9,172	64,779
Realized and unrealized gain (loss) on investments	(87,447)	48,186	(39,261)
Gain on sale of asset	63,457	-	63,457
Other income	550,603	9,365	559,968
	<u>16,771,862</u>	<u>2,847,641</u>	<u>19,619,503</u>
Total revenue and other support			
Expenses:			
Advertising	243,511	6	243,517
Bank and merchant fees	46,699	2,530	49,229
Closing property costs	73,572	-	73,572
Conference/booth fees	104,531	1,050	105,581
Depreciation	76,333	210	76,543
Development costs	1,128,208	20,831	1,149,039
Donations	2,850	4,252,215	4,255,065
Facilities	417,520	40,479	457,999
Graphics	104,889	500	105,389
Insurance	131,023	176	131,199
Interest and taxes	11,381	272	11,653
Local groups	6,440	-	6,440
Magazine	212,153	-	212,153
Membership and telefunding costs	-	8,365	8,365
Memberships - organizations	18,131	10,001	28,132
Operational expenses	406,765	9,496	416,261
Outside services	5,017,432	293,053	5,310,485
Payroll expense	6,710,404	25,937	6,736,341
Printing	265,536	1,331	266,867
Publications and subscriptions	95,534	7	95,541
Registration fees	20,286	11,138	31,424
Sponsorships	31,628	-	31,628
Staff costs - development dept.	1,438,240	978	1,439,218
Staff development	45,285	-	45,285
Technology/data management	420,227	1,250	421,477
Temporary staff	57,632	76	57,708
Travel and entertainment	702,392	1,222	703,614
	<u>17,788,602</u>	<u>4,681,123</u>	<u>22,469,725</u>
Total expenses			
Increase (decrease) in net assets	<u>\$ (1,016,740)</u>	<u>\$ (1,833,482)</u>	<u>\$ (2,850,222)</u>

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

Compassion & Choices
Statement of Revenue and Functional Expenses
Year Ended June 30, 2016
(See Independent Auditors' Report on Supplemental Information)

	<u>Direct Lobbying</u>	<u>Grassroots Lobbying</u>	<u>Legal & Litigation</u>	<u>Public Education</u>
Revenue and other support:				
Contributions	\$ -	\$ -	\$ 743,120	\$ 15,161,428
Foundation Revenue	-	-	-	25,000
Investment income, net of expenses	-	-	-	-
Realized and unrealized loss on investments	-	-	-	-
Gain on sale of asset	-	-	-	63,457
Other income	-	-	-	490,314
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue and other support	-	-	743,120	15,740,199
	<hr/>	<hr/>	<hr/>	<hr/>
Expenses:				
Advertising	5,861	2,346	11,883	140,223
Bank and merchant fees	-	-	-	46,699
Closing property costs	-	-	-	-
Conference/booth fees	3,242	250	4,815	2,057
Depreciation	-	-	243	25,670
Donations	-	-	-	-
Development costs	-	-	-	674,273
Facilities	-	-	12,180	108,682
Graphics	1,500	-	1,434	52,535
Insurance	-	-	2,954	30,207
Interest and taxes	-	-	240	986
Local groups	-	-	-	-
Magazine	-	-	-	212,153
Memberships - organizations	-	-	1,583	2,853
Operational expenses	295	51	2,099	132,101
Outside services	478,229	11,072	810,985	1,299,201
Payroll expense	56,393	33,503	353,660	1,446,454
Printing	1,852	844	1,152	110,124
Publications and subscriptions	-	-	10,949	43,705
Registration fees	-	-	-	14,570
Sponsorships	-	-	11,000	-
Staff costs - development dept.	-	-	-	718,694
Staff development	-	-	1,949	7,179
Technology/data management	-	-	3,978	237,422
Temporary staff	-	-	123	18,586
Travel and entertainment	3,403	846	41,964	131,879
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	550,775	48,912	1,273,191	5,456,253
	<hr/>	<hr/>	<hr/>	<hr/>
Increase (decrease) in net assets	\$ (550,775)	\$ (48,912)	\$ (530,071)	\$ 10,283,946

(continued)

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

Compassion & Choices
Statement of Revenue and Functional Expenses (continued)
Year Ended June 30, 2016
(See Independent Auditors' Report on Supplemental Information)

	Field Ops	Policy, Research, & Implementation	EOLRC	Total Programs
Revenue and other support:				
Contributions	\$ -	\$ 9,769	\$ 250,325	\$ 16,164,642
Foundation Revenue	-	-	-	25,000
Investment income, net of expenses	-	-	-	-
Realized and unrealized loss on investments	-	-	-	-
Gain on sale of asset	-	-	-	63,457
Other income	4,762	450	-	495,526
	<u>4,762</u>	<u>450</u>	<u>-</u>	<u>495,526</u>
Total revenue and other support	<u>4,762</u>	<u>10,219</u>	<u>250,325</u>	<u>16,748,625</u>
Expenses:				
Advertising	70,455	9,597	434	240,799
Bank and merchant fees	-	-	-	46,699
Closing property costs	-	-	-	-
Conference/booth fees	41,715	52,452	-	104,531
Depreciation	19,846	4,639	11,552	61,950
Donations	2,850	-	-	2,850
Development costs	-	-	-	674,273
Facilities	61,883	16,756	33,169	232,670
Graphics	39,591	6,688	3,137	104,885
Insurance	32,108	5,460	43,368	114,097
Interest and taxes	1,241	86	215	2,768
Local groups	6,440	-	-	6,440
Magazine	-	-	-	212,153
Memberships - organizations	7,104	6,476	51	18,067
Operational expenses	133,082	28,862	50,380	346,870
Outside services	1,365,770	641,123	330,334	4,936,714
Payroll expense	2,069,203	691,478	793,790	5,444,481
Printing	86,523	26,303	38,480	265,278
Publications and subscriptions	3,100	31,252	610	89,616
Registration fees	3,325	-	-	17,895
Sponsorships	628	15,000	5,000	31,628
Staff costs - development dept.	7,303	-	-	725,997
Staff development	20,895	8,218	2,890	41,131
Technology/data management	69,481	15,854	39,133	365,868
Temporary staff	17,978	2,351	5,988	45,026
Travel and entertainment	339,337	73,634	31,676	622,739
	<u>4,399,858</u>	<u>1,636,229</u>	<u>1,390,207</u>	<u>14,755,425</u>
Total expenses	<u>4,399,858</u>	<u>1,636,229</u>	<u>1,390,207</u>	<u>14,755,425</u>
Increase (decrease) in net assets	<u>\$ (4,395,096)</u>	<u>\$ (1,626,010)</u>	<u>\$ (1,139,882)</u>	<u>\$ 1,993,200</u>

(continued)

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

Compassion & Choices
Statement of Revenue and Functional Expenses (continued)
Year Ended June 30, 2016
(See Independent Auditors' Report on Supplemental Information)

	Total Programs	General and administrative	Fundraising	Total for Compassion & Choices
Revenue and other support:				
Contributions	\$ 16,164,642	\$ -	\$ -	\$ 16,164,642
Foundation Revenue	25,000	-	-	25,000
Investment income, net of expenses	-	55,607	-	55,607
Realized and unrealized loss on investments	-	(87,447)	-	(87,447)
Gain on sale of asset	63,457	-	-	63,457
Other income	495,526	55,077	-	550,603
	<u>16,748,625</u>	<u>23,237</u>	<u>-</u>	<u>16,771,862</u>
Total revenue and other support				
Expenses:				
Advertising	240,799	2,712	-	243,511
Bank and merchant fees	46,699	-	-	46,699
Closing property costs	-	73,572	-	73,572
Conference/booth fees	104,531	-	-	104,531
Depreciation	61,950	14,383	-	76,333
Donations	2,850	-	-	2,850
Development costs	674,273	91	453,844	1,128,208
Facilities	232,670	149,852	34,998	417,520
Graphics	104,885	4	-	104,889
Insurance	114,097	16,926	-	131,023
Interest and taxes	2,768	8,613	-	11,381
Local groups	6,440	-	-	6,440
Magazine	212,153	-	-	212,153
Memberships - organizations	18,067	64	-	18,131
Operational expenses	346,870	59,895	-	406,765
Outside services	4,936,714	80,718	-	5,017,432
Payroll expense	5,444,481	1,265,923	-	6,710,404
Printing	265,278	258	-	265,536
Publications and subscriptions	89,616	5,918	-	95,534
Registration fees	17,895	2,391	-	20,286
Sponsorships	31,628	-	-	31,628
Staff costs - development dept.	725,997	-	712,243	1,438,240
Staff development	41,131	4,154	-	45,285
Technology/data management	365,868	54,359	-	420,227
Temporary staff	45,026	12,606	-	57,632
Travel and entertainment	622,739	37,013	42,640	702,392
	<u>14,755,425</u>	<u>1,789,452</u>	<u>1,243,725</u>	<u>17,788,602</u>
Total expenses				
Increase (decrease) in net assets	<u>\$ 1,993,200</u>	<u>\$ (1,766,215)</u>	<u>\$ (1,243,725)</u>	<u>\$ (1,016,740)</u>

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

Compassion & Choices Action Network
Statement of Revenue and Functional Expenses
Year Ended June 30, 2016
(See Independent Auditors' Report on Supplemental Information)

	<u>Direct Lobbying</u>	<u>Grassroots Lobbying</u>	<u>Electioneering Lobbying</u>	<u>Legal Defense Fund</u>	<u>Policy & Implementation</u>	<u>Field</u>
Revenue and other support:						
Conferences and events	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-	-	-
Membership fees	-	-	-	-	-	-
Investment income, net of expenses	-	-	-	-	-	-
Realized and unrealized gain on investments	-	-	-	-	-	-
Other income	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue and other support	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenses:						
Advertising	-	-	-	-	-	-
Bank and merchant fees	58	-	-	-	-	-
Conference/booth fees	-	-	550	-	-	500
Depreciation	-	-	-	-	-	-
Development costs	7,915	-	-	-	-	-
Donations	4,250,000	-	-	-	500	1,715
Facilities	-	-	-	-	-	5,571
Graphics	500	-	-	-	-	-
Insurance	-	-	-	-	-	-
Interest and taxes	-	-	-	-	-	-
Membership and telefunding costs	-	-	-	-	-	-
Memberships - organizations	-	-	-	-	-	10,000
Operational expenses	793	492	-	-	-	1,880
Outside services	141,061	-	-	-	-	149,212
Payroll expense	1,412	15,963	2,522	191	191	731
Printing	-	-	-	-	-	-
Publications and subscriptions	-	-	-	-	-	-
Registration fees	-	-	-	-	-	-
Staff costs - development dept.	-	-	-	-	-	416
Technology/data management	-	-	-	-	-	750
Temporary staff	-	-	-	-	-	-
Travel and entertainment	-	-	-	-	-	323
	<u>4,401,739</u>	<u>16,455</u>	<u>3,072</u>	<u>191</u>	<u>691</u>	<u>171,098</u>
Total expenses	<u>4,401,739</u>	<u>16,455</u>	<u>3,072</u>	<u>191</u>	<u>691</u>	<u>171,098</u>
Increase (decrease) in net assets	<u>\$ (4,401,739)</u>	<u>\$ (16,455)</u>	<u>\$ (3,072)</u>	<u>\$ (191)</u>	<u>\$ (691)</u>	<u>\$ (171,098)</u>

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

Compassion & Choices Action Network
Statement of Revenue and Functional Expenses (continued)
Year Ended June 30, 2016
(See Independent Auditors' Report on Supplemental Information)

	<u>Public Education</u>	<u>Total Programs</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total for Compassion & Choices Action Network</u>
Revenue and other support:					
Conferences and events	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	2,643,607	2,643,607
Membership fees	-	-	-	137,311	137,311
Investment income, net of expenses	-	-	9,172	-	9,172
Realized and unrealized gain on investments	-	-	48,186	-	48,186
Other income	-	-	-	9,365	9,365
	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,365</u>	<u>9,365</u>
Total revenue and other support	<u>-</u>	<u>-</u>	<u>57,358</u>	<u>2,790,283</u>	<u>2,847,641</u>
Expenses:					
Advertising	-	-	6	-	6
Bank and merchant fees	2,472	2,530	-	-	2,530
Conference/booth fees	-	1,050	-	-	1,050
Depreciation	-	-	210	-	210
Development costs	12,916	20,831	-	-	20,831
Donations	-	4,252,215	-	-	4,252,215
Facilities	1,016	6,587	13,652	20,240	40,479
Graphics	-	500	-	-	500
Insurance	-	-	176	-	176
Interest and taxes	-	-	272	-	272
Membership and telefunding costs	8,365	8,365	-	-	8,365
Memberships - organizations	-	10,000	1	-	10,001
Operational expenses	-	3,165	6,331	-	9,496
Outside services	-	290,273	2,780	-	293,053
Payroll expense	522	21,532	4,405	-	25,937
Printing	1,328	1,328	3	-	1,331
Publications and subscriptions	-	-	7	-	7
Registration fees	11,138	11,138	-	-	11,138
Staff costs - development dept.	73	489	-	489	978
Technology/data management	-	750	500	-	1,250
Temporary staff	-	-	76	-	76
Travel and entertainment	-	323	899	-	1,222
	<u>37,830</u>	<u>4,631,076</u>	<u>29,318</u>	<u>20,729</u>	<u>4,681,123</u>
Total expenses	<u>37,830</u>	<u>4,631,076</u>	<u>29,318</u>	<u>20,729</u>	<u>4,681,123</u>
Increase (decrease) in net assets	<u>\$ (37,830)</u>	<u>\$ (4,631,076)</u>	<u>\$ 28,040</u>	<u>\$ 2,769,554</u>	<u>\$ (1,833,482)</u>