



Financial Statements

Ronald McDonald House Charities Atlantic Association

December 31, 2021

Ronald McDonald House Charities Atlantic Association
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Independent Auditor's Report

To the board of directors of Ronald McDonald House Charities Atlantic Association

Qualified Opinion

We have audited the financial statements of Ronald McDonald House Charities Atlantic Association (the "Organization"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations and changes in fund balances and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Ronald McDonald House Charities Atlantic Association as at December 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Association derives revenue from contributions and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Association and we were not able to determine whether any adjustments might be necessary to contributions and fundraising activities, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2021 and 2020, current assets as at December 31, 2021 and 2020, and net assets as at January 1 and December 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended December 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

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 association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our 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 a qualified opinion.

Other Matter

The financial statements of Ronald McDonald House Charities Atlantic Association for the year ended December 31, 2020 were reported on by another firm of professional accountants who expressed a qualified opinion on those financial statements on May 26, 2021.



Other Matter - Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of Ronald McDonald House Charities Atlantic Association taken as a whole. The supplementary information included in the statements of functional expenses unrestricted fund is presented for purposes of additional detail and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion in the audit of the financial statements taken as a whole.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of 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 Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 "entity" 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 "entity'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 "entity" 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.

Chartered Professional Accountants

Dartmouth, Nova Scotia
June 27, 2022

Ronald McDonald House Charities Atlantic Association
STATEMENT OF FINANCIAL POSITION
As at December 31, 2021

	2021	2020
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	14,654,931	8,970,016
Accounts receivable (Note 4)	477,254	345,728
Prepaid expenses and other assets	25,008	19,269
Total current assets	15,157,193	9,335,013
Investments	3,170,584	4,352,101
Capital assets, net (Note 5)	83,632	99,468
Capital assets, under development	1,550,558	604,385
Total assets	19,961,967	14,390,967
LIABILITIES AND FUND BALANCES		
Current liabilities		
Accounts payable and accrued liabilities	166,148	319,450
Total current liabilities	166,148	319,450
Long-term debt (Note 6)	24,113	24,113
Total liabilities	190,261	343,563
FUND BALANCES		
General fund	6,995,891	5,770,551
Restricted fund (Note 7)	44,154	67,320
Capital asset fund (Note 7)	12,731,661	8,209,533
Total fund balances	19,771,706	14,047,404
Total liabilities and fund balances	19,961,967	14,390,967

Commitments (Note 9)
Significant Event (Note 14)

See accompanying notes

On behalf of the Board:

_____ Director

_____ Director

Ronald McDonald House Charities Atlantic Association
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

For the year ended December 31, 2021

	<u>General</u>		<u>Restricted</u>		<u>Capital Asset</u>		<u>Total</u>	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$
REVENUES AND OTHER SUPPORT								
Contributions	1,394,261	1,232,475	23,000	21,000	4,817,904	8,373,527	6,235,165	9,627,002
Fundraising activities/events	314,450	280,031	-	-	-	-	314,450	280,031
RMH room donations/fees	19,963	15,569	-	-	-	-	19,963	15,569
Other	1,293	1,911	-	-	-	-	1,293	1,911
Canada Emergency Wage Subsidy	275,122	387,875	-	-	-	-	275,122	387,875
Total revenues and other support	2,005,089	1,917,861	23,000	21,000	4,817,904	8,373,527	6,845,993	10,312,388
EXPENSES								
Program	819,190	860,277	46,166	43,395	13,493	36,313	878,849	939,985
Management and general	53,318	42,236	-	-	-	-	53,318	42,236
Fundraising	360,242	335,920	-	-	328,344	380,878	688,586	716,798
Cost of direct benefits to donors	23,276	18,237	-	-	-	-	23,276	18,237
Total expenses	1,256,026	1,256,670	46,166	43,395	341,837	417,191	1,644,029	1,717,256
Excess of operating revenues over expenses (expenses over revenues)	749,063	661,191	(23,166)	(22,395)	4,476,067	7,956,336	5,201,964	8,595,132
Investment income, net (Note 3)	476,277	7,980	-	-	46,061	28,214	522,338	36,194
Excess of revenues over expenses	1,225,340	669,171	(23,166)	(22,395)	4,522,128	7,984,550	5,724,302	8,631,326
Fund balances, beginning of year	5,770,551	4,832,361	67,320	89,715	8,209,533	494,002	14,047,404	5,416,078
Transfers between funds (Note 8)	-	269,019	-	-	-	(269,019)	-	-
Fund balances, end of year	6,995,891	5,770,551	44,154	67,320	12,731,661	8,209,533	19,771,706	14,047,404

See accompanying notes

Ronald McDonald House Charities Atlantic Association

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2021

	Programs services				Support services			Total Expenses
	Ronald McDonald House	Ronald McDonald Family Rooms	Other program services	Total program services	Management and general	Fundraising	Direct benefit to donor	
	\$	\$	\$	\$	\$	\$	\$	\$
Amortization	-	-	13,493	13,493	-	2,344	-	15,837
Cleaning service and supply	283	27	-	310	-	-	-	310
Direct response	-	-	-	-	-	27,349	-	27,349
Donor relationships	-	-	-	-	-	6,381	9,276	15,657
Education, training and meetings	5,219	1,566	5,000	11,785	2,200	7,018	-	21,003
Event logistics	-	-	-	-	-	6,532	14,000	20,532
Family support and services	2,912	766	21,125	24,803	-	-	-	24,803
Insurance	-	-	-	-	5,949	-	-	5,949
Interest and bank charges	1,279	100	-	1,379	51	14,541	-	15,971
Linens and laundry	967	-	-	967	-	-	-	967
Maintenance and repairs	4,078	362	-	4,440	-	-	-	4,440
Marketing and communications	1,263	536	-	1,799	-	31,316	-	33,115
Office supplies	1,930	11	-	1,941	-	235	-	2,176
Other	1,227	190	19,836	21,253	44	1,486	-	22,783
Postage and courier	362	318	-	680	3	5,979	-	6,662
Printing	1,759	735	-	2,494	9	6,685	-	9,188
Professional fees	37,878	13,693	-	51,571	19,564	145,627	-	216,762
Property tax	3,114	-	-	3,114	-	-	-	3,114
Rent	22,365	7,338	-	29,703	623	19,674	-	50,000
Technology and telephone	18,715	6,474	-	25,189	1,863	33,003	-	60,055
Travel and meals	201	169	-	370	1,499	3,000	-	4,869
Utilities	22,066	-	-	22,066	-	-	-	22,066
Volunteer resources and recognition	2,110	15	205	2,330	-	-	-	2,330
Wages and benefits	506,426	152,736	-	659,162	21,513	377,416	-	1,058,091
	634,154	185,036	59,659	878,849	53,318	688,586	23,276	1,644,029

Ronald McDonald House Charities Atlantic Association
STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2020

	Programs services				Support services			Total Expenses
	Ronald McDonald House	Ronald McDonald Family Rooms	Other program services	Total program services	Management and general	Fundraising	Direct benefit to donor	
	\$	\$	\$	\$	\$	\$	\$	\$
Amortization	-	-	29,018	29,018	-	2,675	-	31,693
Cleaning service and supply	38,894	-	-	38,894	-	-	-	38,894
Direct response	-	-	-	-	-	16,579	-	16,579
Donor relationships	-	-	-	-	-	972	-	972
Education, training and meetings	4,095	714	175	4,984	657	5,974	-	11,615
Event logistics	-	-	-	-	-	5,422	12,056	17,478
Family support and services	2,677	506	19,992	23,175	-	-	-	23,175
Insurance	-	-	-	-	5,775	-	-	5,775
Interest and bank charges	1,395	52	-	1,447	57	9,470	-	10,974
Linens and laundry	1,641	-	-	1,641	-	-	-	1,641
Maintenance and repairs	17,968	1,597	4,853	24,418	-	-	-	24,418
Marketing and communications	861	380	-	1,241	1	16,512	-	17,754
Office supplies	2,101	104	1	2,206	3	958	-	3,167
Other	3,582	337	18,805	22,724	38	1,909	-	24,671
Postage and courier	714	453	4	1,171	6	3,169	-	4,346
Printing	2,070	770	10	2,850	22	6,940	-	9,812
Professional fees	-	-	-	-	16,485	198,825	-	215,310
Property tax	3,086	-	-	3,086	-	-	-	3,086
Rent	4,878	1,960	38	6,876	38	4,860	-	11,774
Technology and telephone	16,818	6,738	374	23,930	1,545	24,151	-	49,626
Travel and meals	92	1,555	-	1,647	9	5,681	6,181	13,518
Utilities	19,793	-	-	19,793	-	-	-	19,793
Volunteer resources and recognition	1,641	70	-	1,711	-	101	-	1,812
Wages and benefits	581,944	140,103	7,126	729,173	17,600	412,600	-	1,159,373
	704,250	155,339	80,396	939,985	42,236	716,798	18,237	1,717,256

Ronald McDonald House Charities Atlantic Association
STATEMENT OF CASH FLOWS
Year ended December 31, 2021

	2021	2020
	\$	\$
OPERATING ACTIVITIES		
<i>Excess of revenues over expenses (expenses over revenues) for the year</i>		
General fund	1,225,340	669,171
Restricted fund	(23,166)	(22,395)
Capital asset fund	4,522,128	7,984,550
<i>Add (deduct) items not involving cash</i>		
Amortization of capital assets	15,837	31,693
Realized and unrealized loss (gain) on investments	(389,744)	75,727
	5,350,395	8,738,746
Net change in non-cash working capital balances related to operations		
Accounts receivable	(131,526)	(114,358)
Prepaid expenses and other assets	(5,739)	(85)
Accounts payable and accrued liabilities	(153,301)	231,251
	(290,566)	116,808
Cash provided by operating activities	5,059,829	8,855,554
INVESTING ACTIVITIES		
Purchases of investments	(2,983,043)	(3,785,983)
Proceeds from disposal of investments	4,554,300	3,366,150
Purchases of capital assets under development	(946,171)	(241,545)
Cash provided by (used in) investing activities	625,086	(661,378)
FINANCING ACTIVITY		
Changes in long-term debt	-	24,113
Cash provided by financing activity	-	24,113
Net increase in cash and cash equivalents during the year		
Cash and cash equivalents, beginning of year	8,970,016	751,727
Cash and cash equivalents, end of year	14,654,931	8,970,016
<i>See accompanying notes</i>		

Ronald McDonald House Charities Atlantic Association
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2021

1. NATURE OF THE ORGANIZATION

Organization

Ronald McDonald House Charities Atlantic Association (the "Organization") is a Nova Scotia not-for-profit, charitable corporation formed in 1981. 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 12 in Canada, ascribe to five core values: we are focused on the critical needs of children, we lead with compassion, we celebrate the diversity of our people and our programs, we value our heritage and we operate with accountability and transparency.

In Canada, 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.

We fulfill our mission through operation of sustainable programs that enable family-centered care, bridge access to quality health care, are a vital part of the health care continuum and strengthen families during difficult times. The following programs, operated by the Organization, represent the core functions of Ronald McDonald House Charities.

Ronald McDonald House

When children must travel long distances to access top medical care, accommodations and support for families can be expensive or not readily available. The Organization helps families stay close to their ill or injured child through the Ronald McDonald House program located in Halifax, 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 programs in The IWK Health Centre and The Moncton Hospital serve as a place of respite, relaxation and privacy for family members, often just steps away from where their child is being treated. The Ronald McDonald Family Room program provides parents with an opportunity to remain close to their hospitalized child and to be an active member of their child's health care team.

Ronald McDonald House Charities Atlantic Association
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

These financial statements are prepared in accordance with Part III of the Chartered Professional Accountants of Canada ["CPA Canada"] Handbook – Accounting ["The Handbook"], which sets out accounting standards for not-for-profit organizations in Canada and includes the significant accounting policies summarized below.

Fund accounting

To ensure observance of limitations and restrictions placed on the use of the resources available to the Organization, the accounts are maintained in accordance with the principles of Fund Accounting. Under these principles, the accounts of the Organization have been classified into the following funds:

The General fund reports unrestricted resources available for general operating activities.

The Restricted fund reports resources that are to be used for specific purposes as specified by the donor, or the Board of Directors [the "Board"]. Any funds internally restricted by the Board are recorded through a transfer to the respective fund.

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

Revenue recognition

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

Contributions, grants, and bequests are recorded in the appropriate funds when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted contributions are recognized as revenue in the General fund when initially recorded in the accounts. Externally restricted contributions are recorded in the Restricted fund or Capital Asset fund when initially recognized in the accounts.

Revenue from fundraising is recognized as revenue in the corresponding fund as appropriate in the year received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

Fees are recognized when the services have been provided. Revenue from room payments is recognized as revenue in the General fund on an accrual basis when the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income (loss) consists of interest, dividends, income distributions from pooled funds, and realized and unrealized gains and losses. Investment income earned on Restricted Fund or Capital Asset Fund resources that must be spent on donor-restricted activities is recognized as revenue of the respective fund. General investment income earned on Restricted fund, Capital Asset fund and General Fund resources is recognized as revenue of the General Fund. Investment losses are allocated in a manner consistent with investment income.

Ronald McDonald House Charities Atlantic Association
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 (Note 13).

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and short-term investments with a short-term to maturity of approximately three months or less from the date of purchase unless they are held for investment rather than liquidity purposes, in which case they are classified as investments.

Foreign currency translation

Transactions denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the transaction date. Monetary assets and liabilities are translated into Canadian dollars at exchange rates in effect at the dates of the balance sheet. Non-monetary assets and liabilities are translated at the historic rate.

Financial instruments

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

Other financial instruments, including accounts receivable and accounts payable and accrued liabilities, are initially recorded at their fair value and are subsequently measured at amortized cost, net of any provisions for impairment.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down is recognized in excess of revenues over expenses (expenses over revenues). Any previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of any reversal is recognized in excess of revenues over expenses.

Long-term debt

Long-term debt is initially measured at fair value, net of transaction costs and financing fees. It is subsequently measured at amortized cost. Transaction costs and financing fees are amortized using the straight-line method.

Ronald McDonald House Charities Atlantic Association
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed materials and services

Donated materials and services are recorded in the financial statements at fair market value when fair market value can be reasonably estimated. Because of the difficulty in determining the fair value of volunteer time, these services are not recognized in the financial statements.

Capital assets

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

Land	n/a	
Building	20 years	Straight-line
Computer equipment	3 years	Straight-line
Equipment	5 years	Straight-line
Family room	10 years	Straight-line
Furniture and fixtures	5 years	Straight-line
Software	5 years	Straight-line

Interest is capitalized during the period in which the capital assets are under development. Capital assets under development are not amortized.

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.

Income taxes

The Organization is a registered charitable organization under the meaning assigned in section 149 (1) of the Income Tax Act, and, as such, is exempt from income taxes. Accordingly, no provision has been made in the accounts for income taxes.

Use of estimates

The preparation of financial statements, in accordance with Canadian Accounting Standards for not-for-profit organizations, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the statement of financial position date, and the reported amount of revenue and expenses during the reporting period. Estimates are used when accounting for items and matters such as estimated useful lives of capital assets and certain accrued liabilities. Actual results could differ from those estimates.

Ronald McDonald House Charities Atlantic Association
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2021

3. INVESTMENT INCOME

Investment income (expense) consists of the following:

	2021	2020
	\$	\$
Interest income	97,420	81,979
Dividends	67,156	60,229
Realized and unrealized gain (loss) of investments	389,744	(75,727)
Management fees	(31,982)	(30,287)
	522,338	36,194

4. GOVERNMENT REMITTANCES RECEIVABLE

As at Dec 31, 2021, accounts receivable includes government remittances receivable of \$82,073 [2020 - \$46,607].

5. CAPITAL ASSETS

Capital assets consist of the following:

	2021		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Land	60,000	-	60,000
Building	1,000,811	981,888	18,923
Computer equipment	21,404	17,781	3,623
Equipment	66,877	66,161	716
Furniture and fixtures	3,703	3,333	370
Software	21,823	21,823	-
	1,174,618	1,090,986	83,632

	2020		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Land	60,000	-	60,000
Building	1,000,811	971,509	29,302
Computer equipment	21,404	14,655	6,749
Equipment	66,877	65,682	1,195
Furniture and fixtures	3,703	2,592	1,111
Software	21,823	20,712	1,111
	1,174,618	1,075,150	99,468

Ronald McDonald House Charities Atlantic Association
NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

6. LONG-TERM DEBT

	2021	2020
	\$	\$
Canada Mortgage and Housing Corporation Seed Loan due September 3, 2023. The loan bears no interest.	24,113	24,113

7. FUND BALANCES

The Restricted fund balance consists of the following:

	2021	2020
	\$	\$
Restricted Fund		
Externally restricted	44,154	67,320
Capital Asset Fund		
Externally funded capital assets	11,097,471	7,505,680
Capital asset under development	1,550,558	604,385
Internally funded capital assets	83,632	99,468
	12,731,661	8,209,533

8. INTERFUND TRANSFERS

Transfers between funds during the year consist of the following:

	<u>General Fund</u>		<u>Restricted Fund</u>		<u>Capital Asset</u>	
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$
Capital (expenses)						
revenues	-	269,019			-	(269,019)
	-	269,019	-	-	-	(269,019)

9. COMMITMENTS

- i) The Association has signed an agreement with an architectural firm for design services of a new Ronald McDonald House in Halifax with a remaining value of \$490,260.
- ii) The Association has signed a management agreement of a new Ronald McDonald House in Halifax with a value of \$64,400.
- iii) The Association has signed an agreement with a consulting firm for strategic counsel with a value of \$70,000.

Ronald McDonald House Charities Atlantic Association
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2021

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 cash, accounts receivable and its short-term 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, and its investments in fixed income investments.

Liquidity risk

The Organization is exposed to the risk that it will encounter difficulty in meeting obligations associated with its financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities 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 are subject to price risk because changing interest rates impact the market value of the fixed rate investments and the general economic conditions affect the market value of equity investments. This risk is mitigated through the use of an investment manager for investment portfolio.

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, 2020, the Organization received from Ronald McDonald House Charities, Inc. \$34,098 [2020 -\$54,151]; and the Organization received \$1,118,028 [2020 - \$658,279] from Ronald McDonald House Charities, Canada.

12. COMPARATIVE FIGURES

Certain reclassifications for the year ended December 31, 2021 have been made for purposes of comparability.

Ronald McDonald House Charities Atlantic Association
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2021

13. ALLOCATION OF EXPENSES

It is the policy to charge expenses to the appropriate category program service or supporting activity. Expenses that serve multiple functions or are not readily identifiable with one function shall be allocated based on the following:

	Ronald McDonald House	Ronald McDonald Family Rooms	Unrestricted Fundraising	Management and general	Capital Fundraising
Wages	44.70%	14.70%	27.80%	1.20%	11.60%
Technology and Telephone	44.70%	14.70%	27.80%	1.20%	11.60%
Rent	44.70%	14.70%	27.80%	1.20%	11.60%

14. SIGNIFICANT EVENT

On March 11, 2020, the World Health Organization (WHO) categorized COVID-19 a global pandemic. The Province of Nova Scotia declared a state of emergency on March 22, 2020 to help stop the spread of COVID-19.

The Government of Canada initiated various programs to mitigate the impact of the pandemic. In order to manage operating cash flow requirements during the pandemic, the Organization qualified and received government funding through the Canada Emergency Wage Subsidy (CEWS).

The Organization continues to operate and the full impact of this event on the Organizations' cash flows is not known at this time, however, the provincial state of emergency ended March 21, 2022.

15. PLEDGES

During the year ended December 31, 2021, the Organization received pledges for the Capital Fund which range from 1-5 years in length. Whether or not a pledge will be collected depends on factors outside the Organizations control, such as current economic conditions and the continued goodwill and ability to pay of the individual or entity making the pledge. Because of this, the Organization has not recorded any pledges receivable.