

DYING WITH DIGNITY
FINANCIAL STATEMENTS
DECEMBER 31, 2009

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, 2009 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, 2009 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.

Toronto, Ontario
June 1, 2010



Chartered Accountants
Licensed Public Accountants

DYING WITH DIGNITY
(a not-for-profit organization)
BALANCE SHEET
DECEMBER 31, 2009

ASSETS

	<u>2009</u>	<u>2008</u>
Current		
Cash and cash equivalents	\$ 76,287	\$ 154,650
Amounts receivable	2,546	7,685
Prepaid expenses and deposits	4,746	4,744
	83,579	167,079
 Investments held for trading (Note 4)	 229,422	 297,030
 Capital assets, net (Note 5)	 4,891	 -
	\$ 317,892	\$ 464,109

LIABILITIES

Current		
Accounts payable and accrued liabilities	\$ 16,035	\$ 8,408

NET ASSETS

Unrestricted	301,857	455,701
	\$ 317,892	\$ 464,109

Commitments (Note 6)

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, 2009

	2009 <u>Unrestricted</u>	2008 <u>Unrestricted</u>
Balance, beginning of year	\$ 455,701	\$ 473,683
Excess (deficiency) of revenues over expenses	<u>(153,844)</u>	<u>(17,982)</u>
Balance, end of year	<u>\$ 301,857</u>	<u>\$ 455,701</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, 2009

	<u>2009</u>	<u>2008</u>
Operating revenues		
Donations	\$ 85,079	\$ 179,041
Memberships	29,420	44,875
Interest and other investment income	8,049	22,656
Publication sales	291	1,007
	<u>122,839</u>	<u>247,579</u>
 Operating expenses		
Salaries and benefits	119,135	80,419
Contracted services	52,095	84,832
Communications	22,440	21,756
Occupancy (Note 6)	30,775	31,956
General and administration	12,703	28,333
Computer and equipment rental	553	984
Volunteer and staff development	8,678	7,794
Meetings	4,821	3,780
Legal and audit	23,742	3,280
Bank charges	878	2,427
Amortization of capital assets	863	-
	<u>276,683</u>	<u>265,561</u>
 Excess (deficiency) of revenue over expenses	<u>\$ (153,844)</u>	<u>\$ (17,982)</u>

(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, 2009

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities		
Revenue received	\$ 114,840	\$ 224,923
Interest and investment income and amounts receivable received	13,188	19,478
Payments to suppliers and employees	(268,509)	(268,820)
	<u>(140,481)</u>	<u>(24,419)</u>
 Cash flows provided from investing activities		
Disposal (purchase) of investments	67,608	91,961
Disposal (purchase) of capital assets	(5,754)	-
	<u>61,854</u>	<u>91,961</u>
 Net increase (decrease) in cash and cash equivalents	 (78,627)	 67,542
 Cash and cash equivalents, beginning of year	 <u>154,650</u>	 <u>87,108</u>
 Cash and cash equivalents, end of year	 <u>\$ 76,023</u>	 <u>\$ 154,650</u>

(See accompanying notes to the financial statements)

DYING WITH DIGNITY
(a not-for-profit organization)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

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 disbursements 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 are recognized when earned.

(b) Cash and cash equivalents

Cash and cash equivalents 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. 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 preferred shares and 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.

DYING WITH DIGNITY
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NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

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 preferred shares and investment grade government and corporate bonds having maturity dates and average interest rates as follows:

	<u>2009</u>	<u>2008</u>
2009 - 3.74%	\$ -	\$ 94,790
2010 - 4.3%	49,020	118,186
2011 - 4.44%	-	62,441
2013 - 4.59%	22,599	21,613
2013 - 4.0%	62,779	-
Preferred shares	95,024	-
	<u>\$ 229,422</u>	<u>\$ 297,030</u>

Balances at December 31, 2009 and 2008 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.

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NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

5. Capital assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2009 Net Book Value</u>	<u>2008 Net Book Value</u>
Computers	\$ 5,754	\$ (863)	\$ 4,891	\$ -
Furniture and fixtures	<u>25,444</u>	<u>(25,444)</u>	<u>-</u>	<u>-</u>
	<u>\$ 31,198</u>	<u>\$ (26,307)</u>	<u>\$ 4,891</u>	<u>\$ -</u>

6. Lease commitments

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

2010		\$ 13,589
2011		<u>9,592</u>
		<u>\$ 23,181</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.