



Financial Statements

Kids Care Oncology Central West Ontario
(o/a Ronald McDonald House Hamilton)

June 30, 2013

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Independent Auditor's Report

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To the Members of
Kids Care Oncology Central West Ontario

We have audited the accompanying financial statements of Kids Care Oncology Central West Ontario (o/a Ronald McDonald House Hamilton), which comprise the balance sheet as at June 30, 2013, June 30, 2012, and July 1, 2011, and the statements of revenue, expenses and fund balances and cash flows for the years ended June 30, 2013 and June 30, 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements 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 organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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


Independent Auditor's Report (continued)

Basis for Qualified Opinion

In common with many charitable organizations, the organization derives revenue from donations, special events and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, assets and fund balances.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at June 30, 2013, June 30, 2012, and July 1, 2011 and the results of its operations and its cash flows for the years ended June 30, 2013 and June 30, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

The signature of Grant Thornton LLP is written in a cursive, handwritten style.

Hamilton, Canada
November 25, 2013

Chartered Accountants
Licensed Public Accountants

Kids Care Oncology Central West Ontario
(o/a Ronald McDonald House Hamilton)
Balance Sheet

June 30	2013	2012	July 1 2011
	Total	Total	Total
Assets			
Current			
Cash and cash equivalents	\$ -	\$ -	\$ 1,927,203
Accounts receivable	76,626	366,876	145,867
Inventory	14,078	-	-
Investments (note 4)	1,195,536	1,119,580	1,089,785
Prepaid expenses	22,424	16,391	20,777
	<u>1,308,664</u>	<u>1,502,847</u>	<u>3,183,632</u>
Capital assets (note 5)	<u>13,751,395</u>	<u>13,913,881</u>	<u>5,069,610</u>
	<u>\$ 15,060,059</u>	<u>\$ 15,416,728</u>	<u>\$ 8,253,242</u>
Liabilities			
Current			
Bank indebtedness (note 14)	\$ 1,799,936	\$ 3,695,925	\$ -
Accounts payable and accrued liabilities	127,136	650,659	1,402,881
Deferred revenue	54,649	82,139	62,075
Current portion of capital lease (note 15)	4,184	-	-
	<u>1,985,905</u>	<u>4,428,723</u>	<u>1,464,956</u>
Capital lease obligation (note 15)	<u>15,633</u>	<u>-</u>	<u>-</u>
Deferred contributions (note 6)	<u>10,326,126</u>	<u>8,194,242</u>	<u>3,891,667</u>
	<u>12,327,664</u>	<u>12,622,965</u>	<u>5,356,623</u>
Fund balances			
Externally restricted (note 8)	37,204	37,096	36,881
Internally restricted (note 9)	1,056,418	974,024	889,850
Operating (note 10)	1,638,773	1,782,643	1,969,888
	<u>2,732,395</u>	<u>2,793,763</u>	<u>2,896,619</u>
	<u>\$ 15,060,059</u>	<u>\$ 15,416,728</u>	<u>\$ 8,253,242</u>

Commitments and contingency (note 7)

Approved on behalf of the Board

Director

Director

Kids Care Oncology Central West Ontario
(o/a Ronald McDonald House Hamilton)
Statements of Revenue, Expenses and Fund Balances

Year ended June 30, 2013

	2013			2012		
	Operating	Restricted	Total	Operating	Restricted	Total
Revenue						
Fundraising (note 6)	\$ 868,962	\$ -	\$ 868,962	\$ 993,084	\$ -	\$ 993,084
Special events	374,777	-	374,777	272,496	-	272,496
RMHC funding	231,080	-	231,080	167,906	-	167,906
Room rental	120,658	-	120,658	31,625	-	31,625
Donations in-kind	38,609	-	38,609	49,122	-	49,122
Investment income (note 11)	29,449	107	29,556	38,746	215	38,961
	<u>1,663,535</u>	<u>107</u>	<u>1,663,642</u>	<u>1,552,979</u>	<u>215</u>	<u>1,553,194</u>
Expenses						
Wages and benefits	\$ 954,749	\$ -	\$ 954,749	\$ 741,618	\$ -	\$ 741,618
Utilities	130,805	-	130,805	48,725	-	48,725
House maintenance and supplies (note 6)	111,568	-	111,568	423,679	-	423,679
Interest and bank charges	99,565	-	99,565	7,935	-	7,935
Culinary kitchen expense	90,055	-	90,055	623	-	623
Special events	84,606	-	84,606	82,686	-	82,686
Technology support	43,572	-	43,572	40,515	-	40,515
Supplies in-kind	38,609	-	38,609	49,122	-	49,122
Fund raising	25,657	-	25,657	41,185	-	41,185
Office supplies and postage	20,957	-	20,957	28,187	-	28,187
House security	18,813	-	18,813	-	-	-
Family relations	13,607	-	13,607	1,415	-	1,415
Donor volunteer recognition	12,625	-	12,625	19,237	-	19,237
Telephone	12,111	-	12,111	12,360	-	12,360
Professional fees	10,425	-	10,425	11,476	-	11,476
Other (note 6)	7,724	-	7,724	9,136	-	9,136
Insurance	6,991	-	6,991	6,703	-	6,703
Family room	3,505	-	3,505	8,330	-	8,330
Meetings and conferences	2,922	-	2,922	14,364	-	14,364
	<u>1,688,866</u>	<u>-</u>	<u>1,688,866</u>	<u>1,547,296</u>	<u>-</u>	<u>1,547,296</u>
Excess of (expenses over revenue) revenue over expenses from operations	(25,331)	107	(25,224)	5,683	215	5,898
Capital expenses						
Amortization	300,917	-	300,917	108,673	-	108,673
Amortization of deferred contributions	(264,772)	-	(264,772)	-	-	-
Loss on disposal of capital assets	-	-	-	80	-	80
	<u>36,145</u>	<u>-</u>	<u>36,145</u>	<u>108,753</u>	<u>215</u>	<u>108,753</u>
Excess of expenses over revenue	(61,476)	107	(61,369)	(103,070)	215	(102,855)
Fund balances - beginning of year	\$ 1,782,644	\$ 1,011,120	\$ 2,793,764	\$ 1,969,888	\$ 926,731	\$ 2,896,619
Increase (decrease) in fund balances	(61,476)	107	(61,369)	(103,070)	215	(102,855)
Interfund transfers (note 12)	(84,174)	84,174	-	(84,174)	84,174	-
Fund balances - end of year	<u>\$ 1,636,994</u>	<u>\$ 1,095,401</u>	<u>\$ 2,732,395</u>	<u>\$ 1,782,644</u>	<u>\$ 1,011,120</u>	<u>\$ 2,793,764</u>

See accompanying notes to the financial statements

Kids Care Oncology Central West Ontario

(o/a Ronald McDonald House Hamilton)

Statement of Cash Flows

Year ended June 30

2013

2012

Increase (decrease) in cash and cash equivalents

Operating

Deficiency of revenue over expenses	\$ (61,369)	\$ (102,856)
Adjustments for non-cash items		
Amortization	300,917	108,673
Net change in fair value of investments	3,868	2,882
Loss on disposal of capital assets	-	80
Loss on disposal of investments	2,208	321
	245,624	9,100
Changes in non-cash working capital (note 13)	(280,873)	(948,781)
	(35,249)	(939,681)

Investing

Purchase of capital assets	(138,431)	(8,953,024)
Purchase of investments	(434,531)	(208,134)
Proceeds on disposal of investments	352,499	175,136
Increase in capital lease obligation	19,817	-
	(200,646)	(8,986,022)

Financing

Net proceeds from deferred contributions	2,131,884	4,302,575
Short-term bank advances	(1,895,989)	3,695,925
	235,895	7,998,500

Decrease in cash and cash equivalents	-	(1,927,203)
Cash and cash equivalents - beginning of year	-	1,927,203
Cash and cash equivalents - end of year	\$ -	\$ -

See accompanying notes to the financial statements

Kids Care Oncology Central West Ontario

(o/a Ronald McDonald House Hamilton)

Notes to the Financial Statements

June 30, 2013

1. Nature of operations

Kids Care Oncology, Central West Ontario (o/a Ronald McDonald House Hamilton) (the House, or Organization) is a non-profit organization operating as a registered charity within the meaning assigned in Section 149 of the Canadian Income Tax Act. Under the provisions of the Canadian Income Tax Act and the Ontario Corporations Tax Act the organization is exempt from federal and provincial income taxes.

The mission of the organization is to provide a warm, compassionate and safe "home away from home" for families of seriously ill children who are receiving treatment at local children's hospitals.

2. Significant accounting policies

The organization follows Canadian accounting standards for not-for-profit organizations (ASNPO) in preparing its financial statements. The significant accounting policies used are as follows:

Fund accounting

The organization has the following funds:

Operating fund

The revenue and expenses related to the collection of donations and fund raising activities as well as the expansion project are reported in the Operating fund. Investment income earned on the internally restricted position of the Restricted funds is reported in the Operating fund.

Restricted funds

The Restricted funds report amounts for which the use is restricted by the donors and related investment income on the fund balance.

Revenue recognition

The organization follows the restricted fund method of accounting for contributions.

Revenue and expenses, with the exception of grants, are recorded on the accrual basis. These contributions (including fundraising and special events) are recognized as revenue when received or receivable when the amounts to be received can be estimated and collection is reasonably assured. Unrestricted grants and restricted grants that are not for the purchase of capital assets are recorded as received.

Restricted contributions and grants for the purchase of capital assets are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets.

Pledges are not recognized as revenue until received in cash or as an in-kind donation.

Unrealized gains and losses on held-for-trading financial assets are included in investment income and recognized as revenue in the statement of revenue and expenses.

Kids Care Oncology Central West Ontario

(o/a Ronald McDonald House Hamilton)

Notes to the Financial Statements

June 30, 2013

2. Significant accounting policies (continued)

Donated materials and services

The organization records the fair value of any donated materials and services which they would normally have incurred as an operating expense with the exception of volunteer time. The fair value is determined based on arm's length market values. The organization has approximately 350 volunteers who contribute their time each year. The value of these services is not recognized in the financial statements.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and on deposit with banks and investments in money market instruments with an initial maturity of three months or less.

Financial instruments

Measurement

The organization initially measures its financial assets and liabilities at fair value.

The organization subsequently measures its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in the statement of revenue, expenses and fund balances.

Financial assets and liabilities measured at amortized cost include cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities. Financial assets and liabilities measured at fair value include investments.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in the statement of revenue, expenses and fund balances.

Kids Care Oncology Central West Ontario

(o/a Ronald McDonald House Hamilton)

Notes to the Financial Statements

June 30, 2013

2. Significant accounting policies (continued)

Capital assets

Capital assets are recorded at cost less accumulated amortization. Capital assets are amortized to estimated residual values at the following annual rates over the estimated useful lives of the related assets:

Building	40 years straight line
Furniture and fixtures	10% - 20% declining balance
Office equipment	30% declining balance
Computer hardware	30% - 45% declining balance
Computer software	20% - 30% declining balance
Sign	10% straight line
Vehicle	30% declining balance

The estimated useful lives of assets are reviewed by management and adjusted if necessary.

The organization tests capital assets for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Interest related to the period of development is capitalized as part of the cost of the building project. Capitalization of interest ceases when the asset is completed and is put into use.

Management estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Items subject to significant management estimates include estimated useful lives of capital assets.

Kids Care Oncology Central West Ontario

(o/a Ronald McDonald House Hamilton)

Notes to the Financial Statements

June 30, 2013

3. First-time adoption of Canadian accounting standards for not-for-profit organizations

These financial statements are the first financial statements for which the organization has applied Canadian accounting standards for not-for-profit organizations hereafter referred to as "ASNPO". The financial statements for the year ended June 30, 2013 were prepared in accordance with ASNPO. Comparative period information presented for the year ended June 30, 2012 was prepared in accordance with ASNPO and provisions set out in Section 1501, First-time Adoption by Not-for-Profit Organizations.

The date of transition to ASNPO is July 1, 2011. The organization's transition to ASNPO has had no significant impact on the opening net assets as at July 1, 2011 or the statement of operations for the year ended June 30, 2012 or the statement of cash flows for the year ended June 30, 2012.

4. Investments

	<u>2013</u>	<u>2012</u>	<u>July 1, 2011</u>
Fixed income instruments	\$ 383,140	\$ 647,793	\$ 532,266
Equities	313,517	418,745	505,001
Cash equivalents	<u>498,879</u>	<u>53,042</u>	<u>52,518</u>
	<u>\$ 1,195,536</u>	<u>\$ 1,119,580</u>	<u>\$ 1,089,785</u>

5. Capital assets

	<u>2013</u>		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Land	\$ 9,181	\$ -	\$ 9,181
Building	14,586,002	1,335,429	13,250,573
Furniture and fixtures	460,291	91,585	368,706
Office equipment	120,219	42,875	77,344
Computer hardware	51,708	28,754	22,954
Computer software	25,082	6,562	18,520
Sign	<u>8,154</u>	<u>4,037</u>	<u>4,117</u>
	<u>\$ 15,260,637</u>	<u>1,509,242</u>	<u>\$ 13,751,395</u>

Kids Care Oncology Central West Ontario (o/a Ronald McDonald House Hamilton) Notes to the Financial Statements

June 30, 2013

5. Capital assets (continued)

	2012		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Expansion project			
Land under development	\$ 9,074	\$ -	\$ 9,074
Building under development	<u>12,115,165</u>	<u>-</u>	<u>12,115,165</u>
	<u>12,124,239</u>	<u>-</u>	<u>12,124,239</u>
Capital assets			
Land	107	-	107
Building	2,392,417	1,123,201	1,269,216
Furniture and fixtures	452,301	51,061	401,240
Office equipment	88,315	16,564	71,751
Computer hardware	46,524	12,093	34,431
Computer software	10,149	1,825	8,324
Sign	<u>8,154</u>	<u>3,581</u>	<u>4,573</u>
	<u>2,997,967</u>	<u>1,208,325</u>	<u>1,789,642</u>
	<u>\$ 15,122,206</u>	<u>\$ 1,208,325</u>	<u>\$ 13,913,881</u>

	July 1, 2011		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Expansion project			
Land under development	\$ 9,074	\$ -	\$ 9,074
Building under development	<u>3,694,337</u>	<u>-</u>	<u>3,694,337</u>
	<u>3,703,411</u>	<u>-</u>	<u>3,703,411</u>
Capital assets			
Land	107	-	107
Building	2,392,417	1,063,390	1,329,027
Furniture and fixtures	51,946	28,721	23,225
Sign	8,154	3,073	5,081
Office equipment	7,651	3,099	4,552
Computer hardware	4,309	1,191	3,118
Computer software	1,187	178	1,009
Vehicle	<u>24,435</u>	<u>24,355</u>	<u>80</u>
	<u>2,490,206</u>	<u>1,124,007</u>	<u>1,366,199</u>
	<u>\$ 6,193,617</u>	<u>\$ 1,124,007</u>	<u>\$ 5,069,610</u>

Kids Care Oncology Central West Ontario

(o/a Ronald McDonald House Hamilton)

Notes to the Financial Statements

June 30, 2013

6. Deferred contributions

Deferred contributions represent the unamortized amounts of restricted grants and net donations received for the expansion of the house. Changes during the year are as follows:

	<u>2013</u>	<u>2012</u>	<u>July 1, 2011</u>
Balance - beginning of year	\$ 8,194,242	\$ 3,891,667	\$ 61,352
Add: Grants received	2,002,023	4,140,992	3,374,900
Add: Net donations received	464,362	565,960	437,134
Less: revenue recognized from expansion funds	(69,729)	(405,301)	-
Less: amortization of deferred capital contributions	(264,772)	-	-
Add: Investment income earned	-	924	18,281
Balance - end of year	<u>\$ 10,326,126</u>	<u>\$ 8,194,242</u>	<u>\$ 3,891,667</u>

Fundraising revenue in the statement of revenue, expenses and fund balances includes \$69,729 (2012 - \$405,301, July 1, 2011 - \$nil) of expansion contributions recognized to fund the following related non-capital build expenses included in house and maintenance supplies:

	<u>2013</u>	<u>2012</u>
Maintenance and supplies	\$ 69,729	\$ 180,624
Offsite accommodations	-	211,138
Other expenses	-	3,539

7. Commitments and contingency

The organization has the following annual commitments with respect to rental of equipment and maintenance contracts:

Fiscal years ending June 30, 2014	\$ 4,184
2015	4,307
2016	4,433
2017	4,562
2018	<u>2,331</u>

In addition, the organization has an outstanding letter of credit in the amount of \$52,086 issued to the City of Hamilton with respect to the house expansion. This letter of credit is secured by a guaranteed investment certificate in the amount of \$52,086 which is included in operating fund investments.

Kids Care Oncology Central West Ontario

(o/a Ronald McDonald House Hamilton)

Notes to the Financial Statements

June 30, 2013

8. Externally restricted funds

Major categories of fund balances with externally imposed restrictions are as follows:

	<u>2013</u>	<u>2012</u>	<u>July 1, 2011</u>
Our Special Friend Jean's Benevolent Fund	\$ 36,000	\$ 35,895	\$ 35,688
Lloyd Kirkpatrick Memorial Outstanding Student Volunteer Award Fund	<u>1,204</u>	<u>1,201</u>	<u>1,193</u>
	<u>\$ 37,204</u>	<u>\$ 37,096</u>	<u>\$ 36,881</u>

Our Special Friend Jean's Benevolent Fund was established to subsidize accommodation costs for bereaved families while staying at the House. The annual Lloyd Kirkpatrick Memorial Outstanding Student Volunteer Award was established to recognize the volunteer contribution to Ronald McDonald House of an individual who is continuing in his or her studies at the post-secondary level.

9. Internally restricted funds

	<u>2013</u>	<u>2012</u>	<u>July 1, 2011</u>
Property Replacement Reserve Fund	\$ 813,418	\$ 731,024	\$ 646,850
Stabilization Fund	<u>243,000</u>	<u>243,000</u>	<u>243,000</u>
	<u>\$ 1,056,418</u>	<u>\$ 974,024</u>	<u>\$ 889,850</u>

At the direction of the Board of Directors, Reserve Advisors Inc. conducted a Property Replacement Reserve Study of the Ronald McDonald House Hamilton. The purpose of the study was to establish a yearly reserve contribution necessary to meet future expenses for major replacements or repairs of the property components. In accordance with the recommendations, the Board established an initial reserve of \$100,000 by a transfer of funds from unrestricted funds effective January 1, 2002 and will transfer \$80,000 per year, thereafter, to 2022. As a result of the house expansion, a reevaluation of the reserve fund requirements is being undertaken.

The Stabilization Fund was established by the Board of Directors to ensure continuing House operations due to unforeseeable events.

Kids Care Oncology Central West Ontario
(o/a Ronald McDonald House Hamilton)
Notes to the Financial Statements

June 30, 2013

10. Operating fund balance

Components of the operating fund balance are as follows:

	<u>2013</u>	<u>2012</u>	<u>July 1, 2011</u>
Net assets invested in capital assets			
Capital assets	\$ 13,751,395	\$ 13,913,881	\$ 5,069,610
Deferred contributions	(10,326,126)	(8,194,242)	(3,891,667)
Line of credit (included in bank indebtedness)	<u>(1,790,000)</u>	<u>(3,690,000)</u>	<u>-</u>
Invested in capital assets	1,635,269	2,029,639	1,177,943
Unrestricted fund balance (deficiency)	<u>3,504</u>	<u>(246,996)</u>	<u>791,945</u>
Operating fund balance	<u>\$ 1,638,773</u>	<u>\$ 1,782,643</u>	<u>\$ 1,969,888</u>

11. Investment income

Investment income consists of the following:

	<u>2013</u>	<u>2012</u>
Interest and dividends	\$ 35,632	\$ 42,164
Loss on disposal of investments	(2,208)	(321)
Net change in fair value of investments	<u>(3,868)</u>	<u>(2,882)</u>
	<u>\$ 29,556</u>	<u>\$ 38,961</u>

In addition, investment income of \$nil (2012 - \$1,000; July 1, 2011 - \$18,000) was earned during the year on funds received for the expansion and, as a result, has been allocated to deferred contributions as disclosed in note 6.

12. Interfund transfers

Transfers to (from) funds consist of the following:

	<i>Operating Fund</i>	<i>Restricted Funds</i>
Annual reserve contribution (note 9)	\$ (80,000)	\$ 80,000
Allocation of interest to internally restricted fund	<u>(2,394)</u>	<u>2,394</u>
	<u>\$ (82,394)</u>	<u>\$ 82,394</u>

Kids Care Oncology Central West Ontario
(o/a Ronald McDonald House Hamilton)
Notes to the Financial Statements

June 30, 2013

13. Changes in non-cash working capital

	<u>2013</u>	<u>2012</u>
Accounts receivable	\$ 290,250	\$ (221,009)
Prepaid expenses	(6,033)	4,386
Inventory	(14,078)	-
Accounts payable and accrued liabilities	(523,522)	(752,222)
Deferred revenue	<u>(27,490)</u>	<u>20,064</u>
	<u>\$ (280,873)</u>	<u>\$ (948,781)</u>

14. Credit facilities

The organization has secured a demand operating credit facility to a maximum amount of \$3,500,000 bearing interest at prime plus 0.5% of which \$1,790,000 (2012 - \$3,690,000) was outstanding at year end. This facility is secured by a general security agreement over all assets of the organization. The purpose of this facility is to assist with short-term financing of the expansion project pending funding from other sources. The authorized limit is scheduled to be reduced as follows:

October 31, 2013	\$ 2,500,000
October 31, 2014	1,000,000
October 31, 2015	Nil

15. Obligation under capital lease

The organization has the following future minimum capital lease payments with respect to equipment :

Fiscal years ending June 30, 2014	\$ 4,184
2015	4,307
2016	4,433
2017	4,562
2018	<u>2,331</u>
	19,817
Less current portion:	<u>4,184</u>
Total long-term obligation	<u>\$ 15,633</u>

Interest charges to the accounts of the organization on the above during the year amounts to \$1,000 (2012 - \$nil; July 1, 2011 - \$nil).

Kids Care Oncology Central West Ontario

(o/a Ronald McDonald House Hamilton)

Notes to the Financial Statements

June 30, 2013

16. Other matters

On April 15, 1992, the organization and the Corporation of the City of Hamilton entered into an agreement of purchase and sale relating to the real estate located on the intersection of Main Street West and Cootes Drive in Hamilton. Under the terms of the agreement, the real estate with a value of approximately \$652,000 was purchased by the organization for \$2. The agreement requires that the organization transfer the land back to the City at cost should the organization cease to operate for charitable purposes. The agreement also restricts the organization's ability to sell the property.

On September 15, 2010, the organization and the Corporation of the City of Hamilton entered into an agreement of purchase and sale, relating to the real estate located behind the Ronald McDonald House Hamilton. Under the terms of the agreement, the real estate, with a value of approximately \$400,000 was purchased by the organization for \$1. The agreement requires that the organization transfer the land back should the organization cease to operate for charitable purposes. The agreement also restricts the organization's ability to sell the property.

17. Expansion project

As of June 30, 2013, the construction is 100% complete, with the exception of deficiencies. As of year end, the organization has received \$6,943,000 and \$2,575,000 in cumulative funding from the Joint Federal/Provincial Infrastructure Stimulus Fund and Ronald McDonald House Charities (RMHC), respectively. In addition to further grants of \$nil and \$715,000, the organization has secured pledges of \$2,447,000 for the project of which \$1,427,000 has been received as of June 30, 2013.
