



Financial Statements of  
THE CANADIAN NATIONAL INSTITUTE FOR THE BLIND  
Year ended March 31, 2008



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## **AUDITORS' REPORT**

**To the National Board and Members  
of The Canadian National Institute for the Blind**

**We have audited the statement of financial position of The Canadian National Institute for the Blind as at March 31, 2008 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 Institute'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 many charitable organizations, the Institute derives revenue from support from the public, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Institute and we were not able to determine whether any adjustments might be necessary to revenue, excess (deficiency) of revenue over expenditures, assets and net asset balances.**



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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 revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Institute as at March 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Canada Corporations Act, we report that, in our opinion, except for the change in the method of valuing investments, as explained in note 2 to the financial statements, these principles have been applied on a basis consistent with that of the preceding year.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a single horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Accountants, Licensed Public Accountants

Toronto, Canada

June 13, 2008

# THE CANADIAN NATIONAL INSTITUTE FOR THE BLIND

## Statement of Financial Position

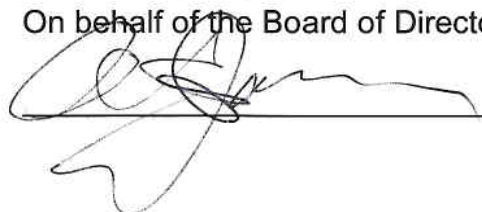
(in thousands of dollars)

March 31, 2008, with comparative figures for 2007

	2008	2007
<b>Assets</b>		
Current assets:		
Cash (note 4)	\$ 4,336	\$ 9,260
Accounts receivable and pre-payments	4,857	4,660
Inventories and supplies	768	927
	<u>9,961</u>	<u>14,847</u>
Investments (notes 2, 5)	44,123	47,825
Capital assets (note 6)	59,369	57,965
	<u>\$ 113,453</u>	<u>\$ 120,637</u>
<b>Liabilities, Deferred Contributions and Net Assets</b>		
Current liabilities:		
Bank indebtedness (note 7)	\$ 3,849	\$ 1,122
Mortgage - current portion (note 8)	667	667
Accounts payable and accrued liabilities (note 8)	11,768	11,965
	<u>16,284</u>	<u>13,754</u>
Mortgage (note 8)	7,998	8,666
Accrued pension liability (note 9)	4,382	5,134
Deferred contributions:		
Expenses of future periods (note 10(a))	12,140	10,182
Capital assets (note 10(b))	15,299	13,792
	<u>27,439</u>	<u>23,974</u>
Net assets:		
Invested in capital assets (note 11)	35,256	34,038
Endowments	5,597	5,460
Endowments - research (note 12)	888	888
Internally restricted - research (note 13)	6,264	6,276
Internally restricted - other (note 13)	818	969
Internally restricted - general (note 13)	9,061	10,059
Net unrealized investment loss (notes 2, 5)	(4)	-
Unrestricted	(530)	11,419
	<u>57,350</u>	<u>69,109</u>
Commitments and contingencies (note 14)		
	<u>\$ 113,453</u>	<u>\$ 120,637</u>

See accompanying notes to financial statements

On behalf of the Board of Directors:



Member



Member

# THE CANADIAN NATIONAL INSTITUTE FOR THE BLIND

## Statement of Operations

(in thousands of dollars)

Year ended March 31, 2008, with comparative figures for March 31, 2007

	2008	2007
<b>Revenue</b>		
Support from the public	\$ 52,894	\$ 58,835
Government support	19,105	18,019
Investment	862	7,078
Fees for service and miscellaneous	5,455	4,597
Consumer products and assistive technology sales	2,456	2,570
Amortization of deferred capital contributions (note 10(b))	1,337	1,902
	<u>82,109</u>	<u>93,001</u>
<b>Expenditures</b>		
Client services:		
Rehabilitation	38,016	35,333
Consumer products and assistive technology	7,033	5,546
Library services	8,428	10,603
Public education	2,595	2,726
Research	1,613	1,294
	<u>57,685</u>	<u>55,502</u>
Other:		
Administration	4,127	5,650
Direct fund development (note 15)	15,547	13,758
Indirect fund development	2,445	2,276
Social gaming	12,500	14,697
Restructuring (note 16)	1,697	799
	<u>94,001</u>	<u>92,682</u>
Excess (deficiency) of revenue over expenditures	\$ (11,892)	\$ 319

See accompanying notes to financial statements

## THE CANADIAN NATIONAL INSTITUTE FOR THE BLIND

### Statement of Changes in Net Assets

(in thousands of dollars)

Year ended March 31, 2008, with comparatives for March 31, 2007

	Invested in capital assets (note 11)	Endowments	Endowments - research (note 12)	Internally restricted - research (note 13)	Internally restricted - other (note 13)	Internally restricted - general (note 13)	Net unrealized investment loss (notes 2, 5)	Unrestricted	Total 2008	Total 2007
Balance, beginning of year	\$ 34,038	\$ 5,460	\$ 888	\$ 6,276	\$ 969	\$ 10,059	\$ -	\$ 11,419	\$ 69,109	\$ 68,764
Adjustment to opening net assets (notes 2, 5)	-	-	-	-	-	-	2,189	-	2,189	-
Excess (deficiency) of revenue over expenditures	(2,719)	-	-	(12)	(171)	(1,000)	-	(7,990)	(11,892)	319
Endowment contributions	-	137	-	-	-	-	-	-	137	26
Invested in capital assets	3,937	-	-	-	-	-	-	(3,937)	-	-
Internally restricted	-	-	-	-	20	2	-	(22)	-	-
Unrealized loss on investments (notes 2, 5)	-	-	-	-	-	-	(2,193)	-	(2,193)	-
Balance, end of year	\$ 35,256	\$ 5,597	\$ 888	\$ 6,264	\$ 818	\$ 9,061	\$ (4)	\$ (530)	\$ 57,350	\$ 69,109

See accompanying notes to financial statements

# THE CANADIAN NATIONAL INSTITUTE FOR THE BLIND

## Statement of Cash Flows

(in thousands of dollars)

Year ended March 31, 2008, with comparative figures for 2007

	2008	2007
Cash provided by (used for):		
Operating activities:		
Excess (deficiency) of revenues over expenditures	\$ (11,892)	\$ 319
Items not involving cash:		
Amortization of capital assets	4,056	4,664
Amortization of deferred contributions related to expenses of future periods	(16,060)	(16,226)
Amortization of deferred contributions related to capital assets	(1,337)	(1,902)
Gain on disposal of capital assets	-	(62)
Net pension expense	1,424	1,988
Pension employer contributions	(2,176)	(2,136)
Change in non-cash working capital	(236)	(536)
	(26,221)	(13,891)
Financing activities:		
Deferred contributions related to expenses of future periods	20,697	16,059
Payment of mortgage	(667)	(667)
Proceeds from disposal of capital assets	-	321
Deferred contributions related to capital assets	165	1,021
Endowment contributions	137	26
	20,332	16,760
Investing activities:		
Sale of investments	3,702	4,740
Adjustment to opening net assets - unrealized investment gain	2,189	-
Unrealized investment loss	(2,193)	-
Purchase of capital assets	(5,460)	(5,886)
	(1,762)	(1,146)
Change in cash and bank indebtedness	(7,651)	1,723
Cash and bank indebtedness, beginning of year	8,138	6,415
Cash and bank indebtedness, end of year	\$ 487	\$ 8,138
Cash is comprised of:		
Cash	\$ 4,336	\$ 9,260
Bank indebtedness	(3,849)	(1,122)
	\$ 487	\$ 8,138
Supplemental disclosure of cash transactions:		
Interest paid on mortgage	\$ 466	\$ 490

See accompanying notes to the financial statements

# THE CANADIAN NATIONAL INSTITUTE FOR THE BLIND

Notes to Financial Statements  
(in thousands of dollars except as noted)  
Year ended March 31, 2008

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The Canadian National Institute for the Blind ("CNIB") is a nationwide, community-based, volunteer agency committed to research, public education and the vision health of all Canadians. It provides vital programs and services, innovative consumer products, and one of the world's largest libraries for people with print disabilities. CNIB also focuses on protection and prevention today, as well as on treatments and cures for tomorrow.

CNIB was incorporated on March 30, 1918 by Letters Patent under the Companies Amendment Act of 1917.

CNIB is a registered charity under the Income Tax Act (Canada) (the "Act") and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, CNIB must meet certain requirements under the Act. In the opinion of management, these requirements have been met.

## **1. Significant accounting policies:**

### **(a) Revenue recognition:**

CNIB follows the deferral method of accounting for contributions, which include support from the public, bequests and Government support.

Externally restricted contributions, other than endowments, are recognized as revenue in the year in which the related expenses are incurred. Contributions for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

Endowment contributions are recognized as direct increases in net assets in the year in which they are received.

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

Income from investments includes the realized gains or losses from the sale of units of CNIB's managed investment funds, as well as interest income. Restricted investment income is recognized as revenue in the year in which the related expenses are recognized. All other investment income is recognized as revenue when earned.

Revenue from fees for service and sale of consumer products and assistive technology is recognized when the services are provided or the goods are sold.

# THE CANADIAN NATIONAL INSTITUTE FOR THE BLIND

Notes to Financial Statements  
(in thousands of dollars except as noted)  
Year ended March 31, 2008

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## 1. Significant accounting policies (continued):

### (b) Investments:

Investments are classified as available for sale and are carried at fair value. Prior year investments are recorded at cost less write-downs, if required, for other than temporary declines in value.

In determining fair values, adjustments have not been made for transactions costs as they are not considered significant. The net unrealized gain or loss on investments, being the difference between book value and fair value, is included in the statement of changes in net assets.

Pooled funds are valued at year-end quoted market prices.

### (c) Inventories and supplies:

Inventories and supplies are recorded at the lower of cost and net realizable value.

### (d) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Assets are amortized over the estimated life of the assets. Repairs and maintenance costs are charged to expense. If a capital asset no longer contributes to CNIB's ability to provide services, its carrying amount is written down to its residual value.

Capital assets are amortized on a straight-line basis using the following annual rates:

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Buildings	2.5%
Computer equipment and software	33.3%
Furniture and office equipment	25.0%

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### (e) Interest rate swap:

CNIB has an interest rate swap which is recorded at market value under accounts payable and accrued liabilities and the change in market value is included as a financing charge on the Statement of Operations.

### (f) Volunteer services:

CNIB benefits from substantial services in the form of volunteer time to fulfill its mission. Since these invaluable services are not purchased by CNIB, they are not recorded in these financial statements.

# THE CANADIAN NATIONAL INSTITUTE FOR THE BLIND

Notes to Financial Statements  
(in thousands of dollars except as noted)  
Year ended March 31, 2008

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## 1. Significant accounting policies (continued):

### (g) Employee future benefits:

CNIB has a registered defined benefit pension plan which covers most of its employees and a non-registered defined benefit pension plan. The plans provide pension benefits based on years of service, years of contributions and final average earnings. The cost of the registered defined benefit plan is being funded currently. The cost of the non-registered plan is expensed and accrued currently and will be funded as benefits are paid. CNIB does not provide any significant non-pension, post retirement benefits.

CNIB accrues its obligations under its employee pension plans as the employee renders the service necessary to earn the pension.

CNIB has adopted the following policies:

- (i) The costs of pension benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of expected plan investment performance, salary escalation and retirement ages of employees. The interest discount rate is determined in accordance with guidelines as set out in the Canadian Institute of Chartered Accountants (CICA) Handbook.
- (ii) For the purpose of calculating the expected return on plan assets, those assets are valued at fair value as at March 31, 2008. The most recent actuarial valuation of the pension plan for funding purposes was as of December 31, 2006. The next required evaluation will be as of December 31, 2009.
- (iii) The excess of the net actuarial gain (loss) over 10% of the greater of the benefit obligation and the market value of plan assets is amortized over the expected average remaining service period of the active employees which, for the pension plan, is 15.2 years. Past service costs are amortized over 12.0 years.

### (h) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue, expenditures and changes in net assets during the year. Actual results could differ from these estimates.

# THE CANADIAN NATIONAL INSTITUTE FOR THE BLIND

Notes to Financial Statements  
(in thousands of dollars except as noted)  
Year ended March 31, 2008

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## **2. Change in accounting policy:**

Effective April 1, 2007, CNIB adopted CICA Handbook section 3855 Financial Instruments Recognition and Measurement. CNIB has classified all of its investments as available for sale and carries them at fair value.

The impact of the change is to adjust net assets as of April 1, 2007 for the net unrealized gain on investments of \$2,189 and to recognize a net unrealized loss on investments in the current year of \$2,193.

Upon adoption of the new standard, CNIB designated its cash as held-for-trading, which is measured at fair value. Accounts receivable are classified as loans and receivables which are measured at amortized cost. Accounts payable and accrued liabilities and bank indebtedness are classified as other financial liabilities, which are measured at amortized cost.

CNIB has designated its mortgage as held-to-maturity and, as such, it is recorded at amortized cost.

## **3. Future accounting change:**

The CICA has issued new accounting standards on financial instruments that revise and enhance the current disclosure requirements but do not change the existing presentation requirements for financial instruments. These new standards will be effective for CNIB commencing April 1, 2008. The new disclosures will provide additional information on the nature and extent of risks arising from financial instruments to which CNIB is exposed, and how it manages those risks.

## **4. Cash:**

Cash includes restricted amounts of \$3,806 (2007 - \$6,559) for the CNIB Lottery. The monies are restricted for payments relating to the CNIB Lottery, including payment for prizes and related expenditures of the CNIB Lottery.

# THE CANADIAN NATIONAL INSTITUTE FOR THE BLIND

Notes to Financial Statements  
(in thousands of dollars except as noted)  
Year ended March 31, 2008

## 5. Investments:

	2008		2007	
	Cost	Fair value	Cost	Fair value
Canadian fixed income securities	\$ 254	\$ 254	\$ 249	\$ 260
Investments held in pooled funds	43,873	43,869	47,576	49,754
	<b>\$ 44,127</b>	<b>\$ 44,123</b>	<b>\$ 47,825</b>	<b>\$ 50,014</b>

The Canadian fixed income securities produce a yield to maturity ranging from 2.9% to 3.8% (2007 - 3.0% to 3.8%) and have a term to maturity ranging from 0.3 to 3.8 years (2007 - 0.3 to 3.8 years).

The investments held in pooled funds have the following portfolio:

	2008	2007
Canadian fixed income securities and cash	44%	42%
Canadian equities	23%	23%
U.S. and Global equities	33%	35%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The Canadian fixed income securities held within the pooled funds have yields to maturity of 4.1% to 4.4% (2007 - 4.4% to 4.5%) and weighted average term to maturity in years ranging from 9.3 to 12.5 (2007 - 9.4 to 9.6 years).

The cumulative adjustment for unrealized gain (loss) on investments is as follows:

	2008	2007
Cumulative adjustment, beginning of year	\$ 2,189	\$ -
Adjustment for the unrealized loss on investments	(2,193)	-
<b>Cumulative adjustment, end of year</b>	<b>\$ (4)</b>	<b>\$ -</b>

Investment risk management:

Risk management relates to the understanding and active management of risks associated with all areas of the business and the associated operating environment. Investments are primarily exposed to interest rate, market and foreign currency risk. CNIB has formal policies and procedures that establish target asset mix.

# THE CANADIAN NATIONAL INSTITUTE FOR THE BLIND

Notes to Financial Statements  
(in thousands of dollars except as noted)  
Year ended March 31, 2008

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## 5. Investments (continued):

Interest rate risk:

Interest rate risk arises from the possibility that changes in interest rates will affect the value of fixed income securities held by CNIB. CNIB has formal policies and procedures that establish target asset mix, minimum credit ratings and varying terms of the securities held.

Market risk:

Market risk arises as a result of trading in equity securities and fixed income securities. Fluctuations in the market expose CNIB to a risk of loss. CNIB mitigates this risk through controls to monitor and limit concentration levels.

Foreign exchange risk:

Foreign exchange risk arises from gains and losses due to fluctuations in foreign currency exchange rates on CNIB's non-Canadian securities. Foreign currency risk is managed through construction of a diversified portfolio of instruments in various currencies.

Credit risk:

CNIB is exposed to credit-related losses in the event of non-performance by counterparties to the financial instruments. Credit exposure is minimized by dealing with only credit worthy counterparties.

## 6. Capital assets:

	2008		2007	
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 6,485	\$ -	\$ 6,485	\$ 6,485
Buildings	61,333	14,314	47,019	46,284
Computer equipment and software	20,512	15,240	5,272	4,363
Furniture and office equipment	5,862	5,269	593	833
	<u>\$ 94,192</u>	<u>\$ 34,823</u>	<u>\$ 59,369</u>	<u>\$ 57,965</u>

## 7. Bank indebtedness:

CNIB has various credit facilities available to fund operations and capital expenditures, totalling \$12 million at varying rates of interest. These amounts are due upon demand and are secured by the CNIB Centre and a general security agreement.

# THE CANADIAN NATIONAL INSTITUTE FOR THE BLIND

Notes to Financial Statements  
(in thousands of dollars except as noted)  
Year ended March 31, 2008

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## 8. Mortgage:

The mortgage is due on March 31, 2016, repayable at a rate of \$56 thousand per month for the principal. The loan is secured by a first fixed charge over the building and land located at 1929 Bayview Avenue, Toronto.

CNIB is responsible for principal payments of \$667 thousand per year plus interest from 2008 to 2016. The interest expense for the year was \$466 (2007 - \$490).

CNIB has entered into an interest rate swap for the mortgage of 1929 Bayview Avenue, Toronto. At March 31, 2008 the fair value of the interest rate swap is \$350 and is recorded under accounts payable and accrued liabilities in the Statement of Financial Position and a financing charge in the Statement of Operations. The swap has a total notional value of \$8,721 and the all inclusive interest rate for that portion of the mortgage is fixed at 5.33%. Principal repayments are due monthly with the swap agreement expiring on March 31, 2016.

## 9. Accrued pension liability:

Information about CNIB's defined benefit pension plans as at March 31, is as follows:

	2008	2007
Accrued pension obligation	\$ 93,641	\$ 93,200
Plan assets	88,882	91,220
Funded status - deficit	(4,759)	(1,980)
Unamortized past service costs	2,717	747
Unamortized net actuarial (gain)	(2,340)	(3,901)
Accrued pension liability	\$ (4,382)	\$ (5,134)

Pension plan assets consist of:

	2008	2007
Canadian fixed income securities and cash	40%	37%
Equities	60%	63%
Total	100%	100%

# THE CANADIAN NATIONAL INSTITUTE FOR THE BLIND

Notes to Financial Statements  
(in thousands of dollars except as noted)  
Year ended March 31, 2008

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## 9. Accrued pension liability (continued):

The significant actuarial assumptions adopted in measuring CNIB's accrued pension liability are as follows:

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	2008	2007
Accrued benefit obligation:		
Discount rate	5.25%	5.00%
Rate of compensation increase	4.00%	4.00%
Benefit costs:		
Discount rate	5.25%	5.00%
Expected long-term rate of return on plan assets	7.25%	7.25%
Rate of compensation increase	4.00%	4.00%

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CNIB's pension plan expense is as follows:

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	2008	2007
Current service cost	\$ 3,166	\$ 2,979
Interest cost	4,684	4,675
Expected return on plan assets	(6,497)	(5,760)
Amortization of past service costs	171	134
Amortization of unrecognized net actuarial gain	(100)	(40)
Net pension plan expense	\$ 1,424	\$ 1,988

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# THE CANADIAN NATIONAL INSTITUTE FOR THE BLIND

Notes to Financial Statements  
(in thousands of dollars except as noted)  
Year ended March 31, 2008

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## 10. Deferred contributions:

### (a) Expenses of future periods:

Deferred contributions related to expenses of future periods represent unspent, externally restricted amounts.

	2008	2007
Balance, beginning of year	\$ 10,182	\$ 12,318
Add: amount received	20,697	16,059
Less: amount recognized as revenue in year	(16,060)	(16,226)
amount transferred to deferred capital assets	(2,679)	(1,969)
Balance, end of year	\$ 12,140	\$ 10,182

### (b) Capital assets:

Deferred contributions related to capital assets represent the unspent and unamortized amount of restricted contributions received for the purchase of capital assets.

	2008	2007
Balance, beginning of year	\$ 13,792	\$ 12,704
Add: amount received in the year	165	1,021
amount transferred from expenses of future periods	2,679	1,969
Less: amount recognized as revenue in year	(1,337)	(1,902)
Balance, end of year	\$ 15,299	\$ 13,792

# THE CANADIAN NATIONAL INSTITUTE FOR THE BLIND

Notes to Financial Statements  
(in thousands of dollars except as noted)  
Year ended March 31, 2008

## 11. Invested in capital assets:

CNIB has an investment in capital assets, which is calculated as follows:

	2008	2007
Capital assets:	\$ 59,369	\$ 57,965
Amounts financed by:		
Deferred capital contributions	(15,299)	(13,792)
Bank indebtedness/mortgage related to capital expenditures	(8,741)	(10,059)
Accounts payable and accrued liabilities	(73)	(76)
	<u>\$ 35,256</u>	<u>\$ 34,038</u>

The change in this balance is calculated as follows:

	2008	2007
Deficiency of revenue over expenditures:		
Amortization of deferred capital contributions	\$ 1,337	\$ 1,902
Gain on disposal of capital assets	-	62
Amortization of capital assets	(4,056)	(4,664)
	<u>(2,719)</u>	<u>(2,700)</u>
Net change in invested in capital assets:		
Purchase of capital assets	5,460	5,886
Amounts funded by:		
Deferred capital contributions	(2,844)	(2,990)
Less unspent contributions	-	22
Bank indebtedness/mortgage related to capital expenditures	1,318	(386)
Accounts payable and accrued liabilities	3	701
Proceeds on disposal of capital assets	-	(321)
	<u>3,937</u>	<u>2,912</u>
	<u>\$ 1,218</u>	<u>\$ 212</u>

## 12. Endowments - research:

Certain net assets of CNIB have been externally restricted for research purposes.

## 13. Internally restricted net assets:

The Board of Directors has designated certain net assets as internally restricted for research, specific program and working capital purposes. These net assets are to be used for their designated purposes unless otherwise determined by the Board of Directors.

# THE CANADIAN NATIONAL INSTITUTE FOR THE BLIND

Notes to Financial Statements  
(in thousands of dollars except as noted)  
Year ended March 31, 2008

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## 14. Commitments and contingencies:

### (a) Lease obligations:

CNIB has commitments with respect to operating leases for premises, vehicles and equipment. The minimum annual commitment under these leases is approximately as follows:

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2009	\$	1,771
2010		1,539
2011		1,380
2012		1,189
2013		743
Thereafter		636

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In relation to these leases, CNIB has agreed to indemnify the landlords against losses occurring on the leased premises which may arise out of a breach of the lease agreement.

### (b) Letters of credit:

CNIB has a standby letter of credit of \$4,500 and a \$500 general operating line issued by a financial institution for the 2008 CNIB Lottery. CNIB is required to hold such letters of credit in accordance with the rules and regulations of the Alcohol and Gaming Commission of Ontario.

CNIB has standby letters of credit with a financial institution of \$552 for the CNIB Centre on Bayview Avenue in Toronto.

CNIB has a standby letter of credit with a financial institution of \$90 for its payroll.

CNIB has a standby letter of credit with a financial institution of \$30 for the Lake Joseph Centre in Seguin, Ontario.

## 15. Alberta Reporting Requirements:

Direct fund development costs include \$754 (2007 - \$657) paid as remuneration to Alberta employees whose principal duties involve fundraising.

# THE CANADIAN NATIONAL INSTITUTE FOR THE BLIND

Notes to Financial Statements  
(in thousands of dollars except as noted)  
Year ended March 31, 2008

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## **16. Restructuring:**

CNIB incurred costs associated with the re-organization of its activities including severances, office closures and other associated costs totalling \$1,697 (2007 - \$799).

## **17. Indemnifications of directors and officers:**

CNIB has indemnified its past, present and future directors, officers, employees and volunteers against expenses (including legal expenses), judgements and any amount actually or reasonably incurred by them in connection with any action, suit or proceeding in which the directors are sued as a result of their service, if they acted honestly and in good faith with a view to the best interests of CNIB. The nature of the indemnity prevents CNIB from reasonably estimating the maximum exposure. CNIB has purchased directors' and officers' liability insurance with respect to this indemnification.

## **18. Financial instruments:**

The carrying values of financial assets and liabilities being cash, accounts receivable, bank indebtedness, and accounts payable and accrued liabilities approximate their fair values due to the relatively short-term maturity. The carrying value of the mortgage approximates its fair value due to the terms and conditions of the borrowing arrangements compared to current market terms and conditions for similar items.

The fair value of investments is noted in note 5.

## **19. Comparative figures:**

Certain comparative figures for 2007 have been reclassified to conform to the financial statement presentation adopted in 2008.