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**Canadian Physicians for Life / Medecins du Canada pour le Respect de la Vie**  
**Financial Statements**  
**December 31, 2020**

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# McKECHNIE & Co.

Suite 500, 1390 Prince of Wales Drive  
Ottawa, Ontario, K2C 3N6

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## Independent Auditor's Report

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To the Directors of Canadian Physicians for Life

### *Qualified Opinion*

We have audited the financial statements of Canadian Physicians for Life (the Entity), which comprise the statement of financial position as at December 31, 2020, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2020 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *Basis for Qualified Opinion*

In common with many not-for-profit organizations, the Entity derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Entity. Therefore, we were not able to determine whether any adjustments might be necessary for donations, the excess of revenue over expense, and cash flows from operations for the years ended December 31, 2020 and December 31, 2019, current assets as at December 31, 2020 and December 31, 2019, and net assets as at January 1 and December 31 for both the 2020 and 2019 years. Our auditor opinion on the financial statements for the year ended December 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

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 Entity 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 qualified audit opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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. 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 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 Entity'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 Entity'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 Entity 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.



Chartered Professional Accountants, Licensed Public Accountant

Ottawa, ON  
June 23, 2021

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**Canadian Physicians for Life**  
**Statement of Financial Position**  
**As at December 31, 2020**

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**2020**

**2019**

**Assets**

**Current**

Cash	\$	<b>124,462</b>	\$	30,074
Accounts receivable		<b>20,207</b>		21,266
Government remittances receivable		<b>18,188</b>		12,275
Prepaid deposits		<b>708</b>		5,539
	\$	<b>163,565</b>	\$	69,154

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**Liabilities and Net Assets**

**Current**

Accounts payable and accrued liabilities	\$	<b>9,693</b>	\$	15,750
Government remittances payable		<b>5,628</b>		1,355
Deferred revenue (note 4)		<b>100</b>		0
		<b>15,421</b>		17,105

**CEBA loan (note 5)**

<b>40,000</b>	<b>0</b>
<b>55,421</b>	<b>17,105</b>

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**Net Assets**

Net assets - unrestricted		<b>108,144</b>		52,049
	\$	<b>163,565</b>	\$	69,154

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Commitments (note 6)

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

See accompanying notes to the financial statements

**Canadian Physicians for Life**  
**Statement of Operations and Changes in Net Assets**  
**For the year ended December 31, 2020**

	2020	2019
<b>Revenue</b>		
Donations	\$ 184,824	\$ 214,055
Grants	25,000	0
Government assistance (note 5)	20,000	0
Other income	14,771	22,495
	<b>244,595</b>	<b>236,550</b>
<b>Expense</b>		
Accounting, audit and legal	7,561	6,397
Bank and credit card charges	5,185	5,811
Conference	45,406	77,362
Contractor	13,224	30,257
Donor communications	14,938	13,231
Fundraising	9,599	8,972
Information technology	1,667	2,405
Insurance	1,416	665
Marketing	3,225	1,389
Membership and dues	10,073	5,577
Office	6,027	4,733
Postage and delivery	4,996	2,109
Salary and benefits	57,624	56,006
Special project	0	30,938
Telephone	1,143	1,448
Travel	5,407	6,748
Website and database	1,009	1,623
	<b>188,500</b>	<b>255,671</b>
Excess (deficiency) of revenue over expense for the year	<b>56,095</b>	<b>(19,121)</b>
Net assets, beginning of year	<b>52,049</b>	<b>71,170</b>
<b>Net assets, end of year</b>	<b>\$ 108,144</b>	<b>\$ 52,049</b>

See accompanying notes to the financial statements

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**Canadian Physicians for Life**  
**Statement of Changes in Cash Flows**  
**For the year ended December 31, 2020**

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	2020	2019
<b>Operating activities</b>		
Excess (deficiency) of revenue over expense for the year	\$ 56,095	\$ (19,121)
Changes in non-cash working capital		
Accounts receivable	1,059	(5,028)
Government remittances receivable	(5,913)	580
Prepaid deposits	4,831	(539)
Accounts payable and accrued liabilities	(6,057)	(4,792)
Government remittances payable	4,273	(3,642)
Deferred revenue	100	0
	<hr/> 54,388	<hr/> (32,542)
<b>Financing activities</b>		
CEBA loan proceeds (net of forgiveness)	<hr/> 40,000	<hr/> 0
<b>Increase (decrease) in cash during the year</b>	<b>94,388</b>	<b>(32,542)</b>
Cash, beginning of year	<hr/> 30,074	<hr/> 62,616
<b>Cash, end of year</b>	<hr/> <b>\$ 124,462</b>	<hr/> <b>\$ 30,074</b>

See accompanying notes to the financial statements

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**Canadian Physicians for Life**  
**Notes to the Financial Statements**  
**December 31, 2020**

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**1. Authority, Objectives and Operations**

Canadian Physicians for Life was incorporated, without share capital, under Part II of the Canada Corporations Act on August 25, 1975. The Organization was continued under the Canada Not-for-profit Corporations Act on April 14, 2015.

Canadian Physicians for Life is a non-profit, charitable organization of Canadian physicians dedicated to the respect and ethical treatment of every human being, regardless of age or infirmity.

The Organization is a registered charity as defined under paragraph 149(1) (f) of the Income Tax Act and as such is exempt from income tax.

**2. Significant Accounting Policies**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies.

**Revenue Recognition**

The organization follows the deferral method of recognizing revenue. Unrestricted amounts are recorded as revenue when received or receivable. Restricted amounts are recognized as revenue when the related expenses are incurred. Donations are recognized when received.

**Capital assets**

The cost of capital assets is expensed in the year of acquisition. During the year the organization purchased capital assets at a cost of \$0 (2019- \$0)

**Use of Estimates**

In preparing the organization's financial statements in conformity with Canadian accounting standards for not-for-profit organizations, management is required 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 the financial statements, and reported amounts of revenue and expense during the period. Actual results could differ from those estimates.

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**Canadian Physicians for Life**  
**Notes to the Financial Statements**  
**December 31, 2020**

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**2. Significant Accounting Policies (con't)**

**Financial Instrument Measurement**

The organization initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets subsequently measured at amortized cost include cash, accounts receivable and government remittances receivable. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

**3. Financial Instruments**

Canadian Physicians for Life is exposed to various risks through its financial instruments. The following analysis presents the organization's exposures to significant risk at December 31, 2020.

**Credit risk**

The organization is exposed to credit risk with respect to its accounts receivable and government remittances payable. The amounts receivable are due from the federal government.

**4. Deferred Revenue**

Deferred revenue is comprised of restricted donations unspent at the end of the fiscal year.

**5. CEBA Loan**

The Canada Emergency Business Account (CEBA) term loan bears interest at 0% per annum, with no principal repayments required until January 1, 2023. If \$40,000 of the loan is repaid by December 31, 2022, the remaining balance of the loan will be forgiven. Balances outstanding thereafter bear interest at the rate of 5% per annum which is payable monthly and is due in full on December 31 2025. \$40,000 was advanced in April 2020 and a further \$20,000 was advance in December 2020. The loan is reflected net of the forgivable portion.

The forgivable portion of \$20,000 is included in government assistance in 2020.

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**Canadian Physicians for Life**  
**Notes to the Financial Statements**  
**December 31, 2020**

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**6. Commitments**

The organization has entered into agreements for professional services in 2021 of \$15,086.

**7. Implications of Covid-19**

During the year, an outbreak of a new strain of coronavirus (Covid-19) resulted in a major global health crisis which, at the date of the completion of the financial statements, continues to have impacts on the health, safety and economy worldwide. While these events are likely to cause significant changes to service delivery, management has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern.