

# RONALD MCDONALD HOUSE CHARITIES OF NORTH CENTRAL FLORIDA, INC.

Audited Financial Statements

December 31, 2021 and 2020

# 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, 2021 and 2020 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, 2021 and 2020, and the changes in its net assets, functional expenses and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

FRSCPA, PLLC

St. Petersburg, Florida  
April 11, 2022

**Ronald McDonald House Charities  
of North Central Florida, Inc.**  
**Statements of Financial Position**  
**December 31, 2021 and 2020**

<i>December 31,</i>	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and equivalents	\$ 736,662	\$ 953,919
Contributions receivable:		
Promises to give	37,501	62,749
Use of land, current portion	3,890	3,705
Inventory, supplies	19,817	26,700
Prepaid expenses	9,973	13,449
Investments:		
Investments, without donor restrictions	1,693,587	580,118
Investments, with donor restrictions	660,000	660,000
Current assets	<b>3,161,430</b>	2,300,640
Property and equipment, net	1,237,648	1,270,772
Contribution receivable – use of land	194,914	198,804
<b>TOTAL ASSETS</b>	<b>\$ 4,593,992</b>	<b>\$ 3,770,216</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 16,655	\$ 7,534
Accrued payroll	8,383	22,269
Current liabilities	<b>25,038</b>	29,803
Total liabilities	<b>25,038</b>	29,803
<b>Net Assets</b>		
Without Donor Restrictions	3,689,525	2,783,896
With Donor Restrictions	879,429	956,517
Total net assets	<b>4,568,954</b>	3,740,413
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 4,593,992</b>	<b>\$ 3,770,216</b>

*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, 2021**

	Without Donor Restrictions	With Donor Restrictions	2021
<b>Revenues:</b>			
Contributions:			
Room donations	\$ 20,966	\$ —	\$ 20,966
Payroll deduction	54,506	—	54,506
Other contributions	978,452	—	978,452
Non-cash contributions:			
Supplies	198,578	—	198,578
Discount amortization	10,125	—	10,125
Special event revenue	581,362	—	581,362
Direct fundraising costs	(163,812)	—	(163,812)
Net special event expense	417,550	—	417,550
Investment income	114,221	—	114,221
Other revenue	1,099	—	1,099
Net assets released from restrictions	77,088	(77,088)	—
<b>Total revenues</b>	<b>1,872,585</b>	<b>(77,088)</b>	<b>1,795,497</b>
<b>Expenses:</b>			
Program services:			
House	675,184	—	675,184
Family room	65,919	—	65,919
Supporting services:			
Management and general	140,318	—	140,318
Fundraising	85,535	—	85,535
<b>Total expenses</b>	<b>966,956</b>	<b>—</b>	<b>966,956</b>
<b>Change in net assets</b>	<b>905,629</b>	<b>(77,088)</b>	<b>828,541</b>
<b>Net assets, beginning of year</b>	<b>2,783,896</b>	<b>956,517</b>	<b>3,740,413</b>
<b>Net assets, end of year</b>	<b>\$ 3,689,525</b>	<b>\$ 879,429</b>	<b>\$ 4,568,954</b>

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, 2020**

	Without Donor Restrictions	With Donor Restrictions	2020
<b>Revenues:</b>			
Contributions:			
Room donations	\$ 17,161	\$ –	\$ 17,161
Payroll deduction	57,267	–	57,267
Other contributions	837,647	6,150	843,797
Non-cash contributions:			
Supplies	325,658	–	325,658
Discount amortization	10,301	–	10,301
Special event revenue	251,659	–	251,659
Direct fundraising costs	(43,702)	–	(43,702)
Net special event expense	207,957	–	207,957
Investment income	206,446	–	206,446
Loan forgiveness – Paycheck Protection Program	99,390	–	99,390
Other revenue	1,263	–	1,263
Net assets released from restrictions	19,244	(19,244)	–
<b>Total revenues</b>	<b>1,782,334</b>	<b>(13,094)</b>	<b>1,769,240</b>
<b>Expenses:</b>			
Program services:			
House	766,234	–	766,234
Family room	74,905	–	74,905
Supporting services:			
Management and general	128,011	–	128,011
Fundraising	149,438	–	149,438
<b>Total expenses</b>	<b>1,118,588</b>	<b>–</b>	<b>1,118,588</b>
<b>Change in net assets</b>	<b>663,746</b>	<b>(13,094)</b>	<b>650,652</b>
<b>Net assets, beginning of year</b>	<b>2,120,150</b>	<b>969,611</b>	<b>3,089,761</b>
<b>Net assets, end of year</b>	<b>\$ 2,783,896</b>	<b>\$ 956,517</b>	<b>\$ 3,740,413</b>

See accompanying notes to financial statements.

**Ronald McDonald House Charities  
of North Central Florida, Inc.  
Statements of Cash Flows  
Years ended December 31, 2021 and 2020**

<i>Year ended December 31,</i>	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	<b>\$ 828,541</b>	\$ 650,652
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	<b>71,762</b>	68,448
Noncash donations of property and equipment	–	(106,900)
Net (gain)/loss on investments	<b>(7,451)</b>	(152,848)
Changes in operating assets and liabilities:		
Contributions receivable	<b>28,953</b>	37,161
Prepaid expenses	<b>3,476</b>	15,439
Inventory	<b>6,883</b>	16,437
Accounts payable and accrued expenses	<b>(4,765)</b>	(18,078)
<b>Net cash provided by operating activities</b>	<b>927,399</b>	510,311
<b>Cash flows from investing activities:</b>		
Proceeds from sale of investments	<b>200,000</b>	–
Purchases of investments	<b>(1,306,018)</b>	(48,381)
Purchases of property and equipment	<b>(38,638)</b>	(2,382)
<b>Net cash used in investing activities</b>	<b>(1,144,656)</b>	(50,763)
<b>Cash flows from financing activities:</b>		
Principal payments on capital lease	–	(7,525)
<b>Net cash used in financing activities</b>	–	(7,525)
<b>Net change in cash and equivalents</b>	<b>(217,257)</b>	452,023
<b>Cash and equivalents, beginning of the year</b>	<b>953,919</b>	501,896
<b>Cash and equivalents, end of the year</b>	<b>\$ 736,662</b>	\$ 953,919

*See accompanying notes to financial statements.*



**Ronald McDonald House Charities of North Central Florida, Inc.**  
**Statement of Functional Expenses**  
**Year ended December 31, 2021**

	Program		Supporting Services			Total 2021
	House	Family Room	Management and General	Fundraising	Direct Fundraising Costs	
Salaries	\$ 260,227	\$ 41,990	\$ 55,432	\$ 37,123	\$ —	\$ 394,772
Payroll taxes	20,954	3,381	4,464	2,990	—	31,789
Fringe benefits	17,491	2,823	3,726	2,495	—	26,535
<b>Total salaries and related benefits</b>	<b>298,672</b>	<b>48,194</b>	<b>63,622</b>	<b>42,608</b>	<b>—</b>	<b>453,096</b>
Bank fees	—	—	19,595	—	—	19,595
Depreciation	59,350	—	4,298	3,298	—	66,946
Fundraising supplies	—	—	—	26,215	—	26,215
House improvements	2,190	—	—	—	—	2,190
Program supplies	6,493	563	—	—	—	7,056
Program supplies, donated	195,774	10,304	—	—	—	206,078
Insurance	17,021	2,837	3,611	2,320	—	25,789
Office supplies	12,136	1,418	2,655	1,163	—	17,372
Postage and printing	—	—	426	3,600	—	4,026
Professional development	3,357	—	—	—	—	3,357
Professional fees	15,587	2,596	42,522	2,123	—	62,828
Rent, land	12,448	—	691	691	—	13,830
Repairs and maintenance	12,955	7	720	720	—	14,402
Utilities	39,201	—	2,178	2,177	—	43,556
Miscellaneous	—	—	—	620	—	620
Direct fundraising costs	—	—	—	—	163,812	163,812
Total expenses	675,184	65,919	140,318	85,535	163,812	1,130,768
Less: Direct fundraising costs	—	—	—	—	(163,812)	(163,812)
<b>Total expenses per Statement of Activities</b>	<b>\$ 675,184</b>	<b>\$ 65,919</b>	<b>\$ 140,318</b>	<b>\$ 85,535</b>	<b>\$ —</b>	<b>\$ 966,956</b>

See accompanying notes to financial statements.

**Ronald McDonald House Charities of North Central Florida, Inc.**  
**Statement of Functional Expenses**  
**Year ended December 31, 2020**

	Program		Supporting Services			Total 2020
	House	Family Room	Management and General	Fundraising	Direct Fundraising Costs	
Salaries	\$ 293,559	\$ 47,368	\$ 62,532	\$ 41,878	\$ –	\$ 445,337
Payroll taxes	19,552	3,155	4,165	2,790	–	29,662
Fringe benefits	20,166	3,254	4,295	2,876	–	30,591
<b>Total salaries and related benefits</b>	<b>333,277</b>	<b>53,777</b>	<b>70,992</b>	<b>47,544</b>	<b>–</b>	<b>505,590</b>
Bank fees	–	–	15,998	–	–	15,998
Depreciation	60,682	–	4,394	3,372	–	68,448
Fundraising supplies	–	–	–	83,826	–	83,826
House improvements	47	–	–	–	–	47
Program supplies	16,666	1,446	–	–	–	18,112
Program supplies, donated	237,218	12,485	–	–	–	249,703
Insurance	27,296	4,550	5,791	3,721	–	41,358
Interest	–	–	81	–	–	81
Office supplies	9,810	1,146	2,146	940	–	14,042
Postage and printing	–	–	285	2,410	–	2,695
Professional development	2,312	–	–	–	–	2,312
Professional fees	8,957	1,492	24,437	1,220	–	36,106
Rent, land	12,448	–	691	691	–	13,830
Repairs and maintenance	16,276	9	904	904	–	18,093
Utilities	41,245	–	2,292	2,291	–	45,828
Miscellaneous	–	–	–	2,519	–	2,519
Direct fundraising costs	–	–	–	–	43,702	43,702
Total expenses	766,234	74,905	128,011	149,438	43,702	1,162,290
Less: Direct fundraising costs	–	–	–	–	(43,702)	(43,702)
<b>Total expenses per Statement of Activities</b>	<b>\$ 766,234</b>	<b>\$ 74,905</b>	<b>\$ 128,011</b>	<b>\$ 149,438</b>	<b>\$ 43,702</b>	<b>\$ 1,118,588</b>

See accompanying notes to financial statements.

# Ronald McDonald House Charities of North Central Florida, Inc.

Notes to financial statements  
December 31, 2021 and 2020

## 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.

### 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.

# Ronald McDonald House Charities of North Central Florida, Inc.

Notes to financial statements  
December 31, 2021 and 2020

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## **Cash and Cash Equivalents**

Cash consists of deposits in financial institutions. The Federal Deposit Insurance Corporation (“FDIC”) insures institutions up to \$250,000 per depositor. Cash balances may exceed the FDIC insurable limits at times throughout the year. The Organization has not experienced any losses on its cash and cash equivalents in the past. Management does not consider this a significant concentration of credit risk.

## **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. No allowance was recorded as of December 31, 2021 and 2020 for estimated uncollectible contributions receivable.

## **Investments**

Investments are reported at fair value. The Organization invests in money market, equity and fixed income mutual funds with readily determinable fair values. The fair value of investments 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 property and equipment.

# Ronald McDonald House Charities of North Central Florida, Inc.

Notes to financial statements  
December 31, 2021 and 2020

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## 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:

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, whereby 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.

# Ronald McDonald House Charities of North Central Florida, Inc.

Notes to financial statements  
December 31, 2021 and 2020

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

*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 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 functions are defined below:

*Program Services* – The Organization has two programs:

- *House* – costs associated with operation of the Ronald McDonald House in Gainesville, Florida
- *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.

*Direct Fundraising Costs* – The costs associated with holding fundraising events for the benefit of the Organization.

# Ronald McDonald House Charities of North Central Florida, Inc.

Notes to financial statements  
December 31, 2021 and 2020

## **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:

- 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 2018.

# Ronald McDonald House Charities of North Central Florida, Inc.

Notes to financial statements  
December 31, 2021 and 2020

## 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 an NPO may earmark a portion of its unrestricted net assets as a board-designated endowment to be invested to provide income for the NPO's operations and programs.

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 endowment 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 661 and 829 tote bags as of December 31, 2021 and 2020, respectively. The remainder of the inventory is gift cards with a value of \$1,262 and \$1,845 as of December 31, 2021 and 2020, respectively.

### 4. Investments

The Organization holds the majority of its funds in Midland Bank 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>	<b>2021</b>	<b>2020</b>
Cash and money market	\$ 298,340	\$ 48,313
Stock	10,404	–
Fixed income mutual funds	726,819	326,046
Equity mutual funds	1,318,024	865,759
<b>Total</b>	<b>\$2,353,587</b>	<b>\$1,240,118</b>



# Ronald McDonald House Charities of North Central Florida, Inc.

## Notes to financial statements December 31, 2021 and 2020

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

Investments are classified on the Statement of Financial Position as:

<i>December 31,</i>	<b>2021</b>	2020
Investments, without donor restriction	\$ 1,693,587	\$ 580,118
Investments, with donor restriction	<b>660,000</b>	660,000
<b>Total</b>	<b>\$2,353,587</b>	\$1,240,118

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

<i>Year ended December 31,</i>	<b>2021</b>	2020
Interest and dividends	\$ 106,621	\$ 53,598
Realized and unrealized gains	<b>7,600</b>	152,848
	<b>\$ 114,221</b>	\$ 206,446

### 5. **Property and Equipment**

Property and equipment consists of the following:

<i>Year ended December 31,</i>	<b>2021</b>	2020
Building and improvements	\$ 2,702,450	\$ 2,692,700
Furniture and equipment	<b>613,621</b>	584,733
	<b>3,316,071</b>	3,277,433
Less accumulated depreciation	<b>(2,078,423)</b>	(2,006,661)
<b>Property and Equipment, Net</b>	<b>\$ 1,237,648</b>	\$ 1,270,772

# Ronald McDonald House Charities of North Central Florida, Inc.

Notes to financial statements  
December 31, 2021 and 2020

## 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 until 2048, at which time the building and all capital improvements revert to the University.

At the signing of the lease, the Organization recorded the fair value of the contribution and a corresponding contribution receivable. The fair value of the donation 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. Transactions with Related Entities

Ronald McDonald House Charities (RMHC) is a system of independent, separately registered public benefit organizations, referred to as "Chapters" within the global organization. The Organization is an independent operating Chapter within the RMHC system. Each Chapter is licensed by McDonald's Corporation and Ronald McDonald House Charities, Inc. to use RMHC related trademarks in conjunction with fundraising activities and the operation of its programs; the License Agreement also sets standards of operations for programs, governance, finance, branding and reporting.

Ronald McDonald House Charities, Inc. (RMHC Global), a separately registered nonprofit organization, ensures delivery of the mission across the globe. As a center of excellence, RMHC Global builds and sustains a robust infrastructure of support to the network of Chapters, including operations, licensing and compliance, finance, risk management, communications, marketing and development. The Organization receives 75% of net revenues from all national fundraising efforts facilitated by RMHC Global, as defined by the license agreement. During the years ended December 31, 2021 and 2020, the Organization received \$22,229 and \$20,518 respectively, from these revenue streams.

# Ronald McDonald House Charities of North Central Florida, Inc.

Notes to financial statements  
December 31, 2021 and 2020

## 8. Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following:

<i>Year ended December 31,</i>	<b>2021</b>	2020
Subject to the passage of time:		
Use of land	<b>\$198,804</b>	\$202,509
Promises to give, house supplies	<b>20,625</b>	49,587
Promises to give, other	–	18,285
Subject to expenditure for specified purpose:		
House supplies	–	21,136
Capital improvements	–	5,000
Endowments:		
Earnings subject to expenditure when a specified event occurs	<b>660,000</b>	660,000
<b>Total</b>	<b>\$879,429</b>	\$956,517

Releases of net assets with donor restrictions for the years ended December 31, 2021 and 2020 are as follows:

<i>Year ended December 31,</i>	<b>2021</b>	2020
Land use	<b>\$ 3,705</b>	\$ 3,529
House supplies	<b>73,383</b>	15,715
<b>Total</b>	<b>\$77,088</b>	\$19,244

## 9. Endowment Funds

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

<i>December 31,</i>	<b>2021</b>	2020
Kroc Endowment	<b>\$514,585</b>	\$514,585
Altoonjian Endowment	<b>50,000</b>	50,000
Plein Endowment	<b>60,000</b>	60,000
Other Endowments	<b>35,415</b>	35,415
<b>Total</b>	<b>\$660,000</b>	\$660,000

# Ronald McDonald House Charities of North Central Florida, Inc.

## Notes to financial statements December 31, 2021 and 2020

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.

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>	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Totals</b>
<b>Balance – December 31, 2019</b>	<b>\$283,257</b>	<b>\$660,000</b>	<b>\$ 943,257</b>
Interest/Dividends	48,381	–	48,381
Gains	152,848	–	152,848
Deposits	–	–	–
<b>Balance – December 31, 2020</b>	<b>\$484,486</b>	<b>\$660,000</b>	<b>\$1,144,486</b>
Interest/Dividends	103,621	–	103,621
Gains	7,121	–	7,121
Deposits	500,000	–	500,000
<b>Balance – December 31, 2021</b>	<b>\$1,095,228</b>	<b>\$660,000</b>	<b>\$1,755,228</b>

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). The Organization has 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, 2021 and 2020.

# Ronald McDonald House Charities of North Central Florida, Inc.

Notes to financial statements  
December 31, 2021 and 2020

## 10. Liquidity

The Organization's financial assets as of December 31, 2021 and available within one year of the balance sheet date for general expenditure are as follows:

<i>December 31,</i>	<b>2021</b>
Cash and equivalents	\$ 736,662
Contributions receivable	37,501
Investments, without donor restrictions	1,693,587
	<b>\$ 2,467,750</b>

The Organization's investments include endowment funds of \$660,000 with donor restrictions as of December 31, 2021. Those funds are not readily available for general expenditure. Investment income generated from the endowment is available for expenditure.

## 11. 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 2021 or 2020. The Plan was terminated in 2021.

## 12. Paycheck Protection Program

On April 13, 2020, the Organization received loan proceeds of \$99,390 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loan and accrued interest are forgivable after 8 weeks or 24 weeks, as elected by the Organization, as long as the borrower uses the loan proceeds for eligible purposes including payroll, benefits, rent and utilities, and maintains its payroll levels.

The Organization's use of the loan proceeds met the conditions for forgiveness of the loan. The Company applied for loan forgiveness and received notice that the note was forgiven

# Ronald McDonald House Charities of North Central Florida, Inc.

Notes to financial statements  
December 31, 2021 and 2020

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on March 29, 2021. The forgiveness of the PPP note is presented as revenue on the accompanying statements of activities for the year ended December 31, 2020.

**13. Subsequent Events**

The Organization has evaluated events and transactions for potential recognition or disclosure through April 11, 2022, which is the date the financial statements were available to be issued.

Due to market volatility, there was a substantial decline in the value of investments subsequent to year end. The fair value of investments decreased by approximately \$167,000, or 7%, as of March 31, 2022 as compared to December 31, 2021.