

RONALD MCDONALD HOUSE  
CHARITIES OF OREGON AND  
SOUTHWEST WASHINGTON

Audited Financial Statements

For the Years Ended  
December 31, 2020 and 2019



MCDONALD JACOBS

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Ronald McDonald House Charities  
of Oregon and Southwest Washington

We have audited the accompanying financial statements of Ronald McDonald House Charities of Oregon and Southwest Washington (a nonprofit corporation), 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 audit. We conducted our audit 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 from material misstatement.

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

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

*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ronald McDonald House Charities of Oregon and Southwest Washington as of December 31, 2020 and 2019, and 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.

*McDonald Jacobson, P.C.*

Portland, Oregon  
May 26, 2021

RONALD MCDONALD HOUSE CHARITIES  
OF OREGON AND SOUTHWEST WASHINGTON

STATEMENTS OF FINANCIAL POSITION  
December 31, 2020 and 2019

	2020	2019
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,789,580	\$ 1,471,428
Accounts receivable	440,784	117,167
Contributions receivable	331,148	495,064
Prepaid expenses	117,656	38,563
Note receivable - current portion	-	5,196
Short-term investments	3,222,457	2,914,769
Total current assets	5,901,625	5,042,187
Investments	8,306,724	7,672,459
Contributions receivable, less current portion	185,000	230,000
Bargain land lease contributions receivable, net	151,227	174,239
Property and equipment, net	4,359,169	4,823,600
<b>TOTAL ASSETS</b>	<b>\$ 18,903,745</b>	<b>\$ 17,942,485</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable	\$ 111,917	\$ 149,692
Accrued expenses	137,782	168,622
Deferred revenue	11,034	34,292
Total current liabilities	260,733	352,606
Net assets:		
Without donor restrictions	15,005,014	13,839,706
With donor restrictions	3,637,998	3,750,173
Total net assets	18,643,012	17,589,879
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 18,903,745</b>	<b>\$ 17,942,485</b>

See notes to financial statements.

RONALD MCDONALD HOUSE CHARITIES  
OF OREGON AND SOUTHWEST WASHINGTON

STATEMENT OF ACTIVITIES  
For the year ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Public support:</b>			
Gross revenue from special events	\$ 1,065,622	\$ -	\$ 1,065,622
Less direct benefit costs	(26,274)	-	(26,274)
Special events, net	1,039,348	-	1,039,348
Donations and grants	1,513,590	100,466	1,614,056
Promotions and third party	563,824	-	563,824
Bargain land lease contributions	-	48,996	48,996
Contributions in-kind	1,997,583	-	1,997,583
Government stimulus revenue	720,328	-	720,328
Net assets released from restrictions	479,690	(479,690)	-
Total public support	6,314,363	(330,228)	5,984,135
<b>Revenues and other income:</b>			
Hospital partner revenue	1,196,021	-	1,196,021
Third party reimbursements	69,440	-	69,440
Investment income, net	113,812	29,467	143,279
Realized/unrealized gain on investments	563,022	297,800	860,822
Other income	23,032	-	23,032
Total support and revenue	8,279,690	(2,961)	8,276,729
<b>Expenses:</b>			
Program services	5,636,304	-	5,636,304
Management and general	447,296	-	447,296
Fundraising	1,164,996	-	1,164,996
Total expenses	7,248,596	-	7,248,596
Change in net assets from operations	1,031,094	(2,961)	1,028,133
<b>Non-operating activities:</b>			
Capital campaign - net assets released from restrictions	109,214	(109,214)	-
Change in net assets	1,165,308	(112,175)	1,053,133
<b>Net assets:</b>			
Beginning of year	13,839,706	3,750,173	17,589,879
End of year	\$ 15,005,014	\$ 3,637,998	\$ 18,643,012

See notes to financial statements.

RONALD MCDONALD HOUSE CHARITIES  
OF OREGON AND SOUTHWEST WASHINGTON

STATEMENT OF ACTIVITIES  
For the year ended December 31, 2019

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
<b>Public support:</b>			
Gross revenue from special events	\$ 1,498,276	\$ -	\$ 1,498,276
Less direct benefit costs	<u>(275,856)</u>	<u>-</u>	<u>(275,856)</u>
Special events, net	1,222,420	-	1,222,420
Donations and grants	999,460	760,902	1,760,362
Promotions and third party	754,952	-	754,952
Bargain land lease contributions	-	46,377	46,377
Contributions in-kind	1,947,925	-	1,947,925
Net assets released from restrictions	<u>629,314</u>	<u>(629,314)</u>	<u>-</u>
Total public support	5,554,071	177,965	5,732,036
<b>Revenues and other income:</b>			
Hospital partner revenue	931,183	-	931,183
Third party reimbursements	96,250	-	96,250
Investment earnings, net	126,378	51,195	177,573
Realized/unrealized gain on investments	839,605	376,141	1,215,746
Loss on disposition of assets	(5,677)	-	(5,677)
Other income	<u>28,631</u>	<u>-</u>	<u>28,631</u>
Total support and revenue	<u>7,570,441</u>	<u>605,301</u>	<u>8,175,742</u>
<b>Expenses:</b>			
Program services	5,978,445	-	5,978,445
Management and general	385,753	-	385,753
Fundraising	<u>1,357,694</u>	<u>-</u>	<u>1,357,694</u>
Total expenses	<u>7,721,892</u>	<u>-</u>	<u>7,721,892</u>
Change in net assets from operations	(151,451)	605,301	453,850
<b>Non-operating activities:</b>			
Capital campaign - contributions	<u>1,591,173</u>	<u>(1,591,173)</u>	<u>-</u>
Change in net assets	1,439,722	(985,872)	453,850
<b>Net assets:</b>			
Beginning of year, as restated	<u>12,399,984</u>	<u>4,736,045</u>	<u>17,136,029</u>
End of year	<u>\$ 13,839,706</u>	<u>\$ 3,750,173</u>	<u>\$ 17,589,879</u>

See notes to financial statements.

RONALD MCDONALD HOUSE CHARITIES  
OF OREGON AND SOUTHWEST WASHINGTON

STATEMENT OF FUNCTIONAL EXPENSES  
For the year ended December 31, 2020

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, taxes and benefits	\$ 1,900,785	\$ 309,518	\$ 847,454	\$ 3,057,757
Professional services	26,175	87,789	227,007	340,971
In-kind use of facility	1,783,347	-	-	1,783,347
House services and supplies	944,711	-	-	944,711
Land lease	72,007	-	-	72,007
Utilities	187,980	7,704	7,333	203,017
Depreciation and amortization	480,454	7,814	20,515	508,783
Repairs and maintenance	75,405	-	-	75,405
Insurance	43,236	3,041	10,158	56,435
Office and IT expenses	114,159	10,336	40,380	164,875
Travel, conferences and meetings	6,063	8,654	2,360	17,077
Volunteer recruitment and staff morale	1,303	3,636	2,226	7,165
Other operating expenses	679	8,804	7,563	17,046
	<u>5,636,304</u>	<u>447,296</u>	<u>1,191,270</u>	<u>7,274,870</u>
Less expenses included with revenue on statement of activities	<u>-</u>	<u>-</u>	<u>(26,274)</u>	<u>(26,274)</u>
Total expenses	<u>\$ 5,636,304</u>	<u>\$ 447,296</u>	<u>\$ 1,164,996</u>	<u>\$ 7,248,596</u>

See notes to financial statements.

RONALD MCDONALD HOUSE CHARITIES  
OF OREGON AND SOUTHWEST WASHINGTON

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2019

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, taxes and benefits	\$ 2,039,912	\$ 274,021	\$ 664,551	\$ 2,978,484
Professional services	241,695	25,516	514,683	781,894
In-kind use of facility	1,421,390	29,924	44,886	1,496,200
House services and supplies	1,247,512	-	-	1,247,512
Land lease	63,380	2,113	4,930	70,423
Utilities	192,682	1,458	7,182	201,322
Depreciation and amortization	483,481	7,850	39,607	530,938
Repairs and maintenance	114,894	-	-	114,894
Insurance	42,123	2,125	9,033	53,281
Office and IT expenses	103,746	11,703	39,259	154,708
Other fundraising activities	-	-	275,856	275,856
Travel, conferences and meetings	12,984	11,266	8,308	32,558
Volunteer recruitment and management	14,219	15,696	19,729	49,644
Other operating expenses	427	4,081	5,526	10,034
	<u>5,978,445</u>	<u>385,753</u>	<u>1,633,550</u>	<u>7,997,748</u>
Less expenses included with revenue on statement of activities	<u>-</u>	<u>-</u>	<u>(275,856)</u>	<u>(275,856)</u>
Total expenses	<u>\$ 5,978,445</u>	<u>\$ 385,753</u>	<u>\$ 1,357,694</u>	<u>\$ 7,721,892</u>

See notes to financial statements.



RONALD MCDONALD HOUSE CHARITIES  
OF OREGON AND SOUTHWEST WASHINGTON

STATEMENTS OF CASH FLOWS  
For the years ended December 31, 2020 and 2019

	2020	2019
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 1,053,133	\$ 453,850
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Cash from contributions restricted for capital improvements	-	(68,937)
Net realized and unrealized gain on investments	(860,822)	(1,215,746)
Loss on disposal of property and equipment	-	5,677
Donated property	(38,100)	(24,005)
Depreciation and amortization	508,783	530,938
(Increase) decrease in:		
Accounts and contributions receivable	(114,701)	(546,185)
Prepaid expenses	(79,093)	8,745
Bargain land lease contributions receivable	23,012	24,045
Increase (decrease) in:		
Accounts payable and accrued expenses	(68,615)	122,146
Deferred revenue	(23,258)	24,103
Net cash flows from operating activities	400,339	(685,369)
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(6,252)	(476,242)
Purchase of investments	(3,631,402)	(8,283,776)
Payments received on notes receivable	5,196	16,257
Proceeds from the sale of investments	3,550,271	8,733,344
Net cash flows from investing activities	(82,187)	(10,417)
<b>Cash flows from financing activities:</b>		
Cash from contributions restricted for capital improvements	-	68,937
Net cash flows from financing activities	-	68,937
Net change in cash and cash equivalents	318,152	(626,849)
Cash and cash equivalents - beginning of year	1,471,428	2,098,277
Cash and cash equivalents - end of year	\$ 1,789,580	\$ 1,471,428

See notes to financial statements.

RONALD MCDONALD HOUSE CHARITIES  
OF OREGON AND SOUTHWEST WASHINGTON  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020 and 2019

I. THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Organization

Ronald McDonald House Charities of Oregon and Southwest Washington (RMHC or the Organization) is a non-profit corporation, incorporated in 1982 under the laws of the State of Oregon. RMHC's House Program, its cornerstone program, provides temporary lodging, comfort, family based activities and general support for families of seriously ill and injured children who are being treated at medical facilities in the communities of Portland, Bend, and Springfield, Oregon.

RMHC operates four residential facilities, in Portland, Bend, and Springfield as part of the House Program. A 25-room East House, located on the campus of Legacy Emanuel Medical Center in Northeast Portland, is owned by the Organization on leased land. The South Waterfront House operates 38 rooms in the Rood Family Pavilion located on the OHSU Campus. In Springfield, RMHC operates 10 rooms at the Heartfelt House located on the campus of PeaceHealth Sacred Heart. RMHC also operates a 6-room Bend House located on the campus of St. Charles Hospital, which is owned by the Organization on leased land.

Due to the Covid-19 pandemic, houses operated at limited occupancy determined based on regional risk levels. All four houses modified operations to ensure the safety of guests and staff. RMHC temporarily halted the volunteer program, all common spaces were closed, visitors to the house were limited, non-guest facing staff worked remotely, and the organization instituted strict health and safety requirements based on CDC guidelines.

In 2020, these four houses supported over 1,337 families, and 1,854 children, for a total of 11,023 nights. In addition, RMHC was able to provide 386-night stays for Covid-19 medical responders and evacuees of the Oregon wildfires.

The RMHC Hospitality Cart Program operates at Randall Children's Hospital, Doernbecher Children's Hospital, Salem Hospital, and St. Charles Medical Center. This in-hospital program supports children and families by providing free food, refreshments, and comfort care items on a fully stocked cart that travels between the hospital's neonatal ICU, pediatric ICU, and acute-care floors. This program is staffed entirely by volunteers. During Covid-19, the in-hospital program was temporarily halted in March of 2020. Prior to March, the carts served 4,333 children and family members. Our program shifted to in-house support of families who were isolated in their rooms. The in-house hospitality program was provided 24,926 snacks and 360 activity packs to families staying in house.

The principal sources of revenue for RMHC are donations from individuals, businesses, organizations, and contracts with hospital partners. McDonald's Corporation, together with its local franchisees, contributes to RMHC through national and local promotions, and facilitates donations from their customers through the donation box program and other initiatives.

RONALD MCDONALD HOUSE CHARITIES  
OF OREGON AND SOUTHWEST WASHINGTON  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
December 31, 2020 and 2019

I. THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *Continued*

Description of Organization, Continued

OHSU, St. Charles Medical Center, and PeaceHealth Sacred Heart Medical Center provides hospital partner revenue through long-term agreements to support adult patient housing within the houses. Additionally, state insurance programs are billed if insurance coverage is available; however, insurance is not required.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net Assets

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

- *Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *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 resources 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

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with maturities of three months or less at the time of purchase to be cash equivalents. Cash equivalents included with investments are considered investments.

Accounts Receivable

Accounts receivable from insurance billings and hospital partners are reported at the amount management expects to collect on balances outstanding at year-end. Management provides for potentially uncollectible amounts through a valuation allowance based on its assessment of the status of individual accounts. Based on an assessment of the credit history with those having outstanding balances and current relationships with them, management has concluded that realization losses on balances outstanding at year-end will be immaterial.

RONALD MCDONALD HOUSE CHARITIES  
OF OREGON AND SOUTHWEST WASHINGTON  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
December 31, 2020 and 2019

1. **THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

Contributions Receivable

Contributions receivable are reported at the amount management expects to collect on balances outstanding at year-end. Based on an assessment of the credit history with those having outstanding balances and current relationships with them, management has concluded that realization losses on balances outstanding at year-end will be insignificant. Contributions receivable in more than one year, if material to the financial statements, are discounted to present value, incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities.

Short-Term Investments

Short-term investments are comprised of money market funds and certificates of deposit, which are classified as held-to-maturity and are carried at their fair value based on the quoted market prices. Net realized and unrealized gains and losses on short-term investments are recorded in the statement of activities. For purpose of determining realized gains and losses, the cost of securities sold is based on specific identification.

Investments

All investments are recorded at fair value, based on quoted market prices. Any unrealized gain or loss related to holding investments is recorded in the statements of activities. Donor-restricted investment income earned on net assets with perpetual donor restrictions is reported as an increase in net assets with donor restrictions and classified according to the nature of the restriction. Interest and dividend income is accrued as earned and reported net of investment advisory fees.

Property and Equipment

Acquisitions of property and equipment in excess of \$2,500 are capitalized. Property and equipment purchased are recorded at cost. Projects that were started, but not completed at the end of each year are included in construction in progress. Donated assets are reflected as contributions at their estimated values on the date received. Depreciation of property and equipment is calculated using the straight-line method over the estimated useful lives of the assets, generally 39 years for buildings, 10 to 30 years for building improvements, and 3 to 10 years for furniture, equipment and vehicles. Repairs and maintenance are charged to expense when incurred.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount, or fair value less costs to sell.

RONALD MCDONALD HOUSE CHARITIES  
OF OREGON AND SOUTHWEST WASHINGTON  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
December 31, 2020 and 2019

I. THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *Continued*

Revenue Recognition

Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period the Organization is notified of the commitment. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Bequests are recognized as revenue at the time the Organization has an established right to the bequest and the proceeds are measurable.

Revenue from hospital partner agreements is recognized monthly over the agreement period when the services are received by the hospital partners. Third party reimbursements are recognized as revenue when housing has been provided to eligible families.

The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place. The portion of sponsorship revenue that relates to commensurate value the sponsor received in return is recognized when the related events are held and performance obligations are met.

Contributions In-Kind

The Organization recognizes donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would be purchased if not provided by donation. These donated services are recognized at fair value. Donations of property, equipment, materials and other assets, including donated facility usage, are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

During the years ended December 31, 2020 and 2019, the Organization recorded the following in-kind contributions:

	<u>2020</u>	<u>2019</u>
Programs	\$ 176,136	\$ 396,918
Special events	-	30,802
Property and equipment	38,100	24,005
Donated facility *	<u>1,783,347</u>	<u>1,496,200</u>
Total contributions in-kind	<u>\$ 1,997,583</u>	<u>\$ 1,947,925</u>

\*The Organization received donated facility usage for both the OHSU Rood Family Pavilion (South Waterfront) and the PeaceHealth Heartfelt House (Springfield).

RONALD MCDONALD HOUSE CHARITIES  
OF OREGON AND SOUTHWEST WASHINGTON  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
December 31, 2020 and 2019

I. THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *Continued*

Contributions In-Kind, Continued

In addition, in 2020 and 2019, the Organization received over 3,700 and 27,000 hours, respectively, of volunteer service from volunteers who assist in various capacities, including house operations, family centered programming, fundraising and management oversight by the Board of Trustees. No amounts have been reflected in the financial statements related to these donated services, as they do not meet the criteria cited above.

Donations of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about the duration these long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Government Stimulus Revenue

The Organization received a Paycheck Protection Program (PPP) loan of approximately \$525,700, guaranteed by the Small Business Administration (SBA). The loan is accounted for as a conditional advance and accrues interest at 1%. The advance may be forgiven partially or in its entirety if certain conditions are met, including incurrence of allowable qualifying expenses (personnel and occupancy costs) and acceptance and approval of the forgiveness application by the lender. Upon satisfaction of the conditions, the advance will be recognized as revenue. The Organization met the allowable expense condition during 2020 and the loan was forgiven subsequent to year end. The funds were recognized as revenue in 2020. The Organization also received an Employee Retention Tax Credit of approximately \$195,000 during 2020.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The allocation methodology and associated expenses that are allocated include:

- Estimates of time and effort – salaries and related costs, professional services, office expenses, information technology, and other
- Square footage - occupancy, depreciation, insurance, and utilities

Annuities

Any annuities held by the Organization are fully reinsured; as such, no liability has been recorded in the financial statements.

RONALD MCDONALD HOUSE CHARITIES  
OF OREGON AND SOUTHWEST WASHINGTON  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
December 31, 2020 and 2019

1. THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *Continued*

Advertising

Advertising expenditures are expensed as incurred, and approximated \$313,300 during the years ended December 31, 2019.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Organization has evaluated all subsequent events through May 26, 2021, the date the financial statements were available to be issued. Subsequent to year end, the Organization received a Paycheck Protection Program 2 loan of approximately \$555,000, guaranteed by the Small Business Administration (SBA). The loan is accounted for as a conditional advance and accrues interest at 1%. The advance may be forgiven partially or in its entirety if certain conditions are met, including incurrence of allowable qualifying expenses (personnel and occupancy costs) and acceptance and approval of the forgiveness application by the lender. Upon satisfaction of the conditions, the advance will be recognized as revenue. The Organization anticipates meeting the allowable expense condition during 2021.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

2. AVAILABLE RESOURCES AND LIQUIDITY

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its primary operations to be general expenditures. It excludes financial assets with donor or other restrictions limiting their use.

RONALD MCDONALD HOUSE CHARITIES  
OF OREGON AND SOUTHWEST WASHINGTON  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
December 31, 2020 and 2019

2. AVAILABLE RESOURCES AND LIQUIDITY, Continued

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash and cash equivalents	\$ 1,789,580	\$ 1,471,428
Accounts receivable	246,186	117,167
Contributions and grants receivable (current)	331,148	362,303
Note receivable (current)	-	5,196
Short-term investments	3,222,457	2,914,769
Estimated distributions from donor-restricted endowments	-	100,801
Estimated distributions from quasi-endowments	-	199,375
Investments	<u>8,306,724</u>	<u>7,672,459</u>
	13,896,095	12,843,498
Less amounts unavailable for general expenditure:		
Net assets with donor restrictions (current)	3,168,921	2,792,923
Board designations	<u>6,401,031</u>	<u>6,019,864</u>
	<u>\$ 4,326,143</u>	<u>\$ 4,030,711</u>

The Organization's endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. While the corpus of the donor-restricted endowments is not available for general use, the income from donor-restricted endowments is restricted until appropriated by the Board for general expenditure and subject to the annual spending rate up to 4%. The Board-designated endowment of \$5.3 million is also subject to the annual spending rate up to 4% as described in Note 12. The Organization does not intend to use funds from the board-designated endowment (other than amounts appropriated for general expenditure as a part of the annual budget approval and appropriation by the Organization's Board), but these amounts could be made available, if necessary, with a Board vote.

Within short-term investments, the Board has designated \$1.1 million to support building maintenance and special projects. The Organization's intent is to use these funds for large one-time expenses outside the realm of operations. However, the funds could also be made available for general expenditure with a Board vote.

As a part of the Organization's liquidity management plan, it may invest cash in excess of its operating reserve requirements in short-term investments or the endowment to maximize earnings.



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3. ACCOUNTS AND CONTRIBUTIONS RECEIVABLE

Accounts and contributions receivable are unsecured and consist of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Insurance billing and hospital partners	\$ 246,186	\$ 117,167
Other receivables	194,598	-
Total accounts receivable	<u>440,784</u>	<u>117,167</u>
Contributions receivable - due within one year	331,148	495,064
Contributions receivable - due in two to five years	155,000	200,000
Contributions receivable - due in over five years	<u>30,000</u>	<u>30,000</u>
Total contributions receivable	<u>516,148</u>	<u>725,064</u>
Total accounts and contributions receivable	<u>\$ 956,932</u>	<u>\$ 842,231</u>

4. NOTE RECEIVABLE

The Central Oregon chapter entered into a property sale agreement with an original amount of \$138,375. Under the terms of the agreement, the Organization received monthly payments in the amount of \$1,355 including interest at 3.29% through June 2020. The note was fully repaid in 2020.

5. SHORT-TERM INVESTMENTS

Short-term investments at December 31, 2020 and 2019 consist of the following:

	<u>2020</u>	<u>2019</u>
Certificates of deposit	\$ 3,207,538	\$ 2,571,053
Money market funds	<u>14,919</u>	<u>343,716</u>
Total short-term investments	<u>\$ 3,222,457</u>	<u>\$ 2,914,769</u>

Certificates of deposit are recorded at the value reported by the bank, which approximates market value. Interest earned on the certificates ranges from 0.15% to 3.15% at December 31, 2020 and 1.65% to 2.8% at December 31, 2019. The certificates mature at various dates through October 2023 and are expected to be held to maturity. Money market funds are expected to be held for over ninety days and are considered to be short-term investments.

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6. INVESTMENTS

Long-term investments are summarized as follows at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Endowment:		
Money market funds	\$ 156,531	\$ 163,736
Fixed income	2,606,526	2,415,953
Mutual funds and other investments	5,225,907	4,795,298
Beneficial interest in assets held	<u>317,760</u>	<u>297,472</u>
 Total long-term investments	 <u>\$ 8,306,724</u>	 <u>\$ 7,672,459</u>

Long-term investments consist of the endowment funds (see Note 12) and other investments with maturities greater than one year. Such investments are carried at fair value.

The Organization has a fund with Oregon Community Foundation (OCF) under OCF's Endowment Partners Program. The Organization's fund is pooled with other assets managed by OCF and is invested in debt, equity and other securities which are reflected at fair value. Under the terms of the agreement, variance power has been granted to OCF; however, the Organization is the beneficiary of the fund and the transfer is reciprocal in nature. Accordingly, OCF recognizes the fund as a liability on its statement of financial position. Also under the terms of the agreement, OCF shall distribute not less than annually, a percentage of the fair value of the fund as determined by the board of directors of OCF. However, in no event will the percentage be less than a reasonable rate of return. OCF may make additional distributions from the fund to the Organization upon a majority vote of all of the directors of the Organization, if, in the sole judgment of the board of OCF, the requested distribution is consistent with the objectives and purposes of the Organization. The beneficial interest in assets and are included in endowment net assets (Note 12).

7. BARGAIN LAND LEASES

Commencing on June 1, 1995, RMHC was given a significant lease concession by Legacy Emanuel Hospital and Health Center, when a member of the Board of Directors is employed, for the approximately 1.5 acres of land that the East House occupies. The agreement stipulates land lease costs will be \$1 per year through 2025. RMHC may extend the term of the lease for ten additional years under the same terms. RMHC intends to exercise this option. The agreement also stipulates that the terms of the bargain lease apply as long as the property is used for the stated charitable purpose. Should the property be used for any other purpose, the yearly lease amount would be equal to 10% of the current fair market value of the property.

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7. BARGAIN LAND LEASES, Continued

The lessor entered into the lease in continued recognition of their partnership and therefore, the value of the benefit is recognized on the financial statements. Accounting principles generally accepted in the United States of America (GAAP) require that the present value of the estimated future lease payments which will not be paid be recorded as a contribution in the year received. Additionally, GAAP requires that the fair value of each year's land lease be recorded as an expense, that the initial contribution be amortized over its term, and that an additional contribution be recorded annually which represents the approximate interest increase in the initial contribution.

An appraisal established a market value of \$355,000 for the property, as of June 1, 1995. The estimated inflation rate, which the property is subject to during the period June 1, 1995 through May 31, 2035, is 2.5%. The future estimated lease payments are discounted at the one-year Treasury Bill discount rate at the June 22, 1995 auction, of 5.22%. The present value of the estimated future lease payments of \$847,340 was recorded on the statement of financial position as bargain land lease contribution receivable.

The Bend location holds a bargain land lease agreement with St. Charles Medical Center, an unrelated nonprofit organization. Under terms of the agreement the Organization rents approximately 2.5 acres of land on which their building is located for \$100 per year through 2025. The present value of the estimated future lease payments of \$209,850 was recorded on the statement of financial position as bargain land lease contribution receivable at lease inception in 1995.

The unamortized contributions receivable is as follows at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
East House:		
Bargain land lease contribution receivable	\$ 847,340	\$ 847,340
Less accumulated amortization	<u>731,090</u>	<u>715,073</u>
	<u>116,250</u>	<u>132,267</u>
Bend House:		
Bargain land lease contributions receivable	\$ 209,850	\$ 209,850
Less accumulated amortization	<u>174,873</u>	<u>167,878</u>
	<u>34,977</u>	<u>41,972</u>
Bargain land lease contribution		
receivable, net	<u>\$ 151,227</u>	<u>\$ 174,239</u>

The fair value of the land lease expense was \$72,007 and \$70,422 in 2020 and 2019, respectively. The contribution income from the bargain land leases recognized was \$48,996 and \$46,377 in 2020 and 2019, respectively. The amount of net assets released from restriction for the expiration of time was \$23,012 and \$24,045 in 2020 and 2019, respectively.

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8. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Buildings	\$ 6,616,579	\$ 6,616,579
Furniture and equipment	2,681,319	2,636,967
Collectibles	<u>32,160</u>	<u>32,160</u>
	9,330,058	9,285,706
Less accumulated depreciation	<u>4,970,889</u>	<u>4,462,106</u>
Property and equipment, net	<u>\$ 4,359,169</u>	<u>\$ 4,823,600</u>

Collectibles consist of twenty-four donated paintings that are capitalized at the average fair market value at the date the items were contributed.

9. REVENUE FROM CONTRACTS WITH CUSTOMERS

For revenue from contracts with customers, the timing of revenue recognition, billings, and cash collections may result in billed accounts receivable (contract asset) and customer advances and deposits and deferred revenue (contract liabilities) on the statement of financial position.

- Revenue from hospital partners is recognized monthly over the agreement period when services are provided to hospital partners. The contracts extend for 10 years with an optional 5-year renewal period and can be cancelled mutually with no notice, or unilaterally by either party with 180 days notice.
- Revenue from third party reimbursements are recognized when the organization has provided housing to eligible families. These amounts are due from 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.

The beginning and ending contract balances are as follows at December 31:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Accounts receivable (contract assets):			
Hospital partner receivable	<u>\$ 246,186</u>	<u>\$ 117,167</u>	<u>\$ 40,998</u>

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10. NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions consist of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Undesignated	\$ 4,244,814	\$ 2,996,242
Board designated - endowment (Note 12)	5,306,209	4,921,171
Board designated - building fund	830,982	834,853
Board designated - special project	263,840	263,840
Property and equipment, net	<u>4,359,169</u>	<u>4,823,600</u>
Total net assets without donor restrictions	<u>\$ 15,005,014</u>	<u>\$ 13,839,706</u>

The Board of Trustees reviews significant major gifts and, when appropriate, designates them to the endowment fund. Board designated amounts are invested in marketable securities with the net assets with donor restrictions (see Note 11) and are tracked separately.

11. NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2020</u>	<u>2019</u>
Balance of bargain land leases	\$ 151,227	\$ 174,239
Rood Family Pavilion - South Waterfront	19,963	125,676
East House construction and upgrades	11,580	18,874
Heartfelt House (Springfield)	-	50,000
Bend House	68,456	-
Endowment earnings (Note 12)	1,292,363	1,065,897
Time-restrictions	317,850	468,515
Other purpose restrictions	<u>68,407</u>	<u>138,820</u>
Total with donor restrictions, expiring	1,929,846	2,042,021
With donor restrictions, perpetual	<u>1,708,152</u>	<u>1,708,152</u>
Total net assets with donor restrictions	<u>\$ 3,637,998</u>	<u>\$ 3,750,173</u>

Net assets with perpetual donor restrictions consist of donations to the endowment fund. Investment earnings from the endowment support the work of RMHC (also see Note 12).

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12. ENDOWMENT

RMHC's endowment consists of individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Trustees of Ronald McDonald House Charities has interpreted Oregon's enacted Uniform Prudent Management of Institutional Funds Act (the Act or 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. As a result of this interpretation, the Organization classifies as net assets with perpetual restrictions (a) the original value of gifts, including subsequent gifts, donated to the donor restricted endowment and (b) accumulations to the donor restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with perpetual restrictions is classified as net assets with expiring restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the Act.

Interpretation of Relevant Law, Continued

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

- (1) The duration and preservation of the Organization
- (2) The purposes of the Organization and the donor-restricted Organization
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) The investment policies of the Organization

The Organization classifies gift amounts received from donors that are restricted to the endowment fund as net assets with donor restrictions in perpetuity. If the market value of a donor-restricted endowment fund exceeds the original gift as a result of investment earnings, then the excess amount is classified within net assets with donor restrictions, until all or a portion of the excess is appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Funds designated by the Board of Trustees to function as an endowment are classified as net assets without donor restrictions.

If the market value of an endowment is less than the original gift amount, the valuation difference is reflected in the financial statements as a reduction of net assets without donor restrictions.

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12. ENDOWMENT, Continued

Return Objectives and Risk Parameters

RMHC has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of various indexes while assuming a moderate level of investment risk. The Organization expects its endowment funds, over time, to provide an average rate of return of approximately 3% plus inflation, annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

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

Spending Policy and How the Investment Objectives Relate to Spending Policy

RMHC has a policy of appropriating for distribution of up to 4% of the fund balance. In establishing this policy, the Organization considers the long-term expected return on its endowment. Accordingly, over the long-term, the Organization expects the current spending policy to allow its endowment to grow at the average annual rate of inflation. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. In February 2019, the Board authorized a distribution of \$277,111 for 2019 which was recorded in 2019 as well as a one-time distribution of \$1,000,000 of board designated funds.

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12. ENDOWMENT, Continued

Endowment net asset composition by type of fund is as follows at December 31, 2020 and 2019:

	Board	With Donor Restrictions		Total
	Designated	Expiring	Perpetual	
<b>December 31, 2020</b>				
Donor-restricted	\$ -	\$ 1,292,363	\$ 1,708,152	\$ 3,000,515
Board-designated	<u>5,306,209</u>	<u>-</u>	<u>-</u>	<u>5,306,209</u>
Total Funds	<u>\$ 5,306,209</u>	<u>\$ 1,292,363</u>	<u>\$ 1,708,152</u>	<u>\$ 8,306,724</u>
<b>December 31, 2019</b>				
Donor-restricted	\$ -	\$ 1,065,897	\$ 1,708,152	\$ 2,774,049
Board-designated	<u>4,921,171</u>	<u>-</u>	<u>-</u>	<u>4,921,171</u>
	<u>\$ 4,921,171</u>	<u>\$ 1,065,897</u>	<u>\$ 1,708,152</u>	<u>\$ 7,695,220</u>

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

	Board	With Donor Restrictions		Total
	Designated	Expiring	Perpetual	
Endowment net assets -				
December 31, 2018	\$ 5,208,154	\$ 719,973	\$ 1,708,152	\$ 7,636,279
Investment return:				
Investment income, net of fees	112,198	51,195	-	163,393
Change in value of investments	796,518	340,154	-	1,136,672
Change in beneficial interest	-	35,987	-	35,987
Appropriation of endowment assets for expenditure	<u>(1,195,699)</u>	<u>(81,412)</u>	<u>-</u>	<u>(1,277,111)</u>
Endowment net assets -				
December 31, 2019	4,921,171	1,065,897	1,708,152	7,695,220
Investment return:				
Investment income, net of fees	58,285	29,467	-	87,752
Change in value of investments	548,889	277,512	-	826,401
Change in beneficial interest	-	20,288	-	20,288
Appropriation of endowment assets for expenditure	<u>(222,136)</u>	<u>(100,801)</u>	<u>-</u>	<u>(322,937)</u>
Endowment net assets -				
December 31, 2020	<u>\$ 5,306,209</u>	<u>\$ 1,292,363</u>	<u>\$ 1,708,152</u>	<u>\$ 8,306,724</u>



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13. RELATED PARTY TRANSACTIONS

The Organization pays 25% of net revenue from donation box collections (Note 16) at McDonald's restaurants to Global Ronald McDonald House Charities (Global). The total amount paid during the years ended December 31, 2020 and 2019 was \$54,515 and \$52,725 respectively. In addition, Global made contributions to the Organization in the amounts of \$65,000 in 2020 and \$50,000 in 2019. Additionally, the Organization receives in-kind space from OHSU and PeaceHealth where board members are employed (Note 1).

14. LEASE COMMITMENTS

The Organization leases equipment under various non-cancelable lease agreements which expire through 2024. Future minimum lease payments are as follows:

Year ending December 31, 2021	\$ 27,300
2022	18,600
2023	15,400
2024	<u>3,200</u>
Total	<u>\$ 64,500</u>

15. CONCENTRATIONS OF CREDIT RISK

The Organization operates three residences in Oregon and receives a majority of its funding through fundraising initiatives in this geographic area. If fundraising activities were discontinued or compromised, it could have a significant adverse effect on the Organization.

The Organization maintains its cash balances in two financial institutions. Balances in each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The balances, at times, may exceed the federally insured limit. Balances in excess of insured limits were approximately \$1,554,600 and \$1,217,100 as of December 31, 2020 and 2019, respectively.

Investments, including short-term investments, are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

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16. DONATION BOX COLLECTIONS

The Organization provides donation boxes which are placed in local McDonald's restaurants. Beginning in 2019, Global began collections and remitting funds net of any fees to the Organization (Note 13). For the years ended December 31, 2020 and 2019, donation box collections were \$110,583 and \$159,390, respectively.

17. RETIREMENT PLAN

The Organization has a SIMPLE IRA retirement plan for its employees. All employees earning at least \$5,000 per year are eligible to participate after completing one month of employment. Eligible employees may make pre-tax contributions up to an amount defined by law. The Organization matches employee contributions up to a maximum of 3% of salary. For the years ended December 31, 2020 and 2019, RMHC contributed approximately \$54,800 and \$51,500, respectively.

18. FAIR VALUE MEASUREMENTS

Assets recorded at fair value in the statements of financial position are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Level inputs are defined as follows:

**Level 1:** Unadjusted quoted prices in active markets for identical assets and liabilities.

**Level 2:** Observable inputs other than those included in Level 1, such as quoted market prices for similar assets or liabilities in active markets, or quoted market prices for identical assets or liabilities in inactive markets.

**Level 3:** Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair values requires significant management judgment or estimation.

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18. FAIR VALUE MEASUREMENTS, Continued

Fair values of assets measured on a recurring basis at December 31, 2020 and 2019 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>December 31, 2020</b>				
<b>Investments:</b>				
Money market funds	\$ 156,531	\$ -	\$ -	\$ 156,531
Fixed income:				
Corporate obligations	-	2,187,452	-	2,187,452
Domestic mutual funds	201,251	-	-	201,251
International mutual funds	217,823	-	-	217,823
Equities and other:				
Domestic mutual funds	3,644,485	-	-	3,644,485
International mutual funds	1,234,230	-	-	1,234,230
Real estate fund	347,192	-	-	347,192
Beneficial interest of assets held	-	-	317,760	317,760
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>December 31, 2019</b>				
<b>Investments:</b>				
Money market funds	\$ 163,736	\$ -	\$ -	\$ 163,736
Fixed income:				
Corporate obligations	-	1,999,999	-	1,999,999
Domestic mutual funds	201,995	-	-	201,995
International mutual funds	213,959	-	-	213,959
Equities:				
Domestic mutual funds	3,299,556	-	-	3,299,556
International mutual funds	1,164,012	-	-	1,164,012
Real estate fund	331,730	-	-	331,730
Beneficial interest of assets held	-	-	297,472	297,472

The fair value equity securities is determined by reference to quoted market prices or other relevant market data as provided by the bank or broker.

The fair value for corporate debt securities are based on pricing models, quoted prices of securities with similar characteristics, yield curves, and other relevant economic measures.

Investments held at OCF in pooled funds are valued at the net asset value per unit as provided by OCF trustees. Net asset value is based on fair value of the underlying assets of the funds using quoted market prices when available determined using a market approach.

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18. FAIR VALUE MEASUREMENTS, Continued

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs) include:

Beneficial interest in assets held by OCF as of December 31, 2020 and 2019:

	2020	2019
Beginning balance	\$ 297,472	\$ 261,485
Change in value	20,288	35,987
Ending balance	\$ 317,760	\$ 297,472

The change in value is included in investment income as with donor restrictions on the statements of activities.

19. UNCERTAINTIES

The Organization has been negatively impacted by the effects of the world-wide coronavirus pandemic. The Organization is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the full impact to the Organization's financial position is not known.

20. RESTATEMENT OF NET ASSETS

The financial statements for the year ended December 31, 2019 were restated to accrue revenue as it was earned. Balances impacted were:

	As Previously <u>Reported</u>	<u>Change</u>	<u>As restated</u>
Assets	\$ 17,809,724	\$ 132,761	\$ 17,942,485
Liabilities	352,606	-	352,606
Net Assets	17,457,118	132,761	17,589,879
Revenue	8,149,351	26,391	8,175,742
Expense	7,721,892	-	7,721,892