

**DYING WITH DIGNITY
FINANCIAL STATEMENTS
DECEMBER 31, 2013**

INDEPENDENT AUDITOR'S REPORT

To the Members of Dying With Dignity

We have audited the statement of financial position of Dying With Dignity as at December 31, 2013 and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility 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.

Auditor's responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Dying With Dignity as at December 31, 2013, and its financial performance, changes in net assets and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**To the Members of
Dying With Dignity**

Emphasis of matter

We draw attention to Note 7 to the financial statements which describes the restatement of the corresponding figures for the year ended December 31, 2012 with respect to the cash surrender value of a life insurance policy. We previously issued an unmodified opinion of the financial statements for the year ended December 31, 2012 on March 22, 2013.

**March 31, 2014
Toronto, Ontario**



**Connell Hall LLP
Licensed Public Accountants**

DYING WITH DIGNITY
(a not-for-profit organization)
BALANCE SHEET
DECEMBER 31, 2013

ASSETS

	<u>2013</u>	<u>2012</u> (Note 7)
Current		
Cash (Note 4)	\$ 118,524	\$ 81,069
Short term deposits and investments (Note 5)	192,437	215,383
Amounts receivable	-	352
Amounts receivable - HST	3,553	2,817
Prepaid expenses and deposits	11,366	9,564
	325,880	309,185
Other investments (Note 7)	19,718	16,843
Capital assets (Note 6)	8,720	7,191
	\$ 354,318	\$ 333,219

LIABILITIES



Current		
Accounts payable and accrued liabilities	\$ 10,283	\$ 11,144

NET ASSETS

Unrestricted	344,035	322,075
	\$ 354,318	\$ 333,219

Commitments (Note 8)

Approved on behalf of the Board

 <hr style="border: 0.5px solid black;"/>	Director
 <hr style="border: 0.5px solid black;"/>	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, 2013

	2013	2012
	<u>Unrestricted</u>	<u>Unrestricted</u>
Balance, beginning of year (Note 7)	\$ 322,075	\$ 234,079
Excess of revenues over expenses	<u>21,960</u>	<u>87,996</u>
Balance, end of year	<u>\$ 344,035</u>	<u>\$ 322,075</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, 2013

	<u>2013</u>	<u>2012</u> (Note 7)
Operating revenues		
Donations	\$ 283,958	\$ 286,533
Bequests	13,012	13,963
Memberships	93,251	88,978
Interest and other income (Note 7)	13,122	21,932
	<u>403,343</u>	<u>411,406</u>
Operating expenses		
Salaries and benefits	183,198	156,916
Contracted services	13,996	14,677
Communications	69,859	62,061
Occupancy (Note 8)	22,848	18,694
General and administration	19,209	12,687
Computer and equipment rental	9,448	7,733
Volunteer and staff development	2,659	2,889
Meetings	12,030	5,134
Legal and audit	5,924	4,230
Travel	33,161	28,195
Bank charges	4,945	7,194
Amortization of capital assets	4,106	3,000
	<u>381,383</u>	<u>323,410</u>
Excess of revenue over expenses	<u>\$ 21,960</u>	<u>\$ 87,996</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, 2013

	<u>2013</u>	<u>2012</u> (Note 7)
Cash flows from operating activities		
Revenue received	\$ 396,676	\$ 406,629
Payments to suppliers and employees	(380,324)	(338,264)
	<u>16,352</u>	<u>68,365</u>
Cash flows provided from investing activities		
(Purchase) disposition of investments	20,071	(109,888)
Interest and investment income	6,667	4,777
(Purchase) of capital assets	(5,635)	-
	<u>21,103</u>	<u>(105,111)</u>
Net increase (decrease) in cash	37,455	(36,746)
Cash, beginning of year	<u>81,069</u>	<u>117,815</u>
Cash, end of year	<u>\$ 118,524</u>	<u>\$ 81,069</u>

(See accompanying notes to the financial statements)

DYING WITH DIGNITY
(a not-for-profit organization)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

1. Organization and operations

Dying With Dignity was incorporated without share capital as a not-for-profit organization in 1980. Its mandate is to provide:

- (a) education about end of life options and the importance of advance care planning;
- (b) support for individuals at the end of their lives, including support at the bedside of those who wish to determine the nature and timing of their death, and
- (c) information about the choice of dying movement, and the reasons why appropriately regulated medically assisted dying should be legalized in Canada.

Under the Income Tax Act, as a not-for-profit organization, Dying With Dignity is exempt from income taxes.

2. Summary of significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(a) Revenue recognition

Donations and membership fees are recognized as revenues when received.

Revenues from publication sales are recognized when the sale is completed and collection has been reasonably assured.

(b) Financial instruments

The organization's financial instruments consist of cash, short term investments and deposits, amounts receivable and accounts payable. Cash, amounts receivable and accounts payable are initially measured at fair value, when the organization becomes a party to the contractual provisions, and subsequently measured at amortized cost which approximates fair value due to their short term nature.

The organization's investments, which consist of money market funds, guaranteed investment certificates and common shares and other investments are initially and subsequently measured at fair value. Changes in fair value are recognized in net income in the period incurred. Transaction costs that are directly attributable to the acquisition of these investments are recognized in net income in the period incurred.

(c) Capital assets

Capital assets, which consist of computer equipment, are amortized on a straight line basis over 5 years.

DYING WITH DIGNITY
(a not-for-profit organization)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

2. Summary of significant accounting policies

(d) Use of estimates

The preparation of financial statements requires management 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 financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

(e) Donated goods and services

Donated goods and services are recorded when a fair value can be reasonably estimated and they would otherwise be purchased if not donated.

A substantial number of volunteers have made significant contributions of their time to the organization's programs and supporting services. The value of this contributed time is not reflected in these financial statements.

3. Financial instruments

It is the opinion of management that the organization is not exposed to significant interest rate, liquidity or credit risk. The organization is somewhat exposed to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The organization, when it holds investments of common shares, is exposed to market risk as such investments are subject to price changes in the open market. The organization does not use derivative financial instruments to alter the effects of this risk.

4. Cash

	<u>2013</u>	<u>2012</u>
Operating account	\$ 40,500	\$ 24,700
Interest earning savings accounts	<u>77,934</u>	<u>56,369</u>
	<u>\$ 118,434</u>	<u>\$ 81,069</u>

5. Short term deposits and investments

Investments consist of common shares, money market funds and guaranteed investment certificates having maturity dates and average interest rates as follows:

DYING WITH DIGNITY
(a not-for-profit organization)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

5. Investments (continued)

Short term deposits and investments

	<u>2013</u>	<u>2012</u>
Money market funds	\$ 139,274	\$ 126,738
2013 - 4.59%	-	25,859
2013 - 4.0%	-	62,786
Common shares	<u>53,163</u>	<u>-</u>
	<u>\$ 192,437</u>	<u>\$ 215,383</u>

Balances are stated at fair value as reported by RBC Dominion Securities, the investment managers.

6. Capital assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2013 Net Book Value</u>	<u>2012 Net Book Value</u>
Computers	<u>\$ 20,532</u>	<u>\$ 11,812</u>	<u>\$ 8,720</u>	<u>\$ 7,191</u>

7. Prior year restatement

Dying With Dignity is policy owner and beneficiary of a life insurance policy with a cash surrender value which was not previously reported on the financial statements. The effect of this change is as follows:

	<u>December 31 2012</u>	<u>December 31 2011</u>
Net assets as previously reported	\$ 305,232	\$ 220,058
Life insurance policy - cash surrender value	<u>16,843</u>	<u>14,021</u>
Net assets restated	<u>\$ 322,075</u>	<u>\$ 234,079</u>
2012 excess of revenues over expenses as previously reported	\$ 85,174	
Net change in cash surrender value	<u>2,822</u>	
2012 excess of revenues over expenses restated	<u>\$ 87,996</u>	

DYING WITH DIGNITY
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NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

8. Lease commitments

The minimum annual rent under a lease agreement for office premises that expires August 2016 is as follows:

2014	\$ 29,975
2015	29,975
2016	<u>19,983</u>
	<u>\$ 79,933</u>

Dying With Dignity is subject to a lease for staff accommodation premises with a term of one year from September 1, 2013 to August 31, 2014. Monthly rent for these premises is \$1,425.