
Financial statements of
The Foundation Fighting Blindness
(operating as Fighting Blindness Canada)

December 31, 2019

Independent Auditor's Report	1-2
Statement of financial position	3
Statement of revenue and expenses	4
Statement of changes in fund balances	5
Statement of cash flows	6
Notes to the financial statements	7-13

Independent Auditor's Report

To the Board of Directors of
The Foundation Fighting Blindness
(operating as Fighting Blindness Canada)

Opinion

We have audited the financial statements of The Foundation Fighting Blindness (the "Foundation"), which comprise the statement of financial position as at December 31, 2019, and the statements of revenue and expenses, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 Foundation 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 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 GAAS 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 GAAS, 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 the 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 Foundation'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 Foundation'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 Foundation 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
June 4, 2020

The Foundation Fighting Blindness (operating as Fighting Blindness Canada)

Statement of financial position

As at December 31, 2019

	Notes	2019	2018
		\$	\$
Assets			
Current assets			
Cash		370,653	188,922
Accounts receivable		167,336	59,548
Prepaid expenses and sundry assets		28,403	31,067
Short-term investments	3	3,272,800	3,672,216
		3,839,192	3,951,753
Endowed investments	4	1,316,546	1,297,523
Intangible asset	5	681	7,725
Capital assets	6	35,765	18,413
		5,192,184	5,275,414
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		507,834	137,381
Deferred revenue	7	2,414,690	2,854,268
		2,922,524	2,991,649
Lease inducement		5,417	10,417
		2,927,941	3,002,066
Commitments	11		
Fund balances			
Unrestricted Fund		947,697	975,825
Endowment Fund	4	1,316,546	1,297,523
		2,264,243	2,273,348
		5,192,184	5,275,414

The accompanying notes are an integral part of the financial statements.

Approved by the Board



_____, Director



_____, Director

The Foundation Fighting Blindness (operating as Fighting Blindness Canada)

Statement of revenue and expenses

Year ended December 31, 2019

	Notes	2019			2018		
		Unrestricted Fund	Endowment Fund	Total	Unrestricted Fund	Endowment Fund	Total
		\$	\$	\$	\$	\$	\$
Revenue	12						
Comic Vision		228,549	—	228,549	509,324	—	509,324
Ride for Sight		232,528	—	232,528	296,023	—	296,023
Cycle for Sight		572,125	—	572,125	536,545	—	536,545
Major gifts		2,162,650	—	2,162,650	1,397,761	—	1,397,761
Annual giving		678,222	—	678,222	607,155	—	607,155
Planned giving and bequests		145,545	—	145,545	62,054	—	62,054
Community events		83,899	—	83,899	74,815	—	74,815
Vision Quest		164,950	—	164,950	187,932	—	187,932
Education grants and sponsorships		465,587	—	465,587	381,183	—	381,183
Other		723	—	723	5,528	—	5,528
		4,734,778	—	4,734,778	4,058,320	—	4,058,320
Direct costs							
Comic Vision		165,953	—	165,953	433,326	—	433,326
Ride for Sight		105,930	—	105,930	121,952	—	121,952
Cycle for Sight		253,292	—	253,292	264,084	—	264,084
Major gifts		406,505	—	406,505	223,722	—	223,722
Annual giving		420,277	—	420,277	379,611	—	379,611
Planned giving and bequests		26,146	—	26,146	14,375	—	14,375
Community events		21,379	—	21,379	5,923	—	5,923
Education grants and sponsorships		42,206	—	42,206	65,164	—	65,164
		1,441,688	—	1,441,688	1,508,157	—	1,508,157
Excess of revenue over direct costs and before the undernoted		3,293,090	—	3,293,090	2,550,163	—	2,550,163
Interest and other income		53,928	67,406	121,334	14,811	76,733	91,544
Change in fair value of investments		14,566	76,917	91,483	10,107	(133,607)	(123,500)
		3,361,584	144,323	3,505,907	2,575,081	(56,874)	2,518,207
Expenses							
Scientific research	8	1,599,089	100,000	1,699,089	1,174,384	80,000	1,254,384
Education and advocacy programs		957,085	—	957,085	564,921	—	564,921
Operating	9	816,856	25,300	842,156	741,442	27,125	768,567
Amortization of capital assets		9,638	—	9,638	10,924	—	10,924
Amortization of intangible asset		7,044	—	7,044	7,045	—	7,045
		3,389,712	125,300	3,515,012	2,498,716	107,125	2,605,841
(Deficiency) excess of revenue over expenses for the year		(28,128)	19,023	(9,105)	76,365	(163,999)	(87,634)

The accompanying notes are an integral part of the financial statements.

The Foundation Fighting Blindness (operating as Fighting Blindness Canada)

Statement of changes in fund balances

Year ended December 31, 2019

	2019			2018		
	Unrestricted	Endowment	Total	Unrestricted	Endowment	Total
	Fund	Fund		Fund	Fund	
	\$	\$	\$	\$	\$	\$
Fund balances, beginning of year	975,825	1,297,523	2,273,348	899,460	1,461,522	2,360,982
(Deficiency) excess of revenue over expenses for the year	(28,128)	19,023	(9,105)	76,365	(163,999)	(87,634)
Fund balances, end of year	947,697	1,316,546	2,264,243	975,825	1,297,523	2,273,348

The accompanying notes are an integral part of the financial statements.

The Foundation Fighting Blindness (operating as Fighting Blindness Canada)**Statement of cash flows**

Year ended December 31, 2019

	2019	2018
	\$	\$
Operating activities		
Deficiency of revenue over expenses for the year	(9,105)	(87,634)
Items not affecting cash		
Amortization of capital assets	9,638	10,924
Amortization of intangible asset	7,044	7,045
Amortization of lease inducement	(5,000)	(5,000)
Change in fair value of investments	(91,483)	(123,500)
Net changes in non-cash working capital balances		
Accounts receivable	(107,788)	66,024
Prepaid expenses and sundry assets	2,664	4,005
Accounts payable and accrued liabilities	370,453	(9,188)
Deferred revenue	(439,578)	644,032
	(263,155)	506,708
Investing activities		
Net redemption (purchase) of investments	471,876	(2,411,489)
Purchase of capital assets	(26,990)	(5,487)
Purchase of intangible assets	—	—
	444,886	(2,416,976)
Net increase (decrease) in cash during the year	181,731	(1,910,268)
Cash, beginning of year	188,922	2,099,190
Cash, end of year	370,653	188,922

The accompanying notes are an integral part of the financial statements.

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 registered charity and is exempt from paying income taxes pursuant to the provisions of the Income Tax Act (Canada) under paragraph 141(1)(f).

The mission of the Foundation is to lead the fight against blindness by raising and directing funds to accelerate the development and availability of treatments and cures.

Effective April 25th, 2019, the Foundation is operating as Fighting Blindness Canada.

2. Summary of significant accounting policies

Basis of presentation

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO's") under Part III of the CPA Canada's Handbook - Accounting. The Foundation follows the deferred method of accounting for contributions.

Revenue recognition

Donor restricted contributions for specific purposes are deferred and recognized as revenue when the related expenses have been incurred.

Contributions that are restricted for a specific event and have been received in advance of the event are deferred on receipt and subsequently recognized as revenue when the related event occurs.

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

Interest and investment income is recognized in the year earned.

Endowment Fund

The Arthur and Sonia Labatt Endowment Fund consists of those funds where donor restrictions require the principal and endowment earnings that are not spent during the fiscal year to be maintained by the Foundation in perpetuity. The funds of the endowment are restricted in use to cover investments fees, administration and to direct funding to applications for grants from qualified Canadian research organizations or individuals.

Lease inducement

The Foundation received a lease inducement as a result of the renewal of its leased premises. The benefit of this lease inducement is accounted for as an adjustment to rental expense over the term of the lease renewal, which commenced February 1, 2016. The inducement is amortized on the straight-line basis.

Intangible asset

The intangible asset consists of a website, which is amortized on the straight-line basis over a period of five years. The Foundation compares the net carrying amount of the intangible asset to its fair value and recognizes any impairment in value in the Statement of revenues and expenses.

2. Summary of significant accounting policies (continued)

Capital assets

Capital assets are recorded at cost. Amortization is provided using the straight-line method over the following estimated useful lives:

Computer and telecommunication equipment	5 years
Furniture and fixtures	10 years
Equipment	5 years
Leasehold improvements	term of lease

Impairment of long-lived assets

An impairment charge is recognized for long-lived assets whenever an event or change in circumstance causes an asset's carrying value to exceed the total undiscounted cash flows expected from its use and eventual disposition. The impairment loss is calculated as the difference between the fair value of the assets and their carrying values.

Scientific research grants

Research grants are recorded and disbursed in the year in which the expense reports from the researchers are reviewed and approved.

Contributed services and materials

The work of the Foundation is significantly supported by the contribution of services and materials. These contributions are recognized in the financial statements when their fair values are reasonably determinable and when they would normally have been purchased by the Foundation if not donated. Fair value is defined as the estimated cash outlay that would have been required to purchase the contributed services and materials.

The value of the services contributed by volunteers is not reflected in these financial statements.

Financial instruments

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition, and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines whether there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset and the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value. Impairments are recognized through the use of an allowance account, with a corresponding charge in the Statement of revenues and expenses.

2. Summary of significant accounting policies (continued)

Allocation of expenses

The salaries of certain employees are allocated to direct costs, scientific research expenses, programs and operating expenses based on management's estimate of the percentage of time spent. Such allocations are reviewed by management on a regular basis.

Use of estimates

The preparation of financial statements in accordance with ASNPO's 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 expenses during the reporting period. Actual results could differ from those estimates. Primary components of these financial statements which include estimates are: intangible and capital assets with respect to useful life and amortization, investments, accrued liabilities and deferred revenue.

3. Short-term investments

	2019	2018
	\$	\$
Guaranteed investment certificates	2,157,950	1,840,020
Investment Savings Accounts	1,114,850	1,832,196
	3,272,800	3,672,216

The guaranteed investment certificates' interest rates are between 1.65% and 2.60% (between 1.60% and 2.15% in 2018) and mature between January 2020 and September 2020 (between February 2019 and August 2019 in 2018).

4. Endowed investments

The Arthur and Sonia Labatt Endowment Fund investments are invested in a separate portfolio with the following asset mix:

	2019	2018
	\$	\$
Cash in broker account	13,619	20,065
Corporate bonds	518,365	557,414
Equities	784,562	720,044
	1,316,546	1,297,523

The Foundation Fighting Blindness (operating as Fighting Blindness Canada)

Notes to the financial statements

December 31, 2019

4. Endowed investments (continued)

Transactions that occurred during the year are:

	2019	2018
	\$	\$
Beginning fund balance	1,297,523	1,461,522
Interest and other income from investments	67,406	76,733
Change in fair market value of investments	76,917	(133,607)
Investment management fee	(25,300)	(27,125)
Increase (decrease) in fund balance before disbursements	119,023	(83,999)
Disbursements for scientific research made from proceeds	(100,000)	—
Disbursements for scientific research made from principal	—	(80,000)
Increase (decrease) in fund balance during the year	19,023	(163,999)
Ending fund balance	1,316,546	1,297,523

5. Intangible asset

	Cost	Accumulated amortization	2019 Net	2018 Net
	\$	\$	\$	\$
Website	35,224	34,543	681	7,725

6. Capital assets

	Cost	Accumulated amortization	2019 Net	2018 Net
	\$	\$	\$	\$
Computer and telecommunication equipment	88,353	62,845	25,508	15,184
Equipment	6,638	6,071	567	762
Furniture and fixtures	9,690	—	9,690	—
Leasehold improvements	31,898	31,898	—	2,467
	136,579	100,814	35,765	18,413

During the year, fully amortized capital assets with a total cost and accumulated amortization of \$31,898 (\$17,380 in 2018) were written off.

The Foundation Fighting Blindness (operating as Fighting Blindness Canada)

Notes to the financial statements

December 31, 2019

7. Deferred revenue

	2019	2018
	\$	\$
Opening balance	2,854,268	2,210,236
Amounts received during the year	1,189,087	1,475,962
Revenue recognized during the year	1,628,665	831,930
	2,414,690	2,854,268

8. Scientific research expenses

	Unrestricted Fund	Endowment Fund	2019 Total
	\$	\$	\$
Scientific research grants	1,447,439	100,000	1,547,439
Scientific research direct cost	151,650	—	151,650
	1,599,089	100,000	1,699,089

	Unrestricted Fund	Endowment Fund	2018 Total
	\$	\$	\$
Scientific research grants	1,121,953	80,000	1,201,953
Scientific research direct cost	52,431	—	52,431
	1,174,384	80,000	1,254,384

Future scientific research grants

The Foundation has agreed to provide the following research grants for 2020 through 2024, 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:

	\$
2020	2,097,059
2021	1,158,218
2022	215,725
2023	93,425
2024	96,226
	3,660,653

The Foundation Fighting Blindness (operating as Fighting Blindness Canada)

Notes to the financial statements

December 31, 2019

9. Operating expenses

	2019	2018
	\$	\$
Office and general administration	644,187	562,820
Rent	123,437	122,968
Technology and database management costs	74,532	82,779
	842,156	768,567

10. Allocation of expenses

Total salary and benefits expenses in 2019 amounted to \$1,395,580 (\$1,178,756 in 2018). As indicated in Note 2, salaries and benefits have been allocated as follows:

	2019	2018
	\$	\$
Comic vision	46,837	125,048
Ride for sight	11,495	28,273
Cycle for sight	51,249	51,905
Major gifts	254,530	165,611
Planned giving and bequests	13,283	9,829
Annual giving	112,240	85,473
Community events	14,970	1,896
Education grants and sponsorships	18,502	57,397
Scientific research expenditures	61,780	108,811
Education and advocacy programs	502,480	284,377
Administration	308,214	260,136
	1,395,580	1,178,756

11. Commitments

The Foundation is committed under lease obligations for premises and office equipment expiring in 2024 with approximate annual rentals as follows:

	\$
2020	140,563
2021	10,170
2022	10,170
2023	8,120
2024	4,556
	173,579

12. Funds held in trust

The Foundation is holding \$nil (nil in 2018) in trust for The National Coalition for Vision Health, of which the Foundation is a member. This amount has not been included in these financial statements.

13. Related party transactions

During the current year, members of the Foundation's board of directors and senior management provided financial contributions amounting to \$188,840 (\$188,675 in 2018). These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties, and are in the normal course of operations

14. Subsequent event

Subsequent to the year-end, on March 11 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial position, results of operations and cash flows of the Foundation in future periods.