

Financial Statements

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

December 31, 2021

# Independent auditor's report

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

## Qualified 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, 2021, 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, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from fundraising activities, 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 Organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, 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 December 31, 2021.

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 28, 2022

Chartered Professional Accountants  
Licensed Public Accountants

**Kids Care Oncology Central West Ontario**  
**STATEMENT OF FINANCIAL POSITION**

Year ended Dec 31

	2021 \$	2020 \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,499,082	1,422,942
Term deposits (Note 3)	-	1,007,704
Accounts receivable (Note 15)	345,425	329,422
Prepaid expenses	16,754	28,423
Inventory	41,339	26,061
<b>Total current assets</b>	<b>3,902,600</b>	<b>2,814,552</b>
Capital assets, net (Note 4)	10,803,148	11,119,914
<b>Total assets</b>	<b>14,705,748</b>	<b>13,934,466</b>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	271,650	194,463
Deferred revenue	69,956	51,631
Current portion of capital lease obligations (Note 6)	3,281	3,640
<b>Total current liabilities</b>	<b>344,887</b>	<b>249,734</b>
Capital lease obligations (Note 6)	11,485	935
Bank loan (Note 7)	40,000	30,000
Deferred contributions (Note 5)	9,621,919	9,938,485
<b>Total liabilities</b>	<b>10,018,291</b>	<b>10,219,154</b>
<b>FUND BALANCES</b>		
General fund	1,375,061	783,000
Restricted fund (Note 8)	2,131,166	1,750,882
Capital asset fund	1,181,230	1,181,430
<b>Total fund balances</b>	<b>4,687,457</b>	<b>3,715,312</b>
<b>Total liabilities and fund balances</b>	<b>14,705,748</b>	<b>13,934,466</b>

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>	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$
<b>REVENUES AND OTHER SUPPORT</b>								
Contributions	2,563,135	1,923,760	143,000	81,951	316,566	316,566	3,022,701	2,322,277
Fundraising activities/events	926,367	939,280	-	-	-	-	926,367	939,280
RMH room donations/fees	74,249	61,908	5,034	5,639	-	-	79,283	67,547
Government grants (Note 15)	89,362	405,742	-	-	-	-	89,362	405,742
<b>Total revenues</b>	<b>3,653,113</b>	<b>3,330,690</b>	<b>148,034</b>	<b>87,590</b>	<b>316,566</b>	<b>316,566</b>	<b>4,117,713</b>	<b>3,734,846</b>
<b>EXPENSES</b>								
Program	1,550,439	1,467,427	23,046	22,529	453,830	440,942	2,027,315	1,930,898
Management and general	478,116	428,564	-	-	-	-	478,116	428,564
Fundraising	531,204	575,438	103,418	-	-	-	634,622	575,438
Cost of direct benefits to donors	15,346	27,717	-	-	-	-	15,346	27,717
<b>Total expenses</b>	<b>2,575,105</b>	<b>2,499,146</b>	<b>126,464</b>	<b>22,529</b>	<b>453,830</b>	<b>440,942</b>	<b>3,155,399</b>	<b>2,962,617</b>
<b>Excess (deficiency) of operating revenues over expenses</b>	<b>1,078,008</b>	<b>831,544</b>	<b>21,570</b>	<b>65,061</b>	<b>(137,264)</b>	<b>(124,376)</b>	<b>962,314</b>	<b>772,229</b>
Investment income, net	9,521	19,117	-	-	-	-	9,521	19,117
Gain on disposal of leased asset	-	-	-	-	310	-	310	-
<b>Excess (deficiency) of revenues over expenses</b>	<b>1,087,529</b>	<b>850,661</b>	<b>21,570</b>	<b>65,061</b>	<b>(136,954)</b>	<b>(124,376)</b>	<b>972,145</b>	<b>791,346</b>
Fund balances, beginning of year	783,000	628,426	1,750,882	1,094,567	1,181,430	1,200,973	3,715,312	2,923,966
Transfers between funds (Note 9)	(495,468)	(696,087)	358,714	591,254	136,754	104,833	-	-
<b>Fund balances, end of year</b>	<b>1,375,061</b>	<b>783,000</b>	<b>2,131,166</b>	<b>1,750,882</b>	<b>1,181,230</b>	<b>1,181,430</b>	<b>4,687,457</b>	<b>3,715,312</b>

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

See accompanying notes to the financial statements.

**Kids Care Oncology Central West Ontario**  
**STATEMENT OF FUNCTIONAL EXPENSES**

Year ended Dec 31, 2020

	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	713,210	107,002	<b>820,212</b>	356,889	417,610	-	<b>1,594,711</b>
Amortization of capital assets	440,942	-	<b>440,942</b>	-	-	-	<b>440,942</b>
Communications	2,961	-	<b>2,961</b>	1,503	18,944	-	<b>23,408</b>
Donor and volunteer recognition	158	-	<b>158</b>	-	-	-	<b>158</b>
Education, training and meetings	-	-	-	3,485	-	-	<b>3,485</b>
Family support services & supplies	93,569	9,850	<b>103,419</b>	-	-	-	<b>103,419</b>
House security	80,763	-	<b>80,763</b>	-	-	-	<b>80,763</b>
Insurance	-	-	-	7,283	-	-	<b>7,283</b>
Interest and bank charges	-	-	-	17,840	-	-	<b>17,840</b>
Maintenance and repairs	56,383	-	<b>56,383</b>	-	-	-	<b>56,383</b>
Office supplies and postage	7,410	-	<b>7,410</b>	7,637	-	-	<b>15,047</b>
Special events	-	-	-	-	47,763	27,717	<b>75,480</b>
Professional fees	-	-	-	17,605	-	-	<b>17,605</b>
Technology and telephone	57,126	8,161	<b>65,287</b>	16,322	-	-	<b>81,609</b>
Utilities	115,628	-	<b>115,628</b>	-	-	-	<b>115,628</b>
Other expenses	237,735	-	<b>237,735</b>	-	91,121	-	<b>328,856</b>
<b>Total Expenses</b>	<b>1,805,885</b>	<b>125,013</b>	<b>1,930,898</b>	<b>428,564</b>	<b>575,438</b>	<b>27,717</b>	<b>2,962,617</b>

See accompanying notes to the financial statements.

**Kids Care Oncology Central West Ontario**  
**STATEMENT OF CASH FLOWS**

Year ended Dec 31

	2021	2020
	\$	\$
<b>OPERATING ACTIVITIES</b>		
<i>Excess (deficiency) of revenue over expenses for the year</i>		
General funds	1,087,529	850,661
Restricted funds	21,570	65,061
Capital asset fund	(136,954)	(124,376)
<i>Add (deduct) items not involving cash</i>		
Amortization of capital assets	453,830	440,942
Amortization of deferred contributions	(316,566)	(316,566)
Forgivable portion of bank loan (Note 7)	(10,000)	(10,000)
Accrued interest on term deposits	-	(10,878)
Gain on disposal of leased asset	(310)	-
	<b>1,099,099</b>	<b>894,844</b>
Net change in non-cash working capital balances related to operations		
Accounts receivable	(16,003)	29,943
Prepaid expenses	11,669	15,323
Inventory	(15,278)	(4,911)
Accounts payable and accrued liabilities	77,187	(111,710)
Deferred revenue	18,325	2,984
	<b>75,900</b>	<b>(68,371)</b>
<b>Cash provided by operating activities</b>	<b>1,174,999</b>	<b>826,473</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of term deposits	-	(200,000)
Proceeds from sale of term deposits	1,007,704	220,055
Purchase of capital assets (Note 4)	(122,347)	(104,833)
Proceeds on disposal of capital assets	3,640	-
<b>Cash provided by (used) in investing activities</b>	<b>888,997</b>	<b>(84,778)</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of capital lease obligation	(7,856)	(5,054)
Proceeds from bank loan (Note 7)	20,000	40,000
<b>Cash provided by financing activities</b>	<b>12,144</b>	<b>34,946</b>
<b>Net increase in cash and cash equivalents during the year</b>	<b>2,076,140</b>	<b>776,641</b>
Cash and cash equivalents, beginning of year	1,422,942	646,301
<b>Cash and cash equivalents, end of year</b>	<b>3,499,082</b>	<b>1,422,942</b>

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, 2021**

## **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, 2021**

**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. Externally restricted contributions where there is no Restricted Fund are deferred and recognized as revenue when expended.

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.

**Kids Care Oncology Central West Ontario  
(o/a Ronald McDonald House Charities South Central Ontario)  
Notes to the financial statements  
Year ended December 31, 2021**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Revenue recognition (continued)**

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.

**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**

On January 1, 2021, the Organization adopted the amendments to Section 3856 Financial Instruments, which outline the accounting guidelines related to the classification and measurement of financial instruments issued in a tax planning arrangement and for financial assets and financial liabilities in related party transactions. The adoption of the amendments did not have a significant impact on the Company's financial statements.

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.

**Kids Care Oncology Central West Ontario  
(o/a Ronald McDonald House Charities South Central Ontario)  
Notes to the financial statements  
Year ended December 31, 2021**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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.

**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**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Term deposits	-	1,007,704
	-	1,007,004

**Kids Care Oncology Central West Ontario**  
**(o/a Ronald McDonald House Charities South Central Ontario)**  
**Notes to the financial statements**  
Year ended December 31, 2021

**4. CAPITAL ASSETS**

Capital assets consist of the following:

	<b>2021</b>		
	<b>Cost</b>	<b>Accumulated</b>	<b>Net book</b>
	\$	amortization	value
	\$	\$	\$
Land	9,181	–	9,181
Buildings	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
	<b>16,001,494</b>	<b>5,198,346</b>	<b>10,803,148</b>

During the year, capital assets were purchased for an aggregate cost of \$140,394 of which \$18,047 was financed by capital leases, which are reported under computer hardware, resulting in cash payment of \$122,347.

Capital assets consist of the following:

	<b>2020</b>		
	<b>Cost</b>	<b>Accumulated</b>	<b>Net book</b>
	\$	amortization	value
	\$	\$	\$
Land	9,181	–	9,181
Buildings	14,714,443	4,082,451	10,631,992
Computer hardware	95,116	86,081	9,035
Computer software	66,921	45,764	21,157
Equipment	134,481	123,076	11,405
Furniture and fixtures	471,585	300,095	171,490
Serenity garden	238,011	96,292	141,719
Family room	131,305	19,696	111,609
Website	17,696	5,370	12,326
	<b>15,878,739</b>	<b>4,758,825</b>	<b>11,119,914</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, 2021

**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>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Balance, beginning of year	<b>9,801,663</b>	10,098,683
Amount recognized as revenue during the year	<b>(297,020)</b>	(297,020)
	<b>9,504,643</b>	9,801,663
<hr/>		
<b>Deferred contributions – serenity garden:</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Balance, beginning of year	<b>136,822</b>	156,368
Amount recognized as revenue during the year	<b>(19,546)</b>	(19,546)
	<b>117,276</b>	136,822
<hr/>		
<b>Balance, end of year</b>	<b>9,621,919</b>	9,938,485

**6. OBLIGATION UNDER CAPITAL LEASE**

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

	\$
2022	3,281
2023	3,281
2024	3,281
2025	3,281
2026	1,642
	14,766
Less: current portion	(3,281)
<b>Total long-term obligation</b>	<b>11,485</b>

**7. BANK LOAN**

During the year, the Organization received the Canada Emergency Business Account loan in the amount of \$20,000 (2020 - \$40,000). 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. During the year ended December 31, 2021 the Organization recognized \$10,000 (2020 - \$10,000) in contribution revenue as required under the terms of the loan.

**Kids Care Oncology Central West Ontario**  
**(o/a Ronald McDonald House Charities South Central Ontario)**  
**Notes to the financial statements**  
Year ended December 31, 2021

**8. RESTRICTED FUND BALANCE**

The Restricted fund balance consists of the following:

	2021	2020
	\$	\$
<b>Restricted Fund</b>		
Externally restricted	93,198	112,914
Internally restricted	2,037,968	1,637,968
	<b>2,131,166</b>	<b>1,750,882</b>

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.

**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>	
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$
Transfers for purchase of capital assets	(105,576)	(76,504)	(31,178)	(28,329)	136,754	104,833
Transfers internally restricted by Board of Directors	(400,000)	(637,968)	400,000	637,968	-	-
Transfers for operating use	-	10,500	-	(10,500)	-	-
Transfers for family stays	10,108	7,885	(10,108)	(7,885)	-	-
	<b>(495,468)</b>	<b>(696,087)</b>	<b>358,714</b>	<b>591,254</b>	<b>136,754</b>	<b>104,833</b>

**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.

**Kids Care Oncology Central West Ontario  
(o/a Ronald McDonald House Charities South Central Ontario)  
Notes to the financial statements  
Year ended December 31, 2021**

**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, 2021, the Organization received from Ronald McDonald House Charities, Inc. \$nil (2020 - \$55,204); and the Organization received \$312,700 (2020 - \$293,000) from Ronald McDonald House Charities, Canada. Contributions totaling \$312,700 and \$293,000, were received from a single donor, RMHC Canada, during the years ended December 31, 2021 and 2020 respectively, which represent 9% of total public support each year.

**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, 2021 and 2020 are as follows:

	<b>2021</b>	2020
	\$	\$
Other expenses	<b>180,892</b>	303,856
	<b>180,892</b>	303,856

**14. GOVERNMENT GRANTS**

The Organization received \$89,362 (2020 - \$381,545) through the Canada Emergency Wage Subsidy (CEWS) and \$nil (2020 - \$24,197) through the Temporary Wage Subsidy from the Federal Government to mitigate employment disruptions caused by the COVID-19 pandemic. Included in accounts receivable at December 31, 2021 is \$60,094 (2020 - \$44,809) of government assistance receivable relating to CEWS. The CEWS program concluded as of October 2021.

**15. SUBSEQUENT EVENTS**

Management evaluated subsequent events through April 28, 2022, 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.