Consolidated Financial Statements of

MARCH OF DIMES CANADA

And Independent Auditor's Report thereon

Year ended March 31, 2024

KPMG LLP
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of March of Dimes Canada

Qualified Opinion

We have audited the consolidated financial statements of March of Dimes Canada (the Entity), which comprise:

- the consolidated statement of financial position as at March 31, 2024
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in fund balances for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the ***"Basis for Qualified Opinion"*** section of our auditor's report, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at March 31, 2024, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the Entity derives revenue from charitable donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Entity.

Therefore, we and the predecessor auditor, were not able to determine whether any adjustments might be necessary to:

- the current assets reported in the consolidated statements of financial position as at March 31, 2024 and March 31, 2023
- the donations and fundraising and donations-in-kind revenues and excess (deficiency) of revenue over expenses reported in the consolidated statements of operations for the years ended March 31, 2024 and March 31, 2023

- the unrestricted net assets, at the beginning and end of the year, reported in the consolidated statements of changes in net assets for the years ended March 31, 2024 and March 31, 2023
- the excess (deficiency) of revenue over expenses reported in the consolidated statements of cash flows for the years ended March 31, 2024 and March 31, 2023.

The predecessor auditor's opinion on the financial statements for the year ended March 31, 2023 was qualified accordingly because of the possible effects of this limitation in scope.

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 auditor's report.

We are independent of the Entity 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 qualified opinion.

Other Matter - Comparative Information

The financial statements for the year ended March 31, 2023 were audited by another auditor who expressed a qualified opinion on those financial statements on July 25, 2023 due to the matter described in the ***"Basis for Qualified Opinion"*** section.

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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

KPMG

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 the financial statements.

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 Entity'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 Entity'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 Entity 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.

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

July 24, 2024

MARCH OF DIMES CANADA

Consolidated Statement of Financial Position

March 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash and restricted cash (note 3)	$ 20,115,958	$ 16,924,124
Accounts receivable (note 4)	6,617,007	5,678,344
Amount due from March of Dimes Canada Non-Profit Housing Corporation ("NPHC") (note 5(a))	121,738	188,554
Prepaid expenses	855,849	543,163
	27,710,552	23,334,185
Restricted investments (note 6)	15,481,772	16,635,478
Capital assets (notes 7 and 8)	18,840,742	4,390,731
Intangible asset (note 9)	–	1,413,751
	$ 62,033,066	$ 45,774,145
Liabilities and Fund Balances		
Current liabilities:		
Accounts payable and accrued liabilities (note 10)	$ 11,840,142	$ 11,431,335
Unexpended program grants and deferred revenue (note 11)	3,687,460	3,107,139
Government advances	8,173,255	5,246,056
	23,700,857	19,784,530
Deferred capital grants (note 12)	643,127	711,391
Total liabilities	24,343,984	20,495,921
Fund balances:		
Internally restricted funds:		
Invested in capital and intangible assets	18,197,615	5,093,091
Operating Reserve (note 13(a))	10,734,422	10,010,437
Infrastructure Reserve (note 13(b))	4,688,337	4,996,441
Strategic Opportunity Reserve (note 13(c))	4,068,708	5,178,255
	37,689,082	25,278,224
Commitments (note 15)		
	$ 62,033,066	$ 45,774,145

See accompanying notes to consolidated financial statements.

On behalf of the Board:

____________________ Chair, Board of Directors

____________________ Chair, Risk and Audit Committee

MARCH OF DIMES CANADA

Consolidated Statement of Operations

Year ended March 31, 2024, with comparative information for 2023

	Operating fund	Invested in capital and intangible assets	Operating Reserve	Infrastructure Reserve	Strategic Opportunity Reserve	2024 Total	2023 Total
Revenue:							
Government grants	$ 117,832,499	$ 181,507	$ –	$ –	$ –	$ 118,014,006	$ 111,195,723
Fee for service	37,167,578	–	–	–	–	37,167,578	43,407,046
Philanthropy and non-government grants (note 13)	7,941,169	–	–	–	–	7,941,169	6,888,715
Investment and other (note 6)	1,610,323	–	761,065	162,083	262,666	2,796,137	1,130,798
Gain on exchange of capital assets (note 8)	–	14,996,566	–	–	–	14,996,566	–
	164,551,569	15,178,073	761,065	162,083	262,666	180,915,456	162,622,282
Expenses:							
Programs:							
Community Support Services	110,539,251	–	–	–	–	110,539,251	98,853,285
Employment Services	14,932,410	–	–	–	–	14,932,410	25,186,637
Home and Vehicle Modification Program	15,440,599	–	–	–	–	15,440,599	15,485,340
Donor Funded Programs	6,212,898	–	–	–	512,602	6,725,500	7,864,513
Advocacy and Public Affairs	1,252,408	–	–	–	–	1,252,408	770,154
	148,377,566	–	–	–	512,602	148,890,168	148,159,929
Philanthropy (note 13)	3,478,605	–	–	–	–	3,478,605	3,106,481
Administration	12,688,847	–	43,631	470,187	859,611	14,062,276	11,606,148
Amortization of capital assets (note 7)	–	659,798	–	–	–	659,798	861,283
Impairment of intangible asset (note 9)	–	1,413,751	–	–	–	1,413,751	–
Loss on disposal of capital assets (note 7)	–	–	–	–	–	–	1,107,875
	164,545,018	2,073,549	43,631	470,187	1,372,213	168,504,598	164,841,716
Excess (deficiency) of revenue over expenses	$ 6,551	$ 13,104,524	$ 717,434	$ (308,104)	$ (1,109,547)	$ 12,410,858	$ (2,219,434)

See accompanying notes to consolidated financial statements.

MARCH OF DIMES CANADA

Consolidated Statement of Changes in Fund Balances

Year ended March 31, 2024, with comparative information for 2023

		Internally restricted funds				2024	2023
	Operating fund	Invested in capital and intangible assets	Operating Reserve	Infrastructure Reserve	Strategic Opportunity Reserve	Total	Total
Fund balances, beginning of year	$ –	$ 5,093,091	$ 10,010,437	$ 4,996,441	$ 5,178,255	$ 25,278,224	$ 27,497,658
Excess (deficiency) of revenue over expenses	6,551	13,104,524	717,434	(308,104)	(1,109,547)	12,410,858	(2,219,434)
Purchase of capital assets	–	113,243	(113,243)	–	–	–	–
Deferred capital grants	–	(113,243)	113,243	–	–	–	–
Inter-fund transfers:							
Transfer to Operating Reserve	(6,551)	–	6,551	–	–	–	–
Fund balances, end of year	$ –	$ 18,197,615	$ 10,734,422	$ 4,688,337	$ 4,068,708	$ 37,689,082	$ 25,278,224

See accompanying notes to consolidated financial statements.

MARCH OF DIMES CANADA

Consolidated Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Operating activities:		
Excess (deficiency) of revenue over expenses	$ 12,410,858	$ (2,219,434)
Items not involving cash:		
Amortization of capital assets	659,798	861,283
Loss on disposal of capital assets (note 9)	1,413,751	1,107,875
Gain on exchange of capital assets (note 8)	(14,996,566)	–
Amortization of deferred capital grants	(181,507)	(165,415)
Change in unrealized losses on restricted investments	722,057	(162,995)
Change in non-cash operating working capital:		
Accounts receivable	(938,663)	954,780
Amount due from NPHC	66,816	19,764
Prepaid expenses	(312,686)	(48,837)
Accounts payable and accrued liabilities	408,807	(90,834)
Unexpended program grants and deferred revenue	580,321	90,427
Government advances	2,927,199	1,158,863
	2,760,185	1,505,477
Financing activities:		
Receipt of deferred capital grants	113,243	113,859
Investing activities:		
Purchase of restricted investments, net	431,649	(114,388)
Purchase of capital assets	(113,243)	(690,055)
	318,406	(804,443)
Increase in cash and restricted cash	3,191,834	814,893
Cash and restricted cash and short-term investments, beginning of year	16,924,124	16,109,231
Cash and restricted cash, end of year	$ 20,115,958	$ 16,924,124
Represented by:		
Unrestricted cash	$ 19,804,737	$ 16,690,627
Restricted cash	311,221	233,497
	$ 20,115,958	$ 16,924,124

See accompanying notes to consolidated financial statements.

1. Purpose of the organization:

March of Dimes Canada ("MODC") is a national registered charity committed to championing equity, empowering ability, and creating real change that will help the more than eight million people living with disabilities across the country unlock the richness of their lives.

The organization has evolved over its history, which began in 1951 when the Canadian Foundation for Poliomyelitics was incorporated to eliminate polio. When reconstituted as an organization with members from across Canada, the original Board of Directors from Ontario formed the Ontario Corporation, Rehabilitation Foundation for Poliomyelitics and the Orthopedically Disabled, which became known as Ontario March of Dimes ("OMOD") and which was incorporated in 1957. The legal name of the corporation was subsequently changed to the Rehabilitation Foundation for the Disabled. As of May 2013, the non-profit corporation became incorporated federally as March of Dimes Canada ("MODC"); OMOD no longer existed as a provincial entity, and the former subsidiary, March of Dimes Canada, was registered as March of Dimes Canada Foundation. All operations are currently carried out by MODC, and March of Dimes Canada Foundation remains inactive.

These consolidated financial statements include the assets, liabilities, revenue and expenses of MODC and March of Dimes Canada Foundation. Management has opted the accounting policy choice to note disclosure other controlled organizations, as outlined in note 5. The assets, liabilities, revenue and expenses of these entities are not included in the consolidated financial statements.

MODC is a registered charity under the Income Tax Act (Canada) and, as such, is exempt from income taxes.

MODC's programs include the following:

(a) Community Support Services - Essential services supporting people with disabilities and/or brain injuries to live independently at home and in the community, including outreach attendant services, supportive housing, brain injury services, and Northern Medical Clinics.

(b) Employment Services - Services supporting people with disabilities to achieve financial security through the pursuit and achievement of their employment goals. Programs include specialized assessment services, job skills training, placement services, and technology support through the TELUS Tech for Good program.

1. Purpose of the organization (continued):

(c) Home and Vehicle Modification Program - Program supporting people with disabilities to maximize their safety and independence through government-funded grants for home and vehicle accessibility renovations and retrofits.

(d) Donor Funded Programs - Programs and services fostering active, healthy, connected lives for people with disabilities and their families across all life stages, including skill development and transition support programs for children and youth, virtual peer support and skill development programs, After Stroke, and research and evaluation initiatives to inform design of person-centred, high-impact programs.

(e) Advocacy and Public Affairs - Programs and activities that aim to advance MODC's vision of an inclusive, barrier-free society, including organizational and consumer advocacy promoting legislation, policy and funding that improve equity, opportunity, and quality of life for people with disabilities.

2. Significant accounting policies:

These consolidated financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants of Canada Handbook.

(a) Revenue recognition

MODC follows the deferral method of accounting for contributions.

Government and non-government grants, fees for service, and other revenue are recognized on the accrual basis and are deferred until earned. Government grants relating to capital assets are deferred and amortized at the same rate as the related capital assets.

Unexpended program grants and deferred revenue represent funds received for specific programs that have not yet been expensed.

Philanthropy revenue includes revenue from direct mail, foundations, United Ways, community campaigns, special events, charitable gaming, bequests and other donations, and is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Donation pledges are not recognized as revenue until received.

2. Significant accounting policies (continued):

Investment income is recognized as earned.

(b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Financial 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. MODC has elected to recognize investments 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 indication of impairment, MODC determines if 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 MODC expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss is reversed to the extent of the improvement, not exceeding the initial carrying value.

Restricted investments include pooled funds which are valued at the unit values supplied by the pooled fund administrator, which represents MODC's proportionate share of underlying net assets at fair values determined using closing market prices. The change in the difference between the fair value and cost of investments at the beginning and end of each year is reflected in the consolidated statement of revenue and expenses.

The carrying amounts of cash and restricted cash, accounts receivable, amount due from NPHC, accounts payable and accrued liabilities, and government advances approximate their fair values due to the short-term nature of these financial instruments.

Unless otherwise noted, it is management's opinion that MODC is not exposed to significant interest, currency, market or credit risk arising from financial instruments.

2. Significant accounting policies (continued):

(c) Capital assets:

Capital assets are recorded at cost less accumulated amortization and land is recorded at deemed cost. Amortization is recorded at the following bases and annual rates, which are expected to amortize the net cost of these assets over their estimated useful lives:

Asset	Basis	Rate
Buildings	Declining balance	5%
Machinery, equipment, computer hardware and software	Straight-line	5 years
Leasehold improvements	Straight-line	Term of related lease

The capitalization threshold for capital assets is $5,000. When a capital asset no longer contributes to MODC's ability to provide services, its carrying amount is written down to its residual value.

(d) Intangible asset:

Management reviews the carrying value of the indefinite life trademark for impairment, at least annually, whenever events and circumstances indicate that the carrying value of the asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. If the undiscounted expected future cash flows are deemed less than the carrying value of the asset, an impairment loss would be recognized equal to the amount by which the carrying value of the asset exceeds the fair value of the asset.

(e) Donated services:

Volunteers contribute a significant number of hours to assist MODC in carrying out its service delivery, administration, as well as Board and advisory activities. Because of the difficulty of determining their fair values, such contributed services are not recognized in the consolidated financial statements.

2. Significant accounting policies (continued):

(f) Use of estimates

The preparation of consolidated financial statements 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 consolidated financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates. Balances which require some degree of estimation and assumptions are valuation of investments, allowance for doubtful accounts, intangible asset, accrued liabilities, unexpended program grants and deferred revenue, government advances, deferred capital grants, and amortization of capital assets.

3. Cash and restricted cash:

Restricted cash of $311,221 (2023 - 233,497) relating to Bingo and Lottery philanthropy campaigns is included in Cash and restricted cash.

4. Accounts receivable:

	2024	2023
Fee for service	$ 3,292,890	$ 3,662,378
Property cost recoverable	711,961	958,656
Harmonized sales tax	306,091	578,065
Program fees	1,246,194	340,108
Stroke Recovery Association of British Columbus (note 5(c))		1,314
Other	1,059,871	123,005
Charitable gaming		14,818
	$ 6,617,007	$ 5,678,344

5. Controlled organizations:

MODC controls the following controlled organizations that are not consolidated in these consolidated financial statements:

(a) March of Dimes Canada Non-Profit Housing Corporation ("NPHC")

Ontario March of Dimes Non-Profit Housing Corporation, now known as NPHC, was provincially registered and was incorporated without share capital by MODC on June 2, 1992. It received continuance approval under the Canada Not-for-profit Corporations Act in May 2013.

NPHC was formed to provide and operate accessible, affordable, supportive housing, primarily to accommodate persons with physical disabilities. NPHC is a registered charity under the Income Tax Act (Canada) and, as such, is exempt from income taxes.

NPHC's financial statements are prepared in accordance with prescribed accounting policies which are applicable to Federal and Provincial non-profit housing programs as stipulated by the guidelines established by the Regional Municipality of Halton, its major funder.

MODC appoints all members of the Board of Directors of NPHC and, as such, exercises control over NPHC.

Transactions during the year with NPHC were as follows:

(i) NPHC paid $8,736 (2023 - 8,736) to MODC for services provided in connection with properties of NPHC other than the Jean and Howard Caine Apartments. MODC is not reimbursed for the value of the services provided for the Jean and Howard Caine Apartments.

(ii) MODC rents a portion of NPHC premises and pays rent to NPHC. The total charges were $83,917(2023 - $29,590).

5. Controlled organizations (continued):

Amount due from NPHC consists of the following:

	2024	2023
In 2018, NPHC signed a promissory note with MODC for a loan in the amount of $75,000 to support the expansion of the Standing Oaks building in Sarnia. The loan is repayable on demand and bears interest at the prime rate plus 1%, per annum, but the principal and the accrued interest are due no later than March 31, 2034	$ 57,000	$ 59,750
In 2010, NPHC signed a promissory note with MODC for a loan in the amount of $251,000 to acquire land and building in Sudbury, Ontario. The loan is repayable on demand and bears interest at the prime rate plus 1%, per annum, but the loan is payable no later than March 31, 2034	106,621	115,843
Interest receivable on the Sudbury promissory note	13,955	13,955
Rent payable	(53,600)	–
Amounts payable from NPHC related for miscellaneous expenses	(2,238)	(994)
	$ 121,738	$ 188,554

The following is a summary of financial information extracted from the financial statements of NPHC, and is not included in these consolidated financial statements of MODC:

	2024	2023
Current assets	$ 1,020,480	$ 1,033,604
Capital assets	10,999,976	11,509,183
	$ 12,020,456	$ 12,542,787
Current liabilities	$ 646,310	$ 716,457
Mortgage payable (long-term)	2,091,235	2,457,504
Deferred capital contribution	8,328,771	8,448,534
	11,066,316	11,622,495
Fund balances	954,140	920,292
	$ 12,020,456	$ 12,542,787

5. Controlled organizations (continued):

		2024		2023
Revenue	$	1,786,120	$	1,934,637
Expenses, including amortization of $624,164 (2023 - $610,867)		1,798,364		1,737,297
Excess (deficiency) of revenue over expenses	$	(12,244)	$	197,340
Cash flows provided by (used in):				
Operating activities	$	251,627	$	297,274
Financing activities		(180,423)		(150,184)
Investing activities		(81,223)		(157,573)
Net cash outflow	$	(10,019)	$	(10,483)

(b) Rehabilitation Foundation for Disabled Persons Incorporated, U.S. ("RFDP, U.S."):

RFDP, U.S. is incorporated in the United States as a registered charity whose objectives parallel those of MODC. The revenue and expenses are reported in the fiscal year end of that subsidiary. The activities of this entity are immaterial to MODC and are not included in these consolidated financial statements.

MODC appoints all members of the Board of Directors of RFDP, U.S. and, as such, exercises control over RFDP, U.S.

(c) Stroke Recovery Association of British Columbia (the "Association"):

The Association is incorporated under British Columba Societies Act on June 11, 1976, and is a registered charity under the Income Tax Act (Canada) and therefore is exempt from income tax. The Association's objectives are to provide stroke recovery services throughout the province of British Columbia.

MODC appoints the majority of the members of the Board of Directors of the Association and, as such, exercises control over the Association.

5. Controlled organizations (continued):

Transactions during the year with the Association were as follows:

(i) MODC total donations and bequests to the Association were $47,300 (2023 - $47,300);

(ii) MODC rents a portion of the Association premises and pays rent to the Association. The total charges were $59,933 (2023 - $55,366);

(iii) During the year, the Association paid MODC $122,237 (2023 - $120,470) for administrative salaries and benefit s; and

(iv) During the year, the Association paid MODC $47,300 (2023 - $47,300) for professional services rendered.

As at March 31, 2024, MODC did not have a net receivable from the Association. (2023 - $1,314).

The following is a summary of financial information extracted from the financial statements of the Association:

	2024	2023
Current assets	$ 657,424	$ 616,990
	$ 657,424	$ 616,990
Current liabilities	$ 38,549	$ 33,131
Deferred revenue	518,026	520,673
	556,575	553,804
Fund balances	100,849	63,186
	$ 657,424	$ 616,990
Revenue	$ 543,838	$ 469,152
Expenses	506,175	458,650
Excess of revenue over expenses	$ 37,663	$ 10,502
Cash flows provided (used) by:		
Operating activities	$ 47,599	$ 47,783
Net cash inflow	$ 47,599	$ 47,783

6. Restricted investments:

	2024		2023	
	Cost	Fair value	Cost	Fair value
Pooled funds - Strategic Opportunity Reserve	$ 3,120,797	$ 3,108,473	$ 4,465,423	$ 4,714,712
Pooled funds - Infrastructure Reserve	2,333,386	2,320,684	3,312,407	2,989,318
Pooled funds - Operating Fund	9,857,686	10,052,615	9,409,802	8,931,448
	$ 15,311,869	$ 15,481,772	$ 17,187,632	$ 16,635,478

The unrealized gain (loss) on restricted investments is recorded in investment and other revenue in the consolidated statement of operations, and allocated to the internally restricted funds.

For the year ended March 31, 2024, the change in unrealized gains (losses) on restricted investments is as follows:

Strategic Opportunity Reserve	$ (261,613)	$ 177,541
Infrastructure Reserve	310,387	(100,103)
Operating Reserve	673,283	(240,433)
	$ 722,057	$ (162,995)

7. Capital assets:

			2024	2023
	Cost	Accumulated amortization	Net book value	Net book value
Land	$ 7,079,758	$ –	$ 7,079,758	$ 1,860,000
Buildings	9,820,901	27,548	9,793,353	18,247
Machinery, equipment, computer hardware and software	4,202,293	2,350,690	1,851,603	2,429,577
Leasehold improvements	200,584	84,556	116,028	82,907
	$ 21,303,536	$ 2,462,794	$ 18,840,742	$ 4,390,731

7. Capital assets (continued)

The total cost of capital assets acquired during the year was $16,949,202 (2023 - $690,055) and was partially financed by capital grants of $113,241 (2023 - $113,859).

Amortization expense for the year totaled $659,798 (2023 - $861,283) of which $181,507 (2023 - $165,415) relates to government funded capital assets.

8. Non-monetary transaction:

During the year, MODC exchanged capital assets with an independent party. The assets received have been measured in MODC's consolidated financial statements at fair market value, based on an independent appraisal. There was no monetary consideration involved in the exchange. MODC has recognized a gain in the consolidated statement of operations of $14,996,566, representing the difference between the cost of the assets given up of $1,860,000 and the fair market value of the assets received of $16,856,566.

9. Intangible asset:

During the year, MODC recognized a write-down of $1,413,751 related to an acquired trademark. Management assessed the carrying value of the intangible asset as events and circumstances indicate the carrying value exceeds its fair value. This write-down has been included in the consolidated statement of operations as an impairment of intangible asset.

10. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of $2,145,872 (2023 - $1,231,713) for payroll-related taxes, all of which are current.

11. Unexpended program grants and deferred revenue:

MODC receives funds from government and other funding sources whereby the use of these funds is restricted to certain projects or programs. Unexpended program grants, other than government grants, represent unexpended funds relating to projects in process as at the end of the fiscal year. These programs operate on a break-even basis with any excess of expenses over revenue being funded from donations or fee-based services or being carried forward against subsequent annual operating grants. Due to their restrictive nature, any excess funds from completed programs are either returned to their original source, or taken into general revenue after MODC has received the appropriate approval.

MODC received several designated gifts from donor estates, which are included in deferred revenue. These contributions are deferred until such time as they are spent as designated by the donor.

12 Deferred capital grants:

Details of contributions received for capital asset purchases and amortization of the balances are as follows:

	2024	2023
Balance, beginning of year	$ 711,391	$ 762,947
Contributions received	113,243	113,859
Amounts recognized as revenue	(181,507)	(165,415)
Balance, end of year	$ 643,127	$ 711,391

13. Internally restricted funds:

MODC, through action of its Board of Directors, have designated internally restricted fund balances as reserves for specific use. Certain expenses included on the consolidated statement of revenue and expenses have been recognized in the internally restricted funds in accordance with their Board of Directors-designated use. The funds associated with this reserve will be invested in long-term investments and the related investment income will be reinvested into the reserve and related restricted investment funds.

13. Internally restricted funds (continued):

The following is a description of these funds and their respective designation:

(a) Operating Reserve:

The intended use of the Operating Reserve is to maintain core program delivery based on areas of greatest needs under the advisory of the Finance Committee and the Board of Directors.

The minimum amount $10,000,000 (2023 - $10,000,000) is designated in an amount sufficient to maintain ongoing operating and program delivery due to temporary or long-term changes in financial circumstances. The Operating Reserve serves a dynamic role and will be reviewed and adjusted in response to both internal and external changes.

The Operating Reserve is not intended to replace a permanent loss of funds or eliminate ongoing budget gap. It is the intention of MODC for the Operating Reserve to be used and replenished within a reasonably short period of time with the excess of revenue over expenses in the following year.

The amount of the Operating Reserve target minimum will be calculated every five years and confirmed each year at the approval of the annual budget, reported to the Finance Committee and the Board of Directors, and included in the regular financial reporting.

(b) Infrastructure Reserve

The Infrastructure Reserve is made of available funds for the repair of MODC owned buildings as well as leaseholds when other sources of funding are not available. In addition, this Reserve is intended to be utilized to support capacity building initiatives and to enhance efficiency of MODC operations through improved technology infrastructure.

The target amount of the Infrastructure Reserve is $3,000,000 (2023 - $3,000,000) .

(c) Strategic Opportunity Reserve (formerly, Ability and Beyond Reserve):

The Board of Directors has internally restricted these funds for the advancement of MODC's mission and development of organizational capacity via targeted initiatives.

The target amount of the Strategic Opportunity Reserve is $4,000,000 (2023 - $4,000,000).

13. Internally restricted funds (continued):

(d) Inter-fund transfers:

During the year, the Board of Directors approved the transfer of $6,551 from the Operating Fund to the Operating Reserve (transfer of $403,743 from the Operating Fund to the Infrastructure Reserve in 2023).

14. Credit facilities:

(a) MODC has a credit agreement for a demand line of credit of $4,000,000 and a letter of credit facility of $100,000 which is secured by a first priority claim on all present and future property of MODC. No amount had been drawn from this facility as at March 31, 2024 or 2023.

(b) MODC has an unsecured revolving lease line of credit by way of lease agreement of $1,000,000. No amount had been drawn from this facility as at March 31, 2024 or 2023.

15. Commitments:

Operating leases

In the normal course of operations, MODC enters into a variety of operational commitments in the form of leases for equipment and premises. The approximate future minimum annual lease payments are as follows:

	Equipment	Premises	Total
2025	$ 227,114	$ 3,541,010	$ 3,768,124
2026	86,797	1,796,489	1,883,286
2027	49,408	1,372,377	1,421,785
2028	7,207	1,214,092	1,221,299
2029	408	758,172	758,580
Thereafter	–	1,101,481	1,101,481
	$ 370,934	$ 9,783,621	$ 10,154,555

16. Pension plan:

MODC provides pension benefits for substantially all of its permanent employees through a defined contribution plan. Mandatory contributions are required from both participating permanent employees and MODC in accordance with established contribution rates. For the year ended March 31, 2024, MODC incurred $2,102,199 (2023 - $1,934,515) as its pension contribution expense.

17. Home and Vehicle Modification Program:

The Ministry of Seniors and Accessibility requires disclosure of the following financial information of the Home and Vehicle Modification Program. Revenue is included in Government grants revenue, and expenses are included in Home and Vehicle Modification Program expenses on the consolidated statement of revenue and expenses, as follows:

	2024	2023
Revenue	$ 15,628,135	$ 15,628,100
Expenses:		
Program delivery	1,808,127	1,458,587
Home and vehicle modifications	13,820,008	14,169,513
	15,628,135	15,628,100
Excess of revenue over expenses	$ –	$ –

The above amount of expenses of $15,628,135 (2023 - $15,628,100) includes $187,501 (2023 - $142,760) related to program administration.