

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

Combined Financial Statements  
Years Ended June 30, 2018 and 2017  
with  
Independent Auditors' Report

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

Years Ended June 30, 2018 and 2017  
(See Independent Auditors' Report)

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

Independent Auditors' Report

***Report on the Combined Financial Statements***

We have audited the accompanying combined financial statements of Compassion & Choices and Compassion & Choices Action Network which comprise the combined statements of financial position as of June 30, 2018 and 2017 and the related combined statements of activities and changes in net assets and cash flows for the years then ended and the related notes to the combined financial statements.

***Management's Responsibility for the Combined Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement.

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

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

***Opinion***

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Compassion & Choices and Compassion & Choices Action Network as of June 30, 2018 and 2017 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Stratagem PC*  
*Certified Public Accountants*

*Lakewood, Colorado*

October 29, 2018

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

Combined Statements of Financial Position  
June 30, 2018 and 2017  
(See Independent Auditors' Report)

Assets	<u>2018</u>	<u>2017</u>
Current assets:		
Cash and cash equivalents	\$ 1,440,865	\$ 847,722
Unconditional promises to give, net of allowance	1,592,500	3,109,000
Investments:		
Cash and money market funds	1,416,320	1,914,276
Marketable securities	11,693,055	10,262,276
Prepaid expenses	193,979	184,908
Beneficial interest in charitable remainder trusts	73,573	157,385
Other current assets	<u>-</u>	<u>215</u>
Total current assets	<u>16,410,292</u>	<u>16,475,782</u>
Property, equipment and improvements, at cost:		
Furniture, fixtures and equipment	377,683	435,886
Leasehold improvements	<u>34,117</u>	<u>62,446</u>
	411,800	498,332
Less accumulated depreciation and amortization	<u>360,396</u>	<u>406,407</u>
Total property, equipment and improvements, net	<u>51,404</u>	<u>91,925</u>
Other assets:		
Unconditional promises to give, net of current portion	422,500	591,000
Intangible assets	12,097	13,430
Deposits	<u>31,797</u>	<u>30,875</u>
Total other assets	<u>466,394</u>	<u>635,305</u>
Total assets	<u>\$ 16,928,090</u>	<u>\$ 17,203,012</u>

(See Notes to Combined Financial Statements)

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

Combined Statements of Financial Position  
June 30, 2018 and 2017  
(See Independent Auditors' Report)

Liabilities and Net Assets

	2018	2017
Current liabilities:		
Accounts payable	\$ 305,076	\$ 197,444
Accrued expenses	561,267	465,207
Total current liabilities	866,343	662,651
Long-term liabilities:		
Gift annuity payments due	415,944	478,662
Total liabilities	1,282,287	1,141,313
Net assets:		
Unrestricted:		
Operating	15,045,907	14,714,575
Net investment in property, equipment and improvements	51,404	91,925
Total unrestricted net assets	15,097,311	14,806,500
Temporarily restricted	548,492	1,255,199
Total net assets	15,645,803	16,061,699
Total liabilities and net assets	\$ 16,928,090	\$ 17,203,012

(See Notes to Combined Financial Statements)

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

Combined Statement of Activities and Changes in Net Assets  
Year Ended June 30, 2018  
(See Independent Auditors' Report)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and other support:			
Contributions	\$ 10,579,231	\$ 1,547,000	\$ 12,126,231
Membership fees	110,784	-	110,784
Foundation revenue	292,000	-	292,000
Investment income, net of expenses	167,198	-	167,198
Realized and unrealized gain on investments	267,755	-	267,755
Loss on sale of property and equipment	(26,083)	-	(26,083)
Other income	637,148	-	637,148
Net assets released from restrictions:			
Satisfaction of:			
Program restrictions	475,707	(475,707)	-
Time restrictions	1,778,000	(1,778,000)	-
	<u>14,281,740</u>	<u>(706,707)</u>	<u>13,575,033</u>
Total revenue and other support			
Expenses:			
Programs	11,494,300	-	11,494,300
General and administrative	1,324,000	-	1,324,000
Fundraising	1,172,629	-	1,172,629
	<u>13,990,929</u>	<u>-</u>	<u>13,990,929</u>
Total expenses			
Increase (decrease) in net assets	290,811	(706,707)	(415,896)
Net assets, beginning	<u>14,806,500</u>	<u>1,255,199</u>	<u>16,061,699</u>
Net assets, ending	<u>\$ 15,097,311</u>	<u>\$ 548,492</u>	<u>\$ 15,645,803</u>

(See Notes to Combined Financial Statements)

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

Combined Statement of Activities and Changes in Net Assets  
Year Ended June 30, 2017  
(See Independent Auditors' Report)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and other support:			
Contributions	\$ 11,606,766	\$ 1,550,000	\$ 13,156,766
Membership fees	119,888	-	119,888
Foundation revenue	125,000	-	125,000
Investment income, net of expenses	98,336	-	98,336
Realized and unrealized gain on investments	510,759	-	510,759
Loss on sale of property and equipment	(3,810)	-	(3,810)
Other income	632,336	-	632,336
Net assets released from restrictions:			
Satisfaction of:			
Program restrictions	85,801	(85,801)	-
Time restrictions	<u>2,844,500</u>	<u>(2,844,500)</u>	<u>-</u>
Total revenue and other support	<u>16,019,576</u>	<u>(1,380,301)</u>	<u>14,639,275</u>
Expenses:			
Programs	15,344,656	-	15,344,656
General and administrative	1,957,383	-	1,957,383
Fundraising	<u>1,298,198</u>	<u>-</u>	<u>1,298,198</u>
Total expenses	<u>18,600,237</u>	<u>-</u>	<u>18,600,237</u>
Decrease in net assets	(2,580,661)	(1,380,301)	(3,960,962)
Net assets, beginning	<u>17,387,161</u>	<u>2,635,500</u>	<u>20,022,661</u>
Net assets, ending	<u>\$ 14,806,500</u>	<u>\$ 1,255,199</u>	<u>\$ 16,061,699</u>

(See Notes to Combined Financial Statements)

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

Combined Statements of Cash Flows  
Years Ended June 30, 2018 and 2017  
(See Independent Auditors' Report)

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Cash received from contributions and donations	\$ 14,943,372	\$ 16,114,240
Cash paid to employees and vendors	(13,788,769)	(19,243,395)
Interest received	167,198	98,336
	<u>1,321,801</u>	<u>(3,030,819)</u>
Net cash provided (used) by operating activities		
Cash flows from investing activities:		
Proceeds from sale of investments	4,507,276	9,444,413
Proceeds from sale of property, equipment and improvements	26,133	-
Purchases of investments	(5,198,427)	(7,222,643)
Payment of deposit	(922)	-
	<u>(665,940)</u>	<u>2,221,770</u>
Net cash provided (used) by investing activities		
Cash flows from financing activities:		
Gift annuities:		
Proceeds	10,663	86,235
Repayments	(73,381)	(85,542)
	<u>(62,718)</u>	<u>693</u>
Net cash provided (used) by financing activities		
Net increase (decrease) in cash and cash equivalents	593,143	(808,356)
Cash and cash equivalents, beginning	<u>847,722</u>	<u>1,656,078</u>
Cash and cash equivalents, ending	<u>\$ 1,440,865</u>	<u>\$ 847,722</u>

(continued)  
(See Notes to Combined Financial Statements)

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

Combined Statements of Cash Flows (continued)  
Years Ended June 30, 2018 and 2017  
(See Independent Auditors' Report)

	2018	2017
Cash flows from operating activities:		
Change in net assets	\$ (415,896)	\$ (3,960,962)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	15,721	31,751
Unrealized gain on investments	(267,755)	(510,759)
Loss on sale of property and equipment	26,083	3,810
(Increase) decrease in:		
Unconditional promises to give	1,692,500	1,565,650
Allowance for doubtful accounts	(7,500)	15,000
Prepaid expenses	(9,071)	(51,405)
Beneficial interest in charitable remainder trusts	83,812	11,661
Other current assets	215	15,317
Increase (decrease) in:		
Accounts payable	107,632	(144,289)
Accrued payroll and vacation	96,060	(6,593)
Net cash provided (used) by operating activities	\$ 1,321,801	\$ (3,030,819)

(See Notes to Combined Financial Statements)

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

Notes to Combined Financial Statements  
Years Ended June 30, 2018 and 2017  
(See Independent Auditors' Report)

**1. Nature of Operations and Summary of Significant Accounting Policies**

Nature of operations

Compassion & Choices, which has been granted not-for-profit status under Internal Revenue Code Section 501(c)(3), works to advance patients' rights through laws that allow mentally competent, terminally ill adults the legal choice of physician aid-in-dying. Compassion & Choices seeks to achieve this goal by advocating patient's rights, educating the public about the issues surrounding physician aid-in-dying, and empowering patients so they can make informed choices.

Compassion & Choices Action Network is a not-for-profit organization with a 501(c)(4) status under the Internal Revenue Code Section, whose mission is to advance education on end-of-life choices through promoting memberships and periodicals. Compassion & Choices Action Network's mission is also to engage in programs to advance legislation which will permit terminally ill individuals of sound mind to receive physician aid-in-dying. Compassion & Choices Action Network has independently governed chapters which are located throughout the United States.

The two Organizations are considered to be under common control as defined by generally accepted accounting principles based on financial control and/or joint operating agreements. As such, the financial operations of the two Organizations' are presented as combined financial statements for the years ended June 30, 2018 and 2017.

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

Basis of presentation

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

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

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

Notes to Combined Financial Statements  
Years Ended June 30, 2018 and 2017  
(See Independent Auditors' Report)

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

Cash and cash equivalents

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

The operating accounts of the Organizations are held at institutions that are provided insurance up to \$250,000 per FDIC-insured depository institution. Under 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 and monitoring cash such that balances are rarely, if ever, in excess of any applicable FDIC insurance limits that may be in place. In addition, management does not believe that the Organizations are exposed to any significant risk related to cash and cash equivalents.

Investments

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

Property, equipment and improvements

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

Total depreciation and amortization expense was approximately \$15,700 and \$31,800 for the years ended June 30, 2018 and 2017, respectively.

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

Notes to Combined Financial Statements  
Years Ended June 30, 2018 and 2017  
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**1. Nature of Operations and Summary of Significant Accounting Policies (continued)**

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 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, 2018 and 2017, 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 \$7,903 and \$6,570 as of June 30, 2018 and 2017, respectively.

Future annual amortization amounts to be recognized for the intangible assets based in the applicable useful lives are as follows for years ended after June 30, 2018:

<u>Year Ended June 30,</u>	<u>Amount</u>
2019	\$ 1,333
2020	1,250
2021	1,097
2022	1,000
2023	1,000
Thereafter	<u>6,417</u>
	<u>\$ 12,097</u>

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

Notes to Combined Financial Statements  
Years Ended June 30, 2018 and 2017  
(See Independent Auditors' Report)

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

Donations

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

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

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

Contributions

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

Promises to give

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

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

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

Notes to Combined Financial Statements  
Years Ended June 30, 2018 and 2017  
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**1. Nature of Operations and Summary of Significant Accounting Policies (continued)**

Use of estimates in the preparation of combined financial statements

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

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, 2018 and 2017.

Fair value measurements

During 2009, the Organizations adopted FASB ASC Topic 820, *Fair Value Measurements*. Topic 820 establishes a single authoritative definition of fair value and sets a hierarchy for measuring fair value. The adoption of Topic 820 has no impact on the Organization's accounting policies for investments, but requires additional disclosures about fair value measurement. The hierarchy for measuring fair value prioritizes the inputs to valuation techniques used to measure fair value and gives the highest priority to unadjusted quoted prices for securities traded in active markets (level 1) and the lowest priority to unobservable inputs (level 3). The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The hierarchy for measuring fair value under FASB ASC Topic 820 is as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

**Compassion & Choices  
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Notes to Combined Financial Statements  
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**1. Nature of Operations and Summary of Significant Accounting Policies (continued)**

Fair value measurements (continued)

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 Organization's managed investments were classified as follows, based on the lowest level of input that is significant to the fair value measurement as of June 30, 2018:

Description	Level 1	Level 2	Level 3	Totals
Cash and money market funds	\$ 1,416,320	\$ -	\$ -	\$ 1,416,320
Marketable securities				
Fixed income investments	4,899,549	-	-	4,899,549
Equities:				
Mutual funds	5,894,030	-	-	5,894,030
Alternative investments	899,476	-	-	899,476
Total marketable securities	11,693,055	-	-	11,693,055
	<u>\$ 13,109,375</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,109,375</u>

**Compassion & Choices  
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Notes to Combined Financial Statements  
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**1. Nature of Operations and Summary of Significant Accounting Policies (continued)**

Fair value measurements (continued)

As required by FASB ASC Topic 820, the Organization's managed investments were classified as follows, based on the lowest level of input that is significant to the fair value measurement as of June 30, 2017:

Description	Level 1	Level 2	Level 3	Totals
Cash and money market funds	\$ 1,914,276	\$ -	\$ -	\$ 1,914,276
Investments:				
Fixed income investments	4,132,130	-	-	4,132,130
Equities:				
Mutual funds	5,444,498	-	-	5,444,498
Alternative investments	685,648	-	-	685,648
 Total marketable securities	 10,262,276	 -	 -	 10,262,276
	<u>\$ 12,176,552</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,176,552</u>

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

**2. In-Kind Contributions**

Certain professional fees for legal, consulting and valuation services to program activities were provided without charge to the Organization and are treated as, and included in "Contributions". The services were valued by their providers as of the dates of which the services were performed. A corresponding amount is included in the appropriate category of "Program service expenses". On these bases, approximately \$1,644,100 and \$2,826,900 is included in each of the accounts mentioned during the years ended June 30, 2018 and 2017, respectively.

**3. Promises to Give**

Unconditional promises to give

Unconditional promises to give for years ending after June 30, 2018 and 2017 are reflected as either current or non-current assets based on the terms of the commitment by the individual donors. The allowance for uncollectible amounts is determined by management based on the evaluation of collectability of the promises outstanding.

**Compassion & Choices  
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Notes to Combined Financial Statements  
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(See Independent Auditors' Report)

**3. Promises to Give**

Unconditional promises to give (continued)

The following is a summary of unconditional promises to give at June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Amounts due in:		
Less than one year	\$ 1,600,000	\$ 3,124,000
One to five years	<u>422,500</u>	<u>591,000</u>
	2,022,500	3,715,000
Less allowance for uncollectible amounts	<u>7,500</u>	<u>15,000</u>
Net promises to give	<u><u>\$ 2,015,000</u></u>	<u><u>\$ 3,700,000</u></u>

**4. Retirement Plan**

The Organizations sponsor a 401(k) profit sharing plan covering substantially all employees who meet specified service requirements as defined in the plan document. The Plan allows for employee contributions up to the maximum allowable by the Internal Revenue Code. Contributions by employees are matched 100% by the Organization up to 5% of gross eligible salary and totaled approximately \$170,200 and \$189,700 for the years June 30, 2018 and 2017, respectively.

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

Notes to Combined Financial Statements  
Years Ended June 30, 2018 and 2017  
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**5. 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, 2018:

Year Ended June 30	Portland Office	Washington D.C. Office	Total
2019	\$ 45,014	\$ 143,352	\$ 188,366
2020	92,278	146,936	239,214
2021	95,046	150,609	245,655
2022	97,897	154,374	252,271
2023	100,834	158,234	259,068
Thereafter	51,676	217,604	269,280
	<u>\$ 482,745</u>	<u>\$ 971,110</u>	<u>\$ 1,453,855</u>

Rent expense for the years ended June 30, 2018 and 2017 was approximately \$309,000 and \$390,000, respectively.

**Compassion & Choices  
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Notes to Combined Financial Statements  
Years Ended June 30, 2018 and 2017  
(See Independent Auditors' Report)

**6. Income Taxes**

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

The Organizations adopted the provisions of FASB ASC Topic 740 on July 1, 2009. The adoption of Topic 740 did not result in a material modification of the overall combined financial statements of the Organizations as of and for the year ended June 30, 2014. As the Organizations are qualified as nonprofit Organizations under the Internal Revenue Code, any income tax position would be primarily related to unrelated business activities outside the core mission of the Organizations. Based on prior examinations of contractual arrangements of the Organizations and correspondence received from the Internal Revenue Service, management believes there to be no potential income tax positions that would result in related tax liability for the Organizations. Management will continue to evaluate any future contractual arrangements with respect to potential income tax positions under this guidance.

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

Notes to Combined Financial Statements  
Years Ended June 30, 2018 and 2017  
(See Independent Auditors' Report)

**7. Split Interest Agreements**

The Organization administers the following gift annuities. A gift annuity provides for the payment of distributions to the grantor or other designated beneficiaries over the annuity's term (usually the designated beneficiary's lifetime). At the end of the annuity's term the remaining assets are available for the Organization's use. The portion of the annuity attributable to the present value of the future benefits to be received by the Organization is recorded in the Combined Statement of Activities as an unrestricted contribution in the period the annuity is established. Such contributions totaled \$690,865 for the year ended June 30, 2018. Assets held in the annuity reserve fund totaled \$ 648,397 at June 30, 2018, and are reported at fair market value and included in Investments in the Organization's Combined Statement of Financial Position.

	Fiscal Year of Gift	Description of Asset Donated	FMV of Asset	Value of Gift	Amount of Liability	Gift Donor Life Expectancy	Discount Rate	Required Quarterly Payment	Guaranteed Interest Rate	Gift Annuity Payments Due June 30, 2018	Annuity Reserve Fund June 30, 2018
Annuity 5	June 30, 2001	Cash	\$ 10,000	\$ 3,749	\$ 6,251	18.3 years	9.42%	\$ 180	7.20%	\$ 297	\$ 3,900
Annuity 14	June 30, 2001	Cash	\$ 10,000	\$ 4,163	\$ 5,837	11.1 years	9.32%	\$ 212	8.50%	\$ (0)	\$ 3,041
Annuity 20	June 30, 2002	Cash	\$ 10,000	\$ 4,105	\$ 5,895	13.1 years	8.80%	\$ 193	7.70%	\$ -	\$ 3,183
Annuity 24	June 30, 2003	Cash	\$ 50,000	\$ 13,091	\$ 36,909	18.9 years	5.51%	\$ 788	6.30%	\$ 10,606	\$ 21,718
Annuity 25	June 30, 2003	Cash	\$ 20,000	\$ 10,927	\$ 9,073	5.0 years	9.52%	\$ 575	11.50%	\$ -	\$ 4,355
Annuity 26	June 30, 2003	Stock	\$ 25,544	\$ 4,941	\$ 20,603	21.4 years	4.93%	\$ 390	6.10%	\$ 8,620	\$ 10,299
Annuity 27	June 30, 2004	Cash	\$ 10,000	\$ 4,642	\$ 5,358	7.8 years	7.91%	\$ 228	9.10%	\$ 0	\$ 2,687
Annuity 32	June 30, 2004	Cash	\$ 45,671	\$ 9,250	\$ 36,422	27.6 years	5.47%	\$ 639	5.60%	\$ 24,309	\$ 27,414
Annuity 33	June 30, 2004	Cash	\$ 20,000	\$ 11,803	\$ 8,197	4.7 years	10.25%	\$ 565	11.30%	\$ -	\$ 4,311
Annuity 34	June 30, 2005	Cash	\$ 20,000	\$ 11,901	\$ 8,099	4.7 years	11.34%	\$ 565	11.30%	\$ -	\$ 4,311
Annuity 38	June 30, 2005	Cash	\$ 10,000	\$ 4,606	\$ 5,394	15.9 years	6.73%	\$ 250	10.00%	\$ 7,848	\$ 9,191
Annuity 39	June 30, 2005	Cash	\$ 20,000	\$ 9,717	\$ 10,283	9.9 years	8.62%	\$ 390	7.80%	\$ 0	\$ 6,468
Annuity 42	June 30, 2006	Cash	\$ 5,000	\$ 2,097	\$ 2,903	14.9 years	1.94%	\$ 81	6.50%	\$ 0	\$ 2,176
Annuity 45	June 30, 2007	Cash	\$ 8,000	\$ 4,667	\$ 3,333	4.9 years	12.23%	\$ 226	11.30%	\$ -	\$ 2,156
Annuity 46	June 30, 2008	Cash	\$ 20,000	\$ 10,366	\$ 9,634	8.8 years	9.85%	\$ 414	8.30%	\$ (0)	\$ 6,824
Annuity 47	June 30, 2008	Cash	\$ 7,717	\$ 3,308	\$ 4,409	17.5 years	8.44%	\$ 122	6.30%	\$ 2,413	\$ 3,945
Annuity 49	June 30, 2008	Cash	\$ 5,000	\$ 2,293	\$ 2,707	9.4 years	7.02%	\$ 100	8.00%	\$ (0)	\$ 1,885
Annuity 50	June 30, 2009	Cash	\$ 10,000	\$ 5,613	\$ 4,387	6.1 years	7.86%	\$ 238	9.50%	\$ 0	\$ 3,116
Annuity 52	June 30, 2010	Cash	\$ 5,000	\$ 2,623	\$ 2,377	7.8 yrs	6.81%	\$ 100	8.00%	\$ 0	\$ 1,616
Annuity 53	June 30, 2010	Cash	\$ 40,000	\$ 11,412	\$ 28,588	22.4 yrs	4.53%	\$ 510	5.10%	\$ 20,790	\$ 19,762
Annuity 54	June 30, 2010	Cash	\$ 100,000	\$ 51,354	\$ 48,646	8.8 yrs	5.97%	\$ 1,825	7.30%	\$ (0)	\$ 33,743
Annuity 55	June 30, 2010	Cash	\$ 25,000	\$ 12,839	\$ 12,161	8.8 yrs	6.43%	\$ 456	7.30%	\$ 449	\$ 8,436
Annuity 56	June 30, 2011	Cash	\$ 30,000	\$ 8,154	\$ 21,846	22.4 yrs	4.78%	\$ 398	5.30%	\$ 16,563	\$ 16,297
Annuity 57	June 30, 2011	Cash	\$ 10,000	\$ 4,195	\$ 5,805	13.8 yrs	5.62%	\$ 153	6.10%	\$ 2,980	\$ 4,604
Annuity 59	June 30, 2012	Cash	\$ 30,000	\$ 8,316	\$ 21,684	21.5 yrs	4.13%	\$ 383	5.10%	\$ 16,630	\$ 15,989
Annuity 62	June 30, 2012	Cash	\$ 10,000	\$ 3,909	\$ 6,091	11.1 yrs	3.86%	\$ 170	6.80%	\$ 2,797	\$ 4,733
Annuity 64	June 30, 2013	Cash	\$ 20,000	\$ 7,456	\$ 12,544	14 yrs	1.93%	\$ 270	5.40%	\$ 7,008	\$ 10,658
Annuity 65	June 30, 2013	Cash	\$ 10,000	\$ 5,618	\$ 4,452	6.4 yrs	4.15%	\$ 201	8.00%	\$ 592	\$ 3,773
Annuity 66	June 30, 2013	Cash	\$ 10,071	\$ 4,413	\$ 5,587	10.5 yrs	3.56%	\$ 160	6.40%	\$ 2,920	\$ 4,638
Annuity 67	June 30, 2013	Cash	\$ 10,000	\$ 4,102	\$ 5,898	12.4 yrs	3.16%	\$ 145	5.80%	\$ 3,514	\$ 4,639
Annuity 70	June 30, 2013	Cash	\$ 10,000	\$ 5,579	\$ 4,421	6.4 yrs	4.76%	\$ 200	8.00%	\$ 777	\$ 3,783
Subtotal			\$ 617,003	\$ 251,207	\$ 365,796			\$ 11,124		\$ 129,111	\$ 253,649

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

Notes to Combined Financial Statements  
Years Ended June 30, 2018 and 2017  
(See Independent Auditors' Report)

**7. Split Interest Agreements**

	Fiscal Year of Gift	Description of Asset Donated	FMV of Asset	Value of Gift	Amount of Liability	Gift Donor Life Expectancy	Discount Rate	Required Quarterly Payment	Guaranteed Interest Rate	Gift Annuity Payments Due June 30, 2018	Annuity Reserve Fund June 30, 2018
Subtotal from previous page			\$ 617,003	\$ 251,207	\$ 365,796			\$ 11,124		\$ 129,111	\$ 253,649
Annuity 71	June 30, 2013	Cash	\$ 20,000	\$ 10,613	\$ 9,387	7.3 yrs	4.35%	\$ 380	7.60%	\$ 2,896	\$ 8,037
Annuity 72	June 30, 2013	Cash	\$ 10,000	\$ 1,931	\$ 8,069	25.8 yrs	2.35%	\$ 105	4.20%	\$ 6,820	\$ 5,809
Annuity 73	June 30, 2013	Cash	\$ 10,000	\$ 5,419	\$ 4,581	6.8 yrs	3.19%	\$ 195	7.80%	\$ 1,138	\$ 3,899
Annuity 74	June 30, 2014	Cash	\$ 20,000	\$ 12,326	\$ 7,674	4.9 yrs	6.30%	\$ 450	10.50%	\$ 0	\$ 6,862
Annuity 75	June 30, 2014	Cash	\$ 20,000	\$ 10,212	\$ 9,788	7.8 yrs	3.87%	\$ 370	9.20%	\$ 3,843	\$ 8,758
Annuity 76	June 30, 2014	Cash	\$ 10,000	\$ 2,538	\$ 7,462	24.9 yrs	2.98%	\$ 108	5.02%	\$ 6,402	\$ 5,948
Annuity 77	June 30, 2014	Cash	\$ 200,000	\$ 90,878	\$ 109,122	11.4	4.49%	\$ 3,050	7.45%	\$ 72,926	\$ 75,205
Annuity 78	June 30, 2014	Cash	\$ 5,000	\$ 2,086	\$ 2,914	15.2	4.46%	\$ 69	5.50%	\$ 2,463	\$ 2,714
Annuity 80	June 30, 2014	Cash	\$ 10,000	\$ 4,912	\$ 5,088	9.9	5.05%	\$ 165	8.10%	\$ 3,027	\$ 4,849
Annuity 82	June 30, 2014	Cash	\$ 40,000	\$ 17,920	\$ 22,080	11.4	4.25%	\$ 610	7.50%	\$ 14,706	\$ 18,701
Annuity 83	June 30, 2014	Cash	\$ 10,000	\$ 5,136	\$ 4,864	8.8	5.04%	\$ 175	8.60%	\$ 2,634	\$ 4,275
Annuity 84	June 30, 2014	Cash	\$ 10,253	\$ 6,454	\$ 3,799	4.9	6.36%	\$ 231	10.30%	\$ 451	\$ 3,648
Annuity 86	June 30, 2015	Cash	\$ 10,000	\$ 4,574	\$ 5,426	11.8	4.37%	\$ 150	6.70%	\$ 3,926	\$ 4,953
Annuity 87	June 30, 2015	Cash	\$ 10,000	\$ 5,911	\$ 4,089	6	6.10%	\$ 205	10.30%	\$ 1,712	\$ 4,018
Annuity 88	June 30, 2015	Cash	\$ 10,555	\$ 6,394	\$ 4,161	5.6	4.89%	\$ 222	10.30%	\$ 1,478	\$ 4,113
Annuity 89	June 30, 2015	Cash	\$ 10,000	\$ 5,102	\$ 4,898	11.8	4.95%	\$ 89	7.10%	\$ 4,898	\$ 5,951
Annuity 90	June 30, 2015	Cash	\$ 17,143	\$ 8,717	\$ 8,426	8.8	4.74%	\$ 300	8.60%	\$ 5,314	\$ 7,221
Annuity 91	June 30, 2015	Cash	\$ 10,000	\$ 4,908	\$ 5,092	9.4	5.11%	\$ 170	8.40%	\$ 3,494	\$ 4,861
Annuity 92	June 30, 2015	Cash	\$ 10,000	\$ 4,965	\$ 5,035	9.4	5.30%	\$ 170	8.40%	\$ 3,475	\$ 5,491
Annuity 93	June 30, 2015	Cash	\$ 30,000	\$ 15,083	\$ 14,917	7.5	4.69%	\$ 593	9.80%	\$ 9,084	\$ 14,691
Annuity 94	June 30, 2015	Cash	\$ 25,000	\$ 11,719	\$ 13,281	9.8	3.68%	\$ 413	8.10%	\$ 9,463	\$ 13,703
Annuity 95	June 30, 2015	Cash	\$ 25,000	\$ 11,719	\$ 13,281	9.8	3.83%	\$ 413	8.10%	\$ 9,416	\$ 12,878
Annuity 96	June 30, 2015	Cash	\$ 10,000	\$ 6,693	\$ 3,307	4.3	4.78%	\$ 225	10.60%	\$ 874	\$ 3,468
Annuity 97	June 30, 2015	Stock	\$ 10,805	\$ 6,513	\$ 4,292	5.6	5.58%	\$ 227	10.30%	\$ 2,104	\$ 4,595
Annuity 98	June 30, 2015	Cash	\$ 5,000	\$ 2,655	\$ 2,345	7.7	4.43%	\$ 93	10.90%	\$ 1,343	\$ 2,093
Annuity 99	June 30, 2016	Cash	\$ 100,000	\$ 56,216	\$ 43,784	6.8	4.92%	\$ 1,950	9.80%	\$ 28,168	\$ 42,031
Annuity 100	June 30, 2016	Cash	\$ 10,000	\$ 4,633	\$ 5,367	10.1	3.93%	\$ 163	8.00%	\$ 4,204	\$ 4,444
Annuity 101	June 30, 2017	Cash	\$ 40,000	\$ 18,412	\$ 21,588	9.9	3.93%	\$ 660	8.10%	\$ 18,046	\$ 22,711
Annuity 102	June 30, 2017	Cash	\$ 10,000	\$ 5,112	\$ 4,888	8.3	4.46%	\$ 180	8.90%	\$ 3,909	\$ 5,797
Annuity 103	June 30, 2017	Cash	\$ 100,000	\$ 54,610	\$ 45,390	6.8	3.81%	\$ 1,950	9.80%	\$ 33,743	\$ 50,325
Annuity 104	June 30, 2017	Cash	\$ 10,000	\$ 3,052	\$ 1,948	5.2	6.30%	\$ 109	11.00%	\$ 1,357	\$ 2,202
Annuity 105	June 30, 2017	Cash	\$ 5,000	\$ 3,108	\$ 1,892	4.9	5.67%	\$ 113	11.40%	\$ 1,327	\$ 2,272
Annuity 106	June 30, 2017	Cash	\$ 10,000	\$ 2,927	\$ 7,073	19.7	2.86%	\$ 118	5.60%	\$ 6,664	\$ 6,867
Annuity 107	June 30, 2017	Cash	\$ 10,000	\$ 6,543	\$ 3,457	4.6	6.68%	\$ 225	11.40%	\$ 2,610	\$ 4,311
Annuity 108	June 30, 2018	Cash	\$ 10,000	\$ 6,637	\$ 3,363	19.9	3.64%	\$ 118	5.60%	\$ 6,482	\$ 7,420
Annuity 109	June 30, 2018	Stock	\$ 10,329	\$ 6,735	\$ 3,594	4.6	5.73%	\$ 232	11.10%	\$ 3,117	\$ 4,741
Annuity 110	June 30, 2018	Cash	\$ 10,000	\$ 6,295	\$ 3,705	4.9	6.56%	\$ 225	11.40%	\$ 3,314	\$ 4,888
Totals			\$ 1,491,088	\$ 690,865	\$ 795,223			\$ 26,340		\$ 415,944	\$ 648,397

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

Notes to Combined Financial Statements  
Years Ended June 30, 2018 and 2017  
(See Independent Auditors' Report)

**8. Temporarily Restricted Net Assets**

Temporarily restricted net assets as of June 30, 2018 and 2017 reflect donations restricted by donors and consist of the following:

	2018	2017
Unconditional promises to give that are due in more than one year:		
- Time restriction only	\$ 110,000	\$ 341,000
- Time and purpose restriction: Truth in Treatment Initiative	250,000	250,000
Total due in more than one year	360,000	591,000
End-of-Life Information Center	-	250,000
Stupski Bay Area Grant - Truth in Treatment Campaign	188,492	414,199
	\$ 548,492	\$ 1,255,199

**9. Contingencies**

From time to time, the Organization is 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, 2018, management has determined that there are no matters for which any provision is required.

**10. 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.

Supplemental Information

(See Independent Auditors' Report on Supplemental Information)

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

Independent Auditors' Report on Supplemental Information

We have audited the combined financial statements of Compassion & Choices and Compassion & Choices Action Network as of and for the years ended June 30, 2018 and 2017 and have issued our report thereon dated October 19, 2018, which contained an unqualified opinion on those combined financial statements. Our audits were performed for the purpose of forming an opinion on the combined financial statements as a whole. The following statements are presented for the purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

*Stratagem PC*  
*Certified Public Accountants*

*Lakewood, Colorado*

October 29, 2018

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

Combining Statement of Financial Position  
June 30, 2018

(See Independent Auditors' Report on Supplemental Information)

	Assets		
	Compassion & Choices	Compassion & Choices Action Network	Combined
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Current assets:			
Cash and cash equivalents	\$ 1,045,636	\$ 395,229	\$ 1,440,865
Unconditional promises to give, net of allowance	1,592,500	-	1,592,500
Investments			
Cash and money market funds	805,920	610,400	1,416,320
Marketable securities	6,709,048	4,984,007	11,693,055
Prepaid expenses and other	193,979	-	193,979
Beneficial interest in charitable remainder trusts	73,573	-	73,573
	<u>10,420,656</u>	<u>5,989,636</u>	<u>16,410,292</u>
 Total current assets			
Property, equipment and improvements:			
Furniture, fixtures and equipment	377,683	-	377,683
Leasehold improvements	31,741	2,376	34,117
	<u>409,424</u>	<u>2,376</u>	<u>411,800</u>
Accumulated depreciation and amortization	360,208	188	360,396
	<u>49,216</u>	<u>2,188</u>	<u>51,404</u>
 Total property, equipment and improvements			
Other assets:			
Unconditional promises to give, net of current portion	422,500	-	422,500
Intangible assets	12,097	-	12,097
Deposits	31,797	-	31,797
Due (to) from related entity	(116,087)	116,087	-
	<u>350,307</u>	<u>116,087</u>	<u>466,394</u>
 Total other assets			
 Total assets	<u>\$ 10,820,179</u>	<u>\$ 6,107,911</u>	<u>\$ 16,928,090</u>

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

Combining Statement of Financial Position  
June 30, 2018

(See Independent Auditors' Report on Supplemental Information)

	Liabilities and Net Assets		
	Compassion & Choices	Compassion & Choices Action Network	Combined
Current liabilities:			
Accounts payable	\$ 301,665	\$ 3,411	\$ 305,076
Accrued expenses	561,267	-	561,267
Total current liabilities	862,932	3,411	866,343
Long-term liabilities:			
Gift annuity payments due	415,944	-	415,944
Total liabilities	1,278,876	3,411	1,282,287
Net assets:			
Unrestricted:			
Operating	8,943,595	6,102,312	15,045,907
Net investment in property, equipment and improvements	49,216	2,188	51,404
Total unrestricted net assets	8,992,811	6,104,500	15,097,311
Temporarily restricted	548,492	-	548,492
Total net assets	9,541,303	6,104,500	15,645,803
Total liabilities and net assets	\$ 10,820,179	\$ 6,107,911	\$ 16,928,090

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

Combining Statement of Activities  
Year Ended June 30, 2018  
(See Independent Auditors' Report on Supplemental Information)

	<u>Compassion &amp; Choices</u>	<u>Compassion &amp; Choices Action Network</u>	<u>Combined</u>
Revenue and other support:			
Contributions	\$ 9,622,390	\$ 2,503,841	\$ 12,126,231
Membership fees	-	110,784	110,784
Foundation revenue	292,000	-	292,000
Investment income, net of expenses	110,881	56,317	167,198
Realized and unrealized gain on investments	213,454	54,301	267,755
Loss on sale of asset	(26,029)	(55)	(26,083)
Other Income	634,721	2,427	637,148
	<u>10,847,418</u>	<u>2,727,615</u>	<u>13,575,033</u>
Total revenue and other support			
Expenses:			
Programs	11,412,992	81,308	11,494,299
General and administrative	1,312,048	11,952	1,324,000
Fundraising	1,170,629	2,000	1,172,629
	<u>13,895,669</u>	<u>95,260</u>	<u>13,990,929</u>
Total expenses			
Increase (decrease) in net assets	(3,048,251)	2,632,355	(415,896)
Net assets, beginning	<u>12,589,554</u>	<u>3,472,145</u>	<u>16,061,699</u>
Net assets, ending	<u>\$ 9,541,303</u>	<u>\$ 6,104,500</u>	<u>\$ 15,645,803</u>

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

Combining Statement of Revenue and Functional Expenses  
Year Ended June 30, 2018  
(See Independent Auditors' Report on Supplemental Information)

	Total for Compassion & Choices	Total for Compassion & Choices Action Network	Combined Total
Revenue and other support:			
Contributions	\$ 9,622,390	\$ 2,503,841	\$ 12,126,231
Membership fees	-	110,784	110,784
Foundation Revenue	292,000	-	292,000
Investment income, net of expenses	110,881	56,317	167,198
Realized and unrealized gain on investments	213,454	54,301	267,755
Loss on sale of asset	(26,029)	(55)	(26,083)
Other income	634,721	2,427	637,148
	<u>10,847,418</u>	<u>2,727,615</u>	<u>13,575,033</u>
Total revenue and other support			
Expenses:			
Advertising	139,106	-	139,106
Bank and merchant fees	35,521	1,913	37,434
Conference/booth fees	106,275	-	106,275
Depreciation and amortization	15,627	94	15,721
Development costs	1,106,528	18,763	1,125,291
Donations	1,600	-	1,600
Facilities	308,256	758	309,013
Graphics	40,824	-	40,824
Insurance	123,241	201	123,442
Interest and taxes	5,838	1	5,839
Magazine	75,321	-	75,321
Meetings	44,485	-	44,485
Memberships - organizations	11,841	-	11,841
Operational expenses	226,876	262	227,139
Outside services	3,472,395	32,591	3,504,986
Payroll expense	5,817,825	25,612	5,843,437
Printing	80,620	493	81,113
Publications and subscriptions	152,083	18	152,101
Registration fees	17,970	12,609	30,579
Sponsorships	31,160	-	31,160
Staff costs - development dept.	1,136,021	-	1,136,021
Staff development	16,332	-	16,332
Technology/data management	380,360	444	380,804
Temporary staff	1,798	4	1,802
Travel and entertainment	547,765	1,498	549,263
	<u>13,895,669</u>	<u>95,260</u>	<u>13,990,929</u>
Total expenses			
Increase (decrease) in net assets	<u>\$ (3,048,251)</u>	<u>\$ 2,632,355</u>	<u>\$ (415,896)</u>

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

Compassion & Choices  
Statement of Revenue and Functional Expenses  
Year Ended June 30, 2018  
(See Independent Auditors' Report on Supplemental Information)

	<u>Direct Lobbying</u>	<u>Grassroots Lobbying</u>	<u>Legal &amp; Litigation</u>	<u>Public Education</u>
Revenue and other support:				
Contributions	\$ -	\$ -	\$ 1,541,078	\$ -
Foundation Revenue	-	-	-	-
Investment income, net of expenses	-	-	-	-
Realized and unrealized gain on investments	-	-	-	-
Loss on sale of asset	-	-	(1,058)	(9,874)
Other income	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue and other support	-	-	1,540,019	(9,874)
	<hr/>	<hr/>	<hr/>	<hr/>
Expenses:				
Advertising	-	-	270	97,100
Bank and merchant fees	-	-	-	35,520
Conference/booth fees	-	-	900	2,921
Depreciation and amortization	-	-	635	5,928
Development costs	-	-	-	554,643
Donations	-	-	-	-
Facilities	-	-	21,224	106,071
Graphics	-	-	500	36,703
Insurance	-	-	5,844	36,200
Interest and taxes	-	-	47	294
Magazine	-	-	-	75,321
Meetings	-	-	-	2,161
Memberships - organizations	-	-	1,606	2,508
Operational expenses	-	129	6,491	82,865
Outside services	204,343	5,234	1,559,263	430,882
Payroll expense	36,570	72,651	338,822	1,649,827
Printing	-	-	89	61,575
Publications and subscriptions	-	-	36,584	82,907
Registration fees	-	-	-	13,599
Sponsorships	-	-	15,500	-
Staff costs - development dept.	-	-	-	567,424
Staff development	-	-	4,015	2,799
Technology/data management	-	-	10,314	234,616
Temporary staff	-	-	69	745
Travel and entertainment	-	1,138	47,653	127,596
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	240,913	79,151	2,049,827	4,210,206
	<hr/>	<hr/>	<hr/>	<hr/>
Increase (decrease) in net assets	\$ (240,913)	\$ (79,151)	\$ (509,807)	\$ (4,220,080)

(continued)

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

Compassion & Choices  
Statement of Revenue and Functional Expenses (continued)  
Year Ended June 30, 2018  
(See Independent Auditors' Report on Supplemental Information)

	Advocacy & Integrated Programs	Policy, Research, & Implementation	EOLRC	Total Programs
Revenue and other support:				
Contributions	\$ -	\$ -	\$ 103,075	\$ 1,644,153
Foundation Revenue	-	-	-	-
Investment income, net of expenses	-	-	-	-
Realized and unrealized gain on investments	-	-	-	-
Loss on sale of asset	(6,799)	(3,622)	(895)	(22,247)
Other income	-	-	-	-
	<u>(6,799)</u>	<u>(3,622)</u>	<u>102,180</u>	<u>1,621,905</u>
Total revenue and other support	<u>(6,799)</u>	<u>(3,622)</u>	<u>102,180</u>	<u>1,621,905</u>
Expenses:				
Advertising	37,310	4,426	-	139,106
Bank and merchant fees	1	-	-	35,521
Conference/booth fees	92,416	10,037	-	106,275
Depreciation and amortization	4,082	2,174	537	13,357
Development costs	-	-	-	554,643
Donations	1,600	-	-	1,600
Facilities	56,649	10,952	10,222	205,118
Graphics	119	2,063	-	39,384
Insurance	24,927	13,278	29,128	109,377
Interest and taxes	4,551	487	15	5,395
Magazine	-	-	-	75,321
Meetings	18,978	667	-	21,806
Memberships - organizations	6,345	1,319	12	11,790
Operational expenses	76,732	28,802	5,246	200,265
Outside services	849,486	248,153	104,157	3,401,518
Payroll expense	1,706,216	964,486	2,275	4,770,846
Printing	8,990	9,573	75	80,302
Publications and subscriptions	12,691	16,724	289	149,196
Registration fees	680	3,604	-	17,883
Sponsorships	15,160	500	-	31,160
Staff costs - development dept.	587	-	-	568,011
Staff development	4,598	736	-	12,148
Technology/data management	60,774	32,359	7,984	346,046
Temporary staff	443	236	58	1,552
Travel and entertainment	275,592	59,714	3,679	515,372
	<u>3,258,925</u>	<u>1,410,291</u>	<u>163,678</u>	<u>11,412,992</u>
Total expenses	<u>3,258,925</u>	<u>1,410,291</u>	<u>163,678</u>	<u>11,412,992</u>
Increase (decrease) in net assets	<u>\$ (3,265,724)</u>	<u>\$ (1,413,913)</u>	<u>\$ (61,498)</u>	<u>\$ (9,791,086)</u>

(continued)

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

Compassion & Choices  
Statement of Revenue and Functional Expenses (continued)  
Year Ended June 30, 2018  
(See Independent Auditors' Report on Supplemental Information)

	Total Programs	General and administrative	Fundraising	Total for Compassion & Choices
Revenue and other support:				
Contributions	\$ 1,644,153	\$ -	\$ 7,978,238	\$ 9,622,390
Foundation Revenue	-	-	292,000	292,000
Investment income, net of expenses	-	110,881	-	110,881
Realized and unrealized gain on investments	-	213,454	-	213,454
Loss on sale of asset	(22,247)	(3,781)	-	(26,029)
Other income	-	29,170	605,551	634,721
	<u>1,621,905</u>	<u>349,723</u>	<u>8,875,789</u>	<u>10,847,418</u>
Total revenue and other support				
Expenses:				
Advertising	139,106	-	-	139,106
Bank and merchant fees	35,521	-	-	35,521
Conference/booth fees	106,275	-	-	106,275
Depreciation and amortization	13,357	2,270	-	15,627
Development costs	554,643	-	551,884	1,106,528
Donations	1,600	-	-	1,600
Facilities	205,118	82,831	20,306	308,256
Graphics	39,384	1,440	-	40,824
Insurance	109,377	13,864	-	123,241
Interest and taxes	5,395	443	-	5,838
Magazine	75,321	-	-	75,321
Meetings	21,806	22,679	-	44,485
Memberships - organizations	11,790	51	-	11,841
Operational expenses	200,265	26,612	-	226,876
Outside services	3,401,518	70,877	-	3,472,395
Payroll expense	4,770,846	1,046,979	-	5,817,825
Printing	80,302	318	-	80,620
Publications and subscriptions	149,196	2,887	-	152,083
Registration fees	17,883	88	-	17,970
Sponsorships	31,160	-	-	31,160
Staff costs - development dept.	568,011	-	568,011	1,136,021
Staff development	12,148	4,184	-	16,332
Technology/data management	346,046	34,314	-	380,360
Temporary staff	1,552	247	-	1,798
Travel and entertainment	515,372	1,965	30,428	547,765
	<u>11,412,992</u>	<u>1,312,048</u>	<u>1,170,629</u>	<u>13,895,669</u>
Total expenses				
Increase (decrease) in net assets	<u>\$ (9,791,086)</u>	<u>\$ (962,325)</u>	<u>\$ 7,705,160</u>	<u>\$ (3,048,251)</u>

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

Compassion & Choices Action Network  
Statement of Revenue and Functional Expenses  
Year Ended June 30, 2018

(See Independent Auditors' Report on Supplemental Information)

	Direct Lobbying	Legal Defense Fund	Policy & Implementation	Field	Public Education	Total Programs
Revenue and other support:						
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Membership fees	-	-	-	-	-	-
Investment income, net of expenses	-	-	-	-	-	-
Realized and unrealized gain on investments	-	-	-	-	-	-
Loss on sale of asset	-	-	-	(31)	-	(31)
Other income	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue and other support	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31)</u>	<u>-</u>	<u>(31)</u>
Expenses:						
Advertising	-	-	-	-	-	-
Bank and merchant fees	-	-	-	-	1,863	1,863
Conference/booth fees	-	-	-	-	-	-
Depreciation and amortization	-	-	-	19	-	19
Development costs	-	-	-	-	16,763	16,763
Donations	-	-	-	-	-	-
Facilities	-	-	-	-	143	143
Graphics	-	-	-	-	-	-
Insurance	-	-	-	115	-	115
Interest and taxes	-	-	-	1	-	1
Magazine	-	-	-	-	-	-
Meetings	-	-	-	-	-	-
Memberships - organizations	-	-	-	-	-	-
Operational expenses	-	-	-	184	-	184
Outside services	30,916	-	-	443	70	31,429
Payroll expense	-	-	-	-	15,979	15,979
Printing	-	-	-	3	488	491
Publications and subscriptions	-	-	-	10	-	10
Registration fees	-	-	-	-	12,609	12,609
Sponsorships	-	-	-	-	-	-
Staff costs - development dept.	-	-	-	-	-	-
Staff development	-	-	-	-	-	-
Technology/data management	-	-	-	234	-	234
Temporary staff	-	-	-	2	-	2
Travel and entertainment	-	-	-	1,467	-	1,467
	<u>30,916</u>	<u>-</u>	<u>-</u>	<u>2,476</u>	<u>47,916</u>	<u>81,309</u>
Total expenses	<u>30,916</u>	<u>-</u>	<u>-</u>	<u>2,476</u>	<u>47,916</u>	<u>81,309</u>
Increase (decrease) in net assets	<u>\$ (30,916)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,508)</u>	<u>\$ (47,916)</u>	<u>\$ (81,340)</u>

(continued)

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

Compassion & Choices Action Network  
Statement of Revenue and Functional Expenses (continued)  
Year Ended June 30, 2018  
(See Independent Auditors' Report on Supplemental Information)

	<u>Total Programs</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total for Compassion &amp; Choices Action Network</u>
Revenue and other support:				
Contributions	\$ -	\$ -	\$ 2,503,841	\$ 2,503,841
Membership fees	-	-	110,784	110,784
Investment income, net of expenses	-	56,317	-	56,317
Realized and unrealized gain on investments	-	54,301	-	54,301
Loss on sale of asset	(31)	(23)	-	(55)
Other income	-	-	2,427	2,427
	<u>-</u>	<u>-</u>	<u>2,427</u>	<u>2,427</u>
 Total revenue and other support	 <u>(31)</u>	 <u>110,595</u>	 <u>2,617,052</u>	 <u>2,727,615</u>
Expenses:				
Advertising	-	-	-	-
Bank and merchant fees	1,863	50	-	1,913
Conference/booth fees	-	-	-	-
Depreciation and amortization	19	75	-	94
Development costs	16,763	-	2,000	18,763
Donations	-	-	-	-
Facilities	143	615	-	758
Graphics	-	-	-	-
Insurance	115	86	-	201
Interest and taxes	1	-	-	1
Magazine	-	-	-	-
Meetings	-	-	-	-
Memberships - organizations	-	-	-	-
Operational expenses	184	79	-	262
Outside services	31,429	1,162	-	32,591
Payroll expense	15,979	9,632	-	25,612
Printing	491	2	-	493
Publications and subscriptions	10	8	-	18
Registration fees	12,609	-	-	12,609
Sponsorships	-	-	-	-
Staff costs - development dept.	-	-	-	-
Staff development	-	-	-	-
Technology/data management	234	209	-	444
Temporary staff	2	2	-	4
Travel and entertainment	1,467	33	-	1,498
	<u>1,467</u>	<u>33</u>	<u>-</u>	<u>1,498</u>
 Total expenses	 <u>81,309</u>	 <u>11,952</u>	 <u>2,000</u>	 <u>95,260</u>
Increase (decrease) in net assets	<u>\$ (81,340)</u>	<u>\$ 98,643</u>	<u>\$ 2,615,052</u>	<u>\$ 2,632,355</u>