

Dying with Dignity Canada

Financial Statements

For the year ended December 31, 2020

Dying with Dignity Canada

Financial Statements

For the year ended December 31, 2020

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Independent Auditor's Report

To the Directors of Dying with Dignity Canada

Opinion

We have audited the financial statements of Dying with Dignity Canada (the "Organization"), which comprise the statement of financial position as at December 31, 2020 and the statements of operations and changes in fund balance and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Restated Comparative Information

We draw attention to Note 2 to the financial statements, which explains that certain comparative information presented for the year ended December 31, 2019 has been restated. The financial statements for the year end December 31, 2019 (prior to the adjustments that were applied to restate certain comparative information explained in Note 2) were audited by another auditor who expressed an unmodified opinion on those financial statements on May 7, 2020. Our opinion is not modified in respect to this matter.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Independent Auditor's Report (continued)

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 a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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 the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
May 7, 2021

Dying with Dignity Canada Statement of Financial Position

December 31	2020	2019
		As restated (Note 2)
Assets		
Current		
Cash	\$ 763,208	\$ 437,374
Short-term investments (Note 3)	6,977,458	4,595,087
Prepaid expenses and deposits	54,337	71,640
Accounts receivable (Note 9)	229,664	47,287
	8,024,667	5,151,388
Long-term investments (Note 3)	-	3,034,323
Property and equipment (Note 4)	24,743	18,395
Cash surrender value of life insurance (Note 5)	41,006	38,506
	\$ 8,090,416	\$ 8,242,612

Liabilities and Fund Balance

Current		
Accounts payable and accrued liabilities	\$ 218,956	\$ 219,048
Deferred revenue	20,529	-
	239,485	219,048
Fund balance		
Unrestricted	7,850,931	8,023,564
	\$ 8,090,416	\$ 8,242,612

Commitments (Note 6)
Contingent Liabilities (Note 8)

Approved on behalf of the Board:



James Cowan, Chair of the Board of Directors



Ryan Webster, Treasurer, Member of the Board of Directors

Dying with Dignity Canada Statement of Operations and Changes in Fund Balance

For the year ended December 31	2020	2019
		As restated (Note 2)
Revenue		
Donations	\$ 1,285,557	\$ 1,074,666
Bequests	176,826	3,970,500
Contributions in kind	59,120	55,661
Miscellaneous	6,242	10,548
Interest	126,930	135,382
	<u>1,654,675</u>	<u>5,246,757</u>
Expenditures		
Advertising and promotions	517,035	427,020
Amortization of property and equipment	6,308	6,367
Bank charges	29,163	19,934
Computer	57,814	44,632
Financial support	47,627	35,526
Insurance	6,078	6,808
Meetings	6,521	63,512
Office and general	40,717	48,597
Professional fees	66,353	162,182
Professional services	108,427	101,877
Rent and occupancy	159,567	98,540
Salaries and benefits	983,970	1,129,978
Telecommunication	18,895	21,074
Travel	910	26,574
	<u>2,049,385</u>	<u>2,192,621</u>
Excess (deficiency) of revenue over expenditures before the undernoted	(394,710)	3,054,136
Gain on cash surrender value of life insurance	-	857
Government assistance (Note 9)	222,077	-
	<u>(172,633)</u>	<u>3,054,993</u>
Excess (deficiency) of revenue over expenditures	(172,633)	3,054,993
Fund balance, beginning of year	8,023,564	4,968,571
Fund balance, end of year	\$ 7,850,931	\$ 8,023,564

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	2020	2019
		As restated (Note 2)
Cash was provided by (used in)		
Operating activities		
Excess (deficiency) of revenues over expenditures	\$ (172,633)	\$ 3,054,993
Adjustments required to reconcile excess (deficiency) of revenue expenditures with net cash provided by operating activities		
Amortization of property and equipment	6,308	6,367
Increase in cash surrender value of life insurance	(2,500)	(3,357)
Changes in non-cash working capital balances		
Prepaid expenses and deposits	17,303	(48,991)
Accounts receivable	(182,377)	(5,950)
Accounts payable and accrued liabilities	(92)	120,371
Deferred revenue	20,529	-
	(313,462)	3,123,433
Investing activities		
Additions to property and equipment	(12,656)	(17,668)
Net redemption (purchase) of investments	651,952	(2,899,988)
	639,296	(2,917,656)
Increase in cash during the year	325,834	205,777
Cash, beginning of year	437,374	231,597
Cash, end of year	\$ 763,208	\$ 437,374

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

Dying with Dignity Canada

Notes to Financial Statements

December 31, 2020

1. Significant Accounting Policies

Nature of Organization

Dying with Dignity Canada (the "Organization") was incorporated without share capital as a not-for-profit organization in 1980. It is a national not-for-profit organization committed to improving quality of dying, protecting end-of-life rights, and helping Canadians avoid unwanted suffering. Its mandate is to:

- defend human rights by advocating for assisted dying rules that respect the Canadian Constitution and the Charter of Rights and Freedoms.
- provide personal support to adults suffering greatly from grievous and irremediable medical condition who wish to die on their own terms.
- educate Canadians about all of their legal end-of-life options, including the constitutional right to medical assistance in dying (MAID) and the importance of advance care planning.
- support healthcare practitioners who assess for and provide MAID.

The Organization is a registered charity within the meaning of the Income Tax Act (Canada) and is exempt from income taxes.

Basis of Accounting

The accompanying financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Bequests are recognized when received. Investment income, which includes interest, is recorded as earned.

Dying with Dignity Canada

Notes to Financial Statements

December 31, 2020

1. Significant Accounting Policies (continued)

Contributed Services and Contributions in Kind

A number of volunteers contribute their services to the Organization each year. Due to the difficulty in determining their fair value, these contributed services are not recognized or disclosed in the financial statements.

The Organization also receives contributions in kind related to advertising. 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.

Property and Equipment

Property and equipment are recorded at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated as follows:

Furniture equipment	20% declining balance basis
Computer software	20% declining balance basis
Leasehold improvements	Over the term of the lease

Property and equipment are amortized at one-half of the above noted rate in the year of acquisition.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, investments traded in an active market are reported at fair value, while all other financial instruments are reported at cost or amortized cost less impairment, if applicable. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired.

Dying with Dignity Canada Notes to Financial Statements

December 31, 2020

1. Significant Accounting Policies (continued)

Government Assistance

The Organization makes periodic applications for financial assistance under government incentive programs. Government assistance received during the year for current expenses are included in the determination of excess (deficiency) of revenue over expenditures.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Prior Period Restatement

During the year, it was discovered that certain expenditures related to 2019 were not reflected in the prior year financial statements. As a result, the expenditures and related accrual were understated in the prior year end. The result of this correction to the prior year is as follows:

Increase in accounts payable and accrued liabilities	\$ 91,672
Increase in salaries and benefits	91,672
Decrease in excess of revenue over expenditures	(91,672)
Decrease in unrestricted fund, end of year	(91,672)

Dying with Dignity Canada Notes to Financial Statements

December 31, 2020

3. Investments

	2020	2019
Term deposits that earn interest between 0.60% to 2.40% (2019 - 1.55% to 2.45%) with maturity dates ranging from January 2021 to August 2021 (2019 - March 2020 to January 2021)	\$ 6,743,525	\$ 7,421,027
Mutual funds	233,933	208,383
	6,977,458	7,629,410
Less: short-term investments	6,977,458	4,595,087
Long-term investments	\$ -	\$ 3,034,323

During the year, the Organization recognized investment income of \$126,930 (2019 - \$135,382).

4. Property and Equipment

	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture and equipment	\$ 5,648	\$ 1,581	\$ 5,648	\$ 565
Computer software	12,020	3,366	12,020	1,202
Leasehold improvements	12,655	633	6,236	3,742
	\$ 30,323	\$ 5,580	\$ 23,904	\$ 5,509
		\$ 24,743		\$ 18,395

Dying with Dignity Canada Notes to Financial Statements

December 31, 2020

5. Cash Surrender Value

The Organization is the beneficiary of certain life insurance policies which create cash surrender value. Changes in the surrender value of these policies, resulting from the payment of premiums, dividends earned and administrative expenses, are reported below operating earnings on the accompanying statement of operations. The aggregate value of the corresponding policies is reported on the accompanying statement of financial position at their cash surrender value at the reporting date.

6. Commitments

As at December 31, 2020, the Organization was committed under operating leases for the use of various equipment and occupancy.

The minimum annual lease payments for the next five years and thereafter are as follows:

2021	\$ 84,000
2022	84,000
2023	84,000
2024	86,800
2025	92,400
Thereafter	<u>448,000</u>
	<u>\$ 879,200</u>

Dying with Dignity Canada Notes to Financial Statements

December 31, 2020

7. Financial Instrument Risks

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of its investments.

Credit Rate Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's credit risk is primarily attributable to its accounts receivable. The Organization manages this risk through proactive collection policies.

Liquidity Risk

Liquidity risk is the risk that the Organization encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises mainly from accounts payable and accrued liabilities and commitments.

These risks have not changed from the prior year.

8. Contingent Liability

In 2019, the Organization was sued by its former Chief Executive Officer. The lawsuit alleges wrongful dismissal and systemic discrimination in an aggregate amount of \$1,750,000, including punitive damages in the amount of \$1,000,000.

The Organization strongly denies the claim and intends to dispute the matter vigorously. The Organization is of the opinion that it has a strong defense to the claim of wrongful dismissal and further believes that other claims of the former employee are based on incorrect and misleading assertions of fact that have no merit. The Organization's insurance provider has confirmed that it maintains sufficient coverage for these claims. Consequently, no provisions have been made in the accompanying financial statements in respect of this matter.

Dying with Dignity Canada Notes to Financial Statements

December 31, 2020

9. Government Assistance

On March 11, 2020, the World Health Organization declared the outbreak of the coronavirus ("COVID-19") a pandemic. The Organization is a national not-for-profit committed to improving quality of dying, protecting end-of-life rights, and helping Canadians avoid unwanted suffering and the pandemic resulted in a limited operational impact on the Organization as employees continued to work under the guidelines outlined by the Government of Canada. Staff and programs including education, witnessing and events were moved to an online network and new virtual tools and programs were quickly implemented. As the Organization's main source of revenue is donations and contributions-in-kind received, the extent of any future impact on the Organization's performance cannot be determined with certainty.

The Organization received the Canada Emergency Wage Subsidy ("CEWS") and Canada Emergency Rent Subsidy ("CERS") during the year from the Government of Canada. The total amount of government assistance was recorded as government assistance and totaled \$198,377 and \$23,700, respectively. An amount totalling \$74,067 is receivable from the federal government relating to these subsidies as of December 31, 2020 and is included in accounts receivable. Management of the Organization has determined that it does not have an obligation to repay the Government of Canada for these subsidies as they have determined that the Organization has met all applicable eligibility criteria.

10. Comparative Figures

Certain comparative figures have been reclassified to conform with the method of presentation adopted for the current year.