

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

Combined Financial Statements  
Years Ended June 30, 2015 and 2014  
with  
Independent Auditors' Report

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

Years Ended June 30, 2015 and 2014  
(See Independent Auditors' Report)

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

## Independent Auditors' Report

### ***Report on the Financial Statements***

We have audited the accompanying combined financial statements of Compassion & Choices and Compassion & Choices Action Network which comprise the combined statements of financial position as of June 30, 2015 and 2014 and the related combined statements of activities and changes in net assets and cash flows for the years then ended and the related notes to combined financial statements.

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

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

### ***Auditor's Responsibility***

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

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

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

***Opinion***

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Compassion & Choices and Compassion & Choices Action Network of June 30, 2015 and 2014 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Stratagem PC*  
*Certified Public Accountants*

*Lakewood, Colorado*

September 29, 2015

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

Combined Statements of Financial Position  
June 30, 2015 and 2014  
(See Independent Auditors' Report)

Assets	<u>2015</u>	<u>2014</u>
Current assets:		
Cash and cash equivalents:		
Operating	\$ 2,037,237	\$ 1,228,316
Investments	2,588,649	575,437
Unconditional promises to give, net of allowance	2,621,000	2,567,927
Investments	16,219,146	13,503,884
Prepaid expenses	147,429	82,868
Beneficial interest in charitable remainder trusts	168,984	193,189
Other current assets	<u>7,421</u>	<u>-</u>
Total current assets	<u>23,789,866</u>	<u>18,151,621</u>
Property, equipment and improvements, at cost:		
Furniture, fixtures and equipment	456,744	534,414
Leasehold improvements	<u>62,446</u>	<u>55,602</u>
	519,190	590,016
Less accumulated depreciation and amortization	<u>315,671</u>	<u>328,235</u>
Total property, equipment and improvements	<u>203,519</u>	<u>261,781</u>
Other assets		
Unconditional promises to give, net of current portion	137,000	5,080,000
Intangible assets	15,764	3,014
Deposits	<u>30,875</u>	<u>35,789</u>
Total other assets	<u>183,639</u>	<u>5,118,803</u>
Total assets	<u><u>\$ 24,177,024</u></u>	<u><u>\$ 23,532,205</u></u>

(See Notes to Combined Financial Statements)

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

Combined Statements of Financial Position  
June 30, 2015 and 2014  
(See Independent Auditors' Report)

Liabilities and Net Assets

	2015	2014
Current liabilities:		
Current portion of obligations under capital leases	\$ 14,717	\$ 12,763
Accounts payable	456,899	424,514
Accrued payroll and vacation	340,677	430,185
Accrued expenses	1,500	1,500
Total current liabilities	813,793	868,962
Long-term liabilities:		
Capital lease obligations, net of current portion	-	14,717
Gift annuity payments due	490,348	446,236
Total long-term liabilities	490,348	460,953
Total liabilities	1,304,141	1,329,915
Net assets:		
Unrestricted:		
Operating	22,686,452	21,842,989
Net investment in property, equipment and improvements	186,431	234,301
Total unrestricted net assets	22,872,883	22,077,290
Temporarily restricted	-	125,000
Total net assets	22,872,883	22,202,290
Total liabilities and net assets	\$ 24,177,024	\$ 23,532,205

(See Notes to Combined Financial Statements)

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

Combined Statements of Activities and Changes in Net Assets  
Years Ended June 30, 2015 and 2014  
(See Independent Auditors' Report)

	2015	2014
Revenue and other support:		
Contributions	\$ 15,373,419	\$ 16,774,745
Membership fees	207,355	146,702
Foundation revenue	135,000	199,235
Restricted gifts	-	125,000
Investment income, net of expenses	389,624	322,498
Realized and unrealized gain (loss) on investments	(261,571)	1,205,545
Gain on sale of equipment	-	278
Other Income	525,589	522,443
	<b>16,369,416</b>	<b>19,296,446</b>
Expenses:		
Programs	12,849,683	9,344,938
General and administrative	1,836,558	1,161,513
Fundraising	1,012,582	934,206
	<b>15,698,823</b>	<b>11,440,657</b>
Increase in net assets	670,593	7,855,789
Net assets, beginning	22,202,290	14,346,501
Net assets, ending	\$ 22,872,883	\$ 22,202,290

(See Notes to Combined Financial Statements)

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

Combined Statements of Cash Flows  
Years Ended June 30, 2015 and 2014  
(See Independent Auditors' Report)

	2015	2014
Cash flows from operating activities:		
Cash received from contributions and donations	\$ 20,875,360	\$ 11,088,101
Cash paid to employees and vendors	(15,432,192)	(11,074,376)
Interest received	389,624	322,498
Net cash provided by operating activities	5,832,792	336,223
Cash flows from investing activities:		
Proceeds from sale of investments	3,977,378	12,497,284
Proceeds from sale of property and equipment	-	278
Purchases of investments	(6,954,211)	(11,641,223)
Purchases of property and equipment	(55,090)	(82,179)
Purchase of intangible asset	(15,000)	-
Deposits refunded	4,914	1,917
Net cash provided (used) by investing activities	(3,042,009)	776,077
Cash flows from financing activities:		
Capital lease obligations:		
Repayments	(12,763)	(13,118)
Gift annuities:		
Proceeds	96,435	176,710
Repayments	(52,323)	(58,433)
Net cash provided by financing activities	31,349	105,159
Net increase in cash and cash equivalents	2,822,132	1,217,459
Cash and cash equivalents, beginning	3,629,739	2,412,280
Cash and cash equivalents, ending	\$ 6,451,871	\$ 3,629,739
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 1,302	\$ 8,826

(continued)  
(See Notes to Combined Financial Statements)



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

Combined Statements of Cash Flows (continued)  
Years Ended June 30, 2015 and 2014  
(See Independent Auditors' Report)

	2015	2014
Cash flows from operating activities:		
Change in net assets	\$ 670,593	\$ 7,855,789
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	115,602	74,320
Unrealized (gain) loss on investments	261,571	(1,205,545)
Gain on sale of property and equipment	-	(278)
(Increase) decrease in:		
Pledges receivable	4,889,927	(6,638,952)
Prepaid expenses	(64,562)	11,698
Beneficial interest in charitable remainder trusts	24,205	(44,147)
Other current assets	(7,421)	3,075
Increase (decrease) in:		
Accounts payable	32,385	291,513
Accrued payroll and vacation	(89,508)	9,160
Accrued expenses	-	(20,410)
Net cash provided by operating activities	\$ 5,832,792	\$ 336,223

(See Notes to Combined Financial Statements)

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

Notes to Combined Financial Statements  
Years Ended June 30, 2015 and 2014  
(See Independent Auditors' Report)

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

Nature of operations

Compassion & Choices, which has been granted not-for-profit status under Internal Revenue Code Section 501(c)(3), works to improve care and expand patient choices at the end of life. Compassion & Choices seeks to achieve this by advocating patient's rights through support services, educating the public about the issues surrounding end-of life choices, and empowering patients so they can make informed treatment choices.

Compassion & Choices Action Network is a not-for-profit organization with a 501(c)(4) status under the Internal Revenue Code Section, whose mission is to improve care and expand patient choices at the end of life. Compassion & Choices Action Network engages in programs that promote and inform its membership and produces advocacy campaigns that impact health law and policy. Compassion & Choices Action Network has independently governed chapters which are located throughout the United States.

The two Organizations are considered to be under common control as defined by generally accepted accounting principles based on financial control and/or joint operating agreements. As such, the financial operations of the two Organizations' are presented as combined financial statements for the year ended June 30, 2015.

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  
and Compassion & Choices Action Network**

Notes to Combined Financial Statements  
Years Ended June 30, 2015 and 2014  
(See Independent Auditors' Report)

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

Cash and cash equivalents

The Organization considers 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 Organization maintains 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 Organization are held at institutions that are provided insurance up to \$250,000 per FDIC-insured depository institution. Topic 825 of the FASB ASC, *Financial Instruments* identifies such accounts as a concentration of credit risk requiring disclosure regardless of the degree of risk. Risk related to deposits held outside of institutions participating in the above program is managed by maintaining deposits with high quality financial institutions and monitoring cash such that balances are rarely, if ever, in excess of any applicable FDIC insurance limits that may be in place. In addition, management does not believe that the Organization is 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 \$115,300 and \$74,300 for the years ended June 30, 2015 and 2014, respectively.

Donations

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

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

Notes to Combined Financial Statements  
Years Ended June 30, 2015 and 2014  
(See Independent Auditors' Report)

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

Donations (continued)

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

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

Promises to give

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

Conditional promises to give are recognized when the conditions on which they depend are substantially met.

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

Use of estimates in the preparation of 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  
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Notes to Combined Financial Statements  
Years Ended June 30, 2015 and 2014  
(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, 2015 and 2014.

Income taxes

No provision for taxes on earnings has been made in the combined financial statements as Compassion & Choices has 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, 2015 and 2014.

Fair value measurements

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

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

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

Level 2 – Inputs to the valuation methodology include a) quoted prices for similar assets or liabilities in active markets; b) quoted prices for identical or similar assets or liabilities in inactive markets; c) inputs other than quoted prices that are observable for the asset or liability; and d) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**Compassion & Choices  
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Notes to Combined Financial Statements  
Years Ended June 30, 2015 and 2014  
(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, 2015:

Description	Level 1	Level 2	Level 3	Totals
Cash and money market funds	\$ 2,588,649	\$ -	\$ -	\$ 2,588,649
Fixed income investments	7,978,021	-	-	7,978,021
Equities:				
Mutual funds	7,153,703	-	-	7,153,703
Alternative investments	1,087,422	-	-	1,087,422
	<u>\$ 18,807,795</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,807,795</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, 2014:

Description	Level 1	Level 2	Level 3	Totals
Cash and money market funds	\$ 575,437	\$ -	\$ -	\$ 575,437
Fixed income investments	3,075,137	-	-	3,075,137
Equities:				
Mutual funds	10,932,800	-	-	10,932,800
	<u>\$ 14,583,374</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,583,374</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 \$498,000 and \$395,600 is included in each of the accounts mentioned during the years ended June 30, 2015 and 2014, respectively.

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

Notes to Combined Financial Statements  
Years Ended June 30, 2015 and 2014  
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**3. Promises to Give**

Unconditional promises to give

Unconditional promises to give for years ending after June 30, 2015 and 2014 are reflected as either current or non-current assets based on the terms of the commitment by the individual donors. The allowance for uncollectible amounts is determined by management based on the evaluation of collectability of the promises outstanding

The following is a summary of unconditional promises to give at June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Amounts due in:		
Less than one year	\$ 2,621,000	\$ 2,567,927
One to five years	<u>137,000</u>	<u>5,080,000</u>
	2,758,000	7,647,927
Less allowance for uncollectible amounts	<u>-</u>	<u>-</u>
Net promises to give	<u>\$ 2,758,000</u>	<u>\$ 7,647,927</u>

**4. Retirement Plan**

The Organizations sponsor a 401(k) profit sharing plan covering substantially all employees who meet specified service requirements as defined in the plan document. The Plan allows for employee contributions up to the maximum allowable by the Internal Revenue Code. Contributions by employees are matched 100% by the Organization up to 5% of gross eligible salary and totaled approximately \$127,700 and \$92,900 for the years June 30, 2015 and 2014, respectively.

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

Notes to Combined Financial Statements  
Years Ended June 30, 2015 and 2014  
(See Independent Auditors' Report)

**5. Capital Lease Obligations**

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

Following is a summary of property under capital leases at June 30, 2015 and 2014:

	2015	2014
Computer and office equipment	\$ 60,627	\$ 100,251
Less accumulated depreciation	47,491	74,990
	\$ 13,136	\$ 25,261

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, 2015 are as follows:

Year Ended June 30,		
2016	\$	15,231
Less amount representing interest		514
Present value of future minimum lease payments		14,717
Less current portion		14,717
	\$	-



**Compassion & Choices  
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Notes to Combined Financial Statements  
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**6. Commitments**

The Organizations lease office space under operating leases expiring at various dates between March 2015 and July 2018. Monthly payments range from \$1,500 up to \$8,400 in the final year of certain leases. The following is a summary of the minimum annual commitments under the terms of the leases for years ending after June 30, 2015:

Year Ended June 30	Portland Office	Denver Office	Washington D.C. Office	Los Angeles Office	Total
2016	\$ 82,731	\$ 96,604	\$ 54,996	\$ 44,458	\$ 278,789
2017	84,800	99,000	56,509	45,792	286,101
2018	86,921	75,600	58,063	39,109	259,693
2019	7,258	-	49,489	-	56,747
	<u>\$ 261,710</u>	<u>\$ 271,204</u>	<u>\$ 219,057</u>	<u>\$ 129,359</u>	<u>\$ 881,330</u>

Rent expense for the years ended June 30, 2015 and 2014 was approximately \$396,800 and \$275,300 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  
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Notes to Combined Financial Statements  
Years Ended June 30, 2015 and 2014  
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**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.

**Compassion & Choices  
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Notes to Combined Financial Statements  
Years Ended June 30, 2015 and 2014  
(See Independent Auditors' Report)

**8. Split Interest Agreements**

The Organization administers the following gift annuities. A gift annuity provides for the payment of distributions to the grantor or other designated beneficiaries over the annuity's term (usually the designated beneficiary's lifetime). At the end of the annuity's term the remaining assets are available for the Organization's use. The portion of the annuity attributable to the present value of the future benefits to be received by the Organization is recorded in the Combined Statement of Activities as an unrestricted contribution in the period the annuity is established. Such contributions totaled \$107,068 for the year ended June 30, 2015. Assets held in the annuity reserve fund totaled **\$672,227** at June 30, 2015, 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, 2015	Annuity Reserve Fund June 30, 2015
Annuity 5	June 30, 2001	Cash	\$ 10,000	\$ 3,749	\$ 6,251	18.3 years	9.42%	\$ 180	7.20%	\$ 2,087	\$ 4,504
Annuity 14	June 30, 2001	Cash	\$ 10,000	\$ 4,163	\$ 5,837	11.1 years	9.32%	\$ 212	8.50%	\$ (0)	\$ 3,513
Annuity 15	June 30, 2001	Cash	\$ 10,000	\$ 4,508	\$ 5,492	8.3 years	10.23%	\$ 248	9.90%	\$ (0)	\$ 3,300
Annuity 19	June 30, 2002	Stock	\$ 24,543	\$ 9,700	\$ 14,843	14.5 years	8.50%	\$ 454	7.40%	\$ 880	\$ 9,440
Annuity 20	June 30, 2002	Cash	\$ 10,000	\$ 4,105	\$ 5,895	13.1 years	8.80%	\$ 193	7.70%	\$ -	\$ 3,659
Annuity 21	June 30, 2002	Cash	\$ 10,000	\$ 6,931	\$ 3,069	17.2 years	11.20%	\$ 405	16.20%	\$ 4,361	\$ 8,136
Annuity 24	June 30, 2003	Cash	\$ 50,000	\$ 13,091	\$ 36,909	18.9 years	5.51%	\$ 788	6.30%	\$ 17,654	\$ 25,337
Annuity 25	June 30, 2003	Cash	\$ 20,000	\$ 10,927	\$ 9,073	5.0 years	9.52%	\$ 575	11.50%	\$ -	\$ 5,430
Annuity 26	June 30, 2003	Stock	\$ 25,544	\$ 4,941	\$ 20,603	21.4 years	4.93%	\$ 390	6.10%	\$ 11,762	\$ 13,990
Annuity 27	June 30, 2004	Cash	\$ 10,000	\$ 4,642	\$ 5,358	7.8 years	7.91%	\$ 228	9.10%	\$ 0	\$ 3,259
Annuity 32	June 30, 2004	Cash	\$ 45,671	\$ 9,250	\$ 36,422	27.6 years	5.47%	\$ 639	5.60%	\$ 27,688	\$ 29,657
Annuity 33	June 30, 2004	Cash	\$ 20,000	\$ 11,803	\$ 8,197	4.7 years	10.25%	\$ 565	11.30%	\$ -	\$ 5,578
Annuity 34	June 30, 2005	Cash	\$ 20,000	\$ 11,901	\$ 8,099	4.7 years	11.34%	\$ 565	11.30%	\$ -	\$ 5,578
Annuity 38	June 30, 2005	Cash	\$ 10,000	\$ 4,606	\$ 5,394	15.9 years	6.73%	\$ 250	10.00%	\$ 9,121	\$ 10,137
Annuity 39	June 30, 2005	Cash	\$ 20,000	\$ 9,717	\$ 10,283	9.9 years	8.62%	\$ 390	7.80%	\$ 0	\$ 7,727
Annuity 40	June 30, 2006	Cash	\$ 5,000	\$ 2,503	\$ 2,497	9.4 years	9.44%	\$ 100	8.00%	\$ 0	\$ 1,903
Annuity 42	June 30, 2006	Cash	\$ 5,000	\$ 2,097	\$ 2,903	14.9 years	1.94%	\$ 81	6.50%	\$ 241	\$ 2,485
Annuity 44	June 30, 2007	Cash	\$ 10,000	\$ 5,243	\$ 4,757	8.3 years	9.84%	\$ 213	8.50%	\$ 0	\$ -
Annuity 45	June 30, 2007	Cash	\$ 8,000	\$ 4,667	\$ 3,333	4.9 years	12.23%	\$ 226	11.30%	\$ -	\$ 2,717
Annuity 46	June 30, 2008	Cash	\$ 20,000	\$ 10,366	\$ 9,634	8.8 years	9.85%	\$ 414	8.30%	\$ 1,186	\$ 8,222
Annuity 47	June 30, 2008	Cash	\$ 7,717	\$ 3,308	\$ 4,409	17.5 years	8.44%	\$ 122	6.30%	\$ 3,155	\$ 4,433
Annuity 49	June 30, 2008	Cash	\$ 5,000	\$ 2,293	\$ 2,707	9.4 years	7.02%	\$ 100	8.00%	\$ 826	\$ 2,212
Annuity 50	June 30, 2009	Cash	\$ 10,000	\$ 5,613	\$ 4,387	6.1 years	7.86%	\$ 238	9.50%	\$ 0	\$ 3,755
Annuity 52	June 30, 2010	Cash	\$ 5,000	\$ 2,623	\$ 2,377	7.8 yrs	6.81%	\$ 100	8.00%	\$ 655	\$ 1,981
Annuity 53	June 30, 2010	Cash	\$ 40,000	\$ 11,412	\$ 28,588	22.4 yrs	4.53%	\$ 510	5.10%	\$ 23,853	\$ 21,381
Annuity 54	June 30, 2010	Cash	\$ 100,000	\$ 51,354	\$ 48,646	8.8 yrs	5.97%	\$ 1,825	7.30%	\$ 19,915	\$ 42,216
Annuity 55	June 30, 2010	Cash	\$ 25,000	\$ 12,839	\$ 12,161	8.8 yrs	6.43%	\$ 456	7.30%	\$ 5,314	\$ 10,554
Annuity 56	June 30, 2011	Cash	\$ 30,000	\$ 8,154	\$ 21,846	22.4 yrs	4.78%	\$ 398	5.30%	\$ 18,782	\$ 17,715
Annuity 57	June 30, 2011	Cash	\$ 10,000	\$ 4,195	\$ 5,805	13.8 yrs	5.62%	\$ 153	6.10%	\$ 4,194	\$ 5,496
Annuity 58	June 30, 2012	Cash	\$ 35,000	\$ 17,385	\$ 17,615	8.3 yrs	6.49%	\$ 683	7.80%	\$ 10,579	\$ 16,674
Annuity 59	June 30, 2012	Cash	\$ 30,000	\$ 8,316	\$ 21,684	21.5 yrs	4.13%	\$ 383	5.10%	\$ 18,998	\$ 17,409
Subtotal			\$ 641,475	\$ 266,399	\$ 375,075			\$ 12,080		\$ 181,251	\$ 298,400

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

Notes to Combined Financial Statements  
Years Ended June 30, 2015 and 2014  
(See Independent Auditors' Report)

**8. Split Interest Agreements (continued)**

	Fiscal Year of Gift	Description of Asset Donated	FMV of Asset	Value of Gift	Amount of Liability	Gift Donor Life Expectancy	Discount Rate	Required Quarterly Payment	Guaranteed Interest Rate	Gift Annuity Payments Due June 30, 2015	Annuity Reserve Fund June 30, 2015
Subtotal from previous page			\$ 641,475	\$ 266,399	\$ 375,075			\$ 12,080		\$ 181,251	\$ 298,400
Annuity 61	June 30, 2012	Cash	\$ 25,000	\$ 11,523	\$ 13,477	7.2 yrs	3.75%	\$ 544	8.70%	\$ 7,103	\$ 12,763
Annuity 62	June 30, 2012	Cash	\$ 10,000	\$ 3,909	\$ 6,091	11.1 yrs	3.86%	\$ 170	6.80%	\$ 4,410	\$ 5,614
Annuity 63	June 30, 2012	Cash	\$ 25,000	\$ 12,710	\$ 12,290	7.2 yrs	4.05%	\$ 500	8.00%	\$ 7,351	\$ 11,736
Annuity 64	June 30, 2013	Cash	\$ 20,000	\$ 7,456	\$ 12,544	14 yrs	1.93%	\$ 270	5.40%	\$ 9,736	\$ 11,931
Annuity 65	June 30, 2013	Cash	\$ 10,000	\$ 5,618	\$ 4,452	6.4 yrs	4.15%	\$ 201	8.00%	\$ 2,784	\$ 4,457
Annuity 66	June 30, 2013	Cash	\$ 10,071	\$ 4,413	\$ 5,587	10.5 yrs	3.56%	\$ 160	6.40%	\$ 4,439	\$ 5,283
Annuity 67	June 30, 2013	Cash	\$ 10,000	\$ 4,102	\$ 5,898	12.4 yrs	3.16%	\$ 145	5.80%	\$ 4,852	\$ 5,226
Annuity 68	June 30, 2013	Cash	\$ 5,000	\$ 2,870	\$ 2,130	6 yrs	4.74%	\$ 103	8.20%	\$ 1,315	\$ 2,029
Annuity 70	June 30, 2013	Cash	\$ 10,000	\$ 5,579	\$ 4,421	6.4 yrs	4.76%	\$ 200	8.00%	\$ 2,898	\$ 8,950
Annuity 71	June 30, 2013	Cash	\$ 20,000	\$ 10,613	\$ 9,387	7.3 yrs	4.35%	\$ 380	7.60%	\$ 6,797	\$ 9,509
Annuity 72	June 30, 2013	Cash	\$ 10,000	\$ 1,931	\$ 8,069	25.8 yrs	2.35%	\$ 105	4.20%	\$ 7,572	\$ 6,228
Annuity 73	June 30, 2013	Cash	\$ 10,000	\$ 5,419	\$ 4,581	6.8 yrs	3.19%	\$ 195	7.80%	\$ 3,258	\$ 4,511
Annuity 74	June 30, 2014	Cash	\$ 20,000	\$ 12,326	\$ 7,674	4.9 yrs	6.30%	\$ 450	10.50%	\$ 4,886	\$ 8,057
Annuity 75	June 30, 2014	Cash	\$ 20,000	\$ 10,212	\$ 9,788	7.8 yrs	3.87%	\$ 370	9.20%	\$ 7,597	\$ 10,319
Annuity 76	June 30, 2014	Cash	\$ 10,000	\$ 2,538	\$ 7,462	24.9 yrs	2.98%	\$ 108	5.02%	\$ 7,086	\$ 6,376
Annuity 77	June 30, 2014	Cash	\$ 200,000	\$ 90,878	\$ 109,122	11.4	4.49%	\$ 3,050	7.45%	\$ 97,840	\$ 111,066
Annuity 78	June 30, 2014	Cash	\$ 5,000	\$ 2,086	\$ 2,914	15.2	4.46%	\$ 69	5.50%	\$ 2,924	\$ 3,014
Annuity 79	June 30, 2014	Cash	\$ 10,020	\$ 6,100	\$ 3,920	5.6	5.29%	\$ 210	10.40%	\$ 2,829	\$ 4,208
Annuity 80	June 30, 2014	Cash	\$ 10,000	\$ 4,912	\$ 5,088	9.9	5.05%	\$ 165	8.10%	\$ 4,432	\$ 5,448
Annuity 82	June 30, 2014	Cash	\$ 40,000	\$ 17,920	\$ 22,080	11.4	4.25%	\$ 610	7.50%	\$ 19,792	\$ 21,358
Annuity 83	June 30, 2014	Cash	\$ 10,000	\$ 5,136	\$ 4,864	8.8	5.04%	\$ 175	8.60%	\$ 4,204	\$ 5,004
Annuity 84	June 30, 2014	Cash	\$ 10,253	\$ 6,454	\$ 3,799	4.9	6.36%	\$ 231	10.30%	\$ 2,875	\$ 4,280
Annuity 85	June 30, 2015	Cash	\$ 20,000	\$ 12,116	\$ 7,884	5.6	5.88%	\$ 420	9.80%	\$ 6,600	\$ 8,698
Annuity 86	June 30, 2015	Cash	\$ 10,000	\$ 4,574	\$ 5,426	11.8	4.37%	\$ 150	6.70%	\$ 5,124	\$ 5,634
Annuity 87	June 30, 2015	Cash	\$ 10,000	\$ 5,911	\$ 4,089	6	6.10%	\$ 205	10.30%	\$ 3,661	\$ 4,742
Annuity 88	June 30, 2015	Cash	\$ 10,555	\$ 6,394	\$ 4,161	5.6	4.89%	\$ 222	10.30%	\$ 3,738	\$ 4,852
Annuity 89	June 30, 2015	Cash	\$ 10,000	\$ 5,102	\$ 4,898	11.8	4.95%	\$ 178	7.10%	\$ 4,898	\$ 4,712
Annuity 90	June 30, 2015	Cash	\$ 17,143	\$ 8,717	\$ 8,426	8.8	4.74%	\$ 300	8.60%	\$ 7,951	\$ 7,837
Annuity 91	June 30, 2015	Cash	\$ 10,000	\$ 4,908	\$ 5,092	9.4	5.11%	\$ 170	8.40%	\$ 4,880	\$ 5,614
Annuity 92	June 30, 2015	Cash	\$ 10,000	\$ 4,965	\$ 5,035	9.4	5.30%	\$ 170	8.40%	\$ 4,842	\$ 5,614
Annuity 93	June 30, 2015	Cash	\$ 30,000	\$ 15,083	\$ 14,917	7.5	4.69%	\$ 593	9.80%	\$ 14,495	\$ 16,919
Annuity 94	June 30, 2015	Cash	\$ 25,000	\$ 11,719	\$ 13,281	9.8	3.68%	\$ 413	8.10%	\$ 13,131	\$ 15,342
Annuity 95	June 30, 2015	Cash	\$ 25,000	\$ 11,719	\$ 13,281	9.8	3.83%	\$ 413	8.10%	\$ 13,039	\$ 14,517
Annuity 96	June 30, 2015	Cash	\$ 10,000	\$ 6,693	\$ 3,307	4.3	4.78%	\$ 225	10.60%	\$ 3,259	\$ 4,161
Annuity 97	June 30, 2015	Stock	\$ 10,805	\$ 6,513	\$ 4,292	5.6	5.58%	\$ 227	10.30%	\$ 4,292	\$ 5,351
Annuity 98	June 30, 2015	Cash	\$ 5,000	\$ 2,655	\$ 2,345	7.7	4.43%	\$ 93	10.90%	\$ 2,206	\$ 2,467
Totals			\$ 1,345,323	\$ 608,174	\$ 737,148			\$ 24,266		\$ 490,348	\$ 672,227

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

Notes to Combined Financial Statements  
Years Ended June 30, 2015 and 2014  
(See Independent Auditors' Report)

**9. Temporarily Restricted Net Assets**

During the year ended June 30, 2014, the Organization received \$125,000 in unconditional promises to give that were designated for two specific programs for which expenditures had not exceeded funds received. Temporarily restricted net assets as of June 30, 2014 includes \$75,000 for the California Focus on End of Life initiative with the remaining \$50,000 designated for the DWD Access program. As of June 30, 2015, all of these funds had been expended.

**10. 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,  
and Compassion & Choices Action Network  
Denver, Colorado

Independent Auditors' Report on Supplemental Information

audited the combined financial statements of Compassion & Choices and Compassion & Choices Action Network as of and for the years ended June 30, 2015 and 2014 and have issued our report thereon dated September 29, 2015, which contained an unqualified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the combined financial statements as a whole. The schedules of functional expenses are presented for the purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

*Stratagem PC*  
*Certified Public Accountants*

*Lakewood, Colorado*

September 29, 2015

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

Combining Statement of Financial Position  
June 30, 2015

(See Independent Auditors' Report on Supplemental Information)

	Assets		
	Compassion & Choices	Compassion & Choices Action Network	Combined
Current assets:			
Cash and cash equivalents			
Operating	\$ 1,036,392	\$ 1,000,845	\$ 2,037,237
Investments	1,448,130	1,140,519	2,588,649
Unconditional promises to give, net of allowance	2,621,000	-	2,621,000
Investments	14,190,441	2,028,705	16,219,146
Prepaid expenses and other	147,429	-	147,429
Beneficial interest in charitable remainder trusts	168,984	-	168,984
Other current assets	7,421	-	7,421
Total current assets	19,619,797	4,170,069	23,789,866
Property, equipment and improvements:			
Furniture, fixtures and equipment	456,744	-	456,744
Leasehold improvements	60,070	2,376	62,446
	516,814	2,376	519,190
Accumulated depreciation and amortization	315,666	5	315,671
Total property, equipment and improvements	201,148	2,371	203,519
Other assets:			
Unconditional promises to give, net of current portion	137,000	-	137,000
Intangible assets	15,764	-	15,764
Deposits	26,964	3,911	30,875
Due (to) from related entity	78,692	(78,692)	-
Total other assets	258,420	(74,781)	183,639
Total assets	\$ 20,079,365	\$ 4,097,659	\$ 24,177,024



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

Combining Statement of Financial Position  
June 30, 2015

(See Independent Auditors' Report on Supplemental Information)

	Liabilities and Net Assets		
	Compassion & Choices	Compassion & Choices Action Network	Combined
Current liabilities:			
Current portion of obligations under capital leases	\$ 14,717	\$ -	\$ 14,717
Accounts payable	367,651	89,248	456,899
Accrued payroll and vacation	340,677	-	340,677
Accrued expenses	1,500	-	1,500
Total current liabilities	724,545	89,248	813,793
Long-term liabilities:			
Capital lease obligations, net of current portion	-	-	-
Gift annuity payments due	490,348	-	490,348
Total long-term liabilities	490,348	-	490,348
Total liabilities	1,214,893	89,248	1,304,141
Net assets:			
Unrestricted:			
Operating	18,678,041	4,008,411	22,686,452
Net investment in furniture, fixtures equipment and improvements	186,431	-	186,431
Total unrestricted net assets	18,864,472	4,008,411	22,872,883
Temporarily restricted	-	-	-
Total net assets	18,864,472	4,008,411	22,872,883
Total liabilities and net assets	\$ 20,079,365	\$ 4,097,659	\$ 24,177,024

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

Combining Statement of Activities  
Year Ended June 30, 2015  
(See Independent Auditors' Report on Supplemental Information)

	<u>Compassion &amp; Choices</u>	<u>Compassion &amp; Choices Action Network</u>	<u>Combined</u>
Revenue and other support:			
Contributions	\$ 12,650,830	\$ 2,722,589	\$ 15,373,419
Membership fees	-	207,355	207,355
Foundation revenue	135,000	-	135,000
Investment income, net of expenses	354,434	35,190	389,624
Realized and unrealized loss on investments	(230,824)	(30,747)	(261,571)
Other Income	<u>470,728</u>	<u>54,861</u>	<u>525,589</u>
Total revenue and other support	<u>13,380,168</u>	<u>2,989,248</u>	<u>16,369,416</u>
Expenses:			
Programs	12,517,292	332,391	12,849,683
General and administrative	1,798,785	37,773	1,836,558
Fundraising	<u>1,011,782</u>	<u>800</u>	<u>1,012,582</u>
Total expenses	<u>15,327,859</u>	<u>370,964</u>	<u>15,698,823</u>
Increase (decrease) in net assets	(1,947,691)	2,618,284	670,593
Net assets, beginning	<u>20,812,163</u>	<u>1,390,127</u>	<u>22,202,290</u>
Net assets, ending	<u>\$ 18,864,472</u>	<u>\$ 4,008,411</u>	<u>\$ 22,872,883</u>

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

Combining Statement of Revenue and Functional Expenses  
Year Ended June 30, 2015  
(See Independent Auditors' Report on Supplemental Information)

	Total for Compassion & Choices	Total for Compassion & Choices Action Network	Combined Total
Revenue and other support:			
Contributions	\$ 12,650,830	\$ 2,722,589	\$ 15,373,419
Membership fees	-	207,355	207,355
Foundation Revenue	135,000	-	135,000
Investment income, net of expenses	354,434	35,190	389,624
Realized and unrealized loss on investments	(230,824)	(30,747)	(261,571)
Other income	470,728	54,861	525,589
	<u>13,380,168</u>	<u>2,989,248</u>	<u>16,369,416</u>
Expenses:			
Advertising	416,642	4	416,646
Bank and merchant fees	48,816	6,575	55,391
Conference/booth fees	121,629	-	121,629
Depreciation	115,094	208	115,302
Development costs	1,098,514	-	1,098,514
Facilities	396,790	12,353	409,143
Graphics	165,756	-	165,756
Insurance	98,182	129	98,311
Interest and taxes	6,690	6	6,696
Local groups	61,489	-	61,489
Magazine	282,797	-	282,797
Membership and telefunding costs	-	13,449	13,449
Memberships - organizations	12,367	6	12,373
Operational expenses	445,377	2,638	448,015
Outside services	4,460,129	272,108	4,732,237
Payroll expense	5,267,620	49,563	5,317,183
Printing	173,520	2,589	176,109
Publications and subscriptions	57,642	3	57,645
Registration fees	17,056	10,369	27,425
Staff costs - development dept.	1,073,008	-	1,073,008
Staff development	39,565	-	39,565
Technology/data management	299,225	510	299,735
Temporary staff	43,792	63	43,855
Travel and entertainment	626,159	391	626,550
	<u>15,327,859</u>	<u>370,964</u>	<u>15,698,823</u>
Increase (decrease) in net assets	<u>\$ (1,947,691)</u>	<u>\$ 2,618,284</u>	<u>\$ 670,593</u>

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

Compassion & Choices  
Statement of Revenue and Functional Expenses  
Year Ended June 30, 2015  
(See Independent Auditors' Report on Supplemental Information)

	<u>Direct Lobbying</u>	<u>Grassroots Lobbying</u>	<u>Legal &amp; Litigation</u>	<u>Public Education</u>
Revenue and other support:				
Contributions	\$ -	\$ -	\$ 236,285	\$ 8,619
Foundation Revenue	-	-	-	-
Investment income, net of expenses	-	-	-	-
Realized and unrealized loss on investments	-	-	-	-
Other income	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue and other support	<u>-</u>	<u>-</u>	<u>236,285</u>	<u>8,619</u>
Expenses:				
Advertising	20,996	-	6	369,043
Bank and merchant fees	-	-	-	48,781
Conference/booth fees	2,750	1,450	930	2,735
Depreciation	-	-	331	34,958
Development costs	-	-	-	687,322
Facilities	1,027	-	9,047	72,830
Graphics	-	-	-	154,436
Insurance	-	-	1,703	22,180
Interest and taxes	-	-	10	1,018
Local groups	-	-	-	(1,113)
Magazine	-	-	-	282,797
Memberships - organizations	-	-	415	4,190
Operational expenses	5,642	10,500	1,204	153,379
Outside services	552,712	-	236,290	2,151,574
Payroll expense	390	549	200,912	1,120,774
Printing	12,084	-	3	85,124
Publications and subscriptions	-	-	1,636	11,626
Registration fees	-	-	-	15,351
Staff costs - development dept.	-	-	-	536,504
Staff development	-	-	565	11,419
Technology/data management	-	-	1,194	110,824
Temporary staff	-	-	103	22,333
Travel and entertainment	1,161	5,931	20,910	145,220
	<u>1,161</u>	<u>5,931</u>	<u>20,910</u>	<u>145,220</u>
Total expenses	<u>596,762</u>	<u>18,430</u>	<u>475,259</u>	<u>6,043,305</u>
Increase (decrease) in net assets	<u>\$ (596,762)</u>	<u>\$ (18,430)</u>	<u>\$ (238,974)</u>	<u>\$ (6,034,686)</u>

(continued)

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

Compassion & Choices  
Statement of Revenue and Functional Expenses (continued)  
Year Ended June 30, 2015  
(See Independent Auditors' Report on Supplemental Information)

	Field Ops	Policy, Research, & Implementation	EOLRC	Total Programs
Revenue and other support:				
Contributions	\$ 6,016	\$ -	\$ 242,000	\$ 492,920
Foundation Revenue	50,000	-	-	50,000
Investment income, net of expenses	-	-	-	-
Realized and unrealized loss on investments	-	-	-	-
Other income	-	-	-	-
	<u>56,016</u>	<u>-</u>	<u>242,000</u>	<u>542,920</u>
Total revenue and other support				
	<u>56,016</u>	<u>-</u>	<u>242,000</u>	<u>542,920</u>
Expenses:				
Advertising	24,090	1,481	651	416,267
Bank and merchant fees	-	-	-	48,781
Conference/booth fees	78,405	33,534	255	120,059
Depreciation	27,027	6,317	15,732	84,365
Development costs	-	-	-	687,322
Facilities	108,850	21,194	39,230	252,178
Graphics	11,312	1	3	165,752
Insurance	25,637	4,008	32,226	85,754
Interest and taxes	787	184	458	2,457
Local groups	61,882	-	-	60,769
Magazine	-	-	-	282,797
Memberships - organizations	3,680	2,846	493	11,624
Operational expenses	133,769	24,195	57,426	386,115
Outside services	933,479	209,686	307,133	4,390,874
Payroll expense	1,528,495	284,275	790,426	3,925,821
Printing	61,588	534	13,992	173,325
Publications and subscriptions	3,854	34,208	496	51,820
Registration fees	1,493	-	-	16,844
Staff costs - development dept.	-	-	-	536,504
Staff development	8,727	8,374	2,359	31,444
Technology/data management	68,842	15,870	50,053	246,783
Temporary staff	8,406	1,965	4,893	37,700
Travel and entertainment	245,319	40,030	43,366	501,937
	<u>3,335,642</u>	<u>688,702</u>	<u>1,359,192</u>	<u>12,517,292</u>
Total expenses				
	<u>3,335,642</u>	<u>688,702</u>	<u>1,359,192</u>	<u>12,517,292</u>
Increase (decrease) in net assets	<u>\$ (3,279,626)</u>	<u>\$ (688,702)</u>	<u>\$ (1,117,192)</u>	<u>\$ (11,974,372)</u>

(continued)

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

Compassion & Choices  
Statement of Revenue and Functional Expenses (continued)  
Year Ended June 30, 2015  
(See Independent Auditors' Report on Supplemental Information)

	Total Programs	General and administrative	Fundraising	Total for Compassion & Choices
Revenue and other support:				
Contributions	\$ 492,920	\$ 6,275	\$ 12,151,635	\$ 12,650,830
Foundation Revenue	50,000	-	85,000	135,000
Investment income, net of expenses	-	354,434	-	354,434
Realized and unrealized loss on investments	-	(230,824)	-	(230,824)
Other income	-	814	469,914	470,728
	<u>542,920</u>	<u>130,699</u>	<u>12,706,549</u>	<u>13,380,168</u>
Total revenue and other support				
Expenses:				
Advertising	416,267	375	-	416,642
Bank and merchant fees	48,781	35	-	48,816
Conference/booth fees	120,059	1,570	-	121,629
Depreciation	84,365	30,729	-	115,094
Development costs	687,322	-	411,192	1,098,514
Facilities	252,178	120,990	23,622	396,790
Graphics	165,752	4	-	165,756
Insurance	85,754	12,428	-	98,182
Interest and taxes	2,457	4,233	-	6,690
Local groups	60,769	720	-	61,489
Magazine	282,797	-	-	282,797
Memberships - organizations	11,624	743	-	12,367
Operational expenses	386,115	59,262	-	445,377
Outside services	4,390,874	69,255	-	4,460,129
Payroll expense	3,925,821	1,341,799	-	5,267,620
Printing	173,325	195	-	173,520
Publications and subscriptions	51,820	5,822	-	57,642
Registration fees	16,844	212	-	17,056
Staff costs - development dept.	536,504	-	536,504	1,073,008
Staff development	31,444	8,121	-	39,565
Technology/data management	246,783	52,442	-	299,225
Temporary staff	37,700	6,092	-	43,792
Travel and entertainment	501,937	83,758	40,464	626,159
	<u>12,517,292</u>	<u>1,798,785</u>	<u>1,011,782</u>	<u>15,327,859</u>
Total expenses				
Increase (decrease) in net assets	<u>\$ (11,974,372)</u>	<u>\$ (1,668,086)</u>	<u>\$ 11,694,767</u>	<u>\$ (1,947,691)</u>

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

Compassion & Choices Action Network  
Statement of Revenue and Functional Expenses  
Year Ended June 30, 2015  
(See Independent Auditors' Report on Supplemental Information)

	Grassroots Lobbying	Legal Defense Fund	Public Education and Total Programs	General and Administrative	Fundraising	Total for Compassion & Choices Action Network
Revenue and other support:						
Conferences and events	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-	2,722,589	2,722,589
Membership fees	-	-	-	-	207,355	207,355
Investment income, net of expenses	-	-	-	35,190	-	35,190
Realized and unrealized loss on investments	-	-	-	(30,747)	-	(30,747)
Other income	-	-	-	-	54,861	54,861
	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,443</u>	<u>2,984,805</u>	<u>2,989,248</u>
Total revenue and other support	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,443</u>	<u>2,984,805</u>	<u>2,989,248</u>
Expenses:						
Advertising	-	-	-	4	-	4
Bank and merchant fees	-	-	6,560	15	-	6,575
Depreciation	-	-	-	208	-	208
Facilities	4,836	-	-	7,517	-	12,353
Insurance	-	-	-	129	-	129
Interest and taxes	-	-	-	6	-	6
Membership and telefunding costs	-	-	12,649	-	800	13,449
Memberships - organizations	-	-	-	6	-	6
Operational expenses	1,710	-	-	928	-	2,638
Outside services	187,149	75,000	3,283	6,676	-	272,108
Payroll expense	27,975	-	-	21,588	-	49,563
Printing	1,800	-	787	2	-	2,589
Publications and subscriptions	-	-	-	3	-	3
Registration fees	-	-	10,369	-	-	10,369
Technology/data management	-	-	-	510	-	510
Temporary staff	-	-	-	63	-	63
Travel and entertainment	273	-	-	118	-	391
	<u>223,743</u>	<u>75,000</u>	<u>33,648</u>	<u>37,773</u>	<u>800</u>	<u>370,964</u>
Total expenses	<u>223,743</u>	<u>75,000</u>	<u>33,648</u>	<u>37,773</u>	<u>800</u>	<u>370,964</u>
Increase (decrease) in net assets	<u>\$ (223,743)</u>	<u>\$ (75,000)</u>	<u>\$ (33,648)</u>	<u>\$ (33,330)</u>	<u>\$ 2,984,005</u>	<u>\$ 2,618,284</u>