



Financial Statements

Ronald McDonald House Maritimes Association

December 31, 2025

Ronald McDonald House Maritimes Association

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Independent Auditor's Report

To the Board of Directors of Ronald McDonald House Maritimes Association

Qualified Opinion

We have audited the financial statements of Ronald McDonald House Maritimes Association (the "Organization"), which comprise the statement of financial position as at December 31, 2025, 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 Maritimes Association as at December 31, 2025, 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 Organization 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 Organization 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, 2025 and 2024, current assets as at December 31, 2025 and 2024, and net assets as at January 1 and December 31 for both the 2025 and 2024 years. Our audit opinion on the financial statements for the year ended December 31, 2024 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.



Other Matter - Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of Ronald McDonald House Maritimes Association taken as a whole. The supplementary information included in the statements of functional expenses 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 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 "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

Halifax, Nova Scotia
May 21, 2026

Ronald McDonald House Maritimes Association
STATEMENT OF FINANCIAL POSITION
As at December 31, 2025

	2025	2024
	\$	\$
ASSETS		
Current assets		
Cash	4,997,723	5,542,516
Accounts receivable (Note 4)	407,916	1,185,617
Prepaid expenses and other assets	32,903	6,355
Total current assets	5,438,542	6,734,488
Investments	5,510,905	4,535,655
Capital assets (Note 5)	31,714,868	39,614
Capital assets under development (Note 5)	-	27,248,163
Total assets	42,664,315	38,557,920
LIABILITIES AND FUND BALANCES		
Current liabilities		
Accounts payable and accrued liabilities	269,382	1,999,063
Total current liabilities	269,382	1,999,063
FUND BALANCES		
General fund	10,631,067	9,227,071
Restricted fund (Note 6)	48,998	44,009
Capital asset fund (Note 6)	31,714,868	27,287,777
Total fund balances	42,394,933	36,558,857
Total liabilities and fund balances	42,664,315	38,557,920

See accompanying notes

Commitments (Note 7)

On behalf of the Board:

_____ Director

_____ Director

Ronald McDonald House Maritimes Association
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
For the year ended December 31, 2025

	<u>General Fund</u>		<u>Restricted Fund</u>		<u>Capital Asset Fund</u>		<u>Total</u>	
	2025	2024	2025	2024	2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$	\$	\$
Revenues and other support								
Contributions (Note 9)	3,055,166	2,103,376	21,412	21,475	5,309,453	3,126,227	8,386,031	5,251,078
Fundraising activities/events	303,551	350,055	-	-	-	-	303,551	350,055
RMH room donations/fees	57,365	28,947	-	-	-	-	57,365	28,947
Other	306	932	-	-	-	-	306	932
Donated goods and services (Note 10)	55,953	101,604	-	-	7,408	283,000	63,361	384,604
Total revenues and other support	3,472,341	2,584,914	21,412	21,475	5,316,861	3,409,227	8,810,614	6,015,616
Expenses								
Program	2,056,820	1,657,830	16,423	9,089	535,775	-	2,609,018	1,666,919
Management and general	278,841	221,766	-	-	-	-	278,841	221,766
Fundraising	684,384	557,530	-	-	-	-	684,384	557,530
Cost of direct benefits to donors	58,967	44,013	-	-	-	-	58,967	44,013
Total expenses	3,079,012	2,481,139	16,423	9,089	535,775	-	3,631,210	2,490,228
Excess of operating revenues over expenses	393,329	103,775	4,989	12,386	4,781,086	3,409,227	5,179,404	3,525,388
Gain on sale of capital asset	13,000	-	-	-	-	-	13,000	-
Loss on disposal of capital asset	(10,893)	-	-	-	-	-	(10,893)	-
Investment income, net (Note 3)	654,565	1,183,521	-	-	-	-	654,565	1,183,521
Excess of revenues over expenses	1,050,001	1,287,296	4,989	12,386	4,781,086	3,409,227	5,836,076	4,708,909
Fund balances, beginning of year	9,227,071	10,971,534	44,009	31,623	27,287,777	20,846,791	36,558,857	31,849,948
Transfers between funds	353,995	(3,031,759)	-	-	(353,995)	3,031,759	-	-
Fund balances, end of year	10,631,067	9,227,071	48,998	44,009	31,714,868	27,287,777	42,394,933	36,558,857

See accompanying notes

Ronald McDonald House Maritimes Association

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2025

	Program 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	-	-	535,775	535,775	-	-	-	535,775
Cleaning service and supply	88,301	-	-	88,301	-	-	-	88,301
Direct response	-	-	-	-	-	20,063	-	20,063
Donor relationships	-	-	-	-	-	2,279	27,481	29,760
Education, training and meetings	23,472	247	-	23,719	12,463	2,286	-	38,468
Event logistics	866	-	-	866	-	8,694	30,860	40,420
Family support and services	187,421	39,243	16,423	243,087	-	-	-	243,087
Insurance	-	-	-	-	8,547	-	-	8,547
Interest and bank charges	-	-	-	-	16,211	-	-	16,211
Maintenance and repairs	53,303	114	-	53,417	-	-	-	53,417
Marketing and communications	19,612	-	-	19,612	-	26,969	-	46,581
Office supplies	6,218	1,067	-	7,285	31	592	-	7,908
Other	88,561	-	-	88,561	1,500	2,132	-	92,193
Postage and courier	538	-	-	538	-	573	-	1,111
Printing	3,209	-	-	3,209	-	5,580	-	8,789
Professional fees	23,008	890	-	23,898	92,357	58,974	-	175,229
Property tax	9,882	-	-	9,882	-	-	-	9,882
Rent	84,500	916	-	85,416	583	2,333	-	88,332
Technology and telephone	66,158	12,680	-	78,838	13,155	44,107	-	136,100
Travel and meals	1,609	2,110	-	3,719	1,305	22,054	626	27,704
Utilities	115,458	-	-	115,458	-	-	-	115,458
Volunteer resources and recognition	18,084	1,049	-	19,133	-	-	-	19,133
Wages and benefits	965,585	242,719	-	1,208,304	132,689	487,748	-	1,828,741
	1,755,785	301,035	552,198	2,609,018	278,841	684,384	58,967	3,631,210

Ronald McDonald House Maritimes Association

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2024

	Program 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	-	-	-	-	-	-	-	-
Cleaning service and supply	252	-	-	252	-	-	-	252
Direct response	-	-	-	-	-	18,078	-	18,078
Donor relationships	-	-	-	-	-	1,154	-	1,154
Education, training and meetings	7,555	2,267	-	9,822	30,930	2,682	-	43,434
Event logistics	-	-	-	-	-	2,059	44,013	46,072
Family support and services	111,865	16,617	9,089	137,571	-	-	-	137,571
Insurance	-	-	-	-	7,592	-	-	7,592
Interest and bank charges	-	-	-	-	18,271	-	-	18,271
Maintenance and repairs	5,630	2,146	-	7,776	-	-	-	7,776
Marketing and communications	772	-	-	772	607	1,311	-	2,690
Office supplies	1,328	536	-	1,864	38	1,104	-	3,006
Other	10,867	125	-	10,992	2,193	845	-	14,030
Postage and courier	215	12	-	227	259	711	-	1,197
Printing	214	-	-	214	346	3,565	-	4,125
Professional fees	-	-	-	-	18,508	44,610	-	63,118
Property tax	3,560	-	-	3,560	-	-	-	3,560
Rent	264,714	8,476	-	273,190	714	16,095	-	289,999
Technology and telephone	66,271	18,689	-	84,960	6,540	41,394	-	132,894
Travel and meals	5,787	4,046	-	9,833	10,301	19,316	-	39,450
Utilities	39,113	-	-	39,113	-	-	-	39,113
Volunteer resources and recognition	12,353	1,286	-	13,639	72	-	-	13,711
Wages and benefits	858,117	215,017	-	1,073,134	125,395	404,606	-	1,603,135
	<u>1,388,613</u>	<u>269,217</u>	<u>9,089</u>	<u>1,666,919</u>	<u>221,766</u>	<u>557,530</u>	<u>44,013</u>	<u>2,490,228</u>

Ronald McDonald House Maritimes Association

STATEMENT OF CASH FLOWS

Year ended December 31, 2025

	2025	2024
	\$	\$
OPERATING ACTIVITIES		
<i>Excess of revenues over expenses for the year</i>		
General fund	1,050,001	1,287,296
Restricted fund	4,989	12,386
Capital asset fund	4,781,086	3,409,227
<i>Add (deduct) items not involving cash</i>		
Amortization of capital assets	535,775	-
Gain on sale of capital assets	(13,000)	-
Loss on disposal of capital asset	10,893	-
Realized and unrealized gain on investments	(410,156)	(552,299)
	5,959,588	4,156,610
Net change in non-cash working capital balances related to operations		
Decrease (increase) in accounts receivable	777,701	(239,014)
Increase (decrease) in prepaid expenses and other assets	(26,548)	5,799
Decrease in accounts payable and accrued liabilities	(1,729,681)	(26,693)
	(978,528)	(259,908)
Cash provided by operating activities	4,981,060	3,896,702
INVESTING ACTIVITIES		
Proceeds from investments, net of sales	(565,094)	(144,288)
Purchases of capital assets under development	(4,973,759)	(13,539,263)
Proceeds from sale of capital assets	13,000	-
Cash used in investing activities	(5,525,853)	(13,683,551)
Net increase in cash and cash equivalents during the year		
Cash and cash equivalents, beginning of year	5,542,516	15,329,365
Cash and cash equivalents, end of year	4,997,723	5,542,516

See accompanying notes

Ronald McDonald House Maritimes Association

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

1. NATURE OF THE ORGANIZATION

Organization

Ronald McDonald House Maritimes Association (the "Organization"), formerly known as Ronald McDonald House Charities Atlantic Association, 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 RMHC.

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 Rooms

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 Maritimes Association

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

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 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 Maritimes Association

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

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 Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited (Note 11).

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and short-term investments with a 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 and are comprised of marketable securities. 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.

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.

Ronald McDonald House Maritimes Association
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. 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:

Building	40 years
Computer equipment	3 years
Equipment	5 years
Family rooms	10 years
Furniture and fixtures	5 years
Software	5 years

Capital assets under development are not subject to amortization. One half year's amortization is taken in the year of acquisition or when the asset becomes available for use.

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. A significant area requiring management estimates are the rates used for amortization of capital assets.

Ronald McDonald House Maritimes Association
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2025

3. INVESTMENT INCOME

Investment income (expense) consists of the following:

	2025	2024
	\$	\$
Interest income	165,084	552,917
Dividends	120,838	111,322
Realized and unrealized gain on investments	410,156	552,299
Management fees	(41,513)	(33,017)
	654,565	1,183,521

4. GOVERNMENT REMITTANCES RECEIVABLE

As at December 31, 2025, accounts receivable includes government remittances receivable of \$61,428 (2024: \$954,933).

5. CAPITAL ASSETS

Capital assets consist of the following:

	2025		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Building	30,765,156	384,564	30,380,592
Computer equipment	61,338	28,060	33,278
Equipment	641,219	65,731	575,488
Family room - IWK	291,829	291,829	-
Family room - Moncton	156,380	156,380	-
Furniture and fixtures	809,824	84,314	725,510
Software	21,823	21,823	-
	32,747,569	1,032,701	31,714,868

During the year, the Organization's new Ronald McDonald House became operational and was transferred from capital assets under development to assets available for use.

Ronald McDonald House Maritimes Association
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2025

5. CAPITAL ASSETS (continued)

	2024		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Computer equipment	21,404	21,404	-
Equipment	43,219	3,605	39,614
Family room - IWK	291,828	291,828	-
Family room - Moncton	156,380	156,380	-
Furniture and fixtures	3,703	3,703	-
Software	21,823	21,823	-
	538,357	498,743	39,614

6. FUND BALANCES

Restricted fund balances consists of the following:

	2025	2024
	\$	\$
Restricted Fund		
Externally restricted	48,998	44,009
Capital Asset Fund		
Externally funded capital assets	29,200,820	-
Capital asset under development	-	27,248,163
Internally funded capital assets	2,514,048	39,614
	31,714,868	27,287,777

During the year, the Organization transferred \$353,995 from the Capital Asset Fund to the General Fund in order to repay a portion of the previous years' expenditures on capital assets under development.

7. COMMITMENTS

i) The Organization has entered into a five-year agreement for security services commencing in October 2024, with annual payments of \$82,482, subject to an annual increase of 3% or the provincial minimum wage increase (plus applicable taxes and insurance), whichever is greater.

ii) The Organization has entered into a three-year agreement for cleaning services commencing in February 2026, with annual payments of \$119,649, subject to an annual increase of 3% on each anniversary date of the agreement.

iii) The Organization has entered into a ten-year agreement for elevator services commencing in February 2026, with annual payments of \$12,600, subject to annual increases based on labour and processing costs, to a maximum of 5%.

Ronald McDonald House Maritimes Association
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2025

8. FINANCIAL INSTRUMENTS

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

Interest rate risk

The Organization is exposed to interest rate risk with respect to 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. The Organization considers that it has sufficient funds available to meet its obligations as they come due.

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.

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 the investment portfolio.

9. RELATED PARTY TRANSACTIONS

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, 2025, the Organization received \$1,766,445 (2024: \$1,511,010) from Ronald McDonald House Charities Canada; \$408,092 (2024: \$356,543) McHappy Day proceeds from McDonald's Restaurants throughout the Maritimes; \$42,500 (2024: \$66,323) from McDonald Restaurants of Canada; and \$10,222 (2024: \$nil) from Ronald McDonald House Charities, Inc.

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10. DONATED GOODS AND SERVICES

The fair value of donated goods and services included in the financial statements are as follows:

	2025	2024
	\$	\$
Programming	53,037	84,791
Fundraising	2,333	16,095
Management and general	583	718
Capital assets	7,408	-
Capital assets, under development	-	283,000
	63,361	384,604

11. 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 such as wages, technology and rent, shall be allocated based on the following:

Ronald McDonald House	54%
Ronald McDonald Family Rooms	14%
Fundraising	28%
Management and general	4%

12. PLEDGES RECEIVABLE

During the year ended December 31, 2025, 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 Organization's 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.

13. COMPARATIVE FIGURES

Certain reclassifications for the year ended December 31, 2024, have been made for purposes of comparability.