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**FIGHTING BLINDNESS CANADA**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Fighting Blindness Canada,

### Opinion

We have audited the financial statements of Fighting Blindness Canada, (the organization), which comprise the statement of financial position as at December 31, 2022, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Fighting Blindness Canada as at December 31, 2022 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. 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 organization 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 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization'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 generally accepted auditing standards 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.

## INDEPENDENT AUDITOR'S REPORT (continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, 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 organization'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 organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw your 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 organization 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.

*Pennylegton Chung LLP*

Chartered Professional Accountants  
Licensed Public Accountants

June 5, 2023  
Toronto, Ontario



**FIGHTING BLINDNESS CANADA****STATEMENT OF FINANCIAL POSITION****AS AT DECEMBER 31, 2022****2022****2021****ASSETS**


Current assets		
Cash	\$ 1,640,911	\$ 710,018
Marketable securities (note 3)	4,782,938	6,874,666
Amounts receivable	-	16,746
HST rebate recoverable	115,896	76,662
Prepaid expenses	<u>17,826</u>	<u>59,343</u>
	6,557,571	7,737,435
Long-term assets		
Capital assets (note 4)	<u>30,966</u>	<u>31,152</u>
	<u>\$ 6,588,537</u>	<u>\$ 7,768,587</u>

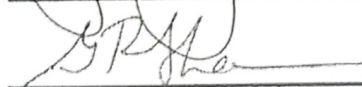
**LIABILITIES AND NET ASSETS**

Current liabilities		
Accounts payable and accrued liabilities	\$ 1,236,921	\$ 691,023
Deferred contributions (note 5)	<u>3,521,926</u>	<u>5,073,560</u>
	<u>4,758,847</u>	<u>5,764,583</u>
Net assets		
Unrestricted	<u>1,829,690</u>	<u>2,004,004</u>
	<u>\$ 6,588,537</u>	<u>\$ 7,768,587</u>

Commitments (notes 6 and 7)

Approved on behalf of the Board:

  
\_\_\_\_\_, Director

  
\_\_\_\_\_, Director

see accompanying notes

# FIGHTING BLINDNESS CANADA

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
<b>REVENUE</b>		
Contributions		
Individuals	\$ 4,751,596	\$ 3,375,279
Corporations	382,500	669,325
Foundations	143,750	211,313
Government	10,013	13,511
Fundraising events	1,359,619	883,945
Sponsorships	911,720	670,577
Investment income	64,990	34,648
Foreign exchange gain	41,298	-
Canada Emergency Wage Subsidy	-	132,243
	<u>7,665,486</u>	<u>5,990,841</u>
 <b>EXPENSES (note 8)</b>		
Fundraising	3,315,549	2,041,936
Scientific research	2,583,629	2,030,583
Education and advocacy programs	1,271,973	1,053,817
Administrative	657,039	572,171
Amortization	11,610	9,644
	<u>7,839,800</u>	<u>5,708,151</u>
 <b>EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</b>	(174,314)	282,690
 Net assets, beginning of year	<u>2,004,004</u>	<u>1,721,314</u>
 <b>NET ASSETS, END OF YEAR</b>	<u>\$ 1,829,690</u>	<u>\$ 2,004,004</u>

see accompanying notes

# FIGHTING BLINDNESS CANADA

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses for the year	\$ (174,314)	\$ 282,690
Add back (deduct) non-cash items -		
Amortization of capital assets	11,610	9,644
Change in unrealized gains on marketable securities	-	(5,689)
Net change in non-cash working capital items (see below)	<u>(986,707)</u>	<u>211,158</u>
Net cash generated from (used for) operating activities	<u>(1,149,411)</u>	<u>497,803</u>
<b>INVESTING ACTIVITIES</b>		
Proceeds from sale (purchase) of marketable securities	2,091,728	(1,750,613)
Capital assets purchased	<u>(11,424)</u>	<u>(11,529)</u>
Net cash generated from (used for) investing activities	<u>2,080,304</u>	<u>(1,762,142)</u>
<b>NET INCREASE (DECREASE) IN CASH FOR THE YEAR</b>	930,893	(1,264,339)
Cash, beginning of year	<u>710,018</u>	<u>1,974,357</u>
<b>CASH, END OF YEAR</b>	<u>\$ 1,640,911</u>	<u>\$ 710,018</u>

Net change in non-cash working capital items:

Decrease (increase) in current assets-		
Amounts receivable	\$ 19	\$ 14,418
Canada Emergency Wage Subsidy receivable	16,726	(16,726)
HST rebate recoverable	(39,233)	34,308
Prepaid expenses	41,517	5,623
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	545,898	33,443
Payroll source deductions payable	-	(1)
Deferred contributions	<u>(1,551,634)</u>	<u>140,093</u>
	<u>\$ (986,707)</u>	<u>\$ 211,158</u>

see accompanying notes

# FIGHTING BLINDNESS CANADA

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

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Fighting Blindness Canada, (the organization), was incorporated in the Province of Ontario and on July 20, 2021 was continued under the Canada Not-for-profit Corporations Act. The organization is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).

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

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant:

#### **Revenue recognition**

The principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

##### *Contributions*

The organization follows the deferral method of revenue recognition for contributions. Externally restricted contributions, including grants and donor restricted donations, related to current expenses are recognized as revenue in the current year. Externally restricted contributions received in the year for expenses to be incurred in the following year are recorded as deferred contributions. Unrestricted contributions are recorded when received.

Contributed materials and services are recorded in the financial statements when their fair values are reasonably determinable and when they would normally have been purchased by the organization. Fair value is defined as the estimated cash outlay that would have been required to purchase the contributed material and services. The value services contributed by volunteers is not recorded in the financial statements.

##### *Canada Emergency Wage Subsidy*

CEWS revenue is recognized in the period to which it relates.

##### *Sponsorships*

Sponsorship revenue is recognized in the period to which it relates.

##### *Fundraising events*

Fundraising event revenue is recognized in the period in which the event takes place.

##### *Investment income*

Interest and dividend income is recognized as revenue when earned. Changes in unrealized gains and realized gains and losses on the sale of marketable securities are recorded in statement of operations.

#### **Scientific research grants**

Research grants are expensed in the period in which the related grant recipients incurred eligible expenses, which have been approved by the organization.

#### **Allocation of expenses**

Personnel expenses are allocated to activities based on the proportional hours spent on each.

#### **Foreign currency translation**

Transactions denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the transaction date. Monetary assets and liabilities are translated into Canadian dollars at exchange rates in effect at the date of the statement of financial position. Exchange gains and losses are included in the statement of operations.



# FIGHTING BLINDNESS CANADA

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Capital assets

Capital asset purchases are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Computers and equipment	- 5 years straight-line
Furniture and fixtures	- 10 years straight-line

### 2. FINANCIAL INSTRUMENTS AND RELATED FINANCIAL RISKS

The organization's financial instruments include cash, marketable securities, amounts receivable, accounts payable and accrued liabilities. Marketable securities, which include guaranteed investment certificates and money market mutual funds, are measured at fair market value. Amounts receivable, accounts payable and accrued liabilities are initially recorded at fair value and are subsequently recorded net of any provisions for impairment in value.

The organization's investments held in U.S. marketable securities are exposed to foreign currency risk through fluctuations in foreign exchange rates. It is management's opinion that this risk is not significant and is mitigated by close monitoring of the investment portfolio.

### 3. MARKETABLE SECURITIES

Marketable securities as at December 31 are as follows:

	2022	2021
Guaranteed investment certificates	\$ 2,935,597	\$ 3,621,163
Money market mutual funds and high interest savings accounts	<u>1,847,341</u>	<u>3,253,503</u>
	<u>\$ 4,782,938</u>	<u>\$ 6,874,666</u>

Guaranteed investment certificates bear interest at rates ranging from 1.10% to 4.57% and mature between February 2023 and October 2023.

### 4. CAPITAL ASSETS

Capital assets are as follows:

	Cost	Accumulated Amortization	2022 Net	2021 Net
Computers and equipment	\$ 122,835	\$ (94,655)	\$ 28,180	\$ 26,428
Furniture and fixtures	<u>27,069</u>	<u>(24,283)</u>	<u>2,786</u>	<u>4,724</u>
	<u>\$ 185,128</u>	<u>\$ (154,162)</u>	<u>\$ 30,966</u>	<u>\$ 31,152</u>



# FIGHTING BLINDNESS CANADA

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

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### 5. DEFERRED CONTRIBUTIONS

Continuity of deferred contributions for the year is as follows:

	2022	2021
Deferred contributions, beginning of year	\$ 5,073,560	\$ 4,933,467
Add cash received from contributions	3,736,225	4,409,521
Less contribution revenue recognized	<u>(5,287,859)</u>	<u>(4,269,428)</u>
Deferred contributions, end of year	<u>\$ 3,521,926</u>	<u>\$ 5,073,560</u>

### 6. LEASE COMMITMENT

The organization leases office and programming space in Toronto, Ontario. Minimum annual lease payments under the terms of the lease agreement are as follows:

2023	\$ 174,725
2024	183,635
2025	192,773
2026	16,515

### 7. SCIENTIFIC RESEARCH FUTURE COMMITMENTS

The organization has committed to fund research grants, on an annual basis, for the following years subject to the availability of funding and approval of continuing research efforts by the organization's Scientific Advisory Board and Board of Directors:

2023	\$ 2,409,978
2024	793,145
2025	264,123

### 8. ALLOCATION OF PERSONNEL EXPENSES

Personnel expenses are allocated to the following activities:

	2022	2021
Fundraising	\$ 1,380,403	\$ 1,043,199
Education and advocacy programs	495,987	560,215
Administrative	<u>385,789</u>	<u>295,985</u>
	<u>\$ 2,262,179</u>	<u>\$ 1,899,399</u>