

RONALD MCDONALD HOUSE CHARITIES OF NORTH CENTRAL FLORIDA, INC.

Audited Financial Statements

December 31, 2019 and 2018

Ronald McDonald House Charities of North Central Florida, Inc.

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Independent Auditors' Report

To the Board of Directors
Ronald McDonald House Charities of North Central Florida, Inc.

Report on the Financial Statements

We have audited the accompanying statements of financial position of Ronald McDonald House Charities of North Central Florida, Inc. (the Organization) as of December 31, 2019 and 2018 and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ronald McDonald House Charities of North Central Florida, Inc. as of December 31, 2019 and 2018, and the changes in its net assets, functional expenses and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

FRSCPA, PLLC

St. Petersburg, Florida
April 7, 2020

**Ronald McDonald House Charities
of North Central Florida, Inc.**
Statements of Financial Position
December 31, 2019 and 2018

<i>December 31,</i>	2019	2018
ASSETS		
Cash and equivalents	\$ 501,896	\$ 265,497
Contributions receivable:		
Promises to give	82,768	2,802
Canister collections & round-up	13,613	6,097
Inventory, supplies	43,137	53,560
Prepaid expenses	28,888	49,471
Investments:		
Investments, without donor restrictions	378,889	213,232
Investments, with donor restrictions	660,000	660,000
Property and equipment, net	1,229,938	1,240,983
Contribution receivable – use of land	206,038	209,399
TOTAL ASSETS	\$3,145,167	\$2,701,041
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 17,286	\$ 741
Accrued payroll and vacation	30,595	39,514
Capital lease liability	7,525	15,350
Total liabilities	55,406	55,605
Net Assets		
Without Donor Restrictions	2,120,150	1,760,670
With Donor Restrictions	969,611	884,766
Total net assets	3,089,761	2,645,436
TOTAL LIABILITIES AND NET ASSETS	\$3,145,167	\$2,701,041

See accompanying notes to financial statements.

**Ronald McDonald House Charities
of North Central Florida, Inc.
Statement of Activities and Changes in Net Assets
Year ended December 31, 2019**

	Without Donor Restrictions	With Donor Restrictions	2019
Revenues:			
Contributions:			
Canister and round up donations	\$ 52,810	\$ –	\$ 52,810
Payroll deduction	50,626	–	50,626
Room donations	27,875	–	27,875
Other contributions	605,609	96,785	702,394
Non-cash contributions:			
Supplies	324,990	–	324,990
Discount amortization	10,469	–	10,469
Special event revenue, net of direct costs of \$112,490	290,637	–	290,637
Investment income	167,036	–	167,036
Other revenue	4,389	–	4,389
Net assets released from restrictions	11,940	(11,940)	–
Total Revenues	1,546,381	84,845	1,631,226
Expenses:			
Program services:			
House	800,844	–	800,844
Family room	76,478	–	76,478
Supporting services:			
Management and general	135,255	–	135,255
Fundraising	154,883	–	154,883
Unallocated payments to RMHC	19,441	–	19,441
Total Expenses	1,186,901	–	1,186,901
Change in net assets	359,480	84,845	444,325
Net assets, beginning of year	1,760,670	884,766	2,645,436
Net assets, end of year	\$2,120,150	\$969,611	\$3,089,761

See accompanying notes to financial statements.

**Ronald McDonald House Charities
of North Central Florida, Inc.
Statement of Activities and Changes in Net Assets
Year ended December 31, 2018**

	Without Donor Restrictions	With Donor Restrictions	2018
Revenues:			
Contributions:			
Canister donations	\$ 85,348	\$ –	\$ 85,348
United Way	47,202	–	47,202
Room donations	47,178	–	47,178
Other	480,414	12,550	492,964
Non-cash contributions:			
Supplies	285,748	–	285,748
Discount amortization	10,629	–	10,629
Special event revenue, net of direct costs of \$52,190	177,497	–	177,497
Investment income	(54,062)	–	(54,062)
Other revenue	3,383	–	3,383
Net assets released from restrictions	14,214	(14,214)	–
Total Revenues	1,097,551	(1,664)	1,095,887
Expenses:			
Program services:			
House	817,108	–	817,108
Family room	72,450	–	72,450
Supporting services:			
Management and general	116,973	–	116,973
Fundraising	110,924	–	110,924
Unallocated payments to RMHC	32,661	–	32,661
Total Expenses	1,150,116	–	1,150,116
Change in net assets	(52,565)	(1,664)	(54,229)
Net assets, beginning of year	1,813,235	886,430	2,699,665
Net assets, end of year	\$1,760,670	\$884,766	\$2,645,436

See accompanying notes to financial statements.

**Ronald McDonald House Charities
of North Central Florida, Inc.
Statements of Cash Flows
Years ended December 31, 2019 and 2018**

<i>Year ended December 31,</i>	2019	2018
Cash flow from operating activities:		
Change in net assets	\$444,325	\$(54,229)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	78,613	91,350
Net (Gain)/Loss on Investments	(117,110)	98,157
Changes in operating assets and liabilities:		
Pledges receivable	(79,966)	27,234
Canister and round up contributions receivable	(7,516)	1,239
Prepaid expenses	20,583	(49,471)
Inventory	10,423	24,168
Contributions receivable	3,361	3,201
Accounts payable and accrued expenses	7,626	13,154
Net cash provided by operating activities	360,339	154,803
Cash Flows from Investing Activities:		
Purchases of investments	(48,547)	(43,205)
Purchases of property and equipment	(67,568)	-
Net cash used in investing activities	(116,115)	(43,205)
Cash Flows from Financing Activities:		
Principal payments on capital lease	(7,825)	(7,444)
Net cash provided by financing activities	(7,825)	(7,444)
Net change in cash and equivalents	236,399	104,154
Cash and equivalents, beginning of the year	265,497	161,343
Cash and equivalents, end of the year	\$501,896	\$265,497

See accompanying notes to financial statements.

Ronald McDonald House Charities of North Central Florida, Inc.
Statement of Functional Expenses
Year ended December 31, 2019

	Program		Supporting Services			Total 2019
	House	Family Room	Management and General	Fundraising	Unallocated Payments	
Salaries	\$304,478	\$49,130	\$64,858	\$43,436	\$ –	\$461,902
Payroll taxes	23,586	3,806	5,025	3,366	–	35,783
Fringe benefits	20,775	3,352	4,425	2,963	–	31,515
Total salaries and related benefits	348,839	56,288	74,308	49,765	–	529,200
Bank fees	–	–	13,945	–	–	13,945
Depreciation	69,693	–	5,047	3,873	–	78,613
Fundraising supplies	–	–	–	45,034	–	45,034
Fundraising supplies, donated	–	–	–	43,032	–	43,032
House improvements	1,860	–	–	–	–	1,860
Program supplies	15,729	1,365	–	–	–	17,094
Program supplies, donated	232,122	12,217	–	–	–	244,339
Insurance	20,464	3,411	4,342	2,790	–	31,007
Interest	–	–	590	–	–	590
Office supplies	11,826	1,381	2,587	1,133	–	16,927
Postage and printing	–	–	244	2,064	–	2,308
Professional development	5,565	–	–	–	–	5,565
Professional fees	10,824	1,803	29,530	1,474	–	43,631
Rent, land	12,448	–	691	691	–	13,830
Repairs and maintenance	24,631	13	1,368	1,368	–	27,380
Utilities	46,843	–	2,603	2,602	–	52,048
Miscellaneous	–	–	–	1,057	–	1,057
Cost of direct benefit to donors	–	–	–	52,190	–	52,190
Unallocated payments to RMHC	–	–	–	–	19,441	19,441
Total expenses by function	800,844	76,478	135,255	207,073	19,441	1,239,091
Less expenses included with revenues on the Statement of Activities:						
Cost of direct benefit to donors	–	–	–	(52,190)	–	(52,190)
Total expenses included in the expense section on the Statement of Activities	\$800,844	\$76,478	\$135,255	\$154,883	\$19,441	\$1,186,901

See accompanying notes to financial statements.

Ronald McDonald House Charities of North Central Florida, Inc.
Statement of Functional Expenses
Year ended December 31, 2018

	Program		Supporting Services			Total 2018
	House	Family Room	Management and General	Fundraising	Unallocated Payments	
Salaries	\$271,522	\$43,812	\$57,838	\$38,735	\$ –	\$411,907
Payroll taxes	23,208	3,745	4,944	3,312	–	35,209
Fringe benefits	25,316	4,085	5,392	3,611	–	38,404
Total salaries and related benefits	320,046	51,642	68,174	45,658	–	485,520
Bank fees	–	–	6,406	–	–	6,406
Depreciation	80,985	–	5,865	4,500	–	91,350
Fundraising supplies	–	–	–	17,042	–	17,042
Fundraising supplies, donated	–	–	–	25,940	–	25,940
House improvements	11,855	–	–	–	–	11,855
Program supplies	17,159	1,489	–	–	–	18,648
Program supplies, donated	269,660	14,193	–	–	–	283,853
Insurance	16,622	2,771	3,527	2,266	–	25,186
Interest	–	–	971	–	–	971
Office supplies	6,628	774	1,450	635	–	9,487
Postage and printing	–	–	314	2,654	–	2,968
Professional development	2,562	–	–	–	–	2,562
Professional fees	9,421	1,569	25,701	1,283	–	37,974
Rent, land	12,448	–	691	691	–	13,830
Repairs and maintenance	23,063	12	1,281	1,281	–	25,637
Utilities	46,659	–	2,593	2,592	–	51,844
Contract Service	–	–	–	900	–	900
Miscellaneous	–	–	–	5,482	–	5,482
Cost of direct benefit to donors	–	–	–	52,190	–	52,190
Unallocated payments to RMHC	–	–	–	–	32,661	32,661
Total expenses	817,108	72,450	116,973	163,114	32,661	1,202,306
Less expenses included with revenues on the Statement of Activities:						
Cost of direct benefit to donors	–	–	–	(52,190)	–	(52,190)
Total expenses included in the expense section on the Statement of Activities	\$817,108	\$72,450	\$116,973	\$110,924	\$32,661	\$1,150,116

See accompanying notes to financial statements.

Ronald McDonald House Charities of North Central Florida, Inc.

Notes to financial statements
December 31, 2019 and 2018

1. Nature and purpose of the Organization

Ronald McDonald House Charities of North Central Florida, Inc. (the Organization) is a nonprofit corporation organized under the Florida Not-For-Profit Corporation Act. The mission of the Organization is to provide temporary housing, basic amenities and support to families with critically ill children being treated at area medical facilities. The Organization operates a Ronald McDonald House and a Family Room at UF Shands Children's Hospital located in Gainesville, Florida.

The Organization is tax exempt under Section 501(c)(3) of the Internal Revenue Code and does not earn any unrelated business income. Therefore, no provision for income taxes is reflected in the accompanying financial statements.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting. The Organization is considered a voluntary health and welfare organization and a statement of functional expenses is presented.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from such estimates and such differences could be material.

Cash and equivalents

Cash consists of deposits in financial institutions. No amounts exceeded federal deposit insurance limits at December 31, 2019 or 2018.

Ronald McDonald House Charities of North Central Florida, Inc.

Notes to financial statements
December 31, 2019 and 2018

Contributions Receivable

Receivables include promises to give (pledges) of supplies and donations receivable collected for the Organization by third-parties. There are no identifiable concentrations of credit risk related to these amounts. The Organization records receivables at net realizable value using the allowance method. An allowance of \$0 and \$0 was recorded as of December 31, 2019 and 2018, respectively for estimated uncollectible contributions receivable.

Investments

Investments are reported at fair value. The Organization invests only in money market and equity and fixed income mutual funds with readily determinable fair values. Their fair value is determined by reference to quoted prices in active markets for identical assets and other relevant information generated by market transactions.

Property and Equipment

Property and equipment expenditures in excess of \$500 are recorded at cost when purchased or, if donated, at estimated fair value. Improvements that materially prolong the useful lives of assets are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives that range from five to thirty-nine years.

Management reviews fixed assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment is measured by comparing the carrying amount of the assets to the sum of expected future cash flows (undiscounted and without interest charges) resulting from use of the asset and its eventual disposition. The Organization has not recognized any impairment on its fixed assets.

Net Assets

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Ronald McDonald House Charities of North Central Florida, Inc.

Notes to financial statements
December 31, 2019 and 2018

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization’s board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. Gifts of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed or when the stipulated purpose for which the resource was restricted has been fulfilled.

Revenue Recognition

Contributions, General – Contributions are recognized as revenue when received or when unconditionally pledged and are recorded at their estimated fair values.

Contributions, with donor restrictions – Contributions are considered to be available for use unless specifically restricted by the donor. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. Amounts restricted for future periods or restricted by the donor for specific purposes are reported as activity with donor restrictions. When a restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions, In-kind – The Organization receives in-kind contributions from private donors and from UF Health Shands Hospital. These in-kind donations include household and cleaning supplies, tote bags, gift cards and food.

Ronald McDonald House Charities of North Central Florida, Inc.

Notes to financial statements
December 31, 2019 and 2018

Contributions, Services – Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. The Organization receives a significant amount of services from volunteers which do not meet the criteria above. Volunteers provide assistance in a variety of the activities of the Organization.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the program and supporting services benefited. Other expenses are allocated based on management's estimate of the benefit derived by each activity. These Organization's functions are defined below:

Program Services – The Organization has two programs:

- *House* – costs associated with operation of the Ronald McDonald House.
- *Family Room* – costs associated with the Family Room at UF Health Shands Children's Hospital.

Management and General – The costs of operating the Organization's affairs which are not allocable to other functional areas.

Fundraising – The costs associated with soliciting contributions or holding special events for the benefit of the Organization.

Fair Value of Financial Instruments

The fair value of financial instruments is measured as the amount that could be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy is used to prioritize the quality and reliability of the information used to determine fair values. Categorization within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The fair value hierarchy is defined into the following three categories:

Ronald McDonald House Charities of North Central Florida, Inc.

Notes to financial statements December 31, 2019 and 2018

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market based inputs or unobservable inputs corroborated by market data.
- Level 3: Unobservable inputs not corroborated by market data.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values due to the short-term nature of these instruments. These financial instruments include cash and equivalents, contributions receivable, prepaid expenses, inventory, accounts payable and accrued expenses. The Organization's investments are valued at quoted market prices and are classified as Level 1 financial instruments.

Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization believes it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization's federal returns are subject to examination by the IRS, generally for three years after they were filed. The Organization is no longer subject to IRS examination for tax years prior to 2016.

Endowment Funds

Generally accepted accounting principles define an endowment fund as an established fund of cash, securities or other assets to provide income for the maintenance of a not-for-profit organization (NPO). The use of the assets of the fund may be permanently or temporarily restricted based on the presence or absence of donor restrictions, or the provisions of state law. In addition, the Board of a NPO may earmark a portion of its unrestricted net assets as a board-designated endowment to be invested to provide income for the NPOs operations and programs.

Ronald McDonald House Charities of North Central Florida, Inc.

Notes to financial statements December 31, 2019 and 2018

The Organization has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) to require investment earnings in excess of the fair value of the original gift to be treated as net assets with donor restrictions until spent. However, amounts spent in the same year are reported as unrestricted revenue. See Note 9 for further information.

3. Inventory

The Organization has received multiple donations of tote bags. The bags are valued at \$30 each and are distributed to house guests. The Organization had 1,369 and 1,667 tote bags as of December 31, 2019 and 2018, respectively. The remainder of the inventory is gift cards with a value of \$2,082 and \$3,565 as of December 31, 2019 and 2018, respectively.

4. Investments

The Organization holds the majority of its funds in Midland Bank's as part of the Ronald McDonald House Charities Investment Program, also known as McCIP. The following table summarizes the fair values of investments:

<i>December 31,</i>	2019	2018
Cash and money market	\$ 50,976	\$ 49,907
Fixed income mutual funds	287,465	274,069
Equity mutual funds	700,448	549,256
Total	\$1,038,889	\$873,232

The cash and money market investments are deposits in financial institutions fully insured by the FDIC.

Ronald McDonald House Charities of North Central Florida, Inc.

Notes to financial statements December 31, 2019 and 2018

Investments are classified on the Statement of Financial Position as:

<i>December 31,</i>	2019	2018
Investments, without donor restriction	\$ 378,889	\$213,232
Investments, with donor restriction	660,000	660,000
Total	\$1,038,889	\$873,232

The composition of the investment return reported in the Statement of Activities is as follows:

<i>Year ended December 31,</i>	2019	2018
Interest and dividends	\$ 49,926	\$ 44,095
Realized and unrealized gains (losses)	117,110	(98,157)
	\$167,036	\$(54,062)

5. Property and Equipment

Property and equipment consists of the following:

<i>Year ended December 31,</i>	2019	2018
Building and improvements	\$ 2,593,900	\$ 2,604,823
Furniture and equipment	574,251	539,098
	3,168,151	3,143,921
Less accumulated depreciation	(1,938,213)	(1,902,937)
Property and Equipment, Net	\$ 1,229,938	\$ 1,240,984

6. Contributions Receivable - Land

The Organization's facilities are located on land owned by the University of Florida. The land is leased to the Organization for \$1 per year under an original lease agreement that expires in 2021, at which time the building and all capital improvements revert to the University. The lease was amended in 2008 for an additional forty years; however this

Ronald McDonald House Charities of North Central Florida, Inc.

Notes to financial statements
December 31, 2019 and 2018

lease amendment was not formally executed by the Organization. The Organization is in the process of executing a new lease agreement with a 20 year term and including one 20 year renewal. The Organization expects to execute the new lease in 2020.

The Organization recorded the fair value of the 2008 lease as a contribution and corresponding contribution receivable. The fair value of the contribution was calculated by discounting the estimated annual fair rental value of \$13,830 for forty years using a discount rate of 5%.

Each year thereafter, the receivable is reduced as the lease progresses and increased by an annual discount amortization. Annual discount amortization is reported as non-cash contribution revenue in the Statement of Activities.

7. Canister Donations

McDonald's restaurants in Northeast Florida and South Georgia maintain collection receptacles (canisters) as a way to raise funds for the Organization and Ronald McDonald House Charities Jacksonville (RMHC Jacksonville). The Organization and RMHC Jacksonville previously paid a contractor to collect, account for, and deposit these funds and split the net proceeds evenly. During 2019, the canister collection process was changed. The national organization, RMHC, is now responsible for collecting canister contributions and remitting the proceeds to the Organization, net of a 25% fee due to RMHC.

8. Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following:

<i>Year ended December 31,</i>	2019	2018
Subject to the passage of time:		
Land use	\$206,038	\$209,399
Promises to give, house supplies	64,483	2,802
Promises to give, other	18,285	–
Subject to expenditure for specified purpose:		
House supplies	15,805	12,565
Capital improvements	5,000	–

Ronald McDonald House Charities of North Central Florida, Inc.

Notes to financial statements December 31, 2019 and 2018

Endowments:		
Earnings subject to expenditure when a specified event occurs	660,000	660,000
Total	\$969,611	\$884,766

Releases of net assets with donor restrictions for the years ended December 31, 2019 and 2018 are as follows:

<i>Year ended December 31,</i>	2019	2018
Land use	\$ 3,361	\$ 3,201
House supplies	8,579	11,013
Total	\$11,940	\$14,214

9. Endowment Funds

The Organization's endowments, which are included in net assets with donor restrictions, consist of the following:

<i>Year ended December 31,</i>	2019	2018
Kroc Endowment	\$514,585	\$514,585
Altoonjian Endowment	50,000	50,000
Plein Endowment	60,000	60,000
Other Endowments	35,415	35,415
Total	\$660,000	\$660,000

In 1993, the Organization received 10,000 shares of McDonald's Corporation stock donated by Mrs. Joan Kroc (Kroc Endowment). The stock value was \$514,585 when it was sold soon after receipt. The provisions of the gift require that the principal be maintained inviolate and in perpetuity, and only the income from the fund may be used for operating expenses.

Endowment funds generate unrestricted income for operations. The Organization does not have a policy for the appropriation of earnings.

Ronald McDonald House Charities of North Central Florida, Inc.

Notes to financial statements December 31, 2019 and 2018

The Endowment Fund is classified into the net asset categories based on the presence or absence of donor-imposed restrictions and the application of FUPMIFA. The changes in endowment fund balances by net asset class are as follows:

<i>As of December 31,</i>	Without Donor Restriction	With Donor Restriction	Totals
Balance – December 31, 2017	\$177,147	\$660,000	\$837,147
Interest/Dividends	41,478	–	41,478
Gains (Losses)	(97,878)	–	(97,878)
Deposits	–	–	–
Balance – December 31, 2018	\$120,747	\$660,000	\$780,747
Interest/Dividends	45,792	–	45,792
Gains (Losses)	116,718	–	116,718
Deposits	–	–	–
Balance – December 31, 2019	\$283,257	\$660,000	\$943,257

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). We have interpreted FUPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. The Organization had no underwater endowments as of December 31, 2019 and 2018.

10. **Capital lease**

The Organization leases a copier under a capital lease with an imputed interest rate of 5%. The cost of the copier was \$38,785 and accumulated depreciation was \$7,525 at December 31, 2019. Future minimum payments on the capital lease are as follows:

<i>Year</i>	Future payments
2020	\$ 7,714
Total future lease payments	7,714
Less: portion representing interest	(189)
Capital lease liability	\$7,525

Ronald McDonald House Charities of North Central Florida, Inc.

Notes to financial statements
December 31, 2019 and 2018

11. Liquidity

The Organization's financial assets as of December 31, 2019 and available within one year of the balance sheet date for general expenditure are as follows:

<i>December 31,</i>	2019
Cash and equivalents	\$ 501,896
Contributions receivable	96,381
Investments, without donor restrictions	378,889
	\$ 977,166

The Organization's investments include endowment funds of \$660,000 with donor restrictions as of December 31, 2019. Those funds are not readily available for general expenditure. Investment income generated from the endowment is available for expenditure.

12. Retirement Plan

The Organization offers employees a defined contribution retirement plan under Section 403(b) of the Internal Revenue Code. The plan covers substantially all full-time employees. Contributions to the plan are at the discretion of the board of directors. There were no employer contributions to the plan in 2019 or 2018.

13. Donated Services

The Organization depends on volunteers to cook meals for and provide other assistance to residents of the House, provide assistance to clients in the family room at UF Health Shands Children's Hospital, and assist with the cleaning and maintenance of the House and grounds. The Organization received 13,762 and 11,996 hours of volunteer services in 2019 and 2018, respectively.

14. Subsequent Events

The Organization has evaluated events and transactions for potential recognition or disclosure through April 7, 2020, which is the date the financial statements were available to be issued.