



RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

**RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Ronald McDonald House of Dallas, Inc. and Affiliates
Dallas, Texas

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Ronald McDonald House of Dallas, Inc. and Affiliates (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2017, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 2017 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Ronald McDonald House of Dallas, Inc. and Affiliates as of December 31, 2017, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The 2016 consolidated financial statements were audited by other auditors, whose report dated June 5, 2017, expressed an unmodified opinion on those statements.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2017 consolidated financial statements as a whole. The accompanying 2017 supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole. The accompanying 2016 supplementary information was subjected to the auditing procedures applied in the 2016 audit of the consolidated financial statements by other auditors, whose report on such information stated that it was fairly stated in all material respects in relation to the 2016 consolidated financial statements as a whole.



CliftonLarsonAllen LLP

Dallas, Texas
May 29, 2018

RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016

ASSETS	2017	2016
Cash and Cash Equivalents	\$ 3,638,674	\$ 2,439,515
Pledges Receivable, Net	3,389,835	533,956
Investments, at Fair Value	17,963,772	15,744,188
Prepaid Expenses and Other Assets	48,704	42,746
Beneficial Interest Held in Trust	348,059	303,736
Property and Equipment, Net	14,150,946	14,847,404
Total Assets	\$ 39,539,990	\$ 33,911,545
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 86,125	\$ 32,871
Accrued Liabilities	56,419	98,091
Deferred Revenue	31,300	29,000
Total Liabilities	173,844	159,962
NET ASSETS		
Unrestricted:		
Board Designated	3,538,719	3,579,502
Undesignated	30,641,060	28,899,894
Total Unrestricted Net Assets	34,179,779	32,479,396
Temporarily Restricted	4,694,492	780,312
Permanently Restricted	491,875	491,875
Total Net Assets	39,366,146	33,751,583
Total Liabilities and Net Assets	\$ 39,539,990	\$ 33,911,545

See accompanying Notes to Consolidated Financial Statements.

RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND SUPPORT				
Public Support:				
Contributions and Grants	\$ 1,577,511	\$ 4,391,699	\$ -	\$ 5,969,210
In-Kind Contributions	304,640			304,640
Special Events Cash Contributions	1,205,265	-	-	1,205,265
Special Events In-Kind Contributions	223,284	-	-	223,284
Total Gross Special Events Contributions	1,428,549	-	-	1,428,549
Less: Cost of Direct Benefits to Donors	149,241	-	-	149,241
Net Special Events Revenue	1,279,308	-	-	1,279,308
Total Public Support	3,161,459	4,391,699	-	7,553,158
Other Revenue:				
Program Service Fees	410,687	-	-	410,687
Interest Income	1,110	82	-	1,192
Investment Return	1,506,308	-	-	1,506,308
Gain on Disposal of Fixed Assets	3,000	-	-	3,000
Other Income (Expense)	2,497	-	-	2,497
Change in Fair Value of				
Beneficial Interest Held in Trust	-	44,323	-	44,323
Net Assets Released from Restrictions	521,924	(521,924)	-	-
Total Other Revenue	2,445,526	(477,519)	-	1,968,007
Total Revenue and Support	5,606,985	3,914,180	-	9,521,165
EXPENSES				
Program Expenses	2,754,118	-	-	2,754,118
Supporting Services	83,770	-	-	83,770
Fundraising	1,068,714	-	-	1,068,714
Total Expenses	3,906,602	-	-	3,906,602
CHANGE IN NET ASSETS	1,700,383	3,914,180	-	5,614,563
Net Assets - Beginning of Year	32,479,396	780,312	491,875	33,751,583
NET ASSETS - END OF YEAR	<u>\$ 34,179,779</u>	<u>\$ 4,694,492</u>	<u>\$ 491,875</u>	<u>\$ 39,366,146</u>

See accompanying Notes to Consolidated Financial Statements.

RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND SUPPORT				
Public Support:				
Contributions and Grants	\$ 1,444,806	\$ 616,673	\$ -	\$ 2,061,479
In-Kind Contributions	83,704	-	-	83,704
Special Events Cash Contributions	1,138,327	-	-	1,138,327
Special Events In-Kind Contributions	263,016	-	-	263,016
Total Gross Special Events Contributions	1,401,343	-	-	1,401,343
Less: Cost of Direct Benefits to Donors	96,445	-	-	96,445
Net Special Events Revenue	1,304,898	-	-	1,304,898
Total Revenue and Support	2,833,408	616,673	-	3,450,081
Other Revenue:				
Program Service Fees	384,398	-	-	384,398
Interest Income	879	-	-	879
Investment Return	796,272	-	-	796,272
Other Income (Expense)	(5,423)	-	-	(5,423)
Change in Fair Value of				
Beneficial Interest Held in Trust	-	(30,131)	-	(30,131)
Net Assets Released from Restrictions	156,359	(156,359)	-	-
Total Other Revenue	1,332,485	(186,490)	-	1,145,995
Total Revenue and Support	4,165,893	430,183	-	4,596,076
EXPENSES				
Program Expenses	2,777,754	-	-	2,777,754
Supporting Services	93,781	-	-	93,781
Fundraising	894,025	-	-	894,025
Total Expenses	3,765,560	-	-	3,765,560
CHANGE IN NET ASSETS	400,333	430,183	-	830,516
Net Assets - Beginning of Year	32,079,063	350,129	491,875	32,921,067
NET ASSETS - END OF YEAR	\$ 32,479,396	\$ 780,312	\$ 491,875	\$ 33,751,583

See accompanying Notes to Consolidated Financial Statements.

RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2017

	<u>Program</u>	<u>Supporting</u>	<u>Fundraising</u>	<u>Total</u>
Payroll and Related	\$ 998,449	\$ 63,353	\$ 413,240	\$ 1,475,042
Depreciation	716,763	314	71,552	788,629
Events and Catering	17,450	-	222,174	239,624
Facility Maintenance and Repairs	183,892	-	60	183,952
Professional Fees	164,855	11,864	205,491	382,210
Utilities	141,301	204	5,414	146,919
Miscellaneous	11,659	574	4,123	16,356
Volunteer Program	14,156	-	1,213	15,369
Family Assistance	13,110	-	-	13,110
Bank and Merchant Fees	922	376	33,332	34,630
Marketing	1,308	-	22,323	23,631
Staff and Board Development	17,842	2,724	7,623	28,189
Groceries and Household Supplies	96,874	-	-	96,874
Insurance	67,761	1,447	1,447	70,655
Office Expenses	22,703	2,114	71,614	96,431
Program Supplies	10,014	-	-	10,014
Bad Debts	160,778	-	-	160,778
In-Kind Expenses	114,281	800	158,349	273,430
	<u>2,754,118</u>	<u>83,770</u>	<u>1,217,955</u>	<u>4,055,843</u>
Less: Expenses Netted Against Revenues on the Statement of Activities:				
Special Event Expenses	<u>-</u>	<u>-</u>	<u>(149,241)</u>	<u>(149,241)</u>
 Total	 <u>\$ 2,754,118</u>	 <u>\$ 83,770</u>	 <u>\$ 1,068,714</u>	 <u>\$ 3,906,602</u>

See accompanying Notes to Consolidated Financial Statements.

RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2016

	<u>Program</u>	<u>Supporting</u>	<u>Fundraising</u>	<u>Total</u>
Payroll and Related	\$ 1,039,357	\$ 76,262	\$ 252,138	\$ 1,367,757
Depreciation	860,611	317	74,821	935,749
Events and Catering	81,313	87	144,256	225,656
Facility Maintenance and Repairs	149,460	-	17	149,477
Professional Fees	129,069	10,546	117,134	256,749
Utilities	143,368	256	7,451	151,075
Miscellaneous	9,153	400	3,906	13,459
Volunteer Program	21,752	-	892	22,644
Family Assistance	7,059	-	-	7,059
Bank and Merchant Fees	2,976	29	26,744	29,749
Marketing	-	-	25,614	25,614
Staff and Board Development	16,674	2,591	10,340	29,605
Groceries and Household Supplies	107,983	-	15	107,998
Insurance	64,419	1,331	1,332	67,082
Office Expenses	25,950	1,962	65,829	93,741
Program Supplies	5,670	-	-	5,670
Bad Debts	39,742	-	-	39,742
In-Kind Expenses	73,198	-	259,981	333,179
	<u>2,777,754</u>	<u>93,781</u>	<u>990,470</u>	<u>3,862,005</u>
Less: Expenses Netted Against Revenues on the Statement of Activities:				
Special Event Expenses	-	-	(96,445)	(96,445)
	<u>-</u>	<u>-</u>	<u>(96,445)</u>	<u>(96,445)</u>
Total	<u>\$ 2,777,754</u>	<u>\$ 93,781</u>	<u>\$ 894,025</u>	<u>\$ 3,765,560</u>

See accompanying Notes to Consolidated Financial Statements.

RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 5,614,563	\$ 830,516
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation Expense	788,629	935,749
Gain on Sale of Assets	3,000	-
Unrealized Gain on Investments	(862,777)	(304,150)
Realized Gain on Investments	(155,431)	(138,843)
Reinvested Interest and Dividends	(460,553)	(319,569)
Beneficial Interest Held in Trust	(44,323)	30,131
(Increase) Decrease in Assets:		
Pledges Receivable	(2,855,879)	(446,824)
Prepaid Expenses and Other Assets	(5,958)	15,221
Increase (Decrease) in Liabilities:		
Accounts Payable	53,254	18,651
Accrued Liabilities	(41,672)	(2,900)
Deferred Revenue	2,300	(12,710)
Net Cash Provided by Operating Activities	2,035,153	605,272
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales of Investments	3,241,585	2,844,980
Purchase of Investments	(3,982,408)	(3,188,299)
Purchase of Property, Plant, and Equipment	(95,171)	(97,148)
Net Cash Used in Investing Activities	(835,994)	(440,467)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,199,159	164,805
Cash and Cash Equivalents - Beginning of Year	2,439,515	2,274,710
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,638,674	\$ 2,439,515
SUPPLEMENTAL CASH FLOW INFORMATION		
Donated Securities	\$ 254,494	\$ 10,192

See accompanying Notes to Consolidated Financial Statements.

RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Ronald McDonald House of Dallas, Inc. (RMHD) was incorporated in the state of Texas on June 5, 1978, as a nonprofit organization. RMHD provides a home-away-from-home for families of injured or seriously ill children through the age of 21 who are undergoing treatment at area hospitals. RMHD is primarily supported by contributions from the general public.

Ronald McDonald House of Dallas Endowment Foundation (EF) is a nonprofit organization established on December 9, 1998, to support and benefit RMHD by investing and managing gifts, grants, contributions, and bequests intended to benefit the long-term goals of RMHD, and by holding, managing, and investing an endowment fund for RMHD. Under EF's Articles of Incorporation and Bylaws, RMHD's Board of Directors has the authority to elect a simple majority of EF's trustees. Notwithstanding this relationship, EF is not required by its articles or bylaws to make annual grants or distributions to RMHD.

Ronald McDonald House of Dallas Family Assistance Foundation (FAF) is a nonprofit organization established on December 9, 1998, to support and benefit RMHD and its families by owning, maintaining, and improving the house facility, as well as maintaining an assistance fund to benefit the needs of these families. Under FAF's Articles of Incorporation and Bylaws, RMHD's Board of Directors has the authority to elect a simple majority of FAF's trustees. Notwithstanding this relationship, FAF is not required by its articles or bylaws to make annual grants or distributions to RMHD.

Basis of Presentation and Consolidation

The accompanying consolidated financial statements include the accounts of RMHD, EF, and FAF, and 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). All significant intercompany transactions and balances have been eliminated in consolidation.

Financial Statement Presentation

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

Permanently Restricted Net Assets

Net assets subject to donor-imposed stipulations that they be maintained permanently.

Temporarily Restricted Net Assets

Net assets subject to donor-imposed stipulations that may or will be met by actions of the donee and/or the passage of time.

Unrestricted Net Assets

Net assets not subject to donor-imposed stipulations. Board designated net assets are considered unrestricted net assets in which the board has internally designated stipulations for purposes of the various programs held.

RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

Revenues are reported as increases in unrestricted net assets unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expirations of temporarily restricted net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Contributions are recognized as revenues in the period unconditional promises to give are received. Contributions of assets other than cash are recorded at their estimated fair value.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these consolidated financial statements include those assumed in recording depreciation, allocation of functional expenses, valuation allowances for pledges receivable, and fair value of beneficial interest held in trust. Actual results could vary from these estimates.

Cash and Cash Equivalents

All short-term investments with original maturities of ninety days or less are considered to be cash equivalents.

Pledges Receivable and Promises to Give

Contributions are recognized when a donor makes a promise to give that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires or is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets.

Unconditional promises to give that are due more than one year beyond the statement of financial position date are discounted to a net present value using an estimated discount factor for risk-free borrowing.

Pledges receivable are considered past due when payments are not made under the terms of the pledge agreement. There were no past due pledges receivable at December 31, 2017 and 2016. FAF had bad debt expense in the amounts of \$160,778 and \$39,742 for uncollectible receivables for the years ended December 31, 2017 and 2016, respectively. The allowance for doubtful accounts is established through a provision for bad debts charged to expense and represents management's best estimate of possible losses that may occur within the pledges receivable portfolio; however, its establishment involves an element of uncertainty and future events may cause significant fluctuations. Allocations of the allowance may be made for specific pledges receivable, but the entire allowance is available for any receivable that, in management's judgment, should be written off.

RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are stated at cost, when purchased, or at fair value as of the date of the gift, when donated. All donations of and expenditures for property and equipment in excess of \$2,000 and \$500 in 2017 and 2016, respectively, are capitalized. Major expenditures and expenditures which substantially increase useful lives are capitalized. Maintenance, repairs, and replacements, which do not improve or extend the lives of the respective assets, are charged to operations when incurred. When property and equipment is sold or otherwise disposed of, the asset and related accumulated depreciation and amortization are removed, and any gain or loss is included in operations.

Donated assets are reported as unrestricted support unless the donor has restricted the asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, expirations of donor restrictions are reported when the donated or acquired assets are placed in service as instructed by the donor. Temporarily restricted net assets are reclassified to unrestricted net assets at that time.

Depreciation is calculated using the straight-line method at rates sufficient to amortize the related costs over the estimated useful lives of the respective assets. Estimated useful lives as of December 31, 2017 and 2016 are as follows:

	<u>Years</u>
Building	25
Furniture and Fixtures, Playground Equipment, and Train Exhibit	3 to 10
Transportation Equipment	3 to 5

Investments

Investments, which consist of marketable equity securities and debt securities, are reported at their fair values in the Consolidated Statements of Financial Position. Securities that have been donated are recorded at the fair value as of the date of the gift. Increases or decreases in fair value are recorded as unrealized gains and losses and are reflected on the Consolidated Statements of Activities and Changes in Net Assets along with all realized gains and losses under the caption "Investment Return."

Donated Assets and Services

Donations of noncash assets as contributions are recorded as contributions at their estimated fair value as of the date of donation. Donated services are recognized as contributions in accordance with U.S. GAAP, if the services (a) create or enhance nonfinancial assets or (b) require and are provided by individuals with specialized skills and if not provided by donation would typically need to be purchased.

RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Split Interest Agreements

RMHD and its Affiliates accept gifts subject to split interest agreements. These gifts are generally in the form of externally managed charitable remainder annuity trusts (CRATs) and charitable remainders unitrusts (CRUTs). At the time the trust is determined to be irrevocable, the beneficial interest held in trust is recorded at fair value which constitutes the present value of estimated future cash receipts to be received from the assets of the trust.

These trusts are revalued annually and the beneficial interest adjusted accordingly. Funds subject to split interest agreements are classified as temporarily restricted based upon donor designations and the passage of time.

Functional Allocation of Expenses

The costs of providing the various program and other activities have been summarized on a functional basis in the accompanying Consolidated Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Income Taxes

RMHD and its Affiliates are exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (IRC) of 1986, as amended, as organizations described in Section 501(c)(3) of the IRC. RMHD, EF and FAF each has been classified as an organization that is not a private foundation under IRC Section 509(a)(1), and as such, contributions to each of RMHD, EF and FAF qualify for deductions as charitable contributions. However, income generated from activities unrelated to the exempt purpose of RMHD, EF and FAF is subject to tax under IRC Section 511. There was no net income from unrelated business for the years ended December 31, 2017 and 2016.

Accounting for Uncertainty in Income Taxes

Management has concluded that any tax positions that would not meet the more-likely-than-not criterion of Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) Topic 740-10, *Accounting for Income Taxes*, would be immaterial to the financial statements taken as a whole. Accordingly, the accompanying financial statements do not include any provision for uncertain tax positions, and no related interest or penalties have been recorded in the Consolidated Statements of Activities and Changes in Net Assets or accrued in the Consolidated Statements of Financial Position.

Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update 2016-14, *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which is expected to impact the information presented in financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. The guidance is required to be applied by RMHD and its Affiliates for the year ending December 31, 2018; however, early application is permitted. RMHD and its Affiliates are currently evaluating the impact this guidance will have on its financial statements.

RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentrations of Credit Risk

Financial instruments exposed to concentrations of credit risk consisted primarily of cash, cash equivalents, pledges receivable, and investments. Cash in excess of federally insured limits is maintained in financial institutions which management considers to be of high credit quality. RMHD and its Affiliates did not incur and do not anticipate incurring losses related to these balances. RMHD and its Affiliates have a formal investment policy of placing investments in high-quality financial institutions and limiting the size of any investment with any single entity or type of investment. 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 which could materially affect investment balances.

Special Events

Receipts and direct expenditures relating to special events are reported as revenues and expenses in the fiscal year in which the events occur. Cash receipts and billings made in the current fiscal year relating to the next year's events are reported as deferred revenue. At December 31, 2017 and 2016, \$31,300 and \$29,000, respectively, were received and recorded by RMHD as deferred revenue related to the annual Gala and Young Friends events. Likewise, expenses directly related to those events which are paid in the current fiscal year are deferred and included in prepaid expenses and other assets on the Consolidated Statements of Financial Position.

Reclassifications

Certain reclassifications have been made to the 2016 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

Date of Management's Review

Subsequent events have been evaluated for potential recognition or disclosure through May 29, 2018, which is the date the financial statements were available to be issued.

NOTE 2 PLEDGES RECEIVABLE

The pledges receivable at December 31, 2017 and 2016, are expected to be realized in the following periods:

	2017	2016
In One Year or Less	\$ 1,490,213	\$ 258,894
Between One Year and Five Years	2,286,282	325,121
Total	3,776,495	584,015
Less:		
Allowance for Uncollectible Pledges	185,912	25,135
Discount, at 5%	200,748	24,924
Total Pledges Receivable	<u>\$ 3,389,835</u>	<u>\$ 533,956</u>

RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 3 INVESTMENTS

Investments at December 31, 2017 and 2016 consisted of the following:

	2017	2016
Mutual Funds	\$ 11,773,305	\$ 11,774,098
Stocks	1,335,507	271,524
Bonds	4,441,194	3,245,960
Investment Cash Equivalents	413,766	452,606
Total	<u>\$ 17,963,772</u>	<u>\$ 15,744,188</u>

Investment return for the year ended December 31, 2017 and 2016 is summarized as follows:

	2017	2016
Interest and Dividends	\$ 488,100	\$ 353,279
Realized Gain (Loss)	155,431	138,843
Unrealized Gain (Loss)	862,777	304,150
Total	<u>\$ 1,506,308</u>	<u>\$ 796,272</u>

NOTE 4 FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides the 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 asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There has been no change in the methodology used at December 31, 2017.

Mutual Funds: Valued at the net asset value (NAV) of shares held at year-end.

Stocks: Valued at the closing price reported in an active market in which the stock is traded.

Bonds: Valued at the closing price reported in an active market in which the bond is traded.

RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although RMHD and its Affiliates believe its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The provisions of ASC Topic 820 did not have an impact on nonfinancial assets and nonfinancial liabilities that are not permitted or required to be measured at fair value on a recurring basis.

The following schedules summarize the fair values of assets measured on a recurring basis as of December 31:

	2017			Total
	Level 1	Level 2	Level 3	
Beneficial Interest Held in Trust	\$ -	\$ -	\$ 348,059	\$ 348,059
Class of Investments:				
Mutual Funds	\$ 11,773,305	\$ -	\$ -	\$ 11,773,305
Bonds	1,335,507	-	-	1,335,507
Equities	4,441,194	-	-	4,441,194
Total	<u>\$ 17,550,006</u>	<u>\$ -</u>	<u>\$ -</u>	17,550,006
Investment Cash Equivalents				413,766
Total Investments				<u>\$ 17,963,772</u>
	2016			
	Level 1	Level 2	Level 3	Total
Beneficial Interest Held in Trust	\$ -	\$ -	\$ 303,736	\$ 303,736
Class of Investments:				
Mutual Funds	\$ 11,774,098	\$ -	\$ -	\$ 11,774,098
Bonds	3,245,960	-	-	3,245,960
Equities	271,524	-	-	271,524
Total	<u>\$ 15,291,582</u>	<u>\$ -</u>	<u>\$ -</u>	15,291,582
Investment Cash Equivalents				452,606
Total Investments				<u>\$ 15,744,188</u>

RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES
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NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair values for Level 1 investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair value for Level 3 beneficial interest held in trust is determined by calculating the present value of future distributions expected to be received using published Internal Revenue Service life expectancy tables and a 2.4% and 1.78% discount rate as of December 31, 2017 and 2016, respectively.

The changes in the balances of Level 3 financial assets were as follows for the years ended December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Beneficial Interest Held in Trust		
Beginning Balance	\$ 303,736	\$ 333,867
Change in Fair Value	44,323	(30,131)
Ending Balance	<u>\$ 348,059</u>	<u>\$ 303,736</u>

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2017 and 2016 is summarized as follows:

	<u>2017</u>	<u>2016</u>
Land	\$ 2,547,147	\$ 2,547,147
Building	16,749,809	16,749,809
Furniture and Fixtures	1,647,874	1,620,015
Train Exhibit	929,920	865,608
Transportation Equipment	99,772	99,772
Total	<u>21,974,522</u>	<u>21,882,351</u>
Less: Accumulated Depreciation	7,823,576	7,034,947
Total Property and Equipment	<u>\$ 14,150,946</u>	<u>\$ 14,847,404</u>

RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 6 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes at December 31:

	<u>2017</u>	<u>2016</u>
Time Restricted:		
Beneficial Interest Held in Trust	\$ 348,059	\$ 303,736
For Use in Future Years	27,403	-
Purpose Restricted:		
For Equipment, Meals, Education, and Art	-	225
Family Room	80,400	-
Play Tables	25,635	-
Dressers for Resident Rooms	8,000	-
Electronic Access System	1,138	-
Capital Campaign	<u>4,203,857</u>	<u>476,351</u>
Total Temporarily Restricted Net Assets	<u>\$ 4,694,492</u>	<u>\$ 780,312</u>

NOTE 7 PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets at December 31, 2017 and 2016 totaled \$491,875 in endowments to be held in perpetuity with the investment income to be used for operating expenses. These investments are invested in a mix of stocks and mutual funds.

NOTE 8 DONATED ASSETS AND SERVICES

RMHD received donated materials, investments, equipment, and services for the following purposes for the years ended December 31:

	<u>2017</u>	<u>2016</u>
Operations	\$ 50,146	\$ 73,512
Special Events	223,284	263,016
Stock	254,494	10,192
Total	<u>\$ 527,924</u>	<u>\$ 346,720</u>

These amounts are included in revenue as unrestricted contributions which are reflected in the Consolidated Statements of Activities and Changes in Net Assets.

RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 9 COMMITMENTS AND CONTINGENCIES

Operating Leases

RMHD has an obligation under a noncancelable lease agreement for the use of office equipment expiring in 2019. Total lease expense was approximately \$5,700 and \$4,000 for the years ended December 31, 2017 and 2016, respectively.

Future minimum lease payments required under the agreement are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2018	\$ 5,082
2019 and Thereafter	4,658
Total	<u>\$ 9,740</u>

NOTE 10 ENDOWMENTS

Endowments owned by RMHD or an Affiliate consist of individual endowment funds established for the exclusive purpose of operating for the benefit of RMHD and its Affiliates. The endowments include both donor-restricted endowment funds and funds designated by the board of the donee to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Boards of RMHD and of each Affiliate has interpreted the Uniform Prudent Management of Institutional Funds Act (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 restrictions to the contrary. As a result of this interpretation, classified as permanently restricted net assets are (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent 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 permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by RMHD and each Affiliate in a manner consistent with the standard of prudence prescribed by UPMIFA.

RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 10 ENDOWMENTS (CONTINUED)

In accordance with UPMIFA, RMHD and its Affiliates consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of RMHD and each Affiliate and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation (depreciation) of investments
- Other resources of RMHD and each Affiliate
- The investment policies of RMHD and each Affiliate

	2017			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment Net Assets at December 31, 2016	\$ 8,672,526	\$ -	\$ 491,875	\$ 9,164,401
Interest and Dividends	412,229	-	-	412,229
Net Unrealized/Realized Gain/(Loss)	1,005,540	-	-	1,005,540
Contributions	712,470	-	-	712,470
Other Changes	71,484	-	-	71,484
Distributions to RMHD	(346,000)	-	-	(346,000)
Other Expenses	(76,503)	-	-	(76,503)
Endowment Net Assets at December 31, 2017	<u>\$ 10,451,746</u>	<u>\$ -</u>	<u>\$ 491,875</u>	<u>\$ 10,943,621</u>
	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets at December 31, 2015	\$ 8,105,638	\$ -	\$ 491,875	\$ 8,597,513
Interest and Dividends	248,624	-	-	248,624
Net Unrealized/Realized Gain/(Loss)	429,569	-	-	429,569
Contributions	351,933	-	-	351,933
Other Changes	(56,988)	-	-	(56,988)
Distributions to RMHD	(334,000)	-	-	(334,000)
Other Expenses	(72,250)	-	-	(72,250)
Endowment Net Assets at December 31, 2016	<u>\$ 8,672,526</u>	<u>\$ -</u>	<u>\$ 491,875</u>	<u>\$ 9,164,401</u>

RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 10 ENDOWMENTS (CONTINUED)

Return Objectives and Risk Parameters

RMHD and its Affiliates have adopted investment and spending policies for endowment assets that attempt to protect the related assets and provide a reasonable return until authorized use. The investment philosophy is to invest in secure vehicles, obtain adequate return on investment, and invest in vehicles which are compatible with purposes of RMHD and its Affiliates.

Strategies Employed for Achieving Objectives

To satisfy its long-term objectives, RMHD and its Affiliates rely on a strategy of asset diversification through professional investment managers.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires to be retained as a fund of perpetual duration. An aggregate deficiency did not exist at December 31, 2017 and 2016.

NOTE 11 RETIREMENT PLAN

RMHD has a 401(k) defined contribution retirement plan covering all employees meeting specified eligibility requirements. RMHD contributed \$73,145 and \$77,578 to the plan for the years ended December 31, 2017 and 2016 respectively.

NOTE 12 RELATIONSHIPS WITH AFFILIATES

The board of trustees of EF adopted a Total Return Policy (the Policy) to guide in the distribution of funds from EF to RMHD. Under the terms of the Policy, EF distributes annually up to, but no more than, 3.5% of the average value of its investment assets over the previous 16 rolling quarters to RMHD. If the distribution to RMHD in any particular year is less than 3.5%, the difference will remain available for distribution in subsequent years. Distributions accrued to RMHD amounted to \$346,000 and \$334,000 for the years ended December 31, 2017 and 2016 respectively.

RMHD maintains individual administrative agreements with FAF and EF, wherein RMHD agrees to provide personnel and office facilities for the management of the administrative and business affairs of FAF and EF. In exchange, FAF and EF agree to pay fees to RMHD to be determined by the parties in accordance with procedures set forth in the agreements. The agreements will continue year-to-year until terminated by mutual agreement or with 30 days written notice from any one of the three parties. During 2017 and 2016, no fees were allocated to FAF or EF by RMHD.

RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 13 PUBLIC SUPPORT REVENUE

Public support revenue consisted of the following at December 31:

	<u>2017</u>	<u>2016</u>
Contributions	\$ 6,273,850	\$ 2,145,183
Special Events:		
Give Love	30,194	22,154
Annual Gala	212,704	161,344
Young Friends' Party	103,384	96,192
The Trains at Northpark	933,026	1,025,208
Total Special Events	<u>1,279,308</u>	<u>1,304,898</u>
 Total Public Support	 <u>\$ 7,553,158</u>	 <u>\$ 3,450,081</u>

NOTE 14 RELATED PARTY TRANSACTIONS

At December 31, 2017 and 2016, pledges receivable due from related parties for both the capital campaign and operations were \$698,140 and \$502,692, respectively. These amounts are included in pledges receivable in the Statements of Financial Position.

NOTE 15 CONCENTRATIONS

For the year ended December 31, 2017, RMHD received significant pledges from two donors that equated to 26% of total revenues. Should the payments for these pledges not materialize in future years, the financial statements could be materially impacted.

RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017
(SEE INDEPENDENT AUDITORS' REPORT)

	Ronald McDonald House of Dallas, Inc.	Ronald McDonald House of Dallas Endowment Foundation	Ronald McDonald House of Dallas Family Assistance Foundation	Consolidated Balance
ASSETS				
Cash	\$ 2,317,324	\$ 166,199	\$ 1,155,151	\$ 3,638,674
Pledges Receivable, Net	58,250	-	3,331,585	3,389,835
Investments, at Fair Value	2,524,189	12,454,767	2,984,816	17,963,772
Prepaid Expenses and Other Assets	48,704	-	-	48,704
Intercompany Receivable (Payable)	3,348,546	(2,736,762)	(611,784)	-
Beneficial Interest Held in Trust	348,059	-	-	348,059
Property and Equipment	245,006	-	13,905,940	14,150,946
	<u>245,006</u>	<u>-</u>	<u>13,905,940</u>	<u>14,150,946</u>
Total Assets	<u>\$ 8,890,078</u>	<u>\$ 9,884,204</u>	<u>\$ 20,765,708</u>	<u>\$ 39,539,990</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts Payable	\$ 72,724	\$ -	\$ 13,401	\$ 86,125
Accrued Liabilities	54,048	-	2,371	56,419
Deferred Revenue	31,300	-	-	31,300
Total Liabilities	<u>158,072</u>	<u>-</u>	<u>15,772</u>	<u>173,844</u>
NET ASSETS				
Unrestricted:				
Board Designated	-	-	3,538,719	3,538,719
Undesignated	7,738,261	9,884,204	13,018,595	30,641,060
Total Unrestricted	<u>7,738,261</u>	<u>9,884,204</u>	<u>16,557,314</u>	<u>34,179,779</u>
Temporarily Restricted	501,870	-	4,192,622	4,694,492
Permanently Restricted	491,875	-	-	491,875
Total Net Assets	<u>8,732,006</u>	<u>9,884,204</u>	<u>20,749,936</u>	<u>39,366,146</u>
Total Liabilities and Net Assets	<u>\$ 8,890,078</u>	<u>\$ 9,884,204</u>	<u>\$ 20,765,708</u>	<u>\$ 39,539,990</u>

RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016
(SEE INDEPENDENT AUDITORS' REPORT)

	Ronald McDonald House of Dallas, Inc.	Ronald McDonald House of Dallas Endowment Foundation	Ronald McDonald House of Dallas Family Assistance Foundation	Consolidated Balance
ASSETS				
Cash	\$ 1,402,503	\$ 359,071	\$ 677,941	\$ 2,439,515
Pledges Receivable, Net	81,323	-	452,633	533,956
Investments, at Fair Value	2,384,178	10,433,734	2,926,276	15,744,188
Prepaid Expenses and Other Assets	42,746	-	-	42,746
Intercompany Receivable (Payable)	3,465,179	(2,482,914)	(982,265)	-
Beneficial Interest Held in Trust	303,736	-	-	303,736
Property and Equipment	278,022	-	14,569,382	14,847,404
	<u>7,957,687</u>	<u>8,309,891</u>	<u>17,643,967</u>	<u>33,911,545</u>
Total Assets	<u>\$ 7,957,687</u>	<u>\$ 8,309,891</u>	<u>\$ 17,643,967</u>	<u>\$ 33,911,545</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts Payable	\$ 30,707	\$ -	\$ 2,164	\$ 32,871
Accrued Liabilities	98,091	-	-	98,091
Deferred Revenue	29,000	-	-	29,000
Total Liabilities	<u>157,798</u>	<u>-</u>	<u>2,164</u>	<u>159,962</u>
NET ASSETS				
Unrestricted:				
Board Designated	-	-	3,579,502	3,579,502
Undesignated	7,004,052	8,309,891	13,585,951	28,899,894
Total Unrestricted	<u>7,004,052</u>	<u>8,309,891</u>	<u>17,165,453</u>	<u>32,479,396</u>
Temporarily Restricted	303,962	-	476,350	780,312
Permanently Restricted	491,875	-	-	491,875
Total Net Assets	<u>7,799,889</u>	<u>8,309,891</u>	<u>17,641,803</u>	<u>33,751,583</u>
Total Liabilities and Net Assets	<u>\$ 7,957,687</u>	<u>\$ 8,309,891</u>	<u>\$ 17,643,967</u>	<u>\$ 33,911,545</u>

RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017
(SEE INDEPENDENT AUDITORS' REPORT)

	Ronald McDonald House of Dallas, Inc.	Ronald McDonald House of Dallas Endowment Foundation	Ronald McDonald House of Dallas Family Assistance Foundation	Consolidated Balance
REVENUE AND SUPPORT				
Public Support:				
Contributions and Grants	\$ 1,086,166	\$ 712,470	\$ 4,170,574	\$ 5,969,210
In-Kind Contributions	304,640			304,640
Special Event Cash Contributions	1,205,265	-	-	1,205,265
Special Event In-Kind Contributions	223,284	-	-	223,284
Total Gross Special Events Contributions	1,428,549	-	-	1,428,549
Less: Cost of Direct Benefits to Donors	149,241	-	-	149,241
Net Special Events Revenue	1,279,308	-	-	1,279,308
Total Public Support	2,670,114	712,470	4,170,574	7,553,158
Other Revenue:				
Program Service Fees	410,687	-	-	410,687
Interest Income	128	280	784	1,192
Investment Return	163,706	1,284,062	58,540	1,506,308
Gain on Disposal of Fixed Assets	3,000	-	-	3,000
Other Income (Expense)	2,497	-	-	2,497
Change in Fair Value of Beneficial Interest Held in Trust	44,323	-	-	44,323
Intercompany Contributions (Distributions)	276,000	(346,000)	70,000	-
Total Other Revenue	900,341	938,342	129,324	1,968,007
Total Revenue and Support	3,570,455	1,650,812	4,299,898	9,521,165
EXPENSES				
Program Expenses	1,759,540	72,094	922,484	2,754,118
Supporting Services	81,185	2,585	-	83,770
Fundraising	797,613	1,820	269,281	1,068,714
Total Expenses	2,638,338	76,499	1,191,765	3,906,602
CHANGE IN NET ASSETS	932,117	1,574,313	3,108,133	5,614,563
Net Assets - Beginning of Year	7,799,889	8,309,891	17,641,803	33,751,583
NET ASSETS - END OF YEAR	<u>\$ 8,732,006</u>	<u>\$ 9,884,204</u>	<u>\$ 20,749,936</u>	<u>\$ 39,366,146</u>

RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016
(SEE INDEPENDENT AUDITORS' REPORT)

	Ronald McDonald House of Dallas, Inc.	Ronald McDonald House of Dallas Endowment Foundation	Ronald McDonald House of Dallas Family Assistance Foundation	Consolidated Balance
REVENUE AND SUPPORT				
Public Support:				
Contributions and Grants	\$ 1,135,372	\$ 351,933	\$ 574,174	\$ 2,061,479
In-Kind Contributions	83,704	-	-	83,704
Special Event Cash Contributions	1,138,327	-	-	1,138,327
Special Event In-Kind Contributions	263,016	-	-	263,016
Total Gross Special Events Contributions	1,401,343	-	-	1,401,343
Less: Cost of Direct Benefits to Donors	96,445	-	-	96,445
Net Special Events Revenue	1,304,898	-	-	1,304,898
Total Public Support	2,523,974	351,933	574,174	3,450,081
Other Revenue:				
Program Service Fees	384,398	-	-	384,398
Interest Income	128	70	681	879
Investment Return	93,899	638,206	64,167	796,272
Other Income (Expense)	(5,423)	-	-	(5,423)
Change in Fair Value of Beneficial Interest Held in Trust	(30,131)	-	-	(30,131)
Net Assets Released from Restrictions	264,000	(334,000)	70,000	-
Total Other Revenue	706,871	304,276	134,848	1,145,995
Total Revenue and Support	3,230,845	656,209	709,022	4,596,076
EXPENSES				
Program Expenses	1,808,292	68,822	900,640	2,777,754
Supporting Services	91,782	1,999	-	93,781
Fundraising	781,040	1,429	111,556	894,025
Total Expenses	2,681,114	72,250	1,012,196	3,765,560
CHANGE IN NET ASSETS	549,731	583,959	(303,174)	830,516
Net Assets - Beginning of Year	7,250,158	7,725,932	17,944,977	32,921,067
NET ASSETS - END OF YEAR	<u>\$ 7,799,889</u>	<u>\$ 8,309,891</u>	<u>\$ 17,641,803</u>	<u>\$ 33,751,583</u>