



Ronald McDonald
House Charities®
Intermountain Area



RONALD MCDONALD HOUSE CHARITIES® OF THE INTERMOUNTAIN AREA FINANCIAL STATEMENTS

YEARS ENDED December 31, 2020 and 2019

RONALD MCDONALD HOUSE CHARITIES OF THE INTERMOUNTAIN AREA, INC.
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YEARS ENDED DECEMBER 31, 2020 AND 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Ronald McDonald House Charities of the Intermountain Area, Inc.
Salt Lake City, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of Ronald McDonald House Charities of the Intermountain Area, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, 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 these 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 these 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 audit to obtain reasonable assurance about whether the financial statements are free of 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 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 the Intermountain Area, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Bountiful Peak Advisors

Bountiful, Utah
June 14, 2021

RONALD MCDONALD HOUSE CHARITIES OF THE INTERMOUNTAIN AREA, INC
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,410,979	\$ 824,910
Contributions and accounts receivable, net	62,403	15,448
Note receivable, net	7,115	6,769
Prepaid expenses	42,693	5,784
Total current assets	1,523,190	852,911
NONCURRENT ASSETS		
Cash and cash equivalents	468,182	846,340
Contributions and accounts receivable, net	51,186	261,688
Note receivable, net	249,786	256,901
Investments	7,964,893	6,917,341
Property and equipment, net	12,020,264	12,060,652
Total noncurrent assets	20,754,311	20,342,922
Total assets	\$ 22,277,501	\$ 21,195,833
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 19,223	\$ 325,280
Accrued expenses	204,590	159,419
Total current liabilities	223,813	484,699
NET ASSETS		
Without donor restrictions		
Undesignated	13,266,817	10,241,029
Board designated	6,519,059	5,666,095
With donor restrictions	2,267,812	4,804,010
Total net assets	22,053,688	20,711,134
Total liabilities and net assets	\$ 22,277,501	\$ 21,195,833

See accompanying notes to financial statements

RONALD MCDONALD HOUSE CHARITIES OF THE INTERMOUNTAIN AREA, INC
STATEMENT OF ACTIVITES
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Public support			
Individual contributions	\$ 1,612,532	\$ -	\$ 1,612,532
In-kind contributions	671,776	-	671,776
Foundation contributions	435,621	66,879	502,500
Government grants	503,452	-	503,452
Corporate contributions	207,440	-	207,440
Capital campaign contributions	74,535	350,000	424,535
Special events	803,639	166,500	970,139
Less: cost of direct benefit to donors	(59,378)	-	(59,378)
Net revenue from special events	744,261	583,379	910,761
Net assets released from restrictions	3,333,263	(3,333,263)	-
Total public support	7,582,880	(2,749,884)	4,832,996
Other revenues			
Room fees	75,040	-	75,040
Other income	11,335	-	11,335
Total other revenues	86,375	-	86,375
Total public support and other revenues	7,669,255	(2,749,884)	4,919,371
EXPENSES			
Program services	3,659,453	-	3,659,453
Support services			
Management and general	395,583	-	395,583
Fundraising	591,759	-	591,759
Payments to RMHC Global	1,853	-	1,853
Total expenses	4,648,648	-	4,648,648
Change in net assets from operations	3,020,607	(2,749,884)	270,723
Investment income, net	858,145	213,686	1,071,831
Change in net assets	3,878,752	(2,536,198)	1,342,554
Net assets - beginning of year	15,907,124	4,804,010	20,711,134
Net assets - end of year	\$ 19,785,876	\$ 2,267,812	\$ 22,053,688

See accompanying notes to financial statements

RONALD MCDONALD HOUSE CHARITIES OF THE INTERMOUNTAIN AREA, INC
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Public support			
Individual contributions	\$ 1,335,928	\$ -	\$ 1,335,928
In-kind contributions	830,084	-	830,084
Foundation contributions	428,375	200,000	628,375
Corporate contributions	200,138	-	200,138
Capital campaign contributions	-	427,480	427,480
Special events	1,217,646	89,000	1,306,646
Less: cost of direct benefit to donors	(234,214)	-	(234,214)
Net revenue from special events	983,432	716,480	1,072,432
Net assets released from restrictions	1,500	(1,500)	-
Total public support	3,779,457	714,980	4,494,437
Other revenues			
Room fees	167,602	-	167,602
Other income	13,654	-	13,654
Total other revenues	181,256	-	181,256
Total public support and other revenues	3,960,713	714,980	4,675,693
EXPENSES			
Program services	3,190,650	-	3,190,650
Support services			
Management and general	391,080	-	391,080
Fundraising	621,642	-	621,642
Payments to RMHC Global	3,738	-	3,738
Total expenses	4,207,110	-	4,207,110
Change in net assets from operations	(246,397)	714,980	468,583
Investment income, net	644,026	262,640	906,666
Change in net assets	397,629	977,620	1,375,249
Net assets - beginning of year	15,509,495	3,826,390	19,335,885
Net assets - end of year	\$ 15,907,124	\$ 4,804,010	\$ 20,711,134

See accompanying notes to financial statements

RONALD MCDONALD HOUSE CHARITIES OF THE INTERMOUNTAIN AREA, INC
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program Services	Management and General	Fundraising	Payments to RMHC Global	Cost of Direct Benefits to Donors	Total
Salaries	\$ 1,272,749	\$ 222,196	\$ 382,428	\$ -	\$ -	\$ 1,877,373
Employee Benefits	153,539	48,467	43,193	-	-	245,199
Payroll Taxes	79,648	16,682	27,397	-	-	123,727
Total Salaries and Related Expenses	<u>1,505,936</u>	<u>287,345</u>	<u>453,018</u>	<u>-</u>	<u>-</u>	<u>2,246,299</u>
Supplies	574,331	-	-	-	-	574,331
Professional fees	114,823	40,274	39,932	-	-	195,029
Office	55,933	16,088	15,095	-	-	87,116
Food and facilities	979	2,577	17,136	-	27,404	48,096
Auction Items and takeaw ays	-	-	-	-	31,974	31,974
Rent	147,621	-	-	-	-	147,621
Maintenance and repairs	73,231	-	-	-	-	73,231
Utilities	78,425	609	1,041	-	-	80,075
Insurance	58,457	454	776	-	-	59,687
Printing and postage	8,011	1,043	34,220	-	-	43,274
Communications	31,937	886	2,026	-	-	34,849
Bank fees	-	36,092	-	-	-	36,092
Public relations	220	100	6,154	-	-	6,474
Conferences and education	314	675	169	-	-	1,158
Travel	6,468	87	559	-	-	7,114
Bad debt	-	-	-	-	-	-
Emergency housing expenses	490,663	-	-	-	-	490,663
Miscellaneous	23,251	-	11,623	-	-	34,874
Dues and subscriptions	588	5,564	3,529	-	-	9,681
Total expenses before depreciation and amortization	<u>3,171,188</u>	<u>391,794</u>	<u>585,278</u>	<u>-</u>	<u>59,378</u>	<u>4,207,638</u>
Depreciation and amortization	488,265	3,789	6,481	-	-	498,535
Payments to RMHC Global, unallocated	-	-	-	1,853	-	1,853
Total functional expenses	<u>\$ 3,659,453</u>	<u>\$ 395,583</u>	<u>\$ 591,759</u>	<u>\$ 1,853</u>	<u>\$ 59,378</u>	<u>\$ 4,708,026</u>

RECONCILIATION TO STATEMENT OF ACTIVITIES

Cost of direct benefit to donors	-	-	-	-	(59,378)	(59,378)
Total expenses	<u>\$ 3,659,453</u>	<u>\$ 395,583</u>	<u>\$ 591,759</u>	<u>\$ 1,853</u>	<u>\$ -</u>	<u>\$ 4,648,648</u>

See accompanying notes to financial statements

RONALD MCDONALD HOUSE CHARITIES OF THE INTERMOUNTAIN AREA, INC
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

	Program Services	Management and General	Fundraising	Payments to RMHC Global	Cost of Direct Benefits to Donors	Total
Salaries	\$ 1,231,140	\$ 214,551	\$ 335,730	\$ -	\$ -	\$ 1,781,421
Employee Benefits	157,773	45,341	41,565	-	-	244,679
Payroll Taxes	91,153	15,737	25,165	-	-	132,055
Total Salaries and related expenses	<u>1,480,066</u>	<u>275,629</u>	<u>402,460</u>	<u>-</u>	<u>-</u>	<u>2,158,155</u>
Supplies	694,230	194	1,317	-	-	695,741
Professional fees	66,089	30,121	49,266	-	-	145,476
Office	61,111	15,313	9,623	-	-	86,047
Food and facilities	5,817	8,846	81,568	-	187,067	283,298
Auction Items and takeaw ays	-	-	-	-	47,147	47,147
Rent	147,620	-	-	-	-	147,620
Maintenance and repairs	103,615	-	-	-	-	103,615
Utilities	83,987	652	1,115	-	-	85,754
Insurance	47,527	369	631	-	-	48,527
Printing and postage	11,312	1,712	15,113	-	-	28,137
Communications	28,269	729	2,026	-	-	31,024
Bank fees	-	37,728	-	-	-	37,728
Public relations	5,344	-	22,827	-	-	28,171
Conferences and education	4,522	6,370	6,372	-	-	17,264
Travel	7,501	1,128	3,640	-	-	12,269
Bad debt	-	3,000	-	-	-	3,000
Emergency housing expenses	6,765	-	-	-	-	6,765
Miscellaneous	2,702	-	17,904	-	-	20,606
Dues and subscriptions	474	5,924	2,023	-	-	8,421
Total expenses before depreciation and amortization	<u>2,756,951</u>	<u>387,715</u>	<u>615,885</u>	<u>-</u>	<u>234,214</u>	<u>3,994,765</u>
Depreciation and amortization	433,699	3,365	5,757	-	-	442,821
Payments to RMHC Global, unallocated	-	-	-	3,738	-	3,738
Total functional expenses	<u>\$ 3,190,650</u>	<u>\$ 391,080</u>	<u>\$ 621,642</u>	<u>\$ 3,738</u>	<u>\$ 234,214</u>	<u>\$ 4,441,324</u>
RECONCILIATION TO STATEMENT OF ACTIVITIES						
Cost of direct benefit to donors	-	-	-	-	(234,214)	(234,214)
Total expenses	<u>\$ 3,190,650</u>	<u>\$ 391,080</u>	<u>\$ 621,642</u>	<u>\$ 3,738</u>	<u>\$ -</u>	<u>\$ 4,207,110</u>

See accompanying notes to financial statements

RONALD MCDONALD HOUSE CHARITIES OF THE INTERMOUNTAIN AREA, INC
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,342,554	\$ 1,375,249
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and Amortization	498,535	442,821
Noncash investment income, net	(973,660)	(809,857)
Amortization of discount on contributions receivable	(4,706)	(13,960)
In-kind contributions of property and equipment	(12,500)	(26,474)
In-kind contributions of investments	(12,091)	(10,637)
Allowance for bad debts	-	3,000
Changes in assets and liabilities		
Prepaid expenses	(36,909)	(584)
Accounts and contributions receivable, net	168,253	947,343
Accounts payable	(306,057)	306,462
Accrued liabilities	45,171	(2,439)
Net cash provided by operating activities	708,590	2,210,924
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(445,647)	(1,348,126)
Principal payments on note receivable	6,769	6,439
Proceeds from sale of investments	2,957,561	2,434,282
Purchase of investments	(3,019,362)	(3,782,868)
Net cash used in investing activities	(500,679)	(2,690,273)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
Net increase in cash and cash equivalents	207,911	(479,349)
Cash and cash equivalents, beginning of year	1,671,250	2,150,599
Cash and cash equivalents, end of year	\$ 1,879,161	\$ 1,671,250
Cash and cash equivalents, current	\$ 1,410,979	\$ 824,910
Cash and cash equivalents, non-current	468,182	846,340
	\$ 1,879,161	\$ 1,671,250
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	\$ -	\$ -
Cash Paid for income taxes	\$ -	\$ -

See accompanying notes to financial statements

RONALD MCDONALD HOUSE CHARITIES OF THE INTERMOUNTAIN AREA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Ronald McDonald House Charities of the Intermountain area, Inc. (the “Organization”) is a Utah nonprofit charitable corporation formed in May 1985. The mission of Ronald McDonald House Charities (“RMHC”) is to create, find and support programs that directly improve the health and well-being of children and their families. Collectively, RMHC and the network of local Chapters ascribe to five core values: we are focused on the critical needs of children, we lead with compassion, we celebrate the diversity of our people and our programs, we value our heritage and we operate with accountability and transparency.

We fulfill our mission through operation of sustainable programs that enable family-centered care, bridge access to quality health care, are a vital part of the health care continuum and strengthen families during difficult times. The following programs, operated by the Organization, represent the core functions of Ronald McDonald House:

Ronald McDonald House

When children must travel long distances to access top medical care, accommodations and support for families can be expensive or not readily available. The Organization helps families stay close to their ill or injured child through the Ronald McDonald House program located in Salt Lake City, Utah, which provide 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.

Ronald McDonald Family Room

When a child is critically ill, parents may be reluctant to leave the hospital. In order to provide comfort and support to their child, it is important that parents have an opportunity to rest, have a meal or have a moment of quiet. Located inside medical care facilities, the Ronald McDonald Family Room programs in Primary Children’s Hospital serve as a place of respite, relaxation and privacy for family members, often just steps away from where their child is being treated. The Ronald McDonald Family Room program provides parents with an opportunity to remain close to their hospitalized child and to be an active member of their child’s health care team.

Ronald McDonald Hospitality Carts

The Ronald McDonald Hospitality Carts program offers comfort items for pediatric families with Ogden Regional Medical Center and Shriners’ Hospital for Children. These mobile carts are stocked with needed comfort items for child patients, and their siblings and caregivers, including healthy snacks, hygiene items, family games, notebooks, and other comfort and respite items.

RONALD MCDONALD HOUSE CHARITIES OF THE INTERMOUNTAIN AREA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. 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 restrictions.

Measure of Operations

The Organization's change in net assets from operations on the statements of activities includes all operating revenues and expenses that are an integral part of its program and supporting activities, net assets released from donor restrictions to support operating expenditures and other non-operating funds to support current operating activities. The measure of operations excludes investment return on investments.

Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management of the Organization to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash equivalents include money market funds and all highly liquid investments with a maturity date of less than three months from the date of purchase. The Organization's cash balances may exceed Federal Deposit Insurance Corporation limits from time to time. As of December 31, 2020, the uninsured balance was \$1,195,315. The Organization has not experienced any losses in such accounts and management believes that it is not exposed to any significant credit risk on cash.

Contributions Receivable

Contributions receivable 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. Contributions receivable are written off when deemed uncollectible. The Organization considers all contributions receivable to be collectible; therefore, no allowance for uncollectible receivables has been recorded as of December 31, 2020 and 2019, respectively.

The Organization is the beneficiary under various wills and trust agreements of which the total realizable amount is not presently determinable. Such amounts are recorded when a will is declared valid by probate court and the proceeds are measurable.

RONALD MCDONALD HOUSE CHARITIES OF THE INTERMOUNTAIN AREA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Realized and unrealized gains and losses and income are included in the statements of activities.

The Organization maintains master investment accounts for its donor-restricted and board-designated endowments. Realized and unrealized gains and losses from securities in the master investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of each endowment to the total fair value of the master investment accounts, as adjusted for additions to or deductions from those accounts.

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 \$5,000 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 assets as follows:

Buildings and improvements	15 - 39 Years
Furniture and equipment	3 - 10 Years
Vehicles	10 Years

Impairment of Long-Lived Assets

The Organization evaluates its long-lived assets for any events or changes in circumstances which 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.

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 has restricted 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.

RONALD MCDONALD HOUSE CHARITIES OF THE INTERMOUNTAIN AREA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 financial statements.

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 governing board has designated, from net assets without donor restrictions, net assets for board designated endowment.

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.

Revenue Recognition

Contributions and Grants

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 has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

Conditional grants and contract funds are recorded as revenue when earned. Revenue is earned when eligible expenditures or deliverables, as defined in each contract, are met. Funds received but not yet earned are shown as Deferred Revenue. Expenditures under contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Organization will record such disallowance at the time the final assessment is made.

Functional Expenses

The statements of functional expenses report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, payroll taxes and employee benefits, which are allocated on the basis of estimated time and effort, and depreciation, insurance, utilities, and communications, which are allocated on a square footage basis.

RONALD MCDONALD HOUSE CHARITIES OF THE INTERMOUNTAIN AREA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income, if any, from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Organization believes that 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.

Reclassifications

Certain amounts have been reclassified for the year ended December 31, 2019 to conform to the presentation for the year ended December 31, 2020. The reclassifications had no impact on previously reported net assets.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date consisted of the following:

	2020	2019
Cash and cash equivalents	\$ 1,410,979	\$ 824,910
Current portion of accounts and contributions receivable	62,403	15,448
Current portion of note receivable	7,115	6,769
	\$ 1,480,497	\$ 847,127

As part of its liquidity management plan, the Organization structures 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 savings and investments. To help manage unanticipated liquidity needs, the Organization has credit cards with an aggregate credit limit of \$80,000, which it could draw upon. Although the Organization does not intend to spend from its board-designated funds, the following funds could be made available for general expenditure through board appropriation, if necessary.

	Cash and cash equivalents	Investments
Board -designated		
Maintenance fund	\$ 32,839	\$ 153,093
Legacy endowment	275,790	6,057,337
	\$ 308,629	\$ 6,210,430

RONALD MCDONALD HOUSE CHARITIES OF THE INTERMOUNTAIN AREA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 3 ACCOUNTS AND CONTRIBUTIONS RECEIVABLE

Accounts and contributions receivable consist primarily of pledges as of December 31:

	2020	2019
Accounts and contributions receivable		
Less than one year	\$ 62,403	\$ 179,588
One to five years	53,217	104,840
More than five years	555	-
	116,175	284,428
Less: unamortized discount	(2,586)	(7,292)
	113,589	277,136
Less: current portion of accounts and contributions receivable, net	(2,656)	(15,448)
Total long-term accounts and contributions receivable	\$ 110,933	\$ 261,688

The discount rate used for the years ended December 31, 2020 and 2019 ranged from 1.50% to 5.00%.

NOTE 4 FAIR VALUE MEASUREMENTS

In determining fair value, the Organization uses various valuation approaches within the fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability. A hierarchy for inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Levels within the hierarchy are based on the reliability of inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;

Level 2 - Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets; and

Level 3 - Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models, and similar techniques not based on market, exchange, dealer, or broker-traded transactions.

The fair values of assets and liabilities measured on a recurring basis as of December 31, 2020 and 2019 are as follows:

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NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Assets at Fair Value as of December 31, 2020				
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 2,141,540	\$ -	\$ -	\$ 2,141,540
Exchange-traded funds:				
Equity	-	4,409,341	-	4,409,341
Debt securities:				
Government bonds	-	656,119	-	656,119
Corporate bonds	-	538,970	-	538,970
Asset-backed securities	-	218,923	-	218,923
Foreign bonds	-	-	-	-
Equity securities:				
U.S Corporate Equity	-	-	-	-
International Corporate equity	-	-	-	-
	<u>\$ 2,141,540</u>	<u>\$ 5,823,353</u>	<u>\$ -</u>	<u>\$ 7,964,893</u>

Assets at Fair Value as of December 31, 2019				
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 1,787,097	\$ -	\$ -	\$ 1,787,097
Exchange-traded funds:				
Equity	-	3,887,485	-	3,887,485
Debt securities:				
Government bonds	-	505,824	-	505,824
Corporate bonds	-	448,048	-	448,048
Asset-backed securities	-	288,887	-	288,887
Foreign bonds	-	-	-	-
Equity securities:				
U.S Corporate Equity	-	-	-	-
International Corporate equity	-	-	-	-
	<u>\$ 1,787,097</u>	<u>\$ 5,130,244</u>	<u>\$ -</u>	<u>\$ 6,917,341</u>

Fair values for Level 1 investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair values of Level 2 investments are determined by reference to quoted prices for similar assets in less active markets. Fair values of Level 3 investments are determined from valuation techniques in which one or more inputs are unobservable. The Organization reviewed and evaluated the values and assumptions used in determining the fair value of Level 3 financial instruments. The carrying amounts of all other assets and liabilities reflected in the statements of financial position for the Organization's financial instruments approximates their respective fair value due to the short-term maturities of those instruments. There have been no changes in valuation techniques and related inputs. The Organization's policy is to recognize transfers into and out of Level 3 as of the date of the event or change in circumstances that caused the transfer.

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NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Certain of the Organization's investments classified as exchange-traded funds and hedge funds are recorded at net asset value in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Fair value represents the net asset value (NAV) of shares or units held by the Organization at year end. The financial statements of these investments are prepared in accordance with U.S. GAAP and are audited annually by independent auditors. As of December 31, 2020 and 2019, the Organization had no unfunded commitments to invest in these funds. Redemptions, at NAV, of shares in these investments are immediate with one-day notice.

Components of investment return for the years ended December 31, 2020 and 2019 are summarized as follows:

	2020	2019
Investment return:		
Interest and dividends	\$ 160,327	\$ 162,705
Net unrealized/realized gains and losses	973,660	812,072
Investment fees	(62,156)	(68,111)
	\$ 1,071,831	\$ 906,666

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31:

	2020	2019
Land	\$ 1,898,213	\$ 1,813,801
Buildings and improvements	13,711,222	12,064,868
Furniture and fixtures	970,375	691,975
Vehicles	123,026	90,426
Construction in process	-	1,583,620
Total cost of property and equipment	16,702,836	16,244,690
Less: accumulated depreciation	(4,682,572)	(4,184,038)
Total property and equipment, net	\$ 12,020,264	\$ 12,060,652

Depreciation expense was \$498,535 and \$442,721 for the years ended December 31, 2020 and 2019, respectively.

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NOTE 6 NOTE RECEIVABLE

The Organization had a note receivable due from a third party totaling \$268,457 and \$270,109 at December 31, 2019 and 2018, respectively. The note requires monthly payments of \$1,650 from January 2018 to November 2022 and a balloon payment of \$243,956 in December 2022. The note bears 5% interest annually and is secured by land and a building. Future maturities of the note receivable are as follows:

Year ending December 31,		
2021	\$	7,115
2022		249,786
Thereafter		-
	\$	256,901

NOTE 7 ENDOWMENT FUNDS

The Organization's endowment consists of two funds established by donors to provide annual funding for specific activities and general operations. The endowments consist of donor-restricted and board-designated endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization's endowment funds consist of the Kroc endowment and the Legacy endowment. The Kroc endowment consists of donor-restricted funds, \$500,000 of which are restricted in perpetuity. The remainder of the Kroc endowment is restricted for house operating costs and may be appropriated for expenditure by the board of directors. The Legacy endowment consists of board-designated funds designated to support ongoing house operations.

Interpretation of Relevant Law

The Organization has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. At December 31, 2018, there were no such donor stipulations. As a result of this interpretation, the organization retains in perpetuity:

- The original value of gifts donated to the endowment, and
- Any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added.

Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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NOTE 7 ENDOWMENT FUNDS (CONTINUED)

- The duration and preservation of the various funds
- The purposes of the donor-restricted endowment funds
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The Organization's investment policies

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the programs supported by the endowments. The endowment assets are invested in a manner that is intended to produce returns that are 2% to 3% higher than the rate of inflation, while assuming a moderate level of investment risk.

Spending Policy

The Organization has a policy which allows all portions of the endowment fund that are not donor-restricted in perpetuity to be appropriated for expenditure at the discretion of the board of directors.

Strategies Employed for Achieving Objectives

The Organization relies on a total return strategy in which investment returns are achieved through capital appreciation and current yield (interest and dividends). The organization targets a diversified asset allocation that emphasizes common stocks and fixed income securities to achieve its long-term objectives within prudent risk constraints.

Endowment net assets composition by fund type as of December 31, 2020 was as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted Kroc endowment fund:			
Original donor-restricted gift required to be maintained in perpetuity by donor	\$ -	\$ 500,000	\$ 500,000
Accumulated investment gains	-	1,131,766	1,131,766
Total donor-restricted endowment fund	-	1,631,766	1,631,766
Board-designated <i>Legacy</i> endowment fund	6,333,127	-	6,333,127
Total endowment funds	\$ 6,333,127	\$ 1,631,766	\$ 7,964,893

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NOTE 7 ENDOWMENT FUNDS (CONTINUED)

Endowment net assets composition by fund type as of December 31, 2019 was as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted Kroc endowment fund:			
Original donor-restricted gift required to be maintained in perpetuity by donor	\$ -	\$ 500,000	\$ 500,000
Accumulated investment gains	-	920,747	920,747
Total donor-restricted endowment fund	-	1,420,747	1,420,747
Board-designated <i>Legacy</i> endowment fund	5,496,594	-	5,496,594
Total endowment funds	<u>\$ 5,496,594</u>	<u>\$ 1,420,747</u>	<u>\$ 6,917,341</u>

Changes in endowment net assets for the years ended December 31, 2020 and 2019 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, December 31, 2018:	\$ 2,667,391	\$ 1,194,748	\$ 3,862,139
Reclassification to endowment	2,239,112	-	2,239,112
Investment income, net	590,091	225,999	816,090
Appropriation of endowment assets for expenditure	-	-	-
Net asset, December 31, 2019	<u>5,496,594</u>	<u>1,420,747</u>	<u>6,917,341</u>
Reclassification to endowment	115,000	-	115,000
Investment income, net	782,482	211,019	993,501
Appropriation of endowment assets for expenditure	(60,949)	-	(60,949)
Net asset, December 31, 2020	<u>\$ 6,333,127</u>	<u>\$ 1,631,766</u>	<u>\$ 7,964,893</u>

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NOTES TO FINANCIAL STATEMENTS
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NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2020 and 2019 consisted of the following:

	2020	2019
Subject to expenditure for specified purpose:		
Capital campaign greenspace project	\$ -	\$ 2,710,926
Capital campaign RMHFR expansion	350,000	-
Capital campaign RMH expansion	50,000	50,000
Capital campaign LCSW position	66,879	-
Promises to give, proceeds which are restricted by donors for capital campaign greenspace project	-	261,688
Donor-restricted endowment subject to appropriation and expenditure restricted by donors for house operations	1,134,433	920,747
Total subject to expenditure for specified purpose	1,601,312	3,943,361
Subject to specified future event		
Special events scheduled in subsequent year	166,500	189,000
Van purchase	-	50,000
Capital campaign greenspace project	-	121,649
Total subject specified future event	166,500	360,649
Not subject to appropriation or expenditure		
Donor-restricted endowment held in perpetuity	500,000	500,000
Total not subject of appropriation or expenditure	500,000	500,000
Total net assets with donor restrictions	\$ 2,267,812	\$ 4,804,010

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors as following for the years ended December 31, 2020 and 2019:

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NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

	2020	2019
Satisfaction of purpose restrictions:		
Promises to give	\$ -	\$ 1,500
Capital campaign greenspace expansion	3,094,263	-
Special events	189,000	-
Van purchase	50,000	-
Expiration of time restrictions	-	-
Total net assets released from donor restrictions	\$ 3,333,263	\$ 1,500

NOTE 9 BOARD-DESIGNATED NET ASSETS

The board of directors has designated certain net assets without donor restrictions for specific purposes, including the maintenance fund and Legacy endowment. The maintenance fund is designated for capital improvements and projects. The Legacy endowment is designated for ongoing house operations. Board-designated net assets consisted of the following at December 31, 2020 and 2019:

	2020	2019
Maintenance fund	\$ 185,932	\$ 169,501
Legacy endowment	6,333,127	5,496,594
Total board-designated net assets	\$ 6,519,059	\$ 5,666,095

NOTE 10 DONATED GOODS AND SERVICES

The fair value of donated goods and services included as contributions in the financial statements and the corresponding expense categories for the years ended December 31, 2020 and 2019 are as follows:

	2020	2019
Use of facilities	\$ 147,620	\$ 147,620
Specialized services	9,036	78,650
Food	227,345	324,164
Supplies and other goods	287,775	279,650
	\$ 671,776	\$ 830,084

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NOTE 11 RETIREMENT PLAN

The Organization established a 401(k)-retirement plan that covers employees who meet certain eligibility requirements. The Organization contributes profit-sharing contributions for eligible employees. The Organization's contributions to the retirement plan for the years ending December 31, 2020 and 2019 was \$54,035 and \$52,151, respectively.

NOTE 12 OPERATING LEASES

The Organization leases its family room facilities as Primary Children's Medical Center under an operating lease which expires in October 2022. The lease is cancellable by either party with 120 days written notice. The lease provides donated use of the facilities and requires payments totaling \$1 per year. Donated rent of \$147,620 was recorded by the Organization under this agreement for the years ended December 31, 2020 and 2019.

The Organization leases office equipment under an operating lease expiring August 2021. The lease requires monthly payments totaling \$136. Future minimum lease payments under operating leases are as follows:

Year ending December 31,		
2021	\$	1,085
2022		1
Thereafter		-
		-
	\$	1,086

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 remits to RMHC Global 25% of its revenues from all national fundraising efforts facilitated by RMHC Global, as defined by the license agreement. During the years ended December 31, 2020 and 2019, the Organization received \$127,147 and \$90,595, respectively, from these revenue streams.

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NOTE 14 SUBSEQUENT EVENTS

Subsequent events were evaluated through June 14, 2021, which is the date the financial statements were available to be issued. From their review, management has determined that there were no significant recognizable or unrecognizable subsequent events that were not properly disclosed.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have had and are likely to continue to have a negative impact on the Organization. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. The related financial impact cannot be reasonably estimated at this time.

Subsequent to year end, the Organization was approved for a \$390,932 uncollateralized loan under the Paycheck Protection Program created by the federal government as part of COVID-19 relief efforts. After the loan was approved, the Organization applied for forgiveness after meeting certain requirements under the Paycheck Protection Program. The Organization received notice that the application for forgiveness was approved in the amount of \$392,453, which included the outstanding loan balance and accrued interest.

NOTE 15 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, 2021. Early adoption is permitted. Management is evaluating the impact of the amended lease guidance on the Organization's financial statements.