



**RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**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 statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 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, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the 2020 and 2019 consolidated financial statements as a whole. The accompanying 2020 and 2019 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.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Dallas, Texas  
June 1, 2021

**RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2020 AND 2019**

	2020	2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 4,940,982	\$ 5,115,119
Accounts Receivable	91,019	224,471
Pledges Receivable, Net of Allowance	178,781	742,060
Short-Term Investments	1,575,373	1,528,471
Prepaid Expenses and Other Assets	52,813	55,866
Total Current Assets	6,838,968	7,665,987
<b>NONCURRENT ASSETS</b>		
Pledges Receivable, Net of Discount	145,233	538,351
Investments	21,405,966	19,430,825
Property and Equipment, Net	21,060,023	21,338,487
Beneficial Interest Held in Trust	371,360	314,756
Total Noncurrent Assets	42,982,582	41,622,419
Total Assets	\$ 49,821,550	\$ 49,288,406
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 91,161	\$ 447,831
Accrued Liabilities	66,796	463,354
Deferred Revenue	-	21,921
Total Current Liabilities	157,957	933,106
<b>NET ASSETS</b>		
Without Donor Restrictions	45,902,432	37,129,319
With Donor Restrictions	3,761,161	11,225,981
Total Net Assets	49,663,593	48,355,300
Total Liabilities and Net Assets	\$ 49,821,550	\$ 49,288,406

*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, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Public Support:			
Contributions and Grants	\$ 1,565,594	\$ 336,749	\$ 1,902,343
In-Kind Contributions	72,895	-	72,895
Special Events Cash Contributions	619,285	-	619,285
Special Events In-Kind Contributions	89,941	-	89,941
Total Gross Special Events Contributions	<u>709,226</u>	<u>-</u>	<u>709,226</u>
Total Public Support	<u>2,347,715</u>	<u>336,749</u>	<u>2,684,464</u>
Other Revenue:			
Program Service Fees	64,232	-	64,232
Gain on Disposal of Fixed Assets	69	-	69
Paycheck Protection Program - See Note 21	-	267,700	267,700
Other Income	1,582	-	1,582
Net Assets Released from Restrictions	8,126,967	(8,126,967)	-
Total Other Revenue	<u>8,192,850</u>	<u>(7,859,267)</u>	<u>333,583</u>
 Total Revenue and Support	 10,540,565	 (7,522,518)	 3,018,047
<b>EXPENSES</b>			
Program Expenses	3,121,203	-	3,121,203
Costs of Direct Benefits to Donors	19,677	-	19,677
Supporting Services	93,702	-	93,702
Fundraising	718,931	-	718,931
Total Expenses	<u>3,953,513</u>	<u>-</u>	<u>3,953,513</u>
 <b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	 6,587,052	 (7,522,518)	 (935,466)
 <b>CHANGE IN FAIR VALUE OF BENEFICIAL INTEREST HELD IN TRUST</b>	 -	 56,604	 56,604
 <b>INFREQUENT AND UNUSUAL LOSS - SEE NOTE 19</b>	 (21,891)	 -	 (21,891)
 <b>INVESTMENT INCOME, NET</b>	 <u>2,207,952</u>	 <u>1,094</u>	 <u>2,209,046</u>
 <b>CHANGE IN NET ASSETS</b>	 8,773,113	 (7,464,820)	 1,308,293
Net Assets - Beginning of Year	<u>37,129,319</u>	<u>11,225,981</u>	<u>48,355,300</u>
 <b>NET ASSETS - END OF YEAR</b>	 <u>\$ 45,902,432</u>	 <u>\$ 3,761,161</u>	 <u>\$ 49,663,593</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, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Public Support:			
Contributions and Grants	\$ 1,256,028	\$ 630,265	\$ 1,886,293
In-Kind Contributions	656,263	-	656,263
Special Events Cash Contributions	1,234,748	-	1,234,748
Special Events In-Kind Contributions	215,908	-	215,908
Total Gross Special Events Contributions	<u>1,450,656</u>	<u>-</u>	<u>1,450,656</u>
Total Public Support	<u>3,362,947</u>	<u>630,265</u>	<u>3,993,212</u>
Other Revenue:			
Program Service Fees	135,590	-	135,590
Other Income	3,142	-	3,142
Net Assets Released from Restrictions	1,151,432	(1,151,432)	-
Total Other Revenue	<u>1,290,164</u>	<u>(1,151,432)</u>	<u>138,732</u>
 Total Revenue and Support	 4,653,111	 (521,167)	 4,131,944
<b>EXPENSES</b>			
Program Expenses	2,676,136	-	2,676,136
Costs of Direct Benefits to Donors	167,690	-	167,690
Supporting Services	88,825	-	88,825
Fundraising	824,472	-	824,472
Total Expenses	<u>3,757,122</u>	<u>-</u>	<u>3,757,122</u>
 <b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	 895,989	 (521,167)	 374,822
 <b>CHANGE IN FAIR VALUE OF BENEFICIAL INTEREST HELD IN TRUST</b>	 -	 102,729	 102,729
 <b>INVESTMENT INCOME, NET</b>	 <u>2,312,415</u>	 <u>4,730</u>	 <u>2,317,145</u>
 <b>CHANGE IN NET ASSETS</b>	 3,208,404	 (413,708)	 2,794,696
Net Assets - Beginning of Year	<u>33,920,915</u>	<u>11,639,689</u>	<u>45,560,604</u>
 <b>NET ASSETS - END OF YEAR</b>	 <u>\$ 37,129,319</u>	 <u>\$ 11,225,981</u>	 <u>\$ 48,355,300</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, 2020**

	Program	Supporting Services	Fundraising	Cost of Direct Benefits to Donors	Total
Payroll and Related	\$ 1,162,025	\$ 71,861	\$ 372,070	\$ -	\$ 1,605,956
Depreciation	1,196,002	177	76,064	-	1,272,243
Events and Catering	923	-	68,543	17,835	87,301
Facility Maintenance and Repairs	219,236	-	574	-	219,810
Professional Fees	165,931	13,885	18,145	-	197,962
Utilities	122,868	133	7,080	-	130,080
Miscellaneous	2,385	2	625	1,841	4,853
Volunteer Program	4,302	-	74	-	4,376
Family Assistance	13,201	-	-	-	13,201
Bank and Merchant Fees	2,190	66	26,338	-	28,594
Marketing	19,642	-	8,328	-	27,970
Staff and Board Development	8,651	1,442	9,662	-	19,755
Groceries and Household Supplies	121,159	-	667	-	121,826
Insurance	76,153	4,231	4,231	-	84,614
Office Expenses	22,826	1,375	36,602	-	60,804
Program Supplies	4,753	-	-	-	4,753
Bad Debts (Recoveries)	(53,233)	-	-	-	(53,233)
In-Kind Expenses	32,189	530	89,928	-	122,647
<b>Total Expenses</b>	<b>\$ 3,121,203</b>	<b>\$ 93,702</b>	<b>\$ 718,931</b>	<b>\$ 19,677</b>	<b>\$ 3,953,513</b>

*See accompanying Notes to Consolidated Financial Statements.*



**RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2019**

	Program	Supporting Services	Fundraising	Cost of Direct Benefits to Donors	Total
Payroll and Related	\$ 1,109,259	\$ 66,539	\$ 356,891	\$ -	\$ 1,532,689
Depreciation	797,586	227	53,707	-	851,520
Events and Catering	8,283	-	105,407	164,773	278,463
Facility Maintenance and Repairs	192,298	-	361	-	192,659
Professional Fees	139,746	14,100	32,055	-	185,901
Utilities	142,324	164	8,710	-	151,198
Miscellaneous	4,987	-	6,397	2,917	14,302
Volunteer Program	11,071	-	428	-	11,499
Family Assistance	12,351	-	-	-	12,351
Bank and Merchant Fees	2,148	43	31,727	-	33,919
Marketing	5,712	-	24,085	-	29,797
Staff and Board Development	13,432	2,249	8,449	-	24,130
Groceries and Household Supplies	118,279	-	19	-	118,298
Insurance	62,047	3,447	3,447	-	68,941
Office Expenses	28,250	336	63,099	-	91,685
Program Supplies	12,133	-	106	-	12,239
Bad Debts (Recoveries)	(129,764)	-	-	-	(129,764)
In-Kind Expenses	145,993	1,720	129,583	-	277,296
<b>Total Expenses</b>	<b><u>\$ 2,676,136</u></b>	<b><u>\$ 88,825</u></b>	<b><u>\$ 824,472</u></b>	<b><u>\$ 167,690</u></b>	<b><u>\$ 3,757,122</u></b>

*See accompanying Notes to Consolidated Financial Statements.*

**RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 1,308,293	\$ 2,794,696
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	1,272,243	851,520
Amortization of Discount on Pledges Receivable	(55,023)	(126,517)
Bad Debt (Recoveries)	(53,233)	(129,764)
Donated Fixed Assets	(8,286)	(576,155)
Contributions With Donor Restrictions	-	(6,100)
Gain on Disposal of Fixed Assets	(69)	-
Net Realized and Unrealized (Gains) on Investments	(1,778,972)	(1,575,639)
Beneficial Interest Held in Trust	(56,604)	(102,729)
(Increase) Decrease in Assets:		
Accounts Receivable	133,452	(180,791)
Pledges Receivable	(720)	(100,128)
Prepaid Expenses and Other Assets	3,053	(6,821)
Due from RMHD	7,934	-
Increase (Decrease) in Liabilities:		
Accounts Payable	(356,670)	(56,162)
Accrued Liabilities	(396,558)	(4,210)
Deferred Revenue	(21,921)	(32,163)
Net Cash Provided (Used) by Operating Activities	(3,081)	749,037
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Sales of Investments	12,609,702	5,656,654
Purchase of Investments	(12,852,773)	(7,573,138)
Purchase of Property and Equipment	(993,360)	(6,679,101)
Net Cash Used in Investing Activities	(1,236,431)	(8,595,585)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Collection of Contributions With Donor Restrictions	1,065,374	2,601,458
Net Cash Provided by Financing Activities	1,065,374	2,601,458
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(174,138)	(5,245,090)
Cash and Cash Equivalents - Beginning of Year	5,115,119	10,360,208
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 4,940,982	\$ 5,115,119
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Donated Securities Held as of December 31:	\$ -	\$ 100,057
Donated Fixed Assets	\$ 8,286	\$ 576,155
Assets Acquired Through Retainage Payable	\$ -	\$ 404,165

*See accompanying Notes to Consolidated Financial Statements.*

**RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**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.

COVID-19 created many challenges for Ronald McDonald House of Dallas. While the Organization was able to serve families throughout the pandemic, it did have to suspend volunteers and groups. The Organization also suspended intakes of new families for 10 weeks while it implemented new policies and protocols to insure that it could continue to serve families in a safe manner. There were greater restrictions on who was able to be served and could only accept families who needed a 5 day stay or longer. Due to this and other restrictions as well as the reduction of staff in the building, the number of families the Organization was able to serve was significantly decreased. The Organization's protocols were extremely effective as it did not have any COVID outbreaks in the facility.

**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. The consolidated entities are collectively referred to as the "Organization."

**Measure of Operations**

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

**RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 and 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 net assets without donor restrictions 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 net assets with donor restrictions. When a restriction expires or is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions.

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, 2020 and 2019. FAF had bad debt recoveries of (\$53,233) and (\$129,764) for uncollectible receivables for the years ended December 31, 2020 and 2019, 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.

**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 statement of activities and changes in net assets along with all realized gains and losses under the caption "Investment Income, Net."

**RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Split Interest Agreements**

The Organization accepts 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 net assets with donor restrictions based upon donor designations and the passage of time.

**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 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.

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, 2020 and 2019 are as follows:

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

**Donated Assets, Property and Equipment, and Services**

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

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

**RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Revenue**

Income from sponsorships received in advance of future special events, which the resource provider is receiving commensurate value in return or a right of return exists if the event does not occur, is deferred and recognized over the periods to which the sponsorships relate.

**Net Assets**

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

**Without Donor Restrictions**

Net assets that are not subject to donor-imposed restrictions or law. The governing boards have designated, from net assets without donor restrictions, net assets for operating reserve, capital reserve, and board designated endowment.

**With Donor Restrictions**

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

**Revenue Recognition**

**Contribution and Grants**

Unconditional promises to give are recognized as revenue in the period the promise was made. Contributions, grants, and bequests are recognized as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

Conditional grants and contract funds are recorded as revenue when earned. Revenue is earned when eligible expenditures or deliverables, as defined in each contract, are met. Funds received but not yet earned are shown as Deferred Revenue. Expenditures under contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Organization will record such disallowance at the time the final assessment is made. The Organization has not received any conditional awards during the years ended December 31, 2020 and 2019.

**Sponsorship Revenue**

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

**RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Special Event Revenue – Ticket Sales*

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

**Functional Allocation of Expenses**

The statements of functional expenses report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include: salaries and wages, employee benefits, and payroll taxes, which are allocated on the basis of estimates of time and effort; depreciation, insurance, maintenance and repairs, rent, utilities, meetings, education, training and travel, office supplies, technology and telephone, which are allocated based on professional judgment.

**Income Tax Status**

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

RMHD, EF, and FAF each believe that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

**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. The Organization did not incur and do not anticipate incurring losses related to these balances. The Organization has a formal investment policy of placing investments in 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.

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**NOTE 2 LIQUIDITY**

The Organization has \$4,245,404 and \$4,543,297 of financial assets, as of December 31, 2020 and 2019, respectively, available to meet cash needs for general expenditures within one year of the statement of financial position date, which consists of total current assets per the statement of financial position, reduced by \$196,743 and \$813,255 of current pledges receivable, as of December 31, 2020 and 2019, respectively, not available for general use because of contractual or donor-imposed restrictions, and reduced by board-designated reserve amounts totaling \$2,361,970 and \$2,324,764, respectively, and prepaid expenses totaling \$52,813 and \$55,866, respectively, as of December 31, 2020 and 2019.

The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 180 days of normal operating expenses, which are, on average, approximately \$1,325,000.

The Board of Directors designates a portion of any operating surplus to its reserves. These board-designated reserves have been set aside to be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside of the typical life cycle of converting financial assets to cash or settling financial liabilities.

**NOTE 3 PLEDGES RECEIVABLE**

The pledges receivable at December 31, 2020 and 2019, are expected to be realized in the following periods:

	2020	2019
Amounts due in:		
Less than One Year	\$ 196,743	\$ 813,255
One to Five Years	162,500	610,642
Total	359,243	1,423,897
Less:		
Allowance for Uncollectible Pledges	17,962	71,195
Unamortized Discount	17,267	72,291
Total Pledges Receivable	\$ 324,014	\$ 1,280,411

The discount rate used for the years ended December 31, 2020 and 2019 was 5%.

**NOTE 4 FAIR VALUE MEASUREMENTS**

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



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**NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)**

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

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

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

The fair values of assets measured on a recurring basis as of December 31 are as follows:

	2020			
	Level 1	Level 2	Level 3	Total
Beneficial Interest Held in Trust	\$ -	\$ -	\$ 371,360	\$ 371,360
Class of Investments:				
Mutual Funds - Equities	\$ 14,686,542	\$ -	\$ -	\$ 14,686,542
Mutual Funds - Bonds	1,572,914	-	-	1,572,914
Equities	6,446,797	-	-	6,446,797
Total	<u>\$ 22,706,252</u>	<u>\$ -</u>	<u>\$ -</u>	22,706,252
Investment Cash Equivalents				275,087
Total Investments				<u>\$ 22,981,339</u>
	2019			
	Level 1	Level 2	Level 3	Total
Beneficial Interest Held in Trust	\$ -	\$ -	\$ 314,756	\$ 314,756
Class of Investments:				
Mutual Funds - Equities	\$ 17,396,278	\$ -	\$ -	\$ 17,396,278
Mutual Funds - Bonds	1,526,013	-	-	1,526,013
Equities	1,922,444	-	-	1,922,444
Total	<u>\$ 20,844,735</u>	<u>\$ -</u>	<u>\$ -</u>	20,844,735
Investment Cash Equivalents				114,561
Total Investments				<u>\$ 20,959,296</u>

Fair values for Level 1 investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair value of Level 3 investments are determined from valuation techniques in which one or more inputs are unobservable. The Organization reviewed and evaluated the values and assumptions used in determining the fair value for Level 3 financial instruments, which is determined by calculating the present value of future distributions expected to be received using published Internal Revenue Service life expectancy tables and discount rates of 0.93% and 1.92% as of December 31, 2020 and 2019, respectively.

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**NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)**

The changes in the balances of Level 3 financial assets were as follows for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Beneficial Interest Held in Trust		
Beginning Balance	\$ 314,756	\$ 212,027
Change in Fair Value	56,604	102,729
Ending Balance	<u>\$ 371,360</u>	<u>\$ 314,756</u>

**NOTE 5 PROPERTY AND EQUIPMENT**

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

	<u>2020</u>	<u>2019</u>
Land	\$ 2,547,147	\$ 2,547,147
Land Improvements	105,650	-
Building	24,810,523	23,033,514
Furniture and Fixtures	2,807,955	2,756,564
Train Exhibit	1,070,210	1,049,033
Transportation Equipment	99,772	99,772
Construction in Progress	-	1,325,630
Total, at Cost	<u>31,441,257</u>	<u>30,811,660</u>
Less: Accumulated Depreciation	<u>10,381,234</u>	<u>9,473,173</u>
Total Property and Equipment	<u>\$ 21,060,023</u>	<u>\$ 21,338,487</u>

**NOTE 6 BENEFICIAL INTEREST IN TRUST**

RMHD is named as a beneficiary in an irrevocable charitable remainder annuity trust held by a third-party trustee. At the date the remainder trust was established, a beneficial interest in trust and restricted contribution revenue was recognized for the present value of the estimated future benefits to be received when the trust assets are distributed. The beneficial interest is adjusted during the term of the trust for changes in the value of the assets. The beneficial interest in the remainder trust is calculated using discount rates of 0.93% and 1.92% at December 31, 2020 and 2019, respectively, a rate of return of 5%, and Internal Revenue Service (IRS) mortality tables.

RMHD's beneficial interest in the trust is \$371,360 and \$314,756 as of December 31, 2020 and 2019, respectively.

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**NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes and periods as of December 31:

	2020	2019
Subject to expenditure for specific purpose:		
Family Room	\$ 61,835	\$ 62,510
Cooking Groups	6,050	4,549
Salad Bar	756	5,128
Capital Campaign	2,829,285	10,347,163
	2,897,926	10,419,350
Subject to passage of time:		
Beneficial interest held in trust	371,360	314,756
	371,360	314,756
Subject to Organization spending policy and appropriation:		
Ronald McDonald House Operations:		
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	491,875	491,875
Total - Ronald McDonald House Operations	491,875	491,875
	\$ 3,761,161	\$ 11,225,981

**NOTE 8 NET ASSETS RELEASED FROM DONOR RESTRICTIONS**

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

	2020	2019
Purpose restrictions accomplished:		
Family Room	\$ 675	\$ 11,453
Turf	50,000	-
Cooking Groups	2,899	3,750
Summer Intern	-	2,750
Salad Bar	4,372	4,372
Capital Campaign	7,801,321	1,128,987
Paycheck Protection Program	267,700	-
	8,126,967	1,151,312
Time restrictions expired:		
Passage of specified time	-	120
Total restrictions released	\$ 8,126,967	\$ 1,151,432

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**NOTE 9 NET ASSETS WITHOUT DONOR RESTRICTIONS**

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

	<u>2020</u>	<u>2019</u>
Board-Designated Endowment	\$ 20,227,694	\$ 18,243,731
Board-Designated Operating Reserve	1,575,372	1,528,470
Board-Designated Capital Reserve	786,598	796,294
Total	<u>\$ 22,589,664</u>	<u>\$ 20,568,495</u>

**NOTE 10 REVENUE RECOGNITION**

The following table shows the Organization's revenue disaggregated according to the timing of the transfer of goods or services:

	<u>2020</u>	<u>2019</u>
Revenue Recognized at a Point in Time		
Medicaid Payments	\$ 60,545	\$ 122,922
Special Event Sponsorships	331,890	358,777
Special Event Ticket Sales	130,465	243,086
Total Revenue Recognized at a Point in Time	<u>\$ 522,900</u>	<u>\$ 724,785</u>

There is no contract revenue recognized over time.

The Organization's contract assets and liabilities consist of:

	<u>2020</u>	<u>2019</u>
Accounts Receivable		
Medicaid Payments	\$ 1,705	\$ 9,215
Total Accounts Receivable	<u>\$ 1,705</u>	<u>\$ 9,215</u>
Deferred Revenue		
Special Events	\$ -	\$ 21,921
Total Deferred Revenue	<u>\$ -</u>	<u>\$ 21,921</u>

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**NOTE 11 DONATED ASSETS AND SERVICES**

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

	2020	2019
Operations	\$ 34,361	\$ 80,108
Furnishings for New Construction	8,286	576,155
Special Events	89,928	210,788
Stock	30,261	5,120
Total	<u>\$ 162,836</u>	<u>\$ 872,171</u>

These amounts are included in revenue as contributions without donor restrictions which are reflected in the consolidated statements of activities and changes in net assets. Additionally, in 2019, the Organization received \$100,057 of donated stock in payment of pledges received in previous years.

**NOTE 12 COMMITMENTS AND CONTINGENCIES**

**Operating Leases**

RMHD has obligations under noncancelable lease agreements for the use of office equipment expiring in 2022 and 2023. Total lease expense was approximately \$5,700 and \$5,300 for the years ended December 31, 2020 and 2019, respectively. Future minimum lease payments required under the agreement are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ 8,818
2022	8,818
2023	8,818
Total	<u>\$ 26,454</u>

**NOTE 13 ENDOWMENTS**

The Organization's endowment consists of the following:

- One individual fund established by a donor to provide annual funding for specific activities and general operations.
- One individual fund of certain net assets without donor restrictions designated by the Boards of the Organization.

Absent explicit donor restrictions to the contrary, the Boards of the Organization have 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. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

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**NOTE 13 ENDOWMENTS (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 fund
2. The purposes of the Organization and the donor-restricted endowment fund
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

**Investment Return Objectives, Risk Parameters and Strategies**

The Organization has adopted investment and spending policies, approved by the Boards, for endowment assets that attempt to protect the related assets and provide a reasonable return until authorized use. Those policies attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 3.5%, while growing the funds if possible. The Organization expects its endowment assets, over time, to produce an average rate of return greater than the annual distribution amount. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to prevent exposing the fund to unacceptable levels of risk.

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**NOTE 13 ENDOWMENTS (CONTINUED)**

Changes in endowment net assets and net assets by type of fund were as follows for the year ended December 31, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets at December 31, 2019	\$ 18,999,240	\$ 491,875	\$ 19,491,115
Investment Income, net	2,161,197	-	2,161,197
Contributions	2,957	-	2,957
Other Changes	(5,093)	-	(5,093)
Other Expenses	(192,290)	-	(192,290)
Endowment Net Assets at December 31, 2020	<u>\$ 20,966,011</u>	<u>\$ 491,875</u>	<u>\$ 21,457,886</u>
Board-designated endowment funds	\$ 20,227,694	\$ -	\$ 20,227,694
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be retained by donor	-	491,875	491,875
Portion subject to appropriation under UPMIFA	<u>738,317</u>	<u>-</u>	<u>738,317</u>
Total funds	<u>\$ 20,966,011</u>	<u>\$ 491,875</u>	<u>\$ 21,457,886</u>

**RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES**  
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**NOTE 13 ENDOWMENTS (CONTINUED)**

Changes in endowment net assets and net assets by type of fund were as follows for the year ended December 31, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets at December 31, 2018	\$ 9,389,576	\$ 491,875	\$ 9,881,451
Investment Return, net	2,069,926	-	2,069,926
Contributions	7,613,861	-	7,613,861
Other Changes	(1,639)	-	(1,639)
Other Expenses	(72,484)	-	(72,484)
Endowment Net Assets at December 31, 2019	<u>\$ 18,999,240</u>	<u>\$ 491,875</u>	<u>\$ 19,491,115</u>
Board-designated endowment funds	\$ 18,243,731	\$ -	\$ 18,243,731
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be retained by donor	-	491,875	491,875
Portion subject to appropriation under UPMIFA	755,509	-	755,509
Total funds	<u>\$ 18,999,240</u>	<u>\$ 491,875</u>	<u>\$ 19,491,115</u>

**Fund 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. There were no such deficiencies as of December 31, 2020 and 2019.

**Spending Policy**

RMHD holds the Kroc Endowment, the income of which is available to spend each year as needed. All other endowment funds are owned and held by EF. EF targets spending at no more than 3.5% of the average value of its endowment funds over the previous 16 rolling quarters ending June of the previous year. RMHD may request contributions from EF, which has absolute discretion regarding whether and when to make contributions to RMHD.



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**NOTE 14 RETIREMENT PLAN**

RMHD has a 401(k) defined contribution retirement plan covering all employees meeting specified eligibility requirements. RMHD contributed \$80,334 and \$80,655 to the plan for the years ended December 31, 2020 and 2019, respectively.

**NOTE 15 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 may distribute annually (if requested) up to, but not more than, 3.5% of the average value of its investment assets over the previous 16 rolling quarters to RMHD. During 2019, the board of directors of RMHD voted to forgive the accrued distribution receivable from EF. The prior practice was that if a distribution to RMHD was less than 3.5%, the difference would remain available for distribution in the future. During the years ended December 31, 2020 and 2019, distributions accrued to RMHD amounted to \$-0-.

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 2020 and 2019, no fees were allocated to FAF or EF by RMHD.

**NOTE 16 PUBLIC SUPPORT REVENUE**

Public support revenue consisted of the following at December 31:

	2020	2019
Contributions	\$ 1,975,238	\$ 2,542,556
Special Events:		
Annual Gala	-	395,101
Young Friends' Party	12,570	93,574
The Trains at Northpark	696,656	961,981
Total Special Events	<u>709,226</u>	<u>1,450,656</u>
 Total Public Support	 <u>\$ 2,684,464</u>	 <u>\$ 3,993,212</u>

**NOTE 17 RELATED PARTY TRANSACTIONS**

At December 31, 2020 and 2019, pledges receivable due from related parties for both the capital campaign and operations were \$15,360 and \$46,078, respectively. These amounts are included in pledges receivable in the Statements of Financial Position.

**RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES**  
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**NOTE 18 CONCENTRATIONS**

For the year ended December 31, 2020 and 2019, RMHD did not received significant pledges from specific donors.

**NOTE 19 INFREQUENT AND UNUSUAL LOSS**

During the year ended December 31, 2020, due to the ongoing COVID-19 pandemic, the Organization was forced to cancel several special events as a result of government shutdown orders and an abundance of caution for social distancing protocols. Certain expenses for these cancelled events, totaling \$21,891, had already been prepaid and could not be recouped by the Organization.

**NOTE 20 RECENT ACCOUNTING PRONOUCEMENTS**

**Leases**

In February 2016, the FASB issued amended guidance for the treatment of leases. The guidance requires lessees to recognize a right-of-use asset and a corresponding lease liability for all operating and finance leases with lease terms greater than one year. The guidance also requires both qualitative and quantitative disclosures regarding the nature of the Organization's leasing activities. The guidance will initially be applied using a modified retrospective approach. The amendments in the guidance will be effective for the year ending December 31, 2021. Early adoption is permitted. Management is evaluating the impact of the amended lease guidance on the Organization's financial statements.

**NOTE 21 PAYCHECK PROTECTION PROGRAM**

On April 11, 2020, RMHD received a loan from BOKF, NA dba Bank of Oklahoma in the amount of \$267,700 to fund payroll, rent, utilities, and existing mortgage obligations through the Paycheck Protection Program (the "PPP Loan"). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over twenty-four months deferred for seven months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Loan bears interest at a fixed rate of 1% per annum, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Organization fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. The amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. The covered period from April 11, 2020 to September 26, 2020 is the time that the Organization has to spend their PPP Loan funds.

**RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES**  
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**NOTE 21 PAYCHECK PROTECTION PROGRAM (CONTINUED)**

Management has determined that RMHD met the conditions to recognize full forgiveness of the note payable in the amount of \$267,700 as of December 31, 2020 as the Organization had incurred allowable costs as noted above in that amount through year-end. RMHD was notified by BOKF, NA dba Bank of Oklahoma on January 29, 2021 that the Small Business Administration had formally forgiven and cancelled the note payable in full.

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

**NOTE 22 SUBSEQUENT EVENTS**

Management evaluated subsequent events through June 1, 2021, which is the date the financial statements were available to be issued.

During February 2021, the Organization suffered flood damage from burst pipes from a winter storm. It is currently in negotiations with the insurance company to determine the final amount of insurance payments.

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

<b>ASSETS</b>	Ronald McDonald House of Dallas, Inc.	Ronald McDonald House of Dallas Endowment Foundation	Ronald McDonald House of Dallas Family Assistance Foundation	Consolidated Balance
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	\$ 1,996,686	\$ 47,684	\$ 2,896,612	\$ 4,940,982
Accounts Receivable	91,019	-	-	91,019
Pledges Receivable, Net of Allowance	-	-	178,781	178,781
Short-Term Investments	1,575,373	-	-	1,575,373
Prepaid Expenses and Other Assets	46,600	3,106	3,107	52,813
Total Current Assets	<u>3,709,678</u>	<u>50,790</u>	<u>3,078,500</u>	<u>6,838,968</u>
<b>NONCURRENT ASSETS</b>				
Pledges Receivable, Net of Discount Investments	-	-	145,233	145,233
Intercompany Receivable (Payable)	1,230,192	20,175,774	-	21,405,966
Property and Equipment, Net	221,524	1,130	(222,654)	-
Beneficial Interest Held in Trust	155,526	-	20,904,497	21,060,023
	371,360	-	-	371,360
Total Noncurrent Assets	<u>1,978,602</u>	<u>20,176,904</u>	<u>20,827,076</u>	<u>42,982,582</u>
Total Assets	<u>\$ 5,688,280</u>	<u>\$ 20,227,694</u>	<u>\$ 23,905,576</u>	<u>\$ 49,821,550</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts Payable	\$ 91,161	\$ -	\$ -	\$ 91,161
Accrued Liabilities	66,796	-	-	66,796
Total Current Liabilities	<u>157,957</u>	<u>-</u>	<u>-</u>	<u>157,957</u>
<b>NET ASSETS</b>				
Without Donor Restrictions	4,587,214	20,227,694	14,639,296	39,454,204
With Donor Restrictions	943,109	-	9,266,280	10,209,389
Total Net Assets	<u>5,530,323</u>	<u>20,227,694</u>	<u>23,905,576</u>	<u>49,663,593</u>
Total Liabilities and Net Assets	<u>\$ 5,688,280</u>	<u>\$ 20,227,694</u>	<u>\$ 23,905,576</u>	<u>\$ 49,821,550</u>

**RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2019**  
(SEE INDEPENDENT AUDITORS' REPORT)

<b>ASSETS</b>	Ronald McDonald House of Dallas, Inc.	Ronald McDonald House of Dallas Endowment Foundation	Ronald McDonald House of Dallas Family Assistance Foundation	Consolidated Balance
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	\$ 1,475,586	\$ 59,726	\$ 3,579,807	\$ 5,115,119
Accounts Receivable	224,471	-	-	224,471
Pledges Receivable, Net of Allowance	-	-	742,060	742,060
Short-Term Investments	1,528,471	-	-	1,528,471
Prepaid Expenses and Other Assets	55,866	-	-	55,866
Total Current Assets	<u>3,284,394</u>	<u>59,726</u>	<u>4,321,867</u>	<u>7,665,987</u>
<b>NONCURRENT ASSETS</b>				
Pledges Receivable, Net of Discount Investments	-	-	538,351	538,351
Intercompany Receivable (Payable)	1,247,385	18,183,440	-	19,430,825
Property and Equipment, Net	288,303	565	(288,868)	-
Beneficial Interest Held in Trust	239,153	-	21,099,334	21,338,487
	314,756	-	-	314,756
Total Noncurrent Assets	<u>2,089,597</u>	<u>18,184,005</u>	<u>21,348,817</u>	<u>41,622,419</u>
Total Assets	<u>\$ 5,373,991</u>	<u>\$ 18,243,731</u>	<u>\$ 25,670,684</u>	<u>\$ 49,288,406</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts Payable	\$ 79,501	\$ -	\$ 368,330	\$ 447,831
Accrued Liabilities	57,347	-	406,007	463,354
Deferred Revenue	21,921	-	-	21,921
Total Current Liabilities	<u>158,769</u>	<u>-</u>	<u>774,337</u>	<u>933,106</u>
<b>NET ASSETS</b>				
Without Donor Restrictions	4,325,170	18,243,731	14,560,420	37,129,321
With Donor Restrictions	890,052	-	10,335,927	11,225,979
Total Net Assets	<u>5,215,222</u>	<u>18,243,731</u>	<u>24,896,347</u>	<u>48,355,300</u>
Total Liabilities and Net Assets	<u>\$ 5,373,991</u>	<u>\$ 18,243,731</u>	<u>\$ 25,670,684</u>	<u>\$ 49,288,406</u>

**RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2020**  
(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
<b>REVENUE AND SUPPORT</b>				
Public Support:				
Contributions and Grants	\$ 1,793,641	\$ 2,957	\$ 105,745	\$ 1,902,343
In-Kind Contributions	62,967	-	9,928	72,895
Total Gross Contributions	<u>1,856,608</u>	<u>2,957</u>	<u>115,673</u>	<u>1,975,238</u>
Special Event Cash Contributions	619,285	-	-	619,285
Special Event In-Kind Contributions	89,941	-	-	89,941
Total Gross Special Events Contributions	<u>709,226</u>	<u>-</u>	<u>-</u>	<u>709,226</u>
Total Public Support	<u>2,565,834</u>	<u>2,957</u>	<u>115,673</u>	<u>2,684,464</u>
Other Revenue:				
Program Service Fees	64,232	-	-	64,232
Gain on Disposal of Fixed Assets	69	-	-	69
Paycheck Protection Program - See Note 21	267,700	-	-	267,700
Other Income	1,582	-	-	1,582
Intercompany Contributions (Distributions)	<u>(72,119)</u>	<u>119</u>	<u>72,000</u>	<u>-</u>
Total Other Revenue	<u>261,464</u>	<u>119</u>	<u>72,000</u>	<u>333,583</u>
Total Revenue and Support	2,827,298	3,076	187,673	3,018,047
<b>EXPENSES</b>				
Program Expenses	1,867,128	85,746	1,168,329	3,121,203
Costs of Direct Benefits to Donors	19,677	-	-	19,677
Supporting Services	87,094	2,187	4,421	93,702
Fundraising	708,676	1,542	8,713	718,931
Total Expenses	<u>2,682,575</u>	<u>89,475</u>	<u>1,181,463</u>	<u>3,953,513</u>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	144,723	(86,399)	(993,790)	(935,466)
<b>CHANGE IN FAIR VALUE OF BENEFICIAL INTEREST HELD IN TRUST</b>	56,604	-	-	56,604
<b>INFREQUENT &amp; UNUSUAL LOSS - SEE NOTE 19</b>	(21,891)	-	-	(21,891)
<b>INVESTMENT INCOME, NET</b>	<u>135,665</u>	<u>2,070,362</u>	<u>3,019</u>	<u>2,209,046</u>
<b>CHANGE IN NET ASSETS</b>	315,101	1,983,963	(990,771)	1,308,293
Net Assets - Beginning of Year	<u>5,215,222</u>	<u>18,243,731</u>	<u>24,896,347</u>	<u>48,355,300</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 5,530,323</u>	<u>\$ 20,227,694</u>	<u>\$ 23,905,576</u>	<u>\$ 49,663,593</u>

**RONALD MCDONALD HOUSE OF DALLAS, INC. AND AFFILIATES**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2019**  
(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
<b>REVENUE AND SUPPORT</b>				
Public Support:				
Contributions and Grants	\$ 1,326,891	\$ 361,074	\$ 198,328	\$ 1,886,293
In-Kind Contributions	63,073	-	593,190	656,263
Total Gross Contributions	<u>1,389,964</u>	<u>361,074</u>	<u>791,518</u>	<u>2,542,556</u>
Special Event Cash Contributions	1,234,748	-	-	1,234,748
Special Event In-Kind Contributions	215,908	-	-	215,908
Total Gross Special Events Contributions	<u>1,450,656</u>	<u>-</u>	<u>-</u>	<u>1,450,656</u>
Total Public Support	<u>2,840,620</u>	<u>361,074</u>	<u>791,518</u>	<u>3,993,212</u>
Other Revenue:				
Program Service Fees	135,590	-	-	135,590
Other Income	3,143	-	-	3,143
Intercompany Contributions (Distributions)	<u>(4,135,560)</u>	<u>7,248,736</u>	<u>(3,113,176)</u>	<u>-</u>
Total Other Revenue	<u>(3,996,827)</u>	<u>7,248,736</u>	<u>(3,113,176)</u>	<u>138,733</u>
Total Revenue and Support	(1,156,207)	7,609,810	(2,321,658)	4,131,945
<b>EXPENSES</b>				
Program Expenses	1,909,931	63,581	702,624	2,676,136
Costs of Direct Benefits to Donors	167,690	-	-	167,690
Supporting Services	82,901	2,247	3,677	88,825
Fundraising	754,780	1,580	68,112	824,472
Total Expenses	<u>2,915,302</u>	<u>67,408</u>	<u>774,413</u>	<u>3,757,123</u>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	(4,071,509)	7,542,402	(3,096,071)	374,822
<b>CHANGE IN FAIR VALUE OF BENEFICIAL INTEREST HELD IN TRUST</b>	102,729	-	-	102,729
<b>INVESTMENT INCOME, NET</b>	<u>213,824</u>	<u>1,909,935</u>	<u>193,386</u>	<u>2,317,145</u>
<b>CHANGE IN NET ASSETS</b>	(3,754,956)	9,452,337	(2,902,685)	2,794,696
Net Assets - Beginning of Year	<u>8,970,178</u>	<u>8,791,394</u>	<u>27,799,032</u>	<u>45,560,604</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 5,215,222</u>	<u>\$ 18,243,731</u>	<u>\$ 24,896,347</u>	<u>\$ 48,355,300</u>