Financial Statements of

MARCH OF DIMES CANADA

And Independent Auditor's Report thereon

Year ended March 31, 2026

KPMG LLP
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of March of Dimes Canada

Qualified Opinion

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

- the statement of financial position as at March 31, 2026
- the statement of operations for the year then ended
- the statement of changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, except for the possible effects of the matter described in the ***"Basis for Qualified Opinion"*** section of our auditor's report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2026, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

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

Therefore, we were not able to determine whether any adjustments might be necessary to:

- the current assets reported in the statements of financial position as at March 31, 2026 and March 31, 2025

- the philanthropy and non-governmental grants revenues and excess (deficiency) of revenue over expenses reported in the statements of operations for the years ended March 31, 2026 and March 31, 2025
- the unrestricted fund balances, at the beginning and end of the year, reported in the statements of changes in fund balances for the years ended March 31, 2026 and March 31, 2025
- the excess (deficiency) of revenue over expenses reported in the statements of cash flows for the years ended March 31, 2026 and March 31, 2025.

Our opinion on the financial statements for the year ended March 31, 2025 was qualified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor’s report thereon, included in Annual Report 2026 Document.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor’s report thereon, included in the Annual Report 2026 Document as at the date of this auditor’s report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor’s report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

July 21, 2026

MARCH OF DIMES CANADA

Statement of Financial Position

March 31, 2026, with comparative information for 2025

	2026	2025
Assets		
Current assets:		
Cash and restricted cash (note 3)	$ 23,540,438	$ 22,772,201
Accounts receivable (note 4)	9,542,968	7,119,813
Amount due from March of Dimes Canada Non-Profit Housing Corporation ("NPHC") (note 5)	138,043	172,088
Prepaid expenses	833,738	618,279
	34,055,187	30,682,381
Restricted investments (note 6)	15,275,956	15,756,501
Capital assets (note 7)	28,738,779	18,236,940
	$ 78,069,922	$ 64,675,822
Liabilities and Fund Balances		
Current liabilities:		
Accounts payable and accrued liabilities (note 8)	$ 10,774,197	$ 11,856,797
Unexpended program grants and deferred revenue (note 9)	3,043,581	3,861,533
Government advances	12,570,802	10,790,436
	26,388,580	26,508,766
Deferred capital contributions (note 10)	11,837,044	495,019
Total liabilities	38,225,624	27,003,785
Fund balances:		
Internally restricted funds:		
Invested in capital assets	17,212,736	17,741,921
Operating Reserve (note 11(a))	13,986,822	12,516,207
Infrastructure Reserve (note 11(b))	3,017,190	3,698,416
Strategic Opportunity Reserve (note 11(c))	5,627,550	3,715,493
	39,844,298	37,672,037
Commitments (note 13)		
	$ 78,069,922	$ 64,675,822

See accompanying notes to financial statements.

On behalf of the Board:

______________________________ Chair, Board of Directors

______________________________ Chair, Risk and Audit Committee

MARCH OF DIMES CANADA

Statement of Operations

Year ended March 31, 2026, with comparative information for 2025

	Operating fund	Invested in capital and intangible assets	Operating Reserve	Infrastructure Reserve	Strategic Opportunity Reserve	2026 Total	2025 Total
Revenue:							
Government grants	$ 125,328,670	$ 208,727	$ –	$ –	$ –	$ 125,537,397	$ 125,373,811
Fee for service	45,388,045	–	–	–	–	45,388,045	39,063,240
Philanthropy and non-government grants	6,692,365	–	–	–	–	6,692,365	6,234,738
Investment and other (note 6)	5,405,771	219,399	774,535	22,346	54,440	6,476,491	3,866,965
	182,814,851	428,126	774,535	22,346	54,440	184,094,298	174,538,754
Expenses:							
Mission Program:							
Community Support Services (note 5)	127,208,097	–	–	–	–	127,208,097	120,567,217
Home and Vehicle Modification Programs (note 15)	16,012,372	–	–	–	–	16,012,372	15,978,012
Skills Development and Employment	15,484,501	–	–	–	–	15,484,501	17,173,726
Research and evaluation	338,631	–	–	–	–	338,631	551,188
Advocacy and campaigns	901,744	–	–	–	–	901,744	491,203
	159,945,345	–	–	–	–	159,945,345	154,761,346
Philanthropy	3,478,697	–	–	–	–	3,478,697	3,934,633
Administration (note 5)	15,126,565	–	–	–	–	15,126,565	13,449,980
Amortization of capital assets (note 7)	–	1,084,334	–	–	–	1,084,334	657,123
Strategic initiatives	–		55,141	1,069,572	1,162,383	2,287,096	1,752,717
	178,550,607	1,084,334	55,141	1,069,572	1,162,383	181,922,037	174,555,799
Excess (deficiency) of revenue over expenses	$ 4,264,244	$ (656,208)	$ 719,394	$ (1,047,226)	$ (1,107,943)	$ 2,172,261	$ (17,045)

See accompanying notes to financial statements.

MARCH OF DIMES CANADA

Statement of Changes in Fund Balances

Year ended March 31, 2026, with comparative information for 2025

	Operating fund	Invested in capital	Operating Reserve (note 11(a))	Infrastructure Reserve (note 11(b))	Strategic Opportunity Reserve (note 11(c))	2026 Total	2025 Total
		Internally restricted funds					
Fund balances, beginning of year	$ –	$ 17,741,921	$ 12,516,207	$ 3,698,416	$ 3,715,493	$ 37,672,037	$ 37,689,082
Excess (deficiency) of revenue over expenses	4,264,244	(656,208)	719,394	(1,047,226)	(1,107,943)	2,172,261	(17,045)
Purchase of capital assets	(127,023)	127,023	–	–	–	–	–
Interfund transfers (note 11(d)):							
Transfer to Operating Reserve	(751,221)	–	751,221	–	–	–	
Transfer to Infrastructure Reserve	(366,000)	–	–	366,000	–	–	–
Transfer to Strategic Opportunity Reserve	(3,020,000)	–	–	–	3,020,000	–	–
Fund balances, end of year	$ –	$ 17,212,736	$ 13,986,822	$ 3,017,190	$ 5,627,550	$ 39,844,298	$ 37,672,037

See accompanying notes to financial statements.

MARCH OF DIMES CANADA

Statement of Cash Flows

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Operating activities:		
Excess (deficiency) of revenue over expenses	$ 2,172,261	$ (17,045)
Items not involving cash:		
Amortization of capital assets	1,084,334	657,123
Amortization of deferred capital contributions	(428,126)	(201,429)
Change in unrealized gains on restricted investments (note 6)	214,682	159,919
Change in non-cash operating working capital:		
Accounts receivable	(2,423,155)	(502,806)
Amount due from NPHC	34,045	(50,350)
Prepaid expenses	(215,459)	237,569
Accounts payable and accrued liabilities	(1,082,600)	16,656
Unexpended program grants and deferred revenue	(817,952)	174,073
Government advances	1,780,366	2,617,181
	318,396	3,090,891
Financing activities:		
Receipt of deferred capital contributions	1,238,977	53,321
Investing activities:		
Purchase of restricted investments, net	265,863	(434,648)
Purchase of capital assets	(1,054,999)	(53,321)
	(789,136)	(487,969)
Increase in cash and restricted cash	768,237	2,656,243
Cash and restricted cash, beginning of year	22,772,201	20,115,958
Cash and restricted cash, end of year	$ 23,540,438	$ 22,772,201
Represented by:		
Unrestricted cash	$ 23,244,945	$ 22,460,588
Restricted cash	295,493	311,613
	$ 23,540,438	$ 22,772,201
Supplemental disclosure of non-cash transactions:		
Receipt of capital additions with no consideration	$ 10,531,174	$ –

See accompanying notes to financial statements.

1. Purpose of the organization:

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

The organization has evolved over its history, which began in 1951 when the Canadian Foundation for Poliomyelitics was incorporated to eliminate polio. When reconstituted as an organization with members from across Canada, the original Board of Directors from Ontario formed the Ontario Corporation, Rehabilitation Foundation for Poliomyelitics and the Orthopedically Disabled, which became known as Ontario March of Dimes ("OMOD") and which was incorporated in 1957. The legal name of the corporation was subsequently changed to the Rehabilitation Foundation for the Disabled. As of May 2013, the non-profit corporation became incorporated federally as March of Dimes Canada ("MODC"). All operations are currently carried out by MODC.

These financial statements include the assets, liabilities, revenue and expenses of MODC. Management has opted the accounting policy choice to note disclosure the controlled organization, as outlined in note 5. The assets, liabilities, revenue and expenses of the controlled entity are not included in the financial statements.

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

MODC's programs include the following:

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

(b) Skills Development and Employment Programs - Programs and services fostering healthy development, community integration, employment and financial security for people with disabilities and their families across all life stages. Programs include skill development and transition support programs for children and youth, virtual skill development programs, specialized assessment services, job skills training, employment placement services, and technology training and support.

1. Purpose of the organization (continued):

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

(d) Research and Evaluation - Initiatives and special projects to understand the needs and experiences of people with disabilities, and inform the design and continuous improvement of person-centred, high-impact programs and services.

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

2. Significant accounting policies:

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

(a) Revenue recognition:

MODC follows the deferral method of accounting for contributions.

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

Unexpended program grants and deferred revenue represent funds received for specific programs, which are recognized as revenue when the related expenses are incurred and recognized.

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

Investment income is recognized as earned.

2. Significant accounting policies (continued):

(b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Financial instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. MODC has elected to recognize investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indication of impairment, MODC determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset, and the amount MODC expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss is reversed to the extent of the improvement, not exceeding the initial impairment charge.

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

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

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

2. Significant accounting policies (continued):

(c) Capital assets:

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

Asset	Basis	Rate
Buildings	Straight line	25 - 40 years
Machinery, equipment, computer hardware and software	Straight line	5 years
Leasehold improvements	Straight line	Term of related lease

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

Capital assets are written down to fair value or replacement cost to reflect partial impairment when conditions indicate that the assets no longer contribute to MODC's ability to provide services, or that the value of future economic benefits or service potential associated with the capital asset is less than its net carrying value.

(d) Donated services:

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

(e) 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 the 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. Significant accounting policies (continued):

(f) Cloud computing arrangements:

MODC has elected to apply the simplification approach under Accounting Guideline AcG-20, Customer's Accounting for Cloud Computing Arrangements. Costs within the scope of the Guideline are expensed as incurred.

During the year, included in strategic initiatives and administration on the statement of operations is $1,442,067 (2025 - $895,662) of costs related to cloud computing arrangements.

3. Restricted cash:

Restricted cash of $295,493 (2025 - $311,613) relating to Bingo and Lottery philanthropy campaigns is included in cash and restricted cash.

4. Accounts receivable:

	2026	2025
Fee for service	$ 5,203,587	$ 5,292,427
Property cost recoverable	291,008	388,659
Harmonized sales tax	493,802	469,676
Program fees	490,120	12,812
Other	3,064,451	956,239
	$ 9,542,968	$ 7,119,813

5. Controlled organization:

MODC controls March of Dimes Canada Non-Profit Housing Corporation ("NPHC"), which is not consolidated in these financial statements:

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

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

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

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

Transactions during the year with NPHC were as follows:

(a) Included in administration is $8,736 (2025 - $8,736) of amounts paid by NPHC to MODC for services provided in connection with properties of NPHC other than the Jean and Howard Caine Apartments. MODC is not reimbursed for the value of the services provided for the Jean and Howard Caine Apartments.

(b) MODC rents a portion of NPHC premises and pays rent to NPHC. Included in community support services are total charges of $58,167 (2025 - $56,748).

(c) Included in community support services are $107,988 (2025 - $117,813) of utility costs paid by MODC to NPHC at service delivery locations, funded as part of MODC's service delivery support.

(d) Community support services include $35,145 (2025 - nil) of support provided by MODC to NPHC for cleaning and repair costs.

5. Controlled organization (continued):

Amount due from NPHC consists of the following:

	2026	2025
In 2018, NPHC signed a promissory note with MODC for a loan in the amount of $75,000 to support the expansion of the Standing Oaks building in Sarnia. The loan is repayable on demand and bears interest at the prime rate plus 1%, per annum, but the principal and the accrued interest are due no later than March 31, 2034	$ 45,350	$ 51,050
In 2010, NPHC signed a promissory note with MODC for a loan in the amount of $251,500 to acquire land and building in Sudbury. The loan is repayable on demand and bears interest at the prime rate plus 1%, per annum, but the loan is payable no later than March 31, 2034	81,783	93,783
Interest receivable on the Sudbury promissory note	13,955	13,955
Amounts receivable (payable) from/to NPHC related for miscellaneous expenses	(3,045)	13,300
	$ 138,043	$ 172,088

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

	2026	2025
Current assets	$ 1,325,651	$ 1,300,976
Capital assets	10,645,769	10,673,711
	$ 11,971,420	$ 11,974,687
Current liabilities	$ 747,202	$ 719,391
Mortgage payable - long-term	1,309,000	1,708,643
Deferred capital contributions	8,684,593	8,454,804
	10,740,795	10,882,838
Fund balances	1,230,625	1,091,849
	$ 11,971,420	$ 11,974,687

5. Controlled organization (continued):

		2026		2025
Revenue	$	2,003,115	$	1,991,313
Expenses, including amortization of $698,106 (2025 - $657,763)		1,936,364		1,894,477
Excess of revenue over expenses	$	66,751	$	96,836
Cash flows provided by (used in):				
Operating activities	$	395,602	$	478,210
Financing activities		199,237		79,269
Investing activities		(605,643)		(320,334)
Net cash inflow (outflow)	$	(10,804)	$	237,145

6. Restricted investments:

		2026		2025
Pooled funds - Strategic Opportunity Reserve	$	2,108,457	$	3,299,639
Pooled funds - Infrastructure Reserve		607,154		1,662,886
Pooled funds - Operating Fund		12,560,345		10,793,976
	$	15,275,956	$	15,756,501

The unrealized gains/losses on restricted investments are recorded in investment and other revenue in the statement of operations, and allocated to the internally restricted funds.

6. Restricted investments (continued):

For the year ended March 31, 2026, the change in unrealized gains on restricted investments is as follows:

Strategic Opportunity Reserve	$ (32,008)	$ 67,871
Infrastructure Reserve	(18,812)	27,409
Operating Reserve	265,502	64,639
	$ 214,682	$ 159,919

7. Capital assets:

			2026	2025
	Cost	Accumulated amortization	Net book value	Net book value
Land	$ 7,079,758	$ –	$ 7,079,758	$ 7,079,758
Buildings	21,241,074	454,034	20,787,040	9,791,651
Machinery, equipment, computer hardware and software	4,353,716	3,604,753	748,963	1,249,790
Leasehold improvements	268,482	145,464	123,018	115,741
	$ 32,943,030	$ 4,204,251	$ 28,738,779	$ 18,236,940

The total cost of capital assets acquired during the year was $11,586,173 (2025 - $53,321) and was financed by capital grants of $11,459,149 (2025 - $53,321).

Amortization expense for the year totaled $1,084,334 (2025 - $657,123) of which $428,126 (2025 - $201,429) relates to funded capital assets.

8. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of $1,596,982 (2025 - $2,719,341) for payroll-related taxes, all of which are current.

9. Unexpended program grants and deferred revenue:

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

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

The changes in the Unexpended program grants and deferred revenue are as follows:

	2026	2025
Balance, beginning of year	$ 3,861,533	$ 3,687,460
Contributions received	22,072,233	24,532,808
Amounts recognized as revenue in the year	(22,890,185)	(24,358,735)
Balance, end of year	$ 3,043,581	$ 3,861,533

10. Deferred capital contributions:

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

	2026	2025
Balance, beginning of year	$ 495,019	$ 643,127
Contributions received	11,770,151	53,321
Amounts recognized as revenue	(428,126)	(201,429)
Balance, end of year	$ 11,837,044	$ 495,019

As at March 31, 2026, $311,002 of deferred capital contributions have been received but not spent (2025 - nil).

11. Internally restricted funds:

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

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

(a) Operating Reserve:

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

The minimum amount $10,000,000 (2025 - $10,000,000) is designated as an amount sufficient to maintain ongoing operating and program delivery due to temporary or long-term changes in financial circumstances. The Operating Reserve serves a dynamic role and will be reviewed and adjusted in response to both internal and external changes.

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

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

(b) Infrastructure Reserve:

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

The target amount of the Infrastructure Reserve is $3,000,000 (2025 - $3,000,000).

11. Internally restricted funds (continued):

(c) Strategic Opportunity Reserve:

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

The target amount of the Strategic Opportunity Reserve is $4,000,000 (2025 - $4,000,000).

(d) Inter-fund transfers:

During the year, the Board of Directors approved the transfer of $4,137,221 from the Operating Fund to the Operating Reserve of $751,221 (2025 - nil), the Infrastructure Reserve of $366,000 (2025 - nil), and the Strategic Opportunity Reserve of $3,020,000 (2025 - Operating Reserve $1,046,976).

12. Credit facilities:

(a) MODC has a credit agreement for a demand line of credit of $4,000,000 (2025 - $4,000,000) and a letter of credit facility of $100,000 (2025 - $100,000) which is secured by a first priority claim on all present and future property of MODC. No amount had been drawn from this facility as at March 31, 2026 or 2025.

(b) MODC has an unsecured revolving lease line of credit by way of lease agreement of $1,000,000 (2025 - $1,000,000). No amount had been drawn from this facility as at March 31, 2026 or 2025.

13. Commitments:

Operating leases:

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

	Equipment	Premises	Total
2027	$ 149,670	$ 3,217,491	$ 3,367,161
2028	86,411	2,114,781	2,201,192
2029	23,500	1,433,759	1,457,259
2030	–	911,280	911,280
2031	–	398,727	398,727
Thereafter	–	482,256	482,256
	$ 259,581	$ 8,558,294	$ 8,817,875

14. Pension plan:

MODC provides pension benefits for substantially all of its permanent employees through a defined contribution plan. Mandatory contributions are required from both participating permanent employees and MODC in accordance with established contribution rates. For the year ended March 31, 2026, MODC incurred $2,396,534 (2025 - $2,285,437) as its pension contribution expense.

15. Ontario Home and Vehicle Modification Program:

The Ministry of Seniors and Accessibility requires disclosure of the following financial information for the Ontario Home and Vehicle Modification Program. Revenue is included in government grants revenue, and expenses are included in Community Support Services expenses on the operations, as follows:

	2026	2025
Revenue	$ 15,628,100	$ 15,638,711
Expenses:		
Program delivery	1,875,229	1,885,977
Home and vehicle modifications	13,752,871	13,752,734
	15,628,100	15,638,711
Excess of revenue over expenses	$ –	$ –

The above amount of expenses of $15,628,100 (2025 - $15,638,711) includes $378,987 (2025 - $187,537) related to program administration.

16. Non-monetary transaction:

During the year, MODC received building additions from an independent third party, with no cash consideration. The additions were measured at fair value based on the value of the underlying building costs incurred on MODC's behalf. As a result, buildings and deferred capital contributions increased by $10,531,174.

17. Comparative information:

Certain comparative information has been reclassified to conform with the statement of operations presentation adopted in the current year.