
RONALD MCDONALD HOUSE OF NEW YORK, INC.



RONALD MCDONALD
HOUSE NEW YORK

Financial Statements
(Together with Independent Auditors' Report)

Years Ended December 31, 2010 and 2009

RONALD MCDONALD HOUSE OF NEW YORK, INC.

**FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)**

YEARS ENDED DECEMBER 31, 2010 AND 2009

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses	4-5
Statements of Cash Flows	6
Notes to Financial Statements	7-18

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Ronald McDonald House of New York, Inc.

We have audited the accompanying statements of financial position of Ronald McDonald House of New York, Inc. (the "Organization") as of December 31, 2010 and 2009, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ronald McDonald House of New York, Inc. as of December 31, 2010 and 2009, the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Marks Paneth & Shron LLP

New York, NY
April 18, 2011

RONALD MCDONALD HOUSE OF NEW YORK, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2010 AND 2009

	2010	2009
ASSETS		
Cash (Notes 2B and 10)	\$ 1,644,718	\$ 41,643
Interest receivable (Note 4)	49,025	90,079
Prepaid expenses and other receivables (Note 2F)	501,197	339,318
Contributions and pledges receivable, net (Notes 2F and 3)	1,392,575	1,062,526
Investments (Notes 2G, 2H, 4 and 11)	40,150,916	38,575,501
Investments, restricted use (Notes 2G, 2H, 4, 6 and 11)	662,970	662,658
Property and equipment, net (Notes 2E, 2J, 5, and 6)	25,138,446	24,710,422
Deferred financing costs, net (Note 6)	83,189	104,126
 TOTAL ASSETS	 \$ 69,623,036	 \$ 65,586,273
 LIABILITIES		
Accounts payable and accrued expenses (Notes 2H, 7 and 11)	\$ 993,650	\$ 626,939
Refundable advances (Note 2L)	149,500	29,910
Bonds payable (Note 6)	8,400,000	9,300,000
 TOTAL LIABILITIES	 9,543,150	 9,956,849
 NET ASSETS (Note 2C)		
Unrestricted:		
Undesignated	41,165,227	37,911,274
Net investment in property and equipment	16,821,635	15,514,548
Designated for future use (Notes 8 and 11)	470,100	470,100
Total unrestricted	58,456,962	53,895,922
Temporarily restricted (Notes 4 and 8)	519,009	629,587
Permanently restricted (Notes 4, 8 and 11)	1,103,915	1,103,915
 TOTAL NET ASSETS	 60,079,886	 55,629,424
 TOTAL LIABILITIES AND NET ASSETS	 \$ 69,623,036	 \$ 65,586,273

The accompanying notes are an integral part of these financial statements.

RONALD MCDONALD HOUSE OF NEW YORK, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2010 AND 2009

	Year Ended December 31, 2010			Year Ended December 31, 2009				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2010	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2009
PUBLIC SUPPORT AND REVENUE:								
Public Support:								
Special events revenue	\$ 6,646,356	-	\$ -	\$ 6,646,356	\$ 6,293,607	-	\$ -	\$ 6,293,607
Less: cost of direct benefit to donors	(1,170,496)	-	-	(1,170,496)	(1,036,486)	-	-	(1,036,486)
Special events, net	5,475,860	-	-	5,475,860	5,257,121	-	-	5,257,121
McDonald's Owner/Operators Association (Notes 3 and 6)	150,000	-	-	150,000	7,540	-	-	7,540
Bequests (Note 2F and 10B)	1,560,142	-	-	1,560,142	184,540	-	-	184,540
Direct mail contributions	1,789,373	-	-	1,789,373	1,240,996	-	-	1,240,996
Contributions (Note 2J)	2,605,725	402,800	-	3,008,525	2,278,035	242,515	-	2,520,550
Total public support	11,581,100	402,800	-	11,983,900	8,968,232	242,515	-	9,210,747
Revenue:								
Room rental (Note 2F)	827,085	-	-	827,085	785,606	-	-	785,606
Investment income (Note 4)	2,718,290	-	-	2,718,290	2,870,946	-	-	2,870,946
Parking garage rental, net of costs of \$329,182 in 2010 and \$490,268 in 2009 (Note 5)	118,874	-	-	118,874	(55,269)	-	-	(55,269)
Other	34,128	-	-	34,128	43,263	-	-	43,263
Total revenue	3,698,377	-	-	3,698,377	3,644,546	-	-	3,644,546
Net assets released from restrictions (Note 8)	513,378	(513,378)	-	-	1,631,820	(1,631,820)	-	-
	15,792,855	(110,578)	-	15,682,277	14,244,598	(1,389,305)	-	12,855,293
TOTAL PUBLIC SUPPORT AND REVENUE								
EXPENSES:								
Program Services								
Room rental	6,268,944	-	-	6,268,944	5,474,368	-	-	5,474,368
Camp Ronald McDonald	69,305	-	-	69,305	67,275	-	-	67,275
Volunteer activities	372,750	-	-	372,750	358,359	-	-	358,359
Education and support	611,942	-	-	611,942	888,914	-	-	888,914
Total supporting services	7,322,941	-	-	7,322,941	6,798,916	-	-	6,798,916
Supporting Services:								
Management and general	1,150,837	-	-	1,150,837	868,293	-	-	868,293
Fundraising	2,742,488	-	-	2,742,488	2,269,953	-	-	2,269,953
Total supporting services	3,893,325	-	-	3,893,325	3,138,246	-	-	3,138,246
TOTAL EXPENSES	11,216,266	-	-	11,216,266	9,937,162	-	-	9,937,162
CHANGE IN NET ASSETS BEFORE WRITE-OFF OF ASSETS	4,576,589	(110,578)	-	4,466,011	4,307,436	(1,389,305)	-	2,918,131
Write-off of assets (Note 5)	(15,549)	-	-	(15,549)	(2,626,471)	-	-	(2,626,471)
CHANGE IN NET ASSETS	4,561,040	(110,578)	-	4,450,462	1,680,965	(1,389,305)	-	291,660
Net assets - beginning of year	53,895,922	629,587	1,103,915	55,629,424	52,214,957	2,018,892	1,103,915	55,337,764
NET ASSETS - END OF YEAR	\$ 58,456,962	\$ 519,009	\$ 1,103,915	\$ 60,079,886	\$ 53,895,922	\$ 629,587	\$ 1,103,915	\$ 55,629,424

The accompanying notes are an integral part of these financial statements.

RONALD MCDONALD HOUSE OF NEW YORK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2010
(WITH COMPARATIVE TOTALS FOR 2009)

For the Year Ended December 31, 2010

	Program Services				Supporting Services			Total 2010	Total 2009	
	Room Rental	Camp Ronald McDonald	Volunteer Activities	Education & Support	Total Program	Management and General	Fundraising			Parking Garage
Salaries	\$ 1,766,280	\$ 35,860	\$ 140,439	\$ 115,098	\$ 2,057,677	\$ 461,700	\$ 640,678	\$ -	\$ 3,160,055	\$ 2,736,924
Payroll taxes and employee benefits (Note 7)	635,695	9,713	44,941	36,831	727,180	163,146	226,350	-	1,116,676	953,731
Total Salaries and Related Costs	2,401,975	45,573	185,380	151,929	2,784,857	624,846	867,028	-	4,276,731	3,690,655
Interest expense (Note 6)	69,147	-	-	-	69,147	347	-	-	69,494	83,250
Occupancy	301,664	-	-	-	301,664	1,516	-	-	303,180	315,052
Consulting fees	15,779	-	-	-	15,779	25,265	9,486	-	50,530	221,666
Repairs and maintenance (Note 2J)	186,168	-	-	-	186,168	936	-	-	187,104	220,817
Supplies (Note 2J)	220,643	-	-	2,809	223,452	40,899	11,861	-	276,212	231,450
Family activity expenses:										
Program entertainment and enrichment (Note 2J)	347,255	15,432	-	179,304	541,991	-	-	-	541,991	745,388
Trips, outings and parties	-	8,300	91,564	28,871	128,735	-	-	-	128,735	105,526
Education and counseling	-	-	-	69,426	69,426	-	-	-	69,426	57,642
Transportation and other	-	-	-	51,596	51,596	-	-	-	51,596	85,584
Volunteer and staff recognition	86,776	-	95,806	-	182,582	32,774	14,760	-	230,116	120,806
Staff development	29,217	-	-	-	29,217	7,164	6,530	-	42,911	51,057
Fundraising support activities (Notes 2J and 4)	-	-	-	-	-	-	103,220	-	103,220	113,789
Special events expense	-	-	-	-	-	-	1,821,984	-	1,821,984	1,486,004
Printing and publications	68,827	-	-	1,452	70,279	16,346	23,389	-	110,014	39,928
Professional fees (Note 2J)	130,051	-	-	2,200	132,251	137,166	-	390	269,807	269,931
Telephone	77,444	-	-	2,601	80,045	17,680	30,680	-	128,405	84,943
Insurance	63,538	-	-	-	63,538	319	-	21,301	85,158	92,320
Postage, messenger and other	35,506	-	-	-	35,506	7,966	12,689	55	56,216	51,227
Direct mail campaign expenses:										
Printing, postage and mailing services (Note 9)	-	-	-	121,754	-	-	793,517	-	915,271	548,499
Consulting fees and list purchases	-	-	-	-	-	-	83,597	-	83,597	226,548
Artwork and other	-	-	-	-	-	-	5,944	-	5,944	17,060
Real estate taxes	-	-	-	-	-	-	-	127,161	127,161	123,847
Travel	18,531	-	-	-	18,531	21,232	11,875	-	51,638	26,080
Miscellaneous (Note 2J)	92,603	-	-	-	92,603	3,795	108,067	275	204,740	202,419
Bad debt	-	-	-	-	-	189,473	-	-	189,473	29,120
Depreciation	2,102,998	-	-	-	2,102,998	22,998	8,357	180,000	2,314,353	2,200,280
Amortization of deferred financing costs (Note 6)	20,822	-	-	-	20,822	115	-	-	20,937	23,028
Subtotal	6,268,944	69,305	372,750	611,942	7,322,941	1,150,837	3,912,984	329,182	12,715,944	11,463,916
Less: cost of operations of parking garage	-	-	-	-	-	-	-	(329,182)	(329,182)	(490,268)
Less: cost of direct benefit to donor	-	-	-	-	-	-	(1,170,496)	-	(1,170,496)	(1,036,486)
TOTAL EXPENSES	\$ 6,268,944	\$ 69,305	\$ 372,750	\$ 611,942	\$ 7,322,941	\$ 1,150,837	\$ 2,742,488	\$ -	\$ 11,216,266	\$ 9,937,162

The accompanying notes are an integral part of these financial statements.

RONALD MCDONALD HOUSE OF NEW YORK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2009

	Program Services				Supporting Services			Parking Garage	Total 2009
	Room Rental	Camp Ronald McDonald	Volunteer Activities	Education & Support	Total Program	Management and General	Fundraising		
Salaries	\$ 1,493,122	\$ 28,165	\$ 147,731	\$ 135,404	\$ 1,804,422	\$ 392,733	\$ 539,769	\$ -	\$ 2,736,924
Payroll taxes and employee benefits (Note 7)	489,511	7,903	42,274	89,096	628,784	136,855	188,092	-	953,731
Total Salaries and Related Costs	1,982,633	36,068	190,005	224,500	2,433,206	529,588	727,861	-	3,690,655
Interest expense (Note 6)	82,834	-	-	-	82,834	416	-	-	83,250
Occupancy	313,477	-	-	-	313,477	1,575	-	-	315,052
Consulting fees	92,620	-	-	-	92,620	47,753	81,293	-	221,666
Repairs and maintenance (Note 2J)	219,713	-	-	-	219,713	1,104	-	-	220,817
Supplies (Note 2J)	193,190	-	-	-	193,190	27,410	10,850	-	231,450
Family activity expenses:									
Program entertainment and enrichment (Note 2J)	310,226	31,207	-	403,955	745,388	-	-	-	745,388
Trips, outings and parties	-	-	65,058	40,468	105,526	-	-	-	105,526
Education and counseling	-	-	-	57,642	57,642	-	-	-	57,642
Transportation and other	85,584	-	-	-	85,584	-	-	-	85,584
Volunteer and staff recognition	-	-	103,296	-	103,296	10,506	7,004	-	120,806
Staff development	38,169	-	-	-	38,169	6,502	6,386	-	51,057
Fundraising support activities (Notes 2J and 4)	-	-	-	-	-	-	113,789	-	113,789
Special events expense	-	-	-	-	-	-	1,486,004	-	1,486,004
Printing and publications	-	-	-	11,359	11,359	14,382	14,187	-	39,928
Professional fees (Note 2J)	41,663	-	-	87,895	129,558	138,866	-	1,507	269,931
Telephone	52,291	-	-	-	52,291	10,743	21,909	-	84,943
Insurance	72,059	-	-	-	72,059	362	-	19,899	92,320
Postage, messenger and other	33,111	-	-	-	33,111	7,207	10,894	15	51,227
Direct mail campaign expenses:									
Printing, postage and mailing services (Note 9)	-	-	-	73,095	73,095	-	475,404	-	548,499
Consulting fees and list purchases	-	-	-	-	-	-	226,548	-	226,548
Artwork and other	-	-	-	-	-	-	17,060	-	17,060
Real estate taxes	-	-	-	-	-	-	-	123,847	123,847
Travel	3,109	-	-	-	3,109	15,467	7,504	-	26,080
Miscellaneous (Note 2J)	105,506	-	-	-	105,506	9,733	87,180	-	202,419
Bad debt	-	-	-	-	-	29,120	-	-	29,120
Depreciation	1,825,270	-	-	-	1,825,270	17,444	12,566	345,000	2,200,280
Amortization of deferred financing costs (Note 6)	22,913	-	-	-	22,913	115	-	-	23,028
Subtotal	5,474,368	67,275	358,359	898,914	6,798,916	868,293	3,306,439	490,268	11,463,916
Less: cost of operations of parking garage	-	-	-	-	-	-	-	(490,268)	(490,268)
Less: cost of direct benefit to donor	-	-	-	-	-	-	(1,036,486)	-	(1,036,486)
TOTAL EXPENSES	\$ 5,474,368	\$ 67,275	\$ 358,359	\$ 898,914	\$ 6,798,916	\$ 868,293	\$ 2,269,953	\$ -	\$ 9,937,162

The accompanying notes are an integral part of these financial statements.

RONALD MCDONALD HOUSE OF NEW YORK, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 4,450,462	\$ 291,660
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,314,353	2,200,280
Bad debt	189,473	29,120
Amortization of deferred financing costs	20,937	23,028
Amortization of discount on pledges receivable	-	(7,540)
Contributed property and equipment	(286,245)	(88,555)
Unrealized gain on investments	(1,993,011)	(1,792,839)
Realized gain on investment sales	(293,622)	(476,231)
Gain on sale of property and equipment	-	(4,780)
Write-off of disposal of assets	15,549	2,626,471
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Contributions and pledges receivable	(519,522)	936,592
Prepaid expenses and other receivables	(161,879)	81,388
Interest receivable	41,054	2,672
Increase in liabilities:		
Accounts payable and accrued expenses	366,711	115,621
Refundable advances	119,590	27,610
	<u>4,263,850</u>	<u>3,964,497</u>
Net Cash Provided by Operating Activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(2,471,681)	(1,334,625)
Proceeds from sale of property and equipment	-	4,780
Proceeds from investment sales	22,766,708	34,670,250
Purchases of investments	<u>(22,055,802)</u>	<u>(36,488,223)</u>
	<u>(1,760,775)</u>	<u>(3,147,818)</u>
Net Cash Used in Investing Activities		
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of bond payable	<u>(900,000)</u>	<u>(800,000)</u>
	<u>(900,000)</u>	<u>(800,000)</u>
Net Cash Used in Financing Activities		
NET INCREASE IN CASH	1,603,075	16,679
Cash - beginning of year	<u>41,643</u>	<u>24,964</u>
CASH - END OF YEAR	<u>\$ 1,644,718</u>	<u>\$ 41,643</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	<u>\$ 20,349</u>	<u>\$ 33,536</u>
Noncash Investing Activities		
Contributed property and equipment	<u>\$ 286,245</u>	<u>\$ 88,555</u>

The accompanying notes are an integral part of these financial statements.

RONALD MCDONALD HOUSE OF NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Ronald McDonald House of New York, Inc. (the "Organization"), a place where hope has a home, provides temporary housing for pediatric cancer patients and their families while undergoing treatment at our 13 partnering hospitals. The Organization assists up to 84 families from all over the world, 365 days per year and has assisted over 25,000 families in its over 32 year history. The Organization provides families with a supportive and caring environment consisting of emotional and spiritual support programs, comprehensive education programs and daily volunteer led activities. Individuals and groups volunteer their time for programs including pet therapy, music & dance programs, yoga & wellness, tutoring, computer training, science, Camp Ronald McDonald, self-defense and stress relief, daily playroom and evening activities. The programs give families the opportunity to share experiences, make new friends, and create a support group while building a friendly caring, supporting and fun community.

The largest program is to provide a low cost temporary home (the "House") for the families during their stay in New York. The House has 84 guest rooms, laundry facilities on each guest floor, four large kitchens, dining area, living room, chapel, two outside terraces, an atrium, playroom and a computer room. The House also provides round trip transportation services to families for hospital appointments.

The Comprehensive Education and Family Activities Program consists of comprehensive education programs, emotional and spiritual support programs and pet therapy programs. The core educational program consists of after school tutoring for patients and siblings to assist in keeping education as a stable part of the child's daily routine. In addition to this program, the Organization offers ESL for guests who want to learn English. Rounding out the core education program are science, art, music, care giver support programs, and self-defense/dance movement. Our computer lab assists our guests to stay in touch with friends and family as well as a communication network to maintain work-related commitments. The care giver support programs are vital to parents' well-being and stress management as they manage the treatment process for their child. The programs include a caregiver support group, new guest orientation, women's wellness and exercise, interfaith prayer service, hope and healing Mass with Sacrament of the Sick and a Latina spirituality and support group.

Camp Ronald McDonald is a place where children build a volcano, enjoy roasted marshmallow s'mores, create the best water balloon and laugh until they cry, all in one place. During the months of July and August, children staying at the House can enjoy camp activities like kayaking, trapeze school, arts & crafts, drama, dance, water games, sports and much more.

The Organization is a Section 501(c)(3) organization under the applicable provisions of the Internal Revenue Code (the "Code") and, accordingly, is not subject to federal income taxes. The Organization is also exempt from New York State and New York City income and sales taxes. The Organization has been classified as a publicly-supported charitable organization under Section 509(a)(1) of the Code and qualifies for the maximum charitable contribution deduction for donors.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. The Organization's financial statements have been prepared on the accrual basis of accounting. The Organization adheres to accounting principles generally accepted in the United States of America.
- B. The Organization considers highly liquid investments purchased with a maturity of three months or less when acquired, other than interest-bearing accounts, to be operating cash equivalents. Additionally, the Organization considers all cash other than that held in the Organization's investment portfolio to be cash.

