

Financial Statements

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

December 31, 2022

Independent auditor's report

Grant Thornton LLP
33 Main Street East
Hamilton, ON
L8N 4K5
T +1 905 523 7732
F +1 905 572 9333

To the Board of Directors of
Kids Care Oncology Central West Ontario

Opinion

We have audited the financial statements of **Kids Care Oncology Central West** (o/a Ronald McDonald House South Central Ontario) ("the Organization"), which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of **Kids Care Oncology Central West** (o/a Ronald McDonald House South Central Ontario) as at December 31, 2022, 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

We were not able to complete audit procedures to satisfy ourselves concerning the completeness of fundraising activities/events revenue for the year ended December 31, 2021. Verification of these revenues was limited to amounts recorded in the records of Kids Care Oncology Central West (o/a Ronald McDonald House South Central Ontario). Therefore, we were not able to determine whether any adjustments might be necessary to fundraising activities/events revenue or excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2021, current assets as at December 31, 2021, and net assets as at January 1, 2021 and December 31, 2021. Our audit opinion on the financial statements for the year ended December 31, 2021 was modified accordingly. Our opinion on the current year's financial statements is also modified because of the possible effects of this matter on the comparability of the current period's figures and the corresponding figures.

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 report. We are independent of the Organization 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 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.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 these 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 Organization'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 Organization'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 Organization 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.

We 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Hamilton, Canada
April 27, 2023

Chartered Professional Accountants
Licensed Public Accountants

Kids Care Oncology Central West Ontario
STATEMENT OF FINANCIAL POSITION
Year ended Dec 31

	2022 \$	2021 \$
ASSETS		
Current assets		
Cash and cash equivalents	1,530,863	3,499,082
Term deposits (Note 3)	2,021,073	-
Accounts receivable	289,091	345,425
Prepaid expenses	11,622	16,754
Inventory	32,277	41,339
Total current assets	3,884,926	3,902,600
Capital assets, net (Note 4)	10,885,808	10,803,148
Total assets	14,770,734	14,705,748
LIABILITIES AND FUND BALANCES		
Current liabilities		
Accounts payable and accrued liabilities	305,482	271,650
Deferred revenue	40,965	69,956
Bank loan (Note 7)	40,000	-
Current portion of capital lease obligations (Note 6)	3,281	3,281
Total current liabilities	389,728	344,887
Capital lease obligations (Note 6)	8,204	11,485
Bank loan (Note 7)	-	40,000
Deferred contributions (Note 5)	9,305,353	9,621,919
Total liabilities	9,703,285	10,018,291
FUND BALANCES		
General fund	1,390,341	1,375,061
Restricted fund (Note 8)	2,096,653	2,131,166
Capital asset fund	1,580,455	1,181,230
Total fund balances	5,067,449	4,687,457
Total liabilities and fund balances	14,770,734	14,705,748

On behalf of the Board:

_____ Director _____ Director

See accompanying notes to the financial statements.

Kids Care Oncology Central West Ontario

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

Year ended Dec 31

	<u>General</u>		<u>Restricted</u>		<u>Capital Asset</u>		<u>Total</u>	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$
REVENUES AND OTHER SUPPORT								
Contributions	2,236,375	2,563,135	54,281	143,000	316,566	316,566	2,607,222	3,022,701
Fundraising activities/events	962,331	926,367	-	-	-	-	959,231	926,367
RMH room donations/fees	96,056	74,249	777	5,034	-	-	96,833	79,283
Government grants (Note 14)	-	89,362	-	-	-	-	-	89,362
Total revenues	3,294,762	3,653,113	55,058	148,034	316,566	316,566	3,666,386	4,117,713
EXPENSES								
Program	1,754,470	1,550,439	64,365	23,046	480,966	453,830	2,299,801	2,027,315
Management and general	495,316	478,116	-	-	-	-	495,316	478,116
Fundraising	492,181	531,204	16,582	103,418	-	-	508,763	634,622
Cost of direct benefits to donors	25,562	15,346	-	-	-	-	25,562	15,346
Total expenses	2,767,529	2,575,105	80,947	126,464	480,966	453,830	3,329,442	3,155,399
Excess (deficiency) of operating revenues over expenses	527,233	1,078,008	(25,889)	21,570	(164,400)	(137,264)	336,944	962,314
Investment income, net	43,048	9,521	-	-	-	-	43,048	9,521
Gain on disposal of leased asset	-	-	-	-	-	310	-	310
Excess (deficiency) of revenues over expenses	570,281	1,087,529	(25,889)	21,570	(164,400)	(136,954)	379,992	972,145
Fund balances, beginning of year	1,375,061	783,000	2,131,166	1,750,882	1,181,230	1,181,430	4,687,457	3,715,312
Transfers between funds (Note 9)	(555,001)	(495,468)	(8,624)	358,714	563,625	136,754	-	-
Fund balances, end of year	1,390,341	1,375,061	2,096,653	2,131,166	1,580,455	1,181,230	5,067,449	4,687,457

See accompanying notes to the financial statements.

Kids Care Oncology Central West Ontario
STATEMENT OF FUNCTIONAL EXPENSES

Year ended Dec 31, 2022

	Program Services			Supporting Services			Total Expenses
	Ronald McDonald House	Ronald McDonald Family Rooms	Total Program Services	Management and General	Fundraising	Cost of Direct Benefits to Donors	
	\$	\$	\$	\$	\$	\$	\$
Salaries and benefits	795,622	146,544	942,166	367,730	353,736	-	1,663,632
Amortization of capital assets	480,966	-	480,966	-	-	-	480,966
Communications	1,545	-	1,545	2,957	49,241	-	53,743
Donor and volunteer recognition	732	-	732	2,228	-	-	2,960
Education, training and meetings	-	-	-	35,640	-	-	35,640
Family support services & supplies	159,867	6,941	166,808	-	-	-	166,808
House security	91,244	-	91,244	-	-	-	91,244
Insurance	-	-	-	8,666	-	-	8,666
Interest and bank charges	-	-	-	15,953	-	-	15,953
Maintenance and repairs	179,670	-	179,670	-	-	-	179,670
Office supplies and postage	5,833	-	5,833	6,192	-	-	12,025
Special events	-	-	-	-	45,383	25,562	70,945
Professional fees	-	-	-	35,650	-	-	35,650
Technology and telephone	71,049	10,150	81,199	20,300	2,073	-	103,572
Utilities	124,551	-	124,551	-	-	-	124,551
Other expenses	225,087	-	225,087	-	58,330	-	283,417
Total Expenses	2,136,166	163,635	2,299,801	495,316	508,763	25,562	3,329,442

See accompanying notes to the financial statements.

Kids Care Oncology Central West Ontario
STATEMENT OF FUNCTIONAL EXPENSES

Year ended Dec 31, 2021

	Program Services			Supporting Services			Total Expenses
	Ronald McDonald House	Ronald McDonald Family Rooms	Total Program Services	Management and General	Fundraising	Cost of Direct Benefits to Donors	
	\$	\$	\$	\$	\$	\$	\$
Salaries and benefits	747,629	128,387	876,016	324,568	457,318	-	1,657,902
Amortization of capital assets	453,830	-	453,830	-	-	-	453,830
Communications	3,002	-	3,002	69,211	30,967	-	103,180
Donor and volunteer recognition	110	-	110	-	-	-	110
Education, training and meetings	-	-	-	9,402	-	-	9,402
Family support services & supplies	146,900	3,693	150,593	-	-	-	150,593
House security	79,902	-	79,902	-	-	-	79,902
Insurance	-	-	-	8,205	-	-	8,205
Interest and bank charges	-	-	-	15,356	-	-	15,356
Maintenance and repairs	127,685	-	127,685	-	-	-	127,685
Office supplies and postage	4,872	-	4,872	4,872	-	-	9,744
Special events	-	-	-	-	36,974	15,346	52,320
Professional fees	-	-	-	33,614	-	-	33,614
Technology and telephone	45,107	6,444	51,551	12,888	35,742	-	100,181
Utilities	121,868	-	121,868	-	-	-	121,868
Other expenses	157,886	-	157,886	-	73,621	-	231,507
Total Expenses	1,888,791	138,524	2,027,315	478,116	634,622	15,346	3,155,399

See accompanying notes to the financial statements.

Kids Care Oncology Central West Ontario
STATEMENT OF CASH FLOWS

Year ended Dec 31

	2022	2021
	\$	\$
OPERATING ACTIVITIES		
<i>Excess (deficiency) of revenue over expenses for the year</i>		
General funds	570,281	1,087,529
Restricted funds	(25,889)	21,570
Capital asset fund	(164,400)	(136,954)
<i>Add (deduct) items not involving cash</i>		
Amortization of capital assets	480,966	453,830
Amortization of deferred contributions	(316,566)	(316,566)
Forgivable portion of bank loan (Note 7)	-	(10,000)
Accrued interest on term deposits	(21,073)	-
Gain on disposal of capital lease	-	(310)
	523,319	1,099,099
Net change in non-cash working capital balances related to operations		
Accounts receivable	56,334	(16,003)
Prepaid expenses	5,132	11,669
Inventory	9,062	(15,278)
Accounts payable and accrued liabilities	33,831	77,187
Deferred revenue	(28,991)	18,325
	75,368	75,900
Cash provided by operating activities	598,687	1,174,999
INVESTING ACTIVITIES		
Purchase of term deposits	(2,000,000)	-
Proceeds from sale of term deposits	-	1,007,704
Purchase of capital assets	(563,625)	(122,347)
Proceeds on disposal of capital assets	-	3,640
Cash (used in) provided by in investing activities	(2,563,625)	888,997
FINANCING ACTIVITIES		
Repayment of capital lease obligation	(3,281)	(7,856)
Proceeds from bank loan	-	20,000
Cash (used in) provided by financing activities	(3,281)	12,144
Net (decrease) increase in cash and cash equivalents during the year	(1,968,219)	2,076,140
Cash and cash equivalents, beginning of year	3,499,082	1,422,942
Cash and cash equivalents, end of year	1,530,863	3,499,082

See accompanying notes to the financial statements.

**Kids Care Oncology Central West Ontario
(o/a Ronald McDonald House Charities South Central Ontario)
Notes to the financial statements
Year ended December 31, 2022**

1. NATURE OF THE ORGANIZATION

Organization

Kids Care Oncology Central West Ontario (o/a Ronald McDonald House Charities South Central Ontario) (the “Organization”) is an Ontario not for profit, charitable corporation formed in 1993. The mission of Ronald McDonald House Charities (RMHC) is to create, find and support programs that directly improve the health and well-being of children and their families. RMHC and the network of local Chapters, of which there are 14 in Canada, ascribe to five core values: we are focused on the critical needs of children, we lead with compassion, we celebrate the diversity of our people and our programs, we value our heritage and we operate with accountability and transparency.

In Canada, 13 Regional RMHC Chapters work collaboratively through the support of RMHC Canada, Canada’s national RMHC foundation, which is focused on contributing funding from McDonald’s Restaurants of Canada and other donors, to support the building and operations of Ronald McDonald Houses, Family Rooms and Ronald McDonald Care Mobiles to help enable the support of families with sick children.

We fulfill our mission through operation of sustainable programs that enable family-centered care, bridge access to quality health care, are a vital part of the health care continuum and strengthen families during difficult times. The following programs, operated by the Organization, represent the core functions of Ronald McDonald House Charities:

Ronald McDonald House

When children must travel long distances to access top medical care, accommodations and support for families can be expensive or not readily available. The Organization helps families stay close to their ill or injured child through the Ronald McDonald House program located in Hamilton, which provide temporary lodging, meals and other support to children and their families. The program provides families with emotional and physical comfort and increases the caregivers’ ability to spend more time with their child, to interact with their clinical care team and to participate in critical medical care decisions.

Ronald McDonald Family Room

When a child is critically ill, parents may be reluctant to leave the hospital. In order to provide comfort and support to their child, it is important that parents have an opportunity to rest, have a meal or have a moment of quiet. Located inside medical care facilities, the Ronald McDonald Family Room program in McMaster Children's Hospital serve as a place of respite, relaxation and privacy for family members, often just steps away from where their child is being treated. The Ronald McDonald Family Room program provides parents with an opportunity to remain close to their hospitalized child and to be an active member of their child’s health care team.

**Kids Care Oncology Central West Ontario
(o/a Ronald McDonald House Charities South Central Ontario)
Notes to the financial statements
Year ended December 31, 2022**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Part III of the Chartered Professional Accountants of Canada "CPA Canada" Handbook – Accounting, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies summarized below.

Use of estimates

The preparation of financial statements in accordance 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, the disclosure of contingent assets and liabilities at the statement of financial position date, and the reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fund accounting

To ensure observance of limitations and restrictions placed on the use of the resources available to the Organization, the accounts are maintained in accordance with the principles of Fund Accounting. Under these principles, the accounts of the Organization have been classified into the following funds:

The General fund reports unrestricted resources available for general operating activities.

The Restricted fund reports resources that are to be used for specific purposes as specified by the donor or the Board of Directors (the "Board"). Any funds internally restricted by the Board are recorded through a transfer to the respective fund.

The Capital Asset fund reports resources that are restricted to the Organization's capital asset purchases, replacements, or maintenance initiatives.

Revenue recognition

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

Contributions, grants, and bequests are recorded in the appropriate funds when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted contributions are recognized as revenue in the General fund when initially recorded in the accounts. Externally restricted contributions are recorded in the Restricted Fund or Capital Asset Fund when initially recognized in the accounts.

Revenue from fundraising is recognized as revenue in the corresponding fund as appropriate in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Fees are recognized when the services have been provided. Revenue from room payments is recognized as revenue in the General fund on an accrual basis when the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income (loss) consists of interest, dividends, income distributions from pooled funds, and realized and unrealized gains and losses. Investment income earned on Restricted Fund or Capital Asset Fund resources that must be spent on donor-restricted activities is recognized as revenue of the respective fund. General investment income earned on Restricted Fund, Capital Asset Fund and General Fund resources is recognized as revenue of the General Fund. Investment losses are allocated in a manner consistent with investment income.

**Kids Care Oncology Central West Ontario
(o/a Ronald McDonald House Charities South Central Ontario)
Notes to the financial statements
Year ended December 31, 2022**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expense allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and short-term investments with a short-term to maturity of approximately three months or less from the date of purchase unless they are held for investment rather than liquidity purposes, in which case they are classified as investments.

Financial instruments

Term deposits are recorded at fair value. Transactions are recorded on a trade date basis and transaction costs are expensed as incurred. Other financial instruments, including accounts receivable and accounts payable, are initially recorded at their fair value and are subsequently measured amortized cost, net of any provisions for impairment.

Long-term debt

Long-term debt is initially measured at fair value, net of transaction costs and financing fees. It is subsequently measured at amortized cost. Transaction costs and financing fees are amortized using the straight-line method.

Contributed materials and services

Donated materials and services are recorded in the financial statements at fair market value when fair market value can be reasonably estimated. Because of the difficulty in determining the fair value of volunteer time, these services are not recognized in the financial statements.

Capital assets

Purchased capital assets are recorded at acquisition cost. Contributed capital assets are recorded at fair value at the date of the contribution. Capital assets are amortized to estimated residual values at the following annual rates over the estimated useful lives of the related assets:

Land	n/a
Building	40 years straight line
Building improvements	10 years straight line
Computer hardware	45% declining balance
Computer software	30% declining balance
Equipment	30% declining balance
Serenity garden	15 years straight line
Family room	10 years straight line
Website	50% declining balance

Interest is capitalized during the period in which the capital assets are being constructed.

**Kids Care Oncology Central West Ontario
(o/a Ronald McDonald House Charities South Central Ontario)
Notes to the financial statements
Year ended December 31, 2022**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of long-lived assets

Long-lived assets are tested for impairment when events of changes in circumstances indicate that their carrying value may not be recoverable. An impairment loss is recognized when the carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its residual value.

3. TERM DEPOSITS

	2022 \$	2021 \$
Term deposits	2,021,073	-
	2,021,073	-

Term deposits consists of a \$1,500,000 and \$500,000 one-year term GICs bearing interest at 4.69%.

4. CAPITAL ASSETS

Capital assets consist of the following:

	2022		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Land	9,181	-	9,181
Buildings and building improvements	15,378,049	4,880,982	10,497,067
Computer hardware	111,412	90,956	20,456
Computer software	66,921	56,552	10,369
Equipment	131,569	125,556	6,013
Furniture and fixtures	480,975	336,906	144,069
Serenity garden	238,011	128,027	109,984
Family room	131,305	45,956	85,349
Website	17,696	14,376	3,320
	16,565,119	5,679,311	10,885,808

**Kids Care Oncology Central West Ontario
(o/a Ronald McDonald House Charities South Central Ontario)
Notes to the financial statements
Year ended December 31, 2022**

4. CAPITAL ASSETS (continued)

Capital assets consist of the following:

	2021		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Land	9,181	–	9,181
Buildings and building improvements	14,822,657	4,465,127	10,357,530
Computer hardware	109,657	80,374	29,283
Computer software	66,921	52,112	14,809
Equipment	134,481	126,497	7,984
Furniture and fixtures	471,585	317,244	154,341
Serenity garden	238,011	112,160	125,851
Family room	131,305	32,826	98,479
Website	17,696	12,006	5,690
	16,001,494	5,198,346	10,803,148

5. DEFERRED CONTRIBUTIONS

Deferred contributions represent the unamortized amounts of restricted grants and net donations received for the expansion of the house and serenity garden. Changes in the deferred contributions balance are as follows:

Deferred contributions – building:	2022	2021
	\$	\$
Balance, beginning of year	9,504,643	9,801,663
Amount recognized as revenue during the year	(297,020)	(297,020)
	9,207,623	9,504,643
Deferred contributions – serenity garden:	2022	2021
	\$	\$
Balance, beginning of year	117,276	136,822
Amount recognized as revenue during the year	(19,546)	(19,546)
	97,730	117,276
Balance, end of year	9,305,353	9,621,919

**Kids Care Oncology Central West Ontario
(o/a Ronald McDonald House Charities South Central Ontario)
Notes to the financial statements
Year ended December 31, 2022**

6. OBLIGATION UNDER CAPITAL LEASE

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

	\$
2023	3,281
2024	3,281
2025	3,281
2026	<u>1,642</u>
	11,485
Less: current portion	<u>(3,281)</u>
Total long-term obligation	<u>8,204</u>

7. BANK LOAN

In previous years, the Organization received the Canada Emergency Business Account loan in the amount of \$60,000. Until December 31, 2023 this is an interest free loan and principal payments are not required. On December 31, 2023, if at least 67% of the loan is repaid, the remaining portion of the loan is forgiven. The forgivable amount of \$20,000 was recognized in contribution revenue in a prior year.

8. RESTRICTED FUND BALANCE

The Restricted fund balance consists of the following:

	2022	2021
	\$	\$
Restricted Fund		
Externally restricted	58,685	93,198
Internally restricted	2,037,968	2,037,968
	<u>2,096,653</u>	<u>2,131,166</u>

The purpose of the internally restricted fund is to meet future capital expenditures for major replacements, repairs of property components, and to ensure continuation of House operations due to unforeseeable events.

**Kids Care Oncology Central West Ontario
(o/a Ronald McDonald House Charities South Central Ontario)
Notes to the financial statements
Year ended December 31, 2022**

9. INTERFUND TRANSFERS

Transfers between funds during the year consist of the following:

	<u>General Fund</u>		<u>Restricted Fund</u>		<u>Capital Asset Fund</u>	
	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$
Transfers for purchase of capital assets	(557,232)	(105,576)	(6,393)	(31,178)	563,625	136,754
Transfers internally restricted by Board of Directors	—	(400,000)	—	400,000	—	—
Transfers for family stays	2,231	10,108	(2,231)	(10,108)	—	—
	(555,001)	(495,468)	(8,624)	358,714	563,625	136,754

10. FINANCIAL INSTRUMENTS

The Organization is exposed to various financial risks through transactions in financial instruments.

Credit risk

The Organization is exposed to credit risk in connection with its accounts receivable and its short-term and fixed income investments because of the risk that one party to the financial instrument may cause a financial loss for the other party by failing to discharge an obligation.

Liquidity risk

The Organization is exposed to the risk that it will encounter difficulty in meeting obligations associated with its financial liabilities. The Organization considers that it has sufficient funds available to meet its obligations as they come due.

11. RELATED PARTY TRANSACTIONS

Ronald McDonald House Charities (RMHC) is a system of independent, separately registered public benefit organizations, referred to as “Chapters” within the global organization. The Organization is an independent operating Chapter within the RMHC system. Each Chapter is licensed by McDonald’s Corporation and Ronald McDonald House Charities, Inc. to use RMHC related trademarks in conjunction with fundraising activities and the operation of its programs; the License Agreement also sets standards of operations for programs, governance, finance, branding and reporting.

During the year ended December 31, 2022, the Organization received from Ronald McDonald House Charities, Inc. \$37,520 (2021 - \$nil); and the Organization received \$306,300 (2021 - \$312,700) from Ronald McDonald House Charities, Canada. Contributions totaling \$306,300 and \$312,700, were received from a single donor, RMHC Canada, during the years ended December 31, 2022 and 2021 respectively, which represent 9% of total public support each year.

**Kids Care Oncology Central West Ontario
(o/a Ronald McDonald House Charities South Central Ontario)
Notes to the financial statements
Year ended December 31, 2022**

12. BENEFICIAL USE OF LAND

In April 1992, the Organization entered into an agreement of purchase and sale with the City of Hamilton (the “City”) whereby the Organization would purchase certain land owned by the City for \$2. In September 2010, the Organization entered into a similar agreement for additional land at a cost of \$1. Both agreements require that the Organization transfer the land back to the City at cost should the Organization cease to operate for charitable purposes. This agreement also restricts the Organization’s ability to sell the property.

13. DONATED GOODS AND SERVICES

The fair value of donated goods and services included as contributions in the financial statements and the corresponding expense categories for the years ended December 31, 2022 and 2021 are as follows:

	2022	2021
	\$	\$
Other expenses	230,305	180,892
	230,305	180,892

14. GOVERNMENT GRANTS

The Organization received \$nil (2021 - \$89,362) through the Canada Emergency Wage Subsidy (CEWS) from the Federal Government to mitigate employment disruptions caused by the COVID-19 pandemic. The CEWS program concluded as of October 2021.

15. SUBSEQUENT EVENTS

Management evaluated subsequent events through April 27, 2023, the date the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in the financial statements.