
DYING WITH DIGNITY CANADA

FINANCIAL STATEMENTS

DECEMBER 31, 2015

ConnellHall LLP

Chartered Professional Accountants • Business Advisors

INDEPENDENT AUDITOR'S REPORT

To the Members of Dying With Dignity Canada

We have audited the statement of financial position of Dying With Dignity Canada as at December 31, 2015 and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation 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 Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

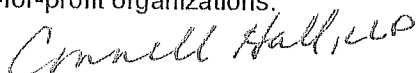
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the 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 financial statements present fairly, in all material respects, the financial position of Dying With Dignity Canada as at December 31, 2015, and its financial performance, changes in net assets and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

April 22, 2016
Toronto, Ontario


Connell Hall LLP
Licensed Public Accountants

DYING WITH DIGNITY CANADA
(a not-for-profit organization)
BALANCE SHEET
DECEMBER 31, 2015

ASSETS

	<u>2015</u>	<u>2014</u>
Current		
Cash (Note 4)	\$ 87,148	\$ 99,797
Short term deposits and investments (Note 5)	425,602	421,619
Amounts receivable	8,891	-
HST receivable	-	9,871
Prepaid expenses and deposits	14,297	13,979
	535,938	545,266
Other investments (Note 6)	24,718	22,218
Loan receivable (Note 7)	10,000	-
Capital assets (Note 8)	4,054	10,059
	\$ 574,710	\$ 577,543

LIABILITIES

Current		
Accounts payable and accrued liabilities	\$ 36,003	\$ 30,344
Deferred revenue (Note 9)	15,927	37,904
	51,930	68,248

NET ASSETS

Unrestricted	522,780	509,295
	\$ 574,710	\$ 577,543

Commitments (Note 10)

Approved on behalf of the Board



Director



Director

(See accompanying notes to the financial statements)

DYING WITH DIGNITY CANADA
(a not-for-profit organization)
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>2015</u> <u>Unrestricted</u>	<u>2014</u> <u>Unrestricted</u>
Balance, beginning of year	\$ 509,295	\$ 344,035
Excess of revenues over expenses	<u>13,485</u>	<u>165,260</u>
Balance, end of year	<u>\$ 522,780</u>	<u>\$ 509,295</u>

(See accompanying notes to the financial statements)

DYING WITH DIGNITY CANADA
(a not-for-profit organization)
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>2015</u>	<u>2014</u>
Operating revenues		
Donations	\$ 847,330	\$ 468,517
Gifts in Kind	108,359	196,669
Bequests	29,775	245,757
Memberships	64,870	89,528
Investment income and gains(losses)	(3,041)	28,863
	<u>1,047,293</u>	<u>1,029,334</u>
Operating expenses		
Salaries and benefits	454,777	286,490
Communications	198,542	181,665
Supreme Court Intervention	-	102,742
Contracted services	160,363	82,657
Travel	49,835	61,683
Occupancy (Note 10)	55,700	37,681
General and administration	19,573	31,412
Computer and equipment expense	35,286	29,974
Legal and audit	19,161	17,189
Meetings	17,155	15,660
Bank charges	13,385	7,375
Volunteer and staff development	4,026	4,798
Amortization of capital assets	6,005	4,748
	<u>1,033,808</u>	<u>864,074</u>
Excess of revenue over expenses	<u>\$ 13,485</u>	<u>\$ 165,260</u>

(See accompanying notes to the financial statements)

DYING WITH DIGNITY CANADA
(a not-for-profit organization)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
Revenue received	\$ 923,518	\$ 849,661
Payments to suppliers and employees	(913,123)	(651,527)
Payment to loan receivable	(10,000)	-
	395	198,134
Cash flows from investing activities		
(Purchase) disposition of investments	(6,483)	(231,682)
Interest and investment income (losses) received	(6,561)	20,908
(Purchase) of capital assets	-	(6,087)
	(13,044)	(216,861)
Net (decrease) in cash	(12,649)	(18,727)
Cash, beginning of year	99,797	118,524
Cash, end of year	\$ 87,148	\$ 99,797

(See accompanying notes to the financial statements)

DYING WITH DIGNITY CANADA
(a not-for-profit organization)
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

1. Organization and operations

Dying With Dignity Canada was incorporated without share capital as a not-for-profit organization in 1980. Its mandate is to provide:

- (a) education about end of life options and the importance of advance care planning;
- (b) support for individuals at the end of their lives, including support at the bedside of those who wish to determine the nature and timing of their death, and
- (c) information about the choice of dying movement, and the reasons why appropriately regulated physician assisted dying should be legalized in Canada.

Under the Income Tax Act, as a not-for-profit organization, Dying With Dignity Canada is exempt from income taxes (see Note 11).

2. Summary of significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(a) Revenue recognition

Unrestricted donations and membership fees are recognized as revenues when received. Donations received for future periods or specific projects are deferred and recognized as revenue in the period when the related expenses are incurred.

(b) Financial instruments

The organization's financial instruments consist of cash, short term investments and deposits, amounts receivable and accounts payable. Cash, amounts receivable and accounts payable are initially measured at fair value, when the organization becomes a party to the contractual provisions, and subsequently measured at amortized cost which approximates fair value due to their short term nature.

The organization's investments, which consist of money market funds, common shares, TSX index funds and other investments are initially and subsequently measured at fair value. Changes in fair value are recognized in net income in the period incurred. Transaction costs that are directly attributable to the acquisition of these investments are recognized in net income in the period incurred.

(c) Capital assets

Capital assets, which consist of computer equipment, are amortized on a straight line basis over 5 years.

DYING WITH DIGNITY CANADA
(a not-for-profit organization)
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

2. Summary of significant accounting policies (cont'd)

(d) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

(e) Donated goods and services

Donated goods and services are recorded when a fair value can be reasonably estimated and they would otherwise be purchased if not donated.

A substantial number of volunteers have made significant contributions of their time to the organization's programs and supporting services. The value of this contributed time is not reflected in these financial statements.

3. Financial instruments

It is the opinion of management that the organization is not exposed to significant interest rate, liquidity or credit risk. The organization is somewhat exposed to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The organization, when it holds investments of common shares, is exposed to market risk as such investments are subject to price changes in the open market. The organization does not use derivative financial instruments to alter the effects of this risk.

4. Cash

	<u>2015</u>	<u>2014</u>
Operating account	\$ 77,137	\$ 36,502
Interest earning savings accounts	<u>10,011</u>	<u>63,295</u>
	<u>\$ 87,148</u>	<u>\$ 99,797</u>

DYING WITH DIGNITY CANADA
(a not-for-profit organization)
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

5. Short term deposits and investments

Investments consist of common shares, TSX index funds and money market funds as follows:

	<u>2015</u>	<u>2014</u>
Money market funds	\$ 373,708	\$ 307,383
Common shares and TSX index funds	<u>51,894</u>	<u>114,236</u>
	<u>\$ 425,602</u>	<u>\$ 421,619</u>

Balances are stated at fair value as at December 31 as reported by RBC Dominion Securities, the investment managers.

6. Other investments

Other investments consist of the cash surrender value as at year end of a life insurance policy of which Dying With Dignity Canada is policy owner and beneficiary. Subsequent to the year end, the life insurance policy was transferred to The End of Life Planning Canada for the value of the policy at January 31, 2016. The terms for repayment are the same as the loan receivable (see Note 7).

7. Loan receivable

Dying With Dignity Canada has given The End of Life Planning Canada (ELPC) a loan of \$10,000. This is an interest-free loan and further amounts up to \$90,000 may be loaned in the future. ELPC will repay Dying With Dignity Canada over a 2 year period starting January 31, 2017. The same terms for repayment apply to the receivable resulting from the transfer of the life insurance policy to ELPC subsequent to the year end (see Note 6).

8. Capital assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2015 Net Book Value</u>	<u>2014 Net Book Value</u>
Computers	<u>\$ 26,619</u>	<u>\$ 22,565</u>	<u>\$ 4,054</u>	<u>\$ 10,059</u>

DYING WITH DIGNITY CANADA
(a not-for-profit organization)
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

9. Deferred revenue

Deferred revenue consists of donations received to pay for future travel costs and for the purchase of administrative software systems and amounts donated specifically for a future period.

	<u>2015</u>	<u>2014</u>
Balance, beginning of the year	\$ 37,904	\$ -
Received during the year	5,000	67,663
Expended and recognized as revenue	<u>(26,977)</u>	<u>(29,759)</u>
Balance, end of the year.	<u>\$ 15,927</u>	<u>\$ 37,904</u>

10. Lease commitments

The minimum annual rent under lease agreements for office premises that expire August 2016 is as follows:

2016	<u>\$ 33,533</u>
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11. Charitable status

Dying With Dignity Canada was audited by Canada Revenue Agency ("CRA") during 2014. As a result of the audit, CRA concluded that Dying With Dignity Canada was registered as a charity in error in 1982 and re-registered in error in 2011. As a consequence, CRA was of the opinion that Dying With Dignity Canada's charitable status should be annulled. Dying With Dignity Canada's Board of Directors accepted the annulment which was confirmed by CRA effective March 9, 2015. When a charity's registration is annulled it is deemed to have never been registered. An organization that is annulled retains its assets but is no longer able to issue charitable receipts for tax purposes.

Dying With Dignity Canada continues to operate as a not-for-profit organization under the Income Tax Act.