

# Compassion & Choices and Compassion & Choices Action Network

Combined Financial Statements and  
Accompanying Supplemental Information  
with Independent Auditor's Report

Years Ended June 30, 2022 and 2021



**WIPFLI**

## **Independent Auditor's Report**

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

### ***Opinion***

We have audited the accompanying combined financial statements of Compassion & Choices and Compassion & Choices Action Network (collectively referred to as the "Organizations"), a nonprofit organization, which comprise the combined statements of financial position as of June 30, 2022 and 2021, and the related combined statements of activities and changes in net assets, revenue and functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements referred to above present fairly, in all material respects, the combined financial position of Compassion & Choices and Compassion & Choices Action Network as of June 30, 2022 and 2021, and the changes in its combined net assets and its combined cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of Compassion & Choices and Compassion & Choices Action Network and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Combined Financial Statements***

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Compassion & Choices and Compassion & Choices Action Network's ability to continue as a going concern for one year after the date the combined financial statements are available to be issued.

## ***Auditor's Responsibilities for the Audit of the Combined Financial Statements***

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Compassion & Choices and Compassion & Choices Action Network's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Compassion & Choices and Compassion & Choices Action Network's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying combining statements of financial position, combining statements of activities and changes in net assets, combining statements of revenue and functional expenses, and statements of revenue and functional expenses as of and for the year ended June 30, 2022, are presented for purposes of additional analysis and are 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. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

*Wipfli LLP*  
Wipfli LLP

Lakewood, Colorado  
September 26, 2022

# Compassion & Choices and Compassion & Choices Action Network

## Combined Statements of Financial Position

| Assets   | 2022          | 2021          |
|--|---------------|---------------|
| <i>June 30,</i>  |               |               |
| Current assets:  |               |               |
| Cash and cash equivalents                              | \$ 2,629,496  | \$ 2,200,653  |
| Unconditional promises to give                         | 357,500       | 435,000       |
| Investments:   |               |               |
| Cash and money market funds                            | 2,056,860     | 2,313,978     |
| Marketable securities                                  | 36,156,166    | 42,452,509    |
| Prepaid expenses and other                             | 425,935       | 305,972       |
| Beneficial interest in charitable remainder trusts     | 112,374       | 121,863       |
| Other receivables                                      | -             | 82,679        |
| Other current assets                                   | -             | 409           |
| Total current assets                                   | 41,738,331    | 47,913,063    |
| Property, equipment and improvements, at cost:         |               |               |
| Furniture, fixtures and equipment                      | 356,540       | 356,540       |
| Leasehold improvements                                 | 11,695        | 11,695        |
| Total property, equipment and improvements, at cost    | 368,235       | 368,235       |
| Accumulated depreciation and amortization              | 359,659       | 359,052       |
| Net property, equipment and improvements               | 8,576         | 9,183         |
| Other assets:  |               |               |
| Unconditional promises to give, net of current portion | 45,000        | 260,000       |
| Intangible assets, net                                 | 7,417         | 8,417         |
| Investment, partnership interest                       | 238,841       | 238,841       |
| Deposits   | 20,039        | 20,039        |
| Total other assets                                     | 311,297       | 527,297       |
| Total assets   | \$ 42,058,204 | \$ 48,449,543 |

See accompanying notes to the combined financial statements

# Compassion & Choices and Compassion & Choices Action Network

## Combined Statements of Financial Position

| <i>June 30,</i>  | 2022          | 2021          |
|--|---------------|---------------|
| Liabilities and Net Assets                             |               |               |
| Current liabilities:                                   |               |               |
| Accounts payable                                       | \$ 467,955    | \$ 503,533    |
| Accrued expenses                                       | 1,050,492     | 806,916       |
| Deferred revenue                                       | 5,000,000     | 5,180,000     |
| Total current liabilities                              | 6,518,447     | 6,490,449     |
| Long-term liabilities:                                 |               |               |
| Deferred revenue, net of current portion               | 12,500,000    | 17,500,000    |
| Gift annuity payments due                              | 398,860       | 415,705       |
| Total long-term liabilities                            | 12,898,860    | 17,915,705    |
| Total liabilities                                      | 19,417,307    | 24,406,154    |
| Net assets:  |               |               |
| Without donor restrictions:                            |               |               |
| Operating  | 21,975,914    | 23,189,206    |
| Net investment in property, equipment and improvements | 8,576         | 9,183         |
| Total net assets without donor restrictions            | 21,984,490    | 23,198,389    |
| With donor restrictions                                | 656,407       | 845,000       |
| Total net assets                                       | 22,640,897    | 24,043,389    |
| Total liabilities and net assets                       | \$ 42,058,204 | \$ 48,449,543 |

See accompanying notes to the combined financial statements

# Compassion & Choices and Compassion & Choices Action Network

## Combined Statement of Activities and Changes in Net Assets

| <i>Year Ended June 30, 2022</i>               | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                |
|---|-------------------------------|----------------------------|----------------------|
| <b>Revenue and other support:</b>             |                               |                            |                      |
| Contributions                                 | \$ 21,688,196                 | \$ 1,180,000               | \$ 22,868,196        |
| In-kind contributions                         | 1,072,478                     | -                          | 1,072,478            |
| Investment income, net of expenses            | 1,045,972                     | -                          | 1,045,972            |
| Realized and unrealized loss on investments   | (5,073,812)                   | -                          | (5,073,812)          |
| Other income                                  | 5,352                         | -                          | 5,352                |
| <b>Net assets released from restrictions:</b> |                               |                            |                      |
| Satisfaction of:                              |                               |                            |                      |
| Program restrictions                          | 576,093                       | (576,093)                  | -                    |
| Time restrictions                             | 792,500                       | (792,500)                  | -                    |
| <b>Total revenue and other support</b>        | <b>20,106,779</b>             | <b>(188,593)</b>           | <b>19,918,186</b>    |
| <b>Expenses:</b>                              |                               |                            |                      |
| Programs                                      | 18,017,389                    | -                          | 18,017,389           |
| General and administrative                    | 1,782,928                     | -                          | 1,782,928            |
| Fundraising                                   | 1,520,361                     | -                          | 1,520,361            |
| <b>Total expenses</b>                         | <b>21,320,678</b>             | <b>-</b>                   | <b>21,320,678</b>    |
| <b>Decrease in net assets</b>                 | <b>(1,213,899)</b>            | <b>(188,593)</b>           | <b>(1,402,492)</b>   |
| <b>Net assets, beginning</b>                  | <b>23,198,389</b>             | <b>845,000</b>             | <b>24,043,389</b>    |
| <b>Net assets, ending</b>                     | <b>\$ 21,984,490</b>          | <b>\$ 656,407</b>          | <b>\$ 22,640,897</b> |

See accompanying notes to combined financial statements

# Compassion & Choices and Compassion & Choices Action Network

## Combined Statement of Activities and Changes in Net Assets

| <i>Year Ended June 30, 2021</i>             | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total         |
|---|-------------------------------|----------------------------|---------------|
| Revenue and other support:                  |                               |                            |               |
| Contributions                               | \$ 17,623,911                 | \$ 1,136,000               | \$ 18,759,911 |
| In-kind contributions                       | 1,046,735                     | -                          | 1,046,735     |
| Investment income, net of expenses          | 556,864                       | -                          | 556,864       |
| Realized and unrealized gain on investments | 2,838,989                     | -                          | 2,838,989     |
| Other income                                | 12,167                        | -                          | 12,167        |
| Net assets released from restrictions:      |                               |                            |               |
| Satisfaction of:                            |                               |                            |               |
| Program restrictions                        | 241,213                       | (241,213)                  | -             |
| Time restrictions                           | 396,000                       | (396,000)                  | -             |
| Total revenue and other support             | 22,715,879                    | 498,787                    | 23,214,666    |
| Expenses:                                   |                               |                            |               |
| Programs                                    | 15,296,667                    | -                          | 15,296,667    |
| General and administrative                  | 1,635,309                     | -                          | 1,635,309     |
| Fundraising                                 | 1,442,164                     | -                          | 1,442,164     |
| Total expenses                              | 18,374,140                    | -                          | 18,374,140    |
| Increase in net assets                      | 4,341,739                     | 498,787                    | 4,840,526     |
| Net assets, beginning                       | 18,856,650                    | 346,213                    | 19,202,863    |
| Net assets, ending                          | \$ 23,198,389                 | \$ 845,000                 | \$ 24,043,389 |

See accompanying notes to combined financial statements



# Compassion & Choices and Compassion & Choices Action Network

## Combined Statement of Revenue and Functional Expenses

| <i>Year Ended June 30, 2022</i>             | Direct<br>Lobbying  | Grassroots<br>Lobbying | Policy &<br>Litigation | Public<br>Education   |
|---|---------------------|------------------------|------------------------|-----------------------|
| <b>Revenue and other support:</b>           |                     |                        |                        |                       |
| Contributions                               | \$ -                | \$ -                   | \$ -                   | \$ -                  |
| In-kind contributions                       | -                   | -                      | 1,070,122              | -                     |
| Investment income, net of expenses          | -                   | -                      | -                      | -                     |
| Realized and unrealized loss on investments | -                   | -                      | -                      | -                     |
| Other income                                | -                   | -                      | 500                    | 183                   |
| <b>Total revenue and other support</b>      | <b>-</b>            | <b>-</b>               | <b>1,070,622</b>       | <b>183</b>            |
| <b>Expenses:</b>                            |                     |                        |                        |                       |
| Advertising                                 | 121,289             | 71,468                 | -                      | 129,343               |
| Bank and merchant fees                      | -                   | -                      | 12                     | 85,243                |
| Conference/booth fees                       | -                   | -                      | 325                    | 338                   |
| Depreciation and amortization               | -                   | -                      | 167                    | 662                   |
| Development costs                           | -                   | -                      | -                      | 1,232,941             |
| Donations                                   | -                   | -                      | -                      | -                     |
| Facilities                                  | -                   | -                      | 59,978                 | 78,196                |
| Graphics                                    | -                   | -                      | -                      | 29,350                |
| Insurance                                   | -                   | -                      | 13,275                 | 24,366                |
| Interest and taxes                          | -                   | -                      | -                      | -                     |
| Magazine                                    | -                   | -                      | -                      | 179,901               |
| Meetings                                    | 527                 | -                      | 1,414                  | 12,107                |
| Memberships - organizations                 | -                   | -                      | 1,650                  | 9,818                 |
| Operational expenses                        | 29,679              | 11,036                 | 10,223                 | 45,837                |
| Outside services                            | 424,834             | 40,620                 | 1,129,584              | 725,497               |
| Payroll expense                             | 257,510             | 31,131                 | 1,223,850              | 2,622,134             |
| Printing                                    | 1,364               | 1,382                  | -                      | 98,515                |
| Publications and subscriptions              | -                   | -                      | 92,203                 | 31,223                |
| Registration fees                           | -                   | -                      | -                      | 14,447                |
| Sponsorships                                | 600                 | -                      | 15,613                 | 6,000                 |
| Staff costs - development dept.             | -                   | -                      | -                      | 1,191,528             |
| Staff development                           | -                   | -                      | 11,506                 | 22,337                |
| Staff recruiting                            | -                   | -                      | 3,847                  | 15,279                |
| Technology/data management                  | -                   | -                      | 52,450                 | 368,282               |
| Travel and entertainment                    | 11,643              | 2,255                  | 28,461                 | 80,231                |
| <b>Total expenses</b>                       | <b>847,446</b>      | <b>157,892</b>         | <b>2,644,558</b>       | <b>7,003,575</b>      |
| <b>Increase (decrease) in net assets</b>    | <b>\$ (847,446)</b> | <b>\$ (157,892)</b>    | <b>\$ (1,573,936)</b>  | <b>\$ (7,003,392)</b> |

See accompanying notes to combined financial statements

# Compassion & Choices and Compassion & Choices Action Network

## Combined Statement of Revenue and Functional Expenses (Continued)

| <i>Year Ended June 30, 2022</i>             | Advocacy              | Community<br>Engagement | Medical<br>Outreach &<br>Dementia<br>Programs | Total Programs         |
|---|-----------------------|-------------------------|---|------------------------|
| <b>Revenue and other support:</b>           |                       |                         |   |                        |
| Contributions                               | \$ -                  | \$ -                    | \$ -  | \$ -                   |
| In-kind contributions                       | -                     | -                       | 2,356   | 1,072,478              |
| Investment income, net of expenses          | -                     | -                       | -   | -                      |
| Realized and unrealized loss on investments | -                     | -                       | -   | -                      |
| Other income                                | 1,097                 | -                       | -   | 1,780                  |
| <b>Total revenue and other support</b>      | <b>1,097</b>          | <b>-</b>                | <b>2,356</b>                                  | <b>1,074,258</b>       |
| <b>Expenses:</b>                            |                       |                         |   |                        |
| Advertising                                 | 75,801                | 42,803                  | 16,496  | 457,200                |
| Bank and merchant fees                      | 60                    | 109                     | -   | 85,424                 |
| Conference/booth fees                       | 42,017                | 61,234                  | 25,224  | 129,138                |
| Depreciation and amortization               | 384                   | 114                     | 110   | 1,437                  |
| Development costs                           | -                     | -                       | -   | 1,232,941              |
| Donations                                   | -                     | -                       | -   | -                      |
| Facilities                                  | 27,671                | -                       | 12,541  | 178,386                |
| Graphics                                    | 27,489                | 90,675                  | 10,000  | 157,514                |
| Insurance                                   | 14,110                | 4,201                   | 4,049   | 60,001                 |
| Interest and taxes                          | -                     | -                       | 201   | 201                    |
| Magazine                                    | -                     | -                       | -   | 179,901                |
| Meetings                                    | 5,438                 | 1,190                   | 765   | 21,441                 |
| Memberships - organizations                 | 15,071                | 45,097                  | 4,373   | 76,009                 |
| Operational expenses                        | 39,414                | 12,873                  | 7,765   | 156,827                |
| Outside services                            | 1,254,016             | 545,687                 | 110,362                                       | 4,230,600              |
| Payroll expense                             | 2,370,287             | 580,374                 | 1,144,476                                     | 8,229,762              |
| Printing                                    | 49,123                | 2,489                   | 453   | 153,326                |
| Publications and subscriptions              | 2,856                 | 497                     | 532   | 127,311                |
| Registration fees                           | 970                   | -                       | -   | 15,417                 |
| Sponsorships                                | 59,143                | 79,750                  | 124,500                                       | 285,606                |
| Staff costs - development dept.             | -                     | -                       | -   | 1,191,528              |
| Staff development                           | 8,796                 | 1,897                   | 2,814   | 47,350                 |
| Staff recruiting                            | 8,948                 | 2,635                   | 2,539   | 33,248                 |
| Technology/data management                  | 110,760               | 31,476                  | 30,192  | 593,160                |
| Travel and entertainment                    | 168,043               | 46,429                  | 36,599  | 373,661                |
| <b>Total expenses</b>                       | <b>4,280,397</b>      | <b>1,549,530</b>        | <b>1,533,991</b>                              | <b>18,017,389</b>      |
| <b>Increase (decrease) in net assets</b>    | <b>\$ (4,279,300)</b> | <b>\$ (1,549,530)</b>   | <b>\$ (1,531,635)</b>                         | <b>\$ (16,943,131)</b> |

See accompanying notes to combined financial statements

# Compassion & Choices and Compassion & Choices Action Network

## Combined Statement of Revenue and Functional Expenses (Continued)

| <i>Year Ended June 30, 2022</i>             | Total<br>Programs      | General and<br>Administrative | Fundraising          | Total                 |
|---|------------------------|-------------------------------|----------------------|-----------------------|
| <b>Revenue and other support:</b>           |                        |                               |                      |                       |
| Contributions                               | \$ -                   | \$ 1,855                      | \$ 22,866,341        | \$ 22,868,196         |
| In-kind contributions                       | 1,072,478              | -                             | -                    | 1,072,478             |
| Investment income, net of expenses          | -                      | 1,045,972                     | -                    | 1,045,972             |
| Realized and unrealized loss on investments | -                      | (5,073,812)                   | -                    | (5,073,812)           |
| Other income                                | 1,780                  | 3,572                         | -                    | 5,352                 |
| <b>Total revenue and other support</b>      | <b>1,074,258</b>       | <b>(4,022,413)</b>            | <b>22,866,341</b>    | <b>19,918,186</b>     |
| <b>Expenses:</b>                            |                        |                               |                      |                       |
| Advertising                                 | 457,200                | -                             | -                    | 457,200               |
| Bank and merchant fees                      | 85,424                 | 4,799                         | 2,193                | 92,416                |
| Conference/booth fees                       | 129,138                | 2,205                         | -                    | 131,343               |
| Depreciation and amortization               | 1,437                  | 170                           | -                    | 1,607                 |
| Development costs                           | 1,232,941              | -                             | 646,392              | 1,879,333             |
| Donations                                   | -                      | -                             | -                    | -                     |
| Facilities                                  | 178,386                | 70,997                        | 12,571               | 261,954               |
| Graphics                                    | 157,514                | -                             | -                    | 157,514               |
| Insurance                                   | 60,001                 | 75,055                        | -                    | 135,056               |
| Interest and taxes                          | 201                    | -                             | -                    | 201                   |
| Magazine                                    | 179,901                | -                             | -                    | 179,901               |
| Meetings                                    | 21,441                 | 6,071                         | -                    | 27,512                |
| Memberships - organizations                 | 76,009                 | 1,400                         | 5,793                | 83,202                |
| Operational expenses                        | 156,827                | 14,034                        | 16,106               | 186,967               |
| Outside services                            | 4,230,600              | 106,106                       | 366                  | 4,337,072             |
| Payroll expense                             | 8,229,762              | 1,385,051                     | -                    | 9,614,813             |
| Printing                                    | 153,326                | -                             | 389                  | 153,715               |
| Publications and subscriptions              | 127,311                | 11,373                        | -                    | 138,684               |
| Registration fees                           | 15,417                 | 2,089                         | 11,149               | 28,655                |
| Sponsorships                                | 285,606                | -                             | -                    | 285,606               |
| Staff costs - development dept.             | 1,191,528              | -                             | 793,411              | 1,984,939             |
| Staff development                           | 47,350                 | 3,985                         | -                    | 51,335                |
| Staff recruiting                            | 33,248                 | 3,921                         | -                    | 37,169                |
| Technology/data management                  | 593,160                | 53,899                        | -                    | 647,059               |
| Travel and entertainment                    | 373,661                | 41,773                        | 31,991               | 447,425               |
| <b>Total expenses</b>                       | <b>18,017,389</b>      | <b>1,782,928</b>              | <b>1,520,361</b>     | <b>21,320,678</b>     |
| <b>Increase (decrease) in net assets</b>    | <b>\$ (16,943,131)</b> | <b>\$ (5,805,341)</b>         | <b>\$ 21,345,980</b> | <b>\$ (1,402,492)</b> |

See accompanying notes to combined financial statements

# Compassion & Choices and Compassion & Choices Action Network

## Combined Statement of Revenue and Functional Expenses

| <i>Year Ended June 30, 2021</i>             | Direct<br>Lobbying  | Grassroots<br>Lobbying | Policy &<br>Litigation | Public<br>Education   |
|---|---------------------|------------------------|------------------------|-----------------------|
| <b>Revenue and other support:</b>           |                     |                        |                        |                       |
| Contributions                               | \$ -                | \$ -                   | \$ -                   | \$ 730,587            |
| In-kind contributions                       | -                   | -                      | 1,046,470              | -                     |
| Investment income, net of expenses          | -                   | -                      | -                      | -                     |
| Realized and unrealized loss on investments | -                   | -                      | -                      | -                     |
| Other income                                | -                   | -                      | -                      | -                     |
| <b>Total revenue and other support</b>      | <b>-</b>            | <b>-</b>               | <b>1,046,470</b>       | <b>730,587</b>        |
| <b>Expenses:</b>                            |                     |                        |                        |                       |
| Advertising                                 | 7,470               | 8,195                  | 41                     | 76,135                |
| Bank and merchant fees                      | -                   | -                      | -                      | 79,203                |
| Conference/booth fees                       | -                   | -                      | -                      | 110                   |
| Depreciation and amortization               | -                   | -                      | 355                    | 1,629                 |
| Development costs                           | -                   | -                      | -                      | 985,187               |
| Donations                                   | -                   | -                      | -                      | 5,000                 |
| Facilities                                  | -                   | -                      | 65,326                 | 79,392                |
| Graphics                                    | -                   | -                      | -                      | 13,996                |
| Insurance                                   | -                   | -                      | 16,239                 | 49,564                |
| Interest and taxes                          | -                   | -                      | -                      | -                     |
| Magazine                                    | -                   | -                      | -                      | 135,621               |
| Meetings                                    | -                   | -                      | -                      | 253                   |
| Memberships - organizations                 | -                   | -                      | 2,922                  | 13,302                |
| Operational expenses                        | 18,581              | 26,988                 | 13,394                 | 63,811                |
| Outside services                            | 307,194             | 88,871                 | 1,080,132              | 546,574               |
| Payroll expense                             | 103,758             | 89,594                 | 938,645                | 2,144,099             |
| Printing                                    | 356                 | -                      | -                      | 76,514                |
| Publications and subscriptions              | -                   | -                      | 61,073                 | 56,758                |
| Registration fees                           | -                   | -                      | 835                    | 9,639                 |
| Sponsorships                                | -                   | -                      | 27,500                 | -                     |
| Staff costs - development dept.             | -                   | -                      | -                      | 1,025,586             |
| Staff development                           | -                   | -                      | 4,733                  | 5,517                 |
| Staff recruiting                            | -                   | -                      | 2,513                  | 5,737                 |
| Technology/data management                  | -                   | -                      | 34,530                 | 354,835               |
| Travel and entertainment                    | 3,231               | 296                    | 888                    | 9,182                 |
| <b>Total expenses</b>                       | <b>440,590</b>      | <b>213,944</b>         | <b>2,249,126</b>       | <b>5,737,644</b>      |
| <b>Increase (decrease) in net assets</b>    | <b>\$ (440,590)</b> | <b>\$ (213,944)</b>    | <b>\$ (1,202,656)</b>  | <b>\$ (5,007,057)</b> |

See accompanying notes to combined financial statements

# Compassion & Choices and Compassion & Choices Action Network

## Combined Statement of Revenue and Functional Expenses (Continued)

| <i>Year Ended June 30, 2021</i>             | Advocacy         | Community<br>Engagement | Medical<br>Outreach &<br>Dementia<br>Programs | Total Programs    |
|---|------------------|-------------------------|---|-------------------|
| Revenue and other support:                  |                  |                         |   |                   |
| Contributions                               | \$ -             | \$ -                    | \$ -  | \$ 730,587        |
| In-kind contributions                       | -                | -                       | 265   | 1,046,735         |
| Investment income, net of expenses          | -                | -                       | -   | -                 |
| Realized and unrealized loss on investments | -                | -                       | -   | -                 |
| Other income                                | 100              | -                       | -   | 100               |
| <b>Total revenue and other support</b>      | <b>100</b>       | <b>-</b>                | <b>265</b>                                    | <b>1,777,422</b>  |
| Expenses:                                   |                  |                         |   |                   |
| Advertising                                 | 53,400           | 80,953                  | 13,709  | 239,903           |
| Bank and merchant fees                      | -                | -                       | -   | 79,203            |
| Conference/booth fees                       | 3,042            | 59,515                  | 28,949  | 91,616            |
| Depreciation and amortization               | 1,001            | 311                     | 314   | 3,610             |
| Development costs                           | -                | 296                     | -   | 985,483           |
| Donations                                   | 67               | -                       | -   | 5,067             |
| Facilities                                  | 13,817           | -                       | 29,405  | 187,940           |
| Graphics                                    | 5,580            | 6,060                   | -   | 25,636            |
| Insurance                                   | 30,437           | 9,466                   | 9,541   | 115,247           |
| Interest and taxes                          | -                | -                       | -   | -                 |
| Magazine                                    | 69               | -                       | -   | 135,690           |
| Meetings                                    | 958              | 125                     | -   | 1,336             |
| Memberships - organizations                 | 11,336           | 54,461                  | 5,321   | 87,342            |
| Operational expenses                        | 3,064            | 13,328                  | 11,895  | 151,061           |
| Outside services                            | 1,611,955        | 319,819                 | 232,034                                       | 4,186,579         |
| Payroll expense                             | 2,193,592        | 620,029                 | 970,504                                       | 7,060,221         |
| Printing                                    | 2,812            | 173                     | -   | 79,855            |
| Publications and subscriptions              | 2,629            | 1,011                   | 722   | 122,193           |
| Registration fees                           | 67               | 861                     | 231   | 11,633            |
| Sponsorships                                | 13,758           | 31,000                  | 24,910  | 97,168            |
| Staff costs - development dept.             | -                | -                       | -   | 1,025,586         |
| Staff development                           | 363              | -                       | 153   | 10,766            |
| Staff recruiting                            | 5,873            | 1,659                   | 2,596   | 18,378            |
| Technology/data management                  | 94,685           | 29,433                  | 30,118  | 543,601           |
| Travel and entertainment                    | 10,753           | 3,652                   | 3,551   | 31,553            |
| <b>Total expenses</b>                       | <b>4,059,258</b> | <b>1,232,152</b>        | <b>1,363,953</b>                              | <b>15,296,667</b> |
| Increase (decrease) in net assets           | \$ (4,059,158)   | \$ (1,232,152)          | \$ (1,363,688)                                | \$ (13,519,245)   |

See accompanying notes to combined financial statements

# Compassion & Choices and Compassion & Choices Action Network

## Combined Statement of Revenue and Functional Expenses (Continued)

| <i>Year Ended June 30, 2021</i>             | Total Programs         | General and<br>Administrative | Fundraising          | Total               |
|---|------------------------|-------------------------------|----------------------|---------------------|
| <b>Revenue and other support:</b>           |                        |                               |                      |                     |
| Contributions                               | \$ 730,587             | \$ -                          | \$ 18,029,324        | \$ 18,759,911       |
| In-kind contributions                       | 1,046,735              | -                             | -                    | 1,046,735           |
| Investment income, net of expenses          | -                      | 556,864                       | -                    | 556,864             |
| Realized and unrealized loss on investments | -                      | 2,838,989                     | -                    | 2,838,989           |
| Other income                                | 100                    | 12,067                        | -                    | 12,167              |
| <b>Total revenue and other support</b>      | <b>1,777,422</b>       | <b>3,407,920</b>              | <b>18,029,324</b>    | <b>23,214,666</b>   |
| <b>Expenses:</b>                            |                        |                               |                      |                     |
| Advertising                                 | 239,903                | 24,482                        | -                    | 264,385             |
| Bank and merchant fees                      | 79,203                 | -                             | -                    | 79,203              |
| Conference/booth fees                       | 91,616                 | 3,597                         | -                    | 95,213              |
| Depreciation and amortization               | 3,610                  | 463                           | -                    | 4,073               |
| Development costs                           | 985,483                | -                             | 712,401              | 1,697,884           |
| Donations                                   | 5,067                  | -                             | -                    | 5,067               |
| Facilities                                  | 187,940                | 42,355                        | 20,342               | 250,637             |
| Graphics                                    | 25,636                 | -                             | -                    | 25,636              |
| Insurance                                   | 115,247                | 14,093                        | -                    | 129,340             |
| Interest and taxes                          | -                      | 207                           | -                    | 207                 |
| Magazine                                    | 135,690                | -                             | -                    | 135,690             |
| Meetings                                    | 1,336                  | 827                           | -                    | 2,163               |
| Memberships - organizations                 | 87,342                 | 3,039                         | -                    | 90,381              |
| Operational expenses                        | 151,061                | 17,239                        | 23,539               | 191,839             |
| Outside services                            | 4,186,579              | 76,076                        | -                    | 4,262,655           |
| Payroll expense                             | 7,060,221              | 1,348,095                     | -                    | 8,408,316           |
| Printing                                    | 79,855                 | -                             | -                    | 79,855              |
| Publications and subscriptions              | 122,193                | 957                           | -                    | 123,150             |
| Registration fees                           | 11,633                 | 358                           | -                    | 11,991              |
| Sponsorships                                | 97,168                 | -                             | -                    | 97,168              |
| Staff costs - development dept.             | 1,025,586              | -                             | 683,074              | 1,708,660           |
| Staff development                           | 10,766                 | 46,157                        | -                    | 56,923              |
| Staff recruiting                            | 18,378                 | 3,568                         | -                    | 21,946              |
| Technology/data management                  | 543,601                | 52,054                        | -                    | 595,655             |
| Travel and entertainment                    | 31,553                 | 1,742                         | 2,808                | 36,103              |
| <b>Total expenses</b>                       | <b>15,296,667</b>      | <b>1,635,309</b>              | <b>1,442,164</b>     | <b>18,374,140</b>   |
| <b>Increase (decrease) in net assets</b>    | <b>\$ (13,519,245)</b> | <b>\$ 1,772,611</b>           | <b>\$ 16,587,160</b> | <b>\$ 4,840,526</b> |

See accompanying notes to combined financial statements

# Compassion & Choices and Compassion & Choices Action Network

## Combined Statements of Cash Flows

| <i>Years Ended June 30,</i>  | 2022           | 2021         |
|--|----------------|--------------|
| Cash flows from operating activities:  |                |              |
| Changes in net assets  | \$ (1,402,492) | \$ 4,840,526 |
| Adjustments to reconcile changes in net assets to net cash provided (used)<br>by operating activities: |                |              |
| Depreciation and amortization  | 1,607          | 4,073        |
| Unrealized (gain) loss on investments  | 5,073,812      | (2,838,989)  |
| Changes in operating assets and liabilities:   |                |              |
| Unconditional promises to give   | 292,500        | (311,360)    |
| Prepaid expenses and other   | (119,963)      | 7,930        |
| Beneficial interest in charitable remainder trusts   | 9,489          | (39,883)     |
| Other receivables  | 82,679         | (82,679)     |
| Other current assets   | 409            | 443          |
| Accounts payable   | (35,578)       | 163,922      |
| Accrued expenses   | 243,576        | 23,600       |
| Deferred revenue   | (5,180,000)    | 22,680,000   |
| Net cash provided (used) by operating activities   | (1,033,961)    | 24,447,583   |
| Cash flows from investing activities:  |                |              |
| Proceeds from sale of investments  | 29,291,544     | 10,964,953   |
| Purchase of investments  | (27,811,895)   | (34,265,464) |
| Net cash provided (used) by investing activities   | 1,479,649      | (23,300,511) |
| Cash flows from financing activities:  |                |              |
| Gift annuities:  |                |              |
| Proceeds   | 63,647         | 89,694       |
| Repayments   | (80,492)       | (66,392)     |
| Net cash provided (used) by financing activities   | (16,845)       | 23,302       |
| Net increase in cash and cash equivalents  | 428,843        | 1,170,374    |
| Cash and cash equivalents, beginning   | 2,200,653      | 1,030,279    |
| Cash and cash equivalents, ending  | \$ 2,629,496   | \$ 2,200,653 |

See accompanying notes to the combined financial statements

# Compassion & Choices and Compassion & Choices Action Network

## Notes to the Combined Financial Statements

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### Note 1: Nature of Operations and Summary of Significant Accounting Policies

#### Nature of operations

Compassion & Choices, which has been granted not-for-profit status under Internal Revenue Code Section 501(c)(3), works to improve care, expand options and empower everyone to chart their end-of-life journey. Compassion & Choices seeks to achieve this goal by focusing its resources on three programs that will create systemic change: 1) advocating for the authorization and implementation of medical aid in dying laws; 2) legitimizing advanced care planning for dementia to minimize unnecessary suffering; and 3) addressing inequities in access to end of life care for underserved communities.

Compassion & Choices Action Network is a not-for-profit organization with a 501(c)(4) status under the Internal Revenue Code Section, whose focus is on advancing legislative campaigns to improve care and expand options at life's end. This includes legislation focused on authorizing or protecting medical aid in dying laws as well as other legislative efforts to improve care and expand options at life's end. The Compassion & Choices Action Network also engages in a minimal amount of activity to influence political campaigns as allowable under the law.

Compassion & Choices and Compassion & Choices Action Network (collectively referred to as the "Organizations") are considered to be under common control as defined by accounting principles generally accepted in the United States ("U.S. GAAP") based on financial control and/or joint operating agreements. As such, the financial operations of the Organizations are presented as combined financial statements for the years ended June 30, 2022 and 2021. During June 30, 2022, Compassion & Choices granted \$250,000 to Compassion & Choices Action Network to support its mission. This has been eliminated in the combined financial statements.

Funding is received through donations from individuals, businesses and organizations.

#### Basis of presentation

The combined financial statements are prepared using the accrual method of accounting under U.S. GAAP whereby income is reported as earned and expenses reported as incurred.

The combined financial statements have been prepared in accordance with U.S. GAAP, which requires the Organizations to report information regarding its combined financial position and activities according to the following net asset classifications:

- Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organizations in accordance with the limitations of the charter and bylaws. These net assets may be used at the discretion of the Organizations' management and the Board of Directors. Decreases in net assets without donor restrictions generally result from expenses incurred for program and supporting services conducted by the Organizations.



# Compassion & Choices and Compassion & Choices Action Network

## Notes to the Combined Financial Statements

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### Note 1: Nature of Operations and Summary of Significant Accounting Policies (Continued)

#### Basis of presentation (Continued)

- Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organizations or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organizations have no funds held in perpetuity as of June 30, 2022 and 2021.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the combined statements of activities and changes in net assets.

#### Use of estimates in the preparation of combined financial statements

The preparation of combined financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of combined assets and liabilities and disclosure of contingent combined assets and liabilities at the date of the combined financial statements and the reported amounts of combined revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### 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. 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 provide insurance up to \$250,000 per FDIC-insured depository institution. Under Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") Topic 825, *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. As of June 30, 2022 and 2021, the cash accounts maintained exceeded federally insured limits by approximately \$1,842,100 and \$1,439,900, respectively. The Organizations have not experienced any losses in these accounts and do not believe they are exposed to any significant credit 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 and changes in net assets. Donated investments are reflected as contributions at their market values at date of receipt.

# Compassion & Choices and Compassion & Choices Action Network

## Notes to the Combined Financial Statements

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### Note 1: Nature of Operations and Summary of Significant Accounting Policies (Continued)

#### 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, and the shorter of the estimated useful life or the related lease term for leasehold improvements. Maintenance and repairs are included as expenses when incurred.

Total depreciation and amortization expense was \$1,607 and \$4,073 for the years ended June 30, 2022 and 2021, respectively.

#### Intangible assets

The Organizations account for intangible assets using Subtopic 350-30 of the FASB ASC *Intangibles – Goodwill and Other*. Effective January 1, 2014, the Organizations have adopted the guidance of FASB Accounting Standards Update ("ASU") 2014-02 "Intangibles – Goodwill and Other". Prior to the adoption of this guidance, intangible assets with infinite lives were not amortized, but rather tested for impairment annually or more frequently if circumstances indicate that impairment may exist. Intangible assets with finite useful lives were amortized either on a straight-line basis over the asset's estimated useful life or on a basis that reflects the pattern in which the economic benefits of the intangible assets are realized. Upon adoption of the above guidance from FASB ASU 2014-02, intangible assets identified as goodwill are amortized on a straight-line basis over ten years or less based on the appropriate useful life. Goodwill is tested for impairment if circumstances change that indicate the fair value of the acquired entity may be below its carrying value. Intangible assets specifically identified with finite useful lives are accounted for as before.

As of June 30, 2022 and 2021, intangible assets are comprised of domain names purchased during 2014 and prior years at a total cost of \$20,000. They are being amortized on a straight-line basis over fifteen years and reflect accumulated amortization of \$12,583 and \$11,583 as of June 30, 2022 and 2021, respectively.

Future annual amortization amounts to be recognized for the intangible assets based on the applicable useful lives are as follows for years ended after June 30, 2022:

| <i>Year Ended June 30,</i> | Amount          |
|----------------------------|-----------------|
| 2023                       | \$ 1,000        |
| 2024                       | 1,000           |
| 2025                       | 1,000           |
| 2026                       | 1,000           |
| 2027                       | 1,000           |
| Thereafter                 | 2,417           |
| <b>Total</b>               | <b>\$ 7,417</b> |

# Compassion & Choices and Compassion & Choices Action Network

## Notes to the Combined Financial Statements

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### **Note 1: Nature of Operations and Summary of Significant Accounting Policies** (Continued)

#### **Donations**

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

Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organizations report expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statements of activities and changes in net assets 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 net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statements of activities and changes in net assets as net assets released from restrictions.

#### **Contributions**

Contributions are recorded when made, which may be when cash is received or unconditionally promised, or when ownership of donated assets is transferred to the Organizations. Contributions received are recorded as net assets with donor restrictions or without donor restrictions depending on the existence or nature of any donor restrictions. Donated assets are recorded as contributions at their estimated fair value on the date of donation. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Conditional contributions are recognized as revenue when the barrier(s) to entitlement are overcome. Accordingly, funds received in advance of satisfying barrier(s) are recorded as deferred revenue until the conditions on which they depend have been substantially met. As of June 30, 2022 and 2021, the Organizations have conditional contributions received in advance of \$17,500,000 and \$22,680,000, respectively. The conditional funding received is included within investments on the combined statements of financial position and are maintained separately from the Organizations' operating investments. Management expects the barriers to be satisfied and revenue to be recognized over the next six fiscal years.

# Compassion & Choices and Compassion & Choices Action Network

## Notes to the Combined Financial Statements

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### **Note 1: Nature of Operations and Summary of Significant Accounting Policies** (Continued)

#### **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. Management determined there was no allowance for uncollectible accounts as of June 30, 2022 and 2021, respectively.

#### **Advertising costs**

Advertising costs are charged to operations when incurred. Advertising expense for the years ended June 30, 2022 and 2021 was \$457,200 and \$264,385, respectively.

#### **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, 2022 and 2021.

#### **Functional allocation of expenses**

The costs of providing various programs and supporting services have been summarized on a functional basis in the combined statements of activities and changes in net assets. Accordingly, certain costs have been allocated among program and supporting services benefited. The combined statements of revenue and functional expenses provide a detail of the natural classifications of those functional expenses and are determined by management on an equitable and rational basis. The combined financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, outside services, development costs, travel and entertainment, technology/data management, and other expenses that are allocated on the basis of use and time for the expenses, as well as personnel costs that are allocated on the basis of estimates of time and effort. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different results.

# Compassion & Choices and Compassion & Choices Action Network

## Notes to the Combined Financial Statements

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### **Note 1: Nature of Operations and Summary of Significant Accounting Policies** (Continued)

#### **Change in accounting policy**

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Non-Financial Assets* (Topic 958-605), which addresses enhanced accounting for and reporting of in-kind goods and services. The amendments in this update require organizations to present contributed nonfinancial assets as a separate line item in the combined statement of activities, expand disclosures on the various contributed nonfinancial assets recognized, including disaggregated category types, the valuation techniques and inputs used to arrive at fair value, and the policy for either monetizing or utilizing contributed nonfinancial assets. The amendments in this update are effective for annual combined financial statements issued for fiscal years beginning after June 15, 2021, applied on a retrospective basis. Early adoption is permitted. The Organizations have applied the amendments in this ASU on a retrospective basis. There was no change in opening balances of net assets and no prior period results were restated.

#### **New accounting pronouncement**

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. When this standard is adopted, the primary accounting change will require lessees to recognize right of use assets and lease obligations for most operating leases, as well as finance leases. This new standard based on a proposed extension, is effective for financial statements issued for annual periods beginning after December 15, 2021. The Organizations are evaluating what impact this new standard will have on its combined financial statements.

#### **Subsequent events**

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

# Compassion & Choices and Compassion & Choices Action Network

## Notes to the Combined Financial Statements

### Note 2: Liquidity and Availability

As of June 30, 2022, and 2021, respectively, combined financial assets available for general expenditures, that is without donor restrictions limiting their use, within one year of the combined statement of financial position date, are as follows:

|  | 2022          | 2021          |
|--|---------------|---------------|
| Combined financial assets:   |               |               |
| Cash and cash equivalents  | \$ 2,629,496  | \$ 2,200,653  |
| Unconditional promises to give   | 357,500       | 435,000       |
| Investments:   |               |               |
| Cash and money market funds  | 2,056,860     | 2,313,978     |
| Marketable securities  | 36,156,166    | 42,452,509    |
| Beneficial interest in charitable remainder unitrusts  | 112,374       | 121,863       |
| Other receivables  | -             | 82,679        |
| Other current assets   | -             | 409           |
| Total combined financial assets  | 41,312,396    | 47,607,091    |
| Less donor restricted amounts  | 656,407       | 845,000       |
| Less reserves for deferred revenue   | 17,500,000    | 22,680,000    |
| Combined financial assets available to meet general expenditures over the next twelve months | \$ 23,155,989 | \$ 24,082,091 |

The Organizations regularly monitor the availability of resources required to meet its operating needs and their goal is generally to maintain combined financial assets to meet four months of operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments, including cash and money market accounts.

# Compassion & Choices and Compassion & Choices Action Network

## Notes to the Combined Financial Statements

### Note 3: Investments

#### Fair value measurements

The Organizations record its investments at fair value. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Organizations utilize valuation techniques to maximize the use of observable inputs and minimize the use of unobservable inputs. Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. Assets and liabilities recorded at fair value are categorized within the fair value hierarchy based on the level of judgment associated with the inputs used to measure their value. 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 three levels of the fair value hierarchy are as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organizations have 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.

As required by FASB ASC Topic 820, the Organizations' managed investments were classified as follows, based on the lowest level of input that is significant to the fair value measurement on a recurring basis as of June 30, 2022:

| <i>Description</i>                 | Level 1              | Level 2     | Level 3     | Total                |
|------------------------------------|----------------------|-------------|-------------|----------------------|
| Cash and money market funds        | \$ 2,056,860         | \$ -        | \$ -        | \$ 2,056,860         |
| Marketable securities:             |                      |             |             |                      |
| Fixed income investments           | 3,041,997            | -           | -           | 3,041,997            |
| Equities                           | 13,235,215           | -           | -           | 13,235,215           |
| Mutual funds:                      |                      |             |             |                      |
| Equity funds                       | 2,579,410            | -           | -           | 2,579,410            |
| Bond funds                         | 12,646,912           | -           | -           | 12,646,912           |
| Exchange-traded funds              | 4,652,632            | -           | -           | 4,652,632            |
| <b>Total marketable securities</b> | <b>36,156,166</b>    | <b>-</b>    | <b>-</b>    | <b>36,156,166</b>    |
| <b>Total</b>                       | <b>\$ 38,213,026</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 38,213,026</b> |

# Compassion & Choices and Compassion & Choices Action Network

## Notes to the Combined Financial Statements

### Note 3: Investments (Continued)

As required by FASB ASC Topic 820, the Organizations' managed investments were classified as follows, based on the lowest level of input that is significant to the fair value measurement on a recurring basis as of June 30, 2021:

| <i>Description</i>                 | Level 1              | Level 2     | Level 3     | Total                |
|------------------------------------|----------------------|-------------|-------------|----------------------|
| Cash and money market funds        | \$ 2,313,978         | \$ -        | \$ -        | \$ 2,313,978         |
| Marketable securities:             |                      |             |             |                      |
| Fixed income investments           | 3,942,879            | -           | -           | 3,942,879            |
| Equities                           | 13,859,606           | -           | -           | 13,859,606           |
| Mutual funds:                      |                      |             |             |                      |
| Equity funds                       | 2,929,474            | -           | -           | 2,929,474            |
| Bond funds                         | 15,801,076           | -           | -           | 15,801,076           |
| Exchange-traded funds              | 5,919,474            | -           | -           | 5,919,474            |
| <b>Total marketable securities</b> | <b>42,452,509</b>    | <b>-</b>    | <b>-</b>    | <b>42,452,509</b>    |
| <b>Total</b>                       | <b>\$ 44,766,487</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 44,766,487</b> |

Valuation techniques used to measure assets at fair value include closing prices reported on the active markets in which securities held by the Organizations are traded. There were no changes to the valuation techniques utilized during the year.

### Note 4: In-Kind Contributions

Donated goods and services that meet the criteria for recognition are reflected as in-kind contributions in the combined statements of activities and changes in net assets at fair market value at the time of contribution. Certain professional fees for legal, consulting and valuation services to program activities were provided without charge to the Organizations and are treated as, and included in, "In-kind contributions". The services were valued by their providers, based on rates for similar services provided to others, as of the dates of which the services were performed. A corresponding amount is included in the appropriate category of "Program expenses". On these bases, approximately \$1,072,500 and \$1,046,700 is included in each of the accounts mentioned during the years ended June 30, 2022 and 2021, respectively.



# Compassion & Choices and Compassion & Choices Action Network

## Notes to the Combined Financial Statements

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### Note 5: Promises to Give

#### Unconditional promises to give

Unconditional promises to give for years ending after June 30, 2022 and 2021 are reflected as either current or non-current assets based on the terms of the commitment by the individual donors.

The following is a summary of unconditional promises to give at June 30, 2022 and 2021:

|                      | 2022              | 2021              |
|----------------------|-------------------|-------------------|
| Amounts due in:      |                   |                   |
| Less than one year   | \$ 357,500        | \$ 435,000        |
| One to five years    | 45,000            | 260,000           |
| Net promises to give | <u>\$ 402,500</u> | <u>\$ 695,000</u> |

Amounts due in more than one year in the future have not been discounted to present value because the effect on the combined financial statements would not be significant.

### Note 6: Other Asset - Investment, Partnership Interest

In October 2019, the Organizations received a contribution consisting of a limited partnership interest in four partnerships as a beneficiary of an estate. As described in Note 1, donated assets are recorded as contributions at their estimated fair value on the date of donation. The fair value of the investment was approximately \$238,000 as of June 30, 2022 and 2021. The partnerships were valued on the underlying investments determined by the investment advisor using the financial information applicable to the identified assets using Net Asset Value per Share ("NAV"). In accordance with ASU No. 2015-07 and FASB Codification Subtopic 820-10, certain investments that are measured at fair value using the NAV practical expedient are not classified in the fair value hierarchy and, as such, are excluded from the fair value hierarchy disclosures in Note 1. The Organizations intend to liquidate the limited partnership interest as soon as administratively feasible.

# Compassion & Choices and Compassion & Choices Action Network

## Notes to the Combined Financial Statements

### Note 7: Retirement Plan

The Organizations sponsor a 401(k) profit sharing plan (the “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 Organizations up to 5% of gross eligible salary and totaled approximately \$341,300 and \$300,200 for the years ended June 30, 2022 and 2021, respectively.

### Note 8: Commitments

The Organizations lease office space under operating leases expiring at various dates between December 2023 and October 2025. Monthly payments range from \$7,500 up to \$13,900 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, 2022:

|              | Portland Office   | Washington<br>D.C. Office | Total             |
|--------------|-------------------|---------------------------|-------------------|
| 2023         | \$ 100,834        | \$ 158,234                | \$ 259,068        |
| 2024         | 51,676            | 162,190                   | 213,866           |
| 2025         | -                 | 55,415                    | 55,415            |
| <b>Total</b> | <b>\$ 152,510</b> | <b>\$ 375,839</b>         | <b>\$ 528,349</b> |

Rent expense for the years ended June 30, 2022 and 2021 was \$261,954 and \$250,637, respectively.

### Note 9: Income Taxes

FASB ASC Topic 740, *Income Taxes*, 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.

# Compassion & Choices and Compassion & Choices Action Network

## Notes to the Combined Financial Statements

### Note 9: Income Taxes (Continued)

As the Organizations are qualified as a nonprofit 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.

### Note 10: Split Interest Agreements - Charitable Remainder Trusts

The Organizations are the trustee and remainder beneficiary of multiple charitable remainder trusts that require the Organizations to pay to the lifetime beneficiaries an amount ranging from 4.3 to 11.0 percent (as stated in the related trust agreements) of the net fair market value of trust assets, which at June 30, 2022 and 2021 consists of investments that are held separately by the Organizations. On the date each trust was established, the Organizations recorded a contribution equal to the difference between the fair value of the assets placed in trust and the amount of the present value of the estimated distributions to be made to the life income beneficiaries, discounted at rates ranging from 1.9 to 10.9 percent. Thereafter, the Organizations have been making the stipulated quarterly distributions to the life income beneficiaries and recording investment gains and losses on the assets held in the trusts. On any given date, the Organizations' remainder interest is represented by the difference between the fair value of the assets held by the trust and the present value of the remaining distributions to be paid to the life income beneficiaries.

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 Organizations' use. The portion of the annuity attributable to the present value of the future benefits to be received by the Organizations is recorded in the combined statement of activities and changes in net assets as an unrestricted contribution in the period the annuity is established. Such contributions totaled \$60,864 and \$185,402 for the years ended June 30, 2022 and 2021, respectively. Assets held in the annuity reserve fund totaled \$687,883 and \$722,208 at June 30, 2022 and 2021, respectively, and are reported at fair market value and included in Investments in the Organizations' combined statement of financial position.

Total charitable remainder trusts are as follows at June 30, 2022 and 2021:

|  | 2022       | 2021       |
|--|------------|------------|
| Assets held in charitable remainder trusts       | \$ 687,883 | \$ 722,208 |
| Less related liabilities                         | 398,860    | 415,705    |
| Net present value of charitable remainder trusts | \$ 289,023 | \$ 306,503 |

# Compassion & Choices and Compassion & Choices Action Network

## Notes to the Combined Financial Statements

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### Note 11: Net Assets with Donor Restrictions

Net assets with donor restrictions as of June 30, 2022 and 2021 reflect donations restricted by donors and consist of the following:

|  | 2022              | 2021              |
|--|-------------------|-------------------|
| Unconditional promises to give:          |                   |                   |
| Time restriction only                    | \$ 402,500        | \$ 445,000        |
| Time and purpose restriction:            |                   |                   |
| Dementia program's outreach and training | -                 | 250,000           |
| Our Care, Our Choice Act in Hawaii       | 253,907           | -                 |
| Organizing Work in California            | -                 | 150,000           |
| <b>Total</b>                             | <b>\$ 656,407</b> | <b>\$ 845,000</b> |

### Note 12: Contingencies

From time to time, the Organizations are a party to various disputes, claims and legal actions which are incidental to its mission. Provisions for costs and losses relating to these matters are made as management deems them appropriate. As of June 30, 2022, management has determined that there are no matters for which any provision is required.

### Note 13: Reclassification

Certain reclassifications have been made to the 2021 combined financial statements to conform to the 2022 classifications.

**Supplemental Information**  
**(See Independent Auditor's Report)**

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# Compassion & Choices and Compassion & Choices Action Network

## Combining Statements of Financial Position

| <i>June 30, 2022</i>                                       | Assets                  |   |                      |
|--|-------------------------|---|----------------------|
|  | Compassion<br>& Choices | Compassion &<br>Choices Action<br>Network | Combined             |
| <b>Current assets:</b>                                     |                         |   |                      |
| Cash and cash equivalents                                  | \$ 1,787,870            | \$ 841,626                                | \$ 2,629,496         |
| Unconditional promises to give                             | 357,500                 | -   | 357,500              |
| <b>Investments:</b>  |                         |   |                      |
| Cash and money market funds                                | 1,832,418               | 224,442                                   | 2,056,860            |
| Marketable securities                                      | 22,667,095              | 13,489,071                                | 36,156,166           |
| Prepaid expenses and other                                 | 415,786                 | 10,149                                    | 425,935              |
| Beneficial interest in charitable remainder trusts         | 112,374                 | -   | 112,374              |
| <b>Total current assets</b>                                | <b>27,173,043</b>       | <b>14,565,288</b>                         | <b>41,738,331</b>    |
| <b>Property, equipment and improvements, at cost:</b>      |                         |   |                      |
| Furniture and office equipment                             | 356,540                 | -   | 356,540              |
| Leasehold improvements                                     | 11,695                  | -   | 11,695               |
| <b>Total property, equipment and improvements, at cost</b> | <b>368,235</b>          | <b>-</b>                                  | <b>368,235</b>       |
| Accumulated depreciation and amortization                  | 359,659                 | -   | 359,659              |
| <b>Net property, equipment and improvements</b>            | <b>8,576</b>            | <b>-</b>                                  | <b>8,576</b>         |
| <b>Other assets:</b>                                       |                         |   |                      |
| Unconditional promises to give, net of current portion     | 45,000                  | -   | 45,000               |
| Intangible assets, net                                     | 7,417                   | -   | 7,417                |
| Investment, partnership interest                           | 238,841                 | -   | 238,841              |
| Deposits   | 20,039                  | -   | 20,039               |
| Due (to) from related entity                               | (85,263)                | 85,263                                    | -                    |
| <b>Total other assets</b>                                  | <b>226,034</b>          | <b>85,263</b>                             | <b>311,297</b>       |
| <b>Total</b>   | <b>\$ 27,407,653</b>    | <b>\$ 14,650,551</b>                      | <b>\$ 42,058,204</b> |

See Independent Auditor's Report

# Compassion & Choices and Compassion & Choices Action Network

## Combining Statements of Financial Position

| Liabilities and Net Assets                             |                         |   |                      |
|--|-------------------------|---|----------------------|
| <i>June 30, 2022</i>                                   | Compassion<br>& Choices | Compassion &<br>Choices Action<br>Network | Combined             |
| <b>Current liabilities:</b>                            |                         |   |                      |
| Accounts payable                                       | \$ 419,463              | \$ 48,492                                 | \$ 467,955           |
| Accrued expenses                                       | 1,050,492               | -   | 1,050,492            |
| Deferred revenue                                       | 4,000,000               | 1,000,000                                 | 5,000,000            |
| <b>Total current liabilities</b>                       | <b>5,469,955</b>        | <b>1,048,492</b>                          | <b>6,518,447</b>     |
| <b>Long-term liabilities:</b>                          |                         |   |                      |
| Deferred revenue, net of current portion               | 7,500,000               | 5,000,000                                 | 12,500,000           |
| Gift annuity payments due                              | 398,860                 | -   | 398,860              |
| <b>Total long-term liabilities</b>                     | <b>7,898,860</b>        | <b>5,000,000</b>                          | <b>12,898,860</b>    |
| <b>Total liabilities</b>                               | <b>13,368,815</b>       | <b>6,048,492</b>                          | <b>19,417,307</b>    |
| <b>Net assets:</b>                                     |                         |   |                      |
| <b>Without donor restrictions:</b>                     |                         |   |                      |
| Operating  | 13,373,855              | 8,602,059                                 | 21,975,914           |
| Net investment in property, equipment and improvements | 8,576                   | -   | 8,576                |
| <b>Total without donor restrictions</b>                | <b>13,382,431</b>       | <b>8,602,059</b>                          | <b>21,984,490</b>    |
| <b>With donor restrictions</b>                         | <b>656,407</b>          | <b>-</b>                                  | <b>656,407</b>       |
| <b>Total net assets</b>                                | <b>14,038,838</b>       | <b>8,602,059</b>                          | <b>22,640,897</b>    |
| <b>Total liabilities and net assets</b>                | <b>\$ 27,407,653</b>    | <b>\$ 14,650,551</b>                      | <b>\$ 42,058,204</b> |

See Independent Auditor's Report

# Compassion & Choices and Compassion & Choices Action Network

## Combining Statements of Activities and Changes in Net Assets

| <i>Year Ended June 30, 2022</i>             | Compassion &<br>Choices | Compassion &<br>Choices Action<br>Network | Elimination      | Combined          |
|---|-------------------------|---|------------------|-------------------|
| <b>Revenue and other support:</b>           |                         |   |                  |                   |
| Contributions                               | \$ 21,512,973           | \$ 1,355,223                              | \$ -             | \$ 22,868,196     |
| In-kind contributions                       | 1,072,478               | -   | -                | 1,072,478         |
| Investment income, net of expenses          | 655,032                 | 390,940                                   | -                | 1,045,972         |
| Realized and unrealized loss on investments | (3,247,204)             | (1,826,608)                               | -                | (5,073,812)       |
| Other income                                | 5,352                   | 250,000                                   | (250,000)        | 5,352             |
| <b>Total revenue and other support</b>      | <b>19,998,631</b>       | <b>169,555</b>                            | <b>(250,000)</b> | <b>19,918,186</b> |
| <b>Expenses:</b>                            |                         |   |                  |                   |
| Programs                                    | 17,161,486              | 1,105,903                                 | (250,000)        | 18,017,389        |
| General and administrative                  | 1,723,023               | 59,905                                    | -                | 1,782,928         |
| Fundraising                                 | 1,490,768               | 29,593                                    | -                | 1,520,361         |
| <b>Total expenses</b>                       | <b>20,375,277</b>       | <b>1,195,401</b>                          | <b>(250,000)</b> | <b>21,320,678</b> |
| Decrease in net assets                      | (376,646)               | (1,025,846)                               | -                | (1,402,492)       |
| Net assets, beginning                       | 14,415,484              | 9,627,905                                 | -                | 24,043,389        |
| Net assets, ending                          | \$ 14,038,838           | \$ 8,602,059                              | \$ -             | \$ 22,640,897     |

See Independent Auditor's Report



# Compassion & Choices and Compassion & Choices Action Network

## Combining Statements of Revenue and Functional Expenses

| <i>Year Ended June 30, 2022</i>             | Total for<br>Compassion &<br>Choices | Total for<br>Compassion &<br>Choices Action<br>Network | Elimination      | Combined Total        |
|---|--------------------------------------|--|------------------|-----------------------|
| <b>Revenue and other support:</b>           |                                      |  |                  |                       |
| Contributions                               | \$ 21,512,973                        | \$ 1,355,223   | \$ -             | \$ 22,868,196         |
| In-kind contributions                       | 1,072,478                            | -  | -                | 1,072,478             |
| Investment income, net of expenses          | 655,032                              | 390,940  | -                | 1,045,972             |
| Realized and unrealized loss on investments | (3,247,204)                          | (1,826,608)  | -                | (5,073,812)           |
| Other income                                | 5,352                                | 250,000  | (250,000)        | 5,352                 |
| <b>Total revenue and other support</b>      | <b>19,998,631</b>                    | <b>169,555</b>   | <b>(250,000)</b> | <b>19,918,186</b>     |
| <b>Expenses:</b>                            |                                      |  |                  |                       |
| Advertising                                 | 427,221                              | 29,979   | -                | 457,200               |
| Bank and merchant fees                      | 90,223                               | 2,193  | -                | 92,416                |
| Conference/booth fees                       | 131,343                              | -  | -                | 131,343               |
| Depreciation and amortization               | 1,607                                | -  | -                | 1,607                 |
| Development costs                           | 1,723,223                            | 156,110  | -                | 1,879,333             |
| Donations                                   | -                                    | -  | -                | -                     |
| Facilities                                  | 256,817                              | 5,137  | -                | 261,954               |
| Graphics                                    | 157,432                              | 82   | -                | 157,514               |
| Insurance                                   | 132,427                              | 2,629  | -                | 135,056               |
| Interest and taxes                          | 201                                  | -  | -                | 201                   |
| Magazine                                    | 179,901                              | -  | -                | 179,901               |
| Meetings                                    | 27,512                               | -  | -                | 27,512                |
| Memberships - organizations                 | 77,409                               | 5,793  | -                | 83,202                |
| Operational expenses                        | 184,082                              | 2,885  | -                | 186,967               |
| Outside services                            | 3,672,375                            | 664,697  | -                | 4,337,072             |
| Payroll expense                             | 9,370,095                            | 244,718  | -                | 9,614,813             |
| Printing                                    | 150,331                              | 3,384  | -                | 153,715               |
| Publications and subscriptions              | 133,771                              | 4,913  | -                | 138,684               |
| Registration fees                           | 16,174                               | 12,481   | -                | 28,655                |
| Sponsorships                                | 502,206                              | 33,400   | (250,000)        | 285,606               |
| Staff costs - development dept.             | 1,975,519                            | 9,420  | -                | 1,984,939             |
| Staff development                           | 51,335                               | -  | -                | 51,335                |
| Staff recruiting                            | 37,169                               | -  | -                | 37,169                |
| Technology/data management                  | 637,329                              | 9,730  | -                | 647,059               |
| Travel and entertainment                    | 439,575                              | 7,850  | -                | 447,425               |
| <b>Total expenses</b>                       | <b>20,375,277</b>                    | <b>1,195,401</b>                                       | <b>(250,000)</b> | <b>21,320,678</b>     |
| <b>Decrease in net assets</b>               | <b>\$ (376,646)</b>                  | <b>\$ (1,025,846)</b>                                  | <b>\$ -</b>      | <b>\$ (1,402,492)</b> |

See Independent Auditor's Report

# Compassion & Choices and Compassion & Choices Action Network

## Compassion & Choices Statement of Revenue and Functional Expenses

| <i>Year Ended June 30, 2022</i>             | Direct<br>Lobbying  | Grassroots<br>Lobbying | Policy &<br>Litigation | Public Education      |
|---|---------------------|------------------------|------------------------|-----------------------|
| <b>Revenue and other support:</b>           |                     |                        |                        |                       |
| Contributions                               | \$ -                | \$ -                   | \$ -                   | \$ -                  |
| In-kind contributions                       | -                   | -                      | 1,070,122              | -                     |
| Investment income, net of expenses          | -                   | -                      | -                      | -                     |
| Realized and unrealized loss on investments | -                   | -                      | -                      | -                     |
| Other income                                | -                   | -                      | 500                    | 183                   |
| <b>Total revenue and other support</b>      | <b>-</b>            | <b>-</b>               | <b>1,070,622</b>       | <b>183</b>            |
| <b>Expenses:</b>                            |                     |                        |                        |                       |
| Advertising                                 | 98,748              | 71,468                 | -                      | 129,343               |
| Bank and merchant fees                      | -                   | -                      | 12                     | 85,243                |
| Conference/booth fees                       | -                   | -                      | 325                    | 338                   |
| Depreciation and amortization               | -                   | -                      | 167                    | 662                   |
| Development costs                           | -                   | -                      | -                      | 1,083,331             |
| Donations                                   | -                   | -                      | -                      | -                     |
| Facilities                                  | -                   | -                      | 59,978                 | 78,196                |
| Graphics                                    | -                   | -                      | -                      | 29,268                |
| Insurance                                   | -                   | -                      | 13,275                 | 24,366                |
| Interest and taxes                          | -                   | -                      | -                      | -                     |
| Magazine                                    | -                   | -                      | -                      | 179,901               |
| Meetings                                    | 527                 | -                      | 1,414                  | 12,107                |
| Memberships - organizations                 | -                   | -                      | 1,650                  | 9,818                 |
| Operational expenses                        | 29,219              | 11,036                 | 10,223                 | 45,837                |
| Outside services                            | 180,193             | 40,620                 | 1,129,584              | 723,161               |
| Payroll expense                             | 76,119              | 31,131                 | 1,223,850              | 2,586,431             |
| Printing                                    | -                   | 1,382                  | -                      | 97,660                |
| Publications and subscriptions              | -                   | -                      | 92,203                 | 31,008                |
| Registration fees                           | -                   | -                      | -                      | 14,447                |
| Sponsorships                                | 225,000             | 25,000                 | 15,613                 | -                     |
| Staff costs - development dept.             | -                   | -                      | -                      | 1,185,311             |
| Staff development                           | -                   | -                      | 11,506                 | 22,337                |
| Staff recruiting                            | -                   | -                      | 3,847                  | 15,279                |
| Technology/data management                  | -                   | -                      | 52,450                 | 368,282               |
| Travel and entertainment                    | 8,304               | 2,255                  | 28,461                 | 78,672                |
| <b>Total expenses</b>                       | <b>618,110</b>      | <b>182,892</b>         | <b>2,644,558</b>       | <b>6,800,998</b>      |
| <b>Increase (decrease) in net assets</b>    | <b>\$ (618,110)</b> | <b>\$ (182,892)</b>    | <b>\$ (1,573,936)</b>  | <b>\$ (6,800,815)</b> |

See Independent Auditor's Report

# Compassion & Choices and Compassion & Choices Action Network

## Compassion & Choices

### Statement of Revenue and Functional Expenses (Continued)

| <i>Year Ended June 30, 2022</i>             | Advocacy              | Community<br>Engagement | Medical<br>Outreach &<br>Dementia<br>Programs | Total Programs         |
|---|-----------------------|-------------------------|---|------------------------|
| <b>Revenue and other support:</b>           |                       |                         |   |                        |
| Contributions                               | \$ -                  | \$ -                    | \$ -  | \$ -                   |
| In-kind contributions                       | -                     | -                       | 2,356   | 1,072,478              |
| Investment income, net of expenses          | -                     | -                       | -   | -                      |
| Realized and unrealized loss on investments | -                     | -                       | -   | -                      |
| Other income                                | 1,097                 | -                       | -   | 1,780                  |
| <b>Total revenue and other support</b>      | <b>1,097</b>          | <b>-</b>                | <b>2,356</b>                                  | <b>1,074,258</b>       |
| <b>Expenses:</b>                            |                       |                         |   |                        |
| Advertising                                 | 68,363                | 42,803                  | 16,496  | 427,221                |
| Bank and merchant fees                      | 60                    | 109                     | -   | 85,424                 |
| Conference/booth fees                       | 42,017                | 61,234                  | 25,224  | 129,138                |
| Depreciation and amortization               | 384                   | 114                     | 110   | 1,437                  |
| Development costs                           | -                     | -                       | -   | 1,083,331              |
| Donations                                   | -                     | -                       | -   | -                      |
| Facilities                                  | 27,671                | -                       | 12,541  | 178,386                |
| Graphics                                    | 27,489                | 90,675                  | 10,000  | 157,432                |
| Insurance                                   | 14,110                | 4,201                   | 4,049   | 60,001                 |
| Interest and taxes                          | -                     | -                       | 201   | 201                    |
| Magazine                                    | -                     | -                       | -   | 179,901                |
| Meetings                                    | 5,438                 | 1,190                   | 765   | 21,441                 |
| Memberships - organizations                 | 15,071                | 45,097                  | 4,373   | 76,009                 |
| Operational expenses                        | 39,414                | 12,873                  | 7,765   | 156,367                |
| Outside services                            | 846,912               | 545,687                 | 110,362                                       | 3,576,519              |
| Payroll expense                             | 2,370,287             | 580,374                 | 1,144,476                                     | 8,012,668              |
| Printing                                    | 48,347                | 2,489                   | 453   | 150,331                |
| Publications and subscriptions              | 2,772                 | 497                     | 532   | 127,012                |
| Registration fees                           | 970                   | -                       | -   | 15,417                 |
| Sponsorships                                | 32,343                | 79,750                  | 124,500                                       | 502,206                |
| Staff costs - development dept.             | -                     | -                       | -   | 1,185,311              |
| Staff development                           | 8,796                 | 1,897                   | 2,814   | 47,350                 |
| Staff recruiting                            | 8,948                 | 2,635                   | 2,539   | 33,248                 |
| Technology/data management                  | 106,040               | 31,476                  | 30,192  | 588,440                |
| Travel and entertainment                    | 165,975               | 46,429                  | 36,599  | 366,695                |
| <b>Total expenses</b>                       | <b>3,831,407</b>      | <b>1,549,530</b>        | <b>1,533,991</b>                              | <b>17,161,486</b>      |
| <b>Increase (decrease) in net assets</b>    | <b>\$ (3,830,310)</b> | <b>\$ (1,549,530)</b>   | <b>\$ (1,531,635)</b>                         | <b>\$ (16,087,228)</b> |

See Independent Auditor's Report

# Compassion & Choices and Compassion & Choices Action Network

## Compassion & Choices

### Statement of Revenue and Functional Expenses (Continued)

| <i>Year Ended June 30, 2022</i>             | Total<br>Programs      | General and<br>Administrative | Fundraising          | Total for<br>Compassion &<br>Choices |
|---|------------------------|-------------------------------|----------------------|--------------------------------------|
| Revenue and other support:                  |                        |                               |                      |                                      |
| Contributions                               | \$ -                   | \$ 1,855                      | \$ 21,511,118        | \$ 21,512,973                        |
| In-kind contributions                       | 1,072,478              | -                             | -                    | 1,072,478                            |
| Investment income, net of expenses          | -                      | 655,032                       | -                    | 655,032                              |
| Realized and unrealized loss on investments | -                      | (3,247,204)                   | -                    | (3,247,204)                          |
| Other income                                | 1,780                  | 3,572                         | -                    | 5,352                                |
| <b>Total revenue and other support</b>      | <b>1,074,258</b>       | <b>(2,586,745)</b>            | <b>21,511,118</b>    | <b>19,998,631</b>                    |
| Expenses:                                   |                        |                               |                      |                                      |
| Advertising                                 | 427,221                | -                             | -                    | 427,221                              |
| Bank and merchant fees                      | 85,424                 | 4,799                         | -                    | 90,223                               |
| Conference/booth fees                       | 129,138                | 2,205                         | -                    | 131,343                              |
| Depreciation and amortization               | 1,437                  | 170                           | -                    | 1,607                                |
| Development costs                           | 1,083,331              | -                             | 639,892              | 1,723,223                            |
| Donations                                   | -                      | -                             | -                    | -                                    |
| Facilities                                  | 178,386                | 65,860                        | 12,571               | 256,817                              |
| Graphics                                    | 157,432                | -                             | -                    | 157,432                              |
| Insurance                                   | 60,001                 | 72,426                        | -                    | 132,427                              |
| Interest and taxes                          | 201                    | -                             | -                    | 201                                  |
| Magazine                                    | 179,901                | -                             | -                    | 179,901                              |
| Meetings                                    | 21,441                 | 6,071                         | -                    | 27,512                               |
| Memberships - organizations                 | 76,009                 | 1,400                         | -                    | 77,409                               |
| Operational expenses                        | 156,367                | 11,609                        | 16,106               | 184,082                              |
| Outside services                            | 3,576,519              | 95,856                        | -                    | 3,672,375                            |
| Payroll expense                             | 8,012,668              | 1,357,427                     | -                    | 9,370,095                            |
| Printing                                    | 150,331                | -                             | -                    | 150,331                              |
| Publications and subscriptions              | 127,012                | 6,759                         | -                    | 133,771                              |
| Registration fees                           | 15,417                 | 757                           | -                    | 16,174                               |
| Sponsorships                                | 502,206                | -                             | -                    | 502,206                              |
| Staff costs - development dept.             | 1,185,311              | -                             | 790,208              | 1,975,519                            |
| Staff development                           | 47,350                 | 3,985                         | -                    | 51,335                               |
| Staff recruiting                            | 33,248                 | 3,921                         | -                    | 37,169                               |
| Technology/data management                  | 588,440                | 48,889                        | -                    | 637,329                              |
| Travel and entertainment                    | 366,695                | 40,889                        | 31,991               | 439,575                              |
| <b>Total expenses</b>                       | <b>17,161,486</b>      | <b>1,723,023</b>              | <b>1,490,768</b>     | <b>20,375,277</b>                    |
| <b>Increase (decrease) in net assets</b>    | <b>\$ (16,087,228)</b> | <b>\$ (4,309,768)</b>         | <b>\$ 20,020,350</b> | <b>\$ (376,646)</b>                  |

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# Compassion & Choices and Compassion & Choices Action Network

## Compassion & Choices Action Network Statement of Revenue and Functional Expenses

| <i>Year Ended June 30, 2022</i>             | Direct<br>Lobbying  | Legal &<br>Litigation | Advocacy            | Public<br>Education | Total<br>Programs   |
|---|---------------------|-----------------------|---------------------|---------------------|---------------------|
| <b>Revenue and other support:</b>           |                     |                       |                     |                     |                     |
| Contributions                               | \$ -                | \$ -                  | \$ -                | \$ -                | \$ -                |
| In-kind contributions                       | -                   | -                     | -                   | -                   | -                   |
| Investment income, net of expenses          | -                   | -                     | -                   | -                   | -                   |
| Realized and unrealized loss on investments | -                   | -                     | -                   | -                   | -                   |
| Other income                                | 250,000             | -                     | -                   | -                   | 250,000             |
| <b>Total revenue and other support</b>      | <b>250,000</b>      | <b>-</b>              | <b>-</b>            | <b>-</b>            | <b>250,000</b>      |
| <b>Expenses:</b>                            |                     |                       |                     |                     |                     |
| Advertising                                 | 22,541              | -                     | 7,438               | -                   | 29,979              |
| Bank and merchant fees                      | -                   | -                     | -                   | -                   | -                   |
| Conference/booth fees                       | -                   | -                     | -                   | -                   | -                   |
| Depreciation and amortization               | -                   | -                     | -                   | -                   | -                   |
| Development costs                           | -                   | -                     | -                   | 149,610             | 149,610             |
| Donations                                   | -                   | -                     | -                   | -                   | -                   |
| Facilities                                  | -                   | -                     | -                   | -                   | -                   |
| Graphics                                    | -                   | -                     | -                   | 82                  | 82                  |
| Insurance                                   | -                   | -                     | -                   | -                   | -                   |
| Interest and taxes                          | -                   | -                     | -                   | -                   | -                   |
| Magazine                                    | -                   | -                     | -                   | -                   | -                   |
| Meetings                                    | -                   | -                     | -                   | -                   | -                   |
| Memberships - organizations                 | -                   | -                     | -                   | -                   | -                   |
| Operational expenses                        | 460                 | -                     | -                   | -                   | 460                 |
| Outside services                            | 244,641             | -                     | 407,104             | 2,336               | 654,081             |
| Payroll expense                             | 181,391             | -                     | -                   | 35,703              | 217,094             |
| Printing                                    | 1,364               | -                     | 776                 | 855                 | 2,995               |
| Publications and subscriptions              | -                   | -                     | 84                  | 215                 | 299                 |
| Registration fees                           | -                   | -                     | -                   | -                   | -                   |
| Sponsorships                                | 600                 | -                     | 26,800              | 6,000               | 33,400              |
| Staff costs - development dept.             | -                   | -                     | -                   | 6,217               | 6,217               |
| Staff development                           | -                   | -                     | -                   | -                   | -                   |
| Staff recruiting                            | -                   | -                     | -                   | -                   | -                   |
| Technology/data management                  | -                   | -                     | 4,720               | -                   | 4,720               |
| Travel and entertainment                    | 3,339               | -                     | 2,068               | 1,559               | 6,966               |
| <b>Total expenses</b>                       | <b>454,336</b>      | <b>-</b>              | <b>448,990</b>      | <b>202,577</b>      | <b>1,105,903</b>    |
| <b>Increase (decrease) in net assets</b>    | <b>\$ (204,336)</b> | <b>\$ -</b>           | <b>\$ (448,990)</b> | <b>\$ (202,577)</b> | <b>\$ (855,903)</b> |

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# Compassion & Choices and Compassion & Choices Action Network

## Compassion & Choices Action Network Statement of Revenue and Functional Expenses (Continued)

| <i>Year Ended June 30, 2022</i>             | Total Programs      | General and<br>Administrative | Fundraising         | Total for<br>Compassion &<br>Choices Action<br>Network |
|---|---------------------|-------------------------------|---------------------|--|
| <b>Revenue and other support:</b>           |                     |                               |                     |  |
| Contributions                               | \$ -                | \$ -                          | \$ 1,355,223        | \$ 1,355,223   |
| In-kind contributions                       | -                   | -                             | -                   | -  |
| Investment income, net of expenses          | -                   | 390,940                       | -                   | 390,940  |
| Realized and unrealized loss on investments | -                   | (1,826,608)                   | -                   | (1,826,608)  |
| Other income                                | 250,000             | -                             | -                   | 250,000  |
| <b>Total revenue and other support</b>      | <b>250,000</b>      | <b>(1,435,668)</b>            | <b>1,355,223</b>    | <b>169,555</b>   |
| <b>Expenses:</b>                            |                     |                               |                     |  |
| Advertising                                 | 29,979              | -                             | -                   | 29,979   |
| Bank and merchant fees                      | -                   | -                             | 2,193               | 2,193  |
| Conference/booth fees                       | -                   | -                             | -                   | -  |
| Depreciation and amortization               | -                   | -                             | -                   | -  |
| Development costs                           | 149,610             | -                             | 6,500               | 156,110  |
| Donations                                   | -                   | -                             | -                   | -  |
| Facilities                                  | -                   | 5,137                         | -                   | 5,137  |
| Graphics                                    | 82                  | -                             | -                   | 82   |
| Insurance                                   | -                   | 2,629                         | -                   | 2,629  |
| Interest and taxes                          | -                   | -                             | -                   | -  |
| Magazine                                    | -                   | -                             | -                   | -  |
| Meetings                                    | -                   | -                             | -                   | -  |
| Memberships - organizations                 | -                   | -                             | 5,793               | 5,793  |
| Operational expenses                        | 460                 | 2,425                         | -                   | 2,885  |
| Outside services                            | 654,081             | 10,250                        | 366                 | 664,697  |
| Payroll expense                             | 217,094             | 27,624                        | -                   | 244,718  |
| Printing                                    | 2,995               | -                             | 389                 | 3,384  |
| Publications and subscriptions              | 299                 | 4,614                         | -                   | 4,913  |
| Registration fees                           | -                   | 1,332                         | 11,149              | 12,481   |
| Sponsorships                                | 33,400              | -                             | -                   | 33,400   |
| Staff costs - development dept.             | 6,217               | -                             | 3,203               | 9,420  |
| Staff development                           | -                   | -                             | -                   | -  |
| Staff recruiting                            | -                   | -                             | -                   | -  |
| Technology/data management                  | 4,720               | 5,010                         | -                   | 9,730  |
| Travel and entertainment                    | 6,966               | 884                           | -                   | 7,850  |
| <b>Total expenses</b>                       | <b>1,105,903</b>    | <b>59,905</b>                 | <b>29,593</b>       | <b>1,195,401</b>                                       |
| <b>Increase (decrease) in net assets</b>    | <b>\$ (855,903)</b> | <b>\$ (1,495,573)</b>         | <b>\$ 1,325,630</b> | <b>\$ (1,025,846)</b>                                  |

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