

**THE MICHAEL J. FOX FOUNDATION FOR
PARKINSON'S RESEARCH**

Financial Statements

Year ended December 31, 2009

AUDITORS' REPORTT. 416.361.1622
F. 416.480.2646**To the Board of Directors of
The Michael J. Fox Foundation for Parkinson's Research**www.collinsbarrow.com

We have audited the statement of net assets of The Michael J. Fox Foundation for Parkinson's Research ("the Foundation") as at December 31, 2009 and the statement of operations and changes in net assets 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.

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 not-for-profit organizations, the Foundation derives revenue from cash donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue 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 from donations and fundraising events, excess of revenue over expenses, assets and net assets.

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.

*Collins Barrow Toronto LLP***Licensed Public Accountants
Chartered Accountants**Toronto, Canada
April 9, 2010

The Michael J. Fox Foundation for Parkinson's Research
Statement of Net Assets

As at December 31,	2009
ASSETS	
Current assets	
Cash	\$ 78,534
Contribution receivable (note 3)	250,000
Due from The Michael J. Fox Foundation for Parkinson's Research [USA] (note 8)	102,175
	\$ 430,709
LIABILITIES	
Current liabilities	
Grants payable (note 4)	\$ 425,709
Accounts payable and accrued liabilities	5,000
	430,709
NET ASSETS	
Unrestricted	-
	\$ 430,709

See accompanying notes to financial statements

Approved by the board of directors

Director

Director

The Michael J. Fox Foundation for Parkinson's Research
Statement of Operations and Changes in Net Assets

Year ended December 31,	2009
Revenue	
Foundation donations (note 3)	\$ 250,000
Individual donations	184,941
	<u>434,941</u>
Expenses	
Research grant awards (note 4)	425,709
Administration and other	9,232
	<u>434,941</u>
Excess of revenue over expenses	-
Net assets, beginning of year	-
Net assets, end of year	\$ -

See accompanying notes to financial statements

The Michael J. Fox Foundation for Parkinson's Research
Statement of Cash Flows

Year ended December 31,	2009
Cash provided by (used in)	
Operations	
Excess of revenue over expenses	\$ -
Net change in non-cash items	
Contribution receivable	(250,000)
Due from The Michael J. Fox Foundation for Parkinson's Research [USA]	(102,175)
Grants payable	425,709
Accounts payables and accrued liabilities	5,000
Net change in cash	78,534
Cash, beginning of year	-
Cash, end of year	\$ 78,534

See accompanying notes to financial statements

The Michael J. Fox Foundation for Parkinson's Research

Notes to Financial Statements

Year ended December 31, 2009

1. Introduction

The Michael J. Fox Foundation for Parkinson's Research (the "Foundation") was incorporated October 29, 2008, by letters patent under the Canada Corporations Act. The Foundation is a registered charitable organization under Section 149(1)(f) of the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements are met. The Foundation commenced operations on January 1, 2009.

Parkinson's disease is a chronic, degenerative neurological disorder that affects an estimated five million people worldwide. The Foundation is dedicated to ensuring the development of better treatments and, ultimately, a cure for Parkinson's disease through an aggressively funded research agenda.

2. Significant Accounting Policies

Basis of Accounting

These financial statements have been prepared in conformity with accounting principles generally accepted in Canada applicable to registered charities.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities. Significant estimates included in these financial statements are related to the contribution receivable. Actual results could differ from those estimates.

Revenue Recognition

The Foundation follows the deferral method of accounting for contributions which include foundation and individual donations. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

Financial Instruments

All financial instruments are classified into one of the following five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. Held-for-trading financial investments are measured at fair value and all gains and losses are included in investment income in the period in which they arise. Available-for-sale financial instruments are measured at fair value with revaluation gains and losses included in the statement of net assets until the instruments are derecognized or impaired. Loans and receivables, investments held to maturity, and other financial liabilities are measured at amortized cost using the effective interest method.

The Foundation has made the following classifications:

Cash	Held-for-trading
Contribution receivable	Loans and receivables
Due from The Michael J. Fox Foundation for Parkinson's Research [USA]	Loans and receivables
Grants payable	Other liabilities
Accounts payable and accrued liabilities	Other liabilities

The Michael J. Fox Foundation for Parkinson's Research

Notes to Financial Statements

Year ended December 31, 2009

2. Significant Accounting Policies (continued)

Donations In-Kind

Contributions of services and materials are only recognized when all of the following conditions are met:

- when fair value can reasonably be estimated and is above \$2,500
- when the services and/or materials are used in the normal course of operations, and
- when the services and/or materials would otherwise have been purchased.

From time to time, volunteers make significant contributions of their time to the Foundation and its purpose. The value of this contributed time is not reflected in these financial statements.

3. Contribution Receivable

The funds to be received are restricted for use at a specific research site.

4. Grant Awards

The Foundation awards research grants based upon (i) the guidance and input of its Scientific Advisory Board and other highly regarded scientists who serve on the grant review committees specializing in Parkinson's research, and (ii) the availability of funding. Full funding is dependent on fulfillment of predetermined, specific milestones and on the researchers' agreement to make the results of their work available to the Parkinson's research community. During the year, specific grants in the amount of \$425,709 were committed by the Foundation.

5. Financial Instruments

The carrying value of cash, contribution receivable, amount due from The Michael J. Fox Foundation for Parkinson's Research [USA], grants payable and accounts payable and accrued liabilities approximates fair values due to the relatively short-term maturity of these instruments. Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price, if one exists.

6. Capital Management

The Foundation's objectives when managing capital – defined as working capital (current assets less current liabilities) – are to maintain working capital to sustain operations while paying out as much as possible in research grants to ensure the development of better treatments and, ultimately, a cure for Parkinson's disease. Working capital as at December 31, 2009 is \$nil. The Foundation is not subject to externally imposed capital requirements.

7. Agency Agreement

During the year ended December 31, 2009, the Foundation entered into an agency agreement with The Michael J. Fox Foundation for Parkinson's Research [USA] (the "Agent") where in the Foundation appointed the Agent for the purpose of holding in trust for the Foundation amounts to be paid out as research grants. This agreement also entitles the Agent to reimbursement from the Foundation for all reasonable expenses incurred in connection with the performance of its duties. During the year ended December 31, 2009, total expenses in the amount of \$4,232 were incurred by the Agent on behalf of the Foundation.

The Michael J. Fox Foundation for Parkinson's Research

Notes to Financial Statements

Year ended December 31, 2009

8. Related Party Transactions and Balances

The balance due from The Michael J. Fox Foundation for Parkinson's Research [USA] consists of \$106,407 of donations received on behalf of the Foundation less expenses of \$4,232 incurred on behalf of the Foundation. The receivable is non-interest bearing with no specified terms of repayment.

The Foundation is controlled by The Michael J. Fox Foundation for Parkinson's Research [USA]. All transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.