

The Foundation Fighting Blindness

Financial Statements
December 31, 2009

May 31, 2010

Auditors' Report

To the Board of Directors of The Foundation Fighting Blindness

We have audited the statement of financial position of **The Foundation Fighting Blindness** as at December 31, 2009 and the statements of revenues and expenditures, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, 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 common with most charitable organizations, the Foundation derives revenues from various sources, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenditures and fund balances.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP
Chartered Accountants, Licensed Public Accountants

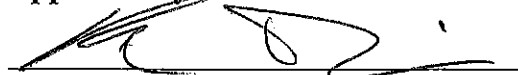
The Foundation Fighting Blindness

Statement of Financial Position

As at December 31, 2009

	2009 \$	2008 \$ (note 2)
Assets		
Current assets		
Cash	314,525	455,233
Donations receivable	114,108	335,790
Prepaid and sundry assets	84,918	62,087
Short-term investments (note 4)	2,880,078	2,075,051
	<u>3,393,629</u>	<u>2,928,161</u>
Long-term investments (note 4)	256,362	209,737
Property and equipment (note 5)	15,842	14,500
	<u>3,665,833</u>	<u>3,152,398</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	63,992	67,580
Deferred revenue	220,718	92,171
	<u>284,710</u>	<u>159,751</u>
Lease inducement	4,204	8,084
	<u>288,914</u>	<u>167,835</u>
Fund Balances		
Unrestricted Fund	1,770,961	1,442,688
Restricted Fund	605,958	541,875
Endowment Fund	1,000,000	1,000,000
	<u>3,376,919</u>	<u>2,984,563</u>
	<u>3,665,833</u>	<u>3,152,398</u>

Approved by the Board of Directors

 Director

 Director

The Foundation Fighting Blindness

Statement of Revenues and Expenditures
For the year ended December 31, 2009

	2009			2008	
	Unrestricted Fund \$	Restricted Fund \$	Endowment Fund \$	Total \$	Total \$
Revenues					
Ride For Sight	1,042,702	-	-	1,042,702	1,159,525
Comic vision	782,344	-	-	782,344	717,443
Major gifts	395,699	354,429	-	750,128	763,876
Donor database	400,543	-	-	400,543	431,565
Special events	114,288	-	-	114,288	196,695
Bequests, memorials and other	500,716	-	-	500,716	130,148
	3,236,292	354,429	-	3,590,721	3,399,252
Direct costs					
Ride for Sight	489,620	-	-	489,620	520,910
Comic vision	309,157	-	-	309,157	228,850
Major gifts	83,184	-	-	83,184	141,085
Donor database	124,764	-	-	124,764	276,584
Special events	61,866	-	-	61,866	54,683
	1,068,591	-	-	1,068,591	1,222,112
Net revenues	2,167,701	354,429	-	2,522,130	2,177,140
Interest and other income	67,394	-	-	67,394	44,752
Unrealized gains on investments	218,972	-	-	218,972	13,110
Endowment contributions	-	-	-	-	250,000
	2,454,067	354,429	-	2,808,496	2,485,002
Expenditures (note 7)					
Scientific research expenditures	1,192,951	290,346	-	1,483,297	1,426,611
Programs	276,256	-	-	276,256	343,372
Operating expenses	594,409	-	-	594,409	378,720
Unrealized loss on investments	56,753	-	-	56,753	138,186
Amortization	5,425	-	-	5,425	7,934
	2,125,794	290,346	-	2,416,140	2,294,823
Excess of revenues over expenditures for the year	328,273	64,083	-	392,356	190,179

The Foundation Fighting Blindness

Statement of Changes in Fund Balances

For the year ended December 31, 2009

	Unrestricted Fund \$	Restricted Fund \$	Endowment Fund \$	Total \$
Balances - Beginning of year				
As previously reported	1,551,050	541,875	1,000,000	3,092,925
Adjustment to comply with change in accounting policy (note 2)	(108,362)	-	-	(108,362)
Fund balances - December 31, 2008	1,442,688	541,875	1,000,000	2,984,563
Excess of revenues over expenditures for the year	328,273	64,083	-	392,356
Fund balances - December 31, 2009	1,770,961	605,958	1,000,000	3,376,919

The Foundation Fighting Blindness

Statement of Cash Flows

For the year ended December 31, 2009

	2009 \$	2008 \$
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenditures for the year	392,356	190,179
Items not affecting cash		
Amortization of lease inducement	(3,880)	(3,880)
Amortization of property and equipment	5,425	7,934
Adjustment to comply with change in accounting policy (note 2)	-	(108,362)
Unrealized (gains) losses on investment - net	(162,219)	125,076
Net changes in non-cash working capital balances		
Donations receivable	221,682	(189,567)
Prepaid expenses and sundry assets	(22,831)	46,173
Accounts payable and accrued liabilities	(3,588)	53,342
Deferred income	128,547	53,640
	<u>555,492</u>	<u>174,535</u>
Investing activities		
Purchase of investments	(689,433)	(2,255)
Purchase of property, plant and equipment	(6,767)	(2,195)
	<u>(696,200)</u>	<u>(4,450)</u>
Increase (decrease) in cash during the year	(140,708)	170,085
Cash - Beginning of year	<u>455,233</u>	<u>285,148</u>
Cash - End of year	<u>314,525</u>	<u>455,233</u>

The Foundation Fighting Blindness

Notes to Financial Statements

December 31, 2009

1 Organization

The Foundation Fighting Blindness (the Foundation) is a national Foundation, which was incorporated without share capital under the laws of Ontario for charitable purposes.

The Foundation is a non-profit organization and as such is exempt from income taxes.

The mission of The Foundation Fighting Blindness is to find the causes, treatments and ultimately the cures for retinitis pigmentosa, macular degeneration and related retinal diseases by the support and promotion of research and the development of public awareness.

2 Changes in accounting policies

Section 1000, Financial Statement Concepts

Effective January 1, 2009, the Foundation adopted retrospectively the changes to the recommendations in The Canadian Institute of Chartered Accountants (CICA) Handbook Section 1000, Financial Statement Concepts. This standard clarifies that items that do not meet the definition of an asset or a liability may not be recognized on the statement of financial position. The adoption of this standard resulted in the expensing of \$128,112 (2008 - \$108,362) of wages previously recognized as prepaid assets.

Section 4470, Disclosure of Allocated Expenses By Not-for-Profit Organizations

Effective January 1, 2009, the Foundation adopted retrospectively CICA Handbook Section 4470, Disclosure of Allocated Expenses By Not-for-Profit Organizations, which requires an organization to disclose its allocation policy, if it classifies expenses by function and allocates some of its fundraising and general support costs to another function (note 8). This standard impacts the Foundation's disclosures but does not affect the Foundation's results or financial position.

3 Summary of significant accounting policies

Basis of presentation

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles.

Fund accounting

The Foundation ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purposes for which they were provided.

The Foundation Fighting Blindness

Notes to Financial Statements

December 31, 2009

For financial reporting purposes, the accounts have been classified into the following funds:

a) Unrestricted Fund

The Unrestricted Fund accounts for the Foundation's general fundraising, granting and administrative activities. The Unrestricted Fund reports unrestricted resources available for immediate purposes.

b) Restricted Fund

The Restricted Fund consists of those funds where resources are to be used for an identified purpose as specified by the donors. These funds include amounts restricted for education and research purposes.

c) Endowment Fund

The Endowment Fund consists of those funds where donor restrictions require the principal to be maintained by the Foundation in perpetuity.

Revenue recognition

The Foundation follows the restricted fund method of accounting for contributions.

Unrestricted contributions are recognized as revenue of the Unrestricted Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donor restricted contributions for specific purposes (other than education and research) are recognized as revenue when the related expenses have been incurred. Income earned on the resources of the Restricted Fund or the Endowment Fund are unrestricted and recognized in the statement of revenues and expenditures.

Restricted contributions for education and research are recognized as revenue in the Restricted Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue raised by chapter locations is recognized net of expenses at the time the cash is received from the chapter.

Interest income is recognized in the year earned.

Deferred revenue

Sponsorships received from contributors, which are restricted for a specific event and have been received in advance of the event, are deferred upon receipt and subsequently recognized as revenue when the related event occurs.

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Notes to Financial Statements

December 31, 2009

Lease inducement

The Foundation received a lease inducement on its leased premises in the form of free rent, which is amortized on a straight-line basis over the expected lease term. The annual amortization has been netted against rent expense.

Property and equipment

Property and equipment are stated at cost. Amortization is being provided by the straight-line method over the following estimated useful lives:

Computer equipment	5 years
Furniture and fixtures	10 years

Scientific research grants

Research grants are recorded in the period in which the expenditures are made.

Donated services

The work of the Foundation is dependent on the voluntary services of the community. Since these services are not normally purchased by the Foundation and because of the difficulty of determining their fair value, donated services are not recognized in these financial statements.

Use of estimates

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 and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Financial instruments

The Foundation utilizes various financial instruments. Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The Foundation classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired. The Foundation's accounting policy for each category is as follows:

Assets/liabilities	Category	Measurement
Cash	held-for-trading	fair value
Donations receivable	loans and receivables	amortized cost
Investments	held-for-trading	fair value
Accounts payable and accrued liabilities	other liabilities	amortized cost

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December 31, 2009

- Held-for-trading

This category is comprised of certain investments in equity and debt instruments. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of revenues and expenditures. Transaction costs related to instruments classified as held-for-trading are expensed as incurred.

- Loans and receivables

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value and subsequently carried at amortized cost, using the effective interest rate method, less any provision for impairment. Transaction costs related to loans and receivables are expensed as incurred.

- Other financial liabilities

Other financial liabilities include all financial liabilities other than those classified as held-for-trading and comprise accounts payable and accrued liabilities. These liabilities are initially recognized at fair value and subsequently carried at amortized cost using the effective interest rate method.

The Foundation has chosen to continue to apply CICA Handbook Section 3861, Financial Instruments - Disclosure and Presentation, in place of Section 3862, Financial Instruments - Disclosures, and Section 3863, Financial Instruments - Presentation.

4 Investments

The Foundation's short-term investments are summarized as follows:

	Fair value	
	2009	2008
	\$	\$
Short-term money market funds	1,968,346	1,740,539
Equities	466,218	314,515
Guaranteed investment certificates	195,351	19,997
Cash equivalents	250,163	-
	<u>2,880,078</u>	<u>2,075,051</u>

The Foundation's long-term investments include bonds, which do not mature in the next fiscal year.

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Notes to Financial Statements

December 31, 2009

5 Property and equipment

	<u>2009</u>		
	Cost \$	Accumulated amortization \$	Net \$
Computer equipment	109,699	93,857	15,842
Furniture and fixtures	13,080	13,080	-
	<u>122,779</u>	<u>106,937</u>	<u>15,842</u>
	<u>2008</u>		
	Cost \$	Accumulated amortization \$	Net \$
Computer equipment	102,933	88,433	14,500
Furniture and fixtures	13,080	13,080	-
	<u>116,013</u>	<u>101,513</u>	<u>14,500</u>

6 Commitments

Scientific research grants

The following commitments for 2010 through 2014 are subject to the availability of funding and approval of continuing research efforts by the Foundation's Scientific Advisory Board and Board of Directors on an annual basis:

	\$
2010	1,144,230
2011	743,250
2012	420,750
2013	310,750
2014	310,750
	<u>2,929,730</u>

Accordingly, these commitments are not recorded in the financial statements.

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Lease commitments

The Foundation is committed under lease obligations for premises and office equipment with approximate annual rentals as follows:

	\$
2010	57,400
2011	14,800
2012	7,200
	<u>79,400</u>

7 Expenditures

	2009 \$	2008 \$
Scientific research expenditures		
Scientific research grants	1,397,483	1,302,391
Scientific research direct costs	85,814	124,220
	<u>1,483,297</u>	<u>1,426,611</u>
Programs		
Chapter development	5,664	2,500
Conferences	77,673	82,450
Newsletter	42,414	37,998
Public education and awareness	150,505	220,424
	<u>276,256</u>	<u>343,372</u>
Operating expenses		
Administration	455,135	234,485
Postage and delivery	24,987	31,216
Rent	104,651	103,625
Telephone	8,609	8,731
Travel	1,027	663
	<u>594,409</u>	<u>378,720</u>

8 Allocation of expenses

The Foundation engages in various services, education and fundraising programs. The costs of each program include the costs of personnel, services and other expenses that are directly related to providing the programs. The Foundation also incurs a number of general support expenses common to the administration of the Foundation and each of its activities. The Foundation allocates certain of its general and administrative expenses to program expenditures and fundraising expenditures based on the proportionate percentage of time spent on each.

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General and administrative office expenses of \$125,789 (2008 - \$126,908) have been allocated as follows:

	2009	2008
	\$	\$
Special events/Ride for Sight	96,410	101,480
Major gifts	29,379	25,428
	<hr/>	<hr/>
	125,789	126,908
	<hr/>	<hr/>

9 Capital disclosures

In managing capital, the Foundation focuses on liquid resources available for operations. The Foundation's objective is to have sufficient liquid resources to continue operating and to provide it with the flexibility to take advantage of opportunities that will advance its purposes. The need for sufficient liquid resources is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to the budget. As at December 31, 2009, the Foundation believes it has met its objective of having sufficient liquid resources to meet its current obligations.