

DYING WITH DIGNITY CANADA

FINANCIAL STATEMENTS

DECEMBER 31, 2016

RZN, LLP

CHARTERED PROFESSIONAL ACCOUNTANTS & LICENSED PUBLIC ACCOUNTANTS

DYING WITH DIGNITY CANADA

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

To the Directors of:
Dying With Dignity Canada

We have audited the accompanying financial statements of Dying With Dignity Canada, which comprise the statement of financial position as at December 31, 2016, and the statements of operations, changes in fund balance and 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 judgement, 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, 2016 and its financial performance and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Other matter

The comparative figures were audited by another firm of Certified Professional Accountants and Licensed Public Accountants who expressed an opinion without modification under the date of April 22, 2016.

Toronto, Canada
March 27, 2017



Chartered Professional Accountants & Licensed Public Accountants

DYING WITH DIGNITY CANADA
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT		
Cash	\$139,452	\$ 87,379
Marketable securities (Note 4)	376,087	425,171
Prepaid expenses and deposits	13,034	14,497
Accounts receivable	<u>-</u>	<u>8,891</u>
	528,573	535,938
LOAN RECEIVABLE (Note 5)	35,736	10,000
OTHER INVESTMENTS	-	24,718
PROPERTY AND EQUIPMENT (Note 6)	<u>-</u>	<u>4,054</u>
	<u>\$564,309</u>	<u>\$574,710</u>

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

DYING WITH DIGNITY CANADA
 STATEMENT OF FINANCIAL POSITION
 DECEMBER 31, 2016

LIABILITIES

	<u>2016</u>	<u>2015</u>
CURRENT		
Accounts payable and accrued liabilities	\$ 34,566	\$ 36,003
Deferred revenue (Note 7)	<u>1,640</u>	<u>15,927</u>
	<u>36,206</u>	<u>51,930</u>

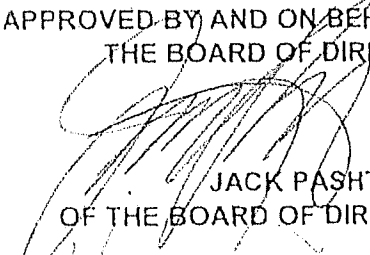
FUND BALANCE

FUND BALANCE - Per statement	<u>528,103</u>	<u>522,780</u>
	<u>\$564,309</u>	<u>\$574,710</u>

LEASE OBLIGATION (Note 8)

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

THESE FINANCIAL STATEMENTS ARE
 APPROVED BY AND ON BEHALF OF
 THE BOARD OF DIRECTORS



JACK PASHT, CHAIR
 OF THE BOARD OF DIRECTORS

VERONICA DOLENC, TREASURER,
 MEMBER OF THE BOARD OF DIRECTORS

DYING WITH DIGNITY CANADA
STATEMENT OF CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
FUND BALANCE, BEGINNING OF YEAR	\$522,780	\$509,295
Excess of revenues over expenses	<u>5,323</u>	<u>13,485</u>
FUND BALANCE, END OF YEAR	<u>\$528,103</u>	<u>\$522,780</u>

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

DYING WITH DIGNITY CANADA
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
REVENUES		
Donations	\$602,791	\$ 847,330
Bequests	80,475	29,775
Contributions in kind	33,404	108,359
Memberships	23,601	64,870
Miscellaneous	13,172	3,520
Investments earnings and gains (losses)	<u>7,004</u>	<u>(6,561)</u>
	<u>760,447</u>	<u>1,047,293</u>
EXPENSES		
Advertizing and promotion	82,382	174,896
Amortization of property and equipment	4,054	6,005
Bank charges	12,358	13,385
Computer	11,277	33,451
Financial support	7,500	-
Insurance	3,332	6,802
Meetings	18,102	19,040
Office and general	13,122	21,474
Professional fees	11,465	19,161
Professional services	142,486	155,637
Rent and occupancy (Note 8)	58,896	73,376
Salaries and benefits	353,515	454,777
Telecommunication	16,039	23,646
Travel	<u>20,596</u>	<u>32,158</u>
	<u>755,124</u>	<u>1,033,808</u>
EXCESS OF REVENUES OVER EXPENSE	<u>\$ 5,323</u>	<u>\$ 13,485</u>

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

DYING WITH DIGNITY CANADA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 5,323	\$13,485
Add: Amortization of property and equipment	<u>4,054</u>	<u>6,005</u>
	9,377	19,490
Accounts receivable	8,891	(8,891)
Government remittances receivable	-	9,871
Prepaid expenses and deposits	1,463	(87)
Accounts payable and accrued liabilities	(1,437)	5,659
Deferred revenue	<u>(14,287)</u>	<u>(21,977)</u>
Cash flows provided by (used in) operating activities	<u>4,007</u>	<u>4,065</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from marketable securities - net	49,084	(3,983)
Other investments - net	<u>24,718</u>	<u>(2,500)</u>
Cash flows provided by (used in) investing activities	<u>73,802</u>	<u>(6,483)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Advances under loan receivable - net	<u>(25,736)</u>	<u>(10,000)</u>
Cash flows provided by (used in) financing activities	<u>(25,736)</u>	<u>(10,000)</u>
INCREASE (DECREASE) IN CASH	52,073	(12,418)
CASH, BEGINNING OF YEAR	<u>87,379</u>	<u>99,797</u>
CASH, END OF YEAR	<u>\$139,452</u>	<u>\$87,379</u>

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

DYING WITH DIGNITY CANADA
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

1. NATURE OF ORGANIZATION

Dying with Dignity Canada ("the Organization") 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 regulated medical assistance in dying in Canada.

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

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accompanying financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-for-Profit Organizations ("ASNPO").

Use of estimates

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Financial statement items subject to significant management judgement include revenue recognition, the net realizable values of other investments and short-term deposits and accounts receivable, the valuation of and the amortization rates of property and equipment and the completeness of accounts payable and accrued liabilities and deferred revenues.

Revenue recognition

Revenue and expenditures are recorded in the books of the Organization on the accrual basis of accounting. Contributions that are received in the current year, but which explicitly pertain to expenses in future years, are accrued and amortized as revenue as those expenses are incurred. Donation revenues and memberships are recognized when received.

DYING WITH DIGNITY CANADA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Contributed services

Volunteers assist the Organization in carrying out its activities and its social functions. Because of the difficulty of determining their fair values, these contributed services are not recognized in the financial statements. The Organization also receives contributions in kind. These contributions would be purchased by the Organization and have calculable fair value. The value of these contributions are recognized in the accompanying statement of operations.

Leases

Lease obligations are classified as either capital or operating leases. Leases that transfer ownership upon conclusion of the lease or substantially all of the benefits and inherent risks of ownership of property and equipment to the Organization are accounted for as capital leases. At the time a capital lease is entered into, an asset is recorded together with its related long-term obligation to reflect the acquisition and financing. Rental payments under operating leases are expensed as incurred.

Comparative figures

Certain comparative figures have been reclassified to confirm with the current year's basis of presentation.

Financial instruments

Financial assets and financial liabilities are recognized when the Organization becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. Financial liabilities are derecognized when they are extinguished, discharged, cancelled or expire. Trade-date accounting is used. At initial recognition, the Organization classifies its financial instruments depending on the purpose for which the instruments were acquired, as follows:

The Organization measures cash and marketable securities at fair value with changes in fair value recognized in excess of revenues over expenses.

The Organization's other financial instrument assets are classified as loans and receivables, which are measured at amortized cost.

Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

DYING WITH DIGNITY CANADA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The fair value of the Organization's financial instruments approximates book value due to the short-term maturity of these instruments, unless otherwise noted.

The Organization's risk management policies are established to identify and analyse the risks faced by the Organization, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Organization's activities. There have been no changes to the Organization's exposure to risks in respect of its financial instruments, and there have been no changes in respect of management's objectives, policies and processes in the management of its financial instruments from that of the prior reporting period.

Unless otherwise noted, it is management's opinion that the Fund is not exposed to significant risks arising from its financial instruments.

Fair values

Unless otherwise noted it is management's opinion that the carrying value of the Organization's financial instruments approximates fair value due to their short-term to maturity and other terms which management believes approximate those in the current market place.

Liquidity risk

The Organization is exposed to liquidity risk to the extent that it must meet its financial obligations as they fall due. The Organization's approach to managing liquidity risk is to ensure that it has sufficient cash and other current financial assets to meet its obligations when due without incurring losses or damage to the Organization's reputation. Management forecasts cash flows to identify financing requirements. These requirements are then addressed through cash management. As at December 31, 2016, the Organization had accounts payable and accrued liabilities of \$34,566.

4. MARKETABLE SECURITIES

The Organization's marketable securities comprise mutual funds in publicly traded entities and are presented on the accompanying statement of financial position net of an impairment allowance of \$Nil (2015 - \$Nil).

DYING WITH DIGNITY CANADA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

5. LOAN RECEIVABLE

The Organization's loan receivable is due from End of Life Planning Canada and is non-interest bearing and available to a maximum of \$100,000. The value of the loan is based upon the cash surrender value of certain life insurance policies. Repayment in 24 equal monthly instalments were expected to commence January 2017, although no payments have been received as at the date that management approved the accompanying financial statements.

6. PROPERTY AND EQUIPMENT

Computer equipment:

	<u>2016</u>	<u>2015</u>
Cost	\$26,619	\$26,619
Accumulated amortization	<u>26,619</u>	<u>22,565</u>
	<u>\$ -</u>	<u>\$ 4,054</u>

7. DEFERRED REVENUE

Deferred revenue comprises donations and payments received in anticipation of future travel and software expenses received in the current year to be recognized in the subsequent year. Changes in the deferred revenue balance are as follows:

	<u>2016</u>	<u>2015</u>
Deferred revenue, beginning of year	\$ 15,927	\$ 37,904
Funding and payments received in advance in the year	-	5,000
Revenue recognized in the year <i>(before costs)</i>	<u>(14,287)</u>	<u>(26,977)</u>
Deferred revenue, end of year	<u>\$ 1,640</u>	<u>\$ 15,927</u>

8. COMMITMENTS AND LEASE OBLIGATIONS

The Organization leases its offices in Toronto, Ontario, under operating leases expiring in August 2020. The Organization has options for a renewal of these leases until 2024 at rates to be determined. The annual minimum rental payments, exclusive of occupancy costs, are as follows:

2017	\$ 48,173
2018	49,176
2019	43,932
2020	<u>19,983</u>
	<u>\$161,264</u>