

COALITION FOR
COMPASSIONATE CARE OF CALIFORNIA

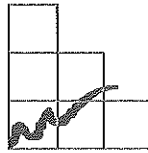
FINANCIAL STATEMENTS

DECEMBER 31, 2019

**Coalition for Compassionate Care of California
Financial Statements
December 31, 2019**

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Schwartz Platz & Associates

Certified Public Accountant

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, 2019, 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

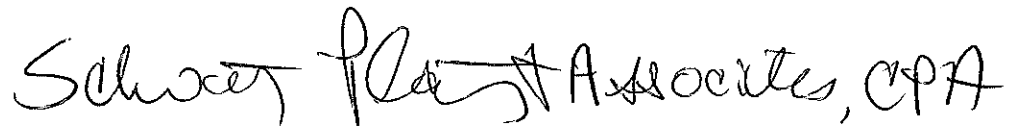
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether 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, 2019, and the changes in its net assets, functional expenses and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Schwartz Platz & Associates, CPA". The signature is written in black ink and is positioned above the typed name of the firm.

Schwartz Platz & Associates, CPA
Sacramento, CA
January 21, 2021

COALITION FOR COMPASSIONATE CARE OF CALIFORNIA

STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2019

ASSETS

Assets:

Cash and cash equivalents	\$136,994
Accounts receivable	38,451
Inventory	12,214
Prepaid expenses	<u>13,024</u>
Total Current Assets	200,683

Long-term Assets:

Property and equipment, net of depreciation	2,056
Deposit on leased property	<u>11,370</u>
Total Long-term Assets	<u>13,426</u>

Total Assets	<u><u>\$214,109</u></u>
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LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable	\$7,369
Accrued expenses	33,828
Deferred revenue	<u>210,137</u>
Total Current and Total Liabilities	251,334

Net Assets

Without donor restrictions	<u>(37,225)</u>
Total Net Assets	<u>(37,225)</u>

Total Liabilities and Net Assets	<u><u>\$214,109</u></u>
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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, 2019

Grant Revenue and Other Income	Total Without Donor <u>Restrictions</u>
Grant revenue earned	\$423,871
Interest income	622
Contributions	301,370
Membership	43,250
Program revenue	220,680
Online sales	\$60,441
Less: cost of goods sold	<u>24,448</u>
Consulting	149,136
Net assets released from restrictions	<u>1,910</u>
 Total Grant Revenue and Other Income	 1,176,832
 Expenses	
Program services	924,251
General and administrative	392,184
Fundraising	<u>18,715</u>
 Total Expenses	 <u>1,335,150</u>
 Change in Net Assets	 (158,318)
 Net Assets, Beginning of the Year	 <u>121,093</u>
 Net Assets, End of the Year	 <u><u>(\$37,225)</u></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, 2019

	<u>Program Services</u>	<u>General & Admin</u>	<u>Fund Raising</u>	<u>Total</u>
Salaries	\$413,500	\$219,408	\$12,876	\$645,783
Employee Benefits	59,440	32,789	1,851	94,080
Payroll Taxes	<u>34,127</u>	<u>18,108</u>	<u>1,062</u>	<u>53,297</u>
Total Personnel	507,067	270,304	15,789	793,160
Coalition Funding				
Communications	2,499	7,960		10,460
Conferences, Meetings, Education and Training	175,070	2,810	116	177,995
Depreciation Expenses		1,028		1,028
Equipment Rental, Repairs and Maintenance		799		799
Insurance		5,291		5,291
Membership and Dues	2,324			2,324
Mileage and Travel	12,441	9,378		21,820
Miscellaneous	3,181	1,050		4,231
Occupancy	32,489	40,716		73,205
Professional Services	86,048	44,767		130,815
Sponsorships and Stipends	91,181			91,181
Supplies, Postage and Printing	<u>11,951</u>	<u>8,080</u>	<u>2,810</u>	<u>22,841</u>
Total Functional Expenses	<u>\$924,251</u>	<u>\$392,184</u>	<u>\$18,715</u>	<u>\$1,335,150</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, 2019

Cash Flows from Operating Activities:

Net Increase(Decrease) in Net Assets \$(158,318)

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

Depreciation	1,028
(Increase)decrease in accounts receivable	88,227
(Increase)decrease in inventory	(1,677)
(Increase)decrease in prepaid expense	(12,315)
(Increase)decrease in deposit on lease property	(425)
Increase(decrease) in accounts payable	(36,998)
Increase(decrease) in accrued expenses	(28,520)
Increase(decrease) in deferred revenue	<u>65,299</u>

Net Cash Provided by Operating Activities (83,699)

Cash Flows from Investing Activities:

Purchase of fixed assets (3,084)

Net Cash Provided by Investing Activities (3,084)

Cash Flows from Financing Activities:

Principal payments on Notes Payable (50,000)

Net Cash Provided by Financing Activities (50,000)

Net Increase(Decrease) in Cash (136,783)

Cash at the Beginning of the Year 273,777

Cash at the End of the Year \$136,994

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

COALITION FOR COMPASSIONATE CARE OF CALIFORNIA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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 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 two classes of net assets as follows:

Without Donor Restrictions Net Assets – Net assets that are not subject to donor-imposed stipulations.

With Donor Restrictions 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, with donor restrictions net assets are reclassified to without donor restrictions net assets and reported in the statement of activities as net assets released from restrictions. The Organization had with donor restrictions net assets of \$-0- at December 31, 2019.

COALITION FOR COMPASSIONATE CARE OF CALIFORNIA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - SUMMARY OF 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.

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. Promise to Give:

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. The promise to give that is expected to be collected in future years is recorded at the present value of the estimated future cash flows. Promises to give are discounted using rates that approximate the risk associated with the ultimate collection of the receivable. The discount is amortized using the effective yield over the expected collection period of the receivable. There are no accrued promises to give at December 31, 2019.

H. Date of Management's Review:

Subsequent events were evaluated through January 21, 2021, 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".

COALITION FOR COMPASSIONATE CARE OF CALIFORNIA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. There was depreciation expense of \$1,028 for the year ended December 31, 2019.

K. Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature 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.

M. Accounts Receivable

Balance consists of services that have been provided or earned through a grant or contract, but not yet received and promises to give. The balances from services are stated at the amount management expects to collect from outstanding balances.

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, 2019, the Organization's uninsured cash balances totaled \$0.

The Organization has a policy that when the cash balance exceeds \$250,000, the Organization moves the excess funds into a Certificate of Deposit Account Registry Service (CDARS) account. This extends the FDIC insurance to those excess funds.

COALITION FOR COMPASSIONATE CARE OF CALIFORNIA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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, 2019 consist of the following:

Computer equipment	\$13,480
Accumulated depreciation	<u>(11,424)</u>
Total	<u>\$2,056</u>

NOTE 5 - LEASE COMMITMENTS

A. Real Estate – On August 30, 2018, the Organization entered into a new operating lease beginning on November 1, 2018, for six years. Rent expense for 2019 was \$73,205.

The minimum lease payments required under the above operating lease as of December 31, 2019 are as follows:

<u>Year Ending December 31:</u>	
2020	\$67,856
2021	69,732
2022	71,608
2023	73,485
2024	<u>62,540</u>
Total minimum future rental payments	<u>\$345,221</u>

B. Equipment – As of October 5, 2018, Coalition for Compassionate Care of California leased one copy machine with an expiration date of October 4, 2023. The monthly fee is \$350. Total rental payments for the year were \$4,995.

COALITION FOR COMPASSIONATE CARE OF CALIFORNIA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 5 - LEASE COMMITMENTS (CONTINUED)

The minimum lease payments required under the above operating lease as of December 31, 2019 are as follows:

Year Ending December 31:

2020	\$4,200
2021	4,200
2022	4,200
2023	<u>3,150</u>
Total minimum future rental payments	<u>\$15,750</u>

NOTE 6 - PENSION PLAN

The Organization sponsors a safe harbor 401(k) plan covering all employees who have at least 3 months of service. The Organization makes a 3% safe harbor contribution and an optional discretionary matching contribution to the plan. The discretionary matching contribution was 0% for 2019, for a total of 3% of all participants compensation. Total expense for the year ended December 31, 2019 was \$17,152.

NOTE 7 - CONCENTRATION OF GRANTS

The Organization receives approximately 72% of its grant revenue through the California Healthcare Foundation.

NOTE 8 - COMPENSATED ABSENCES PAYABLE

Accumulated unpaid employee vacation benefits are recognized as liabilities of the Organization. The amount of accumulated vacation benefits at December 31, 2019 was \$12,668.

COALITION FOR COMPASSIONATE CARE OF CALIFORNIA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 9 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organizations financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Financial assets at year end	\$175,445
Less those unavailable for general expenditures within one year, due to:	
Deferred revenue from sale of meeting tickets	(12,050)
Deferred revenue from grants	<u>(198,087)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u><u>\$(34,692)</u></u>

The \$(34,692) represents an expenditure of \$12,050 of deferred unrestricted revenue and borrowing of \$22,642 of funds from the California Healthcare Foundation. The Organization was able to repay this amount in the 2020 fiscal year by increasing revenue from consulting and education services.

NOTE 10 - REVENUE RECOGNITION

A. Significant Account Policies

Revenue is measured based on consideration specified in a contract with a customer, and excludes any sales incentives and amounts collected on behalf of third parties. The Organization recognizes revenue when it satisfies a performance obligation by transferring control over a service to a customer.

B. Disaggregation Revenue

In the following table, revenue is disaggregated by timing of satisfaction of performance obligations for the year ended December 31:

	2019
Performance obligations satisfied at a point in time	\$0
Performance obligations satisfied over time	\$149,136
Total	\$149,136

NOTE 10 - REVENUE RECOGNITION (CONTINUED)

Revenue from performance obligations satisfied over time consists of management consulting services. These services are provided to health plan and university contractors.

C. Performance Obligations

For performance obligations related to management and consulting services, control transfers to the customer over time. The majority of the Organization's contracts are billed on a time basis and revenue is recognized over time as the services are performance. For contracts billed on a fixed basis, revenue is recognized over time based on the proportion performed. This method is used because management considers total cost to be the best available measure of progress on contracts.

D. Significant Judgment

The Organization recognized contract revenue for financial reporting purposes over time. Progress toward completion of the Organization's contracts is measured by an estimate of the hours that will be performed in a given month. This method is used because management considers hours of service provided to be the best available measure of progress on contracts.