

Dying with Dignity Canada

Financial Statements

For the year ended December 31, 2022

Dying with Dignity Canada

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For the year ended December 31, 2022

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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, 2022 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, 2022, 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.

Independent Auditor's Report (continued)

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 15, 2023

Dying with Dignity Canada Statement of Financial Position

December 31 **2022** **2021**

Assets

Current

Cash	\$ 515,899	\$ 537,634
Short-term investments (Note 2)	7,172,262	7,357,414
Prepaid expenses and deposits	55,295	39,508
Accounts receivable	83,281	58,537
	7,826,737	7,993,093

Property and equipment (Note 3)	45,971	47,058
Cash surrender value of life insurance (Note 4)	43,506	43,506

\$ 7,916,214 **\$ 8,083,657**

Liabilities and Fund Balances

Current

Accounts payable and accrued liabilities	\$ 368,193	\$ 286,223
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Fund balances

Unrestricted	6,110,055	6,507,663
Internally restricted operating reserve	1,437,966	1,289,771
	7,548,021	7,797,434

\$ 7,916,214 **\$ 8,083,657**

Commitments (Note 5)
Contingent Liabilities (Note 7)

Approved on behalf of the Board:

R Webster

Director



Director

Dying with Dignity Canada Statement of Operations

For the year ended December 31	2022	2021
Revenue		
Donations	\$ 2,248,467	\$ 1,801,330
Bequests	263,085	60,500
Contributions in kind	113,964	72,203
Miscellaneous	69,548	13,940
Investment income (loss) (Note 2)	(154,934)	53,672
	2,540,130	2,001,645
Expenditures		
Advertising and promotions	793,408	665,520
Amortization of property and equipment	7,793	4,446
Bank charges	80,607	35,077
Computer	69,518	59,177
Financial support	32,769	40,929
Insurance	13,097	8,261
Meetings	128,689	9,510
Office and general	59,622	19,627
Professional fees	43,229	34,738
Professional services	114,693	69,145
Rent and occupancy	168,990	202,986
Salaries and benefits	1,240,622	1,091,292
Telecommunication	14,932	19,072
Travel	25,145	17
	2,793,114	2,259,797
Deficiency of revenue over expenditures before the undernoted	(252,984)	(258,152)
Government assistance	3,571	204,655
Deficiency of revenue over expenditures	(249,413)	(53,497)

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

Dying with Dignity Canada Statement of Changes in Fund Balances

For the year ended December 31, 2022

	Unrestricted	Internally Restricted Operating Reserve	2022 Total
Fund balances , beginning of year	\$ 6,507,663	\$ 1,289,771	\$ 7,797,434
Deficiency of revenue over expenditures	(249,413)	-	(249,413)
Transfer of fund balances	(148,195)	148,195	-
Fund balances , end of year	\$ 6,110,055	\$ 1,437,966	\$ 7,548,021

For the year ended December 31, 2021

	Unrestricted	Internally Restricted Operating Reserve	2021 Total
Fund balances , 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	-
Fund balances , end of year	\$ 6,507,663	1,289,771	\$ 7,797,434

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	2022	2021
Cash was provided by (used in)		
Operating activities		
Deficiency of revenues over expenditures	\$ (249,413)	\$ (53,497)
Adjustments required to reconcile deficiency of revenue over expenditures with net cash provided by operating activities		
Amortization of property and equipment	7,793	4,446
Increase in cash surrender value of life insurance	-	(2,500)
Unrealized losses (gains) on investments (Note 2)	206,900	(15,979)
Changes in non-cash working capital balances		
Prepaid expenses and deposits	(15,787)	14,829
Accounts receivable	(24,744)	171,127
Accounts payable and accrued liabilities	81,970	67,267
Deferred revenue	-	(20,529)
	6,719	165,164
Investing activities		
Additions to property and equipment	(6,706)	(26,761)
Net purchase of investments	(21,748)	(363,977)
	(28,454)	(390,738)
Decrease in cash during the year	(21,735)	(225,574)
Cash, beginning of year	537,634	763,208
Cash, end of year	\$ 515,899	\$ 537,634

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

Dying with Dignity Canada

Notes to Financial Statements

December 31, 2022

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 and event revenue 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.

Dying with Dignity Canada

Notes to Financial Statements

December 31, 2022

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 and 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 \$148,195 (2021 - \$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.

Dying with Dignity Canada Notes to Financial Statements

December 31, 2022

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, 2022

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 GICs earns interest between 4.30% to 4.85% (2021 - 0.65%) and maturing between July 2023 and October 2026 (2021 - July 2022).

Fixed income securities consist of Canadian bonds and preferred shares, with bonds having an original cost ranging from \$4,897 to \$345,327 (2021 - \$52,551 to \$247,085), interest rates ranging from 1.53% to 5.85% (2021 - 0.67% to 5.40%) and maturities ranging from March 2023 to December 2051 (2021 - December 2022 to December 2051).

	2022	2021
Cash included in investment accounts	\$ 82,649	\$ 125,924
Guaranteed Investment Certificates	711,819	3,018,862
Fixed income securities	2,444,988	1,757,269
Mutual funds	1,896,464	1,242,938
Canadian equities	1,463,692	808,322
Foreign equities	387,455	272,833
Foreign equities (ADR)	185,195	131,266
	\$ 7,172,262	\$ 7,357,414

Foreign equities denominated in U.S. dollars total \$572,649 (2021 - \$395,689).

- (b) Investment income (loss)

	2022	2021
Realized investment income	\$ 51,966	\$ 37,693
Unrealized gains (losses)	(206,900)	15,979
	\$ (154,934)	\$ 53,672

Dying with Dignity Canada Notes to Financial Statements

December 31, 2022

3. Property and Equipment

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture and equipment	\$ 5,648	\$ 3,615	\$ 5,648	\$ 2,598
Computer software	12,020	7,693	12,020	5,530
Leasehold improvements	12,655	3,164	12,655	1,898
Website	33,467	3,347	26,761	-
	\$ 63,790	\$ 17,819	\$ 57,084	\$ 10,026
		\$ 45,971		\$ 47,058

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.

Dying with Dignity Canada Notes to Financial Statements

December 31, 2022

5. Commitments

As at December 31, 2022, 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:

2023	\$	84,000
2024		86,800
2025		92,400
2026		92,400
2027		92,400
Thereafter		<u>263,200</u>
	\$	<u>711,200</u>

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.

Dying with Dignity Canada Notes to Financial Statements

December 31, 2022

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.

The above risks have not changed from prior year.

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 amounts she is claiming in the wrongful dismissal action 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.

8. Government Assistance

During the year, the Organization received the Canada Emergency Wage Subsidy ("CEWS") of \$3,571 from the Government of Canada. During 2021, the Organization received CEWS of \$158,714 and Canada Emergency Rent Subsidy ("CERS") of \$45,941 from the Government of Canada.