

ELLIN & TUCKER

**RONALD MCDONALD HOUSE CHARITIES OF MARYLAND, INC.
AND SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**



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December 31, 2021 and 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Ronald McDonald House Charities of Maryland, Inc.

OPINION

We audited the accompanying consolidated financial statements of Ronald McDonald House Charities of Maryland, Inc. and Subsidiary (collectively referred to as the Organization), which comprise the Consolidated Statements of Financial Position as of December 31, 2021 and 2020, the related Consolidated Statements of Activities, Functional Expenses, and Cash Flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and 2020 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINION

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audits of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

RESPONSIBILITIES OF MANAGEMENT FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

INDEPENDENT AUDITORS' REPORT, CONTINUED**AUDITORS' RESPONSIBILITIES FOR THE AUDITS OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance matters regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.



ELLIN & TUCKER

Certified Public Accountants

Baltimore, Maryland

May 26, 2022

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Ronald McDonald House Charities of Maryland, Inc. and Subsidiary
December 31, 2021 and 2020

ASSETS

	2021	2020
ASSETS		
Cash and Cash Equivalents	\$ 2,281,759	\$ 2,703,140
Restricted Cash	249,528	314,528
Investments (Note 2)	13,621,986	9,640,139
Pledges Receivable, Net (Note 3)	627,000	1,345,300
Other Receivables	294,888	86,316
Note Receivable (Note 5)	8,115,600	8,115,600
Prepaid Expenses and Other Assets	74,264	68,742
Property and Equipment, Net (Note 4)	30,453,794	31,531,362
Total Assets	\$ 55,718,819	\$ 53,805,127

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 309,927	\$ 178,794
Notes Payable (Note 6)	11,470,724	11,397,765
Paycheck Protection Program - Refundable Advance (Note 6)	-	220,584
Total Liabilities	11,780,651	11,797,143

COMMITMENTS (Note 8)

NET ASSETS		
Without Donor Restrictions	43,202,943	41,321,374
With Donor Restrictions (Note 9)	735,225	686,610
Total Net Assets	43,938,168	42,007,984
Total Liabilities and Net Assets	\$ 55,718,819	\$ 53,805,127

(See Independent Auditors' Report and Accompanying Notes)

CONSOLIDATED STATEMENTS OF ACTIVITIES
Ronald McDonald House Charities of Maryland, Inc. and Subsidiary
For the Years Ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT						
Contributions	\$ 1,974,567	\$ 222,317	\$ 2,196,884	\$ 1,919,928	\$ 42,700	\$ 1,962,628
Capital Campaign	-	-	-	-	520,000	520,000
Special Events	1,569,878	-	1,569,878	1,395,206	-	1,395,206
Grant Revenue from Ronald McDonald House Charities, Inc.	260,392	-	260,392	153,590	-	153,590
Guest Fees	21,112	-	21,112	26,777	-	26,777
In-Kind Contributions (Note 11)	388,436	-	388,436	501,949	-	501,949
Paycheck Protection Program Loan Forgiveness Income (Note 6)	478,968	-	478,968	-	-	-
Employee Retention Credit (Note 7)	386,659	-	386,659	-	-	-
Net Assets Released from Restrictions	230,466	(230,466)	-	565,457	(565,457)	-
Total Revenues, Gains, and Other Support	<u>5,310,478</u>	<u>(8,149)</u>	<u>5,302,329</u>	<u>4,562,907</u>	<u>(2,757)</u>	<u>4,560,150</u>
EXPENSES						
Program Services	3,541,556	-	3,541,556	3,356,149	-	3,356,149
Management and General	380,207	-	380,207	384,834	-	384,834
Fundraising	383,605	-	383,605	315,585	-	315,585
Cost of Direct Benefits to Donors	330,409	-	330,409	341,714	-	341,714
Total Expenses	<u>4,635,777</u>	<u>-</u>	<u>4,635,777</u>	<u>4,398,282</u>	<u>-</u>	<u>4,398,282</u>
Change in Net Assets from Operations	674,701	(8,149)	666,552	164,625	(2,757)	161,868
INVESTMENT INCOME, NET (Note 2)						
Change in Net Assets	1,206,868	56,764	1,263,632	1,024,385	72,296	1,096,681
Change in Net Assets	1,881,569	48,615	1,930,184	1,189,010	69,539	1,258,549
NET ASSETS - BEGINNING OF YEAR						
Change in Net Assets	41,321,374	686,610	42,007,984	40,132,364	617,071	40,749,435
NET ASSETS - END OF YEAR						
Change in Net Assets	<u>\$ 43,202,943</u>	<u>\$ 735,225</u>	<u>\$ 43,938,168</u>	<u>\$ 41,321,374</u>	<u>\$ 686,610</u>	<u>\$ 42,007,984</u>

(See Independent Auditors' Report and Accompanying Notes)

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Ronald McDonald House Charities of Maryland, Inc. and Subsidiary
For the Year Ended December 31, 2021

	Program Services	Supporting Services			Cost of Direct Benefits to Donors	Total
		Management and General	Fundraising	Total		
Salaries	\$ 1,041,926	\$ 96,753	\$ 213,517	\$ 310,270	\$ -	\$ 1,352,196
Employee Benefits	66,821	5,307	20,470	25,777	-	92,598
Payroll Taxes	88,161	7,896	16,375	24,271	-	112,432
Total Salaries and Related Expenses	1,196,908	109,956	250,362	360,318		1,557,226
Bank Charges	-	93,349	-	93,349	-	93,349
Cleaning Services and Supplies	47,928	-	-	-	-	47,928
Conferences and Meetings	12,994	1,286	78	1,364	-	14,358
Dues and Subscriptions	6,569	1,920	187	2,107	-	8,676
Family Support Services	254,991	-	-	-	-	254,991
House Operations	90,229	4,030	1,390	5,420	-	95,649
House Security	178,896	-	-	-	-	178,896
House Supplies	88,365	1,497	740	2,237	-	90,602
Insurance	54,982	4,500	-	4,500	-	59,482
Interest	-	81,611	-	81,611	-	81,611
Lease	50,000	-	-	-	-	50,000
Maintenance and Repairs	87,294	4,196	168	4,364	-	91,658
Marketing and Public Relations	68,784	20	68,976	68,996	-	137,780
Postage, Printing, and Publishing	1,680	829	19,303	20,132	-	21,812
Professional Development	4,289	1,051	2,556	3,607	-	7,896
Professional Fees	-	46,821	-	46,821	-	46,821
Special Events	-	-	32,848	32,848	330,409	363,257
Telephone	14,978	3,810	600	4,410	-	19,388
Transportation and Parking	1,857	-	204	204	-	2,061
Utilities	115,493	190	341	531	-	116,024
Total Expenses before Depreciation and Amortization	2,276,237	355,066	377,753	732,819	330,409	3,339,465
Depreciation and Amortization	1,265,319	25,141	5,852	30,993	-	1,296,312
Total Expenses	\$ 3,541,556	\$ 380,207	\$ 383,605	\$ 763,812	\$ 330,409	\$ 4,635,777

(See Independent Auditors' Report and Accompanying Notes)

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Ronald McDonald House Charities of Maryland, Inc. and Subsidiary
For the Year Ended December 31, 2020

	Program Services	Supporting Services			Cost of Direct Benefits to Donors	Total
		Management and General	Fundraising	Total		
Salaries	\$ 962,837	\$ 113,634	\$ 184,099	\$ 297,733	\$ -	\$ 1,260,570
Employee Benefits	63,520	8,110	15,441	23,551	-	87,071
Payroll Taxes	80,670	9,078	13,517	22,595	-	103,265
Total Salaries and Related Expenses	1,107,027	130,822	213,057	343,879	-	1,450,906
Bad Debt	-	1,205	-	1,205	-	1,205
Bank Charges	-	91,958	-	91,958	-	91,958
Cleaning Services and Supplies	30,823	-	-	-	-	30,823
Conferences and Meetings	6,086	1,873	-	1,873	-	7,959
Dues and Subscriptions	7,965	-	499	499	-	8,464
Family Support Services	242,344	-	-	-	-	242,344
House Operations	86,576	2,232	1,825	4,057	-	90,633
House Security	182,463	-	-	-	-	182,463
House Supplies	90,708	659	3,402	4,061	-	94,769
Insurance	42,358	4,500	-	4,500	-	46,858
Interest	-	81,611	-	81,611	-	81,611
Lease	50,000	-	-	-	-	50,000
Maintenance and Repairs	76,101	2,803	-	2,803	-	78,904
Marketing and Public Relations	46,268	672	68,263	68,935	-	115,203
Postage, Printing, and Publishing	2,066	140	593	733	-	2,799
Professional Development	1,585	806	-	806	-	2,391
Professional Fees	-	36,123	-	36,123	-	36,123
Special Events	-	-	22,045	22,045	341,714	363,759
Telephone	15,405	3,801	-	3,801	-	19,206
Transportation and Parking	1,721	14	5	19	-	1,740
Utilities	115,076	207	326	533	-	115,609
Total Expenses before Depreciation and Amortization	2,104,572	359,426	310,015	669,441	341,714	3,115,727
Depreciation and Amortization	1,251,577	25,408	5,570	30,978	-	1,282,555
Total Expenses	\$ 3,356,149	\$ 384,834	\$ 315,585	\$ 700,419	\$ 341,714	\$ 4,398,282

(See Independent Auditors' Report and Accompanying Notes)

CONSOLIDATED STATEMENTS OF CASH FLOWS
Ronald McDonald House Charities of Maryland, Inc. and Subsidiary
For the Years Ended December 31, 2021 and 2020

	2021	2020
OPERATING ACTIVITIES		
Changes in Net Assets	\$ 1,930,184	\$ 1,258,549
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Contributions Restricted for Long-Term Purposes	-	(500,000)
Depreciation and Amortization	1,296,312	1,282,555
Paycheck Protection Program Loan Forgiveness Income	(478,968)	-
Gain on Sale of Property and Equipment	(14,592)	-
Gain on Investments, Net	(1,049,735)	(905,236)
Net Changes in:		
Pledges and Other Receivables	(225,572)	638,916
Prepaid Expenses and Other Assets	(5,522)	12,841
Accounts Payable and Accrued Expenses	131,133	(38,712)
Net Cash Provided by Operating Activities	1,583,240	1,748,913
INVESTING ACTIVITIES		
Purchases of Investments	(5,361,478)	(10,481,436)
Sales of Investments	2,429,366	8,271,450
Proceeds from Sale of Property and Equipment	14,592	-
Expenditures for Property and Equipment	(145,785)	(132,847)
Net Cash Used in Investing Activities	(3,063,305)	(2,342,833)
FINANCING ACTIVITIES		
Collections of Contributions Restricted for Long-Term Purposes	735,300	171,501
Proceeds from Paycheck Protection Program - Refundable Advance	258,384	220,584
Net Cash Provided by Financing Activities	993,684	392,085
Net Change in Cash, Cash Equivalents, and Restricted Cash	(486,381)	(201,835)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - BEGINNING OF YEAR	3,017,668	3,219,503
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	\$ 2,531,287	\$ 3,017,668

(See Independent Auditors' Report and Accompanying Notes)

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

NATURE OF ACTIVITIES

Ronald McDonald House Charities of Maryland, Inc. (RMH) is a not-for-profit organization that provides a home away from home for seriously ill children and their families. When children must travel long distances to access top medical care, accommodations and support for families can be expensive or not readily available. RMH helps families stay close to their ill or injured child through the Ronald McDonald House program located in Baltimore, which provides temporary lodging, meals, and other support to children and their families. The program provides families with emotional and physical comfort and increases the caregivers' ability to spend more time with their child, to interact with their clinical care team, and to participate in critical medical care decisions.

Hope Has a New Address: RMH 2.0, Inc. (RMH 2.0) was formed in 2018 for the purpose of the construction of the new house (Note 15). RMH is the sole member of RMH 2.0.

PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements include the accounts of RMH and RMH 2.0 (collectively referred to as the Organization). All significant intercompany transactions and balances were eliminated in consolidation.

ACCOUNTING STANDARDS CODIFICATION

All references in the consolidated financial statements to the Codification refer to the Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles (GAAP) issued by the Financial Accounting Standards Board (FASB). The Codification is the single source of authoritative GAAP in the United States.

BASIS OF ACCOUNTING AND PRESENTATION

The consolidated financial statements were prepared on the accrual basis of accounting in accordance with GAAP and are presented on the basis of net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are created only by donor-imposed restrictions on their use. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. All other net assets, including board-designated or appropriated amounts, are net assets without donor restrictions and are reported as part of the net assets without donor restriction class.

(See Independent Auditors' Report)

REVENUE RECOGNITION

Unconditional promises to give are recognized as revenue in the period the promise was made. Contributions, grants, and bequests are recognized as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time elapses, when the stipulated purpose for which the resource was restricted is fulfilled, or both.

USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

FUNCTIONAL EXPENSES

Functional expenses are allocated between program and supporting services based on an analysis of personnel's time and space utilized for the related activities.

CASH AND CASH EQUIVALENTS

The Organization maintains its cash in bank deposit accounts and money market funds, which at times may exceed federally insured limits. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

The Organization considers all highly liquid investments with original maturities of less than three months to be cash equivalents.

RESTRICTED CASH

In accordance with the loan agreements to finance the construction of the new house (Note 15), the Organization was required to establish reserve accounts. The funds are used to pay certain asset management and servicing fees.

PLEDGES AND OTHER RECEIVABLES

Pledges and other receivables are unconditional promises to give. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Pledges and other receivables are written off when deemed uncollectible.

(See Independent Auditors' Report)

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost, if purchased, or estimated fair value, if donated, at the date of donation. Additions of \$2,500 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as incurred. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets.

VALUATION OF LONG-LIVED ASSETS

The Organization evaluates its long-lived assets for any events or changes in circumstances that indicate that the carrying amount of such assets may not be fully recoverable. The Organization evaluates the recoverability of long-lived assets by measuring the carrying amount of such assets against the estimated undiscounted future cash flows associated with them. At the time such evaluation indicates that the future undiscounted cash flows of certain long-lived assets are not sufficient to recover the carrying value of such assets, the assets are adjusted to their fair values.

NET ASSETS

The Organization's net assets and changes therein are classified and reported as follows:

Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions or law. The Board of Directors designated, from net assets without donor restrictions, net assets for capital reserves as of December 31, 2021 in the amount of \$4,000,000.

With Donor Restrictions

Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

DONATED ASSETS, PROPERTY AND EQUIPMENT, AND SERVICES

Donated marketable securities, property and equipment, and other noncash donations are recorded as contributions at their fair values at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor restricts the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

(See Independent Auditors' Report)

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization also receives donated services from other contributors and volunteers that are not measurable and, therefore, are excluded from the consolidated financial statements.

INCOME TAXES

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization follows the provisions of Accounting for Uncertainty in Income Taxes under the Income Taxes Topic of the Codification. The Codification requires the Organization’s evaluation of tax positions, which include maintaining its tax-exempt status and the taxability of any unrelated business income, and does not allow recognition of tax positions which do not meet a “more-likely-than-not” threshold of being sustained by the applicable tax authority. Management does not believe it took any tax positions that would not meet this threshold.

INVESTMENTS

Investments are reported at fair value in the Consolidated Statements of Financial Position. Realized and unrealized gains and losses are included in the change in net assets. See Note 2 for a discussion of fair value measurements.

RISK AND UNCERTAINTIES

The Organization invests in various investment securities, which are exposed to various risks, such as interest rate, credit, and overall volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and such changes could materially affect the amounts reported in the Consolidated Statements of Financial Position.

RECLASSIFICATIONS

Certain prior year amounts were reclassified to conform to the current year presentation.

NOTE 2 VALUATION OF INVESTMENTS

Investments at December 31, 2021 and 2020 consisted of the following:

	2021	2020
Cash Equivalents	\$ 1,773,631	\$ 230,750
Fixed Income Funds	3,228,198	2,573,259
Equity Funds	8,620,157	6,836,130
Total	\$ 13,621,986	\$ 9,640,139

(See Independent Auditors’ Report)

The Fair Value Measurements and Disclosures Topic of the Codification establishes a hierarchal disclosure framework, which prioritizes and ranks the level of market price observability used in measuring investments and other financial instruments at fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

Quoted prices for similar assets or liabilities in active markets;

Quoted prices for identical or similar assets or liabilities in inactive markets;

Inputs other than quoted prices that are observable for the asset or liability;

Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Below is a description of the valuation methodology used for assets measured at fair value. There were no changes in the methodology used at December 31, 2021 and 2020.

Fixed Income and Equity Funds: Valued at quoted prices in an active market.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

(See Independent Auditors' Report)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED
Ronald McDonald House Charities of Maryland, Inc. and Subsidiary

The following table sets forth by level, within the fair value hierarchy, the Organization's investment securities at fair value as of December 31, 2021 and 2020:

	Level 1 and Total	
	2021	2020
Fixed Income Funds:		
Bond Funds	\$ 3,228,198	\$ 2,573,259
Equity Funds:		
Emerging Markets	882,140	588,102
Infrastructure	707,803	281,162
International	2,432,697	2,132,712
Large Cap Blend	1,554,059	1,433,690
Large Cap Growth	552,594	386,499
Large Cap Value	1,099,966	739,572
Small Cap Growth	492,328	648,044
Small Cap Blend	898,570	626,349
Investment Securities, at Fair Value	\$ 11,848,355	\$ 9,409,389

Cash equivalents are excluded from the fair value hierarchy because cash equivalents are generally measured at cost. As such, short-term investments of \$1,773,631 and \$230,750 held in the Organization's investment portfolio at December 31, 2021 and 2020, respectively, were excluded from this table.

Investment income for the years ended December 31, 2021 and 2020 consisted of the following:

	2021	2020
Dividends and Interest	\$ 237,990	\$ 228,249
Net Realized Gain on Sale of Investments	682,057	1,203,079
Unrealized Appreciation (Depreciation) on Investments	367,678	(297,843)
	1,287,725	1,133,485
Less: Investment Fees	24,093	36,804
	\$ 1,263,632	\$ 1,096,681

(See Independent Auditors' Report)

NOTE 3 PLEDGES RECEIVABLE

Pledges receivable represent unconditional promises to give from donors. Pledges receivable at December 31, 2021 and 2020 were as follows:

	2021	2020
Amounts Due in Less Than One Year	\$ 495,000	\$ 950,300
Amounts Due in One to Five Years	150,000	435,000
Total Commitment	645,000	1,385,300
Less: Allowance for Uncollectibility	10,000	20,000
Less: Present Value of Money Discount	8,000	20,000
Pledges Receivable, Net	\$ 627,000	\$ 1,345,300

Pledges that are due in more than one year are reflected at the present value of expected future cash flows using a discount rate of 3%.

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2021 and 2020 consisted of the following:

	2021	2020
Building and Improvements	\$ 31,399,983	\$ 31,390,382
Furniture and Office Equipment	2,430,806	2,419,788
Automotive Equipment	125,166	71,702
	33,955,955	33,881,872
Less: Accumulated Depreciation	3,502,161	2,350,510
Total	\$ 30,453,794	\$ 31,531,362

NOTE 5 NOTE RECEIVABLE

In July 2018, the Organization entered into a loan agreement with RMH Baltimore Investment Fund, LLC to facilitate the tax credit transactions used to fund the construction of the new house (Note 15). The note receivable at December 31, 2021 was interest only at 1% with quarterly payments through December 2025. Effective March 2026, interest and principal payments of approximately \$93,000 will be due in quarterly installments through maturity on September 1, 2050.

(See Independent Auditors' Report)

NOTE 6 **NOTES PAYABLE**

Notes payable as of December 31, 2021 and 2020 consisted of:

	2021	2020
Note Payable, interest only at .739% through March 1, 2026, then quarterly payments of \$48,861 until maturity in December 2056, collateralized by new house	\$ 5,410,400	\$ 5,410,400
Note Payable, interest only at .739% through March 1, 2026, then quarterly payments of \$20,858 until maturity in December 2056, collateralized by new house	2,309,600	2,309,600
Note Payable, interest only at .739% through March 1, 2026, then quarterly payments of \$24,430 until maturity in December 2056, collateralized by new house	2,705,200	2,705,200
Note Payable, interest only at .739% through March 1, 2026, then quarterly payments of \$11,693 until maturity in December 2056, collateralized by new house	1,294,800	1,294,800
	11,720,000	11,720,000
Less: Loan Origination Fees, Net of Accumulated Amortization of \$252,316 and \$179,357, Respectively	249,276	322,235
	\$ 11,470,724	\$ 11,397,765

Future principal payments on notes payable are as follows:

Year Ending December 31,	2022	\$ -
	2023	-
	2024	-
	2025	-
	2026	-
	Thereafter	11,720,000
		\$ 11,720,000

(See Independent Auditors' Report)

In April 2020, the Organization received loan proceeds in the amount of \$220,584 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Small Business Administration's (SBA) Paycheck Protection Program (PPP). In June 2021, the PPP loan proceeds were forgiven by the SBA. The Organization recognized these proceeds as grant revenue on the Consolidated Statement of Activities during the year ended December 31, 2021.

Under the second round of PPP funding, the Organization applied for and was approved for an additional \$258,384 loan. The loan was received in April 2021. The Organization received forgiveness of \$258,384 in December 2021, and the Organization recognized these proceeds as grant revenue on the Consolidated Statement of Activities during the year ended December 31, 2021.

The SBA may review funding eligibility and usage of funds for compliance with PPP requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Organization's financial position.

NOTE 7 **EMPLOYEE RETENTION CREDIT**

Grants from the government are recognized when all conditions of such grants are fulfilled or there is reasonable assurance they will be fulfilled. During the year ended December 31, 2021, the Organization applied for the Employee Retention Credit (ERC) from the Internal Revenue Service (IRS). The Organization recognized \$386,659 of grant revenue related to performance requirements being met in compliance with the program during the year ended December 31, 2021.

Eligibility and conditions for the ERC program may be audited by the IRS. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; management is of the opinion that any audit will not have a material adverse impact on the Organization's financial position.

NOTE 8 **COMMITMENTS**

The Organization has a ground lease with the city of Baltimore for the land for \$1 per year through July 2066 with an option to extend for an additional 25 years. The Organization recorded the fair value of this rent of approximately \$50,000 as in-kind contributions revenue and lease expense for each of the years ended December 31, 2021 and 2020.

(See Independent Auditors' Report)

NOTE 9 **NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions at December 31, 2021 and 2020 were as follows:

	2021	2020
Subject to Expenditure for Specified Purposes:		
Family Expenses	\$ 37,743	\$ 47,597
Vending Product	1,104	11,443
Shuttle Bus and Van	5,416	-
Other	6,628	-
Subject to Organization's Spending Policy and Appropriation:		
Investment in Perpetuity (Including Amounts Greater Than Original Gift Amounts of \$481,250), Which Once Appropriated, is Expendable to Support:		
Any Activities of the Organization	684,334	627,570
Total	<u>\$ 735,225</u>	<u>\$ 686,610</u>

NOTE 10 **ENDOWMENT FUNDS**

The Organization's endowment consists of one donor-restricted endowment fund established to provide a source of income for ongoing operating expenses. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

INTERPRETATION OF RELEVANT LAW

The Organization is subject to the Maryland Uniform Prudent Management of Institutional Funds Act (UPMIFA) and thus classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board of Directors appropriates such amounts for expenditure. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board of Directors UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization interprets UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance

(See Independent Auditors' Report)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED
Ronald McDonald House Charities of Maryland, Inc. and Subsidiary

with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) Duration and preservation of the fund
- (2) Purposes of the Organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) Possible effect of inflation and deflation
- (5) Expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) Investment policies of the Organization

ENDOWMENT FUND COMPOSITION BY TYPE OF FUND AS OF DECEMBER 31, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds:			
Original Donor-Restricted Gift Amount and Amounts Required to Be Maintained in Perpetuity by Donor	\$ -	\$ 481,250	\$ 481,250
Accumulated Investment Gains	-	203,084	203,084
	\$ -	\$ 684,334	\$ 684,334

ENDOWMENT FUND COMPOSITION BY TYPE OF FUND AS OF DECEMBER 31, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds:			
Original Donor-Restricted Gift Amount and Amounts Required to Be Maintained in Perpetuity by Donor	\$ -	\$ 481,250	\$ 481,250
Accumulated Investment Gains	-	146,320	146,320
	\$ -	\$ 627,570	\$ 627,570

(See Independent Auditors' Report)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED
Ronald McDonald House Charities of Maryland, Inc. and Subsidiary

CHANGES IN ENDOWMENT FUNDS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Funds, January 1, 2020	\$ -	\$ 555,274	\$ 555,274
Investment Return, Net	<u>-</u>	<u>72,296</u>	<u>72,296</u>
Endowment Funds, December 31, 2020	-	627,570	627,570
Investment Return, Net	<u>-</u>	<u>56,764</u>	<u>56,764</u>
Endowment Funds, December 31, 2021	<u>\$ -</u>	<u>\$ 684,334</u>	<u>\$ 684,334</u>

UNDERWATER ENDOWMENT FUNDS

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2021 and 2020.

RETURN OBJECTIVES AND RISK PARAMETERS

The Organization adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding for operating expenses while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds the Organization must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner intended to produce results that exceed the price and yield results of a composite index, which is a weighted blend of the indices, that reflects the Organization's target asset allocation while assuming a moderate level of investment risk.

STRATEGIES EMPLOYED FOR ACHIEVING OBJECTIVES

To satisfy its long-term rate-of-return objective, the Organization relies on a total return strategy in which investment returns are achieved through capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

(See Independent Auditors' Report)

SPENDING POLICY AND HOW THE INVESTMENT OBJECTIVES RELATE TO SPENDING POLICY

The Organization has a policy of allowing earnings to accumulate until appropriated by the Organization. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy will allow its endowment to maintain the original value of the gifts donated to the permanent endowment. This is consistent with the objective to maintain the original value of the endowment assets in perpetuity or the donor-specified term.

NOTE 11 DONATED GOODS AND SERVICES

The fair value of donated goods and services included as in-kind contributions in the consolidated financial statements and the corresponding property and equipment and expense categories for the years ended December 31, 2021 and 2020 were as follows:

	2021	2020
Property and Equipment		
Building and Improvements	\$ -	\$ 16,524
Furniture and Office Equipment	-	11,470
Expenses		
Cleaning Services and Supplies	24,000	8,973
Family Support Services	148,993	180,577
House Operations	35,000	28,100
House Supplies	25,227	39,396
Lease	50,000	50,000
Maintenance and Repairs	15,476	29,112
Professional Fees	-	2,000
Special Events	89,740	135,797
Total	\$ 388,436	\$ 501,949

NOTE 12 RETIREMENT PLAN

The Organization maintains a 401(k) retirement plan for eligible employees. During 2021 and 2020, the Organization's contribution to the plan was \$36,454 and \$31,698, respectively. During 2021, the Organization paid \$13,421 in administration fees.

(See Independent Auditors' Report)

NOTE 13 RELATED-PARTY TRANSACTIONS

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 \$260,392 and \$153,590, respectively, from RMHC Global from these revenue streams.

NOTE 14 SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid for interest during the years ended December 31, 2021 and 2020 was \$81,611.

NOTE 15 NEW HOUSE TRANSACTION

In 2018, the Organization entered into a series of complex transactions designed to provide funding to construct the new house. The transactions allowed other unrelated parties to utilize federal and state new market tax credits, which could not be utilized by the Organization. These credits are subject to recapture to the extent the Organization does not meet certain performance standards. The requirements include various economic and community impacts that will respond to the needs of the surrounding community, as specified in the agreement.

Accordingly, the unrelated parties entered into debt, lease, and other agreements designed to protect their financial interests in the transaction, which incentivized the Organization to meet performance standards during the compliance period. The Organization negotiated provisions in the agreements, which provide options to relieve the Organization of these significant obligations upon expiration of the compliance period. The compliance period expires in May 2025.

(See Independent Auditors’ Report)

NOTE 16 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization’s financial assets available to meet cash needs for general expenditures within one year of the Consolidated Statements of Financial Position date were as follows:

	2021	2020
Cash and Cash Equivalents	\$ 2,281,759	\$ 2,703,140
Investments	13,621,986	9,640,139
Pledges Receivable	627,000	1,345,300
Other Receivables	294,888	86,316
Total Financial Assets	16,825,633	13,774,895
Receivables Scheduled to Be Collected in More Than One Year	(142,000)	(415,000)
Contractual or Donor-Imposed Restrictions:		
Endowment Funds	(684,334)	(627,570)
Donor Contributions Restricted to Specific Purposes	(50,891)	(59,040)
Board-Designated Capital Reserve	(4,000,000)	-
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	<u>\$ 11,948,408</u>	<u>\$ 12,673,285</u>

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, management performs a periodic review of the cash flow projections. During 2021, the Board of Directors approved a board-designated capital reserve of \$4,000,000 to be used for future capital improvements. Although the Organization does not intend to spend from its board-designated capital reserve, amounts from its board-designated capital reserve could be made available if necessary.

NOTE 17 SUBSEQUENT EVENTS

The Organization evaluated subsequent events and transactions for potential recognition or disclosure in the consolidated financial statements through May 26, 2022, the date the consolidated financial statements were available to be issued.

(See Independent Auditors’ Report)

NOTE 18 RECENT ACCOUNTING PRONOUNCEMENTS

Leases

In February 2016, the FASB issued amended guidance for the treatment of leases. The guidance requires lessees to recognize a right-of-use asset and a corresponding lease liability for all operating and finance leases with lease terms greater than one year. The guidance also requires both qualitative and quantitative disclosures regarding the nature of the Organization's leasing activities. The guidance will initially be applied using a modified retrospective approach. The amendments in the guidance will be effective for the year ending December 31, 2022. Early adoption is permitted. Management is evaluating the impact of the amended lease guidance on the Organization's consolidated financial statements.

Contributed Nonfinancial Assets

In September 2020, the FASB issued amended guidance for contributed nonfinancial assets. The guidance requires the presentation of contributed nonfinancial assets as a separate line item in the Consolidated Statements of Activities, disclosure of the disaggregated amount by type, and disclosure of qualitative information about whether the contributed nonfinancial assets were monetized or utilized during the reporting period, as well as a description of the programs or other activities in which the assets were used. The guidance also requires disclosure of any donor-imposed restrictions and a description of valuation techniques. The amendments in the guidance will be effective for fiscal years beginning after June 15, 2021.

(See Independent Auditors' Report)



SUPPLEMENTARY INFORMATION



INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors of
Ronald McDonald House Charities of Maryland, Inc.

We audited the consolidated financial statements of Ronald McDonald House Charities of Maryland, Inc. and Subsidiary as of and for the years ended December 31, 2021 and 2020, and our report thereon dated May 26, 2022, which expressed an unmodified opinion on those consolidated financial statements, appears on Pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidating Statements of Financial Position and Activities are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information was subjected to the auditing procedures applied in the audits of the consolidated financial statements and to certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



ELLIN & TUCKER
Certified Public Accountants

Baltimore, Maryland
May 26, 2022

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
Ronald McDonald House Charities of Maryland, Inc. and Subsidiary
December 31, 2021

	<u>ASSETS</u>			
ASSETS	<u>RMH</u>	<u>RMH 2.0</u>	<u>Eliminations</u>	<u>Consolidated</u>
Cash and Cash Equivalents	\$ 2,271,939	\$ 9,820	\$ -	\$ 2,281,759
Restricted Cash	-	249,528	-	249,528
Investments	13,621,986	-	-	13,621,986
Pledges Receivable, Net	627,000	-	-	627,000
Other Receivables	294,888	-	-	294,888
Note Receivable	8,115,600	-	-	8,115,600
Prepaid Expenses and Other Assets	74,264	-	-	74,264
Property and Equipment, Net	1,471,390	28,982,404	-	30,453,794
Total Assets	<u>\$ 26,477,067</u>	<u>\$ 29,241,752</u>	<u>\$ -</u>	<u>\$ 55,718,819</u>
	<u>LIABILITIES AND NET ASSETS</u>			
LIABILITIES				
Accounts Payable and Accrued Expenses	\$ 290,626	\$ 19,301	\$ -	\$ 309,927
Notes Payable	-	11,470,724	-	11,470,724
Total Liabilities	<u>290,626</u>	<u>11,490,025</u>	<u>-</u>	<u>11,780,651</u>
NET ASSETS				
Without Donor Restrictions	25,451,216	17,751,727	-	43,202,943
With Donor Restrictions	735,225	-	-	735,225
Total Net Assets	<u>26,186,441</u>	<u>17,751,727</u>	<u>-</u>	<u>43,938,168</u>
Total Liabilities and Net Assets	<u>\$ 26,477,067</u>	<u>\$ 29,241,752</u>	<u>\$ -</u>	<u>\$ 55,718,819</u>

(See Independent Auditors' Report on Supplementary Information)

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
Ronald McDonald House Charities of Maryland, Inc. and Subsidiary
December 31, 2020

	<u>ASSETS</u>			
ASSETS	<u>RMH</u>	<u>RMH 2.0</u>	<u>Eliminations</u>	<u>Consolidated</u>
Cash and Cash Equivalents	\$ 2,688,709	\$ 14,431	\$ -	\$ 2,703,140
Restricted Cash	-	314,528	-	314,528
Investments	9,640,139	-	-	9,640,139
Pledges Receivable, Net	1,345,300	-	-	1,345,300
Other Receivables	86,316	-	-	86,316
Note Receivable	8,115,600	-	-	8,115,600
Prepaid Expenses and Other Assets	68,742	-	-	68,742
Property and Equipment, Net	1,558,046	29,973,316	-	31,531,362
Total Assets	<u>\$ 23,502,852</u>	<u>\$ 30,302,275</u>	<u>\$ -</u>	<u>\$ 53,805,127</u>
	<u>LIABILITIES AND NET ASSETS</u>			
LIABILITIES				
Accounts Payable and Accrued Expenses	\$ 159,493	\$ 19,301	\$ -	\$ 178,794
Notes Payable	-	11,397,765	-	11,397,765
Paycheck Protection Program - Refundable Advance	220,584	-	-	220,584
Total Liabilities	<u>380,077</u>	<u>11,417,066</u>	<u>-</u>	<u>11,797,143</u>
NET ASSETS				
Without Donor Restrictions	22,436,165	18,885,209	-	41,321,374
With Donor Restrictions	686,610	-	-	686,610
Total Net Assets	<u>23,122,775</u>	<u>18,885,209</u>	<u>-</u>	<u>42,007,984</u>
Total Liabilities and Net Assets	<u>\$ 23,502,852</u>	<u>\$ 30,302,275</u>	<u>\$ -</u>	<u>\$ 53,805,127</u>

(See Independent Auditors' Report on Supplementary Information)

CONSOLIDATING STATEMENT OF ACTIVITIES
Ronald McDonald House Charities of Maryland, Inc. and Subsidiary
For the Year Ended December 31, 2021

	RMH			RMH 2.0			Eliminations	Consolidated
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
REVENUES, GAINS, AND OTHER SUPPORT								
Contributions	\$ 1,974,567	\$ 222,317	\$ 2,196,884	\$ -	\$ -	\$ -	\$ -	\$ 2,196,884
Special Events	1,569,878	-	1,569,878	-	-	-	-	1,569,878
Grant Revenue from Ronald McDonald House Charities, Inc.	260,392	-	260,392	-	-	-	-	260,392
Guest Fees	21,112	-	21,112	-	-	-	-	21,112
In-Kind Contributions	388,436	-	388,436	-	-	-	-	388,436
Intercompany Contributions	30,000	-	30,000	-	-	-	(30,000)	-
Lease Income	-	-	-	107,000	-	107,000	(107,000)	-
Paycheck Protection Program Loan Forgiveness Income	478,968	-	478,968	-	-	-	-	478,968
Employee Retention Credit	386,659	-	386,659	-	-	-	-	386,659
Net Assets Released from Restrictions	230,466	(230,466)	-	-	-	-	-	-
Total Revenues, Gains, and Other Support	5,340,478	(8,149)	5,332,329	107,000	-	107,000	(137,000)	5,302,329
EXPENSES								
Program Services	2,613,944	-	2,613,944	1,034,612	-	1,034,612	(107,000)	3,541,556
Management and General	209,077	-	209,077	171,130	-	171,130	-	380,207
Fundraising	378,865	-	378,865	4,740	-	4,740	-	383,605
Cost of Direct Benefits to Donors	330,409	-	330,409	-	-	-	-	330,409
Intercompany Contribution Expense	-	-	-	30,000	-	30,000	(30,000)	-
Total Expenses	3,532,295	-	3,532,295	1,240,482	-	1,240,482	(137,000)	4,635,777
Change in Net Assets from Operations	1,808,183	(8,149)	1,800,034	(1,133,482)	-	(1,133,482)	-	666,552
INVESTMENT INCOME, NET								
Change in Net Assets	1,206,868	56,764	1,263,632	-	-	-	-	1,263,632
Change in Net Assets	3,015,051	48,615	3,063,666	(1,133,482)	-	(1,133,482)	-	1,930,184
NET ASSETS - BEGINNING OF YEAR								
Change in Net Assets	22,436,165	686,610	23,122,775	18,885,209	-	18,885,209	-	42,007,984
NET ASSETS - END OF YEAR								
Change in Net Assets	\$ 25,451,216	\$ 735,225	\$ 26,186,441	\$ 17,751,727	\$ -	\$ 17,751,727	\$ -	\$ 43,938,168

(See Independent Auditors' Report on Supplementary Information)

	RMH			RMH 2.0			Eliminations	Consolidated
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
REVENUES, GAINS, AND OTHER SUPPORT								
Contributions	\$ 1,919,928	\$ 42,700	\$ 1,962,628	\$ -	\$ -	\$ -	\$ -	\$ 1,962,628
Capital Campaign	-	520,000	520,000	-	-	-	-	520,000
Special Events	1,395,206	-	1,395,206	-	-	-	-	1,395,206
Grant Revenue from Ronald McDonald House Charities, Inc.	153,590	-	153,590	-	-	-	-	153,590
Guest Fees	26,777	-	26,777	-	-	-	-	26,777
In-Kind Contributions	501,949	-	501,949	-	-	-	-	501,949
Intercompany Contributions	30,000	-	30,000	-	-	-	(30,000)	-
Lease Income	-	-	-	107,000	-	107,000	(107,000)	-
Net Assets Released from Restrictions	565,457	(565,457)	-	-	-	-	-	-
Total Revenues, Gains, and Other Support	4,592,907	(2,757)	4,590,150	107,000	-	107,000	(137,000)	4,560,150
EXPENSES								
Program Services	2,428,609	-	2,428,609	1,034,540	-	1,034,540	(107,000)	3,356,149
Management and General	213,455	-	213,455	171,379	-	171,379	-	384,834
Fundraising	311,022	-	311,022	4,563	-	4,563	-	315,585
Cost of Direct Benefits to Donors	341,714	-	341,714	-	-	-	-	341,714
Intercompany Contribution Expense	-	-	-	30,000	-	30,000	(30,000)	-
Total Expenses	3,294,800	-	3,294,800	1,240,482	-	1,240,482	(137,000)	4,398,282
Change in Net Assets from Operations	1,298,107	(2,757)	1,295,350	(1,133,482)	-	(1,133,482)	-	161,868
INVESTMENT INCOME, NET								
Change in Net Assets	2,322,492	69,539	2,392,031	(1,133,482)	-	(1,133,482)	-	1,258,549
NET ASSETS - BEGINNING OF YEAR								
	20,113,673	617,071	20,730,744	20,018,691	-	20,018,691	-	40,749,435
NET ASSETS - END OF YEAR								
	\$ 22,436,165	\$ 686,610	\$ 23,122,775	\$ 18,885,209	\$ -	\$ 18,885,209	\$ -	\$ 42,007,984

(See Independent Auditors' Report on Supplementary Information)