

**PEDIATRIC ONCOLOGY FAMILY CENTRE OF MANITOBA INC.**

*(Operating as Ronald McDonald House Charities Manitoba)*

**Financial Statements**

**Year Ended December 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

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To the Directors of Pediatric Oncology Family Centre of Manitoba Inc. (Operating as Ronald McDonald House Charities Manitoba)

### *Opinion*

We have audited the financial statements of Pediatric Oncology Family Centre of Manitoba Inc. (the Organization), which comprise the statement of financial position as at December 31, 2023, and the statement of operations, changes in fund balances and cash flow 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 the Organization as at December 31, 2023, and the results of its operations and its cash flow 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 those 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 the 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 relating 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.

Winnipeg, Manitoba  
June 6, 2024



Chartered Professional Accountants Inc.

**PEDIATRIC ONCOLOGY FAMILY CENTRE OF MANITOBA INC.**

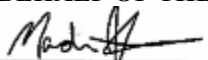
*(Operating as Ronald McDonald House Charities Manitoba)*

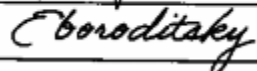
**Statement of Financial Position**

**December 31, 2023**

	2023	2022
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash <i>(Note 4)</i>	\$ 1,387,404	\$ 1,503,616
Short term investments <i>(Note 4)</i>	1,042,750	1,992,312
Accounts receivable	238,272	335,486
Inventory	3,720	-
Prepaid expenses	6,683	-
	<b>2,678,829</b>	3,831,414
<b>CAPITAL ASSETS <i>(Note 5)</i></b>	<b>20,906,612</b>	20,763,128
<b>LONG TERM INVESTMENTS <i>(Note 4)</i></b>	<b>2,605,699</b>	2,894,483
	<b>\$ 26,191,140</b>	\$ 27,489,025
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 41,757	\$ 73,233
Mortgage payable <i>(Note 7)</i>	785,059	3,605,905
Deferred income <i>(Note 6)</i>	133,000	149,800
	<b>959,816</b>	3,828,938
<b>NET ASSETS</b>		
General fund	3,238,260	2,795,527
Invested in capital assets <i>(Note 8)</i>	1,464,845	1,999,867
Restricted fund <i>(Note 8)</i>	20,528,219	18,864,693
	<b>25,231,324</b>	23,660,087
	<b>\$ 26,191,140</b>	\$ 27,489,025

**ON BEHALF OF THE BOARD**

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

**PEDIATRIC ONCOLOGY FAMILY CENTRE OF MANITOBA INC.**

*(Operating as Ronald McDonald House Manitoba)*

**Statement of Operations and Changes in Fund Balances**

**December 31, 2023**

	General Fund		Restricted Fund		Invested in Capital Assets Fund		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>REVENUES AND OTHER SUPPORT</b>								
Contributions	\$ 966,737	\$ 1,179,729	\$ 1,663,526	\$ 2,145,604	\$ -	\$ -	\$ 2,630,263	\$ 3,325,333
Fundraising activities and events	792,592	768,517	-	-	-	-	792,592	768,517
Ronald McDonald House Charities <i>(Note 9)</i>	683,496	648,549	-	-	-	-	683,496	648,549
Other revenues <i>(Note 10)</i>	111,313	1,231,696	-	-	-	-	111,313	1,231,696
Ronald McDonald House room donations and fees	101,950	47,754	-	-	-	-	101,950	47,754
	<b>\$ 2,656,088</b>	<b>\$ 3,876,245</b>	<b>\$ 1,663,526</b>	<b>\$ 2,145,604</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,319,614</b>	<b>\$ 6,021,848</b>
<b>EXPENSES</b>								
Program	\$ 1,683,764	\$ 1,130,914	\$ -	\$ -	\$ -	\$ -	\$ 1,683,764	\$ 1,130,914
Management and general <i>(Note 11)</i>	268,700	286,338	-	-	535,022	106,702	803,722	393,040
Fundraising	373,067	380,106	-	-	-	-	373,067	380,106
Cost of direct benefits to donors	140,501	127,441	-	-	-	-	140,501	127,441
	<b>\$ 2,466,032</b>	<b>\$ 1,924,799</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 535,022</b>	<b>\$ 106,702</b>	<b>\$ 3,001,054</b>	<b>\$ 2,031,501</b>
Excess of operating revenues over expenses (expenses over revenues)	\$ 190,054	\$ 1,951,446	\$ 1,663,526	\$ 2,145,604	\$ (535,022)	\$ (106,702)	\$ 1,318,558	\$ 3,990,348
Investment income (loss)	252,679	(174,005)	-	-	-	-	252,679	(174,005)
<b>Excess of revenues over expenses (expenses over revenues)</b>	<b>\$ 442,733</b>	<b>\$ 1,777,441</b>	<b>\$ 1,663,526</b>	<b>\$ 2,145,604</b>	<b>\$ (535,022)</b>	<b>\$ (106,702)</b>	<b>\$ 1,571,237</b>	<b>\$ 3,816,343</b>
Fund balances, beginning of year	\$ 2,795,527	\$ 1,018,086	\$ 18,864,693	\$ 16,719,089	\$ 1,999,867	\$ 2,106,569	\$ 23,660,087	\$ 19,843,744
Transfers between funds <i>(Note 8)</i>	-	-	-	-	-	-	-	-
Purchase of capital assets	-	-	-	-	-	-	-	-
<b>Fund balances, end of year</b>	<b>\$ 3,238,260</b>	<b>\$ 2,795,527</b>	<b>\$ 20,528,219</b>	<b>\$ 18,864,693</b>	<b>\$ 1,464,845</b>	<b>\$ 1,999,867</b>	<b>\$ 25,231,324</b>	<b>\$ 23,660,087</b>

See notes to financial statements



**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2023**

	Program Services			Management and General	Fundraising	Cost of Direct Benefits to Donors	Total
	Ronald McDonald House	Ronald McDonald Family Room	Total				
Salaries	718,877	143,993	862,870	134,863	171,396	-	1,169,129
Employee Benefits	31,217	7,930	39,147	15,817	12,231	-	67,195
Payroll Taxes (E.I, CPP)	64,963	7,213	72,176	8,003	5,613	-	85,792
Total Salaries and Related Expenses	<u>815,057</u>	<u>159,136</u>	<u>974,193</u>	<u>158,683</u>	<u>189,240</u>	-	<u>1,322,116</u>
Advertising	-	-	-	-	8,112	-	8,112
Automobile	3,698	-	3,698	-	-	-	3,698
Cleaning Services and Supplies	3,494	-	3,494	-	-	-	3,494
Depreciation	-	-	-	535,022	-	-	535,022
Direct Mail	-	-	-	-	5,453	-	5,453
Donor Recognition	-	-	-	-	3,729	-	3,729
Family Support Services and Supplies	235,950	3,728	239,678	-	-	-	239,678
Family Support Services and Supplies- Gift in Kind	161,639	-	161,639	-	137,946	-	299,585
Insurance	4,611	-	4,611	-	-	-	4,611
Maintenance and Repairs	37,210	3,614	40,824	-	-	-	40,824
Meetings, Education, and Training	-	-	-	21,459	-	-	21,459
Office Supplies	10,498	1,166	11,664	1,293	907	-	13,864
Postage and Courier	-	-	-	3,673	-	-	3,673
Printing and Publishing	-	-	-	-	5,808	-	5,808
Professional Fees	-	-	-	18,877	1,838	-	20,715
Rent (Note 13)	116,150	-	116,150	-	-	88,159	204,309
Technology	15,355	1,705	17,060	2,662	3,351	-	23,073
Telephone	3,122	347	3,469	385	270	-	4,124
Travel, Meals and Entertainment	-	2,385	2,385	213	3,616	32,720	38,934
Utilities	104,899	-	104,899	-	-	-	104,899
Volunteer Resources and Recognition	-	-	-	5,599	-	-	5,599
Other	-	-	-	55,856	12,797	19,622	88,275
Total Expenses	<u><b>1,511,683</b></u>	<u><b>172,081</b></u>	<u><b>1,683,764</b></u>	<u><b>803,722</b></u>	<u><b>373,067</b></u>	<u><b>140,501</b></u>	<u><b>3,001,054</b></u>

See notes to financial statements



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**PEDIATRIC ONCOLOGY FAMILY CENTRE OF MANITOBA INC.***(Operating as Ronald McDonald House Charities Manitoba)***Statement of Cash Flow****Year Ended December 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 1,571,237	\$ 3,816,343
Items not affecting cash:		
Amortization of capital assets	535,021	106,702
Gain on disposal of capital assets	(7,000)	(1,207,889)
Deferred contributions received	133,000	149,800
	<b>2,232,258</b>	<b>2,864,956</b>
Changes in non-cash working capital:		
Accounts receivable	97,214	5,207
Inventory	(3,720)	-
Prepaid expenses	(6,683)	868
Accounts payable and accrued liabilities	(31,476)	31,894
	<b>55,335</b>	<b>37,969</b>
Cash flow from operating activities	<b>2,287,593</b>	<b>2,902,925</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets including transfer from construction in progress	(678,505)	(19,426,518)
Proceeds on disposal of capital assets	7,000	1,871,146
Accounts payable and accrued liabilities related to construction	-	(1,489,478)
Decrease in short term investments	949,562	195,332
Decrease (increase) in long term investments	288,784	(17,312)
Decrease (increase) to construction in progress	-	9,098,862
Deferred contributions amortized	(149,800)	(47,500)
Cash flow from (used by) investing activities	<b>417,041</b>	<b>(9,815,468)</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of line of credit	-	-
Proceeds from long term financing	70,902	5,686,193
Repayment of long term debt	(2,891,748)	(2,080,288)
Cash flow from (used by) financing activities	<b>(2,820,846)</b>	<b>3,605,905</b>
<b>DECREASE IN CASH FLOW</b>	<b>(116,212)</b>	<b>(3,306,638)</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>1,503,616</b>	<b>4,810,254</b>
<b>CASH - END OF YEAR</b>	<b>\$ 1,387,404</b>	<b>\$ 1,503,616</b>

# **PEDIATRIC ONCOLOGY FAMILY CENTRE OF MANITOBA INC.**

*(Operating as Ronald McDonald House Charities Manitoba)*

## **Notes to Financial Statements**

**Year Ended December 31, 2023**

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### 1. NATURE OF THE ORGANIZATION

#### **Organization**

Pediatric Oncology Family Centre of Manitoba Inc. (the "Organization" or "RMHC Manitoba") is a Manitoba not for profit, charitable corporation formed in 1982 and a local chapter of Ronald McDonald House Charities (RMHC). The mission of RMHC Manitoba is to support the health and well-being of children receiving medical care by providing essential services and a home away from home for their families. RMHC has a network of twelve Canadian chapters, to which RMHC Manitoba ascribes to five core values which are as follows: accountability and transparency, inclusivity, diversity and respect, compassionate leadership, responsiveness and adaptability, and organizational excellence.

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 and Family Rooms to help enable the support of families with sick children.

RMHC Manitoba fulfills its 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 families must travel long distances to access top medical care, accommodations and essential services for families can be expensive or not readily available. The Organization helps rural families (residing outside of the perimeter of Winnipeg) stay close to their ill or injured child through the Ronald McDonald House program located in Winnipeg, Manitoba, which provides temporary lodging, meals and other support to children and their families. The program provides families with emotional and physical comfort and increases the caregivers' ability to spend more time with their child, to interact with their clinical team and to participate in critical medical care decisions, and to significantly eliminate the financial burden on families.

#### **Ronald McDonald House 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 a moment of quiet. Located inside medical care facilities, the Ronald McDonald Family Room program in the Health Sciences Centre Children's Hospital wing 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 serves both Winnipeg and rural families, and provides parents with an opportunity to remain close to their hospitalized child and to be an active members of their child's health care team.



**PEDIATRIC ONCOLOGY FAMILY CENTRE OF MANITOBA INC.**

*(Operating as Ronald McDonald House Charities Manitoba)*

**Notes to Financial Statements**

**Year Ended December 31, 2023**

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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"). Currently, Restricted fund activity, where specific purpose has been specified by donors, all relates to the capital campaign undertaken to raise funds to construct the new house. Future Restricted funds will relate to facility repairs and future capital needs. Any funds internally restricted by the Board are recorded through a transfer to the respective fund. Internally restricted funds consists of the operational reserve fund and the building fund. The operational reserve fund is used to record funds internally restricted for use in the event of an operational emergency, and the building fund is used to record funds in order to support capital needs.

The Invested in capital assets fund is used to record the revenues and expenses related to capital assets held by the Organization once they are complete and available for use. Assets that are in process, such as construction in progress are held in the General fund until complete.

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**PEDIATRIC ONCOLOGY FAMILY CENTRE OF MANITOBA INC.**

*(Operating as Ronald McDonald House Charities Manitoba)*

**Notes to Financial Statements**

**Year Ended December 31, 2023**

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

Revenue recognition

The Organization has chosen to use the restricted fund method of accounting for contributions; which is also in alignment with RMHC Global's financial consistency plan.

RMHC Manitoba's bequests, fundraising proceeds from third parties, adopt a room, holiday campaigns, general donations, gifts in kind, grant revenue, in memory donations and miscellaneous revenue are recorded in the appropriate funds when received or receivable if the amount 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 invested in fixed asset fund when initially recognized in the accounts. When a corresponding fund does not exist, externally restricted program contributions are recorded as deferred contributions until the related expense is incurred.

Fees are recognized when the services have been provided. Room donation revenue 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.

Fundraising activities consists of revenue from the fashion show, golf tournament and Champion for Families, held each year by the Organization. Fundraising activities revenue is recognized as revenue in the corresponding fund as appropriate in the year received or receivable when the events are held and if the amount can be reasonably estimated and collection is reasonably assured.

Investment income (loss) consists of interest, dividends, income distributions from pooled funds, and realized and unrealized gains and losses. Investment income earned on restricted fund or invested in 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, invested in 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.

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**PEDIATRIC ONCOLOGY FAMILY CENTRE OF MANITOBA INC.**

*(Operating as Ronald McDonald House Charities Manitoba)*

**Notes to Financial Statements**

**Year Ended December 31, 2023**

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

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. The estimated useful lives, residual values and amortization methods are reviewed if events or changes in circumstances indicate the carrying amount may not be recoverable. Capital assets are amortized over their estimated useful lives on a declining basis at the following rates:

Buildings	50 years	straight-line method
Computer equipment	45%	declining balance method
Furniture and fixtures	30%	declining balance method
Security system	30%	declining balance method

The Family Room is being amortized over the remaining initial term of the licence agreement with the Winnipeg Health Authority.

Capital assets acquired during the year are not amortized until they are placed into use. Capital assets are amortized at one-half of the normal rate in the year of acquisition.

Capitalized costs

Capitalized costs include development costs, mortgage interest, realty taxes, interest on general borrowing, and administrative and general expenses incurred in the connection with the acquisition, development and construction of properties.

Contributed goods and services

The Organization receives gifts of goods and services from mission partners and other supporters. Because of the difficulty in determining their fair value, no amount has been reflected in the financial statements for these donated goods and services unless a receipt has been issued for tax purpose or fair market value can be reasonably established. During the year, \$299,585 (2022- \$698,177) of gift in kind donations were received and are included in revenues and expenses of the related programs that benefited from the donations. In the prior year the amount included capital gift in kind for the construction of the new house.

Expense allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs, such as salaries, technology, insurance, and program expenses are separated between the functional departments based on specific positions and associated duties based on a standard RMHC global template.

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**PEDIATRIC ONCOLOGY FAMILY CENTRE OF MANITOBA INC.**

*(Operating as Ronald McDonald House Charities Manitoba)*

**Notes to Financial Statements**

**Year Ended December 31, 2023**

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

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets measured at fair value consist of long term investments.

Financial assets measured at amortized cost consist of cash, short term investments, and accounts receivable.

Financial liabilities measured at amortized cost consist of accounts payable and accrued liabilities.

Use of estimates

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

The financial statements have been prepared in accordance with Part III of the Chartered Professional Accountants of 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.

3. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2023.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from customers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, and other information. The organization has a significant number of customers which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its contributors and other related sources, and accounts payable and accrued liabilities. RMHC Manitoba's diverse revenue streams minimize the concentration of risk.

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**PEDIATRIC ONCOLOGY FAMILY CENTRE OF MANITOBA INC.**

*(Operating as Ronald McDonald House Charities Manitoba)*

**Notes to Financial Statements**

**Year Ended December 31, 2023**

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3. FINANCIAL INSTRUMENTS *(continued)*

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The organization is exposed to currency risk, interest risk and other price risk.

Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The organization is exposed to foreign currency exchange risk investments held outside of Canada.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The organization is exposed to interest rate risk primarily through its short term and long term investments.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The organization is exposed to other price risk through its long term investments in quoted shares.

**PEDIATRIC ONCOLOGY FAMILY CENTRE OF MANITOBA INC.**

*(Operating as Ronald McDonald House Charities Manitoba)*

**Notes to Financial Statements**

**Year Ended December 31, 2023**

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4. INVESTMENTS

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	<b>2023</b>	<b>2022</b>
<u>Cash held by investment managers</u>		
General funds	<b>\$ 5,606</b>	<b>\$ 47,224</b>

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

<u>General Funds</u>		
<u>Fixed Income</u>		
Short-term investments	<b>\$ 1,042,750</b>	<b>\$ 1,992,312</b>
Bonds	<b>1,373,062</b>	<b>1,339,978</b>
Guaranteed investment certificate	<b>-</b>	<b>500,000</b>
<u>Equities</u>		
Canadian	<b>453,877</b>	<b>281,964</b>
U.S.	<b>307,965</b>	<b>477,977</b>
Other international	<b>470,795</b>	<b>294,564</b>
	<b>\$ 3,648,449</b>	<b>\$ 4,886,795</b>

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The short-term investments are held in GIC's which bear interest at a fixed rate ranging from 4.45% to 5.75% (2022 - 4.00% to 4.45%) and mature on August 3, 2024.

Investments in pooled funds have been allocated among the asset classes based on the underlying investments held in the pooled funds.

**PEDIATRIC ONCOLOGY FAMILY CENTRE OF MANITOBA INC.**

*(Operating as Ronald McDonald House Charities Manitoba)*

**Notes to Financial Statements**

**Year Ended December 31, 2023**

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value
Land	\$ 1,438,560	\$ -	\$ 1,438,560
Building	19,611,658	463,274	19,148,384
Computer equipment	120,492	98,601	21,891
Furniture and fixtures	353,821	105,471	248,350
Family room	771,349	771,349	-
Security system	81,523	32,096	49,427
	<b>\$ 22,377,403</b>	<b>\$ 1,470,791</b>	<b>\$ 20,906,612</b>

	Cost	Accumulated amortization	2022 Net book value
Land	\$ 1,438,560	\$ -	\$ 1,438,560
Building	18,982,190	63,274	18,918,916
Computer equipment	120,493	80,690	39,803
Furniture and fixtures	315,394	15,770	299,624
Family room	771,349	771,349	-
Security system	77,912	11,687	66,225
	<b>\$ 21,705,898</b>	<b>\$ 942,770</b>	<b>\$ 20,763,128</b>

**PEDIATRIC ONCOLOGY FAMILY CENTRE OF MANITOBA INC.**

*(Operating as Ronald McDonald House Charities Manitoba)*

**Notes to Financial Statements**

**Year Ended December 31, 2023**

**6. DEFERRED CONTRIBUTIONS**

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

	<b>2023</b>	2022
Beginning balance	\$ 149,800	\$ 47,500
Adopt-a-room revenue	57,000	129,780
Gala corporate table	7,000	-
Fashion Show Gala sponsorships	40,000	20,000
Golf sponsorships	10,000	-
Program sponsorship	14,000	-
Champion for families	5,000	-
Prepaid room rent	-	20
Revenue recognized	(149,800)	(47,500)
Ending balance	\$ 133,000	\$ 149,800

During the 2022 fiscal year, the organization began operations in their new building. As such, the rooms available increased from 14 to 40 bedrooms in the new building.

**7. MORTGAGE PAYABLE**

The organization has a loan with Assiniboine Credit Union ("ACU") of \$785,059 (2022 - \$3,605,905). The loan bears interest of 7.2% per annum. As at December 31, 2023, the organization had not determined the monthly payment or term related to the loan so it is accordingly classified as short term. During the year, principal repayments on the loan were made and derived from staged capital funding and from excess cash as it was available. Interest only payments will continue to be made until the organization determines the repayments required with Assiniboine Credit Union. During the year, \$111,704 (2022 - \$114,177) of interest related to the mortgage was capitalized to the cost of the building (Note 5).

The loan is secured by the following:

- Registered 1st charge multi-purpose mortgage for 62 Juno street
- General security agreement
- General assignment of accessory agreements
- Assignment of all risks fire and theft insurances

The organization is subject to a financial covenant of 1.1 time debt service coverage ratio. As at December 31, 2023, the organization was not in compliance with the covenant as payments to the loan during the year were greater than the required interest only payments. Subsequent to year end, the organization has paid the mortgage in full and there is no further compliance required.



**PEDIATRIC ONCOLOGY FAMILY CENTRE OF MANITOBA INC.**

*(Operating as Ronald McDonald House Charities Manitoba)*

**Notes to Financial Statements**

**Year Ended December 31, 2023**

**8. RESTRICTED FUND BALANCE**

	<b>2023</b>	2022
<u>Restricted fund</u>		
Externally restricted	<b>\$ 16,632,160</b>	\$ 14,968,634
Internally restricted - Operational reserve fund	<b>3,500,000</b>	3,500,000
Internally restricted - Building fund	<b>396,059</b>	396,059
<b>Total</b>	<b>\$ 20,528,219</b>	\$ 18,864,693

During the year the organization incurred expenses related to building development in the amount of \$535,022 (2022 - \$106,702) and received donations related to building development under the capital campaign in the amount of \$1,663,526 (2022 - \$2,145,604).

<u>Invested in capital assets</u>		
Externally funded capital assets	<b>\$ 50,453</b>	\$ 50,453
Internally funded capital assets	<b>1,414,392</b>	1,949,414
	<b>\$ 1,464,845</b>	\$ 1,999,867

**9. 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 ending December 31, 2023, the Organization received \$683,496 (2022 - \$648,549) from Ronald McDonald House Charities, Canada, and \$7,741 (2022- \$20,846) from Ronald McDonald House Charities, Inc.

**10. OTHER REVENUES**

	<b>2023</b>	2022
<u>Other revenues</u>		
Grants	<b>\$ 79,382</b>	\$ 12,311
Miscellaneous	<b>24,931</b>	10,377
Gain on sale of asset	<b>7,000</b>	1,207,889
Canada emergency wage subsidy	<b>-</b>	1,119
	<b>\$ 111,313</b>	\$ 1,231,696

**PEDIATRIC ONCOLOGY FAMILY CENTRE OF MANITOBA INC.**

*(Operating as Ronald McDonald House Charities Manitoba)*

**Notes to Financial Statements**

**Year Ended December 31, 2023**

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11. MANAGEMENT AND GENERAL

During the year, management and general expenses increased due to the operations of the new building and the related depreciation expense.

12. COMMITMENTS

Effective July 31, 2009, the Organization entered into The Ronald McDonald Family Room agreement with the Winnipeg Health Authority. The purpose of this agreement is to establish and operate a Ronald McDonald Family Room on the premises in the Children's Hospital, Health Sciences Centre, in Winnipeg, Manitoba, for the benefit of seriously ill children and their families. The term of this agreement was for a ten year period, commencing on July 31, 2009; this agreement shall automatically renew for successive periods of one year each after the expiration of the initial term, unless the agreement is terminated. The Winnipeg Health Authority grants a licence to the Organization to use the space during the term of this agreement at no cost.

During 2018, the Organization entered into an agreement with other regional chapters of Ronald McDonald House Charities and Ronald McDonald House Charities to form the National Partnership Program. As a participant in this initiative, the Organization is committed to paying \$25,000 per year for a three year term to help grow national fundraising efforts for both corporate and individual donations. In 2021, the Organization moved from the original agreement to a self-funded model and in 2023 received a net of \$162,795 (2022 - \$103,998).

13. RENT

Included in rent on the statement of functional expenses are the following:

	<b>2023</b>
Property tax	<b>\$ 116,150</b>
Fashion show meals	<b>59,137</b>
Fashion show rentals	<b>24,482</b>
Fashion show decor	<b>4,540</b>
	<b>\$ 204,309</b>

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