

DYING WITH DIGNITY  
FINANCIAL STATEMENTS  
DECEMBER 31, 2008

## AUDITORS' REPORT

To the Board of Directors of  
Dying With Dignity

We have audited the balance sheet of Dying With Dignity as at December 31, 2008 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2008 and the results of its operations and changes in its net assets and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Connell Hall, LLP*

Toronto, Ontario  
August 6, 2009

Chartered Accountants  
Licensed Public Accountants

DYING WITH DIGNITY  
(a not-for-profit organization)  
**BALANCE SHEET**  
DECEMBER 31, 2008

ASSETS

	<u>2008</u>	<u>2007</u>
<b>Current</b>		
Cash and cash equivalents	\$ 154,650	\$ 87,108
Amounts receivable	7,685	4,507
Prepaid expenses and deposits	<u>4,744</u>	<u>7,155</u>
	167,079	98,770
 Investments held for trading (Note 4)	 <u>297,030</u>	 <u>388,991</u>
	\$ <u>464,109</u>	\$ <u>487,761</u>

LIABILITIES

<b>Current</b>		
Accounts payable and accrued liabilities	\$ 8,408	\$ 14,078

NET ASSETS

Unrestricted	<u>455,701</u>	<u>473,683</u>
	\$ <u>464,109</u>	\$ <u>487,761</u>

Commitments (Note 5)

Approved on behalf of the Board

\_\_\_\_\_ Director

\_\_\_\_\_ Director

(See accompanying notes to the financial statements)

DYING WITH DIGNITY  
(a not-for-profit organization)  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2008

	2008 <u>Unrestricted</u>	2007 <u>Unrestricted</u>
Balance, beginning of year	\$ 473,683	\$ 575,727
Excess (deficiency) of revenues over expenses	<u>(17,982)</u>	<u>(102,044)</u>
Balance, end of year	\$ <u>455,701</u>	\$ <u>473,683</u>

(See accompanying notes to the financial statements)

DYING WITH DIGNITY  
(a not-for-profit organization)  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>2008</u>	<u>2007</u>
<b>Operating revenues</b>		
Donations	\$ 179,041	\$ 119,206
Memberships	44,875	44,168
Interest	22,656	11,674
Publication sales and royalties	1,007	2,267
	<u>247,579</u>	<u>177,315</u>
<b>Operating expenses</b>		
Salaries and benefits	80,419	90,245
Contracted services	84,832	64,180
Communications	21,756	36,735
Occupancy (Note 5)	31,956	31,651
General and administration	28,333	26,669
Computer and equipment rental	984	8,372
Volunteer and staff development	7,794	7,818
Meetings	3,780	3,689
Legal and audit	3,280	2,500
Bank charges	2,427	1,421
Amortization of capital assets	-	6,079
	<u>265,561</u>	<u>279,359</u>
<b>Excess (deficiency) of revenues over expenses</b>	<b>\$ <u>(17,982)</u></b>	<b>\$ <u>(102,044)</u></b>

(See accompanying notes to the financial statements)

**DYING WITH DIGNITY**  
(a not-for-profit organization)  
**STATEMENT OF CASH FLOWS**  
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>2008</u>	<u>2007</u>
<b>Cash flows from operating activities</b>		
Revenue received	\$ 224,923	\$ 165,641
Interest and amounts receivable received	19,478	18,599
Payments to suppliers and employees	<u>(268,820)</u>	<u>(272,680)</u>
	<u>(24,419)</u>	<u>(88,440)</u>
<b>Cash flows from investing activities</b>		
Disposal (purchase) of investments	<u>91,961</u>	<u>(52,462)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	67,542	(140,902)
<b>Cash and cash equivalents, beginning of year</b>	<u>87,108</u>	<u>228,010</u>
<b>Cash and cash equivalents, end of year</b>	\$ <u>154,650</u>	\$ <u>87,108</u>
 <b>Cash and cash equivalents comprises:</b>		
Cash	\$ 154,650	\$ 76,823
Short term investments	<u>-</u>	<u>10,285</u>
	\$ <u>154,650</u>	\$ <u>87,108</u>

(See accompanying notes to the financial statements)

**DYING WITH DIGNITY**  
**(a not-for-profit organization)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2008**

**1. Organization and operations**

Dying With Dignity was incorporated without share capital as a not-for-profit organization in 1980. Its mission is to improve quality of dying and to expand end of life choices in Canada, by educating, by informing and by providing a confidential client support program for individuals faced with making important end of life decisions.

Dying With Dignity is a registered charity under the Income Tax Act and, as such, is exempt from income taxes, provided certain disbursement and other requirements are met.

**2. Summary of significant accounting policies**

a) Revenue recognition

Donations and membership fees are recognized as revenues when received.

Revenues from publication sales and royalties are recognized when earned.

b) Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term investments, and are reported at fair value (see Note 3). Cash consists of cash on hand, bank deposits residing in interest-bearing accounts and money-market mutual funds. There are no short-term investments at December 31, 2008. Dying with Dignity manages its cash and cash equivalents based on its cash flow needs and with a view to optimizing its interest income.

c) Investments

Investments held for trading, which consist of investment-grade Canadian government and corporate bonds and are intended to be held to maturity, are recorded at fair value (see Note 3).

d) Capital assets

Purchases of capital assets are initially capitalized and then amortized on a straight-line basis over 5 years.

e) Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 revenues and expenses during the period. These estimates are reviewed periodically and adjustments are made to revenues and expenses as appropriate in the period they become known.

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**NOTES TO THE FINANCIAL STATEMENTS**  
DECEMBER 31, 2008

**3. Financial instruments**

Dying with Dignity classifies its cash and cash equivalents and investments as financial assets held for trading; amounts receivable are classified as loans and receivables; and, accounts payable and accrued liabilities are classified as other liabilities.

Financial instruments classified as held for trading are reported at fair value at the balance sheet date, and any change in fair value is recognized in the statement of operations in the period in which the change occurs.

Financial instruments classified as loans and receivables and other liabilities are carried at amortized cost using the effective interest method.

The carrying value of Dying with Dignity's amounts receivable and accounts payable and accrued liabilities approximates their fair value due to the relatively short term to maturity of those instruments.

Dying with Dignity does not have significant credit risk in respect to its amounts receivable, and has no currency risk.

**4. Investments held for trading**

Investments held for trading consist of investment grade government and corporate bonds having maturity dates and average interest rates as follows:

	<u>2008</u>	<u>2007</u>
2008 - 3.85%	\$ -	\$ 50,125
2009 - 3.74%	94,790	92,141
2010 - 3.90%	118,186	185,378
2011 - 4.44%	62,441	61,347
2013 - 4.59%	<u>21,613</u>	<u>-</u>
	\$ <u>297,030</u>	\$ <u>388,991</u>

Balances at December 31, 2008 and 2007 are stated at fair value as reported by RBC Dominion Securities, the investment managers.

Dying with Dignity is exposed to market risk in respect to interest rates on investments. It is the intention of management of Dying with Dignity to hold investments to maturity.

**DYING WITH DIGNITY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
DECEMBER 31, 2008

**5. Lease commitments**

The minimum annual rent under a lease agreement for premises that expires August 2011 is as follows:

2009	\$	12,390
2010		13,589
2011		<u>9,592</u>
	\$	<u>35,571</u>

Dying With Dignity is also responsible for its share of property taxes, maintenance and other occupancy costs, which are adjusted annually by the landlord.

**6. Contingencies**

Subsequent to the year end, a former contractor for Dying With Dignity brought a claim against the Organization requiring a form of severance payment after his contract was terminated. The management of Dying With Dignity believes that the claim has no merit and is defending the claim vigorously. The outcome of this issue and the impact, if any, on the financial position, results of operations and cash flows of Dying With Dignity are not determinable as at the date of the Auditors' Report.