

# **Dying with Dignity Canada**

## **Financial Statements**

**For the year ended December 31, 2021**

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## **Financial Statements**

**For the year ended December 31, 2021**

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## Independent Auditor's Report

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### 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, 2021 and the statements of operations, changes in fund balances 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, 2021, 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.

#### 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.

#### 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.

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## Independent Auditor's Report (continued)

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### Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 10, 2022

## Dying with Dignity Canada Statement of Financial Position

**December 31** **2021** **2020**

### Assets

#### Current

Cash	\$ 537,634	\$ 763,208
Short-term investments (Note 2)	7,357,414	6,977,458
Prepaid expenses and deposits	39,508	54,337
Accounts receivable (Note 8)	58,537	229,664
	7,993,093	8,024,667

Property and equipment (Note 3)	47,058	24,743
Cash surrender value of life insurance (Note 4)	43,506	41,006
	\$ 8,083,657	\$ 8,090,416

### Liabilities and Fund Balances

#### Current

Accounts payable and accrued liabilities	\$ 286,223	\$ 218,956
Deferred revenue	-	20,529
	286,223	239,485

#### Fund balances

Unrestricted	6,507,663	7,850,931
Internally restricted operating reserve	1,289,771	-
	7,797,434	7,850,931
	\$ 8,083,657	\$ 8,090,416

Commitments (Note 5)  
Contingent Liabilities (Note 7)

Approved on behalf of the Board:



Bev Heim-Myers

Director



Ryan Webster

Director

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

## Dying with Dignity Canada Statement of Operations

For the year ended December 31	2021	2020
<b>Revenue</b>		
Donations	\$ 1,801,330	\$ 1,285,557
Bequests	60,500	176,826
Contributions in kind	72,203	59,120
Miscellaneous	13,940	6,242
Investment income	53,672	126,930
	<b>2,001,645</b>	<b>1,654,675</b>
<b>Expenditures</b>		
Advertising and promotions	665,520	517,035
Amortization of property and equipment	4,446	6,308
Bank charges	35,077	29,163
Computer	59,177	57,814
Financial support	40,929	47,627
Insurance	8,261	6,078
Meetings	9,510	6,521
Office and general	19,627	40,717
Professional fees	34,738	66,353
Professional services	69,145	108,427
Rent and occupancy	202,986	159,567
Salaries and benefits	1,091,292	983,970
Telecommunication	19,072	18,895
Travel	17	910
	<b>2,259,797</b>	<b>2,049,385</b>
<b>Deficiency of revenue over expenditures before the undernoted</b>	<b>(258,152)</b>	<b>(394,710)</b>
Government assistance (Note 8)	204,655	222,077
<b>Deficiency of revenue over expenditures</b>	<b>(53,497)</b>	<b>(172,633)</b>

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

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**Dying with Dignity Canada**  
**Statement of Changes in Fund Balances**

**For the year ended December 31, 2021**

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	Unrestricted	Internally Restricted Operating Reserve	2021 Total
<b>Fund balances</b> , beginning of year	\$ 7,850,931	\$ -	\$ 7,850,931
Deficiency of revenue over expenditures	(53,497)	-	(53,497)
Transfer of fund balances	(1,289,771)	1,289,771	-
<b>Fund balances</b> , end of year	<b>\$ 6,507,663</b>	<b>\$ 1,289,771</b>	<b>\$ 7,797,434</b>

**For the year ended December 31, 2020**

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	Unrestricted	Internally Restricted Operating Reserve	2020 Total
<b>Fund balances</b> , beginning of year	\$ 8,023,564	-	\$ 8,023,564
Deficiency of revenue over expenditures	(172,633)	-	(172,633)
<b>Fund balances</b> , end of year	<b>\$ 7,850,931</b>	<b>-</b>	<b>\$ 7,850,931</b>

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	2021	2020
<b>Cash was provided by (used in)</b>		
<b>Operating activities</b>		
Deficiency of revenues over expenditures	\$ (53,497)	\$ (172,633)
Adjustments required to reconcile deficiency of revenue over expenditures with net cash provided by operating activities		
Amortization of property and equipment	4,446	6,308
Increase in cash surrender value of life insurance	(2,500)	(2,500)
Unrealized gains on investments (Note 2)	(15,979)	-
Changes in non-cash working capital balances		
Prepaid expenses and deposits	14,829	17,303
Accounts receivable	171,127	(182,377)
Accounts payable and accrued liabilities	67,267	(92)
Deferred revenue	(20,529)	20,529
	<b>165,164</b>	<b>(313,462)</b>
<b>Investing activities</b>		
Additions to property and equipment	(26,761)	(12,656)
Net redemption (purchase) of investments	(363,977)	651,952
	<b>(390,738)</b>	<b>639,296</b>
<b>Increase (decrease) in cash during the year</b>	<b>(225,574)</b>	<b>325,834</b>
<b>Cash, beginning of year</b>	<b>763,208</b>	<b>437,374</b>
<b>Cash, end of year</b>	<b>\$ 537,634</b>	<b>\$ 763,208</b>

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

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# Dying with Dignity Canada

## Notes to Financial Statements

December 31, 2021

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### 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, dividend income, realized and unrealized gains, is recorded as earned.

#### 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.

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# Dying with Dignity Canada

## Notes to Financial Statements

December 31, 2021

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### 1. Significant Accounting Policies (Continued)

#### 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
Website	5 years straight-line 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.

#### Internally Restricted Funds

Internally restricted funds consist of the following:

##### Operating Reserve Fund

The purpose of the Operating Reserve Fund is to manage the financial risk of the Organization and promote financial stability.

The target for the Operating Reserve Fund balance is six months average operating expenses. Expenses relating to depreciation, in-kind, and other non-cash expenses are excluded from the calculation. The amount of the Operating Reserve Fund target will be calculated annually after approval of the annual budget, reported to the Finance & Audit Committee, and included in the regular financial reports.

During the year, the Board of Directors approved a transfer from the Unrestricted Fund to the Internally Restricted Operating Reserve Fund in the amount of \$1,289,771.

#### 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.

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## **Dying with Dignity Canada Notes to Financial Statements**

**December 31, 2021**

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### **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.

## Dying with Dignity Canada Notes to Financial Statements

**December 31, 2021**

### 2. Investments

- (a) Investments consists of cash, Guaranteed Investment Certificate ("GIC"), fixed income securities and Canadian and foreign equities. The investments are subject to an investment policy set by the Board of Directors which has as its main objective, the preservation of capital while maximizing returns without undue exposure to risk. The Investment Subcommittee advises the Board of Directors on investment strategy by way of the Finance and Audit Committee.

The GIC earns interest of 0.65% (2020 - 1.60% and 2.40%) and maturing July 2022 (2020 - January 2021 to August 2021).

Fixed income securities consist of Canadian bonds and preferred shares, with bonds having an original cost ranging from \$52,551 to \$247,085, interest rates ranging from 0.67% to 5.40% and maturities ranging from December 2022 to December 2051.

	2021	2020
Cash included in investment accounts	\$ 125,924	\$ -
Guaranteed Investment Certificates	3,018,862	6,743,525
Fixed income securities	1,757,269	-
Mutual funds	1,242,938	233,933
Canadian equities	808,322	-
Foreign equities	272,833	-
Foreign equities (ADR)	131,266	-
	<b>\$ 7,357,414</b>	<b>\$ 6,977,458</b>

Foreign equities denominated in U.S. dollars total \$395,689 (2020 - \$nil).

- (b) Investment income

	2021	2020
Realized investment income	\$ 37,693	\$ 126,930
Unrealized gains	15,979	-
	<b>\$ 53,672</b>	<b>\$ 126,930</b>

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**Dying with Dignity Canada**  
**Notes to Financial Statements**

**December 31, 2021**

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**3. Property and Equipment**

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture and equipment	\$ 5,648	\$ 2,598	\$ 5,648	\$ 1,581
Computer software	12,020	5,530	12,020	3,366
Leasehold improvements	12,655	1,898	12,655	633
Website	26,761	-	-	-
	<b>\$ 57,084</b>	<b>\$ 10,026</b>	<b>\$ 30,323</b>	<b>\$ 5,580</b>
		<b>\$ 47,058</b>		<b>\$ 24,743</b>

Included in Website are assets under development which have not been completed as at December 31, 2021. The total cost capitalized is \$26,761 and no amortization was recorded in 2021.

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**4. 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.

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## Dying with Dignity Canada Notes to Financial Statements

**December 31, 2021**

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### 5. Commitments

As at December 31, 2021, 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:

2022	\$ 84,000
2023	84,000
2024	86,800
2025	92,400
2026	92,400
Thereafter	<u>355,600</u>
	<u>\$ 795,200</u>

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### 6. 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.

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## Dying with Dignity Canada Notes to Financial Statements

**December 31, 2021**

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### 6. Financial Instrument Risks (Continued)

#### ***Market Risk***

Market value risk is the risk of potential loss caused by fluctuations in fair value or future cash flows of financial instruments from changes in their underlying market value. While the Organization is exposed to market risk through its investments, this risk is mitigated through purchasing low risk investments and on-going monitoring and reporting.

#### ***Foreign Currency Risk***

The Organization is exposed to financial risks as a result of exchange rate fluctuations with respect to its investments held in U.S. dollars. See Note 2(a) for the currency risk exposure relating to investments.

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### 7. 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. There has been no changes to the claim in 2021.

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## Dying with Dignity Canada Notes to Financial Statements

**December 31, 2021**

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### 8. Government Assistance

The coronavirus ("COVID-19") pandemic, declared by the World Health Organization on March 11, 2020 continued throughout 2021. 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 remained on an online network and virtual tools and programs continues to be implemented as needed. 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 \$158,714 and \$45,941 (2020 - \$198,377 and \$23,700), respectively. An amount totalling \$17,497 (2020 - \$74,067) is receivable from the federal government relating to these subsidies as of December 31, 2021 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.