

Consolidated Financial Statements of

ONTARIO MARCH OF DIMES
(REHABILITATION FOUNDATION FOR THE DISABLED)

Year ended March 31, 2007



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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, 2007 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 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 consolidated financial statements present fairly, in all material respects, the financial position of OMOD as at March 31, 2007 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 15, 2007

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Consolidated Balance Sheet

March 31, 2007, with comparative figures for 2006

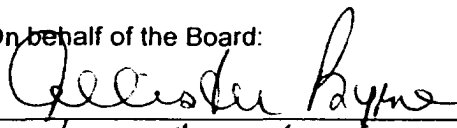
	2007	2006
Assets		
Current assets:		
Cash and restricted cash	\$ 4,818,716	\$ 211,751
Marketable securities (note 2)	31,837	4,734,279
Accounts receivable (note 3)	3,758,552	3,960,651
Prepaid expenses	608,710	650,914
Grants and allocations receivable	650,757	786,820
	<u>9,868,572</u>	<u>10,344,415</u>
Restricted and Endowed investments (notes 2 and 9)	1,094,825	1,069,983
Capital assets (note 4)	4,128,241	3,859,252
Intangible assets - trademark (note 5)	1,683,751	1,773,750
	<u>\$ 16,775,389</u>	<u>\$ 17,047,400</u>

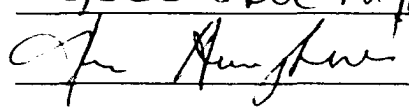
Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued charges	\$ 6,073,152	\$ 4,699,008
Unexpended program grants (note 6)	179,565	129,792
Government advances (note 6)	1,630,643	3,774,899
	<u>7,883,360</u>	<u>8,603,699</u>
Deferred capital grants (note 7)	1,705,089	1,278,885
Fund balances:		
Invested in capital and intangible assets	4,106,903	4,354,117
Capital Reserve Fund (note 8(a))	525,000	500,000
Stabilization Reserve Fund (note 8(b))	1,460,212	1,240,716
	<u>6,092,115</u>	<u>6,094,833</u>
Restricted and Endowed (note 9):		
Board Restricted Fund	767,999	767,999
Donor Restricted Fund	149,398	128,812
Endowed Fund	177,428	173,172
	<u>1,094,825</u>	<u>1,069,983</u>
	<u>7,186,940</u>	<u>7,164,816</u>
	<u>\$ 16,775,389</u>	<u>\$ 17,047,400</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, 2007, with comparative figures for 2006

	2007	2006
Revenue:		
Government and other grants	\$ 52,799,811	\$ 52,402,317
Fees and sales	13,140,038	10,487,067
Fundraising (including United Way) (note 10)	5,618,490	7,060,692
Program recovery	13,650,503	7,837,596
Investment and other	1,026,125	923,780
Recovery from Employers Health Tax	147,800	112,998
	86,382,767	78,824,450
Expenses:		
Programs:		
Independent Living Services	37,309,410	35,848,222
Employment Services	27,787,356	20,296,643
AccessAbility® Services	13,984,538	14,665,821
Affirmative businesses	947,949	1,008,305
Recreation and Integration Services	435,527	443,472
Peer Support Services and Conductive Education®	1,082,776	1,275,140
Issue advocacy	239,959	214,573
Grants and awards	70,208	10,000
	81,857,723	73,762,176
Fundraising (note 10)	2,941,341	3,088,804
Donor acquisition (note 10)	503,445	600,195
Unallocated program and administration support	313,236	761,000
Amortization (notes 4 and 5)	782,561	699,130
Health benefit refund	(37,663)	(367,604)
Other	-	(450,000)
	86,360,643	78,093,701
Excess of revenue over expenses	\$ 22,124	\$ 730,749

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, 2007, with comparative figures for 2006

	2007					2006		
	Invested in capital and intangible assets	Capital Reserve Fund	Stabilization Reserve Fund	Restricted Board Restricted	Restricted and Endowed Funds Donor Restricted	Endowed	Total	Total
Fund balances, beginning of year	\$ 4,354,117	\$ 500,000	\$ 1,240,716	\$ 767,999	\$ 128,812	\$ 173,172	\$ 7,164,816	\$ 6,434,067
Excess (deficiency) of revenue over expenses	(340,084)	-	337,366	-	20,586	4,256	22,124	730,749
Interfund transfers:								
Purchase of capital assets	961,551	-	(961,551)	-	-	-	-	-
Deferred capital grants	(868,681)	-	868,681	-	-	-	-	-
Board policy transfer to Capital Reserve Fund	-	25,000	(25,000)	-	-	-	-	-
Fund balances, end of year	\$ 4,106,903	\$ 525,000	\$ 1,460,212	\$ 767,999	\$ 149,398	\$ 177,428	\$ 7,186,940	\$ 7,164,816

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, 2007, with comparative figures for 2006

	2007	2006
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 22,124	\$ 730,749
Items not involving cash:		
Amortization	782,561	699,130
Amortization of deferred capital grants	(442,477)	(392,797)
Change in non-cash operating working capital:		
Accounts receivable	202,099	1,048,443
Grants and allocations receivable	136,063	(74,396)
Prepaid expenses	42,204	(49,796)
Accounts payable and accrued charges	1,374,144	(3,181,577)
Unexpended program grants	49,773	(90,794)
Government advances	(2,144,256)	(338,894)
	22,235	(1,649,932)
Investing activities:		
Restricted and Endowed investments	(24,842)	963,969
Purchase of capital assets, net of deferred capital grants	(92,870)	(2,048,583)
	(117,712)	(1,084,614)
Decrease in cash and cash equivalents	(95,477)	(2,734,546)
Cash and cash equivalents, beginning of year	4,946,030	7,680,576
Cash and cash equivalents, end of year	\$ 4,850,553	\$ 4,946,030
Represented by:		
Cash and restricted cash (overdraft):		
Restricted	\$ 804,381	\$ 670,986
Unrestricted	4,014,335	(459,235)
Marketable securities	31,837	4,734,279
	\$ 4,850,553	\$ 4,946,030

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, 2007

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 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 allocation of research and other 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 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 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, 2007

Other associated organizations are outlined in note 12 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 deferred method of accounting for contributions.

Revenue and expenses related to the Donor Restricted Fund and Endowed Fund are reported in their related funds.

Government and other grants, fees and sales, program recovery and investment and other revenue 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.

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) Marketable securities:

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

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

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

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2007

1. Significant accounting policies (continued):

(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

(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 consolidated financial statements.

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2007

1. Significant accounting policies (continued):

(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. Marketable securities:

	2007		2006	
	Cost	Fair value	Cost	Fair value
Term deposits	\$ 25,000	\$ 25,793	\$ 4,057,298	\$ 4,066,763
Pooled funds	1,101,662	1,182,320	1,746,964	1,778,399
	\$ 1,126,662	\$ 1,208,113	\$ 5,804,262	\$ 5,845,162
Represented as:				
Marketable securities	\$ 31,837		\$ 4,734,279	
Restricted and Endowed investments	1,094,825		1,069,983	
	\$ 1,126,662		\$ 5,804,262	

Term deposits have an interest rate of 3.5% (2006 - 3.8%) and mature in May 2007 (2006 - March 2007).

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2007

3. Accounts receivable:

	2007	2006
Trade	\$ 2,417,447	\$ 2,291,928
Fees and sales	4,486	7,240
Fundraising and United Way	196,862	345,636
Goods and services tax	149,430	84,967
Due from Ontario March of Dimes Non-Profit Housing Corporation (note 12)	20,139	83,256
EHT recovery	765,018	373,201
Manulife rebate for added premium	-	346,715
Other	205,170	427,708
	\$ 3,758,552	\$ 3,960,651

Included in trade accounts receivable is \$538,128 (2006 - \$1,058,041) 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.

4. Capital assets:

	2007		2006	
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 876,555	\$ -	\$ 876,555	\$ 876,555
Buildings and leasehold improvements	4,864,892	3,572,562	1,292,330	1,307,963
Vehicles	349,575	174,409	175,166	123,182
Machinery, equipment, computer hardware and software	11,020,392	9,236,202	1,784,190	1,551,552
	\$ 17,111,414	\$ 12,983,173	\$ 4,128,241	\$ 3,859,252

The cost of capital assets acquired during the year amounted to \$961,551 (2006 - \$456,624) and was partially financed by capital and operating grants of \$868,681 (2006 - \$208,042). The donor dollar funded programs fund was charged with amortization totalling \$250,085 (2006 - \$280,083). Grant funded programs have been charged with amortization of \$442,477 (2006 - \$392,797).

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2007

4. 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 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 interest in the premises.

5. Intangible assets:

			2007	2006
	Cost	Accumulated amortization	Net book value	Net book value
Trademark	\$ 1,800,000	\$ 116,249	\$ 1,683,751	\$ 1,773,750

Amortization of intangible assets for the year was \$89,999 (2006 - \$26,250).

6. 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.

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2007

7. Deferred capital grants:

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

	2007	2006
Balance, beginning of year	\$ 1,278,885	\$ 1,463,640
Amounts received	868,681	208,042
Amounts amortized to revenue	(442,477)	(392,797)
Balance, end of year	\$ 1,705,089	\$ 1,278,885

8. Capital Reserve Fund and Stabilization 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

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

(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.

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2007

9. Restricted and Endowed Funds:

The Board of Directors internally restricts the use of the Board Restricted Funds. Donor 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.

The Restricted and Endowed Funds balance of \$1,094,825 (2006 - \$1,069,983) has been invested in pooled funds.

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

	2007	2006
Balance, beginning of year	\$ 1,069,983	\$ 2,473,952
Donations	15,722	169,633
Investment income	40,414	185,734
Interfund transfer	-	(2,659,156)
Expenses - including grants and awards	(31,294)	(139,391)
Net surplus from planned giving	-	1,039,211
Balance, end of year	\$ 1,094,825	\$ 1,069,983

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2007

10. 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:

	2007	2006
Revenue	\$ 729,554	\$ 703,314
Expenses:		
Cost of tickets sold:	98,739	95,082
Commissions:		
Retailer	136,079	130,449
Agent	83,664	80,375
Licence	43,692	41,380
Provincial government fees	107,662	101,917
	469,836	449,203
	\$ 259,718	\$ 254,111

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2007

11. 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.

Employment Services	Project code	Grant revenue	Expenditure-based revenue	Total
Hamilton:				
Job placement	8611	\$ 240,000	\$ -	\$ 240,000
Job retention	9275	30,000	-	30,000
Transitional funding	9278	-	53,607	53,607
Exceptional funding	9276	-	7,000	7,000
Carry over		-	5,400	5,400
		\$ 270,000	\$ 66,007	\$ 336,007
Niagara:				
Job retention	9275	\$ 37,500	\$ -	\$ 37,500
Job placement	8611	234,000	-	234,000
Exceptional funding	9276	-	1,009	1,009
Transitional funding	9278	-	11,663	11,663
		\$ 271,500	\$ 12,672	\$ 284,172
Sault Ste. Marie:				
Job placement	8611	\$ 108,000	\$ -	\$ 108,000
Job retention	9275	22,500	-	22,500
Transitional funding	9278	-	31,332	31,332
		\$ 130,500	\$ 31,332	\$ 161,832

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2007

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

Employment Services	Project code	Grant revenue	Expenditure-based revenue	Total
Sudbury:				
Job placement	8611	\$ 108,000	\$ --	\$ 108,000
Job retention	9275	22,500	--	22,500
Exceptional funding	9276	--	4,599	4,599
Transitional funding	9278	--	61,400	61,400
		\$ 130,500	\$ 65,999	\$ 196,499
Timmins:				
Job placement	8611	\$ 96,000	\$ --	\$ 96,000
Job retention	9275	13,500	--	13,500
Exceptional funding	9276	--	3,623	3,623
Transitional funding	9278	--	41,567	41,567
		\$ 109,500	\$ 45,190	\$ 154,690
London:				
Job placement	8611	\$ 150,000	\$ --	\$ 150,000
Job retention	9275	18,500	--	18,500
Exceptional funding	9278	--	1,000	1,000
Carry over	8915	--	7,000	7,000
		--	33,919	33,919
		\$ 168,500	\$ 41,919	\$ 210,419
Ottawa:				
Job retention	9275	\$ 27,000	\$ --	\$ 27,000
Job placement	8611	233,796	--	233,796
Transitional funding	9278	--	32,650	32,650
Carry over		--	145,059	145,059
Other		30,000	--	30,000
		\$ 290,796	\$ 177,709	\$ 468,505

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2007

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

Employment Services	Project code	Grant revenue	Expenditure-based revenue	Total
Thunder Bay:				
Job retention	9275	\$ 40,000	\$ –	\$ 40,000
Job placement	8611	192,000	–	192,000
Transitional funding	9278	–	34,600	34,600
Exceptional funding	9276	–	9,200	9,200
		\$ 232,000	\$ 43,800	\$ 275,800
West Central:				
Job retention	9275	\$ 11,250	\$ –	\$ 11,250
Job placement	8611	54,000	–	54,000
		\$ 65,250	\$ –	\$ 65,250
Kingston:				
Job retention	9275	\$ 42,000	\$ –	\$ 42,000
Job placement	8611	8,000	–	8,000
Transitional funding	9278	–	7,000	7,000
Exceptional funding	9276	–	4,800	4,800
		\$ 50,000	\$ 11,800	\$ 61,800
North Bay:				
Job retention	9275	\$ 4,500	\$ –	\$ 4,500
Job placement	8611	36,000	–	36,000
Transitional funding	9278	–	8,884	8,884
Exceptional funding	9276	–	643	643
		\$ 40,500	\$ 9,527	\$ 50,027

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2007

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

Employment Services	Project code	Grant revenue	Expenditure-based revenue	Total
Toronto:				
Job retention	9275	\$ 51,000	\$ -	\$ 51,000
Job placement	8611	228,000	-	228,000
Transitional funding	9278	-	194,218	194,218
Exceptional funding	9276	-	4,318	4,318
		\$ 279,000	\$ 198,536	\$ 477,536

A review of these reports shows the following services to be in a deficit (surplus) position as at March 31, 2007. Any surplus amounts are reflected in accounts payable and accrued charges:

Other Ministry grants	Project code	Revenue	Expenses	Net	Cash funding	Receivable (payable)
London:						
Home & Vehicle Modification Program	8618	\$ 1,628,100	\$ 1,628,100	\$ -	\$ 1,628,100	\$ -
Home & Vehicle Modification Goods & Services	8621	11,000,000	11,000,000	-	11,000,000	-
		12,628,100	12,628,100	-	12,628,100	-
Ottawa:						
Passport Initiative	334500	212,097	400,991	188,894	212,097	188,894
Thunder Bay:						
Rehabilitation Services	8591	179,900	179,900	-	179,900	-
Niagara:						
Rehabilitation Services	8592	138,857	138,857	-	138,857	-
Kingston:						
School Aged Children Rehabilitation Services for the Disabled	8591	14,706	11,906	(2,800)	14,706	(2,800)
		\$ 13,173,660	\$ 13,359,754	\$ 186,094	\$ 13,173,660	\$ 186,094

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2007

12. 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, 2007 is \$20,139 (2006 - \$83,256). Transactions between NPHC and OMOD for the year are as follows:

	2007	2006
Revenue:		
Reimbursable costs	\$ 26,190	\$ 24,209
Management fees	5,238	3,085

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2007

12. 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:

	2007	2006
Current assets	\$ 540,227	\$ 504,979
Capital assets	7,645,885	7,832,599
Total assets	\$ 8,186,112	\$ 8,337,578
Current liabilities	\$ 7,028,493	\$ 345,751
Mortgage payable	-	6,911,182
Deferred capital contributions	720,498	740,060
	7,748,991	7,996,993
Fund balances	437,121	340,585
Total liabilities and fund balances	\$ 8,186,112	\$ 8,337,578

	2007	2006
Revenue	\$ 1,096,182	\$ 1,026,237
Expenses, including amortization of \$186,714 (2006 - \$181,062)	1,013,054	1,008,521
Excess of revenue over expenses	\$ 83,128	\$ 17,716
Cash flows provided by (used in):		
Operating activities	\$ 193,129	\$ 253,543
Financing and investing activities	(153,162)	(132,787)
Net cash inflow	\$ 39,967	\$ 120,756

(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 ending March 31, 2007 and 2006.

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2007

12. 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.

13. Lease commitments:

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

	Equipment	Premises	Total
2008	\$ 132,000	\$ 1,061,000	\$ 1,193,000
2009	105,000	980,000	1,085,000
2010	68,000	801,000	869,000
2011	16,000	699,000	715,000
2012	—	672,000	672,000
Thereafter	—	3,689,000	3,689,000
	<u>\$ 321,000</u>	<u>\$ 7,902,000</u>	<u>\$ 8,223,000</u>

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. No amount of this facility has been drawn as at March 31, 2007.

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.

ONTARIO MARCH OF DIMES

(REHABILITATION FOUNDATION FOR THE DISABLED)

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2007

15. Commitments and contingencies (continued):

OMOD has provided a letter of credit in the amount of \$12,751 in favour of the Corporation of the City of Toronto.

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, 2007, OMOD incurred \$639,525 (2006 - \$655,673) as its pension contribution expense.

17. Financial instruments:

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

- (a) The carrying amounts of cash and restricted cash, accounts receivable, 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.
- (b) The fair values of marketable securities and Restricted and Endowed investments are based on quoted market values.

18. Comparative figures:

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

