



**Schwartz Platz & Associates, CPA**  
730 Howe Avenue, Ste 100  
Sacramento, CA. 95825  
Telephone (916) 489-1697 Fax (916) 489-9687

To the Board of Directors  
Coalition for Compassionate Care of California

### Independent Auditor's Report

I have audited the accompanying financial statements of Coalition for Compassionate Care of California (a nonprofit organization), which comprise the statement of financial position as of December 31, 2012, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statement 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, I 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 financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Coalition for Compassionate Care of California as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Schwartz Platz & Associates*

Schwartz Platz & Associates  
Sacramento, CA  
August 21, 2013

COALITION FOR COMPASSIONATE CARE OF CALIFORNIA

STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2012

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**ASSETS**

Assets:	<u>2012</u>
Cash and cash equivalents	\$388,809
Accounts receivable - grants	28,052
Unconditional promise to give	30,000
Inventory	<u>19,795</u>
Total Current Assets	466,656
Long-term Assets:	
Property and equipment, net of depreciation	2,495
Deposit on leased property	<u>2,700</u>
Total Long-term Assets	<u>5,195</u>
Total Assets	<u>\$471,851</u> =====

**LIABILITIES AND NET ASSETS**

Liabilities:	
Current Liabilities	
Accounts payable	\$40,151
Accrued expenses	15,383
Deferred revenue	<u>224,041</u>
Total Current Liabilities	279,575
Non-current liabilities deferred revenue	<u>5,000</u>
Total Liabilities	284,575
Net Assets	
Unrestricted Net Assets	<u>187,276</u>
Total Liabilities and Net Assets	<u>\$471,851</u> =====

The accompanying notes are an integral part of these financial statements.

COALITION FOR COMPASSIONATE CARE OF CALIFORNIA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2012

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**Grant Revenue and Other Income**

		<u>Unrestricted</u>
Grant Revenue Earned		\$756,778
Interest income		325
Contributions		91,575
Membership		25,719
Program revenue		146,564
Online sales	\$33,061	
Less: cost of goods sold	<u>24,580</u>	<u>8,481</u>
 Total Grant Revenue and Other Income		 1,029,442

**Expenses**

Total program expenses		797,495
General and administrative		141,863
Fundraising		<u>61,548</u>
 Total Expenses		 <u>1,000,906</u>
 Change in Unrestricted Net Assets		 28,536
 Unrestricted Net Assets, Beginning of the Year		 <u>158,740</u>
 Unrestricted Net Assets, End of the Year		 <u>\$187,276</u>

The accompanying notes are an integral part of these financial statements.

COALITION FOR COMPASSIONATE CARE OF CALIFORNIA

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2012

	Program Services	Supporting Services		Total
		General & Admin	Fund Raising	
<b>Annual Meeting</b>				
Annual meeting costs	\$27,584			\$27,584
National conference costs	27,726			27,726
<b>Awards &amp; Grants</b>				
Business gifts		\$718		718
Sponsorships paid out	1,600			1,600
<b>Business Expenses</b>				
Insurance		3,513		3,513
<b>Contract Services</b>				
Accounting fees		15,188		15,188
Audit		6,500		6,500
Graphic design fees		75		75
IT support fees	2,123	1,698	\$425	4,246
Consulting fees	236,744	6,188	2,400	245,332
Website support fees	2,833			2,833
<b>Facilities &amp; Equipment</b>				
Equipment rental	3,857	3,085	772	7,714
Rent & utilities	19,561	15,650	3,912	39,123
<b>Operations</b>				
Bank/credit card processing fees	1,531	192	191	1,914
Books, subscriptions, reference	3,035	379	379	3,793
Communications/translation	4,838			4,838
Conference calls	106			106
Depreciation & amortization	2,547	318	318	3,183
Meetings	12,471	2,849		15,320
Memberships & dues	800			800
Office supplies	4,254	2,815		7,069
Postage, mailing & service	3,960	214	215	4,389
Printing & copying	5,862	326	326	6,514
Staff training	2,315			2,315
Telephone	3,584	448	448	4,480
Tier 1 coalitions	25,233			25,233
Training	28,022			28,022
Travel	29,440			29,440
Webinars	895			895
<b>Salaries</b>	305,249	67,370	38,544	411,163
<b>Benefits</b>	12,919	7,823	10,150	30,892
<b>Payroll Expense</b>				
Payroll service fees	1,087	235	147	1,469
Benefits services fees	925	200	125	1,250
Payroll taxes	12,106	2,594	1,660	16,360
Retirement contributions	11,523	2,887	1,162	15,571
Workers comp	<u>2,765</u>	<u>598</u>	<u>374</u>	<u>3,737</u>
	<u>\$797,495</u>	<u>\$141,863</u>	<u>\$61,548</u>	<u>\$1,000,906</u>

The accompanying notes are an integral part of these financial statements.

COALITION FOR COMPASSIONATE CARE OF CALIFORNIA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2012

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Cash Flows from Operating Activities:

Net Increase(Decrease) in Net Assets \$28,536

Adjustments to Reconcile Excess of Revenues Over Expenses  
to Net Cash Provided by Operating Activities:

Depreciation	2,546
(Increase)decrease in accounts receivable	(8,984)
(Increase)decrease in inventory	(12,199)
(Increase)decrease in unconditional promises to give	40,000
(Increase)decrease in prepaid expenses	14,453
Increase(decrease) in accounts payable	16,276
Increase(decrease) in accrued expenses	2,282
Increase(decrease) in deferred revenue	<u>(46,121)</u>

Net Cash Provided by Operating Activities 36,789

Cash Flows from Investing Activities:

Payments for property and equipment (549)

Net Cash Provided by Investing Activities (549)

Cash Flows from Financing Activities:

None

Net Increase(Decrease) in Cash 36,240

Cash at the Beginning of the Year 352,569

Cash at the End of the Year \$388,809

The accompanying notes are an integral part of these financial statements.

COALITION FOR COMPASSIONATE CARE OF CALIFORNIA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2012

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. General:

The Coalition for Compassionate Care of California came into existence in 2009 to promote high quality, compassionate end-of-life care for all Californians. The Organization is primarily supported through donor contributions and grants.

B. Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

C. Functional Expense Allocation:

The Organization allocates its expenses on a functional basis among its program and supporting services and reports these allocations on the statement of functional expenses. Expenses that can be specifically identified are allocated directly to their functional classification. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies.

D. Basis of Accounting:

The Organization prepares its financial statements on the accrual basis of accounting in conformity with generally accepted accounting principles. Income is recognized as it is earned and expenses are recognized as they are incurred whether or not cash is received or paid at that time. Any unearned amount is recorded as deferred revenue.

E. Income Taxes:

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code sections. As such, no provision for income tax is reflected in the financial statements.

COALITION FOR COMPASSIONATE CARE OF CALIFORNIA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2012

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

F. Revenue Recognition:

The Organization receives the majority of its support from non-government grants and contracts. These funds are deemed to be earned and are reported as support when the Organization has incurred expenditures in accordance with specific requirements of the grant of contract.

G. Promise to Give:

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional.

H. Date of Management's Review:

Subsequent events were evaluated through August 21, 2013, which is the date the financial statements were available to be issued.

I. Cash and Cash Equivalents:

The Organization considers all cash as "cash equivalents".

J. Property and Equipment

The Organization capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from three to thirty years. Depreciation expense for the year ended December 31, 2012 was \$2,546.

K. Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence of any donor restrictions.

L. Inventory

The Organization purchases inventory at cost, which includes all direct and indirect costs incurred to prepare it for sale or use.



COALITION FOR COMPASSIONATE CARE OF CALIFORNIA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2012

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**NOTE 2 - CONCENTRATION OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS**

The Organization maintains a cash balance at Five Star Bank. Accounts at the bank are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2012, the Organization's uninsured cash balances totaled \$0-

**NOTE 3 - ECONOMIC DEPENDENCY**

The Organization's ability to continue in existence is dependent upon its grant funds received from the California Healthcare Foundation.

**NOTE 4 - PROMISES TO GIVE**

Unconditional promises to give consist of the following:

Unrestricted promises	\$30,000
Amounts due in:	
Less than one year	\$25,000
One to five years	<u>\$5,000</u>
	<u>\$30,000</u>
	=====

**NOTE 5 - PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

Computer equipment	\$14,601
Accumulated depreciation	<u>(12,106)</u>
Total	<u>\$2,495</u>
	=====

**NOTE 6 - LEASED PROPERTY**

On November 1, 2010 the Organization entered into a lease for office space for a five year period.

Rent expense for 2012 was \$39,123.

COALITION FOR COMPASSIONATE CARE OF CALIFORNIA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2012

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**NOTE 6 - LEASED PROPERTY (CONTINUED)**

Rent expense for the next five years is a follows:

2013	\$45,355
2014	46,899
2015	<u>39,978</u>
Total	<u>\$132,232</u>

**NOTE 7 - PENSION PLAN**

The Organization sponsors a safe harbor 401k plan covering all employees who have been there at least 3 months of service. The Organization makes a contribution to the plan equal to 7% of all participant's compensation. Total expense for the year ended December 31, 2012 was \$21,814.

**NOTE 8 - CONCENTRATION OF GRANTS**

The Organization receives approximately 95% of its grant revenue through the California Healthcare Foundation.

**Coalition for Compassionate Care of Californias**  
**Financial Statements**  
**December 31, 2012**

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COALITION FOR  
COMPASSIONATE CARE  
FINANCIAL STATEMENTS  
DECEMBER 31, 2012