



**Compassion & Choices,
Compassion & Choices of Oregon
and Compassion & Choices Action Network**

Combined Financial Statements
Years Ended June 30, 2012 and 2011
with
Independent Auditors' Report

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Years Ended June 30, 2012 and 2011
(See Independent Auditors' Report)

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

Independent Auditors' Report

We have audited the accompanying combined statements of financial position of Compassion & Choices, Compassion & Choices of Oregon, and Compassion & Choices Action Network as of June 30, 2012 and 2011 and the related combined statements of activities and changes in net assets and cash flows for the years then ended. These combined financial statements are the responsibility of the Organization's management. 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion the combined financial statements referred to above present fairly, in all material respects, the financial position of Compassion & Choices, Compassion & Choices of Oregon and Compassion & Choices Action Network as of June 30, 2012 and 2011 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Bradley Consulting Group, P.C.
Certified Public Accountants

Lakewood, Colorado

October 22, 2012

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Combined Statements of Financial Position
June 30, 2012 and 2011
(See Independent Auditors' Report)

Assets	<u>2012</u>	<u>2011</u>
Current assets:		
Cash and cash equivalents:		
Operating	\$ 1,092,236	\$ 620,484
Investments	102,585	134,668
Pledges receivable	327,500	-
Investments	11,208,236	4,302,727
Prepaid expenses	94,772	83,480
Beneficial interest in charitable remainder trusts	146,759	122,549
Other current assets	<u>598</u>	<u>18,346</u>
Total current assets	<u>12,972,686</u>	<u>5,282,254</u>
Property, equipment and improvements, at cost:		
Furniture, fixtures and equipment	541,692	524,107
Leasehold improvements	<u>26,604</u>	<u>26,604</u>
	568,296	550,711
Less accumulated depreciation and amortization	<u>346,955</u>	<u>316,760</u>
Total property, equipment and improvements	<u>221,341</u>	<u>233,951</u>
Other assets		
Intangible assets	3,014	3,014
Deposits	<u>15,431</u>	<u>15,431</u>
Total other assets	<u>18,445</u>	<u>18,445</u>
Total assets	<u><u>\$ 13,212,472</u></u>	<u><u>\$ 5,534,650</u></u>

(See Notes to Combined Financial Statements)

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Combined Statements of Financial Position
June 30, 2012 and 2011
(See Independent Auditors' Report)

Liabilities and Net Assets

	2012	2011
Current liabilities:		
Current portion of obligations under capital leases	\$ 25,561	\$ 13,706
Accounts payable	200,959	73,915
Accrued payroll and vacation	310,062	250,837
Accrued expenses	43,186	47,968
Deferred revenue	500,000	-
Total current liabilities	1,079,768	386,426
Long-term liabilities:		
Capital lease obligations, net of current portion	39,502	14,237
Gift annuity payments due	297,954	255,797
Total long-term liabilities	337,456	270,034
Total liabilities	1,417,224	656,460
Net assets:		
Unrestricted:		
Operating	11,638,970	4,672,182
Net investment in furniture, fixtures equipment and improvements	156,278	206,008
Total net assets	11,795,248	4,878,190
Total liabilities and net assets	\$ 13,212,472	\$ 5,534,650

(See Notes to Combined Financial Statements)

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Combined Statements of Activities and Changes in Net Assets
Years Ended June 30, 2012 and 2011
(See Independent Auditors' Report)

	<u>2012</u>	<u>2011</u>
	Total	Total
	<u>Unrestricted</u>	<u>Unrestricted</u>
Revenue and other support:		
Conference and events	\$ 140,656	\$ -
Contributions	5,376,632	4,520,540
Membership fees	207,882	217,766
Sales, net of costs	-	(5,367)
Grants	8,472,293	2,699,500
Investment income, net of expenses	130,717	45,735
Realized and unrealized gain on investments	110,878	84,468
Loss on disposal of equipment	(664)	(344)
Other Income	221,472	172,181
	<u>14,659,865</u>	<u>7,734,479</u>
Expenses:		
Programs	6,333,076	4,785,213
General and administrative	866,345	735,895
Fundraising	543,387	270,786
	<u>7,742,807</u>	<u>5,791,894</u>
Increase in net assets	<u>6,917,058</u>	<u>1,942,585</u>
Net assets, beginning:		
Balance from prior year as originally reported	4,878,190	2,786,728
Balance transferred from affiliate	-	148,877
	<u>4,878,190</u>	<u>2,935,605</u>
Total net assets, beginning, as restated	<u>4,878,190</u>	<u>2,935,605</u>
Net assets, ending	<u>\$ 11,795,248</u>	<u>\$ 4,878,190</u>

(See Notes to Combined Financial Statements)

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Combined Statements of Cash Flows
Years Ended June 30, 2012 and 2011
(See Independent Auditors' Report)

	2012	2011
Cash flows from operating activities:		
Cash received from contributions and donations	\$ 14,584,972	\$ 7,492,206
Cash paid to employees and vendors	(7,484,993)	(5,695,842)
Interest received	130,717	45,735
Net cash provided by operating activities	7,230,696	1,842,099
Cash flows from investing activities:		
Proceeds from sale of investments	5,396,334	1,958,271
Proceeds from affiliate	-	148,877
Purchases of investments	(12,190,965)	(4,765,525)
Purchases of furniture, fixtures and equipment	(75,673)	(119,811)
Deposit paid	-	(3,500)
Net cash used by investing activities	(6,870,304)	(2,781,688)
Cash flows from financing activities:		
Capital lease obligations:		
Proceeds	60,627	33,259
Repayments	(23,507)	(10,888)
Gift annuities:		
Proceeds	77,296	27,651
Repayments	(35,139)	(28,503)
Net cash provided by financing activities	79,277	21,519
Net increase (decrease) in cash and cash equivalents	439,669	(918,070)
Cash and cash equivalents, beginning	755,152	1,673,222
Cash and cash equivalents, ending	\$ 1,194,821	\$ 755,152
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 7,313	\$ 33,577

(continued)
(See Notes to Combined Financial Statements)

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Combined Statements of Cash Flows (continued)
Years Ended June 30, 2012 and 2011
(See Independent Auditors' Report)

	2012	2011
Cash flows from operating activities:		
Change in net assets	\$ 6,917,058	\$ 1,942,585
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	87,619	69,769
Unrealized gains on investments	(114,547)	(64,395)
(Gain) loss on sale of investments	3,669	(20,073)
Loss on disposal of property and equipment	664	344
(Increase) decrease in:		
Pledges receivable	(327,500)	-
Inventory	-	4,297
Prepaid expenses	(11,292)	(29,319)
Beneficial interest in charitable remainder trusts	(24,210)	(112,414)
Other current assets	17,748	(16,416)
Increase (decrease) in:		
Accounts payable	127,044	34,958
Accrued payroll and vacation	59,225	77,509
Accrued expenses	(4,782)	(44,746)
Deferred revenue	500,000	-
Net cash provided by operating activities	\$ 7,230,696	\$ 1,842,099

(See Notes to Combined Financial Statements)

Compassion & Choices, Compassion & Choices of Oregon, and Compassion & Choices Action Network

Notes to Combined Financial Statements
Years Ended June 30, 2012 and 2011
(See Independent Auditors' Report)

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of operations

Compassion & Choices and Compassion & Choices of Oregon, which have been granted not-for-profit status under Internal Revenue Code Section 501(c)(3), work to advance patients' rights through laws that allow mentally competent, terminally ill adults the legal choice of physician aid-in-dying. Compassion & Choices and Compassion & Choices of Oregon seek 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.

The accounts and activity of Compassion & Choices of Oregon is included in the balances of Compassion & Choices and is not separately stated in any of the combining schedules based on the joint operating agreement between the entities as described in note 8.

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 three 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 three Organizations' are presented as combined financial statements for the year ended June 30, 2012. Compassion & Choices and Compassion in Dying Federation of America is included as a component of the combined financial statements as of June 30, 2011 but was essentially dissolved during 2011.

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

Basis of presentation

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

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

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Notes to Combined Financial Statements
Years Ended June 30, 2012 and 2011
(See Independent Auditors' Report)

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

Cash and cash equivalents

The Organizations consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents. The Organizations maintain cash in bank deposit accounts at various financial institutions in bank deposit accounts in which the deposits are guaranteed by the Federal Deposit Insurance Corporation ("FDIC"). The operating accounts of the Organizations are held at institutions that are provided unlimited coverage by the FDIC for non-interest bearing transaction accounts as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act. As of the date of this report, this program is effective through December 31, 2012. Topic 825 of the FASB ASC, *Financial Instruments* identifies such accounts as a concentration of credit risk requiring disclosure regardless of the degree of risk. Risk related to deposits held outside of institutions participating in the above program is managed by maintaining deposits with high quality financial institutions and monitoring cash such that balances are rarely, if ever, in excess of any applicable FDIC insurance limits that may be in place. In addition, management does not believe that the Organizations are exposed to any significant risk related to cash and cash equivalents.

Investments

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

Property, equipment and improvements

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

Total depreciation expense was approximately \$87,600 and \$69,800 for the years ended June 30, 2012 and 2011, respectively.

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Notes to Combined Financial Statements
Years Ended June 30, 2012 and 2011
(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 statement of activities as net assets released from restrictions.

Contributions

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

Use of estimates in the preparation of financial statements

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

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Notes to Combined Financial Statements
Years Ended June 30, 2012 and 2011
(See Independent Auditors' Report)

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

Advertising costs

Advertising costs, except for costs associated with direct-response advertising, are charged to operations when incurred. The costs of direct-response advertising are capitalized and amortized over the period which future benefits are expected to be received. There was no regular or direct-response advertising incurred during the years ended June 30, 2012 and 2011.

Income taxes

No provision for taxes on earnings has been made in the combined financial statements as Compassion & Choices and Compassion & Choices of Oregon have qualified as not-for-profit organizations under Section 501(c)(3) of the Internal Revenue Code. Compassion & Choices Action Network qualifies as a not-for-profit organization under Section 501(c)(4) of the Internal Revenue Code. All entities are only subject to unrelated business taxes and they had no unrelated business income during the years ended June 30, 2012 and 2011.

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

Level 1 – Unadjusted quoted prices for financial instruments traded in active markets

Level 2 – Quoted prices for financial instruments not traded in active markets, or financial instruments for which all significant inputs are observable, either directly or indirectly

Level 3 – Prices or valuations of financial instruments that are not traded in active markets and significant inputs are unobservable

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Notes to Combined Financial Statements
Years Ended June 30, 2012 and 2011
(See Independent Auditors' Report)

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

Fair value measurements (continued)

As required by Topic 820, the Organization's managed investments were classified as follows, based on the lowest level of input that is significant to the fair value measurement as of June 30, 2012:

Description	Level 1	Level 2	Level 3	Totals
Cash and money market funds	\$ 102,585	\$ -	\$ -	\$ 102,585
Fixed income investments	2,506,669	-	-	2,506,669
Equities:				
Mutual funds	<u>8,701,567</u>	<u>-</u>	<u>-</u>	<u>8,701,567</u>
	<u>\$ 11,310,821</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,310,821</u>

As required by Topic 820, the Organization's managed investments were classified as follows, based on the lowest level of input that is significant to the fair value measurement as of June 30, 2011:

Description	Level 1	Level 2	Level 3	Totals
Cash and money market funds	\$ 134,668	\$ -	\$ -	\$ 134,668
Fixed income investments	1,598,440	-	-	1,598,440
Equities:				
Mutual funds	<u>2,704,287</u>	<u>-</u>	<u>-</u>	<u>2,704,287</u>
	<u>\$ 4,437,395</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,437,395</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 \$483,100 and \$150,200 is included in each of the accounts mentioned during the years ended June 30, 2012 and 2011, respectively.

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Notes to Combined Financial Statements
Years Ended June 30, 2012 and 2011
(See Independent Auditors' Report)

3. Note Payable, Line of Credit

In August 2009, the Organization entered into a revolving line of credit agreement which allows for maximum borrowings of \$150,000. The note, which was unsecured, matured in November 2010 bearing interest at prime plus 1%, with a floor of 5.0%, payable monthly. The Organization had an outstanding balance of \$0 at June 30, 2011. The line was not renewed during 2011.

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 \$75,600 and \$52,500 for the years June 30, 2012 and 2011, respectively.

5. Capital Lease Obligations

The Organization leases computer and office equipment under five capital leases, with two leases expiring during 2012, with one lease each expiring during 2013, 2014 and 2016. The assets and liabilities under capital leases are recorded at the lower of present value of the minimum lease payments or the fair value of the asset. The assets are depreciated over the lower of their related lease terms or their estimated productive lives. Depreciation of assets under capital leases is included in depreciation expense at June 30, 2012 and 2011.

Following is a summary of property under capital leases at June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Computer and office equipment	\$ 100,251	\$ 39,625
Less accumulated depreciation	<u>35,371</u>	<u>14,694</u>
	<u>\$ 64,880</u>	<u>\$ 24,931</u>

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Notes to Combined Financial Statements
Years Ended June 30, 2012 and 2011
(See Independent Auditors' Report)

5. Capital Lease Obligations (continued)

The interest rates, which range from 5.39% to 13.44%, were determined by the lessor's implicit rate identified in the lease agreements. Future minimum lease payments under these leases, including the present value of such payments, for the years ending after June 30, 2012 are as follows:

Year Ended June 30,	
2013	\$ 27,683
2014	15,166
2015	14,065
2016	<u>15,231</u>
	72,145
Less amount representing interest	<u>7,082</u>
Present value of future minimum lease payments	65,063
Less current portion	<u>25,561</u>
	<u><u>\$ 39,502</u></u>

**Compassion & Choices, Compassion & Choices of Oregon,
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Notes to Combined Financial Statements
Years Ended June 30, 2012 and 2011
(See Independent Auditors' Report)

6. Commitments

The Organizations lease office space and equipment under operating leases expiring at various dates between March 2013 and March 2015. The following is a summary of the minimum annual commitments under the terms of the leases for years ending after June 30, 2012:

Year Ended June 30	Portland Office	Denver Office	Copier	Total
2013	\$ 60,600	\$ 88,754	\$ 4,584	\$ 153,938
2014	5,066	90,881	-	95,948
2015	-	68,161	-	68,161
	<u>\$ 65,667</u>	<u>\$ 247,797</u>	<u>\$ 4,584</u>	<u>\$ 318,047</u>

Rent expense for the years ended June 30, 2012 and 2011 was approximately \$230,800 and \$187,500 respectively.

7. Income Taxes

In July, 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109", hereafter referred to as Topic 740 of the FASB ASC. Topic 740 clarifies the accounting for uncertainty in income tax positions and defines the threshold for recognizing the tax benefits of tax return filing positions in the 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, Compassion & Choices of Oregon,
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Notes to Combined Financial Statements
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(See Independent Auditors' Report)

7. Income Taxes (continued)

The Organizations adopted the provisions of Topic 740 on July 1, 2009. The adoption of Topic 740 did not result in a material modification of the overall financial statements of the Organizations as of and for the year ended June 30, 2010. As the Organizations are qualified as nonprofit Organizations under the Internal Revenue Code, any income tax position would be primarily related to unrelated business activities outside the core mission of the Organizations. Based on prior examinations of contractual arrangements of the Organizations and correspondence received from the Internal Revenue Service, management believes there to be no potential income tax positions that would result in related tax liability for the Organizations. Management will continue to evaluate any future contractual arrangements with respect to potential income tax positions under this guidance.

8. Joint Operating Agreement with Affiliate

During 2011, Compassion & Choices (C&C) entered into a joint operating agreement with Compassion & Choices of Oregon (COO) whereby COO would be included as an operating entity under the C&C umbrella. At the date of the agreement, COO assets were comprised of \$148,877 in cash and no liabilities.

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Notes to Combined Financial Statements
Years Ended June 30, 2012 and 2011
(See Independent Auditors' Report)

9. 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 attributed 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 \$62,706 for the year ended June 30, 2012. Assets held in the annuity reserve fund totaled \$437,030 at June 30, 2012, and are reported at the 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, 2012	Annuity Reserve Fund June 30, 2012
Annuity 2	June 30, 1999	Cash	\$ 15,000	\$ 6,440	\$ 8,560	10.5 years	9.49%	\$ 322	8.60%	\$ -	\$ 4,487
Annuity 5	June 30, 2001	Cash	\$ 10,000	\$ 3,749	\$ 6,251	18.3 years	9.42%	\$ 180	7.20%	\$ 3,440	\$ 5,353
Annuity 14	June 30, 2001	Cash	\$ 10,000	\$ 4,163	\$ 5,837	11.1 years	9.32%	\$ 212	8.50%	\$ 83	\$ 4,039
Annuity 15	June 30, 2001	Cash	\$ 10,000	\$ 4,508	\$ 5,492	8.3 years	10.23%	\$ 248	9.90%	\$ (0)	\$ 3,825
Annuity 17	June 30, 2001	Cash	\$ 50,000	\$ 21,293	\$ 28,707	10.5 years	9.49%	\$ 1,088	8.70%	\$ (0)	\$ 20,584
Annuity 19	June 30, 2002	Stock	\$ 24,543	\$ 9,700	\$ 14,843	14.5 years	8.50%	\$ 454	7.40%	\$ 5,445	\$ 10,733
Annuity 20	June 30, 2002	Cash	\$ 10,000	\$ 4,105	\$ 5,895	13.1 years	8.80%	\$ 193	7.70%	\$ 1,556	\$ 4,181
Annuity 21	June 30, 2002	Cash	\$ 10,000	\$ 6,931	\$ 3,069	17.2 years	11.20%	\$ 405	16.20%	\$ 7,207	\$ 9,286
Annuity 24	June 30, 2003	Cash	\$ 50,000	\$ 13,091	\$ 36,909	18.9 years	5.51%	\$ 788	6.30%	\$ 23,635	\$ 28,264
Annuity 25	June 30, 2003	Cash	\$ 20,000	\$ 10,927	\$ 9,073	5.0 years	9.52%	\$ 575	11.50%	\$ -	\$ 6,659
Annuity 26	June 30, 2003	Stock	\$ 25,544	\$ 4,941	\$ 20,603	21.4 years	4.93%	\$ 390	6.10%	\$ 14,474	\$ 15,430
Annuity 27	June 30, 2004	Cash	\$ 10,000	\$ 4,642	\$ 5,358	7.8 years	7.91%	\$ 228	9.10%	\$ 0	\$ 3,792
Annuity 29	June 30, 2004	Cash	\$ 10,000	\$ 4,852	\$ 5,148	7.8 years	7.95%	\$ 220	8.80%	\$ (0)	\$ 3,061
Annuity 30	June 30, 2004	Cash	\$ 10,000	\$ 4,172	\$ 5,828	13.1 years	7.18%	\$ 173	6.90%	\$ 2,633	\$ 4,408
Annuity 32	June 30, 2004	Cash	\$ 45,671	\$ 9,250	\$ 36,422	27.6 years	5.47%	\$ 639	5.60%	\$ 30,560	\$ 31,707
Annuity 33	June 30, 2004	Cash	\$ 20,000	\$ 11,803	\$ 8,197	4.7 years	10.25%	\$ 565	11.30%	\$ -	\$ 6,812
Annuity 34	June 30, 2005	Cash	\$ 20,000	\$ 11,901	\$ 8,099	4.7 years	11.34%	\$ 565	11.30%	\$ -	\$ 6,812
Annuity 35	June 30, 2005	Cash	\$ 10,000	\$ 5,161	\$ 4,839	7.3 years	9.33%	\$ 230	9.20%	\$ -	\$ 3,782
Annuity 38	June 30, 2005	Cash	\$ 10,000	\$ 4,606	\$ 5,394	15.9 years	6.73%	\$ 250	10.00%	\$ 5,394	\$ 10,895
Annuity 39	June 30, 2005	Cash	\$ 20,000	\$ 9,717	\$ 10,283	9.9 years	8.62%	\$ 390	7.80%	\$ 3,783	\$ 8,950
Annuity 40	June 30, 2006	Cash	\$ 5,000	\$ 2,503	\$ 2,497	9.4 years	9.44%	\$ 100	8.00%	\$ 882	\$ 2,237
Annuity 42	June 30, 2006	Cash	\$ 5,000	\$ 2,097	\$ 2,903	14.9 years	1.94%	\$ 81	6.50%	\$ 1,173	\$ 2,813
Annuity 43	June 30, 2007	Cash	\$ 10,000	\$ 6,275	\$ 3,725	4.3 years	11.75%	\$ 283	11.30%	\$ -	\$ 3,733
Annuity 44	June 30, 2007	Cash	\$ 10,000	\$ 5,243	\$ 4,757	8.3 years	9.84%	\$ 213	8.50%	\$ 2,026	\$ 4,450
Annuity 45	June 30, 2007	Cash	\$ 8,000	\$ 4,667	\$ 3,333	4.9 years	12.23%	\$ 226	11.30%	\$ -	\$ 3,218
Annuity 46	June 30, 2008	Cash	\$ 20,000	\$ 10,366	\$ 9,634	8.8 years	9.85%	\$ 414	8.30%	\$ 5,152	\$ 9,524
Annuity 47	June 30, 2008	Cash	\$ 7,717	\$ 3,308	\$ 4,409	17.5 years	8.44%	\$ 122	6.30%	\$ 3,732	\$ 4,908
Annuity 48	June 30, 2008	Cash	\$ 10,000	\$ 4,805	\$ 5,195	9.9 years	8.30%	\$ 195	7.80%	\$ 3,292	\$ 4,685
Annuity 49	June 30, 2008	Cash	\$ 5,000	\$ 2,293	\$ 2,707	9.4 years	7.02%	\$ 100	8.00%	\$ 1,744	\$ 2,583
Annuity 50	June 30, 2009	Cash	\$ 10,000	\$ 5,613	\$ 4,387	6.1 years	7.86%	\$ 238	9.50%	\$ 1,742	\$ 4,407
Annuity 51	June 30, 2009	Cash	\$ 20,000	\$ 9,922	\$ 10,078	9.4 yrs	7.91%	\$ 380	7.60%	\$ 6,969	\$ 9,129
Annuity 52	June 30, 2010	Cash	\$ 5,000	\$ 2,623	\$ 2,377	7.8 yrs	6.81%	\$ 100	8.00%	\$ 1,612	\$ 2,295
Annuity 53	June 30, 2010	Cash	\$ 40,000	\$ 11,412	\$ 28,588	22.4 yrs	4.53%	\$ 510	5.10%	\$ 26,529	\$ 22,912
Annuity 54	June 30, 2010	Cash	\$ 100,000	\$ 51,354	\$ 48,646	8.8 yrs	5.97%	\$ 1,825	7.30%	\$ 36,587	\$ 49,583
Annuity 55	June 30, 2010	Cash	\$ 25,000	\$ 12,839	\$ 12,161	8.8 yrs	6.43%	\$ 456	7.30%	\$ 9,331	\$ 12,396
Annuity 56	June 30, 2011	Cash	\$ 30,000	\$ 8,154	\$ 21,846	22.4 yrs	4.78%	\$ 398	5.30%	\$ 20,706	\$ 19,072
Annuity 57	June 30, 2011	Cash	\$ 10,000	\$ 4,195	\$ 5,805	13.8 yrs	5.62%	\$ 153	6.10%	\$ 5,221	\$ 6,189
Annuity 58	June 30, 2012	Cash	\$ 35,000	\$ 17,385	\$ 17,615	8.3 yrs	6.49%	\$ 683	7.80%	\$ 16,108	\$ 19,515
Annuity 59	June 30, 2012	Cash	\$ 30,000	\$ 8,316	\$ 21,684	21.5 yrs	4.13%	\$ 383	5.10%	\$ 21,091	\$ 18,773
Annuity 60	June 30, 2012	Cash	\$ 15,000	\$ 8,863	\$ 6,137	4.9 yrs	6.96%	\$ 368	9.80%	\$ 5,369	\$ 6,926
Annuity 61	June 30, 2012	Cash	\$ 25,000	\$ 11,523	\$ 13,477	7.2 yrs	3.75%	\$ 544	8.70%	\$ 12,493	\$ 14,711
Annuity 62	June 30, 2012	Cash	\$ 10,000	\$ 3,909	\$ 6,091	11.1 yrs	3.86%	\$ 170	6.80%	\$ 5,847	\$ 6,385
Annuity 63	June 30, 2012	Cash	\$ 25,000	\$ 12,710	\$ 12,290	7.2 yrs	4.05%	\$ 500	8.00%	\$ 12,136	\$ 13,528
Totals			\$ 851,475	\$ 366,326	\$ 485,149			\$ 16,551		\$ 297,954	\$ 437,030

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Notes to Combined Financial Statements
Years Ended June 30, 2012 and 2011
(See Independent Auditors' Report)

9. Split Interest Agreements (continued)

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 \$12,349 for the year ended June 30, 2011. Assets held in the annuity reserve fund totaled \$389,204 at June 30, 2011, 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, 2011	Annuity Reserve Fund June 30, 2011
Annuity 2	June 30, 1999	Cash	\$ 15,000	\$ 6,440	\$ 8,560	10.5 years	9.49%	\$ 322	8.60%	\$ -	\$ 4,130
Annuity 5	June 30, 2001	Cash	\$ 10,000	\$ 3,749	\$ 6,251	18.3 years	9.42%	\$ 180	7.20%	\$ 3,813	\$ 5,330
Annuity 14	June 30, 2001	Cash	\$ 10,000	\$ 4,163	\$ 5,837	11.1 years	9.32%	\$ 212	8.50%	\$ 878	\$ 4,226
Annuity 15	June 30, 2001	Cash	\$ 10,000	\$ 4,508	\$ 5,492	8.3 years	10.23%	\$ 248	9.90%	\$ (0)	\$ 4,020
Annuity 17	June 30, 2001	Cash	\$ 50,000	\$ 21,293	\$ 28,707	10.5 years	9.49%	\$ 1,088	8.70%	\$ 2,099	\$ 21,671
Annuity 19	June 30, 2002	Stock	\$ 24,543	\$ 9,700	\$ 14,843	14.5 years	8.50%	\$ 454	7.40%	\$ 6,727	\$ 11,180
Annuity 20	June 30, 2002	Cash	\$ 10,000	\$ 4,105	\$ 5,895	13.1 years	8.80%	\$ 193	7.70%	\$ 2,155	\$ 4,364
Annuity 21	June 30, 2002	Cash	\$ 10,000	\$ 6,931	\$ 3,069	17.2 years	11.20%	\$ 405	16.20%	\$ 7,964	\$ 9,687
Annuity 24	June 30, 2003	Cash	\$ 50,000	\$ 13,091	\$ 36,909	18.9 years	5.51%	\$ 788	6.30%	\$ 25,420	\$ 29,241
Annuity 25	June 30, 2003	Cash	\$ 20,000	\$ 10,927	\$ 9,073	5.0 years	9.52%	\$ 575	11.50%	\$ -	\$ 7,052
Annuity 26	June 30, 2003	Stock	\$ 25,544	\$ 4,941	\$ 20,603	21.4 years	4.93%	\$ 390	6.10%	\$ 15,293	\$ 15,897
Annuity 27	June 30, 2004	Cash	\$ 10,000	\$ 4,642	\$ 5,358	7.8 years	7.91%	\$ 228	9.10%	\$ 0	\$ 3,992
Annuity 29	June 30, 2004	Cash	\$ 10,000	\$ 4,852	\$ 5,148	7.8 years	7.95%	\$ 220	8.80%	\$ 216	\$ 3,221
Annuity 30	June 30, 2004	Cash	\$ 10,000	\$ 4,172	\$ 5,828	13.1 years	7.18%	\$ 173	6.90%	\$ 3,113	\$ 4,593
Annuity 31	June 30, 2004	Cash	\$ 50,000	\$ 24,020	\$ 25,980	8.8 years	8.48%	\$ 1,038	8.30%	\$ 5,788	\$ 18,919
Annuity 32	June 30, 2004	Cash	\$ 45,671	\$ 9,250	\$ 36,422	27.6 years	5.47%	\$ 639	5.60%	\$ 31,418	\$ 32,349
Annuity 33	June 30, 2004	Cash	\$ 20,000	\$ 11,803	\$ 8,197	4.7 years	10.25%	\$ 565	11.30%	\$ -	\$ 7,209
Annuity 34	June 30, 2005	Cash	\$ 20,000	\$ 11,901	\$ 8,099	4.7 years	11.34%	\$ 565	11.30%	\$ -	\$ 7,209
Annuity 35	June 30, 2005	Cash	\$ 10,000	\$ 5,161	\$ 4,839	7.3 years	9.33%	\$ 230	9.20%	\$ 444	\$ 3,973
Annuity 38	June 30, 2005	Cash	\$ 10,000	\$ 4,606	\$ 5,394	15.9 years	6.73%	\$ 250	10.00%	\$ 5,394	\$ 10,296
Annuity 39	June 30, 2005	Cash	\$ 20,000	\$ 9,717	\$ 10,283	9.9 years	8.62%	\$ 390	7.80%	\$ 4,953	\$ 9,387
Annuity 40	June 30, 2006	Cash	\$ 5,000	\$ 2,503	\$ 2,497	9.4 years	9.44%	\$ 100	8.00%	\$ 1,181	\$ 2,359
Annuity 42	June 30, 2006	Cash	\$ 5,000	\$ 2,097	\$ 2,903	14.9 years	1.94%	\$ 81	6.50%	\$ 1,471	\$ 2,925
Annuity 43	June 30, 2007	Cash	\$ 10,000	\$ 6,275	\$ 3,725	4.3 years	11.75%	\$ 283	11.30%	\$ -	\$ 3,934
Annuity 44	June 30, 2007	Cash	\$ 10,000	\$ 5,243	\$ 4,757	8.3 years	9.84%	\$ 213	8.50%	\$ 2,639	\$ 4,662
Annuity 45	June 30, 2007	Cash	\$ 8,000	\$ 4,667	\$ 3,333	4.9 years	12.23%	\$ 226	11.30%	\$ 432	\$ 3,391
Annuity 46	June 30, 2008	Cash	\$ 20,000	\$ 10,366	\$ 9,634	8.8 years	9.85%	\$ 414	8.30%	\$ 6,237	\$ 9,989
Annuity 47	June 30, 2008	Cash	\$ 7,717	\$ 3,308	\$ 4,409	17.5 years	8.44%	\$ 122	6.30%	\$ 3,895	\$ 5,061
Annuity 48	June 30, 2008	Cash	\$ 10,000	\$ 4,805	\$ 5,195	9.9 years	8.30%	\$ 195	7.80%	\$ 3,774	\$ 4,896
Annuity 49	June 30, 2008	Cash	\$ 5,000	\$ 2,293	\$ 2,707	9.4 years	7.02%	\$ 100	8.00%	\$ 2,010	\$ 2,712
Annuity 50	June 30, 2009	Cash	\$ 10,000	\$ 5,613	\$ 4,387	6.1 years	7.86%	\$ 238	9.50%	\$ 2,517	\$ 4,654
Annuity 51	June 30, 2009	Cash	\$ 20,000	\$ 9,922	\$ 10,078	9.4 yrs	7.91%	\$ 380	7.60%	\$ 7,892	\$ 9,540
Annuity 52	June 30, 2010	Cash	\$ 5,000	\$ 2,623	\$ 2,377	7.8 yrs	6.81%	\$ 100	8.00%	\$ 1,890	\$ 2,407
Annuity 53	June 30, 2010	Cash	\$ 40,000	\$ 11,412	\$ 28,588	22.4 yrs	4.53%	\$ 510	5.10%	\$ 27,343	\$ 23,395
Annuity 54	June 30, 2010	Cash	\$ 100,000	\$ 51,354	\$ 48,646	8.8 yrs	5.97%	\$ 1,825	7.30%	\$ 41,517	\$ 52,184
Annuity 55	June 30, 2010	Cash	\$ 25,000	\$ 12,839	\$ 12,161	8.8 yrs	6.43%	\$ 456	7.30%	\$ 10,509	\$ 13,046
Annuity 56	June 30, 2011	Cash	\$ 30,000	\$ 8,154	\$ 21,846	22.4 yrs	4.78%	\$ 398	5.30%	\$ 21,289	\$ 19,505
Annuity 57	June 30, 2011	Cash	\$ 10,000	\$ 4,195	\$ 5,805	13.8 yrs	5.62%	\$ 153	6.10%	\$ 5,527	\$ 6,418
Totals			\$ 761,475	\$ 327,639	\$ 433,836			\$ 14,943		\$ 255,797	\$ 389,024

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Notes to Combined Financial Statements
Years Ended June 30, 2012 and 2011
(See Independent Auditors' Report)

10. Grant Revenue

During the year ended June 30, 2012, Compassion & Choices was the recipient of a one-time unrestricted grant of \$5,000,000. The proceeds are to be used in the following years to fund operating costs as well as provide the Organization with the funds needed to enhance and build a donor base to provide continued revenue in the future.

11. Subsequent Events

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

Supplemental Information

(See Independent Auditors' Report on Supplemental Information)



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

Independent Auditors' Report on Additional Information

Our report on our audits of the basic financial statements of Compassion & Choices, Compassion & Choices of Oregon and Compassion & Choices Action Network as of June 30, 2012 and 2011 appears on page 1. We conducted our audits in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subject to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Bradley Consulting Group, P.C.
Certified Public Accountants

Lakewood, Colorado

October 22, 2012

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Combining Statement of Financial Position
June 30, 2012

(See Independent Auditors' Report on Supplemental Information)

	Assets		
	Compassion & Choices	Compassion & Choices Action Network	Combined
Current assets:			
Cash and cash equivalents	\$ 1,011,516	\$ 80,720	\$ 1,092,236
Pledges receivable	327,500	-	327,500
Investments	10,149,295	1,161,526	11,310,821
Prepaid expenses	94,772		94,772
Beneficial interest in charitable remainder trusts	146,759		146,759
Other current assets	598		598
	<u>11,730,440</u>	<u>1,242,246</u>	<u>12,972,686</u>
Property, equipment and improvements:			
Furniture, fixtures and equipment	541,692	-	541,692
Leasehold improvements	26,604	-	26,604
	<u>568,296</u>	<u>-</u>	<u>568,296</u>
Accumulated depreciation and amortization	346,955	-	346,955
	<u>221,341</u>	<u>-</u>	<u>221,341</u>
Other assets:			
Intangible assets	3,014	-	3,014
Deposits	15,431	-	15,431
Due (to) from related entity	91,394	(91,394)	-
	<u>109,839</u>	<u>(91,394)</u>	<u>18,445</u>
Total assets	<u>\$ 12,061,620</u>	<u>\$ 1,150,852</u>	<u>\$ 13,212,472</u>

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Combining Statement of Financial Position
June 30, 2012

(See Independent Auditors' Report on Supplemental Information)

Liabilities and Net Assets

	<u>Compassion & Choices</u>	<u>Compassion & Choices Action Network</u>	<u>Combined</u>
Current liabilities:			
Current portion of obligations under capital leases	\$ 25,561	\$ -	\$ 25,561
Accounts payable	200,959	-	200,959
Accrued payroll and vacation	310,062	-	310,062
Accrued expenses	43,186	-	43,186
Deferred revenue	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Total current liabilities	<u>1,079,768</u>	<u>-</u>	<u>1,079,768</u>
Long-term liabilities:			
Capital lease obligations, net of current portion	39,502	-	39,502
Gift annuity payments due	<u>297,954</u>	<u>-</u>	<u>297,954</u>
Total long-term liabilities	<u>337,456</u>	<u>-</u>	<u>337,456</u>
Total liabilities	<u>1,417,224</u>	<u>-</u>	<u>1,417,224</u>
Net assets:			
Unrestricted:			
Operating	10,488,118	1,150,852	11,638,970
Net investment in furniture, fixtures equipment and improvements	<u>156,278</u>	<u>-</u>	<u>156,278</u>
Net assets	<u>10,644,396</u>	<u>1,150,852</u>	<u>11,795,248</u>
Total liabilities and net assets	<u>\$ 12,061,620</u>	<u>\$ 1,150,852</u>	<u>\$ 13,212,472</u>

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Combining Statement of Activities
Year Ended June 30, 2012

(See Independent Auditors' Report on Supplemental Information)

	<u>Compassion & Choices</u>	<u>Compassion & Choices Action Network</u>	<u>Combined</u>
Revenue and other support:			
Conference and events	\$ 140,656	\$ -	\$ 140,656
Contributions	5,306,634	69,998	5,376,632
Membership fees	-	207,882	207,882
Grants	8,472,293	-	8,472,293
Investment income, net of expenses	104,660	26,057	130,717
Realized and unrealized gain on investments	101,690	9,188	110,878
Loss on disposal of equipment	(664)	-	(664)
Other Income	221,403	69	221,472
	<u>14,346,672</u>	<u>313,194</u>	<u>14,659,865</u>
Total revenue and other support			
Expenses:			
Programs	6,261,476	71,600	6,333,076
General and administrative	857,282	9,063	866,345
Fundraising	519,377	24,010	543,387
	<u>7,638,134</u>	<u>104,673</u>	<u>7,742,807</u>
Total expenses			
Increase in net assets	6,708,538	208,520	6,917,058
Net assets, beginning	<u>3,935,858</u>	<u>942,332</u>	<u>4,878,190</u>
Net assets, ending	<u>\$ 10,644,396</u>	<u>\$ 1,150,852</u>	<u>\$ 11,795,248</u>

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Combining Statement of Revenue and Functional Expenses
Year Ended June 30, 2012

(See Independent Auditors' Report on Supplemental Information)

	<u>Total for Compassion & Choices</u>	<u>Total for Compassion & Choices Action Network</u>	<u>Combined Total</u>
Revenue and other support:			
Conferences and events	\$ 140,656	\$ -	\$ 140,656
Contributions	5,306,634	69,998	5,376,632
Membership fees	-	207,882	207,882
Grants	8,472,293	-	8,472,293
Investment income, net of expenses	104,660	26,057	130,717
Realized and unrealized gain on investments	101,690	9,188	110,878
Loss on sale of assets	(664)	-	(664)
Other income	221,403	69	221,472
	<u>14,346,672</u>	<u>313,194</u>	<u>14,659,865</u>
Total revenue and other support			
Expenses:			
Advertising	32,977	-	32,977
Bank and merchant fees	30,492	4,150	34,642
Conference/booth fees	279,461	-	279,461
Depreciation	87,619	-	87,619
Development costs	775,097	-	775,097
Facilities	187,732	3,807	191,540
Grants	72,487	-	72,487
Insurance	90,959	707	91,666
Interest expense	7,202	111	7,313
Local groups	32,346	-	32,346
Magazine	135,991	-	135,991
Membership and telefunding costs	5,223	24,721	29,945
Memberships - organizations	8,369	27	8,397
Operational expenses	304,385	6,004	310,390
Organization sponsorships	6,850	-	6,850
Outside services	1,407,410	2,565	1,409,975
Payroll expense	2,818,074	11,139	2,829,213
Printing	68,794	6	68,800
Publications and subscriptions	55,882	38	55,920
Registration fees	22,629	2,714	25,343
Staff costs - development dept.	773,158	47,751	820,910
Staff development	15,665	-	15,665
Technology/data management	59,070	395	59,465
Temporary staff	35,996	-	35,996
Travel and entertainment	324,263	538	324,802
	<u>7,638,134</u>	<u>104,673</u>	<u>7,742,807</u>
Total expenses			
Increase (decrease) in net assets	<u>\$ 6,708,538</u>	<u>\$ 208,520</u>	<u>\$ 6,917,058</u>

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Compassion & Choices
Statement of Revenue and Functional Expenses
Year Ended June 30, 2012
(See Independent Auditors' Report on Supplemental Information)

	<u>Direct Lobbying</u>	<u>Public Education</u>	<u>Field Ops</u>	<u>Government Affairs</u>
Revenue and other support:				
Conferences and events	\$ -	\$ -	\$ -	\$ -
Contributions	-	18,475	505,823	-
Membership fees	-	-	-	-
Grants	-	-	17,500	-
Investment income, net of expenses	-	-	-	-
Realized and unrealized gain on investments	-	-	-	-
Loss on sale of assets	-	-	-	-
Other income	-	-	44,891	-
	<u>-</u>	<u>18,475</u>	<u>568,214</u>	<u>-</u>
Total revenue and other support	<u>-</u>	<u>18,475</u>	<u>568,214</u>	<u>-</u>
Expenses:				
Advertising	-	30,308	1,870	12
Bank and merchant fees	-	30,567	24	-
Conference/booth fees	-	260,486	7,756	1,555
Depreciation	-	34,672	22,971	2,100
Development costs	-	435,880	13,130	-
Facilities	-	71,612	21,398	11,960
Grants	-	47,487	25,000	-
Insurance	-	17,802	20,474	1,078
Interest expense	-	2,866	1,917	174
Local groups	-	4,688	27,658	-
Magazine	-	135,991	-	-
Membership and telefunding costs	-	5,223	-	-
Memberships - organizations	-	4,028	1,388	2,419
Operational expenses	-	144,219	86,737	5,893
Organization sponsorships	-	-	350	6,500
Outside services	11,000	344,674	405,799	5,302
Payroll expense	-	541,707	1,017,645	134,391
Printing	-	20,812	46,315	1,154
Publications and subscriptions	-	19,453	5,072	28,821
Registration fees	-	21,867	261	-
Staff costs - development dept.	-	579,869	-	-
Staff development	-	1,695	1,421	1,565
Technology/data management	-	40,817	9,349	1,027
Temporary staff	-	13,584	-	-
Travel and entertainment	-	101,669	123,030	17,393
	<u>11,000</u>	<u>2,911,977</u>	<u>1,839,563</u>	<u>221,344</u>
Total expenses	<u>11,000</u>	<u>2,911,977</u>	<u>1,839,563</u>	<u>221,344</u>
Increase (decrease) in net assets	<u>\$ (11,000)</u>	<u>\$ (2,893,502)</u>	<u>\$ (1,271,349)</u>	<u>\$ (221,344)</u>

(continued)

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Compassion & Choices
Statement of Revenue and Functional Expenses (continued)
Year Ended June 30, 2012
(See Independent Auditors' Report on Supplemental Information)

	Legal	Consultation	Total Programs	General and administrative
Revenue and other support:				
Conferences and events	\$ -	\$ -	\$ -	\$ -
Contributions	173,343	309,761	1,007,403	-
Membership fees	-	-	-	-
Grants	-	-	17,500	-
Investment income, net of expenses	-	-	-	-
Realized and unrealized gain on investments	-	-	-	-
Loss on sale of assets	-	-	-	(664)
Other income	-	-	44,891	-
	<u>173,343</u>	<u>309,761</u>	<u>1,069,794</u>	<u>(664)</u>
Total revenue and other support	<u>173,343</u>	<u>309,761</u>	<u>1,069,794</u>	<u>(664)</u>
Expenses:				
Advertising	12	682	32,884	93
Bank and merchant fees	-	-	30,591	(99)
Conference/booth fees	871	8,197	278,866	595
Depreciation	2,100	-	61,843	25,776
Development costs	-	-	449,010	-
Facilities	-	11,624	116,595	71,138
Grants	-	-	72,487	-
Insurance	2,324	41,017	82,695	8,264
Interest expense	174	738	5,869	1,334
Local groups	-	-	32,346	-
Magazine	-	-	135,991	-
Membership and telefunding costs	-	-	5,223	-
Memberships - organizations	41	176	8,052	317
Operational expenses	8,161	25,965	270,975	33,411
Organization sponsorships	-	-	6,850	-
Outside services	179,206	454,821	1,400,801	6,609
Payroll expense	141,676	335,994	2,171,412	646,662
Printing	9	431	68,722	72
Publications and subscriptions	566	1,528	55,441	441
Registration fees	-	-	22,128	501
Staff costs - development dept.	-	-	579,869	-
Staff development	260	9,100	14,041	1,624
Technology/data management	602	2,664	54,458	4,612
Temporary staff	-	-	13,584	22,412
Travel and entertainment	10,761	37,890	290,743	33,520
	<u>346,763</u>	<u>930,828</u>	<u>6,261,476</u>	<u>857,282</u>
Total expenses	<u>346,763</u>	<u>930,828</u>	<u>6,261,476</u>	<u>857,282</u>
Increase (decrease) in net assets	<u>\$ (173,420)</u>	<u>\$ (621,067)</u>	<u>\$ (5,191,682)</u>	<u>\$ (857,946)</u>

(continued)

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Compassion & Choices
Statement of Revenue and Functional Expenses (continued)
Year Ended June 30, 2012
(See Independent Auditors' Report on Supplemental Information)

	<u>Fundraising</u>	<u>Total for Compassion & Choices</u>
Revenue and other support:		
Conferences and events	\$ 140,656	\$ 140,656
Contributions	4,299,231	5,306,634
Membership fees	-	-
Grants	8,454,793	8,472,293
Investment income, net of expenses	104,660	104,660
Realized and unrealized gain on investments	101,690	101,690
Loss on sale of assets	-	(664)
Other income	176,512	221,403
	<u>13,277,542</u>	<u>14,346,672</u>
Total revenue and other support		
Expenses:		
Advertising	-	32,977
Bank and merchant fees	-	30,492
Conference/booth fees	-	279,461
Depreciation	-	87,619
Development costs	326,087	775,097
Facilities	-	187,732
Grants	-	72,487
Insurance	-	90,959
Interest expense	-	7,202
Local groups	-	32,346
Magazine	-	135,991
Membership and telefunding costs	-	5,223
Memberships - organizations	-	8,369
Operational expenses	-	304,385
Organization sponsorships	-	6,850
Outside services	-	1,407,410
Payroll expense	-	2,818,074
Printing	-	68,794
Publications and subscriptions	-	55,882
Registration fees	-	22,629
Staff costs - development dept.	193,290	773,158
Staff development	-	15,665
Technology/data management	-	59,070
Temporary staff	-	35,996
Travel and entertainment	-	324,263
	<u>519,377</u>	<u>7,638,134</u>
Total expenses		
Increase (decrease) in net assets	<u>\$ 12,758,165</u>	<u>\$ 6,708,538</u>

**Compassion & Choices, Compassion & Choices of Oregon,
and Compassion & Choices Action Network**

Compassion & Choices Action Network
Statement of Revenue and Functional Expenses
Year Ended June 30, 2012

(See Independent Auditors' Report on Supplemental Information)

	Public Education and Total Programs	General and Administrative	Fundraising	Total for Compassion & Choices Action Network
Revenue and other support:				
Conferences and events	\$ -	\$ -	\$ -	\$ -
Contributions	6,635	-	63,363	69,998
Membership fees	19,900	-	187,982	207,882
Grants	-	-	-	-
Investment income, net of expenses	-	-	26,057	26,057
Realized and unrealized gain on investments	-	-	9,188	9,188
Loss on sale of assets	-	-	-	-
Other income	-	-	69	69
	<u>26,535</u>	<u>-</u>	<u>286,659</u>	<u>313,194</u>
Total revenue and other support				
Expenses:				
Advertising	-	-	-	-
Bank and merchant fees	4,150	-	-	4,150
Conference/booth fees	-	-	-	-
Depreciation	-	-	-	-
Development costs	-	-	-	-
Facilities	-	3,807	-	3,807
Grants	-	-	-	-
Insurance	272	435	-	707
Interest expense	41	70	-	111
Local groups	-	-	-	-
Magazine	-	-	-	-
Membership and telefunding costs	10,261	-	14,460	24,721
Memberships - organizations	10	17	-	27
Operational expenses	4,219	1,785	-	6,004
Organization sponsorships	-	-	-	-
Outside services	217	2,348	-	2,565
Payroll expense	11,139	-	-	11,139
Printing	2	4	-	6
Publications and subscriptions	15	23	-	38
Registration fees	2,714	-	-	2,714
Staff costs - development dept.	38,201	-	9,550	47,751
Staff development	-	-	-	-
Technology/data management	152	243	-	395
Temporary staff	-	-	-	-
Travel and entertainment	207	331	-	538
	<u>71,600</u>	<u>9,063</u>	<u>24,010</u>	<u>104,673</u>
Total expenses				
Increase (decrease) in net assets	<u>\$ (45,065)</u>	<u>\$ (9,063)</u>	<u>\$ 262,649</u>	<u>\$ 208,520</u>