

Consolidated Financial Statements of

ONTARIO MARCH OF DIMES
(REHABILITATION FOUNDATION FOR THE DISABLED)

Year ended March 31, 2009



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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 consolidated balance sheet of Ontario March of Dimes (Rehabilitation Foundation for the Disabled) as at March 31, 2009 and the consolidated 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 adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenue referred to in the preceding paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of OMOD as at March 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. As required by the Corporations Act (Ontario), we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

KPMG LLP

Chartered Accountants, Licensed Public Accountants

Toronto, Canada
June 19, 2009

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Consolidated Balance Sheet

March 31, 2009, with comparative figures for 2008

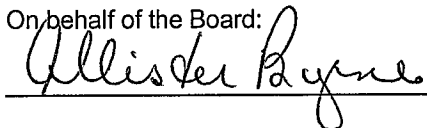
	2009	2008
Assets		
Current assets:		
Cash and restricted cash	\$ 4,291,302	\$ 3,414,469
Marketable securities (note 3)	-	48,675
Accounts receivable (note 4)	4,107,147	5,338,790
Due from associated organization (note 13(a))	28,361	-
Prepaid expenses	434,977	517,576
Grants and allocations receivable	273,296	690,002
	<u>9,135,083</u>	<u>10,009,512</u>
Restricted investments (notes 3 and 10(c))	923,122	1,137,801
Capital assets (note 5)	3,365,403	3,743,777
Intangible assets - trademark (note 6)	1,503,751	1,593,751
	<u>\$ 14,927,359</u>	<u>\$ 16,484,841</u>

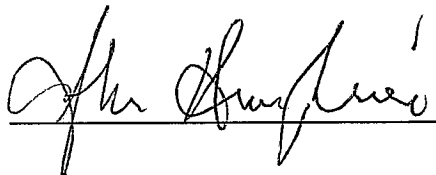
Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued charges	\$ 4,299,462	\$ 5,250,235
Due to associated organization (note 13(a))	-	2,891
Unexpended program grants and deferred revenue (note 7)	633,288	486,190
Government advances (note 8)	1,296,856	1,886,746
	<u>6,229,606</u>	<u>7,626,062</u>
Deferred capital grants (note 9)	1,199,185	1,412,192
Fund balances:		
Invested in capital and intangible assets	3,669,969	3,925,336
Internally restricted funds:		
Capital Reserve (note 10(a))	575,000	550,000
Stabilization Reserve (note 10(b))	2,330,477	1,833,450
Board restricted (note 10(c))	923,122	1,137,801
	<u>7,498,568</u>	<u>7,446,587</u>
Commitments and contingencies (note 15)		
	<u>\$ 14,927,359</u>	<u>\$ 16,484,841</u>

See accompanying notes to consolidated financial statements.

On behalf of the Board:

 Director

 Director

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Consolidated Statement of Revenue and Expenses

Year ended March 31, 2009, with comparative figures for 2008

	2009	2008
Revenue:		
Government grants	\$ 54,525,448	\$ 51,901,219
Program recovery	18,162,121	16,993,290
Fees and sales	13,074,238	13,358,359
Fundraising (note 11)	5,719,577	5,839,694
Investment and other	812,303	940,954
	<u>92,293,687</u>	<u>89,033,516</u>
Expenses:		
Programs:		
Independent Living Services	39,298,822	38,020,744
Employment Services	33,917,613	31,347,959
AccessAbility® Services	11,924,855	11,933,504
Affirmative businesses	402,346	866,294
Recreation and Integration Services	524,549	510,566
Peer Support Services and Conductive Education®	979,727	1,036,466
Issue advocacy	286,907	224,007
Grants and awards	68,755	37,876
	<u>87,403,574</u>	<u>83,977,416</u>
Fundraising (note 11)	2,854,723	2,900,077
Donor acquisition (note 11)	764,214	727,030
Unallocated program and administration support	176,641	313,306
Amortization (notes 5 and 6)	844,970	847,063
	<u>92,044,122</u>	<u>88,764,892</u>
Excess of revenue over expenses	\$ 249,565	\$ 268,624

See accompanying notes to consolidated financial statements.

ONTARIO MARCH OF DIMES
 (REHABILITATION FOUNDATION FOR THE DISABLED)

Consolidated Statement of Changes in Fund Balances

Year ended March 31, 2009, with comparative figures for 2008

	2009		2008	
	Operating Fund	Total	Operating Fund	Total
Invested in capital and intangible assets				
Fund balances, beginning of year	\$ 3,925,336	\$ -	\$ 3,925,336	\$ -
Excess (deficiency) of revenue over expenses	(449,801)	699,366	(449,801)	699,366
Interfund transfers:				
Purchase of capital assets	459,404	-	459,404	-
Deferred capital grants	(264,970)	-	(264,970)	-
Transfer to Capital Reserve (note 10(a))	-	-	25,000	-
Transfer to Stabilization Reserve (note 10(b))	-	(716,461)	-	(716,461)
Transfer to Board restricted (note 10(c))	-	17,095	-	(17,095)
Net change in unrealized loss (notes 3 and 10(c))	-	-	-	(197,584)
Fund balances, end of year	\$ 3,669,969	\$ -	\$ 575,000	\$ 7,498,568
				\$ 7,446,587

See accompanying notes to consolidated financial statements.

ONTARIO MARCH OF DIMES
(REHABILITATION FOUNDATION FOR THE DISABLED)

Consolidated Statement of Cash Flows

Year ended March 31, 2009, with comparative figures for 2008

	2009	2008
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 249,565	\$ 268,624
Items not involving cash:		
Amortization	844,970	847,063
Amortization of deferred capital grants	(477,977)	(485,239)
Loss on disposal of capital assets	82,808	-
Change in non-cash operating working capital:		
Accounts receivable	1,231,643	(1,600,377)
Due from/to associated organization	(31,252)	23,030
Prepaid expenses	82,599	91,134
Grants and allocations receivable	416,706	(39,245)
Accounts payable and accrued charges	(950,773)	(427,728)
Unexpended program grants and deferred revenue	147,098	(88,564)
Government advances	(589,890)	256,103
	1,005,497	(1,155,199)
Financing activities:		
Receipt of deferred capital grants	264,970	192,342
Investing activities:		
Restricted investments	17,095	(51,953)
Purchase of capital assets	(459,404)	(372,599)
	(442,309)	(424,552)
Increase (decrease) in cash and cash equivalents	828,158	(1,387,409)
Cash and cash equivalents, beginning of year	3,463,144	4,850,553
Cash and cash equivalents, end of year	\$ 4,291,302	\$ 3,463,144
Represented by:		
Cash and restricted cash:		
Restricted	\$ 417,658	\$ 888,232
Unrestricted	3,873,644	2,526,237
Marketable securities	-	48,675
	\$ 4,291,302	\$ 3,463,144

See accompanying notes to consolidated financial statements.

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements

Year ended March 31, 2009

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:

- (a) 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.
- (b) 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.
- (c) AccessAbility® Services - to provide adults with physical disabilities with greater independence through improved individual mobility and better community accessibility. Services offered include the Assistive Devices Program, Recycled Rental Equipment Program, DesignAbility®, Home and Vehicle Modifications Program and Barrier-Free Design Consultation.
- (d) 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.
- (e) Other Services - include the Post Polio Program, Conductive Education®, Issue Advocacy and the Stroke Recovery Network®, including affirmative businesses and research, grants and special awards.

Rehabilitation Foundation for Disabled Persons, Canada ("RFDP Canada"), operating as March of Dimes Canada, is a federally incorporated charity which has a vision, mission and objectives that replicate those of OMOD. The organization was established to expand existing services for children and adults with disabilities across Canada. Currently, the following services are offered in other parts of Canada: Employment Services, Conductive Education, DesignAbility and Peer Support Services. The financial statements of RFDP Canada are included within the statements for OMOD.

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2009

Other associated organizations are outlined in note 13 and are not included in the consolidated financial statements.

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

1. Significant accounting policies:

(a) Revenue recognition:

OMOD follows the deferral fund method of accounting for contributions.

Government and other grants, fees and sales, program recovery and investment and other revenue are recognized on an accrual basis and are deferred until earned. Government grants relating to capital assets are deferred in an amount equal to the undepreciated cost of the related capital assets.

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

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) Financial instruments:

OMOD designated its cash and restricted cash as held for trading, which is measured at fair value. Accounts receivable and due from associated organization are classified as loans and receivables which are measured at amortized cost. Accounts payable and accrued charges and government advances are classified as other financial liabilities, which are measured at amortized cost.

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2009

1. Significant accounting policies (continued):

Restricted investments are designated as available for sale and are recorded at fair value, with changes in fair value recorded in the consolidated statement of changes in fund balances. Restricted investments consist of pooled funds which are valued at the unit values supplied by the pooled fund administrator, which represents OMOD'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 statement of changes in fund balances and is included as a component of Board restricted funds.

The carrying amounts of cash and restricted cash, accounts receivable, grants and allocations receivable, accounts payable and accrued charges, due from associated organization and government advances approximate fair values due to the short-term nature of these financial instruments.

OMOD has adopted The Canadian Institute of Chartered Accountants' ("CICA") Handbook Section 3861, Financial Instruments - Disclosure and Presentation. In accordance with the Accounting Standards Board's decision to exempt not-for-profit organizations from the disclosure requirements with respect to financial instruments contained within Section 3862, Financial Instruments - Disclosures, and Section 3863, Financial Instruments - Presentation, OMOD has elected not to adopt these standards in its consolidated financial statements.

It is management's opinion there is no exposure to significant amounts of credit or interest rate risks.

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2009

1. Significant accounting policies (continued):

(c) 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

(d) Intangible assets:

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.

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.

(e) 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 consolidated financial statements.

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2009

1. Significant accounting policies (continued):

(f) 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. Future accounting changes:

The CICA has issued revisions to Section 4400, Financial Statement Presentation by Not-for-Profit Organizations. These revisions will modify the requirements with respect to various elements of financial statement presentation. These amendments include:

- The elimination of the requirement to treat net assets invested in capital and intangible assets as a separate component of fund balances.
- When a not-for-profit organization classifies its expenses by function and allocates some of its general support costs to another function, disclosing the policy adopted for expenses and amounts allocated from general support costs to other functions.

The new standards apply to financial statements relating to the fiscal years beginning on or after January 1, 2009, which for OMOD is April 1, 2009. Management is evaluating the impact of the amendments on its financial statements.

3. Restricted investments:

	2009		2008	
	Cost	Fair value	Cost	Fair value
Term deposits	\$ —	\$ —	\$ 48,675	\$ 48,675
Pooled funds	1,129,683	923,122	1,146,778	1,137,801
	<u>\$ 1,129,683</u>	<u>\$ 923,122</u>	<u>\$ 1,195,453</u>	<u>\$ 1,186,476</u>

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2009

3. Restricted investments (continued):

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

	2009	2008
Cumulative adjustment, beginning of year	\$ (8,977)	\$ 81,451
Adjustment for the net unrealized gain (loss) on investments	(197,584)	(90,428)
Cumulative adjustment, end of year	\$ (206,561)	\$ (8,977)

The net unrealized loss is included in the internally restricted funds as a component of the Board restricted funds (note 10(c)).

Investment 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 liquidity, interest rate and maturity risks. OMOD has formal policies and procedures that establish target asset mix.

The value of fixed income investments will generally rise if interest rates fall and fall if interest rates rise. The fixed income investments in 2008 consisted of term deposits with an interest rate of 2.7% which matured in March 2009.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Term deposits and pooled funds are instruments in highly liquid investments that are readily converted into known amounts of cash.

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2009

4. Accounts receivable:

	2009	2008
Trade	\$ 3,510,757	\$ 3,434,772
Fundraising and United Way	61,593	135,370
Goods and services tax	238,111	218,428
Employer health tax recovery	-	1,167,395
Other	296,686	382,825
	<u>\$ 4,107,147</u>	<u>\$ 5,338,790</u>

Included in trade accounts receivable is \$454,679 (2008 - \$492,377) 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.

5. Capital assets:

	2009		2008	
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 876,555	\$ -	\$ 876,555	\$ 876,555
Buildings and leasehold improvements	4,996,962	3,779,731	1,217,231	1,247,483
Vehicles	349,576	237,971	111,605	143,386
Machinery, equipment, computer hardware and software	11,608,554	10,448,542	1,160,012	1,476,353
	<u>\$ 17,831,647</u>	<u>\$ 14,466,244</u>	<u>\$ 3,365,403</u>	<u>\$ 3,743,777</u>

The cost of capital assets acquired during the year amounted to \$459,404 (2008 - \$372,599), and was partially financed by capital and operating grants of \$264,970 (2008 - \$192,342). The donor dollar funded programs fund was charged with amortization totalling \$276,993 (2008 - \$271,824). Grant funded programs have been charged with amortization of \$477,977 (2008 - \$485,239).

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2009

5. Capital assets (continued):

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 4.39% ownership interest based on the premises' appraised value.

6. Intangible assets:

			2009	2008
	Cost	Accumulated amortization	Net book value	Net book value
Trademark	\$ 1,800,000	\$ 296,249	\$ 1,503,751	\$ 1,593,751

Amortization of intangible assets for the year was \$90,000 (2008 - \$90,000).

7. Unexpended program grants and deferred revenue:

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.

8. Government advances:

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

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2009

9. Deferred capital grants:

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

	2009	2008
Balance, beginning of year	\$ 1,412,192	\$ 1,705,089
Amounts received	264,970	192,342
Amounts amortized to revenue	(477,977)	(485,239)
Balance, end of year	\$ 1,199,185	\$ 1,412,192

10. Internally restricted funds:

(a) Capital Reserve:

In fiscal 2004, the Board of Directors established a separate Capital Reserve 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

In 2006, the Board of Directors transferred an additional amount of \$440,000 to this reserve from the Board restricted funds.

(b) Stabilization Reserve:

OMOD established a stabilization reserve policy to address both short-term and long-term needs. The purpose of the Stabilization Reserve 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.

ONTARIO MARCH OF DIMES
 (REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2009

10. Internally restricted funds (continued):

(c) Board restricted:

The Board of Directors internally restricts the use of the Board restricted funds. 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.

An amount of \$923,122 (2008 - \$1,137,801) has been invested in pooled funds.

Details of the Board restricted funds balance are as follows:

	2009	2008
Balance, beginning of year	\$ 1,137,801	\$ 1,176,276
Donations	1,098	21,194
Investment income	32,606	47,014
Expenses - including grants and awards	(50,799)	(16,255)
Net unrealized loss on restricted investments	(197,584)	(90,428)
Balance, end of year	\$ 923,122	\$ 1,137,801

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.

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2009

11. Fundraising and Charitable Gaming revenue and expenses (continued):

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:

	2009	2008
Revenue	\$ 578,449	\$ 664,182
Expenses:		
Cost of tickets sold:	79,258	90,602
Commissions:		
Retailer	108,449	123,591
Agent	66,838	76,431
Licence	34,289	39,594
Provincial government fees	86,100	98,402
	374,934	428,620
	\$ 203,515	\$ 235,562

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2009

12. Contracts with the Ministry of Community and Social Services:

OMOD has a variety of Service Contracts throughout Ontario with the Ministry. An annual Transfer Payment Annual Reconciliation is provided to the Ministry for each Service Contract. A review of these reports shows OMOD to be in a balanced position as at March 31, 2009 as outlined below. Any surplus amounts are reflected in accounts payable and accrued charges.

Other Ministry grants	Project code	Revenue	Expenses	Net	Cash funding
London:					
Home & Vehicle Modification Program	8618	\$ 1,382,393	\$ 1,382,393	\$ -	\$ 1,382,393
Home & Vehicle Modification Goods & Services	8621	9,245,707	9,245,707	-	9,245,707
		10,628,100	10,628,100	-	10,628,100
Ottawa:					
Passport Initiative	334500	1,219,345	1,219,345	-	1,219,345
Thunder Bay:					
Rehabilitation Services	8591	189,148	189,148	-	189,148
Niagara:					
Rehabilitation Services	8592	143,187	143,187	-	143,187
Kingston:					
School Aged Children Rehabilitation Services for the Disabled	8591	15,506	15,506	-	15,506
Warehouse project		10,000	10,000	-	10,000
		1,577,186	1,577,186	-	1,577,186
Total other Ministry grants		\$ 12,205,286	\$ 12,205,286	\$ -	\$ 12,205,286

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2009

13. Associated organizations:

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

(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.

OMOD provides financial and administrative services to the governance structure of NPHC. The amount owing by NPHC to OMOD as at March 31, 2009 is \$28,361 (2008 - payable of \$2,891). Transactions between NPHC and OMOD for the year include management fees of \$5,238 (2008 - \$5,238).

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2009

13. Associated organizations (continued):

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

	2009	2008
Current assets	\$ 540,968	\$ 550,552
Capital assets	7,296,600	7,492,238
Total assets	\$ 7,837,568	\$ 8,042,790
Current liabilities	\$ 309,963	\$ 324,776
Mortgage payable	6,367,591	6,556,513
Deferred capital contributions	742,058	736,061
	7,419,612	7,617,350
Fund balances	417,956	425,440
Total liabilities and fund balances	\$ 7,837,568	\$ 8,042,790
Revenue	\$ 1,117,812	\$ 1,094,789
Expenses, including amortization of \$202,502 (2008 - \$194,445) and repayment of grant subsidy of \$8,257 (2008 - \$39,870)	1,125,654	1,099,273
Excess of expenses over revenue	\$ (7,842)	\$ (4,484)
Cash flows provided by (used in):		
Operating activities	\$ 153,104	\$ 135,774
Financing activities	(152,819)	(139,176)
Investing activities	(6,506)	(47,995)
Net cash outflow	\$ (6,221)	\$ (51,397)

(b) 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. INPC has been inactive for the years ended March 31, 2009 and 2008.

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2009

13. Associated organizations (continued):

(c) 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. The activities of this entity are immaterial to OMOD and are not included in these consolidated financial statements.

14. Credit facility:

OMOD entered into a credit agreement with its lenders for a line of credit of \$2,000,000, secured by \$100,000 of term deposits and credit balances on accounts held with the bank, and a General Security Agreement with floating charge specific to the assets located at 10-12 Overlea Boulevard, Toronto that are repayable on demand. The operating line of credit bears interest at OMOD's bank prime rate on amounts drawn. At March 31, 2009, no amount of this facility has been drawn (2008 - nil).

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.

OMOD has provided a letter of credit in the amount of \$17,223 in favour of the Corporation of the City of Toronto.

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

	Equipment	Premises	Total
2010	\$ 119,000	\$ 1,604,000	\$ 1,723,000
2011	61,000	1,231,000	1,292,000
2012	22,000	1,200,000	1,222,000
2013	10,000	1,209,000	1,219,000
2014	1,000	923,000	924,000
Thereafter	—	2,383,000	2,383,000
	<u>\$ 213,000</u>	<u>\$ 8,550,000</u>	<u>\$ 8,763,000</u>

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2009

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, 2009, OMOD incurred \$779,658 (2008 - \$661,934) as its pension contribution expense.

17. Comparative figures:

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