Combined Financial Statements of

TIM HORTON CHILDREN'S FOUNDATION, INC.

And Independent Auditors' Report thereon

Year ended October 31, 2019

KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan ON L4K 0J3
Canada
Tel 905-265-5900
Fax 905-265-6390

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Tim Horton Children's Foundation, Inc.

Qualified Opinion

We have audited the combined financial statements of Tim Horton Children's Foundation, Inc. (the Entity), which comprise:

- the combined statement of financial position as at October 31, 2019
- the combined statement of operations for the year then ended
- the combined statement of changes in fund balances for the year then ended
- the combined statement of cash flows for the year then ended
- and notes to the combined financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the ***"Basis for Qualified Opinion"*** section of our auditors' report, the accompanying financial statements present fairly, in all material respects, the combined financial position of the Entity as at October 31, 2019, and its combined results of operations and its combined 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 charitable organizations, the Entity derives revenue from fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of receipts was limited to the amounts recorded in the records of the Entity.

Therefore, we, and the predecessor auditor, were not able to determine whether any adjustments might be necessary to:

- the current assets reported in the combined statements of financial position as at October 31, 2019 and October 31, 2018
- receipts and excess (deficiency) of receipts over expenses reported in the combined statements of operations for the years ended October 31, 2019 and October 31, 2018

- the unrestricted fund, at the beginning and end of the year, reported in the combined statements of changes in fund balances for the years ended October 31, 2019 and October 31, 2018
- the deficiency of receipts over expenses reported in the combined statements of cash flows for the years ended October 31, 2019 and October 31, 2018.

The predecessor auditor's opinion on the financial statements for the year ended October 31, 2018 was qualified 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 ***"Auditors' Responsibilities for the Audit of the Financial Statements"*** section of our auditors' report.

We are independent of the Entity 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 - Comparative Information

The financial statements for the year ended October 31, 2018 were audited by another auditor who expressed a qualified opinion on those financial statements on May 3, 2019 due to the matter described in the ***"Basis for Qualified Opinion"*** section.

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in the 2019 Gratitude Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in the 2019 Gratitude Report as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

As described in the ***"Basis for Qualified Opinion"*** section above, we were unable to obtain sufficient appropriate evidence about the completeness of receipts. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

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

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

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 the 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'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 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 auditors' 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 auditors' 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

March 19, 2020

TIM HORTON CHILDREN'S FOUNDATION, INC.

Combined Statement of Financial Position
(In thousands of Canadian dollars)

October 31, 2019, with comparative information for 2018

	2019	2018
Assets		
Current assets:		
Cash	$ 636	$ 2,229
Accounts and pledged donations receivable (note 2(a))	221	669
Sales tax recoverable	78	100
Prepaid expenses	197	276
Due from Restaurant Brands International (note 5)	167	–
	1,299	3,274
Capital assets (note 6)	45,415	48,767
Investments (note 4)	105	103
	$ 46,819	$ 52,144
Liabilities and Fund Balances		
Current liabilities:		
Accounts payable and accrued liabilities (note 8)	$ 2,024	$ 1,427
Due to Restaurant Brands International (note 5)	–	355
	2,024	1,782
Fund balances:		
Invested in Capital Assets Fund	45,415	48,767
Externally Restricted Fund (note 3)	49	135
Endowment Fund (note 4)	105	101
Unrestricted Fund	(774)	1,359
	44,795	50,362
Economic dependence (note 5)		
Subsequent event (note 7)		
Commitment (note 11)		
	$ 46,819	$ 52,144

See accompanying notes to combined financial statements.

On behalf of the Board:

______________________________ Director

______________________________ Director

TIM HORTON CHILDREN'S FOUNDATION, INC.

Combined Statement of Operations
(In thousands of Canadian dollars)

Year ended October 31, 2019, with comparative information for 2018

	2019				2018			
	Unrestricted Fund	Externally Restricted Fund (note 3)	Endowment Fund (note 4)	Total	Unrestricted Fund	Externally Restricted Fund (note 3)	Endowment Fund (note 4)	Total
Receipts (notes 3, 4, 5, 9 and 10)	$ 26,520	$ 14	$ 4	$ 26,538	$ 28,885	$ 184	$ 1	$ 29,070
Expenses:								
Camp operating:								
Wages and benefits	10,478	20	–	10,498	10,886	23	–	10,909
Food and beverage (note 5)	1,897	–	–	1,897	2,070	–	–	2,070
Sports and program	1,114	–	–	1,114	1,109	–	–	1,109
Site maintenance	1,110	–	–	1,110	1,359	–	–	1,359
Supplies (note 5)	935	–	–	935	1,105	–	–	1,105
Carolee House Leadership Bursaries	922	–	–	922	1,282	–	–	1,282
Utilities	853	–	–	853	919	–	–	919
Insurance	649	–	–	649	643	–	–	643
Commemorative gifts	328	–	–	328	534	–	–	534
Travel	169	–	–	169	284	–	–	284
Property taxes	135	–	–	135	119	–	–	119
Camper registration	72	–	–	72	109	–	–	109
Consulting fees	17	–	–	17	52	–	–	52
New camp development	–	–	–	–	–	–	–	–
	18,679	20	–	18,699	20,471	23	–	20,494
Transportation	4,469	–	–	4,469	4,933	–	–	4,933
Fundraising	2,984	–	–	2,984	4,161	–	–	4,161
Administration (note 2(e))	1,901	–	–	1,901	2,010	–	–	2,010
Loss on disposal of capital assets, net of insurance recovery (note 6)	877	–	–	877	48	–	–	48
Interest expenses (income), net	51	–	–	51	(45)	–	–	(45)
Amortization	3,124	–	–	3,124	3,370	–	–	3,370
	32,085	20	–	32,105	34,948	23	–	34,971
Excess (deficiency) of receipts over expenses	$ (5,565)	$ (6)	$ 4	$ (5,567)	$ (6,063)	$ 161	$ 1	$ (5,901)

See accompanying notes to combined financial statements.

TIM HORTON CHILDREN'S FOUNDATION, INC.

Combined Statement of Changes in Fund Balances
(In thousands of Canadian dollars)

Year ended October 31, 2019, with comparative information for 2018

	Externally Restricted Fund (note 3)	Endowment Fund (note 4)	Invested in Capital Assets Fund	Unrestricted Fund	Total
Fund balances, November 1, 2017	$ 57	$ 100	$ 51,106	$ 5,000	$ 56,263
Additions to capital assets	(83)	–	1,099	(1,016)	–
Disposal of capital assets	–	–	(68)	68	–
Amortization of capital assets	–	–	(3,370)	3,370	–
Excess (deficiency) of receipts over expenses	161	1	–	(6,063)	(5,901)
Fund balances, October 31, 2018	135	101	48,767	1,359	50,362
Additions to capital assets	(80)	–	711	(631)	–
Disposal of capital assets		–	(939)	939	–
Amortization of capital assets		–	(3,124)	3,124	–
Excess (deficiency) of receipts over expenses	(6)	4	–	(5,565)	(5,567)
Fund balances, October 31, 2019	$ 49	$ 105	$ 45,415	$ (774)	$ 44,795

See accompanying notes to combined financial statements.

TIM HORTON CHILDREN'S FOUNDATION, INC.

Combined Statement of Cash Flows
(In thousands of Canadian dollars)

Year ended October 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating activities:		
Deficiency of receipts over expenses	$ (5,567)	$ (5,901)
Items not affecting cash:		
Realized investment income	(2)	–
Amortization	3,124	3,370
Contributed capital assets	(3)	(12)
Loss on disposal of capital assets	877	48
	(1,571)	(2,495)
Change in non-cash working capital balances:		
Accounts and pledged donations receivable	448	132
Sales tax recoverable	22	(11)
Prepaid expenses	79	132
Accounts payable and accrued liabilities	597	173
Due from/to Restaurant Brands International	(522)	(104)
	(947)	(2,173)
Investing activities:		
Purchase of investments	(20)	(79)
Proceeds from sale of investments	20	82
Purchase of capital assets	(708)	(1,087)
Proceeds from sale of capital assets and insurance recovery	62	20
	(646)	(1,064)
Decrease in cash	(1,593)	(3,237)
Cash, beginning of year	2,229	5,466
Cash, end of year	$ 636	$ 2,229

See accompanying notes to combined financial statements.

Tim Horton Children's Foundation, Inc. (the "Foundation") is incorporated without share capital under the Ontario Corporations Act. The Foundation is a charitable organization under the Income Tax Act (Canada). As such, it is exempt from income taxes by virtue of paragraph 149(1)(f) of the Income Tax Act (Canada).

Tim Horton Children's Foundation (US), Inc. (the "US Foundation") was founded on December 28, 1998. The US Foundation is incorporated without share capital under the Kentucky Non-profit Corporation Act. The US Foundation is a charitable organization and is exempt from income taxes by virtue of paragraph 501(c)(3) of the United States Internal Revenue Code.

The Tim Horton Children's Foundation Joint Venture (the "joint venture") was created on December 15, 2000 through a joint venture agreement between the Foundation and the US Foundation for the purpose of operating Tim Horton Camp Kentahten in Campbellsville, Kentucky.

1. Basis of presentation:

These combined financial statements present the financial activities and financial position of the Foundation, including the results of the US Foundation and the joint venture.

The Foundation is the sole member of the US Foundation and thereby controls the US Foundation. Directors of the US Foundation consist of employees of Restaurant Brands International ("RBI"), directors of the Foundation and Tim Hortons restaurant owners ("restaurant owners").

The Foundation and the US Foundation created the joint venture to operate camps in the United States of America for economically disadvantaged children. The joint venture agreement incorporates a formal cost sharing agreement with the US Foundation in that the Foundation will fund, on an annual basis, the amounts required to operate the camp to the extent the US Foundation is unable to fund these costs.

The Foundation and the US Foundation through its joint venture with the Foundation operate camps for economically disadvantaged children in the following locations:

- Kananaskis, Alberta;
- Parry Sound, Ontario;
- St. George, Ontario;
- Tatamagouche, Nova Scotia;
- Quyon, Quebec;
- Pinawa, Manitoba; and
- Campbellsville, Kentucky.

2. Significant accounting policies:

The combined financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants of Canada Handbook and include the following significant accounting policies.

(a) Revenue receipts recognition:

The Foundation follows the restricted fund method of accounting for revenue receipts ("receipts"). Receipts consist of donations, special events revenue and fees for services. Receipts are recorded as received or when the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted receipts are recognized as receipts in the Unrestricted Fund. Donor restricted receipts for specific purposes are recognized as receipts in the Externally Restricted Fund. All contributions are generally considered unrestricted contributions to the Foundation unless a donor specifies otherwise and would be reflected as receipts of the Unrestricted Fund. If a donor specifies the contribution is for an existing endowed fund or specifies it is to be retained permanently, it is recognized as receipts of an endowment fund.

The Foundation has historically received substantially all of its donations from the following groups:

- Restaurant owners;
- RBI, its employees and their suppliers;
- directors of the Foundation; and
- the general public through coin boxes located inside Tim Hortons restaurants.

From time to time, through the normal course of operations, the Foundation accepts pledges related to future donations. Pledged donations, recorded in these combined financial statements and to be received in future periods, are included under accounts and pledged donations receivable. The maximum credit risk with these pledged donations is the fair value of the pledged donations receivable. The value of pledged donations receivable as at October 31, 2019 was $16 (2018 - $228).

2. Significant accounting policies (continued):

(b) Fund accounting:

The Foundation ensures as part of its fiduciary responsibilities that all funds received with a restricted purpose are expended for the purposes for which they were provided.

For financial reporting purposes, the accounts have been classified into the following funds:

(i) Unrestricted Fund:

The Unrestricted Fund accounts for the Foundation's general fundraising, operating and administrative activities. The Unrestricted Fund reports unrestricted resources available for immediate purposes.

(ii) Invested in Capital Assets Fund:

The Invested in Capital Assets Fund includes funds that have been used for the purpose of purchasing capital assets net of accumulated amortization and financial costs.

(iii) Externally Restricted Fund:

The Externally Restricted Fund consists of amounts that have been received that have been restricted as specified by the donor for purposes such as capital and education. Expenditures are recorded in the fund when these restricted amounts have been spent on eligible expenditures.

(iv) Endowment Fund:

The Endowment Fund consists of contributions received where donors have restricted the original contribution to be maintained in perpetuity. Where receipts earned on the endowed funds have been restricted for a specific purpose, related receipts and eligible expenses are recorded in the Externally Restricted Fund. Where receipts earned on the endowed funds have not been restricted, related receipts and expenditures will be recorded in the Unrestricted Fund. Changes in fair value of the endowed funds, which have not been restricted, will be recorded in the Unrestricted Fund.

2. Significant accounting policies (continued):

(c) Cash:

The Foundation's policy is to present bank balances under cash.

(d) Capital assets:

(i) Tangible assets:

Tangible assets purchased are recorded at cost. Donations of tangible assets are recorded at estimated fair value when that value can be reasonably determined. Amortization of tangible assets is calculated over their estimated useful lives using the declining-balance method at the following annual rates:

Buildings	5%
Equipment and furnishings	20%
Paving	8%
Marine vehicles and equipment	15%
Vehicles	30%
Computers	30%
Livestock	25%

Construction-in-progress is not amortized until the assets are available for productive use.

The Foundation reviews the carrying amounts of its long-lived assets regularly. If the long-lived assets no longer have any long-term service potential to the Foundation, the excess of the net carrying amount over any residual value is recognized as an expense in the combined statement of operations.

(ii) Intangible assets:

The intangible assets are recorded at cost and are amortized at an annual rate of 33% using the declining-balance method. If the intangible assets no longer have any long-term service potential to the Foundation, the excess of their net carrying amount over any residual value is recognized as an expense in the combined statement of operations.

2. Significant accounting policies (continued):

(e) Foreign currencies:

Receipts and expense items are translated into Canadian dollars at the rate in effect at the time the transaction occurred. Monetary assets and liabilities are translated into Canadian dollars at the rate in effect at the combined statement of financial position date. Exchange gains and losses arising from translation were recognized in the combined statement of operations, as the US Foundation and the joint venture are determined to be of an integrated nature and the functional currency was determined to be the Canadian dollar. In the current year, foreign exchange (losses) gains were ($29) (2018 - $7) included in administration expense.

(f) Contributed materials and services:

The Foundation benefits from various donated materials and services, including food products and camp supplies. Amounts for these materials and services have been included in the combined statement of operations when the fair value can be reasonably estimated and the Foundation would have otherwise purchased the contributed materials and services for its activities. The amounts included in the combined statement of operations represent the fair value of the contributed materials at the date of donation. In fiscal 2019, the total amount of contributed materials and services recorded in the combined financial statements was $869 (2018 - $1,390). These amounts have been included in corporate $867 (2018 - $1,386) and individual $2 (2018 - $4).

(g) Use of estimates:

The preparation of these combined financial statements requires management to make estimates and assumptions that affect receipts and expenses during the reporting year, in addition to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the combined financial statements. Significant items subject to such estimates and assumptions include the useful lives of capital assets. Actual results could differ from those estimates.

2. Significant accounting policies (continued):

(h) Financial assets and liabilities:

The Foundation initially measures its financial assets and financial liabilities at fair value.

Equity instruments that are quoted in an active market are subsequently measured at fair value. Changes in fair value are recognized in the combined statement of operations. All other financial assets are subsequently recorded at amortized cost, including cash, accounts and pledged donations receivable, sales tax recoverable and investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and the bank loan payable.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction and financing costs incurred on acquisition, which are amortized on a straight-line basis.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. When events occurring after the impairment confirm a reversal is necessary, the reversal is recognized in the excess of receipts over expenses for the year up to the amount of the previously recognized impairment.

(i) Inter-organization transactions:

All inter-organization transactions and balances between the Foundation, the US Foundation and the joint venture are eliminated on combination of the financial statements.

3. Externally Restricted Fund:

In 2010, the Foundation received a donation of $348 to be used for nature and conservation programs at its camp in St. George, Ontario. A total of $20 (2018 - $23) was used during the year to fund these programs.

In fiscal 2012, the Foundation launched the Mission 10 Million Campaign to raise funds for the purpose of increasing its capacity in order to provide services to a greater number of children. This increased capacity was to be achieved through the expansion of existing facilities or construction of a new camp in Manitoba. During the year, $14 (2018 - $184) was received in contributions toward the Mission 10 Million Campaign, and $80 (2018 - $83) was used to fund costs associated with capital costs for the camp in Manitoba.

4. Endowment Fund:

During the year, the Foundation received endowments of $2 (2018 - $1), which are required to be maintained by the Foundation on a permanent basis. The funds were invested in debt and equity securities where $2 (2018 - ($3)) of unrestricted investment income (loss) was earned. As at October 31, 2019, the fair value of the net investment balance related to the Endowment Fund is $105 (2018 - $103).

5. Related party transactions:

During the year, the Foundation engaged in transactions with restaurant owners, who are franchisees under RBI. Restaurant owners are a related party to the Foundation as they have the ability to significantly influence the strategic and operational policies and activities of the Foundation through their representation on the Board of Directors. This relationship has been extended to the franchisor, RBI, and its related entities, who support the Foundation through brand recognition. RBI's related entities include all entities under the RBI Group because they are all under the common control of RBI.

During the year, the Foundation received $8,681 (2018 - $8,933) in donations from restaurant owners. Restaurant owners also collected donations of $9,240 (2018 - $10,805) on behalf of the Foundation, which were forwarded to the Foundation during the fiscal year.

(In thousands of Canadian dollars)

5. Related party transactions (continued):

During the year, the Foundation recorded the following transactions with RBI and its related entities:

	2019	2018
Donations:		
The TDL Group Corporation	$ 1,358	$ 1,375
Tim Hortons Advertising and Promotion Fund (Canada) Inc.	2,200	2,203
Services:		
Fee for service activity	5	53
Purchase of food and beverage and supplies	(517)	(679)
	$ 3,046	$ 2,952

These amounts have been recorded in line with the Foundation's revenue and expenditure policies. Purchase of food and beverage and supplies is included under camp operating expenses in the combined financial statements.

As at October 31, 2019, the Foundation had the following balances outstanding with RBI and its related parties:

	2019	2018
Receivable from The TDL Group Corporation	$ 161	$ 79
Payable to Tim Hortons Advertising and Promotion Fund (Canada) Inc.	–	(430)
Receivable from (payable to) Tim Hortons USA Inc.	6	(4)
	$ 167	$ (355)

Receivables and payables are non-interest bearing and due on demand.

All related party transactions are carried out in the normal course of operations and are recorded at the exchange value, which is the amount of consideration established and agreed to by the related parties.

The Foundation receives a significant portion of its revenue in the form of donations from RBI and its related entities. In management's opinion, the Foundation's continued operations are dependent on the continuance of these donations.

(In thousands of Canadian dollars)

6. Capital assets:

2019	Cost	Accumulated amortization	Net
Tangible assets:			
Land	$ 3,635	$ –	$ 3,635
Buildings	66,674	29,898	36,776
Construction-in-progress	291	–	291
Equipment and furnishings	9,429	6,824	2,605
Paving	2,247	1,289	958
Marine vehicles and equipment	969	529	440
Vehicles	1,212	1,026	186
Computers	686	480	206
Livestock	96	64	32
Intangible assets:			
Computer software	614	328	286
	$ 85,853	$ 40,438	$ 45,415

2018	Cost	Accumulated amortization	Net
Tangible assets:			
Land	$ 3,595	$ –	$ 3,595
Buildings	68,727	29,715	39,012
Construction-in-progress	225	–	225
Equipment and furnishings	16,915	13,335	3,580
Paving	2,248	1,229	1,019
Marine vehicles and equipment	1,505	975	530
Vehicles	1,659	1,443	216
Computers	1,731	1,454	277
Livestock	154	123	31
Intangible assets:			
Computer software	530	248	282
	$ 97,289	$ 48,522	$ 48,767

In the current year, contributed capital assets amounted to $3 (2018 - $12), which consisted of equipment.

During the year, the Foundation completed a review of the carrying amounts of its long-lived capital assets. The results of this review was the excess of the net carrying amount over any residual value being recognized as a loss on disposal of $877 in the combined statement of operations.

7. Loan facilities:

As at October 31, 2019, the Foundation has existing loan facilities, secured by a general security agreement and moveable property, as follows:

- An operating credit facility of $2,000 to provide funding for general operating requirements of the Foundation and/or standby letters of credit/letters of guarantee up to $50 at any one time; the interest rate on the facility is the bank's prime lending rate plus 1%;
- An operating facility available from March 1 through to and including August 31 annually to provide funding up to $2,500. The interest rate on the facility is the bank's prime lending rate plus 1%; and
- $1,500 and $500 U.S. dollar purchase card availability for general corporate and working capital purposes.

As at October 31, 2019, the operating credit facilities have not been drawn upon.

On November 1, 2019, the renegotiated terms of the loan facilities changed as follows:

- An operating credit facility of $5,000 to provide funding for general operating requirements of the Foundation and/or standby letters of credit/letters of guarantee up to $50 at any one time; the interest rate on the facility is the bank's prime lending rate plus 0.75%; and
- $1,500 and $250 U.S. dollar purchase card availability for general corporate and working capital purposes.

8. Government remittances payable:

Government remittances payable consist of amounts (such as payroll withholding taxes) required to be paid to government authorities. As at October 31, 2019, government remittances payable to the federal and provincial governments included in accounts payable and accrued liabilities amounted to $6 (2018 - $1).

(In thousands of Canadian dollars)

9. Sources of contributions:

Contributions received by the Foundation during the year are from the following sources:

	2019	2018
Camp day donations	$ 12,333	$ 13,170
Coin program donations	5,268	5,748
Donations from RBI	3,558	3,578
Corporate donations	2,678	3,285
Individual donations	398	1,619
Special events	1,517	1,435
Fees for services and other donations	490	235
Timmies Minis	296	–
	$ 26,538	$ 29,070

10. Private donations:

Private donations are eligible for charitable tax credits for donors to the Foundation. The Foundation's Canadian federal charitable registration number is 111926 4885 RR0001.

Private donations are eligible for charitable tax credits for donors to the US Foundation. The US Foundation's identification number is 31-1681446.

11. Commitment:

On July 1, 1999, the US Foundation entered into a lease agreement with the Commonwealth of Kentucky to lease 50 acres of land located in Green River Lake State Park to expire on August 21, 2026, with two renewal periods totaling 50 years. The lease requires annual rental payments of one dollar ($1) during its initial term and two renewal terms. The fair value of the operating land lease expenses cannot be reasonably estimated and as such has not been reflected in the combined financial statements.

12. Financial risk management:

The main risks to which the Foundation's financial assets and liabilities are exposed are credit risk and foreign currency risk. It is management's opinion that the Foundation is not exposed to significant interest rate risk, market risk and cash flow risk. There has been no significant change to the risk profile from 2018.

(i) Credit risk:

The Foundation grants credit in the normal course of business and is exposed to credit risk on its accounts receivable. Credit evaluations are performed on a regular basis, and the combined financial statements take into account an allowance for bad debts. The maximum credit risk is the fair value of the accounts receivable balance.

(ii) Foreign currency risk:

Foreign currency risk is the risk future cash flows arising from amounts receivable and/or payable in a foreign currency will fluctuate because of changes in foreign exchange rates. As at October 31, 2019, the Foundation had cash of $145 (2018 - $1,158) denominated in U.S. dollars.

The Foundation is subject to market risk and interest rate risk with respect to its investment portfolio. To manage these risks, the Foundation has a comprehensive investment policy and has established a target mix of investment types designed to achieve the optimal return with reasonable risk tolerances.

13. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.