



## Financial Statements

Toronto Children's Care Inc.

December 31, 2025

# Independent auditor's report

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

## Opinion

We have audited the financial statements of **Toronto Children's Care Inc.** (the "Organization"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations and changes in fund balances, functional expenses and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's responsibilities for the audit of the financial statements

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

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

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

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

*Doane Grant Thornton LLP*

Toronto, Canada  
April 1, 2026

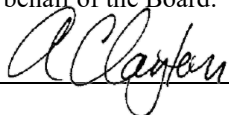
Chartered Professional Accountants  
Licensed Public Accountants

**Toronto Children's Care Inc.**  
**STATEMENT OF FINANCIAL POSITION**

Year ended December 31

	2025 \$	2024 \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	2,959,906	4,084,580
Accounts receivable (Note 5)	1,063,009	661,013
Prepaid expenses and other assets	65,001	432,596
<b>Total current assets</b>	<b>4,087,916</b>	<b>5,178,189</b>
Investments (Note 3[a])	27,662,688	25,633,558
Capital assets, net (Note 4)	27,952,906	26,096,351
<b>Total assets</b>	<b>59,703,510</b>	<b>56,908,098</b>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	617,074	728,167
Deferred contributions (Note 6)	-	56,382
Current portion of long-term debt (Note 7)	8,550	8,550
<b>Total current liabilities</b>	<b>625,624</b>	<b>793,099</b>
Long-term debt (Note 7)	39,330	45,999
<b>Total liabilities</b>	<b>664,954</b>	<b>839,098</b>
<b>FUND BALANCES</b>		
General fund	2,188,143	1,727,983
Internally restricted fund	27,702,425	25,671,060
Capital asset fund	27,952,906	27,590,208
Externally restricted fund	1,195,082	1,079,749
<b>Total fund balances</b>	<b>59,038,556</b>	<b>56,069,000</b>
<b>Total liabilities and fund balances</b>	<b>59,703,510</b>	<b>56,908,098</b>

On behalf of the Board:

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

See accompanying notes to the financial statements.

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

Year ended December 31

	<u>General Fund</u>		<u>Internally Restricted Fund</u>		<u>Capital Asset Fund</u>		<u>Externally Restricted Fund</u>		<u>Total</u>	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>REVENUES AND OTHER SUPPORT</b>										
Contributions	8,065,120	7,333,108	-	-	631,656	362,253	426,076	418,739	9,122,852	8,114,100
Fundraising activities/events	1,093,985	715,773	-	-	-	-	-	-	1,093,985	715,773
RMH room donations/fees	333,865	341,118	-	-	-	-	-	-	333,865	341,118
Government grant – wages	5,454	-	-	-	-	-	-	-	5,454	-
Investment income, net (Note 3[b])	29,992	34,888	1,486,498	735,795	12,473	60,286	27,976	45,750	1,556,939	876,719
<b>Total revenues and other support</b>	<b>9,528,416</b>	<b>8,424,887</b>	<b>1,486,498</b>	<b>735,795</b>	<b>644,129</b>	<b>422,539</b>	<b>454,052</b>	<b>464,489</b>	<b>12,113,095</b>	<b>10,047,710</b>
<b>FUNCTIONAL EXPENSES</b>										
Program	5,106,056	3,604,741	-	-	1,126,297	1,081,561	338,719	396,378	6,571,072	5,082,680
Management and general	1,276,266	1,156,533	-	-	-	-	-	-	1,276,266	1,156,533
Fundraising	1,752,878	1,831,202	-	-	-	-	-	-	1,752,878	1,831,202
Cost of direct benefits to donors	88,190	97,493	-	-	-	-	-	-	88,190	97,493
<b>Total functional expenses</b>	<b>8,223,390</b>	<b>6,689,969</b>	<b>-</b>	<b>-</b>	<b>1,126,297</b>	<b>1,081,561</b>	<b>338,719</b>	<b>396,378</b>	<b>9,688,406</b>	<b>8,167,908</b>
<b>Excess of operating revenues over expenses (expenses over revenues)</b>	<b>1,305,026</b>	<b>1,734,918</b>	<b>1,486,498</b>	<b>735,795</b>	<b>(482,168)</b>	<b>(659,022)</b>	<b>115,333</b>	<b>68,111</b>	<b>2,424,689</b>	<b>1,879,802</b>
Unrealized gains on investments (Note 3[b])	-	-	544,867	1,744,737	-	-	-	-	544,867	1,744,737
<b>Excess of revenues over expenses (expenses over revenues)</b>	<b>1,305,026</b>	<b>1,734,918</b>	<b>2,031,365</b>	<b>2,480,532</b>	<b>(482,168)</b>	<b>(659,022)</b>	<b>115,333</b>	<b>68,111</b>	<b>2,969,556</b>	<b>3,624,539</b>
Fund balances, beginning of year	1,727,983	1,487,056	25,671,060	21,787,027	27,590,208	28,158,740	1,079,749	1,011,638	56,069,000	52,444,461
Transfers between funds (Note 9)	(844,866)	(1,493,991)	-	1,403,501	844,866	90,490	-	-	-	-
<b>Fund balances, end of year</b>	<b>2,188,143</b>	<b>1,727,983</b>	<b>27,702,425</b>	<b>25,671,060</b>	<b>27,952,906</b>	<b>27,590,208</b>	<b>1,195,082</b>	<b>1,079,749</b>	<b>59,038,556</b>	<b>56,069,000</b>

See accompanying notes to the financial statements.

**Toronto Children's Care Inc.**  
**STATEMENT OF FUNCTIONAL EXPENSES**

Year ended December 31, 2025

	Program Services			Supporting Services			2025	2024
	Ronald McDonald House	Ronald McDonald Family Room	Total Program Services	Management and General	Fundraising	Cost of Direct Benefits to Donors	Total Expenses	Total Expenses
	\$	\$	\$	\$	\$	\$	\$	\$
Salaries	2,684,641	941,461	3,626,102	358,250	1,246,448	-	5,230,800	3,758,984
Employee benefits	40,748	9,629	50,377	34,414	26,684	-	111,475	101,686
Employment payroll taxes	35,290	10,858	46,148	14,930	14,930	-	76,008	70,440
Amortization of capital assets	955,472	170,825	1,126,297	-	-	-	1,126,297	1,081,561
Advertising	-	-	-	-	112,441	-	112,441	32,596
Cleaning service and supplies	156,167	-	156,167	-	-	-	156,167	102,837
Donor recognition	-	-	-	-	-	88,190	88,190	99,189
Education, training and meetings	4,979	-	4,979	3,356	8,923	-	17,258	75,808
Family support services and supplies	302,858	57,943	360,801	-	-	-	360,801	401,005
Insurance	-	-	-	16,203	-	-	16,203	46,922
Interest and bank charges	-	-	-	58,837	-	-	58,837	54,055
Maintenance and repairs	373,079	775	373,854	-	-	-	373,854	279,139
Office supplies	7,173	7,144	14,317	5,421	4,114	-	23,852	27,208
Postage and courier	1,973	-	1,973	1,459	4,152	-	7,584	6,379
Printing costs	-	-	-	-	100,255	-	100,255	159,208
Professional fees	162,283	-	162,283	712,882	-	-	875,165	821,558
Technology and telephone	309,654	9,987	319,641	25,673	39,381	-	384,695	476,980
Travel, meal and entertainment costs	1,171	5,608	6,779	5,943	803	-	13,525	9,275
Utilities	305,557	-	305,557	-	-	-	305,557	284,701
Vehicle expense	-	-	-	-	-	-	-	66
Volunteer resources and recognition	10,914	-	10,914	18,748	-	-	29,662	33,857
Other expenses	4,883	-	4,883	20,150	194,747	-	219,780	244,454
<b>Total Expenses</b>	<b>5,356,842</b>	<b>1,214,230</b>	<b>6,571,072</b>	<b>1,276,266</b>	<b>1,752,878</b>	<b>88,190</b>	<b>9,688,406</b>	<b>8,167,908</b>

See accompanying notes to the financial statements.

**Toronto Children's Care Inc.**  
**STATEMENT OF CASH FLOWS**

Year ended December 31

	2025	2024
	\$	\$
<b>OPERATING ACTIVITIES</b>		
<i>Excess of revenues over expenses (expenses over revenues) for the year</i>		
General fund	1,305,026	1,734,918
Internally restricted fund	2,031,365	2,480,532
Capital asset fund	(482,168)	(659,022)
Externally restricted fund	115,333	68,111
<i>Add (deduct) items not involving cash</i>		
Amortization of capital assets	1,126,297	1,081,561
Unrealized gains on investments	(544,867)	(1,744,737)
Dividends reinvested	(1,562,361)	(798,633)
Amortization of imputed interest benefit	1,881	2,155
	<b>1,990,506</b>	<b>2,164,885</b>
Net change in non-cash working capital balances related to operations		
Accounts receivable	(401,996)	162,021
Prepaid expenses and other assets	367,595	(351,801)
Accounts payable and accrued liabilities	(111,093)	(1,209,935)
Deferred contributions	(56,382)	560
	<b>(201,876)</b>	<b>(1,399,155)</b>
<b>Cash provided by operating activities</b>	<b>1,788,630</b>	<b>765,730</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds on sale of (purchases of) investments (net)	78,098	(490,360)
Purchases of capital assets	(2,982,852)	(333,798)
<b>Cash (used in) provided by investing activities</b>	<b>(2,904,754)</b>	<b>(824,158)</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of long-term debt	(8,550)	(8,550)
<b>Cash used in financing activities</b>	<b>(8,550)</b>	<b>(8,550)</b>
<b>Net decrease in cash during the year</b>	<b>(1,124,674)</b>	<b>(66,978)</b>
Cash, beginning of year	4,084,580	4,151,558
<b>Cash, end of year</b>	<b>2,959,906</b>	<b>4,084,580</b>

See accompanying notes to the financial statements.

**Toronto Children's Care Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2025**

**1. NATURE OF THE ORGANIZATION**

**Organization**

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

The mission of Ronald McDonald House (RMH) is to create, find and support programs that directly improve the health and well-being of children and their families. RMH along with its National affiliates and the network of local Chapters, of which there are 11 in Canada, ascribe to five core values: focus on the critical needs of children, leads with compassion, celebrates the diversity of the people and programs, values the heritage, and operates with accountability and transparency.

In Canada, 11 regional RMH chapters work collaboratively through the support of Ronald McDonald House Canada, Canada's national RMH entity, 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 Ronald McDonald House:

**Ronald McDonald House**

When children must travel long distances to access top medical care, accommodations and support for families can be expensive or not readily available. The Organization helps families stay close to their ill or injured child through the Ronald McDonald House program located in Toronto, which provide temporary lodging, meals and other support to children and their families. The program provides families with emotional and physical comfort and increases the caregivers' ability to spend more time with their child, to interact with their clinical care team and to participate in critical medical care decisions.

**Ronald McDonald Family Room**

When a child is critically ill, parents may be reluctant to leave the hospital. In order to provide comfort and support to their child, it is important that parents have an opportunity to rest, have a meal or have a moment of quiet. Located inside medical care facilities, the Ronald McDonald Family Room program serves as a place of respite, relaxation and privacy for family members, often just steps away from where their child is being treated. The Ronald McDonald Family Room program provides parents with an opportunity to remain close to their hospitalized child and to be an active member of their child's health care team.

**Toronto Children's Care Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2025**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Use of estimates**

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

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

**Fund accounting**

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

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

The Internally Restricted fund is used to report the assets, liabilities, revenues, and expenses internally restricted by the Board of Directors. Any funds internally restricted by the Board of Directors are recorded through a transfer to the respective fund. Resources drawn from the Internally Restricted funds to support the Organization's needs are approved by the Board of Directors.

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

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

**Revenue recognition**

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

Contributions are recorded in the appropriate funds when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted contributions are recognized as revenue in the General fund when received. Externally restricted contributions are recorded in the appropriate Externally Restricted fund when received. Externally restricted contributions where there is no Externally Restricted fund are deferred and recognized as revenue when expended.

**Toronto Children's Care Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2025**

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

**Revenue recognition (continued)**

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

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

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

**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, salaries, employee benefits and employment payroll taxes have been allocated among the programs and supporting services benefited based on estimated time spent on the programs and supporting services.

**Financial instruments**

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

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

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

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

**Contributed materials and services**

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

**Toronto Children’s Care Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2025**

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

**Capital assets**

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

*Tangible assets*

Building	20 - 40 years
Furniture, fixtures, equipment	3 - 10 years
Family Rooms	3 - 10 years

*Intangible assets*

Website	4 years
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Interest on long-term debt incurred for capital assets is capitalized during the period in which the capital assets are being constructed.

**Impairment of long-lived assets**

Long-lived assets are tested for impairment when events of changes in circumstances indicate that their carrying value may not be recoverable. An impairment loss is recognized when the carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its residual value.

**3. INVESTMENTS**

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

	2025	2024
	\$	\$
<hr/>		
<i>Fixed Income</i>		
Investment savings accounts	<b>3,519,825</b>	3,372,138
Mutual funds	<b>11,953,323</b>	11,674,661
<i>Equities</i>		
Mutual funds	<b>12,189,540</b>	10,586,759
	<b>27,662,688</b>	25,633,558
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Investments are intended to be held for a period longer than twelve months from the date of the financial statements and are presented as long-term assets.

**Toronto Children's Care Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2025**

**3. INVESTMENTS (continued)**

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

	2025	2024
	\$	\$
Dividends	1,562,361	798,633
Management fees	(75,863)	(62,838)
	1,486,498	735,795
Unrealized gains	544,867	1,744,737
	2,031,365	2,480,532

All other investment income relates to interest income.

**4. CAPITAL ASSETS**

Capital assets consist of the following:

	2025		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Land	3,230,866	-	3,230,866
Buildings	28,954,426	9,640,835	19,313,591
Furniture, fixtures, equipment	3,978,564	2,972,956	1,005,608
Family rooms	4,735,125	1,645,760	3,089,365
Website	101,960	101,960	-
Work in progress	1,313,476	-	1,313,476
	42,314,417	14,361,511	27,952,906

Included in family rooms are additions of \$Nil (2024 - \$243,309) that were not complete at year end. Amortization of these additions has commenced as the additions were completed and in use at the end of fiscal 2025. Amortization on work in progress will commence when the projects are substantially complete and in use.

	2024		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Land	3,230,866	-	3,230,866
Buildings	28,954,426	8,892,102	20,062,324
Furniture, fixtures, equipment	3,915,962	2,778,961	1,137,001
Family rooms	1,915,897	1,474,936	440,961
Website	101,960	89,215	12,745
Work in progress	1,212,454	-	1,212,454
	39,331,565	13,235,214	26,096,351

**Toronto Children's Care Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2025**

**5. GOVERNMENT REMITTANCES RECEIVABLE**

As at December 31, 2025, accounts receivable include government remittances receivable of \$283,825 (2024 - \$140,125).

**6. DEFERRED CONTRIBUTIONS**

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

	2025	2024
	\$	\$
<b>Balance, beginning of year</b>	<b>56,382</b>	56,822
Amount received during the year	75,307	85,358
Amount recognized as revenue during the year	<b>(131,689)</b>	(85,798)
<b>Balance, end of year</b>	<b>-</b>	56,382

**7. LONG-TERM DEBT**

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

	2025	2024
	\$	\$
Toronto Green Energy Fund loan, due January 1, 2032, repayable at quarterly instalments of \$2,137. The loan bears no interest except on outstanding instalments which are subject to interest at the Royal Bank of Canada's prime rate.	<b>53,438</b>	61,988
Less: imputed interest benefit	<b>(5,558)</b>	(7,439)
Less current portion	<b>(8,550)</b>	(8,550)
	<b>39,330</b>	45,999

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

	\$
2026	8,550
2027	8,550
2028	8,550
2029	8,550
2030	8,550
Thereafter	10,688
	<b>53,438</b>

**Toronto Children’s Care Inc.**  
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**7. LONG-TERM DEBT (continued)**

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

**8. LETTER OF CREDIT**

Toronto Children’s Care Inc. has a standby letter of credit bearing interest at 1.3% per annum. The beneficiary of this letter of credit is the Ontario Teachers’ Pension Plan. As of December 31, 2025, an amount of \$30,633 (2024-\$30,633) has been drawn on the letter of credit.

**9. INTERFUND TRANSFERS**

Transfers between funds during the year consist of the following:

	<u>General Fund</u>		<u>Internally Restricted Fund</u>		<u>Capital Asset Fund</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$	\$	\$
Transfers approved to support Internally Restricted Fund	-	(1,403,501)	-	1,403,501	-	-
Transfers approved for purchases of capital assets	<b>(844,866)</b>	(90,490)	-	-	<b>844,866</b>	90,490
	<b>(844,866)</b>	(1,493,991)	-	1,403,501	<b>844,866</b>	90,490

**10. FINANCIAL INSTRUMENTS**

The Organization is exposed to various financial risks through transactions in financial instruments.

**Credit risk**

The Organization is exposed to credit risk in connection with its accounts receivable and its fixed income investments because of the risk that one party to the financial instrument may cause a financial loss for the other party by failing to discharge an obligation. The Organization assesses on that basis of amounts for which ultimate collection is reasonably assured based on their estimated realizable value.

**Interest rate risk**

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

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**10. FINANCIAL INSTRUMENTS (continued)**

**Liquidity risk**

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

**Market risk**

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

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

**11. RELATED PARTY TRANSACTIONS**

Ronald McDonald House 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 Ronald McDonald House system. Each Chapter is licensed by McDonald's Corporation and Ronald McDonald House. to use Ronald McDonald House 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, 2025, the Organization received \$1,210,311 (2024 - \$774,340) from Ronald McDonald House, Canada and \$7,348 (2024 - \$217,096) from Ronald McDonald House Inc. which represents 12% (2024 – 11%) of total public support.

**12. COMPARATIVE FIGURES**

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.