

Consolidated Financial Statements of

MARCH OF DIMES CANADA

And Independent Auditor's Report thereon

Year ended March 31, 2025



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 consolidated financial statements of March of Dimes Canada (the Entity), which comprise:

- the consolidated statement of financial position as at March 31, 2025
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in fund balances for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated 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 consolidated financial position of the Entity as at March 31, 2025, and its consolidated results of operations and its consolidated 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 consolidated statements of financial position as at March 31, 2025 and March 31, 2024



- the philanthropy and non-governmental grants revenues and excess (deficiency) of revenue over expenses reported in the consolidated statements of operations for the years ended March 31, 2025 and March 31, 2024
- the unrestricted fund balances, at the beginning and end of the year, reported in the consolidated statements of changes in fund balances for the years ended March 31, 2025 and March 31, 2024
- the excess (deficiency) of revenue over expenses reported in the consolidated statements of cash flows for the years ended March 31, 2025 and March 31, 2024.

Our opinion on the financial statements for the year ended March 31, 2024 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.

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.



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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

July 22, 2025

MARCH OF DIMES CANADA

Consolidated Statement of Financial Position

March 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash and restricted cash (note 3)	\$ 22,772,201	\$ 20,115,958
Accounts receivable (note 4)	7,119,813	6,617,007
Amount due from March of Dimes Canada Non-Profit Housing Corporation ("NPHC") (note 5(a))	172,088	121,738
Prepaid expenses	618,279	855,849
	30,682,381	27,710,552
Restricted investments (note 6)	15,756,501	15,481,772
Capital assets (note 7)	18,236,940	18,840,742
	\$ 64,675,822	\$ 62,033,066

Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued liabilities (note 8)	\$ 11,856,797	\$ 11,840,142
Unexpended program grants and deferred revenue (note 9)	3,861,533	3,687,460
Government advances	10,790,436	8,173,255
	26,508,766	23,700,857
Deferred capital grants (note 10)	495,019	643,127
Total liabilities	27,003,785	24,343,984
Fund balances:		
Internally restricted funds:		
Invested in capital assets	17,741,921	18,197,615
Operating Reserve (note 11(a))	12,516,207	10,734,422
Infrastructure Reserve (note 11(b))	3,698,416	4,688,337
Strategic Opportunity Reserve (note 11(c))	3,715,493	4,068,708
	37,672,037	37,689,082
Commitments (note 13)		
	\$ 64,675,822	\$ 62,033,066

See accompanying notes to consolidated financial statements.

On behalf of the Board:

Chair, Board of Directors

Chair, Risk and Audit Committee

MARCH OF DIMES CANADA

Consolidated Statement of Operations

Year ended March 31, 2025, with comparative information for 2024

	2025					2024	
	Operating fund	Invested in capital and intangible assets	Operating Reserve	Infrastructure Reserve	Strategic Opportunity Reserve	Total	Total
Revenue:							
Government grants	\$ 125,172,382	\$ 201,429	\$ –	\$ –	\$ –	\$ 125,373,811	\$ 118,573,372
Fee for service	39,063,240	–	–	–	–	39,063,240	37,282,626
Philanthropy and non-government grants	6,234,738	–	–	–	–	6,234,738	7,031,331
Investment and other (note 6)	2,722,563	–	784,377	153,600	206,425	3,866,965	3,031,561
Gain on exchange of capital assets (note 17)	–	–	–	–	–	–	14,996,566
	173,192,923	201,429	784,377	153,600	206,425	174,538,754	180,915,456
Expenses:							
Mission Program							
Community Support Services	120,337,415	–	–	–	–	120,337,415	114,144,988
Home and Vehicle Modification Programs (note 16)	15,978,012	–	–	–	–	15,978,012	15,440,599
Skills Development and Employment	16,943,923	–	–	–	–	16,943,923	17,626,853
Research and evaluation	551,188	–	–	–	–	551,188	708,111
Advocacy and campaigns	421,649	–	–	–	–	421,649	545,076
	154,232,187	–	–	–	–	154,232,187	148,465,627
Philanthropy	3,934,633	–	–	–	–	3,934,633	3,478,605
Administration	13,979,127	–	49,568	1,143,521	559,640	15,731,856	14,486,817
Amortization of capital assets (note 7)	–	657,123	–	–	–	657,123	659,798
Impairment of intangible asset (note 15)	–	–	–	–	–	–	1,413,751
	172,145,947	657,123	49,568	1,143,521	559,640	174,555,799	168,504,598
Excess (deficiency) of revenue over expenses	\$ 1,046,976	\$ (455,694)	\$ 734,809	\$ (989,921)	\$ (353,215)	\$ (17,045)	\$ 12,410,858

See accompanying notes to consolidated financial statements.

MARCH OF DIMES CANADA

Consolidated Statement of Changes in Fund Balances

Year ended March 31, 2025, with comparative information for 2024

		2025				2024	
	Operating fund	Invested in capital	Operating Reserve	Infrastructure Reserve	Opportunity Reserve	Total	Total
Fund balances, beginning of year	\$ —	\$ 18,197,615	\$ 10,734,422	\$ 4,688,337	\$ 4,068,708	\$ 37,689,082	\$ 25,278,224
Excess (deficiency) of revenue over expenses	1,046,976	(455,694)	734,809	(989,921)	(353,215)	(17,045)	12,410,858
Purchase of capital assets	—	53,321	(53,321)	—	—	—	—
Deferred capital grants	—	(53,321)	53,321	—	—	—	—
Interfund transfers:							
Transfer to Operating Reserve	(1,046,976)	—	1,046,976	—	—	—	—
Fund balances, end of year	\$ —	\$ 17,741,921	\$ 12,516,207	\$ 3,698,416	\$ 3,715,493	\$ 37,672,037	\$ 37,689,082

See accompanying notes to consolidated financial statements.

MARCH OF DIMES CANADA

Consolidated Statement of Cash Flows

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Operating activities:		
Excess (deficiency) of revenue over expenses	\$ (17,045)	\$ 12,410,858
Items not involving cash:		
Amortization of capital assets	657,123	659,798
Loss on disposal of intangible assets	—	1,413,751
Gain on exchange of capital assets	—	(14,996,566)
Amortization of deferred capital grants	(201,429)	(181,507)
Change in unrealized losses on restricted investments (note 6)	159,919	722,057
Change in non-cash operating working capital:		
Accounts receivable	(502,806)	(938,663)
Amount due from NPHC	(50,350)	66,816
Prepaid expenses	237,569	(312,686)
Accounts payable and accrued liabilities	16,656	408,807
Unexpended program grants and deferred revenue	174,073	580,321
Government advances	2,617,181	2,927,199
	3,090,891	2,760,185
Financing activities:		
Receipt of deferred capital grants	53,321	113,243
Investing activities:		
Purchase of restricted investments, net	(434,648)	431,649
Purchase of capital assets	(53,321)	(113,243)
	(487,969)	318,406
Increase in cash and restricted cash	2,656,243	3,191,834
Cash and restricted cash, beginning of year	20,115,958	16,924,124
Cash and restricted cash, end of year	\$ 22,772,201	\$ 20,115,958
Represented by:		
Unrestricted cash	\$ 22,460,588	\$ 19,804,737
Restricted cash	311,613	311,221
	\$ 22,772,201	\$ 20,115,958

See accompanying notes to consolidated financial statements.

MARCH OF DIMES CANADA

Notes to Consolidated Financial Statements

Year ended March 31, 2025

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 Poliomyelitis 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 Poliomyelitis 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"); OMOD no longer existed as a provincial entity, and the former subsidiary, March of Dimes Canada, was registered as March of Dimes Canada Foundation. All operations are currently carried out by MODC, and March of Dimes Canada Foundation remains inactive.

These consolidated financial statements include the assets, liabilities, revenue and expenses of MODC and March of Dimes Canada Foundation. Management has opted the accounting policy choice to note disclosure other controlled organizations, as outlined in note 5. The assets, liabilities, revenue and expenses of these entities are not included in the consolidated 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.

MARCH OF DIMES CANADA

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2025

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 consolidated 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 that have not yet been expensed.

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.

MARCH OF DIMES CANADA

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2025

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 carrying value.

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 consolidated 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 or credit risk arising from financial instruments.

MARCH OF DIMES CANADA

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2025

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	Declining balance	5%
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.

(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 consolidated financial statements.

(e) Use of estimates:

The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates. Balances which require some degree of estimation and assumptions are valuation of investments, allowance for doubtful accounts, accrued liabilities, and amortization of capital assets.

MARCH OF DIMES CANADA

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2025

3. Cash and restricted cash:

Restricted cash of \$311,613 (2024 - \$311,221) relating to Bingo and Lottery philanthropy campaigns is included in cash and restricted cash.

4. Accounts receivable:

	2025	2024
Fee for service	\$ 5,292,427	\$ 3,292,890
Property cost recoverable	388,659	711,961
Harmonized sales tax	469,676	306,091
Program fees	12,812	1,246,194
Other	956,239	1,059,871
	<u>\$ 7,119,813</u>	<u>\$ 6,617,007</u>

5. Controlled organizations:

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

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

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.

MARCH OF DIMES CANADA

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2025

5. Controlled organizations (continued):

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:

- (i) NPHC paid \$8,736 (2024 - \$8,736) 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.
- (ii) MODC rents a portion of NPHC premises and pays rent to NPHC. The total charges were \$56,748 (2024 - \$83,917).
- (iii) During the year, MODC paid \$117,813 (2024 - nil) to NPHC for utility costs at service delivery locations, funded as part of MODC's service delivery support.

Amount due from NPHC consists of the following:

	2025	2024
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	\$ 51,050	\$ 57,000
In 2010, NPHC signed a promissory note with MODC for a loan in the amount of \$251,000 to acquire land and building in Sudbury, Ontario. 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	93,783	106,621
Interest receivable on the Sudbury promissory note	13,955	13,955
Rent payable	—	(53,600)
Amounts receivable (payable) from NPHC related for miscellaneous expenses	13,300	(2,238)
	\$ 172,088	\$ 121,738

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Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2025

5. Controlled organizations (continued):

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

	2025	2024
Current assets	\$ 1,300,976	\$ 1,020,480
Capital assets	10,673,711	10,999,976
	<u>\$ 11,974,687</u>	<u>\$ 12,020,456</u>
Current liabilities	\$ 719,391	\$ 646,310
Mortgage payable - long-term	1,708,643	2,091,235
Deferred capital contribution	8,454,804	8,328,771
	<u>10,882,838</u>	<u>11,066,316</u>
Fund balances	1,091,849	954,140
	<u>\$ 11,974,687</u>	<u>\$ 12,020,456</u>
	2025	2024
Revenue	\$ 1,991,313	\$ 1,786,120
Expenses, including amortization of \$657,763 (2024 - \$624,164)	1,894,477	1,798,364
Excess (deficiency) of revenue over expenses	<u>\$ 96,836</u>	<u>\$ (12,244)</u>
Cash flows provided by (used in):		
Operating activities	\$ 478,210	\$ 251,627
Financing activities	79,269	(180,423)
Investing activities	(320,334)	(81,223)
Net cash inflow (outflow)	<u>\$ 237,145</u>	<u>\$ (10,019)</u>

MARCH OF DIMES CANADA

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2025

5. Controlled organizations (continued):

(b) Rehabilitation Foundation for Disabled Persons Incorporated, U.S. ("RFDP, U.S.):

RFDP, U.S. was a registered charity incorporated in the United States with objectives aligned to those of MODC. MODC appointed all members of the Board of Directors of RFDP, U.S. and, accordingly, exercised control over the entity.

The financial activities of RFDP, U.S. were historically immaterial to MODC and, as such, were not consolidated in these financial statements.

During the current fiscal year, RFDP, U.S. was formally dissolved.

(c) Stroke Recovery Association of British Columbia (the "Association"):

The Association was incorporated under the *British Columbia Societies Act* on June 11, 1976, and is a registered charity under the *Income Tax Act* (Canada), and is therefore exempt from income tax. The Association's mandate is to provide stroke recovery services throughout the province of British Columbia.

Until March 31, 2025, MODC appointed the majority of the members of the Association's Board of Directors and, accordingly, was considered to exercise control over the Association. Effective April 1, 2025, MODC no longer has any representation on the Board and, as a result, no longer exercises control over the Association.

Transactions during the year with the Association were as follows:

- (i) MODC total donations and bequests to the Association were \$79,630 (2024 - \$47,300);
- (ii) MODC rents a portion of the Association premises and pays rent to the Association. The total charges were \$23,829 (2024 - \$59,933);
- (iii) During the year, the Association paid MODC \$186,633 (2024 - \$122,237) for administrative salaries and benefits; and
- (iv) During the year, the Association paid MODC \$47,393 and \$32,330 remain unpaid and accrued as of March 31 for a total of \$79,723 (2024 - \$47,300) for professional services rendered.

MARCH OF DIMES CANADA

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2025

5. Controlled organizations (continued):

As at March 31, 2025, MODC has \$32,330 net payable to the Association (2024 - nil).

The following is a summary of financial information extracted from the financial statements of the Association:

	2025	2024
Current assets	\$ 565,544	\$ 657,424
	\$ 565,544	\$ 657,424
Current liabilities	\$ 53,402	\$ 38,549
Deferred revenue	411,293	518,026
	464,695	556,575
Fund balances	100,849	100,849
	\$ 565,544	\$ 657,424
Revenue	\$ 583,726	\$ 543,838
Expenses	583,726	506,175
Excess of revenue over expenses	\$ —	\$ 37,663
Cash flows provided (used) by:		
Operating activities	\$ (125,459)	\$ 47,599
Net cash inflow (outflow)	\$ (125,459)	\$ 47,599

MARCH OF DIMES CANADA

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2025

6. Restricted investments:

	2025		2024	
	Cost	Fair value	Cost	Fair value
Pooled funds - Strategic Opportunity Reserve	\$ 3,244,093	\$ 3,299,639	\$ 3,120,797	\$ 3,108,473
Pooled funds - Infrastructure Reserve	1,648,179	1,662,886	2,333,386	2,320,684
Pooled funds - Operating Fund	10,534,408	10,793,976	9,857,686	10,052,615
	<u>\$ 15,426,680</u>	<u>\$ 15,756,501</u>	<u>\$ 15,311,869</u>	<u>\$ 15,481,772</u>

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

For the year ended March 31, 2025, the change in unrealized losses (gains) on restricted investments is as follows:

Strategic Opportunity Reserve	\$ 67,871	\$ (261,613)
Infrastructure Reserve	27,409	310,387
Operating Reserve	64,639	673,283
	<u>\$ 159,919</u>	<u>\$ 722,057</u>

7. Capital assets:

	2025		2024	
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 7,079,758	\$ —	\$ 7,079,758	\$ 7,079,758
Buildings	9,820,901	29,250	9,791,651	9,793,353
Machinery, equipment, computer hardware and software	4,226,693	2,976,903	1,249,790	1,851,603
Leasehold improvements	229,505	113,764	115,741	116,028
	<u>\$ 21,356,857</u>	<u>\$ 3,119,917</u>	<u>\$ 18,236,940</u>	<u>\$ 18,840,742</u>

MARCH OF DIMES CANADA

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2025

7. Capital assets (continued):

The total cost of capital assets acquired during the year was \$53,321 (2024 - \$16,949,202) and was financed by capital grants of \$53,321 (2024 - \$113,243).

Amortization expense for the year totaled \$657,123 (2024 - \$659,798) of which \$201,429 (2024 - \$181,507) relates to government funded capital assets.

8. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$2,719,341 (2024 - \$2,145,872) 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.

MARCH OF DIMES CANADA

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2025

10. Deferred capital grants:

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

	2025	2024
Balance, beginning of year	\$ 643,127	\$ 711,391
Contributions received	53,321	113,243
Amounts recognized as revenue	(201,429)	(181,507)
Balance, end of year	\$ 495,019	\$ 643,127

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 consolidated 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 (2024 - \$10,000,000) is designated in 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.

MARCH OF DIMES CANADA

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2025

11. Internally restricted funds (continued):

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 (2024 - \$3,000,000).

(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 (2024 - \$4,000,000).

(d) Inter-fund transfers:

During the year, the Board of Directors approved the transfer of \$1,046,976 (2024 - \$6,551) from the Operating Fund to the Operating Reserve.

12. Credit facilities:

(a) MODC has a credit agreement for a demand line of credit of \$4,000,000 (2024 - \$4,000,000) and a letter of credit facility of \$100,000 (2024 - \$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, 2025 or 2024.

(b) MODC has an unsecured revolving lease line of credit by way of lease agreement of \$1,000,000 (2024 - \$1,000,000). No amount had been drawn from this facility as at March 31, 2025 or 2024.

MARCH OF DIMES CANADA

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 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
2026	\$ 127,117	\$ 3,192,450	\$ 3,319,567
2027	87,396	1,895,664	1,983,060
2028	26,266	1,631,970	1,658,236
2029	2,100	1,087,460	1,089,560
2030	—	749,399	749,399
Thereafter	—	922,884	922,884
	\$ 242,879	\$ 9,479,827	\$ 9,722,706

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, 2025, MODC incurred \$2,285,437 (2024 - \$2,102,199) as its pension contribution expense.

15. Intangible asset:

In fiscal 2024, MODC recognized a write-down of \$1,413,751 related to an acquired trademark. Management assessed the carrying value of the intangible asset as events and circumstances indicated the carrying value exceeded its fair value. This write-down was included in the consolidated statement of operations as an impairment of intangible asset.

MARCH OF DIMES CANADA

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2025

16. 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 consolidated operations, as follows:

	2025	2024
Revenue	\$ 15,638,711	\$ 15,628,135
Expenses:		
Program delivery	1,885,977	1,808,127
Home and vehicle modifications	13,752,734	13,820,008
	15,638,711	15,628,135
Excess of revenue over expenses	\$ —	\$ —

The above amount of expenses of \$15,638,711 (2024 - \$15,628,135) includes \$187,537 (2024 - \$187,501) related to program administration.

17. Non-monetary transaction:

In fiscal 2024, MODC exchanged capital assets with an independent party. The assets received were measured in MODC's consolidated financial statements at fair market value based on an independent appraisal. In fiscal 2024, MODC recognized a gain in the consolidated statement of operations of \$14,996,566, representing the difference between the cost of the assets given up of \$1,860,000 and the fair market value of the assets received of \$16,856,566.

18. Comparative information:

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