

**THE RONALD MCDONALD HOUSE CHARITIES
CURAÇAO FOUNDATION
- CURAÇAO**

Financial Statements 2016

For identification purposes

ERNST & YOUNG ACCOUNTANTS

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Independent auditor's report

To: the board of management and directors of The Roland McDonald House Charities Curaçao Foundation.

Our opinion

We have audited the financial statements 2016 of The Roland McDonald House Charities Curaçao Foundation, based in Curaçao.

In our opinion the accompanying financial statements present fairly, in all material respects the financial position of The Roland McDonald House Charities Curaçao Foundations at 31 December 2016, and of its result for 2016 in accordance with Book 2 of the Curaçao Civil Code and Accounting Principles Generally Accepted in the Netherlands.

The financial statements comprise:

- The balance sheet as at 31 December 2016
- The statement of income and expenses for 2016
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as promulgated by the International Auditing and Assurance Standards Board. 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 Roland McDonald House Charities Curaçao Foundation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

Description of responsibilities for the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Book 2 of the Curaçao Civil Code and Accounting Principles Generally Accepted in the Netherlands. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to

cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company'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 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. 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 fraud or error, 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 error, 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 company's internal control
- ▶ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- ▶ Concluding 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 company'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 a company to cease to continue as a going concern
- ▶ Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- ▶ Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with management 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.

Curacao, 15 August 2017
60626335 112/21766

Ernst & Young Accountants



E.R. Status van Eps CPA

The Ronald McDonald House Charities Curaçao Foundation, Curaçao

**1 STATEMENT OF FINANCIAL POSITION AS PER 31 DECEMBER
2016**

(after appropriation of result)


		31 December 2016	31 December 2015
		ANG	ANG
ASSETS			
Fixed assets			
Tangible fixed assets	(1)	8,853	13,150
Current assets			
Receivables	(2)	26,570	92,577
Cash and cash equivalents	(3)	795,894	404,706
		822,464	497,283

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831,317	510,433
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The Ronald McDonald House Charities Curaçao Foundation, Curaçao

	31 December 2016	31 December 2015
	<u>ANG</u>	<u>ANG</u>
FOUNDATION'S EQUITY AND LIABILITIES		
Foundation's capital	17,646	17,646
Retained earnings	800,804	489,655
	<u>818,450</u>	<u>507,301</u>
Current liabilities	(4) 12,867	3,132

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<u>831,317</u>	<u>510,433</u>
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The Ronald McDonald House Charities Curaçao Foundation, Curaçao

2 PROFIT AND LOSS ACCOUNT FOR THE YEAR 2016

	Actuals 2016	Actuals 2015
	ANG	ANG
Net result fundraisings	(5) 464,920	329,008
Corporate Sponsorship	(6) 75,000	50,000
	539,920	379,008
Expenses		
Personnel expenses	(7) 132,910	57,126
Depreciation	(8) 8,180	70,911
Other operating expenses	(9) 87,681	74,232
	228,771	202,269
Net results	311,149	176,739

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3 NOTES TO THE FINANCIAL STATEMENTS

GENERAL

Activities

The Ronald McDonald House Charities Curaçao Foundation is a Foundation which was established in Curaçao 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 Curaçao 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 inure 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 FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

Based on the information provided to us, we have compiled the financial statement in accordance with Book 2 of the Curaçao Civil Code and the generally accepted accounting principles in the Netherlands.

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 profit and loss account.

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PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

Tangible fixed assets

Tangible fixed assets are presented at cost less accumulated depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use.

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 receivables.

Cash and cash equivalents

Cash and cash equivalents are valued at nominal value.

Liabilities

Liabilities are valued at nominal value, unless disclosed differently.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

Determination of the result

Fundraisings, sponsorships and collections are accounted for in the year in which they are realized based on the cash received. Losses are accounted for the year in which they are foreseeable.

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The Ronald McDonald House Charities Curaçao Foundation, Curaçao

CURRENT ASSETS

	<u>31-12-2016</u>	<u>31-12-2015</u>
	ANG	ANG
2. Receivables		
Other receivables	<u>26,570</u>	<u>92,577</u>
Manitos	<u>26,570</u>	<u>92,577</u>
3. Cash and cash equivalents		
Maduro & Curiel's Bank N.V.	795,287	404,272
Cash	<u>607</u>	<u>434</u>
	<u>795,894</u>	<u>404,706</u>

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The Ronald McDonald House Charities Curaçao Foundation, Curaçao

FOUNDATION'S EQUITY

	<u>2016</u>	<u>2015</u>
	ANG	ANG
Retained earnings		
Balance as at 1 January	489,655	312,916
Net result	311,149	176,739
Balance as at 31 December	<u>800,804</u>	<u>489,655</u>
	<u>31-12-2016</u>	<u>31-12-2015</u>
	ANG	ANG
4. Current liabilities		
Trade creditors	5,890	-
Taxes and social securities	6,677	2,092
Accrued liabilities	300	1,040
	<u>12,867</u>	<u>3,132</u>

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5 NOTES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR 2016

	Actuals 2016	Actuals 2015
	ANG	ANG
5. Net result fundraisings		
Golf classic income	151,000	108,013
Golf classic expenses	-62,998	-39,007
	<u>88,002</u>	<u>69,006</u>
Manitos	106,398	93,363
Mc Happy day	37,919	-
Happy Meal Boxes	5,340	7,049
Collection Canisters	17,864	15,017
Fundraising and donations, net	153,716	126,826
Global Grants	38,521	17,747
Donations Memorials	17,160	-
	<u>376,918</u>	<u>260,002</u>
	<u>464,920</u>	<u>329,008</u>

6. Corporate Sponsorship

EY Color walk	15,000	-
EY Audit	10,000	-
MCB	50,000	50,000
	<u>75,000</u>	<u>50,000</u>

7. Personnel expenses

Wages and salaries	117,810	44,108
Social security charges	15,100	10,988
Pension expenses	-	2,030
	<u>132,910</u>	<u>57,126</u>

Social security charges

Premium AOV/AWW	3,806	4,034
Premium SVB	1,285	992
Premium AVBZ	583	212
Transport	5,674	5,238

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The Ronald McDonald House Charities Curaçao Foundation, Curaçao

	Actuals 2016	Actuals 2015
	ANG	ANG
Transport	5,674	5,238
BVZ Health Insurance	3,726	3,950
Other social charges	5,700	1,800
	<u>15,100</u>	<u>10,988</u>

8. Depreciation

Tangible fixed assets	8,180	70,911
	<u>8,180</u>	<u>70,911</u>
Leasehold and improvements	-	62,259
Furniture	8,180	8,652
	<u>8,180</u>	<u>70,911</u>

9. Other operating expenses

9.1 Accommodation expenses	17,390	19,743
9.2 Office expenses	20,376	6,279
9.3 General expenses	49,915	48,210
	<u>87,681</u>	<u>74,232</u>

9.1 Accommodation expenses

Maintenance & repair costs	8,940	11,149
Cleaning costs	8,450	8,594
	<u>17,390</u>	<u>19,743</u>

9.2 Office expenses

Office supplies	7,276	1,400
Telephone	9,797	3,672
Contributions and subscriptions	369	805
Insurance	2,934	402
	<u>20,376</u>	<u>6,279</u>

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	<u>Actuals 2016</u>	<u>Actuals 2015</u>
	ANG	ANG
9.3 General expenses		
Audit and administrative expenses	11,800	1,800
Bank charges	286	595
Volunteer expenses	6,274	4,606
Meetings and events expenses	3,065	1,180
Medical travel/program expenses	9,370	16,222
Convention expenses	-	3,404
Other expenses	19,120	20,403
	<u>49,915</u>	<u>48,210</u>

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