



**Ronald McDonald House Charities Curaçao
Foundation**

at Curaçao

Financial Statements 2019



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Ronald McDonald House Charities Curacao Foundation, Curaçao

1.1 BALANCE SHEET AS AT 31 DECEMBER 2019

		<u>31 December 2019</u>		<u>31 December 2018</u>	
		ANG	ANG	ANG	ANG
ASSETS					
Fixed assets					
Tangible fixed assets					
	1				
Furniture, fixtures and fittings		4.190		4.190	
Equipment		18.578		10.510	
Fixed assets in progress		<u>218.854</u>		<u>-</u>	
			241.622		14.700
Current assets					
Receivables					
	2				
Accounts receivables		5.884		28.520	
Other receivables and accrued assets	3	<u>575</u>		<u>-</u>	
			6.459		28.520
Cash at bank and in hand	4		1.047.324		1.215.550
Total assets			<u><u>1.295.405</u></u>		<u><u>1.258.770</u></u>



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		<u>31 December 2019</u>		<u>31 December 2018</u>	
		ANG	ANG	ANG	ANG
LIABILITIES					
Foundation's equity					
	5				
Foundation's capital		1.000		1.000	
Cumulative operating result		1.057.759		979.428	
Result for the year		<u>211.813</u>		<u>78.331</u>	
			1.270.572		1.058.759
Short-term liabilities					
Amounts owed to credit institutions	6	287		-	
Accounts payable	7	4.286		1.191	
Taxes and social security premiums	8	9.350		8.079	
Other liabilities and accrued expenses	9	<u>10.910</u>		<u>190.741</u>	
			24.833		200.011
Total liabilities			<u><u>1.295.405</u></u>		<u><u>1.258.770</u></u>



Ronald McDonald House Charities Curacao Foundation, Curaçao

1.2 STATEMENT OF INCOME AND EXPENSES FOR THE YEAR 2019

		<u>2019</u>	<u>2018</u>
		ANG	ANG
Income	10	569.766	382.598
Direct expenses	11	<u>-125.216</u>	<u>-66.784</u>
Net result income		444.550	315.814
Expenses			
Personnel expenses	12	165.542	157.301
Depreciation of tangible fixed assets	13	4.606	1.854
Housing expenses	14	24.474	29.241
Office expenses	15	8.819	13.766
General expenses	16	<u>29.296</u>	<u>35.321</u>
Total operating expenses		<u>232.737</u>	<u>237.483</u>
Net result		<u><u>211.813</u></u>	<u><u>78.331</u></u>



Ronald McDonald House Charities Curacao Foundation, Curaçao

1.3 NOTES TO THE FINANCIAL STATEMENTS

Entity information

Registered address and registration number trade register

The registered and actual address of The Ronald McDonald House Charities Curaçao Foundation is Martinusstraat 2, in Curaçao. The Ronald McDonald House Charities Curaçao Foundation is registered at the trade register under the number 118028.

General notes

The most important activities of the entity

The Ronald McDonald House Charities Curacao Foundation is a Foundation which was established in Curacao on December 17, 2009.

The objectives of the foundation are:

Exclusively for charitable, educational and scientific purposes and particularly for maintaining and operating one or more facilities in the island of Curacao to provide temporary housing for seriously ill children and their families while the children are receiving treatment at a nearby hospital and making grants to other organizations for the benefit of children in and around the local area of the Foundation.

The Foundation is an affiliate of Ronald McDonald House Charities, Inc., an Illinois corporation not for profit, and a licensee of McDonald's Corporation with respect to the use of the name Ronald McDonald® and other trademarks, names and copyrights.

The Foundation may engage in any and all lawful acts which may be necessary, useful, suitable or proper for the furtherance of the purposes of the Foundation.

No part of the net earnings of the Foundation shall insure to the benefit of, or be distributable to, its directors, officers or other private persons, except that the Foundation shall be authorized and empowered to pay reasonable compensation for goods or services rendered. No substantial part of the activities of the Foundation may consist of carrying on propaganda or attempting to influence legislation. The Foundation shall not participate in, or intervene in, any political campaign on behalf of any candidate for public office.

General accounting principles

The accounting standards used to prepare the financial statements

The financial statements are prepared in accordance with Book 2 of the Curaçao Civil Code and the accounting principles used for the valuation of assets and liabilities and used for the income recognition as stated in the notes of the financial statements.

Assets and liabilities are generally valued at historical cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

Translation of foreign currency

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing at balance sheet date. The exchange differences resulting from the translation as of balance sheet date, taking into account possible hedge transactions, are recorded in the statement of income and expenses.

Comparative figures

The comparative figures have been reclassified where necessary, for the purpose of comparison.



Ronald McDonald House Charities Curacao Foundation, Curaçao

Accounting principles

Tangible fixed assets

Tangible fixed assets are valued at acquisition costs less straight-line depreciation based on the expected life, unless stated otherwise. Impairments expected on the balance sheet date are taken into account.

Trade and other receivables

Trade and other receivables are stated at nominal value, less any provision for doubtful debts. Provisions are designated on basis of individual assessment of recoverability of the receivable.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Liabilities

Liabilities are valued at nominal value, unless disclosed differently.

Accounting principles for determining the result

The result is the difference between income and expenses incurred during the year.

Income

Fundraisings and donations are accounted for in the year in which they are realized. Donations received for a special purpose or project are recognized once the projects are realized and therefore are accounted for on deferral basis. The projects are considered realized during the duration of the project.

Depreciation of tangible fixed assets

Tangible fixed assets are depreciated from the date of initial use over the expected future economic life of the asset.

1.4 NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2019

Fixed assets

1 Tangible fixed assets

	<i>Furniture, fixtures and fittings</i>	<i>Equipment</i>	<i>Fixed assets in progress</i>	<i>Total</i>
	ANG	ANG	ANG	ANG
Balance as at 1 January 2019				
Purchase price	44.248	11.466	-	55.714
Accumulated depreciation	-40.058	-956	-	-41.014
Book value as at 1 January 2019	<u>4.190</u>	<u>10.510</u>	<u>-</u>	<u>14.700</u>
Movements				
Investments	-	12.674	218.854	231.528
Depreciation	-	-4.606	-	-4.606
Balance movements	<u>-</u>	<u>8.068</u>	<u>218.854</u>	<u>226.922</u>
Balance as at 31 December 2019				
Purchase price	44.248	24.140	218.854	287.242
Accumulated depreciation	-40.058	-5.562	-	-45.620
Book value as at 31 December 2019	<u>4.190</u>	<u>18.578</u>	<u>218.854</u>	<u>241.622</u>
Depreciation percentages	<u>20%</u>	<u>20%</u>	<u>0%</u>	

The fixed assets in progress are related to the investments made in preparation of the family room in the new hospital. The family room was launched in 2020.



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Current assets

Receivables

	<u>31-12-2019</u>	<u>31-12-2018</u>
	ANG	ANG
2 Accounts receivables		
Donations receivable (committed)	<u>5.884</u>	<u>28.520</u>
3 Other receivables and accrued income		
Prepaid rent	<u>575</u>	<u>-</u>
4 Cash at bank and in hand		
Maduro & Curiel's Bank N.V.	1.047.081	1.213.390
Cash in transit	-	1.879
Cash	<u>243</u>	<u>281</u>
	<u>1.047.324</u>	<u>1.215.550</u>

5 Foundation's equity

	<i>Foundation's capital</i>	<i>Cumulative operating result (incl. result for the year)</i>	<i>Total</i>
	<i>ANG</i>	<i>ANG</i>	<i>ANG</i>
Balance as at 1 January 2019	1.000	1.057.759	1.058.759
Result for the year	-	211.813	211.813
Balance as at 31 December 2019	<u>1.000</u>	<u>1.269.572</u>	<u>1.270.572</u>

Short-term liabilities

	<u>31-12-2019</u> <i>ANG</i>	<u>31-12-2018</u> <i>ANG</i>
6 Amounts owed to credit institutions		
Amounts owed to credit institutions	<u>287</u>	<u>-</u>
7 Accounts payable		
Trade creditors	<u>4.286</u>	<u>1.191</u>
8 Taxes and social security premiums		
Wage tax	3.296	2.646
AOV/AWW premium payable	3.067	2.624
ZV/OV premium payable	1.588	1.568
AVBZ premium payable	716	663
BVZ premium payable	683	578
	<u>9.350</u>	<u>8.079</u>
9 Other liabilities and accrued expenses		
Accrued liabilities	10.910	12.847
Deferred income from donations Family room project	-	177.894
	<u>10.910</u>	<u>190.741</u>



Ronald McDonald House Charities Curacao Foundation, Curaçao

1.5 NOTES TO THE STATEMENT OF INCOME AND EXPENSES FOR THE YEAR 2019

	<u>2019</u>	<u>2018</u>
	ANG	ANG
10 Income		
Income fundraising events	213.506	309.503
Contribution RMHC Global	195.640	-
Donations	156.884	73.095
Other income	3.736	-
	<u>569.766</u>	<u>382.598</u>
11 Direct expenses		
Expenses fundraising events	64.849	66.784
FCC Conference	60.367	-
	<u>125.216</u>	<u>66.784</u>
12 Personnel expenses		
Wages and salaries	133.900	125.250
Social security premiums and pensions cost	18.515	16.948
Other staff expenses	13.127	15.103
	<u>165.542</u>	<u>157.301</u>
Social security premiums and pensions cost		
AOV/AWW premium	12.625	11.804
BVZ premium	3.943	3.325
ZV/OV premium	1.283	1.198
AVBZ premium	664	621
	<u>18.515</u>	<u>16.948</u>
Other staff expenses		
Car allowance	6.600	6.600
Private health insurance	6.527	8.503
	<u>13.127</u>	<u>15.103</u>

	<u>2019</u>	<u>2018</u>
	ANG	ANG
13 Depreciation of tangible fixed assets		
Depreciation of tangible fixed assets	<u>4.606</u>	<u>1.854</u>
14 Housing expenses		
Cleaning expenses	11.856	11.141
Rental expenses	6.900	6.900
Insurance premium	3.407	3.630
Gas, water and electricity	1.315	199
Maintenance & repair costs	<u>996</u>	<u>7.371</u>
	<u>24.474</u>	<u>29.241</u>
15 Office expenses		
Office supplies	2.506	6.341
Telephone expenses	<u>6.313</u>	<u>7.425</u>
	<u>8.819</u>	<u>13.766</u>
16 General expenses		
Volunteer recognition expenses	7.560	6.334
Marketing expenses	3.000	-
Meetings expenses	2.835	2.548
Accounting expenses	2.825	2.900
Medical travel/program expenses	2.595	5.280
Bank expenses	1.701	713
Administrative expenses	1.600	-
Travel expenses	271	8.223
Dues and Subscriptions	139	320
Other general expenses	<u>6.770</u>	<u>9.003</u>
	<u>29.296</u>	<u>35.321</u>

17 Subsequent Events

The Coronavirus pandemic has influenced the overall economic situation on the island. Without being able to properly estimate the financial consequences, we do know that the local government has taken various measures to prevent further spread of the virus, including limiting public events. This has had an impact on the foundation's 2020 (fundraising) activities. The board and management of the foundation have attempted to estimate the financial consequences to some extent by means of an impact analysis. In addition, the board and management have taken various measures to deal with this situation. In addition Ronald McDonald House Charities Inc has provided an onetime grant to cover part of the 2020 operational expenses. In any case the foundation has a 2.5 year equity capital reserve (to cover operations). The board is therefore convinced that the foundation has sufficient operational and financial resilience to get through this crisis. Therefore the financial statements have been prepared on the going concern basis.



Ronald McDonald House Charities Curacao Foundation, Curaçao

2. OTHER INFORMATION



Ronald McDonald House Charities Curacao Foundation, Curaçao

OTHER INFORMATION

Independent auditor's report

To: the board of directors and executive director of the Ronald McDonald House Charities Curacao Foundation

A. Report on the audit of the 2019 financial statements

Our opinion

We have audited the 2019 financial statements of the Ronald McDonald House Charities Curacao Foundation, based in Curaçao.

In our opinion, the enclosed financial statements are prepared, in all material respects, in accordance with Book 2 of the Curaçao Civil Code and the accounting policies selected and disclosed by the foundation, as set out in notes to the financial statements.

The financial statements comprise:

1. the balance sheet as at 31 December 2019;
2. the statement of income and expenses for the year 2019; and
3. the notes to the financial statements comprising a summary of the applicable accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with the International Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of the Ronald McDonald House Charities Curacao Foundation in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis of accounting and restriction on use and distribution

We draw attention to the notes to the financial statements, which describe the basis of accounting. The accounting policies used are selected and disclosed by the foundation. Our opinion is not qualified in this respect. The financial statements as at 31 December 2019 with our auditor's report is solely intended for the Ronald McDonald House Charities Curacao Foundation and Ronald McDonald House Charities, Inc. and may not be used for other purposes.

B. Description of responsibilities for the financial statements

Responsibilities of the Board of the Foundation for the financial statements

The Board is responsible for the preparation of the financial statements in accordance with Book 2 of the Curaçao Civil Code and the accounting policies selected and disclosed by the foundation, as set out in the notes to the financial statements. Furthermore, the Board of the Foundation is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board of the Foundation is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Board should prepare the financial statements using the going concern basis of accounting unless the Board either intends to liquidate the foundation or to cease operations, or has no realistic alternative but to do so.

The Board of the foundation should disclose events and circumstances that may cast significant doubt on the foundation's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud.

Misstatements can arise from errors or fraud 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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with International Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- ▶ Identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining 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 errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ Obtaining 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 foundation's internal control;
- ▶ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board;

- ▶ Concluding on the appropriateness of the Board of the foundation'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 foundation'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 foundation ceasing to continue as a going concern;
- ▶ Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- ▶ Evaluating 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 findings in internal control that we identify during our audit.

Curaçao, September 15th, 2020

For and on behalf of BDO B.V.,

Signed by

M.J. Illidge
Certified Public Accountant

Ref: R20.174/sl/MI