

**RONALD MCDONALD HOUSE CHARITIES  
OF ST. LOUIS**

**FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
DECEMBER 31, 2021 AND 2020  
AND INDEPENDENT AUDITORS' REPORT**

Ronald McDonald House Charities of St. Louis

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## **Independent Auditors' Report**

To the Board of Directors  
Ronald McDonald House Charities of St. Louis

### **Opinion**

We have audited the accompanying financial statements of Ronald McDonald House Charities of St. Louis (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ronald McDonald House Charities of St. Louis as of December 31, 2021 and 2020, 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.

### **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 Audit of the Financial Statements section of our report. We are required to be independent of Ronald McDonald House Charities of St. Louis and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not 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 for 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 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 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 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 Ronald McDonald House Charities of St. Louis' 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ronald McDonald House Charities of St. Louis' ability to continue as a going concern for a reasonable period of time.

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

*Schmersahl Treloar & Co.*

St. Louis, Missouri  
March 8, 2022

**FINANCIAL STATEMENTS**

Ronald McDonald House Charities of St. Louis  
STATEMENTS OF FINANCIAL POSITION

ASSETS		December 31,	
	2021	2020	
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 2,740,022	\$ 997,552	
Cash - capital campaign	3,501,771	32,875	
Current portion of campaign pledges receivable	1,887,662	-	
Prepaid expenses	115,699	100,560	
Other assets	283,089	435,180	
Total Current Assets	8,528,243	1,566,167	
CAMPAIGN PLEDGES RECEIVABLE, net of discount	1,175,288	-	
PROPERTY AND EQUIPMENT, NET	10,649,513	10,721,270	
BENEFICIAL USE OF LAND, NET	414,225	433,732	
INVESTMENTS	6,862,559	6,425,962	
Total Assets	\$ 27,629,828	\$ 19,147,131	
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 202,390	\$ 161,430	
Current annuity obligation	30,191	30,191	
Accrued payroll and related liabilities	72,840	58,500	
Total Current Liabilities	305,421	250,121	
ANNUITY OBLIGATION	146,640	155,596	
Total Liabilities	452,061	405,717	
<b>NET ASSETS</b>			
Without donor restrictions			
Net investment in property and equipment	10,649,513	10,721,270	
Board designated endowment	5,647,245	3,840,447	
Undesignated	3,004,106	2,862,566	
Total Net Assets Without Donor Restrictions	19,300,864	17,424,283	
With donor restrictions			
Perpetual in nature	617,739	617,739	
Purpose restrictions	7,259,164	649,392	
Time-restricted for future periods	-	50,000	
Total Net Assets With Donor Restrictions	7,876,903	1,317,131	
Total Net Assets	27,177,767	18,741,414	
Total Liabilities and Net Assets	\$ 27,629,828	\$ 19,147,131	

See accompanying notes to financial statements

Ronald McDonald House Charities of St. Louis  
STATEMENTS OF ACTIVITIES

	Year Ended December 31, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Support			
Special events	\$ 823,303	\$ -	\$ 823,303
Less: costs of direct benefits to donors	<u>266,306</u>	<u>-</u>	<u>266,306</u>
Net revenue from special events	556,997	-	556,997
Capital campaign contributions	-	6,625,897	6,625,897
Contributions	4,779,912	357,972	5,137,884
Paycheck Protection Program grant	420,218	-	420,218
Outside fundraisers	189,665	-	189,665
Change in value of split-interest agreements	( 21,234)	-	( 21,234)
Net assets released from restrictions	<u>424,097</u>	<u>( 424,097)</u>	<u>-</u>
 Total Support	 <u>6,349,655</u>	 <u>6,559,772</u>	 <u>12,909,427</u>
Revenue			
Lodging receipts (net of waived fees of \$118,475 and \$133,856, respectively)	112,889	-	112,889
Investment return, net of fees	423,742	-	423,742
Miscellaneous income	<u>100,885</u>	<u>-</u>	<u>100,885</u>
 Total Revenue	 <u>637,516</u>	 <u>-</u>	 <u>637,516</u>
 Total Support and Revenue	 <u>6,987,171</u>	 <u>6,559,772</u>	 <u>13,546,943</u>
<b>EXPENSES</b>			
Program Services			
Residential facilities	2,544,585	-	2,544,585
Family rooms	619,124	-	619,124
Other program services	<u>240,853</u>	<u>-</u>	<u>240,853</u>
 Total Program Services	 <u>3,404,562</u>	 <u>-</u>	 <u>3,404,562</u>
Supporting Services			
General and administrative	642,034	-	642,034
Fundraising	<u>1,063,994</u>	<u>-</u>	<u>1,063,994</u>
 Total Supporting Services	 <u>1,706,028</u>	 <u>-</u>	 <u>1,706,028</u>
 Total Expenses	 <u>5,110,590</u>	 <u>-</u>	 <u>5,110,590</u>
 CHANGE IN NET ASSETS	 1,876,581	 6,559,772	 8,436,353
NET ASSETS, Beginning of year	<u>17,424,283</u>	<u>1,317,131</u>	<u>18,741,414</u>
NET ASSETS, End of year	<u>\$ 19,300,864</u>	<u>\$ 7,876,903</u>	<u>\$ 27,177,767</u>

See accompanying notes to financial statements

Year Ended December 31, 2020

Without Donor Restrictions	With Donor Restrictions	Total
\$ 513,621	\$ -	\$ 513,621
<u>179,016</u>	<u>-</u>	<u>179,016</u>
334,605	-	334,605
-	255,000	255,000
3,952,251	521,703	4,473,954
420,218	-	420,218
252,732	-	252,732
( 21,014)	-	( 21,014)
<u>641,583</u>	<u>( 641,583)</u>	<u>-</u>
<u>5,580,375</u>	<u>135,120</u>	<u>5,715,495</u>
124,210	-	124,210
826,617	-	826,617
<u>11,940</u>	<u>-</u>	<u>11,940</u>
<u>962,767</u>	<u>-</u>	<u>962,767</u>
<u>6,543,142</u>	<u>135,120</u>	<u>6,678,262</u>
2,257,538	-	2,257,538
559,292	-	559,292
<u>135,179</u>	<u>-</u>	<u>135,179</u>
<u>2,952,009</u>	<u>-</u>	<u>2,952,009</u>
544,062	-	544,062
<u>743,446</u>	<u>-</u>	<u>743,446</u>
<u>1,287,508</u>	<u>-</u>	<u>1,287,508</u>
<u>4,239,517</u>	<u>-</u>	<u>4,239,517</u>
2,303,625	135,120	2,438,745
<u>15,120,658</u>	<u>1,182,011</u>	<u>16,302,669</u>
<u>\$ 17,424,283</u>	<u>\$ 1,317,131</u>	<u>\$ 18,741,414</u>

Ronald McDonald House Charities of St. Louis  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2021

	Program Services				General and Administrative	Fund- raising	Cost of Direct Benefits to Donors	Total
	Residential Facilities	Family Rooms	Other Program Services	Total Program Services				
Salaries	\$ 964,520	\$ 252,491	\$ -	\$ 1,217,011	\$ 291,282	\$ 324,092	\$ -	\$ 1,832,385
Salaries - relief staff	104,069	-	-	104,069	-	-	-	104,069
Employee benefits	142,383	37,273	-	179,656	42,999	47,843	-	270,498
Payroll taxes	68,410	17,908	-	86,318	20,660	22,987	-	129,965
Advertising	-	-	-	-	-	35,826	-	35,826
Bank charges	10,065	-	-	10,065	11,323	3,774	-	25,162
Capital campaign expenses	-	-	-	-	-	94,101	-	94,101
Charities	-	-	207,373	207,373	12,911	23,978	-	244,262
Community outreach	-	-	30,000	30,000	-	-	-	30,000
Depreciation	441,730	25,709	-	467,439	58,430	58,430	-	584,299
Fundraising projects	-	-	-	-	-	370,441	-	370,441
In-kind rent	42,000	230,551	-	272,551	-	-	-	272,551
Insurance	51,714	3,010	-	54,724	6,840	6,840	-	68,404
Laundry service	11,954	-	-	11,954	-	-	-	11,954
Maintenance and repairs	172,706	6,025	-	178,731	14,167	7,923	-	200,821
Miscellaneous	143,735	24,132	1,190	169,057	39,896	-	-	208,953
Newsletter	-	-	-	-	-	18,402	-	18,402
Professional fees and services	41,966	-	2,290	44,256	38,327	-	-	82,583
Seminars - training	5,281	1,382	-	6,663	32,065	1,775	-	40,503
Special events - fundraising	-	-	-	-	-	-	266,306	266,306
Supplies	113,798	20,643	-	134,441	23,814	26,497	-	184,752
Telephone	55,793	-	-	55,793	6,974	6,974	-	69,741
Transportation	42,747	-	-	42,747	-	-	-	42,747
Utilities	112,891	-	-	112,891	14,111	14,111	-	141,113
Volunteer expenses	18,823	-	-	18,823	28,235	-	-	47,058
	2,544,585	619,124	240,853	3,404,562	642,034	1,063,994	266,306	5,376,896
Less expenses included with support on the statement of activities								
Cost of direct benefits to donors	-	-	-	-	-	-	( 266,306)	( 266,306)
	<u>\$ 2,544,585</u>	<u>\$ 619,124</u>	<u>\$ 240,853</u>	<u>\$ 3,404,562</u>	<u>\$ 642,034</u>	<u>\$ 1,063,994</u>	<u>\$ -</u>	<u>\$ 5,110,590</u>
Total Expenses								<u>\$ 5,110,590</u>

See accompanying notes to financial statements

Ronald McDonald House Charities of St. Louis  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2020

	Program Services				General and Administrative	Fund- raising	Cost of Direct Benefits to Donors	Total
	Residential Facilities	Family Rooms	Other Program Services	Total Program Services				
Salaries	\$ 828,638	\$ 224,606	\$ -	\$ 1,053,244	\$ 261,543	\$ 256,985	\$ -	\$ 1,571,772
Salaries - relief staff	106,614	-	-	106,614	-	-	-	106,614
Employee benefits	111,464	30,213	-	141,677	35,181	34,569	-	211,427
Payroll taxes	64,515	17,487	-	82,002	20,363	20,007	-	122,372
Advertising	-	-	-	-	-	8,428	-	8,428
Bank charges	11,188	-	-	11,188	12,587	4,196	-	27,971
Capital campaign expenses	-	-	-	-	-	31,062	-	31,062
Charities	-	-	101,846	101,846	11,289	20,965	-	134,100
Community outreach	-	-	30,000	30,000	-	-	-	30,000
Depreciation	441,341	25,686	-	467,027	58,379	58,379	-	583,785
Fundraising projects	-	-	-	-	-	240,523	-	240,523
In-kind rent	42,000	224,651	-	266,651	-	-	-	266,651
Insurance	46,995	2,735	-	49,730	6,216	6,216	-	62,162
Laundry service	8,134	-	-	8,134	-	-	-	8,134
Maintenance and repairs	139,814	4,877	-	144,691	10,377	7,506	-	162,574
Miscellaneous	153,573	10,779	939	165,291	22,423	-	-	187,714
Newsletter	-	-	-	-	-	9,513	-	9,513
Professional fees and services	3,884	-	2,394	6,278	39,012	-	-	45,290
Seminars - training	2,636	715	-	3,351	19,420	818	-	23,589
Special events - fundraising	-	-	-	-	-	-	179,016	179,016
Supplies	95,205	17,543	-	112,748	23,094	24,104	-	159,946
Telephone	43,922	-	-	43,922	5,490	5,490	-	54,902
Transportation	37,470	-	-	37,470	-	-	-	37,470
Utilities	117,476	-	-	117,476	14,685	14,685	-	146,846
Volunteer expenses	2,669	-	-	2,669	4,003	-	-	6,672
	2,257,538	559,292	135,179	2,952,009	544,062	743,446	179,016	4,418,533
Less expenses included with support on the statement of activities								
Cost of direct benefits to donors	-	-	-	-	-	-	( 179,016)	( 179,016)
	<u>\$ 2,257,538</u>	<u>\$ 559,292</u>	<u>\$ 135,179</u>	<u>\$ 2,952,009</u>	<u>\$ 544,062</u>	<u>\$ 743,446</u>	<u>\$ -</u>	<u>\$ 4,239,517</u>
Total Expenses								<u>\$ 4,239,517</u>

See accompanying notes to financial statements

Ronald McDonald House Charities of St. Louis  
STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 8,436,353	\$ 2,438,745
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Depreciation	584,299	583,785
Change in value of split-interest agreements	21,234	21,014
Net unrealized and realized gains on investments	( 9,645)	( 629,237)
Bad debt	4,571	286
Campaign pledges, net of change in discount	( 6,625,897)	-
Loss on disposal of property and equipment	20,530	-
Donated securities	( 304,490)	( 39,327)
Proceeds from sales of donated securities	304,490	39,891
Beneficial use of land - discount amortization	19,507	18,416
(Increase) decrease in assets:		
Prepaid expenses	( 15,139)	( 32,995)
Other assets	147,520	( 338,460)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	40,960	( 31,283)
Annuity obligation	( 30,190)	( 30,191)
Accrued payroll and related liabilities	14,340	6,373
	<u>2,608,443</u>	<u>2,007,017</u>
Net Change in Cash from Operating Activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	( 533,072)	( 252,731)
Purchases of investments	( 1,828,731)	( 3,267,251)
Proceeds from the sale of investments	1,401,779	1,820,126
	<u>( 960,024)</u>	<u>( 1,699,856)</u>
Net Change in Cash from Investing Activities		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from campaign pledges	3,562,947	-
	<u>3,562,947</u>	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	5,211,366	307,161
CASH AND CASH EQUIVALENTS, Beginning of year	<u>1,030,427</u>	<u>723,266</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 6,241,793</u>	<u>\$ 1,030,427</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION:</b>		
Interest paid	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements

Ronald McDonald House Charities of St. Louis  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Ronald McDonald House Charities of St. Louis (the Organization) is a not-for-profit charitable corporation, incorporated under the laws of the State of Missouri. The Organization is an independent operating chapter within the Ronald McDonald House Charities (RMHC) system. The mission of RMHC is to create, find, and support programs that directly improve the health and well-being of children. Collectively, RMHC and its 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.

The Organization fulfills their mission through the 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 represent the core functions of the Organization:

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, 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. A total of 400 families received low or no-cost housing during the year ended December 31, 2021.

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 program in Mercy Children's Hospital, SSM Health Cardinal Glennon Children's Hospital and St. Louis 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. The Family Rooms served 2,726 families during the year ended December 31, 2021.

Ronald McDonald House Charities of St. Louis  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020  
(Continued)

A. **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). The Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

**Net Assets without Donor Restrictions**

Net assets available for use in general operations and not subject to donor or certain grantor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

**Net Assets with Donor Restrictions**

Net assets subject to donor or certain grantor-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 such assets be maintained in perpetuity. 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.

**Cash and Cash Equivalents**

The Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

The Organization maintains cash deposits in bank accounts, which at times exceed the federally insured limits of up to \$250,000 for each institution. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on its cash and cash equivalents.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Ronald McDonald House Charities of St. Louis  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020  
(Continued)

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Financial Instruments**

The following methods and assumptions were used by the Organization in estimating its fair value disclosure for financial instruments:

The carrying amounts of cash and cash equivalents, prepaid expenses, other assets, accounts payable and accrued expenses, accrued payroll and related liabilities, and annuity obligations reported in the Statements of Financial Position approximate fair values due to the short-term maturities of those instruments. In addition, the Organization believes the carrying amount of long-term obligations approximate fair market value due to the relative similarity of the effective interest rates as compared to current market rate.

**Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values based on quoted prices in active markets in the Statements of Financial Position. Net investment return is reported in the Statements of Activities and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Financial Position.

**Property and Equipment**

Property and equipment are stated at cost. Expenditures for repairs and maintenance are charged to operations while expenditures of \$500 or more are capitalized. Depreciation is computed on a straight-line basis over the assets' estimated useful lives ranging as follows:

<u>Description</u>	<u>Useful Life Years</u>
Buildings and improvements	10 - 30
Furniture	7
Equipment and machinery	5
Vehicles	5

The Organization evaluates its long-lived assets for any events or changes in circumstances, which indicate the carrying amount of such assets, may not be 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 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. No such adjustments have been made in 2021 or 2020.

Ronald McDonald House Charities of St. Louis  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020  
(Continued)

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**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 support 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.

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.

**Revenue Recognition**

Contributions are recognized when the donor makes a promise to give to the Organization, that is, in substance, unconditional. Amounts received that are restricted by the donor for use in future periods or for specific purposes are reported as support with donor restrictions that increases net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

Special Event Revenue

The portion of ticket sales and sponsorship revenue that relates to the commensurate value the attendee receives in return is recognized when the related events are held and performance obligations are met.

Lodging Receipts

Lodging receipts are reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing housing to eligible families. These amounts are due from families or third-party payers, as applicable, and include variable consideration and price concessions due to coverage. Revenue is recognized as performance obligations are satisfied based on actual charges incurred in relation to total expected collections.

**Advertising Costs**

The Organization expenses advertising costs as they are incurred. Advertising expense amounted to \$35,826 and \$8,428 for the years ended December 31, 2021 and 2020, respectively.

Ronald McDonald House Charities of St. Louis  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020  
(Continued)

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Functional Expense Allocation**

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 depreciation, insurance, utilities, telephone, and certain maintenance and repairs expenses, which are allocated on an estimated square footage basis; and salaries, employee benefits, payroll taxes, and certain seminars – training expenses and certain supplies expenses, which are allocated on the basis of time and effort.

**Income Taxes**

The Organization qualifies as a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. 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. The Organization files an information return, IRS Form 990. Tax returns for years 2018 and later remain subject to examination by taxing authorities, generally for three years after they were filed. The Organization follows the provisions relating to Accounting for Uncertainty in Income Taxes and management is not aware of any uncertain tax positions of the Organization related to tax filings.

**Reclassification**

Certain 2020 amounts have been reclassified to conform with the 2021 financial statement presentation.

**Subsequent Events**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through March 8, 2022, the date the financial statements were available to be issued.

B. **CAMPAIGN PLEDGES RECEIVABLE**

The Organization received pledges during the year ended December 31, 2021 and 2020 related to the Capital Campaign. Campaign pledges receivable are due as follows at December 31:

	2021	2020
Receivable in less than one year	\$1,887,662	\$ -
Receivable in one to five years	1,227,100	-
	3,114,762	-
Less discount – 2%	( 51,812)	-
Total Campaign Pledges Receivable, Net	\$3,062,950	\$ -

Management has determined the campaign pledges receivable are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at December 31, 2021.

Ronald McDonald House Charities of St. Louis  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020  
(Continued)

**C. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

	December 31,	
	2021	2020
Land	\$ 624,924	\$ 624,924
Buildings and improvements	14,243,110	13,964,260
Furniture	922,639	1,045,201
Equipment and machinery	919,179	985,576
Vehicles	96,641	94,249
Expansion – construction in progress	3,073,129	3,069,349
	19,879,622	19,783,559
Less accumulated depreciation	( 9,230,109)	( 9,062,289)
Total Property and Equipment, Net	\$10,649,513	\$10,721,270

Depreciation expense amounted to \$584,299 and \$583,785 for the years ended December 31, 2021 and 2020, respectively.

Expansion consists of property acquired and related expenses for the potential construction of a new facility to serve families being cared for at SSM Health Cardinal Glennon Children’s Hospital and St. Louis Children’s Hospital.

**D. BENEFICIAL USE OF LAND**

In December 1998, the Organization entered into a lease agreement with SSM Health Cardinal Glennon Children’s Hospital (Cardinal Glennon) whereby the Organization would lease certain land owned by Cardinal Glennon. The initial term of the lease was for a 30-year period that ends on December 31, 2028, with an aggregate annual base rent of \$1. Listed sales prices for comparable properties sold in the area indicated that the fair value of the space at the time of inception was \$110,000. The annual rental value was estimated to be approximately \$12,000 per year.

In connection with this lease agreement, the Organization discounted the value of the 30-year initial term of the lease using a discount rate of approximately 9.9%, and recorded a restricted contribution in 1998 in the amount of \$110,000. The value remaining on the use of land as of December 31, 2021 and 2020 is \$57,774 and \$63,236, respectively, and has been recorded as such on the Statements of Financial Position. For each of the years ended December 31, 2021 and 2020, rent expense of \$12,000 was recorded in connection with this lease agreement.

Ronald McDonald House Charities of St. Louis  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020  
(Continued)

**D. BENEFICIAL USE OF LAND** (Continued)

In 2008, the Organization entered into a lease agreement with Mercy Children’s Hospital (Mercy) whereby the Organization would lease certain land owned by Mercy. The initial term of the lease was for a 30-year period that ends on September 19, 2038, with an aggregate annual base rent of \$1. Listed sales prices for comparable properties sold in the area indicated that the fair value of the space at the time of inception was \$500,000. The annual rental value was estimated to be approximately \$30,000 per year. In connection with this lease agreement, the Organization discounted the value of the 30-year initial term of the lease using a discount rate of approximately 4.2%, and recorded a restricted contribution in 2008 in the amount of \$500,000. The value remaining on the use of land as of December 31, 2021 and 2020 is \$356,451 and \$370,496, respectively, and has been recorded as such on the Statements of Financial Position. For each of the years ended December 31, 2021 and 2020, rent expense of \$30,000 was recorded in connection with this lease agreement.

**E. INVESTMENTS**

Long-term investments are stated at fair value and consist of funds held in the McDonald Charities Investment Program in equity and bond funds. Cost, fair values, and unrealized appreciation (depreciation) at December 31, 2021 and 2020, are summarized as follows:

<u>December 31, 2021</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation/ (Depreciation)</u>
McDonald Charities Investment Program			
Money Market	\$ 10,388	\$ 10,388	\$ -
Equity Fund	3,297,124	3,996,892	699,768
Bond Fund	2,946,566	2,855,279	( 91,287)
Total	<u>\$6,254,078</u>	<u>\$6,862,559</u>	<u>\$608,481</u>
<u>December 31, 2020</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation/ (Depreciation)</u>
McDonald Charities Investment Program			
Money Market	\$1,400,045	\$1,400,045	\$ -
Equity Fund	2,629,671	3,347,078	717,407
Bond Fund	1,681,967	1,678,839	( 3,128)
Total	<u>\$5,711,683</u>	<u>\$6,425,962</u>	<u>\$714,279</u>

Included in long-term investments at December 31, 2021 and 2020, are perpetually restricted endowment investments of \$617,739 and Board designated endowment investments of \$5,647,245 and \$3,840,447, respectively (See Note K).

Ronald McDonald House Charities of St. Louis  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020  
(Continued)

**F. FAIR VALUE MEASUREMENTS**

The Organization has established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure 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.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – Inputs to the valuation methodology are unobservable and supported by little or no market activity and that are significant to the fair value of the assets or liabilities including investments in certain hedge funds, commodities, managed futures, private equity, and real estate strategies.

A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of the valuation methods used for assets measured at Fair Value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

Equity and bond funds consists of seven equity mutual funds and two bond mutual funds. These funds are open-ended mutual funds registered with the SEC and are required to publish their daily net asset value and to transact at that price. These funds are deemed to be actively traded.

Fair values of assets measured on a recurring basis are as follows:

	Fair Value Measurements at Reporting Date Using			
	Fair Value	(Level 1)	(Level 2)	(Level 3)
<u>December 31, 2021</u>				
Money Market	\$ 10,388	\$ 10,388	\$ -	\$ -
Equity Fund	3,996,892	3,996,892	-	-
Bond Fund	2,855,279	2,855,279	-	-
Total	\$6,862,559	\$6,862,559	\$ -	\$ -
<u>December 31, 2020</u>				
Money Market	\$1,400,045	\$1,400,045	\$ -	\$ -
Equity Fund	3,347,078	3,347,078	-	-
Bond Fund	1,678,839	1,678,839	-	-
Total	\$6,425,962	\$6,425,962	\$ -	\$ -

Ronald McDonald House Charities of St. Louis  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020  
(Continued)

**G. LINE OF CREDIT AGREEMENT**

The Organization has a \$500,000 revolving line of credit agreement with a bank, which is collateralized by a deed of trust on the leasehold of the West County Ronald McDonald House. The agreement expires February 28, 2024. Interest is payable at a rate of 3.25% at December 31, 2021. The line is used to cover temporary cash shortfalls. At December 31, 2021 and 2020, the Organization had no outstanding balance on the line of credit.

**H. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods:

	2021	2020
Subject to expenditure for specific purpose:		
Program Activities:		
Residential facilities	\$ 75,000	\$ 75,000
Other program services	205,218	107,785
Capital Campaign	6,564,721	32,875
Beneficial use of land	414,225	433,732
	7,259,164	649,392
Subject to passage of time:		
For periods after December 31,	-	50,000
Subject to the Organization's spending policy and appropriation:		
Original donor-restricted gift amount and amount required to be maintained by donor	617,739	617,739
Total Net Assets with Donor Restrictions	\$7,876,903	\$1,317,131

Net assets with donor restrictions are reclassified to net assets without donor restrictions when the time restriction expires or the funds are utilized for the restricted purpose.

Net assets with donor restrictions that are perpetual in nature consist of endowment contributions to be held in perpetuity, the income from which is restricted to the Organization's operating expenses.

Ronald McDonald House Charities of St. Louis  
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(Continued)

**I. NET ASSETS RELEASED FROM DONOR RESTRICTION**

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

	2021	2020
Purpose restrictions accomplished		
Other program services	\$260,539	\$278,432
Ronald McDonald family rooms	-	102,610
Capital Campaign	94,051	222,125
Beneficial use of land	19,507	18,416
Time restrictions expired		
Passage of time	50,000	11,000
Total Net Assets Released from Restrictions	\$424,097	\$641,583

**J. BOARD DESIGNATED NET ASSETS**

Board designated net assets include support previously received by the Organization without donor restrictions.

The Organization's governing Board of Directors has designated net assets without donor restrictions for the following purposes as of December 31:

	2021	2020
Board designated gift annuity funds	\$ 802,029	\$ 751,752
Board designated endowment funds	4,845,216	3,088,695
Total Board Designated Net Assets	\$5,647,245	\$3,840,447

*Endowment* – Established with the intention of allowing the corpus to be retained and the income to build within the account or be used to fund a portion of the operating costs. The Board retains the authority to change the designation of these funds as deemed necessary in the future.

**K. ENDOWMENT FUNDS**

The Organization's endowment consists of individual funds established including both donor-restricted funds and funds designated by the Board of Directors to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The donor contributions are maintained in perpetuity, the income of which is expendable for operations, which is based on the donor's intended purpose.

Ronald McDonald House Charities of St. Louis  
NOTES TO FINANCIAL STATEMENTS  
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K. **ENDOWMENT FUNDS** (Continued)

Effective August 28, 2009, the State of Missouri enacted UPMIFA. UPMIFA requires the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result, the Organization considers the value of a fund to be deficient 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 (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 has interpreted UPMIFA to permit spending from deficient funds in accordance with the prudent measures required under the law.

Investment Return Objectives, Risk Parameters and Strategies: The Organization has adopted an investment policy, approved by the Board of Directors, for endowment assets to provide a clear understanding of the investment philosophy and objectives regarding the investment of funds of the Organization. Accordingly, the primary investment objectives of the Board designated endowment funds are to balance growth and income while minimizing risk over an intermediate term time horizon. The primary investment objectives of the perpetual endowment funds are growth and income, to maximize total return and to minimize risk of loss over a longer-term time horizon. Endowment assets are invested in a diversified asset mix, which can include cash and cash equivalents, equities, and fixed income securities. The Board designated endowment funds have asset allocation targets of cash and cash equivalents between 0% and 15%; equities between 40% and 60%; and fixed income between 40% and 60%. The perpetual endowment funds have asset allocation targets of cash and cash equivalents between 0% and 15%; equities between 60% and 80%; and fixed income between 20% and 40%.

The Organization's investment performance is evaluated on a 1, 3, and 5-year time horizon and evaluated against peer universes and index benchmarks. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity as well as Board designated funds.

Spending Policy: The Organization utilizes the income and appreciation of the perpetual endowment funds for operations in accordance with the original gift instrument. The Board designated endowment fund was established with the intention of retaining the corpus and building income to be used to fund a portion of the operating costs. Contributions to the Board designated endowment fund and appropriations for operations must be authorized by the Board of Directors. The Organization expects the current spending policy to allow its endowment funds to grow.

Ronald McDonald House Charities of St. Louis  
NOTES TO FINANCIAL STATEMENTS  
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(Continued)

K. **ENDOWMENT FUNDS** (Continued)

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

Endowment net asset composition by type of fund as of December 31, 2021 is as follows:

	Without Donor Restriction	With Donor Restriction	Total Endowment Net Assets
Donor-restricted perpetual endowment funds	\$ -	\$617,739	\$ 617,739
Board designated gift annuity funds	802,029	-	802,029
Board designated endowment funds	<u>4,845,216</u>	-	<u>4,845,216</u>
Total Funds	<u>\$5,647,245</u>	<u>\$617,739</u>	<u>\$6,264,984</u>

Changes in endowment net assets as of December 31, 2021 are as follows:

	Without Donor Restriction	With Donor Restriction	Total Endowment Net Assets
Endowment net assets, beginning of year	\$3,840,447	\$617,739	\$4,458,186
Contributions	-	-	-
Board transfer in	1,400,000	-	1,400,000
Investment income, net of fees	172,876	215,319	388,195
Net realized and unrealized gains	18,603	-	18,603
Board transfer out	-	-	-
Amounts appropriated for operations	<u>215,319</u>	<u>( 215,319)</u>	<u>-</u>
Endowment net assets, end of year	<u>\$5,647,245</u>	<u>\$617,739</u>	<u>\$6,264,984</u>

Endowment net asset composition by type of fund as of December 31, 2020 is as follows:

	Without Donor Restriction	With Donor Restriction	Total Endowment Net Assets
Donor-restricted perpetual endowment funds	\$ -	\$617,739	\$ 617,739
Board designated gift annuity funds	751,752	-	751,752
Board designated endowment funds	<u>3,088,695</u>	-	<u>3,088,695</u>
Total Funds	<u>\$3,840,447</u>	<u>\$617,739</u>	<u>\$4,458,186</u>

Ronald McDonald House Charities of St. Louis  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020  
(Continued)

**K. ENDOWMENT FUNDS** (Continued)

Changes in endowment net assets as of December 31, 2020 are as follows:

	Without Donor Restriction	With Donor Restriction	Total Endowment Net Assets
Endowment net assets, beginning of year	\$3,540,484	\$617,739	\$4,158,223
Contributions	-	-	-
Board transfer in	-	-	-
Investment income, net of fees	59,365	120,648	180,013
Net realized and unrealized gains	579,950	-	579,950
Board transfer out	( 460,000)	-	( 460,000)
Amounts appropriated for operations	120,648	( 120,648)	-
Endowment net assets, end of year	\$3,840,447	\$617,739	\$4,458,186

**L. PAYCHECK PROTECTION PROGRAM GRANT**

On February 4, 2021, the Organization was granted a loan in the amount of \$420,218 from Triad Bank, pursuant to the Paycheck Protection Program (PPP), established as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Under certain circumstances, all or part of the loan may be forgiven and converted to a grant. During the year ended December 31, 2021, the Organization spent PPP funds on eligible expenses based on regulations such that the loan would be forgiven in full. As such, the Organization converted \$420,218 to grant income for the year ended December 31, 2021. On November 5, 2021, the Organization received notification from the Small Business Administration (SBA) the full amount of the loan had been forgiven.

On April 9, 2020, the Organization was granted a loan in the amount of \$420,218 from Triad Bank, pursuant to the Paycheck Protection Program (PPP), established as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Under certain circumstances, all or part of the loan may be forgiven and converted to a grant. As of December 31, 2020, the Organization spent PPP funds on eligible expenses based on regulations such that the loan would be forgiven in full. As such, the Organization converted \$420,218 to grant income for the year ended December 31, 2020. On January 6, 2021, the Organization received notification from the Small Business Administration (SBA) the full amount of the loan had been forgiven.

Ronald McDonald House Charities of St. Louis  
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**M. TRANSACTIONS WITH RELATED ENTITIES**

Ronald McDonald House Charities (RMHC) is a system of independent, separately registered public benefit organizations, referred to as “Chapters” within the global organization. Each Chapter is licensed by McDonald’s Corporation and Ronald McDonald House Charities (RHMC) 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 \$1,634,565 and \$1,019,737, respectively, from these revenue streams. Amounts received are included in contributions on the Statements of Activities.

**N. PLANNED GIVING - ANNUITIES**

The Organization administers several charitable gift annuities. A charitable gift annuity provides for the payment of distributions to the donor or other designated beneficiaries over the term of the annuity. At the end of the annuity term, the remaining assets are available for the general operations of the Organization.

The portion of the annuity attributable to the present value of the estimated future benefits to be received by the Organization is recorded in the Statements of Activities as support without donor restrictions in the period the annuity is established. There were no such gifts in 2021 and 2020. The gifts received are deposited into long-term investments as assets without donor restrictions as there were no donor restrictions on the use of the gifts. The assets are recorded at fair value on the Statements of Financial Position with the rest of the Organization’s investments. On an annual basis, the Organization revalues the liability to make distributions to the designated beneficiaries based on actuarial assumptions. During 2021 and 2020, the net change of \$21,234 and \$21,014, respectively, was recorded in the Statements of Activities as a decrease in support without donor restrictions as a change in value of split-interest agreements. The present value of the estimated future payments is recorded on the Statements of Financial Position as an annuity obligation (\$176,831 and \$185,787 at December 31, 2021 and 2020, respectively) and is calculated using the appropriate discount rate at the time of the donation (ranging from 1.4% to 6.8%) and applicable mortality tables.

Ronald McDonald House Charities of St. Louis  
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O. **IN-KIND CONTRIBUTIONS**

Local businesses and individuals contribute non-cash donations including property and equipment, supplies, services, and free use of facilities. In-kind contributions are recorded at estimated fair value at the date of donation. The value of the donated property and equipment, supplies, services and free use of facilities that are included in the financial statements for the years ended December 31, 2021 and 2020 are \$182,937 and \$140,349, respectively.

The Family Room programs located at Mercy Children's Hospital, SSM Health Cardinal Glennon Children's Hospital, and St. Louis Children's Hospital represent donated rent to the Organization. Total donated rent expense for the use of the family rooms during 2021 and 2020 was valued at \$230,551 and \$224,651, respectively. In-kind rent revenue is included in support without donor restrictions on the Statements of Activities, and the corresponding in-kind rent expense is included in the Statements of Functional Expenses.

In-kind rent expense recorded in connection with the beneficial use of land leases (see Note D) was valued at \$42,000 for each of the years ended December 31, 2021 and 2020. The related amortization of the recorded discount associated with the beneficial use of land assets was \$19,507 and \$18,416 for the years ended December 31, 2021 and 2020, respectively and is included in net assets released from restrictions on the Statements of Activities.

P. **OPERATING LEASES**

The Organization leased office equipment under an operating lease that expired in June 2020. Beginning in January of 2020, the Organization entered into a new 60-month operating lease for office equipment.

The future minimum lease payments required under the lease is as follows:

<u>Years Ending</u> <u>December 31,</u>	
2022	\$ 9,933
2023	8,282
2024	<u>8,282</u>
Total	<u>\$26,497</u>

Total rent expense under the operating lease was \$9,933 during each of the years ended December 31, 2021 and 2020, respectively.

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**Q. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization receives revenue from contributions with and without donor restrictions and program service fees and considers these major and central to its annual operations, and available to meet cash needs for general expenditures. The Organization maintains financial assets, consisting of cash and investments, on hand to meet its normal operating expenses based on its annual budget. Operating expenses are compared to budgeted expenses on a monthly basis and financial assets on hand are adjusted as necessary. As part of its liquidity management, the Organization invests cash in excess of daily requirements in various investments. In addition, the Organization maintains a board-designated endowment that allows for annual spending of income and appreciation generated from donor-restricted perpetual endowment funds.

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	2021	2020
Cash and cash equivalents	\$ 2,740,022	\$ 997,552
Cash – capital campaign	3,501,771	32,875
Campaign pledges receivable	3,062,950	-
Other assets	283,089	435,180
Investments	6,862,559	6,425,962
Total financial assets	16,450,391	7,891,569
Less amounts not available to be used within one year:		
Board designated for endowment	5,647,245	3,840,447
Donor-restricted capital campaign	6,564,721	32,875
Donor-restricted perpetual endowment	617,739	617,739
Total financials assets not available to be used within one year	12,829,705	4,491,061
Financial assets available to meet cash needs for general expenditures within one year	\$ 3,620,686	\$3,400,508

As more fully described in Note G, the Organization also has a committed line of credit in the amount of \$500,000, which it could draw upon in the event of an unanticipated liquidity need.

In addition, although the Organization does not intend to spend from its board-designated endowment, other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation, amounts from its board designated-endowment could be made available if necessary.

Ronald McDonald House Charities of St. Louis  
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(Continued)

**R. RETIREMENT PLAN**

The Organization has a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers full-time employees of the Organization. The Organization contributes 4% of gross salaries to the plan for qualified employees. Due to economic uncertainty, the Organization temporarily suspended employer contribution during fiscal year 2020, from April to August. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code if they wish. Employer contributions to the plan were \$65,895 and \$32,581 for the years ended December 31, 2021 and 2020, respectively.

**S. CAPITAL CAMPAIGN**

In 2021, the Organization launched a capital campaign with an original goal of raising \$30 million. The capital campaign involves building a new facility to meet the Organization's growing needs to serve families at SSM Health Cardinal Glennon Children's Hospital and St. Louis Children's Hospital. The Organization expects to begin construction when 80% of the capital campaign goal is reached. The Organization recorded capital campaign pledges and contributions in the amount of \$6,625,897 and \$255,000 for the years ended December 31, 2021 and 2020, respectively. The Organization incurred expenses related to the capital campaign in the amount of \$94,101 and \$31,062 for the years ended December 31, 2021 and 2020, respectively.

The Organization received notification from the Metro St. Louis McDonald's Co-op of the intent to contribute \$2,000,000 towards the capital campaign beginning in 2022.

**T. ECONOMIC UNCERTAINTY**

As the spread of the COVID-19 coronavirus continues worldwide, economic uncertainties have arisen that are likely to impact the Organization's financial results. While management expects this impact to be temporary, the severity and duration of the impact is uncertain at this time.