

COALITION FOR  
COMPASSIONATE CARE OF CALIFORNIA

FINANCIAL STATEMENTS

DECEMBER 31, 2021

**Coalition for Compassionate Care of California  
Financial Statements  
December 31, 2021**

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## INDEPENDENT AUDITOR'S REPORT

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

### **Opinion**

We 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, 2021 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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, 2021, 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.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Coalition for Compassionate Care of California and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Coalition for Compassionate Care of California's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Coalition for Compassionate Care of California's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Coalition for Compassionate Care of California's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Schwartz Platz and Associates, CPA*

Schwartz Platz & Associates, CPA  
Sacramento, CA  
September 16, 2022

COALITION FOR COMPASSIONATE CARE OF CALIFORNIA

STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2021

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**ASSETS**

Assets:

Cash and cash equivalents	\$240,342
Accounts receivable	48,853
Inventory	13,214
Prepaid expenses	<u>9,091</u>
Total Current Assets	311,500

Long-term Assets:

Property and equipment, net of depreciation	-0-
Deposit on leased property	<u>11,370</u>
Total Long-term Assets	<u>11,370</u>

Total Assets	<u><u>\$322,870</u></u>
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**LIABILITIES AND NET ASSETS**

Liabilities:

Accounts payable	\$15,531
Accrued expenses	31,861
Deferred revenue	190,751
Note payable	<u>50,000</u>

Total Current and Total Liabilities	288,143
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Net Assets

Without donor restrictions	<u>34,727</u>
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Total Net Assets	<u>34,727</u>
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Total Liabilities and Net Assets	<u><u>\$322,870</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, 2021

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CHANGES IN NET ASSETS:	Total Without Donor <u>Restrictions</u>
<b>Grant Revenue and Other Income</b>	
Grant revenue earned	\$327,344
Interest income	315
Contributions	244,454
Membership	53,800
Program revenue	74,273
Online sales	\$65,835
Less: cost of goods sold	<u>(23,360)</u>
Consulting	30,936
Paycheck protection program income	97,000
CA COVID relief income	<u>25,006</u>
Total Grant Revenue and Other Income	895,603
<b>Expenses</b>	
Program services	646,812
General and administrative	312,193
Fundraising	<u>25,433</u>
Total Expenses	<u>984,438</u>
Change in Net Assets	(88,835)
Net Assets, Beginning of the Year	<u>123,652</u>
Net Assets, End of the Year	<u><u>\$34,727</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, 2021

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	<u>Program Services</u>	<u>General &amp; Admin</u>	<u>Fund Raising</u>	<u>Total</u>
Salaries	\$359,167	\$164,866	\$17,080	\$541,112
Employee Benefits	46,427	18,660	2,208	67,295
Payroll Taxes	<u>29,241</u>	<u>11,753</u>	<u>1,391</u>	<u>42,385</u>
Total Personnel	434,835	195,279	20,678	650,729
Conferences, Meetings, Education and Training	15,880	1,147	94	17,120
Depreciation Expenses		1,028		1,028
Equipment Rental, Repairs and Maintenance		1,597		1,597
Insurance	1,421	3,513	68	5,002
Membership and Dues	1,609	457		2,066
Mileage and Travel	462			462
Miscellaneous		120		120
Occupancy	26,572	58,252		84,824
Professional Services	158,177	42,525	136	200,839
Sponsorships and Stipends	800			800
Supplies, Postage and Printing	<u>7,056</u>	<u>8,275</u>	<u>4,457</u>	<u>19,787</u>
Total Functional Expenses	<u>\$646,812</u>	<u>\$312,193</u>	<u>\$25,433</u>	<u>984,438</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, 2021

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Cash Flows from Operating Activities:

Net Increase(Decrease) in Net Assets (\$88,835)

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

Depreciation	1,028
(Increase)decrease in accounts receivable	(22,351)
(Increase)decrease in inventory	1,643
(Increase)decrease in prepaid expense	(3,156)
Increase(decrease) in accounts payable	(23,393)
Increase(decrease) in accrued expenses	(10,923)
Increase(decrease) in deferred revenue	<u>106,306</u>

Net Cash Provided by Operating Activities (39,687)

Cash Flows from Investing Activities:

None -0-

Net Cash Provided by Investing Activities -0-

Cash Flows from Financing Activities:

Proceeds from note payable 50,000

Net Cash Provided by Financing Activities 50,000

Net Increase(Decrease) in Cash 10,319

Cash at the Beginning of the Year 230,994

Cash at the End of the Year \$240,342

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, 2021

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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 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, 2021.

COALITION FOR COMPASSIONATE CARE OF CALIFORNIA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

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**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, 2021.

H. Date of Management's Review:

Subsequent events were evaluated through September 16, 2022, 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, 2021

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**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, 2021.

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, 2021, 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 savings 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, 2021

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**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, 2021 consist of the following:

Computer equipment	\$11,685
Accumulated depreciation	<u>(11,685)</u>
Total	<u>\$-0-</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 2021 was \$74,358.

The minimum lease payments required under the above operating lease as of December 31, 2021 are as follows:

<u>Year Ending December 31:</u>	
2022	71,608
2023	73,485
2024	<u>62,540</u>
Total minimum future rental payments	<u>\$207,633</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 \$6,073.

COALITION FOR COMPASSIONATE CARE OF CALIFORNIA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

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**NOTE 5 - LEASE COMMITMENTS (CONTINUED)**

The minimum lease payments required under the above operating lease as of December 31, 2021 are as follows:

<u>Year Ending December 31:</u>	
2022	4,200
2023	<u>3,150</u>
Total minimum future rental payments	<u><u>\$7,350</u></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 2021, for a total of 3% of all participants compensation. Total expense for the year ended December 31, 2021 was \$15,990.

**NOTE 7 - CONCENTRATION OF GRANTS**

The Organization receives approximately 89% 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, 2021 was \$20,256.

COALITION FOR COMPASSIONATE CARE OF CALIFORNIA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

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**NOTE 9 - 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:

	2021
Performance obligations satisfied at a point in time	\$249,850
Performance obligations satisfied over time	\$327,344
Total	\$577,194

Revenue from performance obligations satisfied over time consists of grant revenues. These services are provided to build on learnings from POLST and support of palliative care.

**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 grants are billed on a time basis and revenue is recognized over time as the services are performance or over time based on the proportion performed. This method is used because management considers total cost of services provided to be the best available measure of progress on contracts.

**D. Significant Judgment**

The Organization recognized grant revenue for financial reporting purposes over time. Progress toward completion of the Organization's contracts is measured by actual billable grant expenditures. This method is used because management considers actual expenditures to be the best available measure of progress on contracts.

COALITION FOR COMPASSIONATE CARE OF CALIFORNIA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

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**NOTE 10 – NOTE PAYABLE**

In December 2021, the Organization entered into a note payable in the amount of \$50,000. The note bears a fixed interest rate of 6% and matures on December 31, 2022. The note is to be repaid over 12 months of equal payments of principal and interest.

**NOTE 11 - 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	\$289,195
Less those unavailable for general expenditures within one year, due to:	
Deferred revenue from sale of membership dues	(14,650)
Deferred revenue from grants	<u>(176,101)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$98,444</u> =====