



**COALITION FOR COMPASSIONATE  
CARE OF CALIFORNIA**

Financial Statements  
and  
Independent Auditor's Report

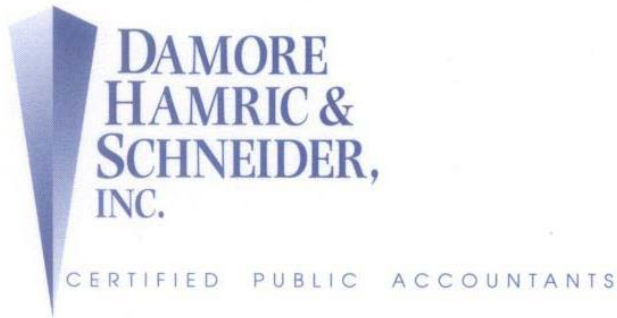
For the Year Ended December 31, 2014

Coalition for Compassionate Care of California

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Coalition for Compassionate Care of California  
Sacramento, California

We have audited the accompanying financial statements of Coalition for Compassionate Care of California (a nonprofit organization), which comprises the statement of financial position as of December 31, 2014, and the related statements of activities and changes in net assets, 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**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 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 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 Organization'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 financial statements.

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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 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, 2014, 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.

*Damore, Hamric + Schneider Inc*

DAMORE, HAMRIC & SCHNEIDER, INC.  
Certified Public Accountants

January 21, 2016

Coalition for Compassionate Care of California

STATEMENT OF FINANCIAL POSITION

December 31, 2014

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 191,559
Accounts Receivable	39,064
Inventory	<u>25,335</u>
Total Current Assets	<u>\$ 255,958</u>
Property and Equipment, Net of Depreciation (Note 4)	\$ 450
Deposit on Leased Property	<u>3,700</u>
Total Assets	<u><u>\$ 260,108</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$ 41,155
Accrued Expenses	37,422
Deferred Revenue	<u>44,083</u>
Total Current and Total Liabilities	<u>\$ 122,660</u>

Net Assets:

Temporarily Restricted Net Assets	\$ 33,632
Unrestricted Net Assets	<u>103,816</u>
Total Net Assets	<u>\$ 137,448</u>
Total Liabilities and Net Assets	<u><u>\$ 260,108</u></u>

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

Coalition for Compassionate Care of California

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended December 31, 2014

<u>Support and Revenue:</u>	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
Grant Revenue Earned	\$ 608,757	\$	\$ 608,757
Interest Income	565		565
Contributions	146,810		146,810
Membership	38,396		38,396
Program Revenue	119,921		119,921
Online Sales	\$ 49,636		
Less: Cost of Goods Sold	<u>12,558</u>	37,078	37,078
Consulting	45,482		45,482
Other Income	3,469		3,469
Net Assets Released from Restrictions	<u>37,900</u>	( <u>37,900</u> )	
Total Grant Revenues and Other Income	<u>\$ 1,038,378</u>	( <u>\$ 37,900</u> )	<u>\$ 1,000,478</u>
 <u>Expenses:</u>			
Program Services	\$ 921,494	\$	\$ 921,494
General and Administration	111,790		111,790
Fundraising	<u>34,939</u>		<u>34,939</u>
Total Expenses	<u>\$ 1,068,223</u>	<u>\$</u>	<u>\$ 1,068,223</u>
Decrease in Net Assets	(\$ 29,845)	(\$ 37,900)	(\$ 67,745)
Net Assets, Beginning of Year	<u>133,661</u>	<u>71,532</u>	<u>205,193</u>
Net Assets, End of Year	<u>\$ 103,816</u>	<u>\$ 33,632</u>	<u>\$ 137,448</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, 2014

	Program Services	General and Administration	Fundraising	Total
Salaries	\$ 404,908	\$ 50,482	\$ 24,730	\$ 480,120
Employee Benefits	62,454	7,820	5,253	75,527
Payroll Taxes	<u>29,169</u>	<u>3,150</u>	<u>1,521</u>	<u>33,840</u>
 Total Personnel	 \$ 496,531	 \$ 61,452	 \$ 31,504	 \$ 589,487
Coalition Funding	89,528			89,528
Communications	3,012	2,737		5,749
Conferences, Meetings, Education and Training	101,969			101,969
Equipment Rental, Repairs and Maintenance	175	1,336		1,511
Insurance	4,225	4,109	199	8,533
Memberships and Dues	640			640
Mileage and Travel	28,310			28,310
Miscellaneous	3,295	4,333		7,628
Online store	9,223			9,223
Occupancy	24,094	21,118		45,212
Professional Services	125,184	5,249	800	131,233
Sponsorships and Stipends	6,370			6,370
Supplies, Postage and Printing	18,792	3,472	986	23,250
Support Services	<u>10,146</u>	<u>7,139</u>	<u>1,450</u>	<u>18,735</u>
 Total Expenses Before Depreciation	 <u>\$ 921,494</u>	 <u>\$ 110,945</u>	 <u>\$ 34,939</u>	 <u>\$ 1,067,378</u>
 Depreciation	 <u>\$</u>	 <u>\$ 845</u>	 <u>\$</u>	 <u>\$ 845</u>
 Total Functional Expenses	 <u><u>\$ 921,494</u></u>	 <u><u>\$ 111,790</u></u>	 <u><u>\$ 34,939</u></u>	 <u><u>\$ 1,068,223</u></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, 2014

Cash Flows from Operating Activities:

Change in Net Assets	(\$ 67,745)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:	
Depreciation	845
(Increase) Decrease in:	
Accounts Receivable	( 28,534)
Inventory	( 5,943)
Deposits	( 1,000)
Increase (Decrease) in:	
Accounts Payable	( 15,806)
Accrued Expenses	20,617
Deferred Revenue	( 80,038)
Net Cash Used by Operating Activities	<u>(\$ 177,604)</u>
Cash and Equivalents, Beginning of Year	<u>\$ 369,163</u>
Cash and Equivalents, End of Year	<u>\$ 191,559</u>

Supplemental Data:

Interest	<u>\$ 0</u>
Taxes	<u>\$ 0</u>

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



Coalition for Compassionate Care of California

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 1 ORGANIZATION AND 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. Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements of the Organization reflect the accrual method of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions according to three classes of net assets as follows:

*Unrestricted Net Assets* - Net assets that are not subject to donor-imposed stipulations.

*Temporarily Restricted Net Assets* - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization had temporarily restricted net assets of \$33,632 as of December 31, 2014.

*Permanently Restricted Net Assets* - This component of net assets consists of stipulations that certain assets are to be maintained permanently by the recipient. Generally, the donors of these assets permit the recipient to use all or part of the income earned on any related investments for general or specific purposes. The Organization did not have permanently restricted net assets at December 31, 2014.

Coalition for Compassionate Care of California

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued):

- E. Income Taxes - The Organization was incorporated as a non-profit organization under the laws of California. No income tax provision has been included in the financial statements since the Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, and state franchise tax under Section 2370 (1)(d) of the Revenue and Taxation Code. The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2011, 2012, and 2013 are subject to examination by the IRS, generally for three years after they were filed.
- 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 or contract.
- G. Contributions – Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction.
- H. Accounts Receivable – Balance consists of services that have been provided or earned through a grant or contract, but not yet received. The balances are stated at the amount management expects to collect from outstanding balances.
- I. Subsequent Events Review - Management has evaluated subsequent events through the date of the audit report, which is the date the financial statements were available to be issued.
- J. Cash and Cash Equivalents - Cash and cash equivalents include demand deposits.
- K. Property and Equipment – The Organization capitalizes property and equipment over \$1,000 and have useful lives greater than one year. All other purchases are expensed. Purchased property and equipment is capitalized at cost. Donated property and equipment are recorded at their estimated fair value. Property and equipment is depreciated using the straight-line method over estimated useful lives ranging from three to thirty years. Depreciation expense was \$845 for the year ended December 31, 2014.
- L. Inventory – Inventories, which consists primarily of brochures and materials created by the Organization, are valued at the lower of cost of market. Cost is determined on the first-in, first-out method.

Coalition for Compassionate Care of California

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 2 CONCENTRATIONS OF CREDIT RISK:

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, 2014, the Organization had no uninsured cash balances.

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 PROPERTY AND EQUIPMENT:

Property and equipment at December 31, 2014, consist of the following:

	<u>2014</u>
Computer Software and Equipment	\$ 15,952
Accumulated Depreciation	<u>15,502</u>
Total	<u>\$ 450</u>

NOTE 5 LEASE COMMITMENTS:

A. Real Estate - On November 1, 2010 the Organization entered into an operating lease for office space for a five year period expiring October 2015. On October 22, 2015, the Organization entered into a new operating lease beginning in November 2015 for thirty-six months. Rent expense for 2014 was \$45,212.

Future minimum lease payments under the rental agreement as of December 31, 2014 are \$38,539 for the fiscal year ending December 31, 2015.

B. Equipment - During the year, Coalition for Compassionate Care of California leased one copy machine with an expiration date of February 28, 2019. The monthly fee is \$335. Total rental payments for the year were \$4,739.

Coalition for Compassionate Care of California

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 5 LEASE COMMITMENTS (Continued):

The minimum lease payments required under the above operating lease as of December 31, 2014 are as follows:

<u>Year Ending December 31:</u>	
2015	\$ 4,022
2016	4,022
2017	4,022
2018	4,022
2019	<u>670</u>
Total minimum future rental payments	<u>\$ 16,758</u>

NOTE 6 COMPENSATED ABSENCES PAYABLE:

Accumulated unpaid employee vacation benefits are recognized as liabilities of the Organization. The amount of accumulated vacation benefits at December 31, 2014 was \$19,669.

NOTE 7 PENSION PLAN:

The Organization sponsors a safe harbor 401(k) plan covering all employees who have been there at least three months of service. The Organization makes a contribution to the plan equal to 7% of all participants' compensation. Total expense for the year ended December 31, 2014 was \$27,964.

NOTE 8 CONCENTRATION OF GRANTS:

The Organization receives approximately 85% of its grant revenue through the California Healthcare Foundation.

NOTE 9 TEMPORARILY RESTRICTED NET ASSETS:

In March 2013 the Organization received an award for \$100,000 to improve the care of nursing home residents by helping to provide information and training for palliative care issues. The funds are released as expenses related to the restricted purpose are incurred. Temporarily restricted net assets available as of December 31, 2014 are \$33,632.