



Financial Statements

Toronto Children's Care Inc.

December 31, 2023

Independent auditor's report

Grant Thornton LLP
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To the Board of Directors of **Toronto Children's Care Inc.**

Opinion

We have audited the financial statements of **Toronto Children's Care Inc.** (the "Organization"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations and changes in fund balances, functional expenses 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 Toronto Children's Care Inc. as at December 31, 2023, and the results of its 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 a 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.

Grant Thornton LLP

Toronto, Canada
March 20, 2024



Chartered Professional Accountants
Licensed Public Accountants

Toronto Children's Care Inc.
STATEMENT OF FINANCIAL POSITION

Year ended December 31

	2023 \$	2022 \$
ASSETS		
Current assets		
Cash	4,151,558	757,455
Accounts receivable (Note 5)	823,034	717,185
Prepaid expenses and other assets	80,795	144,183
Total current assets	5,055,387	1,618,823
Investments (Note 3[a])	22,599,828	22,817,637
Capital assets, net (Note 4)	26,844,114	27,342,161
Total assets	54,499,329	51,778,621
LIABILITIES AND FUND BALANCES		
Current liabilities		
Accounts payable and accrued liabilities	1,938,102	1,847,715
Deferred contributions (Note 6)	55,822	32,115
Current portion of long-term debt (Note 7)	8,550	8,550
Total current liabilities	2,002,474	1,888,380
Long-term debt (Note 7)	52,394	58,517
Total liabilities	2,054,868	1,946,897
FUND BALANCES		
General fund	1,487,056	(54,008)
Internally restricted fund (Note 8)	21,787,027	22,373,571
Capital asset fund	28,158,740	27,512,161
Externally restricted fund	1,011,638	-
Total fund balances	52,444,461	49,831,724
Total liabilities and fund balances	54,499,329	51,778,621

On behalf of the Board:

 Director
  Director

See accompanying notes to the financial statements.

Toronto Children's Care Inc.
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

Year ended December 31

	<u>General Fund</u>		<u>Internally Restricted Fund</u>		<u>Capital Asset Fund</u>		<u>Externally Restricted Fund</u>		<u>Total</u>	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUES AND OTHER SUPPORT										
Contributions	6,583,863	6,044,372	-	-	1,339,625	170,000	1,333,981	150,000	9,257,469	6,364,372
Fundraising activities/events	591,737	662,987	-	-	-	-	-	-	591,737	662,987
RMH room donations/fees	290,505	158,685	-	-	-	-	-	-	290,505	158,685
Investment income, net (Note 3[b])	12,753	-	1,089,480	1,259,506	-	-	-	-	1,102,233	1,259,506
Total revenues and other support	7,478,858	6,866,044	1,089,480	1,259,506	1,339,625	170,000	1,333,981	150,000	11,241,944	8,445,550
FUNCTIONAL EXPENSES										
Program	4,679,145	6,330,866	292,171	554,565	1,082,331	1,036,946	322,343	150,000	6,375,990	8,072,377
Management and general	1,323,980	761,104	-	-	-	-	-	-	1,323,980	761,104
Fundraising	1,539,985	1,237,146	-	-	-	-	-	-	1,539,985	1,237,146
Cost of direct benefits to donors	84,723	101,774	-	-	-	-	-	-	84,723	101,774
Total functional expenses	7,627,833	8,430,890	292,171	554,565	1,082,331	1,036,946	322,343	150,000	9,324,678	10,172,401
Excess of operating revenues over expenses (expenses over revenues)	(148,975)	(1,564,846)	797,309	704,941	257,294	(866,946)	1,011,638	-	1,917,266	(1,726,851)
Realized or unrealized gains (losses) (Note 3[b])	-	-	695,471	(2,177,516)	-	-	-	-	695,471	(2,177,516)
Excess of revenues over expenses (expenses over revenues)	(148,975)	(1,564,846)	1,492,780	(1,472,575)	257,294	(866,946)	1,011,638	-	2,612,737	(3,904,367)
Fund balances, beginning of year	(54,008)	3,544,704	22,373,571	23,846,146	27,512,161	26,345,241	-	-	49,831,724	53,736,091
Transfers between funds (Note 10)	1,690,039	(2,033,866)	(2,079,324)	-	389,285	2,033,866	-	-	-	-
Fund balances, end of year	1,487,056	(54,008)	21,787,027	22,373,571	28,158,740	27,512,161	1,011,638	-	52,444,461	49,831,724

See accompanying notes to the financial statements.

Toronto Children's Care Inc.
STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2023

	Program Services			Supporting Services			2023	2022
	Ronald McDonald House	Ronald McDonald Family Room	Total Program Services	Management and General	Fundraising	Cost of Direct Benefits to Donors	Total Expenses	Total Expenses
	\$	\$	\$	\$	\$	\$	\$	\$
Salaries	2,613,768	945,240	3,559,008	408,960	955,693	-	4,923,661	6,649,210
Employee benefits	23,909	11,954	35,863	37,757	21,347	-	94,967	84,816
Employment payroll taxes	27,770	9,738	37,508	20,918	13,705	-	72,131	77,664
Amortization of capital assets	926,793	155,538	1,082,331	-	-	-	1,082,331	1,036,946
Advertising	-	-	-	-	42,167	-	42,167	18,791
Cleaning service and supplies	79,372	-	79,372	-	-	-	79,372	39,712
Donor recognition	-	-	-	-	-	84,723	84,723	101,774
Education, training and meetings	21,179	-	21,179	1,730	8,296	-	31,205	37,627
Family support services and supplies	308,984	56,100	365,084	-	-	-	365,084	414,962
Insurance	-	-	-	57,427	-	-	57,427	45,673
Interest and bank charges	-	-	-	48,594	-	-	48,594	40,491
Linens and laundry	-	-	-	-	-	-	-	11,050
Maintenance and repairs	331,933	5,835	337,768	-	-	-	337,768	337,941
Office supplies	9,433	11,232	20,665	7,694	4,738	-	33,097	48,945
Postage and courier	1,181	-	1,181	1,297	3,718	-	6,196	8,970
Printing costs	-	-	-	-	94,849	-	94,849	78,367
Professional fees	240,066	-	240,066	666,675	99,768	-	1,006,509	295,843
Technology and telephone	309,596	-	309,596	30,277	81,908	-	421,781	421,780
Travel, meal and entertainment costs	436	2,185	2,621	3,548	898	-	7,067	9,158
Utilities	265,076	-	265,076	-	-	-	265,076	211,832
Volunteer resources and recognition	15,664	-	15,664	14,503	-	-	30,167	20,814
Other expenses	3,008	-	3,008	24,600	212,898	-	240,506	180,035
Total Expenses	5,178,168	1,197,822	6,375,990	1,323,980	1,539,985	84,723	9,324,678	10,172,401

See accompanying notes to the financial statements.

Toronto Children's Care Inc.
STATEMENT OF CASH FLOWS

Year ended December 31

	2023	2022
	\$	\$
OPERATING ACTIVITIES		
<i>Excess of revenues over expenses (expenses over revenues) for the year</i>		
General fund	(148,975)	(1,564,846)
Internally restricted fund	1,492,780	(1,472,575)
Capital asset fund	257,294	(866,946)
Externally restricted fund	1,011,638	-
<i>Add (deduct) items not involving cash</i>		
Amortization of capital assets	1,082,331	1,036,946
Unrealized (gain) loss on sale of investments	(695,471)	2,177,516
Dividends reinvested	(1,121,144)	(1,278,994)
Amortization of imputed interest benefit	2,427	2,845
	1,880,880	(1,966,054)
Net change in non-cash working capital balances related to operations		
Accounts receivable	(105,849)	84,215
Prepaid expenses and other assets	63,388	(36,468)
Accounts payable and accrued liabilities	90,387	1,289,810
Deferred contributions	23,707	(18,645)
	71,633	1,318,912
Cash provided by (used in) operating activities	1,952,513	(647,142)
INVESTING ACTIVITIES		
Proceeds from investments, net of sales	2,034,424	25,762
Purchases of capital assets	(584,284)	(2,033,866)
Cash provided by (used in) investing activities	1,450,140	(2,008,104)
FINANCING ACTIVITIES		
Repayment of long-term debt	(8,550)	(26,713)
Cash used in financing activities	(8,550)	(26,713)
Net increase (decrease) in cash during the year	3,394,103	(2,681,959)
Cash, beginning of year	757,455	3,439,414
Cash, end of year	4,151,558	757,455

See accompanying notes to the financial statements.

Toronto Children's Care Inc.

Notes to the financial statements

For the year ended December 31, 2023

1. NATURE OF THE ORGANIZATION

Organization

Toronto Children's Care Inc. (the "Organization") is incorporated without share capital under the provisions of the Corporations Act (Ontario). The Organization is a registered charity that operates a Ronald McDonald House in Toronto. As a registered charity under the Income Tax Act, the Organization is exempt from income tax under Section 149(1)(l) of the Income Tax Act and is able to issue donation receipts for income tax purposes. Registration remains valid so long as the Organization continues to fulfil the requirements of the Act and regulations in respect of registered charities.

The mission of Ronald McDonald House Charities (RMHC) is to create, fund 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: the Organization is focused on the critical needs of children, leads with compassion, celebrates the diversity of the people and programs, values the Organization's heritage and operates 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.

The Organization fulfills its 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

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 Toronto, 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 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.

Toronto Children's Care Inc.
Notes to the financial statements
For the year ended December 31, 2023

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

Management reviews the carrying amounts of items in the financial statements at each statement of financial position date to assess the need for revision or any possibility of impairment. Certain items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically, and adjustments are made to excess of revenues over expenses (expenses over revenues) as appropriate in the fiscal year they become known.

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 Internally Restricted fund is used to report the assets, liabilities, revenues, and expenses internally restricted by the Board of Directors. This fund includes two funds: The Stabilization fund and the Property Replacement Reserve fund. The Stabilization fund was established by the Board of Directors to ensure the Organization's future financial stability; the purpose of the fund is to cover the future cost of ongoing programs in the event of an unanticipated loss of funding. The Property Replacement Reserve fund was established to have funds available for future repairs to and maintenance of the property components of the Organization. Any funds internally restricted by the Board of Directors are recorded through a transfer to the respective fund. Resources drawn from the Internally Restricted funds to support the Organization's needs are approved by the Board of Directors.

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

The Externally Restricted fund is used to report resources contributed with specified restrictions as to their uses.

Revenue recognition

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

Contributions 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 appropriate Externally Restricted fund when initially recognized in the accounts. Externally restricted contributions where there is no Externally Restricted fund are deferred and recognized as revenue when expended.

Toronto Children's Care Inc.
Notes to the financial statements
For the year ended December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (continued)

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 consists of interest, dividends, and income distributions from pooled funds. Investment income earned on Externally Restricted fund or Capital Asset fund resources that must be spent on donor-restricted activities is recognized as revenue of the respective fund. Investment income earned on Externally Restricted fund, Capital Asset fund and General fund resources that is not restricted is recognized as revenue of the General fund. Investment losses are allocated in a manner consistent with investment income.

Interest earned on resources of the General and Internally Restricted funds is recognized in the respective funds on an accrual basis and dividend income recognized when received.

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. Salaries have been allocated based on estimated time spent on the programs and supporting services.

Financial instruments

Investments are recorded at fair value. Transactions are recorded on a trade date basis and transaction costs are expensed as incurred.

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.

Other financial instruments, including cash, accounts receivable and accounts payable, are initially recorded at their fair value and are subsequently measured at amortized cost using the effective interest rate method.

For financial assets measured at amortized cost, the Organization regularly assesses whether there are any indications of impairment. Any impairment loss is recognized in the statement of operations.

Contributed materials and services

The Organization would not be able to operate Ronald McDonald House Toronto and family rooms successfully and effectively as it does without the assistance of numerous dedicated volunteers and donors who contribute a considerable amount of time, effort and materials over the course of the year. Because of the difficulty of determining the fair value of this time and effort, contributed materials and services are not recognized in these financial statements.

Toronto Children's Care Inc.
Notes to the financial statements
For the year ended December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets

Purchased capital assets are recorded at acquisition cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of the contribution. Amortization is determined using the straight-line method over the estimated useful lives of the assets as follows:

Tangible assets

Land	n/a
Building	20 - 40 years
Furniture, fixtures, equipment	3 - 10 years
Family Rooms	7 - 10 years

Intangible assets

Website	4 years
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Interest on long-term debt incurred for capital assets 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. INVESTMENTS

(a) Investments, all of which are recorded at fair value, have an asset mix as follows:

	2023	2022
	\$	\$
<hr/>		
Internally Restricted funds		
<i>Fixed Income</i>		
Investment savings accounts	2,579,730	3,190,701
Mutual funds	11,131,588	11,845,707
<i>Equities</i>		
Mutual funds	8,888,510	7,781,229
	22,599,828	22,817,637

Investments are intended to be held for a period longer than twelve months from the date of the financial statements and are presented as long-term assets.

Toronto Children's Care Inc.
Notes to the financial statements
For the year ended December 31, 2023

(b) Investment income within the Internally Restricted funds consists of the following:

	2023	2022
	\$	\$
Dividends	1,121,144	1,278,086
Management fees	(31,664)	(22,306)
	1,089,480	1,259,506
Unrealized gains (losses)	695,471	(2,177,516)
	1,784,951	(918,010)

4. CAPITAL ASSETS

Capital assets consist of the following:

	2023		
	Cost	Accumulated	Net book
	\$	amortization	value
	\$	\$	\$
Land	3,230,866	-	3,230,866
Buildings	28,930,407	8,145,200	20,785,207
Furniture, fixtures, equipment	3,854,518	2,594,342	1,260,176
Family rooms	1,722,729	1,350,388	372,341
Website	101,960	63,725	38,235
Work in progress	1,157,289	-	1,157,289
	38,997,769	12,153,655	26,844,114

At year end, there were additions to the buildings of \$375,259 (2022 - \$206,577) and family rooms of \$63,540 (2022 - \$Nil) that were not complete at year end. Amortization of these additions and the work in progress will commence when the projects are substantially complete and in use.

	2022		
	Cost	Accumulated	Net book
	\$	amortization	value
	\$	\$	\$
Land	3,230,866	-	3,230,866
Buildings	28,561,638	7,417,854	21,143,784
Furniture, fixtures, equipment	3,780,801	2,420,382	1,360,419
Family rooms	1,659,190	1,194,849	464,341
Website	101,960	38,235	63,725
Work in progress	1,079,026	-	1,079,026
	38,413,481	11,071,320	27,342,161

Toronto Children's Care Inc.
Notes to the financial statements
For the year ended December 31, 2023

5. GOVERNMENT REMITTANCES RECEIVABLE

As at December 31, 2023, accounts receivable include government remittances receivable of \$180,932 (2022 - \$143,041).

6. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent resources externally restricted for program expenses in future years for which a corresponding fund does not exist. Changes in the deferred contributions balance are as follows:

	2023	2022
	\$	\$
Balance, beginning of year	32,115	50,760
Amount received during the year	10,163,418	7,167,399
Amount recognized as revenue during the year	(10,139,711)	(7,186,044)
Balance, end of year	55,822	32,115

7. LONG-TERM DEBT

(a) Long-term debt consists of the following:

	2023	2022
	\$	\$
Toronto Green Energy Fund, due January 1, 2032, repayable at quarterly instalments of \$2,137. The loan bears no interest except on outstanding instalments which are subject to interest at the Royal Bank of Canada's prime rate.	70,538	79,088
Less: imputed interest benefit	(9,594)	(12,021)
Less current portion	(8,550)	(8,550)
	52,394	58,517

(b) The estimated principal repayments of long-term debt due in each of the next five years and thereafter are as follows:

	\$
2024	8,550
2025	8,550
2026	8,550
2027	8,550
2028	8,550
Thereafter	27,788
	70,538

Toronto Children’s Care Inc.
Notes to the financial statements
For the year ended December 31, 2023

7. LONG-TERM DEBT (continued)

- (c) Long-term debt is initially recorded at fair value. The fair value of these interest free loans are estimated as the present value of all future payments discounted using the prevailing market rates of interest for similar instruments. The difference between fair value and amount received has been accounted for as an imputed interest benefit, which is being amortized over the life of the loans and included in management and general expenses.

8. INTERNALLY RESTRICTED FUND BALANCE

The Internally Restricted fund is comprised of the following balances:

	2023	2022
	\$	\$
Stabilization fund	17,296,176	18,213,135
Property Replacement Reserve fund	4,490,851	4,160,436
	21,787,027	22,373,571

The Organization drew down \$2,000,000 (2022 – \$Nil) from the Stabilization fund during the year. \$79,324 of accumulated interest revenue on the operating bank balance was transferred to the General fund.

9. LETTER OF CREDIT

Toronto Children’s Care Inc. has a standby letter of credit bearing interest at 1.3% per annum. The beneficiary of this letter of credit is the Ontario Teachers’ Pension Plan. As of December 31, 2023, an amount of \$30,633 (2022- \$30,633) has been drawn on the letter of credit.

Toronto Children’s Care Inc.
Notes to the financial statements
For the year ended December 31, 2023

10. INTERFUND TRANSFERS

Transfers between funds during the year consist of the following:

	<u>General Fund</u>		<u>Internally Restricted Fund</u>		<u>Capital Asset Fund</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$	\$	\$	\$	\$	\$
Transfers approved to support General fund	2,000,000	-	(2,000,000)	-	-	-
Transfers approved for purchases of capital assets	(389,285)	(2,033,866)	-	-	389,285	2,033,866
Transfers for accumulated interest on operating bank balance	79,324	-	(79,324)	-	-	-
	1,690,039	(2,033,866)	(2,079,324)	-	389,285	2,033,866

11. 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 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. The Organization assesses on that basis of amounts for which ultimate collection is reasonably assured based on their estimated realizable value.

Interest rate risk

The Organization is exposed to interest rate risk with respect to its fixed rate debt, line of credit and its investments in fixed income investments and pooled funds that hold fixed income securities because the fair value will fluctuate due to changes in market interest rates.

Liquidity risk

The Organization is exposed to the risk that it will encounter difficulty in meeting obligations associated with its financial liabilities including accounts payable and long-term debt. The Organization considers that it has sufficient funds available to meet its obligations as they come due.

Toronto Children's Care Inc.
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11. FINANCIAL INSTRUMENTS (Continued)

Market risk

The Organization's investments in publicly traded securities exposes the Organization to price risks as equity investments are subject to price changes in an open market. The Organization does not use derivative financial instruments to alter effects of this risk.

The Organization is not exposed to any significant foreign currency risk at the statement of financial position date.

12. 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, 2023 the Organization received \$756,701 (2022 - \$716,324) from Ronald McDonald House Charities, Canada and \$26,594 (2022 - \$6,636) from Ronald McDonald House Charities, Inc. which represents 8% (2022 - 10%) of total public support.