

# Compassion & Choices and Compassion & Choices Action Network

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

Years Ended June 30, 2021 and 2020



**WIPFLI**

## **Independent Auditor's Report**

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

### **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, 2021 and 2020, 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.

### **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; 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from 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.

# WIPFLI

## Opinion

In our opinion, the 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, 2021 and 2020, 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.

## 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 years ended June 30, 2021 and 2020, 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

October 29, 2021

# Compassion & Choices and Compassion & Choices Action Network

## Combined Statements of Financial Position

Assets	2021	2020
<i>June 30,</i>		
Current assets:		
Cash and cash equivalents	\$ 2,200,653	\$ 1,030,279
Unconditional promises to give	435,000	348,640
Investments:		
Cash and money market funds	2,313,978	4,729,839
Marketable securities	42,452,509	13,897,148
Prepaid expenses and other	305,972	313,902
Beneficial interest in charitable remainder trusts	121,863	81,980
Other receivables	82,679	-
Other current assets	409	852
Total current assets	47,913,063	20,402,640
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	359,052	356,076
Net property, equipment and improvements	9,183	12,159
Other assets:		
Unconditional promises to give, net of current portion	260,000	35,000
Intangible assets, net	8,417	9,514
Investment, partnership interest	238,841	238,841
Deposits	20,039	20,039
Total other assets	527,297	303,394
Total assets	\$ 48,449,543	\$ 20,718,193

See Notes to Combined Financial Statements

# Compassion & Choices and Compassion & Choices Action Network

## Combined Statements of Financial Position

<i>June 30,</i>	2021	2020
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 503,533	\$ 339,611
Accrued expenses	806,916	783,316
Deferred revenue	3,680,000	-
Total current liabilities	4,990,449	1,122,927
Long-term liabilities:		
Deferred revenue, net of current portion	19,000,000	-
Gift annuity payments due	415,705	392,403
Total long-term liabilities	19,415,705	392,403
Total liabilities	24,406,154	1,515,330
Net assets:		
Without donor restrictions:		
Operating	23,189,206	18,844,491
Net investment in property, equipment and improvements	9,183	12,159
Total net assets without donor restrictions	23,198,389	18,856,650
With donor restrictions	845,000	346,213
Total net assets	24,043,389	19,202,863
Total liabilities and net assets	\$ 48,449,543	\$ 20,718,193

See 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 Restrictions	With Donor Restrictions	Total
Revenue and other support:			
Contributions	\$ 18,670,646	\$ 1,136,000	\$ 19,806,646
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)	-
<hr/>			
Total revenue and other support	22,715,879	498,787	23,214,666
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Expenses:			
Programs	15,296,667	-	15,296,667
General and administrative	1,635,309	-	1,635,309
Fundraising	1,442,164	-	1,442,164
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Total expenses	18,374,140	-	18,374,140
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Increase in net assets	4,341,739	498,787	4,840,526
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Net assets, beginning	18,856,650	346,213	19,202,863
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Net assets, ending	\$ 23,198,389	\$ 845,000	\$ 24,043,389

See 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, 2020</i>	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and other support:</b>			
Contributions	\$ 18,477,297	\$ 970,200	\$ 19,447,497
Investment income, net of expenses	369,903	-	369,903
Realized and unrealized loss on investments	(26,060)	-	(26,060)
Gain on sale of property and equipment	2,050	-	2,050
Other income	49,113	-	49,113
Net assets released from restrictions:			
Satisfaction of:			
Program restrictions	406,987	(406,987)	-
Time restrictions	287,000	(287,000)	-
<b>Total revenue and other support</b>	<b>19,566,290</b>	<b>276,213</b>	<b>19,842,503</b>
<b>Expenses:</b>			
Programs	13,633,238	-	13,633,238
General and administrative	1,685,763	-	1,685,763
Fundraising	1,360,649	-	1,360,649
<b>Total expenses</b>	<b>16,679,650</b>	<b>-</b>	<b>16,679,650</b>
Increase in net assets	2,886,640	276,213	3,162,853
Net assets, beginning	15,970,010	70,000	16,040,010
<b>Net assets, ending</b>	<b>\$ 18,856,650</b>	<b>\$ 346,213</b>	<b>\$ 19,202,863</b>

See 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 Lobbying	Grassroots Lobbying	Policy & Litigation	Public Education
Revenue and other support:				
Contributions	\$ -	\$ -	\$ 1,046,470	\$ 730,587
Investment income, net of expenses	-	-	-	-
Realized and unrealized gain on investments	-	-	-	-
Other income	-	-	-	-
<b>Total revenue and other support</b>	<b>-</b>	<b>-</b>	<b>1,046,470</b>	<b>730,587</b>
Expenses:				
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	941,158	2,149,836
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
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 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 Engagement	Medical Outreach & Dementia Programs	Total Programs
Revenue and other support:				
Contributions	\$ -	\$ -	\$ 265	\$ 1,777,322
Investment income, net of expenses	-	-	-	-
Realized and unrealized gain 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	2,199,465	621,688	973,100	7,078,599
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
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>
<b>Increase (decrease) in net assets</b>	<b>\$ (4,059,158)</b>	<b>\$ (1,232,152)</b>	<b>\$ (1,363,688)</b>	<b>\$ (13,519,245)</b>

See 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 Administrative	Fundraising	Total
<b>Revenue and other support:</b>				
Contributions	\$ 1,777,322	\$ -	\$ 18,029,324	\$ 19,806,646
Investment income, net of expenses	-	556,864	-	556,864
Realized and unrealized gain 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	7,078,599	1,351,663	-	8,430,262
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
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 Notes to Combined Financial Statements

# Compassion & Choices and Compassion & Choices Action Network

## Combined Statement of Revenue and Functional Expenses

<i>Year Ended June 30, 2020</i>	Direct Lobbying	Grassroots Lobbying	Policy & Litigation	Public Education
Revenue and other support:				
Contributions	\$ -	\$ -	\$ 617,670	\$ -
Investment income, net of expenses	-	-	-	-
Realized and unrealized loss on investments	-	-	-	-
Gain on sale of property and equipment	-	-	-	-
Other income	-	-	-	49,113
Total revenue and other support	-	-	617,670	49,113
Expenses:				
Advertising	-	-	-	281,361
Bank and merchant fees	-	-	-	64,594
Conference/booth fees	2,048	550	-	533
Depreciation and amortization	-	-	491	2,477
Development costs	-	-	-	842,142
Donations	-	-	5,000	50
Facilities	-	-	40,079	93,995
Graphics	-	-	-	7,610
Insurance	-	-	9,096	31,055
Interest and taxes	-	-	-	30
Magazine	-	-	-	112,675
Meetings	-	-	1,195	4,069
Memberships - organizations	-	-	1,904	5,180
Operational expenses	1,672	494	8,374	72,625
Outside services	378,691	31,826	627,554	423,443
Payroll expense	93,197	147,533	652,420	1,799,299
Printing	5,556	1,312	10	86,248
Publications and subscriptions	-	-	85,275	51,878
Registration fees	-	-	500	8,553
Sponsorships	-	-	11,000	-
Staff costs - development dept.	-	-	-	749,363
Staff development	-	-	5,692	99
Technology/data management	-	-	28,519	338,855
Travel and entertainment	15,236	5,264	40,897	133,004
Total expenses	496,400	186,979	1,518,006	5,109,138
Increase (decrease) in net assets	\$ (496,400)	\$ (186,979)	\$ (900,336)	\$ (5,060,025)

See 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, 2020</i>	Advocacy	Community Engagement	Medical Outreach & Dementia Programs	Total Programs
<b>Revenue and other support:</b>				
Contributions	\$ -	\$ -	\$ 871	\$ 618,541
Investment income, net of expenses	-	-	-	-
Realized and unrealized loss on investments	-	-	-	-
Gain on sale of property and equipment	-	-	-	-
Other income	-	-	-	49,113
<b>Total revenue and other support</b>	<b>-</b>	<b>-</b>	<b>871</b>	<b>667,654</b>
<b>Expenses:</b>				
Advertising	116,693	49,960	3,517	451,531
Bank and merchant fees	-	355	-	64,949
Conference/booth fees	15,241	100,724	12,912	132,008
Depreciation and amortization	1,854	494	732	6,048
Development costs	-	20,134	-	862,276
Donations	528	-	-	5,578
Facilities	48,189	313	9,899	192,475
Graphics	14,546	74,164	47,698	144,018
Insurance	23,262	6,193	33,096	102,702
Interest and taxes	-	-	-	30
Magazine	48	-	-	112,723
Meetings	8,659	1,554	771	16,248
Memberships - organizations	1,286	26,388	835	35,593
Operational expenses	99,301	14,467	11,685	208,618
Outside services	1,079,848	174,776	123,295	2,839,433
Payroll expense	2,038,696	569,639	946,122	6,246,906
Printing	18,978	1,964	4,185	118,253
Publications and subscriptions	3,723	1,322	1,674	143,872
Registration fees	1,483	2,701	943	14,180
Sponsorships	31,943	11,173	3,583	57,699
Staff costs - development dept.	-	-	-	749,363
Staff development	98	199	1,180	7,268
Technology/data management	105,474	28,064	41,577	542,489
Travel and entertainment	182,397	129,266	72,914	578,978
<b>Total expenses</b>	<b>3,792,247</b>	<b>1,213,850</b>	<b>1,316,618</b>	<b>13,633,238</b>
<b>Increase (decrease) in net assets</b>	<b>\$ (3,792,247)</b>	<b>\$ (1,213,850)</b>	<b>\$ (1,315,747)</b>	<b>\$ (12,965,584)</b>

See 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, 2020</i>	Total Programs	General and Administrative	Fundraising	Total
<b>Revenue and other support:</b>				
Contributions	\$ 618,541	\$ 3,470	\$ 18,825,486	\$ 19,447,497
Investment income, net of expenses	-	369,903	-	369,903
Realized and unrealized loss on investments	-	(26,060)	-	(26,060)
Gain on sale of property and equipment	-	2,050	-	2,050
Other income	49,113	-	-	49,113
<b>Total revenue and other support</b>	<b>667,654</b>	<b>349,363</b>	<b>18,825,486</b>	<b>19,842,503</b>
<b>Expenses:</b>				
Advertising	451,531	1,764	-	453,295
Bank and merchant fees	64,949	100	-	65,049
Conference/booth fees	132,008	240	-	132,248
Depreciation and amortization	6,048	1,205	-	7,253
Development costs	862,276	-	582,969	1,445,245
Donations	5,578	-	-	5,578
Facilities	192,475	14,672	41,960	249,107
Graphics	144,018	500	-	144,518
Insurance	102,702	15,102	-	117,804
Interest and taxes	30	583	-	613
Magazine	112,723	-	-	112,723
Meetings	16,248	24,368	-	40,616
Memberships - organizations	35,593	3,733	-	39,326
Operational expenses	208,618	20,344	-	228,962
Outside services	2,839,433	130,030	-	2,969,463
Payroll expense	6,246,906	1,318,100	-	7,565,006
Printing	118,253	25	-	118,278
Publications and subscriptions	143,872	2,469	-	146,341
Registration fees	14,180	1,739	-	15,919
Sponsorships	57,699	-	-	57,699
Staff costs - development dept.	749,363	-	685,481	1,434,844
Staff development	7,268	16,332	-	23,600
Technology/data management	542,489	83,202	-	625,691
Travel and entertainment	578,978	51,255	50,239	680,472
<b>Total expenses</b>	<b>13,633,238</b>	<b>1,685,763</b>	<b>1,360,649</b>	<b>16,679,650</b>
<b>Increase (decrease) in net assets</b>	<b>\$ (12,965,584)</b>	<b>\$ (1,336,400)</b>	<b>\$ 17,464,837</b>	<b>\$ 3,162,853</b>

See Notes to Combined Financial Statements

# Compassion & Choices and Compassion & Choices Action Network

## Combined Statements of Cash Flows

<i>Years Ended June 30,</i>	2021	2020
Cash flows from operating activities:		
Changes in net assets	\$ 4,840,526	\$ 3,162,853
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	4,073	7,253
Unrealized (gain) loss on investments	(2,838,989)	26,060
Gain on sale of property and equipment	-	(2,050)
Contributed investment, partnership interest	-	(238,841)
Changes in operating assets and liabilities:		
Unconditional promises to give	(311,360)	47,360
Prepaid expenses and other	7,930	(116,516)
Beneficial interest in charitable remainder trusts	(39,883)	(5,908)
Other receivables	(82,679)	-
Other current assets	443	(117)
Accounts payable	163,922	80,701
Accrued expenses	23,600	160,384
Deferred revenue	22,680,000	-
Net cash provided by operating activities	24,447,583	3,121,179
Cash flows from investing activities:		
Proceeds from sale of investments	10,964,953	9,534,287
Proceeds from sale of property, equipment and improvements	-	2,050
Purchase of investments	(34,265,464)	(12,569,935)
Net cash used by investing activities	(23,300,511)	(3,033,598)
Cash flows from financing activities:		
Paycheck Protection Program Funds:		
Proceeds	-	1,449,400
Repayments	-	(1,449,400)
Gift annuities		
Proceeds	89,694	65,616
Repayments	(66,392)	(61,457)
Net cash provided by financing activities	23,302	4,159
Net increase in cash and cash equivalents	1,170,374	91,740
Cash and cash equivalents, beginning	1,030,279	938,539
Cash and cash equivalents, ending	\$ 2,200,653	\$ 1,030,279
Noncash investing activities:		
Investment, partnership interest	\$ -	\$ 238,841

See Notes to Combined Financial Statements

# Compassion & Choices and Compassion & Choices Action Network

## Notes to 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 expand and protect patient autonomy. The Compassion & Choices Action Network also engages in a minimal amount of activity to influence political campaigns as allowable under the law.

The two 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 two Organizations are presented as combined financial statements for the years ended June 30, 2021 and 2020.

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 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, 2021 and 2020.

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, 2021 and 2020, the cash accounts maintained exceeded federally insured limits by approximately \$1,439,900 and \$268,700, 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 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 \$4,073 and \$7,253 for the years ended June 30, 2021 and 2020, 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 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, 2021 and 2020, 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 \$11,583 and \$10,486 as of June 30, 2021 and 2020, 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, 2021:

<i>Year Ended June 30,</i>	<i>Amount</i>
2022	\$ 1,000
2023	1,000
2024	1,000
2025	1,000
2026	1,000
Thereafter	3,417
<b>Total</b>	<b>\$ 8,417</b>

# Compassion & Choices and Compassion & Choices Action Network

## Notes to 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, 2021, the Organizations have total conditional contributions received in advance of \$22,680,000. Management expects the barriers to be satisfied and revenue to be recognized over the next seven fiscal years.

#### **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.

# Compassion & Choices and Compassion & Choices Action Network

## Notes to Combined Financial Statements

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

#### **Promises to give** (Continued)

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, 2021 and 2020, respectively.

#### **Advertising costs**

Advertising costs are charged to operations when incurred. Advertising expense for the years ended June 30, 2021 and 2020 was \$264,385 and \$453,295, 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, 2021 and 2020.

#### **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 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.

#### **New accounting pronouncement**

In February 2016, the FASB issued Accounting Standards Update ("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 Organization is evaluating what impact this new standard will have on its combined financial statements.

# Compassion & Choices and Compassion & Choices Action Network

## Notes to Combined Financial Statements

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

#### 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.

### Note 2: Availability and Liquidity

As of June 30, 2021, and 2020, respectively, combined financial assets available for general expenditure, that is without donor restrictions limiting their use, within one year of the combined statement of financial position date, are as follows:

	2021	2020
Combined financial assets:		
Cash and cash equivalents	\$ 2,200,653	\$ 1,030,279
Unconditional promises to give	435,000	348,640
Investments:		
Cash and money market funds	2,313,978	4,729,839
Marketable securities	42,452,509	13,897,148
Beneficial interest in charitable remainder unitrusts	121,863	81,980
Other receivables	82,679	-
Other current assets	409	852
Total combined financial assets	47,607,091	20,088,738
Less donor restricted amounts	845,000	346,213
Less reserves for deferred revenue	22,680,000	-
Combined financial assets available to meet general expenditures over the next twelve months	\$ 24,082,091	\$ 19,742,525

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 six months of operating expenses (or approximately \$6,000,000). 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 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, 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>

# Compassion & Choices and Compassion & Choices Action Network

## Notes to 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, 2020:

<i>Description</i>	Level 1	Level 2	Level 3	Total
Cash and money market funds	\$ 4,729,839	\$ -	\$ -	\$ 4,729,839
Marketable securities:				
Fixed income investments	4,992,326	-	-	4,992,326
Equities	2,189,259	-	-	2,189,259
Mutual funds:				
Equity funds	2,731,190	-	-	2,731,190
Bond funds	2,631,872	-	-	2,631,872
Exchange-traded funds	1,352,501	-	-	1,352,501
<b>Total marketable securities</b>	<b>13,897,148</b>	<b>-</b>	<b>-</b>	<b>13,897,148</b>
<b>Total</b>	<b>\$ 18,626,987</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,626,987</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: Conditional Grant Awards

During the year ended June 30, 2020, the Organizations received a refundable advance of \$1,449,400. This amount resulted from the issuance of a Paycheck Protection Program award as a result of legislation passed to assist businesses in navigation the Coronavirus pandemic. Subsequent to the receipt of funds, the Organizations decided to return the funds in full, including principal and accrued interest. As of June 30, 2020, there was no balance outstanding.

# Compassion & Choices and Compassion & Choices Action Network

## Notes to Combined Financial Statements

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### Note 5: In-Kind Contributions

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, "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 expenses". On these bases, approximately \$1,046,700 and \$617,700 is included in each of the accounts mentioned during the years ended June 30, 2021 and 2020, respectively.

### Note 6: Promises to Give

#### Unconditional promises to give

Unconditional promises to give for years ending after June 30, 2021 and 2020 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, 2021 and 2020:

	2021	2020
Amounts due in:		
Less than one year	\$ 435,000	\$ 348,640
One to five years	260,000	35,000
Net promises to give	\$ 695,000	\$ 383,640

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 7: 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, 2021 and 2020. 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 Combined Financial Statements

### Note 8: 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 \$300,200 and \$225,200 for the years ended June 30, 2021 and 2020, respectively.

### Note 9: 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, 2021:

	Portland Office	Washington D.C. Office	Total
2022	\$ 97,897	\$ 154,374	\$ 252,271
2023	100,834	158,234	259,068
2024	51,676	162,190	213,866
2025	-	55,415	55,415
<b>Total</b>	<b>\$ 250,407</b>	<b>\$ 530,213</b>	<b>\$ 780,620</b>

Rent expense for the years ended June 30, 2021 and 2020 was \$250,637 and \$249,107, respectively.

### Note 10: 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 Combined Financial Statements

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### Note 10: 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 Organization 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 Organization. Management will continue to evaluate any future contractual arrangements with respect to potential income tax positions under this guidance.

### Note 11: 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 11.3 percent (as stated in the related trust agreements) of the net fair market value of trust assets, which at June 30, 2021 and 2020 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 12.2 percent. Thereafter, the Organizations have been making the stipulated quarterly distributions to the life income beneficiaries, 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 \$185,402 and \$43,816 for the years ended June 30, 2021 and 2020, respectively. Assets held in the annuity reserve fund totaled \$722,208 and \$710,520 at June 30, 2021 and 2020, 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, 2021 and 2020:

	2021	2020
Assets held in charitable remainder trusts	\$ 722,208	\$ 710,520
Less related liabilities	415,705	392,403
Net present value of charitable remainder trusts	\$ 306,503	\$ 318,117

# Compassion & Choices and Compassion & Choices Action Network

## Notes to Combined Financial Statements

### Note 12: Net Assets with Donor Restrictions

Net assets with donor restrictions as of June 30, 2021 and 2020 reflect donations restricted by donors and consist of the following:

	2021	2020
Unconditional promises to give:		
Time restriction only	\$ 445,000	\$ 205,000
Time and purpose restriction:		
Dementia program's outreach and training	250,000	-
Our Care, Our Choice Act in Hawaii	-	91,213
Organizing Work in California	150,000	-
Realizing Dignity at Life's End for People in Illinois	-	50,000
Total	\$ 845,000	\$ 346,213

### Note 13: 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, 2021, management has determined that there are no matters for which any provision is required.

### Note 14: Business Conditions

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus as a “pandemic”. First identified in late 2019 and known now as COVID-19, the outbreak has impacted millions of individuals worldwide and the full outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organizations’ condition, liquidity, and future results of operations. As of the date of issuance of the combined financial statements, the Organizations’ financial operations have not had a significant adverse impact, however, the Organizations continue to monitor the situation. No impairments were recorded as of the combined statement of financial position date as no triggering events or changes in circumstances had occurred as of year-end; however, due to significant uncertainty surrounding the situation, management's judgment regarding this could change in the future. In addition, while the Organizations’ results of combined operations, cash flows and financial condition could be negatively impacted, the extent of the impact cannot be reasonably estimated at this time.

**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, 2021</i>	Assets		
	Compassion & Choices	Compassion & Choices Action Network	Combined
Current assets:			
Cash and cash equivalents	\$ 1,820,153	\$ 380,500	\$ 2,200,653
Unconditional promises to give	435,000	-	435,000
Investments:			
Cash and money market funds	2,103,622	210,356	2,313,978
Marketable securities	26,144,088	16,308,421	42,452,509
Prepaid expenses and other	302,014	3,958	305,972
Beneficial interest in charitable remainder trusts	121,863	-	121,863
Other receivables	82,679	-	82,679
Other current assets	409	-	409
Total current assets	31,009,828	16,903,235	47,913,063
Property, equipment and improvements, at cost:			
Furniture and office 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	359,052	-	359,052
Net property, equipment and improvements	9,183	-	9,183
Other assets:			
Unconditional promises to give, net of current portion	260,000	-	260,000
Intangible assets, net	8,417	-	8,417
Investment, partnership interest	238,841	-	238,841
Deposits	20,039	-	20,039
Due (to) from related entity	14,609	(14,609)	-
Total other assets	541,906	(14,609)	527,297
Total	\$ 31,560,917	\$ 16,888,626	\$ 48,449,543

See Independent Auditor's Report

# Compassion & Choices and Compassion & Choices Action Network

## Combining Statements of Financial Position

Liabilities and Net Assets			
<i>June 30, 2021</i>	Compassion & Choices	Compassion & Choices Action Network	Combined
<b>Current liabilities:</b>			
Accounts payable	\$ 422,813	\$ 80,720	\$ 503,533
Accrued expenses	806,916	-	806,916
Deferred revenue	2,500,000	1,180,000	3,680,000
<b>Total current liabilities</b>	<b>3,729,729</b>	<b>1,260,720</b>	<b>4,990,449</b>
<b>Long-term liabilities:</b>			
Deferred revenue, net of current portion	13,000,000	6,000,000	19,000,000
Gift annuity payments due	415,705	-	415,705
<b>Total long-term liabilities</b>	<b>13,415,705</b>	<b>6,000,000</b>	<b>19,415,705</b>
<b>Total liabilities</b>	<b>17,145,434</b>	<b>7,260,720</b>	<b>24,406,154</b>
<b>Net assets:</b>			
<b>Without donor restrictions:</b>			
Operating	13,561,300	9,627,906	23,189,206
Net investment in property, equipment and improvements	9,183	-	9,183
<b>Total without donor restrictions</b>	<b>13,570,483</b>	<b>9,627,906</b>	<b>23,198,389</b>
<b>With donor restrictions</b>	<b>845,000</b>	<b>-</b>	<b>845,000</b>
<b>Total net assets</b>	<b>14,415,483</b>	<b>9,627,906</b>	<b>24,043,389</b>
<b>Total liabilities and net assets</b>	<b>\$ 31,560,917</b>	<b>\$ 16,888,626</b>	<b>\$ 48,449,543</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, 2021</i>	Compassion & Choices	Compassion & Choices Action Network	Combined
Revenue and other support:			
Contributions	\$ 17,171,254	\$ 2,635,392	\$ 19,806,646
Investment income, net of expenses	344,838	212,026	556,864
Realized and unrealized gain on investments	1,795,842	1,043,147	2,838,989
Other income	12,167	-	12,167
Total revenue and other support	19,324,101	3,890,565	23,214,666
Expenses:			
Programs	14,610,394	686,273	15,296,667
General and administrative	1,616,037	19,272	1,635,309
Fundraising	1,393,745	48,419	1,442,164
Total expenses	17,620,176	753,964	18,374,140
Increase in net assets	1,703,925	3,136,601	4,840,526
Net assets, beginning	12,711,559	6,491,304	19,202,863
Net assets, ending	\$ 14,415,484	\$ 9,627,905	\$ 24,043,389

See Independent Auditor's Report

# Compassion & Choices and Compassion & Choices Action Network

## Combining Statements of Revenue and Functional Expenses

<i>Year Ended June 30, 2021</i>	Total for Compassion & Choices	Total for Compassion & Choices Action Network	Combined Total
<b>Revenue and other support:</b>			
Contributions	\$ 17,171,254	\$ 2,635,392	\$ 19,806,646
Investment income, net of expenses	344,838	212,026	556,864
Realized and unrealized gain on investments	1,795,842	1,043,147	2,838,989
Other income	12,167	-	12,167
<b>Total revenue and other support</b>	<b>19,324,101</b>	<b>3,890,565</b>	<b>23,214,666</b>
<b>Expenses:</b>			
Advertising	252,615	11,770	264,385
Bank and merchant fees	77,921	1,282	79,203
Conference/booth fees	95,213	-	95,213
Depreciation and amortization	4,065	8	4,073
Development costs	1,583,812	114,072	1,697,884
Donations	67	5,000	5,067
Facilities	249,090	1,547	250,637
Graphics	24,286	1,350	25,636
Insurance	129,105	235	129,340
Interest and taxes	206	1	207
Magazine	135,690	-	135,690
Meetings	2,163	-	2,163
Memberships - organizations	90,341	40	90,381
Operational expenses	191,428	411	191,839
Outside services	3,863,816	398,839	4,262,655
Payroll expense	8,222,726	207,536	8,430,262
Printing	78,507	1,348	79,855
Publications and subscriptions	123,140	10	123,150
Registration fees	9,147	2,844	11,991
Sponsorships	97,168	-	97,168
Staff costs - development dept.	1,707,687	973	1,708,660
Staff development	56,923	-	56,923
Technology/data management	594,504	1,151	595,655
Travel and entertainment	30,556	5,547	36,103
<b>Total expenses</b>	<b>17,620,176</b>	<b>753,964</b>	<b>18,374,140</b>
<b>Increase in net assets</b>	<b>\$ 1,703,925</b>	<b>\$ 3,136,601</b>	<b>\$ 4,840,526</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, 2021</i>	Direct Lobbying	Grassroots Lobbying	Policy & Litigation	Public Education
<b>Revenue and other support:</b>				
Contributions	\$ -	\$ -	\$ 1,046,470	\$ 730,587
Investment income, net of expenses	-	-	-	-
Realized and unrealized gain 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	-	8,195	41	76,135
Bank and merchant fees	-	-	-	77,921
Conference/booth fees	-	-	-	110
Depreciation and amortization	-	-	355	1,629
Development costs	-	-	-	919,534
Donations	-	-	-	-
Facilities	-	-	65,326	79,011
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	63,755
Outside services	249,540	88,871	1,079,334	537,945
Payroll expense	64,375	89,594	941,158	2,149,544
Printing	-	-	-	75,522
Publications and subscriptions	-	-	61,073	56,758
Registration fees	-	-	835	6,835
Sponsorships	-	-	27,500	-
Staff costs - development dept.	-	-	-	1,024,613
Staff development	-	-	4,733	5,517
Technology/data management	-	-	34,530	354,835
Travel and entertainment	-	296	888	9,182
<b>Total expenses</b>	<b>332,496</b>	<b>213,944</b>	<b>2,248,328</b>	<b>5,651,582</b>
<b>Increase (decrease) in net assets</b>	<b>\$ (332,496)</b>	<b>\$ (213,944)</b>	<b>\$ (1,201,858)</b>	<b>\$ (4,920,995)</b>

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# Compassion & Choices and Compassion & Choices Action Network

## Compassion & Choices

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

<i>Year Ended June 30, 2021</i>	Advocacy	Community Engagement	Medical Outreach & Dementia Programs	Total Programs
<b>Revenue and other support:</b>				
Contributions	\$ -	\$ -	\$ 265	\$ 1,777,322
Investment income, net of expenses	-	-	-	-
Realized and unrealized gain 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>
<b>Expenses:</b>				
Advertising	49,100	80,953	13,709	228,133
Bank and merchant fees	-	-	-	77,921
Conference/booth fees	3,042	59,515	28,949	91,616
Depreciation and amortization	996	311	314	3,605
Development costs	-	296	-	919,830
Donations	67	-	-	67
Facilities	13,817	-	29,405	187,559
Graphics	4,230	6,060	-	24,286
Insurance	30,290	9,466	9,541	115,100
Interest and taxes	-	-	-	-
Magazine	69	-	-	135,690
Meetings	958	125	-	1,336
Memberships - organizations	11,311	54,461	5,321	87,317
Operational expenses	2,830	13,328	11,895	150,771
Outside services	1,282,366	319,819	232,034	3,789,909
Payroll expense	2,046,566	621,688	973,100	6,886,025
Printing	2,812	173	-	78,507
Publications and subscriptions	2,623	1,011	722	122,187
Registration fees	67	861	231	8,829
Sponsorships	13,758	31,000	24,910	97,168
Staff costs - development dept.	-	-	-	1,024,613
Staff development	363	-	153	10,766
Technology/data management	94,227	29,433	30,118	543,143
Travel and entertainment	8,447	3,652	3,551	26,016
<b>Total expenses</b>	<b>3,567,939</b>	<b>1,232,152</b>	<b>1,363,953</b>	<b>14,610,394</b>
<b>Increase (decrease) in net assets</b>	<b>\$ (3,567,839)</b>	<b>\$ (1,232,152)</b>	<b>\$ (1,363,688)</b>	<b>\$ (12,832,972)</b>

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# Compassion & Choices and Compassion & Choices Action Network

## Compassion & Choices

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

<i>Year Ended June 30, 2021</i>	Total Programs	General and Administrative	Fundraising	Total for Compassion & Choices
Revenue and other support:				
Contributions	\$ 1,777,322	\$ -	\$ 15,393,932	\$ 17,171,254
Investment income, net of expenses	-	344,838	-	344,838
Realized and unrealized gain on investments	-	1,795,842	-	1,795,842
Other income	100	12,067	-	12,167
<b>Total revenue and other support</b>	<b>1,777,422</b>	<b>2,152,747</b>	<b>15,393,932</b>	<b>19,324,101</b>
Expenses:				
Advertising	228,133	24,482	-	252,615
Bank and merchant fees	77,921	-	-	77,921
Conference/booth fees	91,616	3,597	-	95,213
Depreciation and amortization	3,605	460	-	4,065
Development costs	919,830	-	663,982	1,583,812
Donations	67	-	-	67
Facilities	187,559	41,189	20,342	249,090
Graphics	24,286	-	-	24,286
Insurance	115,100	14,005	-	129,105
Interest and taxes	-	206	-	206
Magazine	135,690	-	-	135,690
Meetings	1,336	827	-	2,163
Memberships - organizations	87,317	3,024	-	90,341
Operational expenses	150,771	17,118	23,539	191,428
Outside services	3,789,909	73,907	-	3,863,816
Payroll expense	6,886,025	1,336,701	-	8,222,726
Printing	78,507	-	-	78,507
Publications and subscriptions	122,187	953	-	123,140
Registration fees	8,829	318	-	9,147
Sponsorships	97,168	-	-	97,168
Staff costs - development dept.	1,024,613	-	683,074	1,707,687
Staff development	10,766	46,157	-	56,923
Technology/data management	543,143	51,361	-	594,504
Travel and entertainment	26,016	1,732	2,808	30,556
<b>Total expenses</b>	<b>14,610,394</b>	<b>1,616,037</b>	<b>1,393,745</b>	<b>17,620,176</b>
<b>Increase (decrease) in net assets</b>	<b>\$ (12,832,972)</b>	<b>\$ 536,710</b>	<b>\$ 14,000,187</b>	<b>\$ 1,703,925</b>

See Independent Auditor's Report

# Compassion & Choices and Compassion & Choices Action Network

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

<i>Year Ended June 30, 2021</i>	Direct Lobbying	Legal & Litigation	Advocacy	Public Education	Total Programs
<b>Revenue and other support:</b>					
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income, net of expenses	-	-	-	-	-
Realized and unrealized gain on investments	-	-	-	-	-
Other income	-	-	-	-	-
<b>Total revenue and other support</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses:</b>					
Advertising	7,470	-	4,300	-	11,770
Bank and merchant fees	-	-	-	1,282	1,282
Conference/booth fees	-	-	-	-	-
Depreciation and amortization	-	-	5	-	5
Development costs	-	-	-	65,653	65,653
Donations	-	-	-	5,000	5,000
Facilities	-	-	-	381	381
Graphics	-	-	1,350	-	1,350
Insurance	-	-	147	-	147
Interest and taxes	-	-	-	-	-
Magazine	-	-	-	-	-
Meetings	-	-	-	-	-
Memberships - organizations	-	-	25	-	25
Operational expenses	-	-	234	56	290
Outside services	57,654	798	329,589	8,629	396,670
Payroll expense	39,383	-	152,899	292	192,574
Printing	356	-	-	992	1,348
Publications and subscriptions	-	-	6	-	6
Registration fees	-	-	-	2,804	2,804
Sponsorships	-	-	-	-	-
Staff costs - development dept.	-	-	-	973	973
Staff development	-	-	-	-	-
Technology/data management	-	-	458	-	458
Travel and entertainment	3,231	-	2,306	-	5,537
<b>Total expenses</b>	<b>108,094</b>	<b>798</b>	<b>491,319</b>	<b>86,062</b>	<b>686,273</b>
<b>Increase (decrease) in net assets</b>	<b>\$ (108,094)</b>	<b>\$ (798)</b>	<b>\$ (491,319)</b>	<b>\$ (86,062)</b>	<b>\$ (686,273)</b>

See Independent Auditor's Report

# Compassion & Choices and Compassion & Choices Action Network

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

<i>Year Ended June 30, 2021</i>	Total Programs	General and Administrative	Fundraising	Total for Compassion & Choices Action Network
<b>Revenue and other support:</b>				
Contributions	\$ -	\$ -	\$ 2,635,392	\$ 2,635,392
Investment income, net of expenses	-	212,026	-	212,026
Realized and unrealized loss on investments	-	1,043,147	-	1,043,147
Other income	-	-	-	-
<b>Total revenue and other support</b>	<b>-</b>	<b>1,255,173</b>	<b>2,635,392</b>	<b>3,890,565</b>
<b>Expenses:</b>				
Advertising	11,770	-	-	11,770
Bank and merchant fees	1,282	-	-	1,282
Conference/booth fees	-	-	-	-
Depreciation and amortization	5	3	-	8
Development costs	65,653	-	48,419	114,072
Donations	5,000	-	-	5,000
Facilities	381	1,166	-	1,547
Graphics	1,350	-	-	1,350
Insurance	147	88	-	235
Interest and taxes	-	1	-	1
Magazine	-	-	-	-
Meetings	-	-	-	-
Memberships - organizations	25	15	-	40
Operational expenses	290	121	-	411
Outside services	396,670	2,169	-	398,839
Payroll expense	192,574	14,962	-	207,536
Printing	1,348	-	-	1,348
Publications and subscriptions	6	4	-	10
Registration fees	2,804	40	-	2,844
Sponsorships	-	-	-	-
Staff costs - development dept.	973	-	-	973
Staff development	-	-	-	-
Technology/data management	458	693	-	1,151
Travel and entertainment	5,537	10	-	5,547
<b>Total expenses</b>	<b>686,273</b>	<b>19,272</b>	<b>48,419</b>	<b>753,964</b>
<b>Increase (decrease) in net assets</b>	<b>\$ (686,273)</b>	<b>\$ 1,235,901</b>	<b>\$ 2,586,973</b>	<b>\$ 3,136,601</b>

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