

Financial Statements of

ONTARIO MARCH OF DIMES
(REHABILITATION FOUNDATION FOR THE DISABLED)

Year ended March 31, 2006



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AUDITORS' REPORT

To the Board of Directors of Ontario March of Dimes ("OMOD"®)
(Rehabilitation Foundation for the Disabled)

We have audited the balance sheet of Ontario March of Dimes (Rehabilitation Foundation for the Disabled) as at March 31, 2006 and the statements of revenue and expenses, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of OMOD'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, OMOD derives a portion of its revenue from fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of fundraising revenue was limited to the amounts recorded in the records of OMOD and we were unable to determine whether any adjustments might be necessary to fundraising revenue, excess of revenue over expenses, assets and fund balances.

In our opinion, except for the effect of any adjustments which we might have determined to be necessary had we been able to satisfy ourselves with respect to the completeness of revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of OMOD as at March 31, 2006 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 Ontario Corporations Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Chartered Accountants

Toronto, Canada

June 16, 2006

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Balance Sheet

March 31, 2006, with comparative figures for 2005

	2006	2005
Assets		
Current assets:		
Cash and restricted cash (note 2)	\$ 211,751	\$ 1,073,269
Marketable securities (note 3)	4,734,279	6,607,307
Accounts receivable (note 4)	3,960,651	5,009,095
Prepaid expenses	650,914	601,118
Grants and allocations receivable	786,820	712,424
	<u>10,344,415</u>	<u>14,003,213</u>
Endowed and Restricted Funds (notes 3 and 10)	1,069,983	2,033,952
Capital assets (note 5)	3,859,252	4,075,507
Intangible assets - Trademark (note 6)	1,773,750	-
	<u>\$ 17,047,400</u>	<u>\$ 20,112,672</u>

Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued charges	\$ 4,699,008	\$ 7,880,586
Unexpended program grants (note 7)	129,792	220,586
Government advances (note 7)	3,774,899	4,113,793
	<u>8,603,699</u>	<u>12,214,965</u>
Deferred capital grants (note 8)	1,278,885	1,463,640
Fund balances:		
Invested in capital and intangible assets	4,354,117	2,611,867
Capital Reserve Fund (note 9(a))	500,000	35,000
Stabilization Reserve Fund (note 9(b))	1,240,716	1,313,248
Endowed and Restricted Funds (note 10):		
Donor restricted	128,812	193,310
Board restricted	767,999	2,119,099
Endowed	173,172	161,543
	<u>1,069,983</u>	<u>2,473,952</u>
	<u>7,164,816</u>	<u>6,434,067</u>
	<u>\$ 17,047,400</u>	<u>\$ 20,112,672</u>

See accompanying notes to financial statements.

On behalf of the Board:

 _____ Director

_____ Director

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Statement of Revenue and Expenses

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005
Revenue:		
Government and other grants	\$ 52,197,083	\$ 42,771,583
Fees and sales	11,189,345	11,969,934
Fundraising (including United Way) (note 11)	7,081,171	6,165,597
Program recovery	7,837,596	7,594,561
Investment and other	923,780	824,951
Recovery from Employers Health Tax	112,998	700,000
	79,341,973	70,026,626
Expenses:		
Programs:		
Independent Living Services	35,983,385	33,765,702
Employment Services	21,030,777	20,448,621
AccessAbility® Services	14,682,600	7,832,236
Affirmative businesses	1,010,555	992,661
Recreation and Integration Services	443,472	412,082
Peer Support Services and Conductive Education®	1,292,634	715,654
Issue advocacy	214,573	216,437
Grants and awards	10,000	11,910
	74,667,996	64,395,303
Fundraising (note 11)	3,090,810	3,194,550
Donor acquisition (note 11)	600,195	606,771
Unallocated program and administration support	762,515	982,675
Amortization funded by donor dollars (notes 5 and 6)	307,312	330,696
Health benefit refund	(367,604)	-
Other (note 17)	(450,000)	-
	78,611,224	69,509,995
Excess of revenue over expenses	\$ 730,749	\$ 516,631

See accompanying notes to financial statements.

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Statement of Changes in Fund Balances

Year ended March 31, 2006, with comparative figures for 2005

	2006		2005		
	Invested in capital and intangible assets	Endowed and Restricted	Donor restricted	Board restricted	Total
	Capital Reserve Fund	Stabilization Reserve Fund	Endowed	Total	Total
Fund balances, beginning of year	\$ 2,611,867	\$ 1,313,248	\$ 193,310	\$ 2,119,099	\$ 6,434,067
Excess (deficiency) of revenue over expenses	(306,333)	796,106	16,485	187,862	11,629
Interfund transfers:					
Board designation of donations for endowment purposes	-	(701,038)	-	701,038	-
Interfund transfer	-	-	-	(440,000)	-
Purchase of capital assets	456,625	(456,625)	-	-	-
Deferred capital grants	(208,042)	208,042	-	-	-
Purchase of trademark	1,800,000	-	-	(1,800,000)	-
Purchase of accessible recreation bus	-	80,983	(80,983)	-	-
Fund balances, end of year	\$ 4,354,117	\$ 1,240,716	\$ 128,812	\$ 767,999	\$ 7,164,816
					\$ 6,434,067

See accompanying notes to financial statements.

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Statement of Cash Flows

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 730,749	\$ 516,631
Items not involving cash:		
Amortization	699,129	715,586
Amortization of deferred capital grants	(392,797)	(384,890)
Change in non-cash operating working capital:		
Accounts receivable	1,048,444	(2,314,042)
Grants and allocations receivable	(74,396)	(153,503)
Prepaid expenses	(49,796)	137,741
Accounts payable and accrued charges	(3,181,578)	3,146,335
Unexpended program grants	(90,794)	(240,008)
Government advances	(338,894)	2,353,558
Marketable securities	1,873,028	(2,845,822)
	223,095	931,586
Financing and investing activities:		
Endowed and Restricted Funds	963,969	(151,510)
Purchase of capital and intangible assets, net of deferred capital grants	(2,048,582)	(185,994)
	(1,084,613)	(337,504)
Increase (decrease) in cash and restricted cash	(861,518)	594,082
Cash and restricted cash, beginning of year	1,073,269	479,187
Cash and restricted cash, end of year	\$ 211,751	\$ 1,073,269
Represented by:		
Cash (overdraft):		
Restricted	\$ 670,986	\$ 661,215
Unrestricted	(459,235)	412,054
	\$ 211,751	\$ 1,073,269

See accompanying notes to financial statements.

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Financial Statements

Year ended March 31, 2006

The Canadian Foundation for Poliomyelitis was incorporated in 1951 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 Poliomyelitis and the Orthopaedically 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. OMOD's programs include the following:

Independent Living Services - to enable adults with physical disabilities and/or acquired brain injury to live independently in their own homes through a variety of services, such as Outreach Attendant Services, Supportive Housing and Acquired Brain Injury Services.

Employment Services - to assist adults with physical disabilities to achieve independence through establishing employment goals, training and on-the-job support. Programs offered include assessment services, Discovery® job skills training, placement and supported employment, and return to work services.

AccessAbility® Services - to provide adults with physical disabilities with greater independence through improved individual mobility and better community accessibility. Services offered include Assistive Devices Program, Recycled Rental Equipment Program, DesignAbility®, Home and Vehicle Modifications Program and Barrier-Free Design Consultation.

Recreation and Integration Services - to enhance the quality of life of adults with physical disabilities through recreation, leisure and social integration. Services offered include Befriending®, residential holidays, out trips and social clubs.

Other Services - include the Post Polio Program, Conductive Education®, Issue Advocacy and the Stroke Recovery Network®, including affirmative businesses and allocation of research and other awards.

March of Dimes Canada is a federally incorporated charity which has a vision, mission and objectives that replicate those of OMOD. The purpose of the organization is to bring the same services to the rest of Canada that OMOD offers to the disabled residents of Ontario. The financial statements of the organization are consolidated within the statements for OMOD.

OMOD is a registered charitable organization and, as such, is exempt from income taxes provided that certain disbursement criteria are met.

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Financial Statements (continued)

Year ended March 31, 2006

1. Significant accounting policies:

(a) Revenue recognition:

OMOD follows the restricted fund method of accounting for contributions.

Government grants are recognized on an accrual basis. Government grants relating to capital assets are deferred in an amount equal to the undepreciated cost of the related capital assets.

Fundraising revenue includes revenue from direct mail, community campaigns, 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.

(b) Marketable securities:

Marketable securities comprise fixed income instruments, mutual funds and cash equivalents, and are recorded at the lower of cost and market value.

(c) Cash and marketable securities - Endowed and Restricted Funds:

Cash and marketable securities - Endowed and Restricted Funds are recorded at cost. A reduction in the carrying value is recorded when a decline in the market value of investments is considered to be other than temporary.

(d) Capital assets:

Capital assets are recorded at cost less accumulated amortization. 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%
Vehicles	Straight line	5 years
Machinery, equipment, computer hardware and software	Straight line	3 - 7 years
Leasehold improvements	Straight line	Term of related lease

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Financial Statements (continued)

Year ended March 31, 2006

1. Significant accounting policies (continued):

(e) Intangible assets:

OMOD reviews the carrying value of amortizable intangible assets for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from their use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value of the assets, an impairment loss is recognized equal to the amount by which the carrying value of the asset exceeds the fair value of the asset.

Intangible assets are recorded at cost less accumulated amortization. Intangible assets are amortized on a straight-line basis over their estimated useful lives, which is 20 years.

(f) Donated services:

Volunteers contribute a significant number of hours to assist OMOD 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 financial statements.

(g) 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 and expenses during the year. Actual results could differ from those estimates.

2. Cash and restricted cash:

	2006	2005
Cash (overdraft):		
Restricted	\$ 670,986	\$ 661,215
Unrestricted	(459,235)	412,054
	<u>\$ 211,751</u>	<u>\$ 1,073,269</u>

OMOD has a line of credit of up to \$3,000,000.

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Financial Statements (continued)

Year ended March 31, 2006

3. Marketable securities:

	2006		2005	
	Cost	Market value	Cost	Market value
Term deposits	\$ 4,057,298	\$ 4,066,763	\$ 6,250,000	\$ 6,268,249
Pooled funds	1,746,964	1,778,399	2,391,259	2,457,663
	<u>\$ 5,804,262</u>	<u>\$ 5,845,162</u>	<u>\$ 8,641,259</u>	<u>\$ 8,725,912</u>
Represented as:				
Marketable securities	\$ 4,734,279		\$ 6,607,307	
Endowed and Restricted Funds	1,069,983		2,033,952	
	<u>\$ 5,804,262</u>		<u>\$ 8,641,259</u>	

Term deposits have an interest rate of 3.8% (2005 - 2.4% - 2.5%) and mature in March 2007 (2005 - March 2006).

4. Accounts receivable:

	2006	2005
Trade	\$ 2,291,928	\$ 2,164,986
Fees and sales	7,240	92,973
Fundraising and United Way	345,636	164,519
Goods and Services Tax	84,967	88,228
Due from Ontario March of Dimes Non-Profit Housing Corporation	84,627	71,731
Due from Positive Action for Conductive Education	—	23,830
Due from Rehabilitation Foundation for the Disabled Persons, Canada	—	77,908
EHT recovery	373,201	1,900,000
Manulife rebate for added premium	346,715	—
Other	426,337	424,920
	<u>\$ 3,960,651</u>	<u>\$ 5,009,095</u>

Included in trade accounts receivable is \$1,058,041 (2005 - \$761,505) in fees for services performed that have not yet been billed to customers. As per the terms of the contracts, billings are rendered at prescribed intervals.

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Financial Statements (continued)

Year ended March 31, 2006

5. Capital assets:

			2006	2005
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 876,555	\$ -	\$ 876,555	\$ 876,555
Buildings and leasehold improvements	4,764,334	3,456,371	1,307,963	1,266,798
Vehicles	278,128	154,946	123,182	-
Machinery, equipment, computer hardware and software	10,230,840	8,679,288	1,551,552	1,932,154
	\$ 16,149,857	\$ 12,290,605	\$ 3,859,252	\$ 4,075,507

The cost of property and equipment acquired during the year amounted to \$456,624 (2005 - \$965,254) and was partially financed by capital and operating grants of \$208,042 (2005 - \$779,260). The donor dollar funded programs fund was charged with amortization totalling \$281,062 (2005 - \$330,696). Grant funded programs have been charged with amortization of \$392,797 (2005 - \$384,890).

OMOD entered into an agreement in 1994 with the Ministry of Community and Social Services (the "Ministry"), whereby the Ministry acquired an ownership interest in the premises at 10 Overlea Boulevard as a result of certain funding provided for the Employment Services Program. This funding translates into an ownership interest based on a formula in the agreement. OMOD has the option of acquiring the Ministry's ownership interest based on the premises' appraised value. OMOD is in negotiations with the Ministry to exercise its right to purchase the Ministry's 4.39% ownership in the premises.

6. Intangible assets:

			2006	2005
	Cost	Accumulated amortization	Net book value	Net book value
Trademark	\$ 1,800,000	\$ 26,250	\$ 1,773,750	\$ -

The cost of the intangible assets acquired during the year amounted to \$1,800,000. The donor dollar funded programs fund was charged with amortization of \$26,250 for the intangible assets.

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Financial Statements (continued)

Year ended March 31, 2006

7. Unexpended program grants and government advances:

OMOD receives funds from government and other funding sources where the use of these funds is restricted to certain projects or programs. Unexpended program grants, other than Ministry 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 originating source or taken into donor dollar funded programs after OMOD receives the appropriate approval.

Government advances represent unused grants that cannot be carried forward to future years and are repayable to the Ministry.

8. Deferred capital grants:

Details of amounts received for capital asset purchases and amortization of the balance are as follows:

	2006	2005
Balance, beginning of year	\$ 1,463,640	\$ 1,069,270
Amounts received	208,042	779,260
Amounts amortized to revenue	(392,797)	(384,890)
Balance, end of year	\$ 1,278,885	\$ 1,463,640

9. Stabilization Reserve Fund and Capital Reserve Fund:

(a) Capital Reserve Fund:

In fiscal 2004, the Board of Directors established a separate Capital Reserve Fund to build a cash reserve for major capital needs in the future, such as roof replacement, etc. The Board of Directors resolved to fund this reserve as follows:

2003 - 2004	\$	15,000
2004 - 2005		20,000
2005 - 2006		25,000
2007 and subsequent years		25,000 per year

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Financial Statements (continued)

Year ended March 31, 2006

9. Stabilization Reserve Fund and Capital Reserve Fund (continued):

On June 8, 2006, the Board of Directors approved the transfer of \$440,000 to the Capital Reserve Fund (note 10).

(b) Stabilization Reserve Fund:

OMOD established a stabilization reserve policy to address both short and long-term needs. The purpose of the Stabilization Reserve Fund is to build working capital and to provide OMOD with the assurance that funds are available when needed due to unforeseen operating shortfalls, or for new initiatives and pilot projects.

On June 8, 2006, the Board of Directors approved the transfer of \$338,173 from the Board Restricted Funds.

10. Endowed and Restricted Funds:

In 1990, the Board of Directors established separate Endowed and Restricted Funds from which it can draw money to seed new activities, fund research and award scholarships. The funds are obtained through OMOD's Planned Giving Program (bequests), tribute gifts, in memoriam funds and from donations and events specifically designated for the Endowed and Restricted Funds. The Board of Directors internally restricts the use of such funds. Externally restricted funds involve specific purposes, limitations or other conditions imposed by donors. It is intended that only the revenue earned on the fund balances will be used to fund designated activities, except where approved by OMOD's Board of Directors.

In November 1994, the Board of Directors approved an investment of the Endowed and Restricted Funds balance of up to \$440,000 in the building located at 10 Overlea Boulevard, Toronto. A notional rate of interest of 8.5% is allocated to the Endowed and Restricted Funds. Interest amounted to \$37,400 during the year (2005 - \$37,400).

On June 8, 2006, the Board of Directors approved to decrease the balance of the Endowed and Restricted Funds to \$768,000 by transferring \$338,173 to the Stabilization Reserve Fund and the \$440,000 building loan to the Capital Reserve Fund.

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Financial Statements (continued)

Year ended March 31, 2006

10. Endowed and Restricted Funds (continued):

The Endowed and Restricted Funds balance of \$1,069,983 (2005 - \$2,033,952) has been invested in pooled funds.

Details of the Endowed and Restricted Funds balance are as follows:

	2006	2005
Balance, beginning of year	\$ 2,473,952	\$ 2,322,442
Donations	169,633	64,087
Investment income	185,734	76,287
Interfund transfer	(2,659,156)	-
Expenses - including grants and awards	(139,391)	(23,312)
Net surplus from planned giving	1,039,211	34,448
Balance, end of year	\$ 1,069,983	\$ 2,473,952

11. Fundraising and Charitable Gaming revenue and expenses:

OMOD derives fundraising revenue mainly from community campaigns, direct mail, corporate gifts, special events, monthly donations and charitable gaming. Donor acquisition represents costs of acquiring direct mail donor lists and costs relating to start-up activities, such as telemarketing and planned giving.

The Alcohol and Gaming Commission of Ontario requires disclosure of the following information on Nevada break-open ticketed lotteries. Net revenue is included in fundraising revenue, as follows:

	2006	2005
Revenue	\$ 703,314	\$ 742,024
Expenses:		
Cost of tickets sold:	95,082	102,640
Commissions:		
Retailer	130,449	137,607
Agent	80,375	85,383
Licence	41,380	44,409
Provincial government fees	101,917	108,882
	449,203	478,921
	\$ 254,111	\$ 263,103

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Financial Statements (continued)

Year ended March 31, 2006

12. Service Contract/CFSA Approval with the Ministry of Community and Social Services:

OMOD has a Service Contract/CFSA Approval with the Ministry. A reconciliation report summarizes, by service (project code), all revenue and expenditures and identifies any resulting surplus or deficit that relates to the Service Contract/CFSA Approval.

The following tables represent required Ministry disclosure:

Employment services	Project code	Grant revenue	Performance-based revenue	Total
Hamilton:				
Support coordination	8594	\$ -	\$ 2,250	\$ 2,250
Skills training	8601	-	23,225	23,225
Specialized computer training	8602	-	36,380	36,380
Job coaching	8610	-	8,100	8,100
Job placement	8611	-	20,300	20,300
Employment planning	8613	-	3,500	3,500
Specialized assessment	8614	-	25,500	25,500
Unpaid work experience	8615	-	45,000	45,000
Job trials	8616	-	750	750
		\$ -	\$ 165,005	\$ 165,005
Niagara:				
Support coordination	8594	\$ -	\$ 7,738	\$ 7,738
Job maintenance	8595	-	1,714	1,714
Work adjustment programs	8598	-	12,600	12,600
Remediation and vocational life skills	8599	-	1,600	1,600
Job coaching	8610	-	14,450	14,450
Job placement	8611	-	29,540	29,540
Employment planning	8613	-	11,000	11,000
Specialized assessment	8614	-	3,300	3,300
Unpaid work experience	8615	-	12,000	12,000
Job trials	8616	-	9,750	9,750
		\$ -	\$ 103,692	\$ 103,692

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Financial Statements (continued)

Year ended March 31, 2006

12. Service Contract/CFSA Approval with the Ministry of Community and Social Services (continued):

Employment services	Project code	Grant revenue	Performance-based revenue	Total
Sault Ste. Marie:				
Support coordination	8594	\$ —	\$ 25,745	\$ 25,745
Job maintenance	8595	—	3,584	3,584
Job coaching	8610	—	13,858	13,858
Job placement	8611	—	33,000	33,000
Employment planning	8613	—	18,900	18,900
Job trials	8616	—	9,120	9,120
		\$ —	\$ 104,207	\$ 104,207
Sudbury:				
Support coordination	8594	\$ —	\$ 23,463	\$ 23,463
Job coaching	8610	—	45,800	45,800
Job placement	8611	—	36,500	36,500
Employment planning	8613	—	18,900	18,900
Job trials	8616	—	12,960	12,960
		\$ —	\$ 137,623	\$ 137,623
Timmins:				
Support coordination	8594	\$ —	\$ 59,200	\$ 59,200
Job coaching	8610	—	9,760	9,760
Job placement	8611	—	44,750	44,750
Employment planning	8613	—	9,100	9,100
Job trials	8616	—	22,080	22,080
		\$ —	\$ 144,890	\$ 144,890
London:				
Support coordination	8594	\$ —	\$ 1,725	\$ 1,725
Job coaching	8610	—	36,675	36,675
Job maintenance	8595	—	22,860	22,860
Work adjustment programs	8598	—	32,250	32,250
Job placement	8611	—	71,100	71,100
Employment planning	8613	—	6,750	6,750
Specialized assessment	8614	—	1,950	1,950
Unpaid work experience	8615	—	2,400	2,400
		\$ —	\$ 175,710	\$ 175,710

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Financial Statements (continued)

Year ended March 31, 2006

12. Service Contract/CFSA Approval with the Ministry of Community and Social Services (continued):

Employment services	Project code	Grant revenue	Performance-based revenue	Total
Ottawa:				
Support coordination	8594	\$ 3,882	\$ 16,744	\$ 20,626
Job maintenance	8595	33,690	21,166	54,856
Travel, route and mobility training	8596	203	1,475	1,678
Work adjustment programs	8598	2,438	3,250	5,688
Remediation and vocational life skills	8599	12	–	12
Job coaching	8610	9,045	90,950	99,995
Job placement	8611	13,830	64,000	77,830
Employment planning	8613	8,483	42,738	51,221
Specialized assessment	8614	7,103	9,050	16,153
Unpaid work experience	8615	6,945	66,600	73,545
Job trials	8616	15	–	15
		\$ 85,646	\$ 315,973	\$ 401,619
Thunder Bay:				
Support coordination	8594	\$ –	\$ 5,920	\$ 5,920
Job maintenance	8595	–	3,650	3,650
Work adjustment programs	8598	–	5,760	5,760
Skills training	8601	–	8,160	8,160
Job coaching	8610	–	10,880	10,880
Job placement	8611	–	32,000	32,000
Employment planning	8613	–	27,300	27,300
Job trials	8616	–	19,680	19,680
Job placement (summer student)	8611	–	4,560	4,560
Employment planning (summer student)	8613	–	1,200	1,200
		\$ –	\$ 119,110	\$ 119,110

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Financial Statements (continued)

Year ended March 31, 2006

12. Service Contract/CFSA Approval with the Ministry of Community and Social Services (continued):

A review of these reports shows the following services to be in a surplus (deficit) position as at March 31, 2006. Any surplus amounts are reflected in accounts payable and accrued charges:

Other Ministry grants	Project code	Revenue	Expenses	Net	Cash funding	Receivable (payable)
Home and vehicle modification - operating	8618	\$ 1,630,000	\$ 1,630,000	\$ -	\$ 1,630,000	\$ -
Home and vehicle modification - grants	8619	11,503,888	11,503,888	-	11,504,030	(142)
Employment goal - home vehicle (cost shared)	8620	100,000	100,000	-	100,000	-
		13,233,888	13,233,888	-	13,234,030	(142)
Kingston: Rehabilitation services for the disabled	8591	12,300	12,300	-	14,900	(2,600)
Niagara: Sheltered workshops operating	8592	138,857	138,857	-	150,409	(11,552)
Thunder Bay: Rehabilitation services for the disabled	8591	228,033	228,033	-	224,966	3,067
Toronto: Job placement	8611	304,800	304,800	-	283,896	20,904
Toronto: Innovative projects	8612	438,739	438,739	-	438,739	-
		\$ 14,356,617	\$ 14,356,617	\$ -	\$ 14,346,940	\$ 9,677

13. Associated organizations:

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

NPHC was incorporated by OMOD on June 2, 1992. NPHC was formed to provide accessible and affordable housing primarily to accommodate persons with physical disabilities. NPHC is a non-profit charitable organization 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 regulated by the guidelines established by the Regional Municipality of Halton.

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Financial Statements (continued)

Year ended March 31, 2006

13. Associated organizations (continued):

(b) Rehabilitation Foundation For Disabled Persons, Canada ("RFDP Canada"):

RFDP Canada is a registered national charitable corporation, which has objectives that replicate those of OMOD, enabling service development and delivery outside of Ontario. Three programs operate nationally from the organization, Polio Canada, Stroke Recovery Canada, and since August 2005, Conductive Education Canada. RFDP Canada has operated as March of Dimes Canada ("MODC") since January 2006.

(c) Positive Action For Conductive Education ("PACE"):

PACE, incorporated in 1994 as a registered Ontario charity, became a subsidiary of OMOD in 2002. The purpose of this organization is to promote and provide Conductive Education® to children and adults with physical disabilities and support the development of the conductor profession. The organization was dissolved as of December 31, 2005 and the activities transferred to OMOD.

(d) OMOD Independence Non-Profit Corporation ("INPC"):

INPC is a business trust incorporated federally in 1997 to enable OMOD to partner with or independently participate in commercial activities. The trust would be "owner" of such enterprise, as is deemed appropriate.

(e) 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 OMOD.

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Financial Statements (continued)

Year ended March 31, 2006

13. Associated organizations (continued):

OMOD provides financial and administrative services to the governance structure of these organizations. The amount owing by the associated organizations to OMOD as at March 31, 2006 is \$79,920 (2005 - \$180,131). Transactions with OMOD for the year are as follows:

	2006	2005
Revenue:		
Reimbursable costs	\$ 31,654	\$ 24,367
Management fees	22,380	28,245
Expenses:		
Contributions	-	-

The reimbursable costs of \$31,654 relate to NPHC. The \$22,380 of management fees include \$17,295 for services provided to PACE and \$5,085 for management services on behalf of NPHC.

The following is a summary financial information extracted from the financial statements of the associated organizations PACE, RFDP CANADA and NPHC, and is not included in the financial statements of OMOD:

	2006	2005
Current assets	\$ 506,973	\$ 510,161
Capital assets	7,092,538	7,255,018
Total assets	\$ 7,599,511	\$ 7,765,179
Current liabilities	\$ 328,786	\$ 411,229
Mortgage payable	6,911,182	7,077,752
	7,239,968	7,488,981
Fund balances	359,543	276,198
Total liabilities and fund balances	\$ 7,599,511	\$ 7,765,179
Revenue	\$ 1,668,083	\$ 1,462,308
Expenses, including amortization of \$161,500 (2005 - \$156,070)	1,640,672	1,474,844
Excess (deficiency) of revenue over expenses	\$ 27,411	\$ (12,536)

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Financial Statements (continued)

Year ended March 31, 2006

13. Associated organizations (continued):

	2006	2005
Cash flows provided by (used in):		
Operating activities	\$ 309,382	\$ 186,267
Financing activities	(32,532)	(152,106)
Investing activities	(159,174)	(3,033)
Net cash inflow	\$ 117,676	\$ 31,128

14. Lease commitments:

OMOD has commitments for its leased equipment and premises. The approximate future minimum annual lease payments are as follows:

	Equipment	Premises	Total
2007	\$ 123,000	\$ 1,388,000	\$ 1,511,000
2008	59,000	1,033,000	1,092,000
2009	33,000	952,000	985,000
2010	11,000	768,000	779,000
2011	100	640,000	640,100
Thereafter	-	4,137,000	4,137,000
	\$ 226,100	\$ 8,918,000	\$ 9,144,100

15. Commitments and contingencies:

In the normal course of operations, OMOD enters into a variety of commitments and incurs various contingencies. These are not accounted for until the amounts are reasonably determinable.

16. Pension plan:

OMOD 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 OMOD in accordance with established contribution rates. For the year ended March 31, 2006, OMOD incurred \$655,673 as its pension contribution expense (2005 - \$641,479).

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Financial Statements (continued)

Year ended March 31, 2006

17. Other expenses:

Other expenses represents the reversal of a multi-year accrual that is no longer required.

18. Financial instruments:

OMOD has determined the fair values of its financial instruments as follows:

(a) The carrying amounts of cash, accounts receivable, accounts payable and accrued charges and government advances approximate fair values due to the short-term nature of these instruments.

(b) The fair values of marketable securities are based on quoted market values.

19. Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.