

Consolidated Financial Statements of

ONTARIO MARCH OF DIMES
(REHABILITATION FOUNDATION FOR THE DISABLED)

Year ended March 31, 2010



KPMG LLP
Chartered Accountants
Yonge Corporate Centre
4100 Yonge Street Suite 200
Toronto ON M2P 2H3
Canada

Telephone (416) 228-7000
Fax (416) 228-7123
Internet www.kpmg.ca

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, 2010 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, 2010 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.

Chartered Accountants, Licensed Public Accountants

Toronto, Canada

June 18, 2010

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Consolidated Balance Sheet

March 31, 2010, with comparative figures for 2009

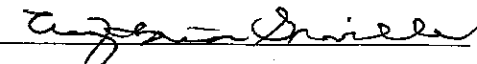
	2010	2009
Assets		
Current assets:		
Cash and restricted cash	\$ 5,468,072	\$ 4,291,302
Accounts receivable (note 5)	4,552,160	4,107,147
Due from associated organizations (note 13)	243,314	28,361
Prepaid expenses	202,607	434,977
Grants and allocations receivable	765,864	273,296
	<u>11,232,017</u>	<u>9,135,083</u>
Restricted investments (notes 4 and 10(c))	1,133,008	923,122
Capital assets (note 6)	3,870,103	3,365,403
Intangible assets - trademark (note 7)	1,413,751	1,503,751
	<u>\$ 17,648,879</u>	<u>\$ 14,927,359</u>

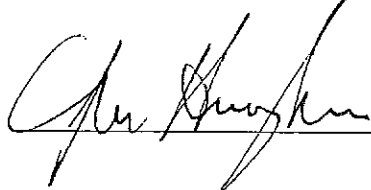
Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued charges	\$ 6,010,518	\$ 4,299,462
Unexpended program grants and deferred revenue (note 8)	837,813	633,288
Government advances	1,254,465	1,296,856
	<u>8,102,796</u>	<u>6,229,606</u>
Deferred capital grants (note 9)	1,524,715	1,199,185
Fund balances:		
Invested in capital and intangible assets	3,759,139	3,669,969
Internally restricted funds:		
Capital Reserve (note 10(a))	600,000	575,000
Stabilization Reserve (note 10(b))	2,529,221	2,330,477
Board restricted (note 10(c))	1,133,008	923,122
	<u>8,021,368</u>	<u>7,498,568</u>
Commitments and contingencies (note 15)		
	<u>\$ 17,648,879</u>	<u>\$ 14,927,359</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, 2010, with comparative figures for 2009

	2010	2009
Revenue:		
Government grants	\$ 57,055,168	\$ 54,525,448
Program recovery	20,822,764	18,162,121
Fees and sales	13,785,944	13,074,238
Fundraising (note 11)	5,456,058	5,719,577
Investment and other	424,248	812,303
	<u>97,544,182</u>	<u>92,293,687</u>
Expenses:		
Programs:		
Independent Living Services	41,436,560	39,298,822
Employment Services	37,596,268	33,917,613
AccessAbility® Services	11,642,991	11,924,855
Affirmative businesses	54,904	402,346
Recreation and Integration Services	712,033	524,549
Peer Support Services and Conductive Education®	980,084	979,727
Issue advocacy	364,580	286,907
Grants and awards	28,441	68,755
	<u>92,815,861</u>	<u>87,403,574</u>
Fundraising (note 11)	2,865,611	2,854,723
Donor acquisition (note 11)	661,082	764,214
Unallocated program and administration support	103,637	176,641
Amortization (notes 6 and 7)	839,920	844,970
	<u>97,286,111</u>	<u>92,044,122</u>
Excess of revenue over expenses	\$ 258,071	\$ 249,565

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, 2010, with comparative figures for 2009

	2010		2009				
	2010	2009	2010	2009			
	Invested in capital and intangible assets	Operating Fund	Internally restricted funds				
	Capital Reserve	Stabilization Reserve	Board Restricted	Total			
	Total	Total	Total	Total			
Fund balances, beginning of year	\$ 3,669,969	\$ -	\$ 575,000	\$ 2,330,477	\$ 923,122	\$ 7,498,568	\$ 7,446,587
Excess (deficiency) of revenue over expenses	(324,225)	582,296	-	-	-	258,071	249,565
Interfund transfers:							
Purchase of capital assets	1,254,620	-	-	(1,254,620)	-	-	-
Deferred capital grants	(841,225)	-	-	841,225	-	-	-
Transfer to Capital Reserve (note 10(a))	-	-	25,000	(25,000)	-	-	-
Transfer to Stabilization Reserve (note 10(b))	-	(662,139)	-	662,139	-	-	-
Transfer to Board restricted (note 10(c))	-	-	-	(25,000)	25,000	-	-
Board restricted expenditures (note 10(c))	-	79,843	-	-	(79,843)	-	-
	413,395	(582,296)	25,000	198,744	(54,843)	-	-
Net change in unrealized gain (loss) (notes 4 and 10(c))	-	-	-	-	264,729	264,729	(197,584)
Fund balances, end of year	\$ 3,759,139	\$ -	\$ 600,000	\$ 2,529,221	\$ 1,133,008	\$ 8,021,368	\$ 7,498,568

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, 2010, with comparative figures for 2009

	2010	2009
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 258,071	\$ 249,565
Items not involving cash:		
Amortization	839,920	844,970
Amortization of deferred capital grants	(515,695)	(477,977)
Loss on disposal of capital assets	-	82,808
Change in non-cash operating working capital:		
Accounts receivable	(445,013)	1,231,643
Due from associated organizations	(214,953)	(31,252)
Prepaid expenses	232,370	82,599
Grants and allocations receivable	(492,568)	416,706
Accounts payable and accrued charges	1,711,056	(950,773)
Unexpended program grants and deferred revenue	204,525	147,098
Government advances	(42,391)	(589,890)
	1,535,322	1,005,497
Financing activities:		
Receipt of deferred capital grants	841,225	264,970
Investing activities:		
Restricted investments	54,843	17,095
Purchase of capital assets	(1,254,620)	(459,404)
	(1,199,777)	(442,309)
Increase in cash and cash equivalents	1,176,770	828,158
Cash and cash equivalents, beginning of year	4,291,302	3,463,144
Cash and cash equivalents, end of year	\$ 5,468,072	\$ 4,291,302
Represented by:		
Cash and restricted cash:		
Unrestricted	\$ 5,023,868	\$ 3,873,644
Restricted	444,204	417,658
	\$ 5,468,072	\$ 4,291,302

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, 2010

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 Poliomyelitics 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, Diskovery® 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, 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, 2010

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, 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.

(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 organizations 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, 2010

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 the Board's restricted funds.

The carrying amounts of cash and restricted cash, accounts receivable, due from associated organizations, grants and allocations receivable, accounts payable and accrued charges 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 that 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, 2010

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, 2010

1. Significant accounting policies (continued):

(f) Allocation of fundraising and general administration expenses:

OMOD classifies expenses on the statement of revenue and expenses by program. OMOD allocates certain costs by identifying the appropriate basis of allocating and applying that basis consistently each year. Administration expenses are allocated proportionately on the same percentage as the direct salaries and benefits of the program with consideration of recoverability from funders.

(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. Changes in accounting policies:

(a) Amendments to accounting standards that apply only to not-for-profit organizations:

Effective April 1, 2009, OMOD adopted the amendments to Section 4400 of the CICA Handbook. These amendments eliminate the requirement to show invested in capital assets as a separate component of net assets fund balances, clarify the requirement for revenue and expenses to be presented on a gross basis when the not-for-profit organization is acting as principal and require a statement of cash flows. Adoption of these recommendations had no significant impact on the financial statements for the year ended March 31, 2010.

(b) Amendments to Section 1000, Financial Statement Concepts (Section 1000):

Effective April 1, 2009, OMOD adopted the amendments to Section 1000 of the CICA Handbook. These amendments clarified the criteria for recognition of an asset or liability, removing the ability to recognize assets or liabilities solely on the basis of matching of revenue and expense items. Adoption of these recommendations had no significant impact on the financial statements for the year ended March 31, 2010.

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2010

2. Changes in accounting policies (continued):

(c) Disclosure of allocated expenses by not-for-profit organizations:

Effective April 1, 2009, OMOD adopted CICA Handbook Section 4470, Disclosure of Allocated Expenses by Not-for-Profit Organizations, which establishes disclosure standards for entities that choose to classify their expenses by function (program) and allocate expenses from one function to another. The applicable disclosure is included in note 17.

3. Future accounting changes:

In March 2010, the Accounting Standards Board (AcSB) issued an Exposure Draft, Accounting Standards for Not-for-Profit Organizations, which provides proposed accounting standards for the not-for-profit sector. The AcSB expects that the final standards will be issued late in 2010 and will be effective for fiscal years beginning on or after January 1, 2012. OMOD will review the impact of the adoption of these proposed new standards on its financial statements once finalized.

4. Restricted investments:

	2010		2009	
	Cost	Fair value	Cost	Fair value
Pooled funds	\$ 1,074,840	\$ 1,133,008	\$ 1,129,683	\$ 923,122

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

	2010	2009
Cumulative adjustment, beginning of year	\$ (206,561)	\$ (8,977)
Adjustment for the net unrealized gain (loss) on investments	264,729	(197,584)
Cumulative adjustment, end of year	\$ 58,168	\$ (206,561)

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2010

4. Restricted investments (continued):

The net unrealized gain (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 risk. OMOD has formal policies and procedures that establish target asset mix.

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

5. Accounts receivable:

	2010	2009
Trade	\$ 3,681,666	\$ 3,510,757
Fundraising and United Way	20,537	61,593
Goods and services tax	56,955	238,111
Other	793,002	296,686
	<u>\$ 4,552,160</u>	<u>\$ 4,107,147</u>

Included in trade accounts receivable is \$460,976 (2009 - \$454,679) 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. Other accounts receivable include \$451,714 (2009 - nil) of increased Employment Services support for veterans.

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2010

6. Capital assets:

			2010	2009
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 876,555	\$ -	\$ 876,555	\$ 876,555
Buildings and leasehold improvements	5,294,592	3,895,886	1,398,706	1,217,231
Vehicles	349,576	291,187	58,389	111,605
Machinery, equipment, computer hardware and software	12,565,544	11,029,091	1,536,453	1,160,012
	\$ 19,086,267	\$ 15,216,164	\$ 3,870,103	\$ 3,365,403

The cost of capital assets acquired during the year amounted to \$1,254,620 (2009 - \$459,404), and was partially financed by capital and operating grants of \$841,225 (2009 - \$264,970). Independent Living Services received one time funding of \$484,000, which was spent on furnishings and equipment for the Non-Profit Housing Corporation (NPHC) congregate care home in Sudbury and a new wellness program in Niagara. The donor dollar funded programs fund was charged with amortization totalling \$234,225 (2009 - \$276,993). Grant-funded programs have been charged with amortization of \$515,695 (2009 - \$477,977).

7. Intangible assets:

			2010	2009
	Cost	Accumulated amortization	Net book value	Net book value
Trademark	\$ 1,800,000	\$ 386,249	\$ 1,413,751	\$ 1,503,751

Amortization of intangible assets for the year was \$90,000 (2009 - \$90,000). The trademark has not been fair valued.

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2010

8. 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.

9. Deferred capital grants:

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

	2010	2009
Balance, beginning of year	\$ 1,199,185	\$ 1,412,192
Amounts received	841,225	264,970
Amounts amortized to revenue	(515,695)	(477,977)
Balance, end of year	\$ 1,524,715	\$ 1,199,185

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 allocates funds at the end of each year. Since 2007, this amount has been \$25,000. The Board of Directors reviews the year-end balance each year and may, from time to time, make further allocations to other restricted funds or to the Stabilization Reserve.

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2010

10. Internally restricted funds (continued):

(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.

(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 \$1,133,008 (2009 - \$923,122) has been invested in pooled funds.

Details of the Board Restricted funds balance are as follows:

	2010	2009
Balance, beginning of year	\$ 923,122	\$ 1,137,801
Donations	17,936	1,098
Investment income	29,645	32,606
Transfer from Stabilization Reserve	25,000	-
Expenses - including grants and awards	(127,424)	(50,799)
Net change in unrealized gain (loss) on restricted investments	264,729	(197,584)
Balance, end of year	\$ 1,133,008	\$ 923,122

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2010

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:

	2010	2009
Revenue	\$ 489,790	\$ 578,449
Expenses:		
Cost of tickets sold:	67,157	79,258
Commissions:		
Retailer	91,469	108,449
Agent	56,450	66,838
Licence	29,024	34,289
Provincial government fees	72,431	86,100
	316,531	374,934
	<u>\$ 173,259</u>	<u>\$ 203,515</u>

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2010

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

OMOD has a variety of Service Contracts throughout Ontario with the Ministry. As required, a Transfer Payment Annual Reconciliation is provided to the Ministry for each of the Service Contracts listed below:

Other Ministry Grants	Project code	Revenue	Expenses	Net	Cash funding	Receivable (payable)
London:						
Home & Vehicle Modification Program	8618	\$ 1,382,400	\$ 1,382,400	\$ -	\$ 1,382,400	\$ -
Home & Vehicle Modification Program	8621	9,245,700	9,245,700	-	9,245,700	--
		10,628,100	10,628,100	-	10,628,100	--
Ottawa:						
Passport Initiative	8883	1,340,725	1,340,725	-	1,340,725	-
Thunder Bay:						
Rehabilitation Services	8868/8915	225,001	225,001	-	225,001	-
Niagara:						
Rehabilitation Services	8868	147,613	147,613	-	147,613	-
Thunder Bay:						
WITS Program	8612	110,184	110,184	-	110,184	-
Kingston:						
School Aged Contract	8868	15,506	15,506	-	15,506	--
		1,839,029	1,839,029	-	1,839,029	-
Total other Ministry Grants		\$ 12,467,129	\$ 12,467,129	\$ -	\$ 12,467,129	\$ -

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2010

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 funds from time to time to cover costs of NPHC for which there is full recovery. The amount owing by NPHC to OMOD as at March 31, 2010 is \$243,314 (2009 - \$28,361), which includes management fees of \$5,280 (2009 - \$5,238). NPHC has a promissory note payable to OMOD for up to \$251,000, which bears interest of prime plus 1% and is repayable on demand. As at March 31, 2010, \$243,402 was spent to purchase the land and building for a new congregate care home in Sudbury.

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:

	2010	2009
Current assets	\$ 535,900	\$ 540,968
Capital assets	7,366,290	7,296,600
Total assets	\$ 7,902,190	\$ 7,837,568
Current liabilities	\$ 569,378	\$ 309,963
Mortgage payable	6,169,710	6,367,591
Deferred capital contributions	777,218	742,058
	7,516,306	7,419,612
Fund balances	385,884	417,956
Total liabilities and fund balances	\$ 7,902,190	\$ 7,837,568

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2010

13. Associated organizations (continued):

	2010	2009
Revenue	\$ 1,127,745	\$ 1,117,812
Expenses, including amortization of \$215,064 (2009 - \$202,502) and repayment of grant subsidy of \$37,198 (2009 - \$8,257)	1,139,272	1,125,654
Excess of expenses over revenue	\$ (11,527)	\$ (7,842)
Cash flows provided by (used in):		
Operating activities	\$ 417,441	\$ 153,104
Financing activities	(128,142)	(152,819)
Investing activities	(305,299)	(6,506)
Net cash outflow	\$ (16,000)	\$ (6,221)

(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, 2010 and 2009.

(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 and a letter of credit facility of \$100,000, which is secured by term deposits or balances on accounts held with the bank. The line of credit facility is covered by a General Security Agreement with floating charge specific to the assets located at 10 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, 2010, no amount of this facility has been drawn (2009 - nil).

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2010

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

	Equipment	Premises	Total
2011	\$ 73,000	\$ 1,696,000	\$ 1,769,000
2012	37,000	1,350,000	1,387,000
2013	26,000	1,347,000	1,373,000
2014	2,000	1,149,000	1,151,000
2015	—	1,010,000	1,010,000
Thereafter	—	1,643,000	1,643,000
	\$ 138,000	\$ 8,195,000	\$ 8,333,000

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, 2010, OMOD incurred \$878,144 (2009 - \$779,658) as its pension contribution expense.

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2010

17. Allocation of expenses:

Administration expenses of \$6,443,037 (2009 - \$6,170,533) have been allocated as follows:

	2010	2009
Independent Living Services	\$ 4,485,480	\$ 4,288,924
Employment Services	1,556,979	1,419,706
AccessAbility® Services	204,344	217,325
Affirmative Businesses	6,540	48,542
Recreation and Integration Services	58,404	63,214
Peer Support Services and Conductive Education®	91,859	91,461
Issue advocacy	28,862	30,235
Fundraising	10,569	11,126
Total	\$ 6,443,037	\$ 6,170,533