

Financial Statements

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

December 31, 2019

# Independent auditor's report

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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 Ontario** (o/a Ronald McDonald House South Central Ontario) ("the Organization"), which comprise the statement of financial position as at December 31, 2019, 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, the accompanying financial statements present fairly, in all material respects, the financial position of **Kids Care Oncology Central West Ontario** (o/a Ronald McDonald House South Central Ontario) as at December 31, 2019, 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 Opinion

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 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.

Hamilton, Canada  
April 30, 2020

Chartered Professional Accountants  
Licensed Public Accountants

# RMHC South Central Ontario

## STATEMENT OF FINANCIAL POSITION

Year ended Dec 31

	2019 \$	2018 \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	646,301	1,163,316
Term deposits (Note 3)	1,016,881	-
Accounts receivable	359,365	280,788
Prepaid expenses	43,746	32,597
Inventory	21,150	13,159
<b>Total current assets</b>	<b>2,087,443</b>	<b>1,489,860</b>
Capital assets, net (Note 4)	11,456,023	11,684,862
<b>Total assets</b>	<b>13,543,466</b>	<b>13,174,722</b>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	306,173	241,488
Deferred revenue	48,647	24,046
Current portion of capital lease obligations (Note 6)	5,054	7,192
<b>Total current liabilities</b>	<b>359,874</b>	<b>272,726</b>
Capital lease obligations (Note 6)	4,575	9,628
Deferred contributions (Note 5)	10,255,051	10,571,617
<b>Total liabilities</b>	<b>10,619,500</b>	<b>10,853,971</b>
Commitments (see Note 9)		
<b>FUND BALANCES</b>		
General fund	628,426	301,089
Restricted fund (Note 7)	1,094,567	906,417
Capital asset fund	1,200,973	1,113,245
<b>Total fund balances</b>	<b>2,923,966</b>	<b>2,320,751</b>
<b>Total liabilities and fund balances</b>	<b>13,543,466</b>	<b>13,174,722</b>

See accompanying notes

On behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

RMHC South Central 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>	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$
<b>REVENUES AND OTHER SUPPORT</b>								
Contributions	778,477	444,364	91,115	93,904	380,216	279,122	1,249,808	817,390
Fundraising activities/events	2,510,200	2,127,840	-	-	-	-	2,510,200	2,127,840
RMH room donations/fees	155,476	161,280	16,520	19,058	-	-	171,996	180,338
<b>Total revenues</b>	<b>3,444,153</b>	<b>2,733,484</b>	<b>107,635</b>	<b>112,962</b>	<b>380,216</b>	<b>279,122</b>	<b>3,932,004</b>	<b>3,125,567</b>
<b>EXPENSES</b>								
Program	2,005,946	1,756,644	25,525	120,344	427,747	429,809	2,459,218	2,306,797
Management and general	434,428	334,744	-	-	-	-	434,428	334,744
Fundraising	381,830	361,735	-	-	-	-	381,830	361,735
Cost of direct benefits to donors	73,430	40,307	-	-	-	-	73,430	40,307
<b>Total expenses</b>	<b>2,895,634</b>	<b>2,493,430</b>	<b>25,525</b>	<b>120,344</b>	<b>427,747</b>	<b>429,809</b>	<b>3,348,906</b>	<b>3,043,583</b>
<b>Excess (deficiency) of operating revenues over expenses</b>	<b>548,519</b>	<b>240,054</b>	<b>82,110</b>	<b>(7,382)</b>	<b>(47,531)</b>	<b>(150,687)</b>	<b>583,098</b>	<b>81,985</b>
Investment income, net	20,117	(3,787)	-	-	-	-	20,117	(3,787)
<b>Excess (deficiency) of revenues over expenses</b>	<b>568,636</b>	<b>236,267</b>	<b>82,110</b>	<b>(7,382)</b>	<b>(47,531)</b>	<b>(150,687)</b>	<b>603,215</b>	<b>78,198</b>
Fund balances, beginning of year	301,089	272,578	906,417	707,099	1,113,245	1,262,876	2,320,751	2,242,553
Transfers between funds (Note 8)	(241,299)	(207,756)	106,040	206,700	135,259	1,056	-	-
<b>Fund balances, end of year</b>	<b>628,426</b>	<b>301,089</b>	<b>1,094,567</b>	<b>906,417</b>	<b>1,200,973</b>	<b>1,113,245</b>	<b>2,923,966</b>	<b>2,320,751</b>

See accompanying notes

# STATEMENT OF FUNCTIONAL EXPENSES

Year ended Dec 31, 2019

	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	976,276	92,062	1,068,338	284,000	263,400	-	1,615,738
Amortization of capital assets	427,747	-	427,747	-	-	-	427,747
Communications	9,460	-	9,460	7,720	30,956	-	48,136
Donor and volunteer recognition	6,538	-	6,538	10,852	-	-	17,120
Education, training and meetings	-	-	-	15,205	-	-	15,205
Family support services & supplies	185,340	14,975	200,315	-	-	-	200,315
House security	78,043	-	78,043	-	-	-	78,043
Insurance	-	-	-	5,780	-	-	5,780
Interest and bank charges	-	-	-	19,664	-	-	19,664
Maintenance and repairs	66,222	-	66,222	-	-	-	66,222
Office supplies and postage	10,543	-	10,543	10,543	-	-	21,086
Special events	-	-	-	-	62,474	73,430	135,904
Professional fees	-	-	-	34,773	-	-	34,773
Technology and telephone	56,108	8,015	64,123	16,031	-	-	80,154
Utilities	143,177	-	143,177	-	-	-	143,177
Other expenses (Note 13)	384,712	-	384,712	30,130	25,000	-	439,842
<b>Total Expenses</b>	<b>2,344,166</b>	<b>115,052</b>	<b>2,459,218</b>	<b>434,428</b>	<b>381,830</b>	<b>73,430</b>	<b>3,348,906</b>

**RMHC South Central Ontario**
**STATEMENT OF FUNCTIONAL EXPENSES**

Year ended Dec 31, 2018

	<b>Program Services</b>			<b>Supporting Services</b>			
	<b>Ronald McDonald House</b>	<b>Ronald McDonald Family Rooms</b>	<b>Total Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Cost of Direct Benefits to Donors</b>	<b>Total Expenses</b>
	\$	\$	\$	\$	\$	\$	\$
Salaries and benefits	847,614	188,327	<b>1,035,941</b>	153,655	235,980	-	<b>1,425,576</b>
Amortization of capital assets	429,809	-	<b>429,809</b>	-	-	-	<b>429,809</b>
Communications	6,134	-	<b>6,134</b>	6,011	20,171	-	<b>32,316</b>
Donor and volunteer recognition	7,574	-	<b>7,574</b>	541	-	-	<b>8,115</b>
Education, training and meetings	-	-	-	23,211	-	-	<b>23,211</b>
Family support services & supplies	207,817	73,283	<b>281,100</b>	-	-	-	<b>281,100</b>
House security	72,745	-	<b>72,745</b>	-	-	-	<b>72,745</b>
Insurance	-	-	-	4,244	-	-	<b>4,244</b>
Interest and bank charges	-	-	-	15,049	-	-	<b>15,049</b>
Maintenance and repairs	65,245	-	<b>65,245</b>	-	-	-	<b>65,245</b>
Office supplies and postage	9,391	-	<b>9,391</b>	9,391	-	-	<b>18,782</b>
Special events	-	-	-	-	80,584	40,307	<b>120,891</b>
Professional fees	-	-	-	62,348	-	-	<b>62,348</b>
Technology and telephone	53,996	7,714	<b>61,710</b>	15,427	-	-	<b>77,137</b>
Utilities	159,283	-	<b>159,283</b>	-	-	-	<b>159,283</b>
Other expenses (Note 13)	177,864	-	<b>177,864</b>	44,867	25,000	-	<b>247,731</b>
<b>Total Expenses</b>	<b>2,037,472</b>	<b>269,324</b>	<b>2,306,797</b>	<b>334,744</b>	<b>361,735</b>	<b>40,307</b>	<b>3,043,583</b>

## STATEMENT OF CASH FLOWS

Year ended Dec 31

	2019 \$	2018 \$
<b>OPERATING ACTIVITIES</b>		
<i>Excess (deficiency) of revenue over expenses for the year</i>		
General fund	568,636	236,267
Restricted fund	82,110	(7,382)
Capital asset fund	(47,531)	(150,687)
<i>Add (deduct) items not involving cash</i>		
Amortization of capital assets	427,747	429,809
Amortization of deferred contributions	(380,216)	(279,122)
Realized loss on sale of investments	-	16,242
	650,746	245,127
Net change in non-cash working capital balances related to operations		
Accounts receivable	(78,577)	(80,981)
Prepaid expenses	(11,149)	(11,268)
Inventory	(7,991)	1,763
Accounts payable and accrued liabilities	64,685	114,752
Deferred revenue	24,601	7,046
	(8,431)	31,312
<b>Cash provided by operating activities</b>	<b>642,315</b>	<b>276,439</b>
<b>INVESTING ACTIVITIES</b>		
Purchases of term deposits	(1,016,881)	-
Proceeds from sale of investments	-	728,759
Purchases of capital assets	(135,259)	(1,056)
<b>Cash (used in) provided by investing activities</b>	<b>(1,152,140)</b>	<b>727,703</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of capital lease obligation	(7,191)	(10,123)
<b>Cash used in financing activities</b>	<b>(7,191)</b>	<b>(10,123)</b>
<b>Net (decrease) increase in cash and cash equivalents during the year</b>	<b>(517,015)</b>	<b>994,019</b>
Cash and cash equivalents, beginning of year	1,163,316	169,297
<b>Cash and cash equivalents, end of year</b>	<b>646,301</b>	<b>1,163,316</b>

See accompanying notes



**Kids Care Oncology Central West Ontario  
(o/a Ronald McDonald House Charities South Central Ontario)  
Notes to the financial statements  
Year ended December 31, 2019**

## **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 the 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 (“RMH”)**

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 provides 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 serves 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, 2019**

## **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 fund, 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, 2019

**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**

Investments 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	10 or 40 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, 2019

**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**

	2019 \$	2018 \$
Term deposits	<b>1,016,881</b>	-
	<b>1,016,881</b>	-

**4. CAPITAL ASSETS**

Capital assets consist of the following:

		2019	
	Cost \$	Accumulated amortization \$	Net book value \$
Land	9,181	—	9,181
Buildings	14,642,324	3,708,793	10,933,531
Computer hardware	89,605	85,679	3,926
Computer software	46,856	40,997	5,859
Equipment	150,866	130,954	19,912
Furniture and fixtures	471,585	281,037	190,548
Serenity garden	238,011	80,425	157,586
Family room	131,305	6,565	124,740
Website	10,740	—	10,740
	<b>15,790,473</b>	<b>4,334,450</b>	<b>11,456,023</b>

In 2019, website additions of \$10,740 have not yet been put into use and have not yet been amortized.

**Kids Care Oncology Central West Ontario**  
**(o/a Ronald McDonald House Charities South Central Ontario)**  
**Notes to the financial statements**  
Year ended December 31, 2019

**4. CAPITAL ASSETS (continued)**

	<b>2018</b>		
	<b>Cost</b>	<b>Accumulated</b>	<b>Net book</b>
	<b>\$</b>	<b>amortization</b>	<b>value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Land	9,181	—	9,181
Buildings	14,589,061	3,341,403	11,247,658
Computer hardware	88,358	79,636	8,722
Computer software	46,586	38,544	8,042
Equipment	149,840	122,640	27,200
Furniture and fixtures	470,528	259,923	210,605
Serenity garden	238,011	64,557	173,454
	<b>15,591,565</b>	<b>3,906,703</b>	<b>11,684,862</b>

**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:

<b>Deferred contributions – building:</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Balance, beginning of year</b>	<b>10,395,703</b>	10,662,260
Amount recognized as revenue during the year	(297,020)	(266,557)
<b>Balance, end of year</b>	<b>10,098,683</b>	10,395,703
<b>Deferred contributions – serenity garden:</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Balance, beginning of year</b>	<b>175,914</b>	188,479
Amount recognized as revenue during the year	(19,546)	(12,565)
<b>Balance, end of year</b>	<b>156,368</b>	175,914
<b>Total deferred contributions</b>	<b>10,255,051</b>	<b>10,571,617</b>

**Kids Care Oncology Central West Ontario**  
**(o/a Ronald McDonald House Charities South Central Ontario)**  
**Notes to the financial statements**  
Year ended December 31, 2019

## 6. OBLIGATION UNDER CAPITAL LEASES

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

	\$
2020	5,054
2021	3,640
2022	935
	<u>9,629</u>
Less: current portion	<u>(5,054)</u>
<b>Total long-term obligation</b>	<b><u>4,575</u></b>

## 7. RESTRICTED FUND BALANCE

The Restricted fund balance consists of the following:

	2019 \$	2018 \$
<b>Restricted fund</b>		
Externally restricted	94,567	106,417
Internally restricted	1,000,000	800,000
	<u>1,094,567</u>	<u>906,417</u>

## 8. 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>	
	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$
Transfers for purchase of capital assets	(41,299)	(1,056)	(93,960)	—	135,259	1,056
Transfers for purchase of investments	(200,000)	(206,700)	200,000	206,700	—	—
	<u>(241,299)</u>	<u>(207,756)</u>	<u>106,040</u>	<u>206,700</u>	<u>135,259</u>	<u>1,056</u>

**Kids Care Oncology Central West Ontario**  
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**Notes to the financial statements**  
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## **9. COMMITMENTS**

The Organization is committed to the following future minimum annual lease payments for offices and equipment:

	\$
2020	11,000
2021	11,100
2022	8,100
2023	1,700
	<b>31,900</b>

In addition to minimum rentals, leases for offices generally require the payment of various operating costs.

## **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 term deposits 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, 2019, the Organization received from Ronald McDonald House Charities, Inc. \$nil (2018 - \$70,335); and the Organization received \$352,069 (2018 - \$226,500) from Ronald McDonald House Charities, Canada.

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## **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, 2019 and 2018 are as follows:

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Other expenses	384,712	177,864
	<b>384,712</b>	<b>177,864</b>

## **14. CONCENTRATIONS**

Contributions totaling \$352,069 and \$266,500, were received from a single donor, RMHC Canada, during the years ended December 31, 2019 and 2018, respectively, which represent 10% of total public support each year.

## **15. COMPARATIVE FIGURES**

Comparative figures have been adjusted to conform to changes in the current year presentation.

## **16. SUBSEQUENT EVENTS**

Management evaluated subsequent events through April 30, 2020, the date the financial statements were available to be issued and determined the following material subsequent event requiring disclosure in the financial statements.

Since December 31, 2019, the spread of Covid-19 has severely impacted many local economies around the globe. In many countries, including Canada, organizations and businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to organizations worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Organization has determined that these events are a non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2019 have not been adjusted to reflect their impact. The duration and impact of the Covid-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Organization for future periods.