

Financial Statements

Toronto Children's Care Inc.

December 31, 2024

Independent auditor's report

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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, 2024, 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, 2024, 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.

Doane Grant Thornton LLP

Toronto, Canada
March 26, 2025

Chartered Professional Accountants
Licensed Public Accountants

Toronto Children's Care Inc.
STATEMENT OF FINANCIAL POSITION

Year ended December 31

	2024 \$	2023 \$
ASSETS		
Current assets		
Cash	4,084,580	4,151,558
Accounts receivable (Note 5)	661,013	823,034
Prepaid expenses and other assets	432,596	80,795
Total current assets	5,178,189	5,055,387
Investments (Note 3[a])	25,633,558	22,599,828
Capital assets, net (Note 4)	26,096,351	26,844,114
Total assets	56,908,098	54,499,329
LIABILITIES AND FUND BALANCES		
Current liabilities		
Accounts payable and accrued liabilities	728,167	1,938,102
Deferred contributions (Note 6)	56,382	55,822
Current portion of long-term debt (Note 7)	8,550	8,550
Total current liabilities	793,099	2,002,474
Long-term debt (Note 7)	45,999	52,394
Total liabilities	839,098	2,054,868
FUND BALANCES		
General fund	1,727,983	1,487,056
Internally restricted fund	25,671,060	21,787,027
Capital asset fund	27,590,208	28,158,740
Externally restricted fund	1,079,749	1,011,638
Total fund balances	56,069,000	52,444,461
Total liabilities and fund balances	56,908,098	54,499,329

Commitment (Note 12)

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>	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUES AND OTHER SUPPORT										
Contributions	7,333,108	6,583,863	-	-	362,253	1,339,625	418,739	1,333,981	8,114,100	9,257,469
Fundraising activities/events	715,773	591,737	-	-	-	-	-	-	715,773	591,737
RMH room donations/fees	341,118	290,505	-	-	-	-	-	-	341,118	290,505
Investment income, net (Note 3[b])	34,888	12,753	735,795	1,089,480	60,286	-	45,750	-	876,719	1,102,233
Total revenues and other support	8,424,887	7,478,858	735,795	1,089,480	422,539	1,339,625	464,489	1,333,981	10,047,710	11,241,944
FUNCTIONAL EXPENSES										
Program	3,604,741	4,679,145	-	292,171	1,081,561	1,082,331	396,378	322,343	5,082,680	6,375,990
Management and general	1,156,533	1,323,980	-	-	-	-	-	-	1,156,533	1,323,980
Fundraising	1,831,202	1,539,985	-	-	-	-	-	-	1,831,202	1,539,985
Cost of direct benefits to donors	97,493	84,723	-	-	-	-	-	-	97,493	84,723
Total functional expenses	6,689,969	7,627,833	-	292,171	1,081,561	1,082,331	396,378	322,343	8,167,908	9,324,678
Excess of operating revenues over expenses (expenses over revenues)	1,734,918	(148,975)	735,795	797,309	(659,022)	257,294	68,111	1,011,638	1,879,802	1,917,266
Unrealized gains on investments (Note 3[b])	-	-	1,744,737	695,471	-	-	-	-	1,744,737	695,471
Excess of revenues over expenses (expenses over revenues)	1,734,918	(148,975)	2,480,532	1,492,780	(659,022)	257,294	68,111	1,011,638	3,624,539	2,612,737
Fund balances, beginning 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
Transfers between funds (Note 9)	(1,493,991)	1,690,039	1,403,501	(2,079,324)	90,490	389,285	-	-	-	-
Fund balances, end of year	1,727,983	1,487,056	25,671,060	21,787,027	27,590,208	28,158,740	1,079,749	1,011,638	56,069,000	52,444,461

See accompanying notes to the financial statements.

Toronto Children's Care Inc.
STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2024

	Program Services			Supporting Services			2024	2023
	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	1,690,235	498,656	2,188,891	398,014	1,172,079	-	3,758,984	4,923,661
Employee benefits	45,819	10,167	55,986	28,899	16,801	-	101,686	94,967
Employment payroll taxes	28,698	9,131	37,829	15,653	16,958	-	70,440	72,131
Amortization of capital assets	957,195	124,366	1,081,561	-	-	-	1,081,561	1,082,331
Advertising	-	-	-	-	32,596	-	32,596	42,167
Cleaning service and supplies	102,837	-	102,837	-	-	-	102,837	79,372
Donor recognition	-	-	-	-	1,696	97,493	99,189	84,723
Education, training and meetings	39,638	-	39,638	19,179	16,991	-	75,808	31,205
Family support services and supplies	335,991	65,014	401,005	-	-	-	401,005	365,084
Insurance	-	-	-	46,922	-	-	46,922	57,427
Interest and bank charges	-	-	-	54,055	-	-	54,055	48,594
Maintenance and repairs	276,669	2,470	279,139	-	-	-	279,139	337,768
Office supplies	7,932	11,395	19,327	5,019	2,862	-	27,208	33,097
Postage and courier	1,746	-	1,746	1,170	3,463	-	6,379	6,196
Printing costs	-	-	-	-	159,208	-	159,208	94,849
Professional fees	157,055	-	157,055	503,650	160,853	-	821,558	1,006,509
Technology and telephone	418,713	-	418,713	30,368	27,899	-	476,980	421,781
Travel, meal and entertainment costs	516	2,135	2,651	6,241	383	-	9,275	7,067
Utilities	284,701	-	284,701	-	-	-	284,701	265,076
Vehicle Expense	66	-	66	-	-	-	66	-
Volunteer resources and recognition	10,063	-	10,063	23,794	-	-	33,857	30,167
Other expenses	1,472	-	1,472	23,569	219,413	-	244,454	240,506
Total Expenses	4,359,346	723,334	5,082,680	1,156,533	1,831,202	97,493	8,167,908	9,324,678

See accompanying notes to the financial statements.

Toronto Children's Care Inc.
STATEMENT OF CASH FLOWS
Year ended December 31

	2024	2023
	\$	\$
OPERATING ACTIVITIES		
<i>Excess of revenues over expenses (expenses over revenues) for the year</i>		
General fund	1,734,918	(148,975)
Internally restricted fund	2,480,532	1,492,780
Capital asset fund	(659,022)	257,294
Externally restricted fund	68,111	1,011,638
<i>Add (deduct) items not involving cash</i>		
Amortization of capital assets	1,081,561	1,082,331
Unrealized gains on investments	(1,744,737)	(695,471)
Dividends reinvested	(798,633)	(1,121,144)
Amortization of imputed interest benefit	2,155	2,427
	2,164,885	1,880,880
Net change in non-cash working capital balances related to operations		
Accounts receivable	162,021	(105,849)
Prepaid expenses and other assets	(351,801)	63,388
Accounts payable and accrued liabilities	(1,209,935)	90,387
Deferred contributions	560	23,707
	(1,399,155)	71,633
Cash provided by operating activities	765,730	1,952,513
INVESTING ACTIVITIES		
(Purchases of investments) proceeds on sale of investments (net)	(490,360)	2,034,424
Purchases of capital assets	(333,798)	(584,284)
Cash (used in) provided by investing activities	(824,158)	1,450,140
FINANCING ACTIVITIES		
Repayment of long-term debt	(8,550)	(8,550)
Cash used in financing activities	(8,550)	(8,550)
Net (decrease) increase in cash during the year	(66,978)	3,394,103
Cash, beginning of year	4,151,558	757,455
Cash, end of year	4,084,580	4,151,558

See accompanying notes to the financial statements.

Toronto Children's Care Inc.

Notes to the financial statements

For the year ended December 31, 2024

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, 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 13 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, 12 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, 2024

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. 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.

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.

Toronto Children's Care Inc.
Notes to the financial statements
For the year ended December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (continued)

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, 2024

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

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:

	2024 \$	2023 \$
Internally Restricted funds		
<i>Fixed Income</i>		
Investment savings accounts	3,372,138	2,579,730
Mutual funds	11,674,661	11,131,588
<i>Equities</i>		
Mutual funds	10,586,759	8,888,510
	25,633,558	22,599,828

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, 2024

3. INVESTMENTS (continued)

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

	2024 \$	2023 \$
Dividends	798,633	1,121,144
Management fees	(62,838)	(31,664)
	735,795	1,089,480
Unrealized gains	1,744,737	695,471
	2,480,532	1,784,951

4. CAPITAL ASSETS

Capital assets consist of the following:

	2024	
	Cost \$	Accumulated amortization \$
		Net book value \$
Land	3,230,866	-
Buildings	28,954,426	8,892,102
Furniture, fixtures, equipment	3,915,962	2,778,961
Family rooms	1,915,897	1,474,936
Website	101,960	89,215
Work in progress	1,212,454	-
	39,331,565	13,235,214

At year end, there were additions to the buildings of \$Nil (2023 - \$375,259) and family rooms of \$243,309 (2023 - \$63,540) 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.

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

Toronto Children's Care Inc.
Notes to the financial statements
For the year ended December 31, 2024

5. GOVERNMENT REMITTANCES RECEIVABLE

As at December 31, 2024, accounts receivable include government remittances receivable of \$140,125 (2023 - \$180,932).

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:

	2024 \$	2023 \$
Balance, beginning of year	56,822	32,115
Amount received during the year	9,170,551	10,163,418
Amount recognized as revenue during the year	(9,170,991)	(10,139,711)
Balance, end of year	56,382	55,822

7. LONG-TERM DEBT

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

	2024 \$	2023 \$
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.	61,988	70,538
Less: imputed interest benefit	(7,439)	(9,594)
Less current portion	(8,550)	(8,550)
	45,999	52,394

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

	\$
2025	8,550
2026	8,550
2027	8,550
2028	8,550
2029	8,550
Thereafter	19,238
	61,988

Toronto Children's Care Inc.
Notes to the financial statements
For the year ended December 31, 2024

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. 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, 2024, an amount of \$30,633 (2023-\$30,633) has been drawn on the letter of credit.

9. INTERFUND TRANSFERS

Transfers between funds during the year consist of the following:

	General Fund		Internally Restricted Fund		Capital Asset Fund	
	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$
Transfers approved to support General fund	-	2,000,000	-	(2,000,000)	-	-
Transfers approved to support Internally Restricted Fund	(1,403,501)	-	1,403,501	-	-	-
Transfers approved for purchases of capital assets	(90,490)	(389,285)	-	-	90,490	389,285
Transfers for accumulated interest on operating bank balance	-	79,324	-	(79,324)	-	-
	(1,493,991)	1,690,039	1,403,501	(2,079,324)	90,490	389,285

Toronto Children's Care Inc.
Notes to the financial statements
For the year ended December 31, 2024

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 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.

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.

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, 2024, the Organization received \$774,340 (2023 - \$756,701) from Ronald McDonald House Charities, Canada and \$217,096 (2023 - \$26,594) from Ronald McDonald House Charities, Inc. which represents 11% (2023 - 8%) of total public support.

12. COMMITMENT

The Organization has entered into a contract for construction of a new family room for a total of \$2,490,781, of which \$350,000 has been paid as a deposit at year end. The construction will take place over the next fiscal year and the construction expenses will be incurred accordingly.