Friends of Saskatchewan Children Inc.
Financial Statements
December 31, 2024

Contents

For the year ended December 31, 2024

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Independent Auditor's Report

To the Members of Friends of Saskatchewan Children Inc.:

Qualified Opinion

We have audited the financial statements of Friends of Saskatchewan Children Inc. (the "Organization"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, 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, 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 the Organization as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from the general public in the form of contributions, fundraising activities and events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the financial records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to contributions, fundraising activities and events, excess of revenue over expenses, and cash flows from operations for the years ended December 31, 2024 and 2023, current assets as at December 31, 2024 and 2023, and fund balances as at January 1 and December 31 of both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended December 31, 2023 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 Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

Management is responsible for the preparation and fair presentation of 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 related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Saskatoon, Saskatchewan

MNP LLP

April 30, 2025

Chartered Professional Accountants

Friends of Saskatchewan Children Inc.
Statement of Financial Position
As at December 31, 2024

	2024	*2023*
Assets		
Current		
Cash and cash equivalents	**3,722,574**	2,325,236
Short-term investments *(Note 4)*	**7,877,012**	6,102,781
Accounts receivable	**194,842**	128,289
Goods and Services Tax receivable	**46,972**	50,288
Accrued interest	**5,522**	24,073
Prepaid expenses	**3,882**	17,092
	11,850,804	8,647,759
Long-term investments *(Note 5)*	**711,535**	1,180,616
Tangible capital assets *(Note 6)*	**13,386,760**	10,329,536
	25,949,099	20,157,911
Liabilities		
Current		
Accounts payable and accruals	**488,766**	176,925
Current portion of deferred contributions *(Note 8)*	**180,000**	172,500
Current portion of note payable *(Note 9)*	**159,708**	-
	828,474	349,425
Deferred contributions *(Note 8)*	**39,000**	52,000
Note payable *(Note 9)*	**479,124**	-
	1,346,598	401,425
Commitments *(Note 14)*		
Subsequent event *(Note 15)*		
Fund Balances		
General fund *(Note 10)*	**6,496,707**	7,225,000
Restricted fund *(Note 10)*	**-**	1,740,452
Capital asset fund *(Note 10)*	**18,105,794**	10,791,034
	24,602,501	19,756,486
	25,949,099	20,157,911

Approved on behalf of the Board of Directors

______________________ Director

______________________ Director

The accompanying notes are an integral part of these financial statements

Friends of Saskatchewan Children Inc.
Statement of Operations
For the year ended December 31, 2024

	General Fund		Restricted Fund		Capital Asset Fund			
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
Revenues and other support								
Contributions	**1,756,121**	2,683,452	**-**	-	**5,330,880**	1,063,081	**7,087,001**	3,746,533
Fundraising activities and events	**799,422**	678,314	**-**	-	**-**	-	**799,422**	678,314
Grant revenue *(Note 13)*	**271,690**	261,800	**-**	-	**-**	-	**271,690**	261,800
Room contributions	**98,035**	92,372	**-**	-	**-**	-	**98,035**	92,372
	2,925,268	3,715,938	**-**	-	**5,330,880**	1,063,081	**8,256,148**	4,779,019
Expenses								
Program - House	**1,970,003**	1,926,764	**-**	-	**435,170**	398,690	**2,405,173**	2,325,454
Program - Family Room	**214,994**	156,747	**-**	-	**12,970**	16,421	**227,964**	173,168
Management and general	**434,280**	341,671	**-**	-	**6,020**	6,271	**440,300**	347,942
Fundraising	**694,082**	468,827	**-**	-	**381,745**	604,536	**1,075,827**	1,073,363
	3,313,359	2,894,009	**-**	-	**835,905**	1,025,918	**4,149,264**	3,919,927
Excess (deficiency) of operating revenues over expenses	**(388,091)**	821,929	**-**	-	**4,494,975**	37,163	**4,106,884**	859,092
Other items								
Gain on disposal of investments	**309,390**	723,925	**-**	-	**-**	-	**309,390**	723,925
Interest and dividends	**266,913**	199,560	**-**	-	**-**	-	**266,913**	199,560
Unrealized gain (loss) on fair value of investments	**213,490**	(58,693)	**-**	-	**-**	-	**213,490**	(58,693)
Investment management fees	**(50,662)**	(47,787)	**-**	-	**-**	-	**(50,662)**	(47,787)
	739,131	817,005	-	-	-	-	**739,131**	817,005
Excess of revenues over expenses	**351,040**	1,638,934	**-**	-	**4,494,975**	37,163	**4,846,015**	1,676,097

The accompanying notes are an integral part of these financial statements.

Friends of Saskatchewan Children Inc.
Statement of Changes in Fund Balances
For the year ended December 31, 2024

	General Fund		***Restricted Fund***		***Capital Asset Fund***			
	2024	*2023*	***2024***	*2023*	***2024***	*2023*	***2024***	*2023*
Fund balances, beginning of year	**7,225,000**	6,485,000	**1,740,452**	2,153,071	**10,791,034**	9,442,318	**19,756,486**	18,080,389
Excess (deficiency) of revenues over expenses	**351,040**	1,638,934	**-**	-	**4,494,975**	37,163	**4,846,015**	1,676,097
	7,576,040	8,123,934	**1,740,452**	2,153,071	**15,286,009**	9,479,481	**24,602,501**	19,756,486
Transfers between funds *(Note 10)*	**(1,079,333)**	(898,934)	**(1,740,452)**	(412,619)	**2,819,785**	1,311,553	**-**	-
Fund balances, end of year	**6,496,707**	7,225,000	**-**	1,740,452	**18,105,794**	10,791,034	**24,602,501**	19,756,486

The accompanying notes are an integral part of these financial statements.

Friends of Saskatchewan Children Inc.

Statement of Functional Expenses

For the year ended December 31, 2024

	Program Services					
	Ronald McDonald House	***Ronald McDonald Family Room***	***Management and General***	***Fundraising***	***2024***	*2023*
Salaries	1,102,208	124,718	298,004	312,451	**1,837,381**	1,553,212
Employee benefits	103,707	11,754	23,919	15,807	**155,187**	151,005
Payroll taxes	79,957	9,397	18,893	13,426	**121,673**	112,929
Total salaries and related expenses	**1,285,872**	**145,869**	**340,816**	**341,684**	**2,114,241**	1,817,146
Advertising	28,928	323	8,714	89,509	**127,474**	74,577
Amortization	379,564	12,970	6,020	2,836	**401,390**	424,336
Automobile	5,087	507	-	-	**5,594**	9,799
Cleaning service and supplies	16,721	-	-	-	**16,721**	10,923
Direct mail	-	-	-	28,008	**28,008**	42,581
Donor recognition	-	-	-	2,268	**2,268**	1,833
Education, training and meetings	41,319	850	9,325	3,238	**54,732**	55,443
Family support services and supplies	225,705	46,127	-	-	**271,832**	263,825
Insurance	3,641	1,683	2,095	-	**7,419**	2,222
Linens and laundry	14,926	-	-	-	**14,926**	2,966
Maintenance and repairs	144,950	2,563	2,111	-	**149,624**	145,290
Office supplies	14,317	2,111	3,617	2,463	**22,508**	29,853
Other (recovery)	15,768	-	(157)	22,669	**38,280**	32,568
Professional fees	14,406	-	39,398	272,414	**326,218**	631,670
Technology	64,117	8,273	16,201	16,734	**105,325**	83,880
Telephone	42,681	2,216	10,526	7,167	**62,590**	46,033
Travel, meals and entertainment	-	3,035	-	286,067	**289,102**	144,487
Utilities	99,282	-	1,634	770	**101,686**	99,529
Volunteer resources and recognition	7,889	1,437	-	-	**9,326**	966
Total expenses	**2,405,173**	**227,964**	**440,300**	**1,075,827**	**4,149,264**	3,919,927

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows

For the year ended December 31, 2024

	2024	2023
Cash provided by (used for) the following activities		
Operating		
Excess of revenues over expenses	**4,846,015**	1,676,097
Amortization	**401,390**	424,336
Gain on disposal of investments	**(309,390)**	(723,925)
Unrealized (gain) loss on fair value of investments	**(213,490)**	58,693
Contributed tangible capital assets	**(995,000)**	-
	3,729,525	1,435,201
Changes in working capital accounts		
Accounts receivable	**(66,553)**	66,169
Goods and Services Tax receivable	**3,316**	(37,206)
Accrued interest	**18,551**	14,659
Prepaid expenses	**13,210**	(7,015)
Accounts payable and accruals	**311,841**	51,630
Deferred contributions	**(5,500)**	(23,000)
	4,004,390	1,500,438
Investing		
Purchase of tangible capital assets	**(1,824,782)**	(1,311,554)
Purchase of investments	**(6,852,864)**	(9,860,620)
Proceeds on disposal of investments	**6,070,594**	9,857,596
	(2,607,052)	(1,314,578)
Increase in cash resources	**1,397,338**	185,860
Cash resources, beginning of year	**2,325,236**	2,139,376
Cash resources, end of year	**3,722,574**	2,325,236

1. Incorporation and nature of the organization

Friends of Saskatchewan Children Inc. (the "Organization") is a Saskatchewan not-for-profit, charitable corporation formed on December 14, 1982. The Organization operates as Ronald McDonald House Charities Saskatchewan ("RMHC-SK"). 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: we are focused on the critical needs of children; we lead with compassion; we celebrate the diversity of our people and our programs; we value our heritage; and, we operate with accountability and transparency.

In Canada, 13 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.

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 RMHC-SK:

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 Saskatoon, Saskatchewan 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 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 in the Prince Albert Victoria Hospital Pediatric Unit 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 hospitalised child and to be an active member of their child's health care team.

2. Change in accounting policies

Customer's accounting for cloud computing arrangements

Effective January 1, 2024, the Organization adopted the Accounting Standard for Private Enterprises' (ASPE) new guideline AcG-20 *Customer's Accounting for Cloud Computing Arrangements*. Applying the new guideline results in the recognition, measurement, and disclosure of cloud computing arrangements, including the allocation of the arrangement consideration to significant separable elements of cloud computing arrangement.

There was no material impact on the financial statements from the application of the new accounting guideline.

3. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

3. Significant accounting policies *(Continued from previous page)*

Fund accounting

The Organization follows the restricted fund method of accounting for contributions, and maintains three funds: General Fund, Restricted Fund, and Capital Asset Fund.

- The General Fund reports the Organization's unrestricted resources available for general core functions.
- The Restricted Fund reports the Organization's 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 the Organization's resources that are restricted to the Organization's tangible capital asset purchases, replacements, or maintenance initiatives.

Revenue recognition

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

Unrestricted contributions, grants, and bequests are recognized as revenue in the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions, grants, or bequests are recognized as revenue of the Restricted Fund or Capital Asset Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions for purposes other than those of the Restricted Fund or Capital Asset Fund are recognized as revenue in the General Fund in the year in which the related expenses are recognized.

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.

Room contributions are recognized when services are provided. Revenue from room contributions is recognized as revenue in the General Fund when the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income 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 when earned. General investment income earned on Restricted Fund, Capital Asset Fund, and General Fund resources is recognized as revenue of the General Fund when earned.

Contributed materials and services

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Organization's operations and would otherwise have been purchased. Volunteers contribute many hours to assist the Organization, however, because of the difficulty in determining their fair value, volunteer hours are not recognized in the financial statements.

Financial instruments

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Organization has made such an election during the year. All investments have been designated to be subsequently measured at their fair value. Fair value is determined by published price quotations.

The Organization subsequently measures all other arm's length financial assets and liabilities at amortized cost.

3. Significant accounting policies *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Organization initially measures financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at cost. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable, and contingent payments less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received (refer to Note 10).

At initial recognition, the Organization may elect to subsequently measure related party debt instruments that are quoted in an active market or, have observable inputs significant to the determination of fair value, at fair value. The Organization has not made such an election this year, thus, all related party debt instruments are subsequently measured at amortized cost.

The Organization subsequently measures financial instruments that were initially measured at cost using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenues over expenses.

Financial asset impairment

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when: available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; or, no asset is individually significant. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments, in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

The Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Organization reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenues over expenses in the year the reversal occurs.

Cash and cash equivalents

Cash and cash equivalents include cash on deposits and short-term investments with maturities of 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.

3. Significant accounting policies *(Continued from previous page)*

Investments

Investments are measured at fair value. Any changes in fair value are recorded immediately in the excess of revenues over expenses.

Tangible capital assets

Purchased tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives. Land is not amortized.

	Rate
Ronald McDonald House	5 %
Ronald McDonald Family Rooms	5 %
Computer equipment	30 %
Furniture and fixtures	20 %
Paving, fencing, and land development	20 %
Signage	20 %
Vehicles	20 %

Long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Organization writes down long-lived assets held for use when conditions indicate that the group of assets no longer contribute to the Organization's ability to provide goods and services. The asset are also written-down when the value of future economic benefits or service potential associated with the group of assets is less than its net carrying amount. When the Organization determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value. Any subsequent recovery is not recorded.

Measurement uncertainty (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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

These estimates and assumptions are reviewed periodically and as adjustments become necessary they are reported in excess of revenues over expenses in the periods in which they become known.

Allocation of expenses

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 have been allocated among the programs and supporting services benefited based on a direct allocation, full-time equivalent, or square footage component as applicable to the respective expense.

Customer's accounting for cloud computing arrangement

The Organization has applied the simplification approach to account for expenditures in a cloud computing arrangement. Under the simplification approach, the Organization recognizes expenditures related to the elements in the cloud computing arrangement as an expense as incurred. In the current year, expenses of $21,302 (2023 - $22,826) have been recognized as technology expenses.

4. Short-term investments

	2024	*2023*
Short-term investments recorded at fair value:		
Equities and mutual funds (book value: 2024 - $7,329,767; 2023 - $4,650,993)	**7,800,749**	4,894,120
Fixed maturity debt instruments / Canadian bonds and treasury bills (book value: 2024 - $75,339; 2023 - $1,212,364)	**76,263**	1,208,661
	7,877,012	6,102,781

Equities and mutual funds are recorded as short term due to the ability of the Organization to dispose of the investments at any time.

5. Long-term investments

	2024	*2023*
Long-term investments recorded at fair value:		
Fixed maturity debt instruments / Canadian bonds (book value: 2024 - $679,877; 2023 - $1,157,632)	**711,535**	1,180,616

Fixed maturity debt instruments consist of bonds and notes yielding between 1.60% to 6.00% (2023 - 1.60% to 6.00%) with maturities ranging from March 2025 to May 2035 (2023 - April 2024 to May 2035).

6. Tangible capital assets

			2024	*2023*
	Cost	***Accumulated amortization***	***Net book value***	*Net book value*
Land	**4,298,069**	**-**	**4,298,069**	3,150,835
Ronald McDonald House	**11,664,164**	**5,459,688**	**6,204,476**	6,647,979
Ronald McDonald Family Rooms	**350,334**	**122,284**	**228,050**	240,053
Computer equipment	**92,355**	**89,054**	**3,301**	4,716
Furniture and fixtures	**890,632**	**754,863**	**135,769**	155,745
Paving, fencing, and land development	**211,569**	**147,544**	**64,025**	61,002
Signage	**20,174**	**19,693**	**481**	602
Vehicles	**38,680**	**21,240**	**17,440**	21,801
Assets under construction	**2,435,149**	**-**	**2,435,149**	46,803
	20,001,126	**6,614,366**	**13,386,760**	10,329,536

During the year, the Organization received donated land for the Regina and Prince Albert capital projects, These contributed tangible capital assets have been recorded at their fair value of $500,000 and $495,000 respectively.

7. Credit facility

At December 31, 2024, the Organization had access to a revolving demand line of credit in the amount of $2,500,000, none of which was drawn. The line of credit bears interest at the bank's prime rate and is secured by investments held and a general security agreement.

8. Deferred contributions

Deferred contributions consist of contributions received for the Adopt-a-Room campaign. Recognition of these amounts as revenue is deferred over the term of the commitments. Changes in the deferred contribution balance are as follows:

	2024	*2023*
Deferred contributions - Adopt-a-Room		
Balance, beginning of the year	**224,500**	247,500
Contributions received during the year	**270,375**	253,213
Less: Contributions recognized as revenue	**(275,875)**	(276,213)
	219,000	224,500
Less: Current portion	**(180,000)**	(172,500)
Balance, end of year	**39,000**	52,000

9. Note payable

Note payable consists of a balance owing to the City of Prince Albert relating to underground servicing work completed on the Prince Albert land in advance of construction of the new house in Prince Albert.

	2024	*2023*
City of Prince Albert note payable bearing interest per annum at the City's fixed rate, payable in annual instalments of $159,708, maturing December 2028	**638,832**	-
Less: Current portion	**159,708**	-
	479,124	-

10. Fund balances

General Fund

The Organization is recommended by Ronald McDonald House Charities to retain approximately two and a half times the annual recurring operating costs of the Organization as an operating reserve. As at December 31, 2024, $6,496,707 (2023 – $7,225,000) has been retained by the Organization in the General Fund. Any excess amount or shortfall at year end will be transferred into or will be replenished from internally restricted net assets in the Restricted Fund as approved by the Board of Directors.

Restricted Fund

During the year, the Organization’s Board of Directors approved the net transfer of $1,740,452 to the Capital Asset Fund (2023 – $412,619 to the Capital Asset Fund) in order to internally restrict $Nil (2023 – $1,740,452) to be held in the Restricted Fund for unexpected shortfalls or specific future causes and for investment in major capital expenditures.

Capital Asset Fund

The Board of Directors has internally restricted net assets invested in tangible capital assets of $18,105,794 (2023 – $10,791,034). During the year, $2,819,785 was transferred to the Capital Asset Fund from the General Fund and Restricted Fund (2023 – $1,311,553) .

11. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

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. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Organization is exposed to interest rate fair value risk with respect to its investments including bonds and notes which are subject to fixed interest rates ranging from 1.60% to 6.00% (2023 - 1.60% to 6.00%). In seeking to minimize the risks from interest rate fluctuations, the Organization manages its exposure by investing in a diverse portfolio with a variety of rates of return and maturity dates.

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 foreign 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’s investments in equity funds, bond funds, bonds, and notes expose the Organization to price risk as these investments are subject to price changes in an open market due to a variety of reasons including changes in market rates of interest, general economic indicators, and restrictions on credit markets.

Credit concentration

As at December 31, 2024, one contributor accounted for 57% of the accounts receivable (2023 - one contributor, 92%). The Organization believes that there is no unusual exposure associated with the collection of these receivables. The Organization performs regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable.

12. Income taxes

The Organization is registered as a charitable organization under the *Income Tax Act* (the “Act”) and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Organization must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

13. 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 $271,690 (2023 - $261,800) in grant revenue from Ronald McDonald House Charities. As at December 31, 2024, included in accounts receivable was $110,996 (2023 - $117,629) owed from Ronald McDonald House Charities relating to contributions collected on behalf of the Organization.

14. Commitments

The Organization has entered into agreements for project management, architectural, engineering and construction management services to expand operations and construct a new 35,000 square foot house in Regina, Saskatchewan and a new 19,000 square foot house in Prince Albert, Saskatchewan. Construction of the $39,900,000 total projects are expected to begin in 2025 with an anticipated grand opening in 2027. As at December 31, 2024, the Organization has signed commitments relating to $4,083,162 of the estimated cost.

As at December 31, 2024, the Organization has cumulatively recognized $6,393,960 (2023 - $1,063,081) as contribution revenue in the Capital Asset Fund relating to the capital campaign.

15. Subsequent event

Subsequent to year end, global political and economic uncertainty has resulted in market variability which may significantly impact the fair value of investments held.

16. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.