

CHAR500

NYS Annual Filing for Charitable Organizations
www.CharitiesNYS.com

Send with fee and attachments to:
NYS Office of the Attorney General
Charities Bureau Registration Section
120 Broadway
New York, NY 10271

2016
Open to Public Inspection

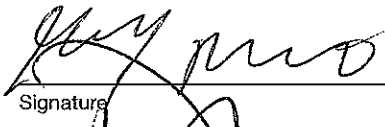
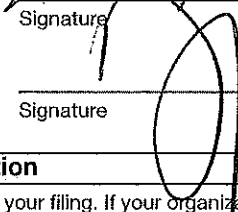
1. General Information

For Fiscal Year Beginning (mm/dd/yyyy) <u>01/01/2016</u> and Ending (mm/dd/yyyy) <u>12/31/2016</u>		
Check if Applicable: <input type="checkbox"/> Address Change <input type="checkbox"/> Name Change <input type="checkbox"/> Initial Filing <input type="checkbox"/> Final Filing <input type="checkbox"/> Amended Filing <input type="checkbox"/> Reg ID Pending	Name of Organization: RONALD MCDONALD HOUSE CHARITIES OF THE C	Employer Identification Number (EIN): 22-2356004
	Mailing Address: 139 SOUTH LAKE AVENUE	NY Registration Number: 02-93-25
	City / State / ZIP: ALBANY, NY 12208	Telephone: 518 438-2655
	Website: WWW.RMHCOFALBANY.ORG	Email: JYULE@RMHCOFALBANY.
Check your organization's registration category: <input type="checkbox"/> 7A only <input type="checkbox"/> EPTL only <input checked="" type="checkbox"/> DUAL (7A & EPTL) <input type="checkbox"/> EXEMPT		
Confirm your Registration Category in the Charities Registry at www.CharitiesNYS.com		

2. Certification

See instructions for certification requirements. Improper certification is a violation of law that may be subject to penalties.

We certify under penalties of perjury that we reviewed this report, including all attachments, and to the best of our knowledge and belief, they are true, correct and complete in accordance with the laws of the State of New York applicable to this report.

President or Authorized Officer:		GEOFFREY PLANTE BOARD CHAIR	<u>9/15/17</u> Date
Chief Financial Officer or Treasurer:		DANIEL AURICCHIO TREASURER	<u>9/15/17</u> Date

3. Annual Reporting Exemption

Check the exemption(s) that apply to your filing. If your organization is claiming an exemption under one category (7A or EPTL only filers) or both categories (DUAL filers) that apply to your registration, complete only parts 1, 2, and 3, and submit the certified Char500. No fee, schedules, or additional attachments are required. If you cannot claim an exemption or are a DUAL filer that claims only one exemption, you must file applicable schedules and attachments and pay applicable fees.

3a. 7A filing exemption: Total contributions from NY State including residents, foundations, government agencies, etc, did not exceed \$25,000 and the organization did not engage a professional fund raiser (PFR) or fund raising counsel (FRC) to solicit contributions during the fiscal year. Or the organization qualifies for another 7A exemption (see instructions).

3b. EPTL filing exemption: Gross receipts did not exceed \$25,000 and the market value of assets did not exceed \$25,000 at any time during the fiscal year.

4. Schedules and Attachments

See the following page for a checklist of schedules and attachments to complete your filing.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	4a. Did your organization use a professional fund raiser, fund raising counsel or commercial co-venturer for fund raising activity in NY State? If yes, complete Schedule 4a.
	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	4b. Did the organization receive government grants? If yes, complete Schedule 4b.

5. Fee

See the checklist on the next page to calculate your fee(s). Indicate fee(s) you are submitting here:	7A filing fee: \$ <u>25.</u>	EPTL filing fee: \$ <u>250.</u>	Total fee: \$ <u>275.</u>	Make a single check or money order payable to: "Department of Law"
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RONALD MCDONALD HOUSE CHARITIES OF THE CAPITAL REGION, INC.

CHAR500

Annual Filing Checklist

Simply submit the certified CHAR500 with no fee, schedule, or additional attachments IF:

- Your organization is registered as 7A only and you marked the 7A filing exemption in Part 3.
- Your organization is registered as EPTL only and you marked the EPTL filing exemption in Part 3.
- Your organization is registered as DUAL and you marked both the 7A and EPTL filing exemption in Part 3.

Checklist of Schedules and Attachments

Check the schedules you must submit with your CHAR500 as described in Part 4:

- If you answered "yes" in Part 4a, submit Schedule 4a: Professional Fund Raisers (PFR), Fund Raising Counsel (FRC), Commercial Co-Venturers (CCV)
- If you answered "yes" in Part 4b, submit Schedule 4b: Government Grants

Check the financial attachments you must submit with your CHAR500:

- IRS Form 990, 990-EZ, or 990-PF, and 990-T if applicable
- All additional IRS Form 990 Schedules, including Schedule B (Schedule of Contributors).
- Our organization was eligible for and filed an IRS 990-N e-postcard. We have included an IRS Form 990-EZ for state purposes only.

If you are a 7A only or DUAL filer, submit the applicable independent Certified Public Accountant's Review or Audit Report:

- Review Report if you received total revenue and support greater than \$250,000 and up to \$750,000.
- Audit Report if you received total revenue and support greater than \$750,000
- No Review Report or Audit Report is required because total revenue and support is less than \$250,000
- We are a DUAL filer and checked box 3a, no Review Report or Audit Report is required

Calculate Your Fee

For 7A and DUAL filers, calculate the 7A fee:

- \$0, if you checked the 7A exemption in Part 3a
- \$25, if you did not check the 7A exemption in Part 3a

For EPTL and DUAL filers, calculate the EPTL fee:

- \$0, if you checked the EPTL exemption in Part 3b
- \$25, if the NET WORTH is less than \$50,000
- \$50, if the NET WORTH is \$50,000 or more but less than \$250,000
- \$100, if the NET WORTH is \$250,000 or more but less than \$1,000,000
- \$250, if the NET WORTH is \$1,000,000 or more but less than \$10,000,000
- \$750, if the NET WORTH is \$10,000,000 or more but less than \$50,000,000
- \$1500, if the NET WORTH is \$50,000,000 or more

Send Your Filing

Send your CHAR500, all schedules and attachments, and total fee to:

NYS Office of the Attorney General
Charities Bureau Registration Section
120 Broadway
New York, NY 10271

Is my Registration Category 7A, EPTL, DUAL or EXEMPT?

Organizations are assigned a Registration Category upon registration with the NY Charities Bureau:

7A filers are registered to solicit contributions in New York under Article 7-A of the Executive Law ("7A")

EPTL filers are registered under the Estates, Powers & Trusts Law ("EPTL") because they hold assets and/or conduct activities for charitable purposes in NY.

DUAL filers are registered under both 7A and EPTL.

EXEMPT filers have registered with the NY Charities Bureau and meet conditions in **Schedule E - Registration Exemption for Charitable Organizations**. These organizations are not required to file annual financial reports but may do so voluntarily.

Confirm your Registration Category and learn more about NY law at www.CharitiesNYS.com

Where do I find my organization's NET WORTH?

NET WORTH for fee purposes is calculated on:

- IRS Form 990 Part I, line 22
- IRS Form 990 EZ Part I, line 21
- IRS Form 990 PF, calculate the difference between Total Assets at Fair Market Value (Part II, line 16(c)) and Total Liabilities (Part II, line 23(b)).



RONALD McDONALD
HOUSE CHARITIES
OF THE
CAPITAL REGION, INC.

Albany, New York

Financial Statements

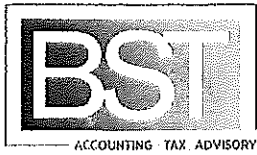
Years Ended December 31, 2016 and 2015

**Ronald McDonald House Charities
of the Capital Region, Inc.
Albany, New York**

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Independent Auditor's Report

Board of Directors
Ronald McDonald House Charities
of the Capital Region, Inc.
Albany, New York

Report on the Financial Statements

We have audited the accompanying financial statements of Ronald McDonald House Charities of the Capital Region, Inc., which comprise the statement of financial position as of December 31, 2016, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ronald McDonald House Charities of the Capital Region, Inc. as of December 31, 2016, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Prior Year Financial Statements

The financial statements of Ronald McDonald House Charities of the Capital Region, Inc., as of and for the year ended December 31, 2015, were audited by other auditors whose report dated May 18, 2016, expressed an unmodified opinion on those statements.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as of and for the year ended December 31, 2016, as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information for the year ended December 31, 2016, has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 for the year ended December 31, 2016, is fairly stated in all material respects in relation to the financial statements as a whole. The supplementary information for the year ended December 31, 2015, was audited by other auditors whose report dated May 18, 2016, expressed an unmodified opinion on such information in relation to the financial statements as a whole.

BST & CO. CPAs, LLP

Albany, New York
May 18, 2017



**Ronald McDonald House Charities
of the Capital Region, Inc.**

Statements of Financial Position
December 31, 2016 and 2015

	2016	2015
ASSETS		
Cash and cash equivalents	\$ 362,717	\$ 385,746
Accounts receivable	59,842	34,034
Contributions receivable, net	122,409	272,995
Prepaid expenses	1,320	1,320
Inventory	-	12,165
Investments	1,541,326	1,399,072
Land, buildings, and equipment, net	3,632,702	3,930,384
Financing costs, net	9,292	10,589
Total assets	\$ 5,729,608	\$ 6,046,305
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 48,561	\$ 58,326
Accrued expenses	12,447	11,166
Grants payable	86,082	87,910
Notes payable	661,192	878,602
Total liabilities	808,282	1,036,004
COMMITMENTS		
NET ASSETS		
Unrestricted		
Undesignated	3,208,977	3,263,566
Board designated	993,471	902,358
	4,202,448	4,165,924
Temporarily restricted	197,628	323,127
Permanently restricted	521,250	521,250
	4,921,326	5,010,301
Total liabilities and net assets	\$ 5,729,608	\$ 6,046,305

See accompanying Notes to Financial Statements.

**Ronald McDonald House Charities
of the Capital Region, Inc.**

Statements of Activities
Year Ended December 31, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND OTHER SUPPORT				
Contributions, net of discount	\$ 1,725,956	\$ -	\$ -	\$ 1,725,956
In-kind contributions	566,585	-	-	566,585
Memorial donations	170,426	-	-	170,426
Special events revenue	194,183	-	-	194,183
Less direct benefit costs	(56,988)	-	-	(56,988)
Interest and dividends, net	32,154	-	-	32,154
Grant revenue	81,277	-	-	81,277
Room donations	5,279	-	-	5,279
Other revenue	26,451	-	-	26,451
Net assets released from restrictions	101,276	(101,276)	-	-
Total revenues and other support	<u>2,846,599</u>	<u>(101,276)</u>	<u>-</u>	<u>2,745,323</u>
EXPENSES				
Program services	2,131,838	-	-	2,131,838
Supporting services				
Management and general	190,357	-	-	190,357
Fundraising	507,050	-	-	507,050
Unallocated payments to RMHC Global	59,489	-	-	59,489
Total expenses	<u>2,888,734</u>	<u>-</u>	<u>-</u>	<u>2,888,734</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>(42,135)</u>	<u>(101,276)</u>	<u>-</u>	<u>(143,411)</u>
NON-OPERATING INCOME AND (EXPENSE)				
Loss on uncollectible pledges	-	(49,310)	-	(49,310)
Realized gains on sale of investments, net	35,599	-	-	35,599
Unrealized gains on investments, net	43,060	25,087	-	68,147
	<u>78,659</u>	<u>(24,223)</u>	<u>-</u>	<u>54,436</u>
CHANGE IN NET ASSETS	36,524	(125,499)	-	(88,975)
NET ASSETS, beginning of year	<u>4,165,924</u>	<u>323,127</u>	<u>521,250</u>	<u>5,010,301</u>
NET ASSETS, end of year	<u>\$ 4,202,448</u>	<u>\$ 197,628</u>	<u>\$ 521,250</u>	<u>\$ 4,921,326</u>

See accompanying Notes to Financial Statements.

**Ronald McDonald House Charities
of the Capital Region, Inc.**

Statements of Activities
Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND OTHER SUPPORT				
Contributions, net of discount	\$ 1,654,955	\$ 5,000	\$ -	\$ 1,659,955
In-kind contributions	539,047	-	-	539,047
Memorial donations	50,362	-	-	50,362
Special events revenue	188,249	-	-	188,249
Less direct benefit costs	(52,712)	-	-	(52,712)
Interest and dividends, net	30,403	-	-	30,403
Grant revenue	90,606	-	-	90,606
Room donations	6,525	-	-	6,525
Other revenue	18,308	-	-	18,308
Net assets released from restrictions	1,475,483	(1,475,483)	-	-
Total revenues and other support	4,001,226	(1,470,483)	-	2,530,743
EXPENSES				
Program services	2,092,571	-	-	2,092,571
Supporting services				
Management and general	201,392	-	-	201,392
Fundraising	522,999	-	-	522,999
Unallocated payments to RMHC National	65,438	-	-	65,438
Total expenses	2,882,400	-	-	2,882,400
CHANGE IN NET ASSETS FROM OPERATIONS	1,118,826	(1,470,483)	-	(351,657)
NON-OPERATING INCOME AND (EXPENSE)				
Loss on uncollectible pledges	-	(12,500)	-	(12,500)
Realized gains on sale of investments, net	26,961	-	-	26,961
Unrealized losses on investments, net	(27,197)	(16,743)	-	(43,940)
	(236)	(29,243)	-	(29,479)
CHANGE IN NET ASSETS	1,118,590	(1,499,726)	-	(381,136)
NET ASSETS, <i>beginning of year</i>	3,047,334	1,822,853	521,250	5,391,437
NET ASSETS, <i>end of year</i>	\$ 4,165,924	\$ 323,127	\$ 521,250	\$ 5,010,301

See accompanying Notes to Financial Statements.

Ronald McDonald House Charities of the Capital Region, Inc.

Statement of Functional Expenses Year Ended December 31, 2016

	Program Services			Supporting Services		
	Ronald McDonald House and Family Room	Grants	Care/Mobile	Management and General	Fundraising	Total
Salaries	\$ 458,864	\$ 13,812	\$ 5,106	\$ 83,924	\$ 98,289	\$ 660,015
Volunteer services	311,270	-	-	37,180	5,080	311,270
Payroll taxes and employee benefits	79,766	-	-	121,104	103,369	122,026
Total salaries and related expenses	849,920	13,812	5,106	2,070	2,009	1,093,311
Board of Directors	2,009	-	-	-	8,903	6,088
Canister	-	-	-	183	-	8,903
Conference and seminars	2,244	-	-	-	183	2,610
Donor recognition	1,805	-	-	-	1,805	3,610
Equipment	8,935	-	-	2,762	921	12,618
Cost of campaigns, drives, and events	168,147	-	-	-	375,691	543,838
Families First Fund	83,710	-	-	-	-	83,710
Family Room	17,074	-	-	-	-	17,074
Grants, contributions, and expenses	-	186,904	84,205	-	-	271,109
Household supplies and food	117,976	-	-	-	-	117,976
Interest	27,382	-	-	-	-	27,382
Internet/web	5,246	-	-	656	656	6,558
Investment management fees	-	-	-	16,282	-	16,282
Liability insurance	33,284	-	-	4,755	9,510	47,549
Memorabilia	8,935	-	-	-	-	8,935
Printing, supplies, and postage	12,278	-	-	3,508	1,754	17,540
Professional fees	-	-	-	23,689	-	23,689
Public relations	77,412	-	-	-	-	77,412
Repairs and maintenance	56,217	-	-	2,893	-	59,110
Telephone	10,620	-	-	1,778	889	13,287
Utilities	27,648	-	-	3,072	-	30,720
Vehicle and travel	2,884	-	-	-	-	2,884
Volunteer recognition	5,251	-	-	-	-	5,251
141 Building expansion	-	-	-	-	-	-
Miscellaneous	1,880	-	-	7,605	1,360	10,845
Total expenses before depreciation and amortization	1,520,857	200,716	89,311	190,357	507,050	2,508,291
Amortization of financing costs	1,297	-	-	-	-	1,297
Depreciation of buildings and equipment	319,657	-	-	-	-	319,657
	<u>\$ 1,841,811</u>	<u>\$ 200,716</u>	<u>\$ 89,311</u>	<u>\$ 190,357</u>	<u>\$ 507,050</u>	<u>\$ 2,829,245</u>
Unallocated payments to RHMC National	-	-	-	-	-	59,489
Total expenses	-	-	-	-	-	<u>\$ 2,888,734</u>

See accompanying Notes to Financial Statements.

Ronald McDonald House Charities of the Capital Region, Inc.

Statement of Functional Expenses Year Ended December 31, 2015

	Program Services			Supporting Services		
	Ronald McDonald House and Family Room	Grants	Care/Mobile	Management and General	Fundraising	Total
Salaries	\$ 392,944	\$ 9,776	\$ 12,747	\$ 94,240	\$ 108,451	\$ 619,158
Volunteer services	360,273	-	-	-	-	360,273
Payroll taxes and employee benefits	68,071	-	-	25,678	3,496	97,245
Total salaries and related expenses	821,288	9,776	12,747	119,918	112,947	1,076,676
Board of Directors	2,289	-	-	2,359	2,289	6,937
Cantister	-	-	-	-	7,859	7,859
Conference and seminars	16,303	-	-	4,086	2,043	22,432
Donor recognition	1,172	-	-	-	1,172	2,344
Equipment	7,037	-	-	2,275	758	10,070
Cost of campaigns, drives, and events	132,811	-	-	-	345,970	478,781
Families First Fund	72,494	-	-	-	-	72,494
Family Room	27,303	-	-	-	-	27,303
Grants, contributions, and expenses	-	159,302	84,960	-	-	244,262
Household supplies and food	97,222	-	-	-	-	97,222
Interest	24,977	-	-	6,244	-	31,221
Internet/web	3,221	-	-	403	402	4,026
Investment management fees	-	-	-	16,154	-	16,154
Liability insurance	28,952	-	-	9,651	9,651	48,254
Memorabilia	9,347	-	-	-	-	9,347
Printing, supplies, and postage	19,119	-	-	2,998	2,457	24,574
Professional fees	-	-	-	17,948	-	17,948
Public relations	70,250	-	-	-	-	70,250
Repairs and maintenance	63,802	-	-	3,358	-	67,160
Telephone	10,512	-	-	1,853	927	13,292
Utilities	31,071	-	-	3,452	-	34,523
Vehicle and travel	4,518	-	-	-	-	4,518
Volunteer recognition	6,408	-	-	-	-	6,408
141 Building expansion	55,003	-	-	-	-	55,003
Miscellaneous	1,822	-	-	10,693	1,218	13,533
Total expenses before depreciation and amortization	1,506,721	169,078	97,707	201,392	487,693	2,462,591
Amortization of financing costs	1,297	-	-	-	-	1,297
Depreciation of buildings and equipment	317,768	-	-	-	35,306	353,074
	<u>\$ 1,825,786</u>	<u>\$ 169,078</u>	<u>\$ 97,707</u>	<u>\$ 201,392</u>	<u>\$ 522,999</u>	<u>\$ 2,816,962</u>
Unallocated payments to RHMC National						65,438
Total expenses						<u>\$ 2,882,400</u>

See accompanying Notes to Financial Statements.

**Ronald McDonald House Charities
of the Capital Region, Inc.**

Statements of Cash Flows
Years Ended December 31, 2016 and 2015

	2016	2015
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES		
Change in net assets	\$ (88,975)	\$ (381,136)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Amortization	1,297	1,297
Loss on uncollectible pledges	49,310	12,500
Depreciation	319,657	353,074
Realized gain on sale of investments	(35,599)	(26,961)
Unrealized (gains) losses on investments	(68,147)	43,940
Contribution of investments	(3,200)	(14,963)
Contributions, More Room For Love Campaign, net of discount	-	(11,931)
(Increase) decrease in		
Accounts receivable	(25,808)	(26,189)
Inventory	12,165	-
Increase (decrease) in		
Accounts payable	(9,765)	(43,651)
Accrued expenses	1,281	4,042
Grants payable	(1,828)	9,839
Net cash flows provided (used) by operating activities	150,388	(80,139)
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES		
Proceeds from sale of investments	2,022,776	901,653
Purchase of investments	(2,058,084)	(1,011,364)
Purchases of building renovations and equipment	(21,975)	(143,326)
Net cash flows provided (used) by investing activities	(57,283)	(253,037)
CASH FLOWS PROVIDED (USED) BY FINANCING ACTIVITIES		
Payments on notes payable	(217,410)	(107,527)
Collections of contributions, More Room For Love Campaign	101,276	130,340
Net cash flows provided (used) by financing activities	(116,134)	22,813
Net decrease in cash and cash equivalents	(23,029)	(310,363)
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	385,746	696,109
CASH AND CASH EQUIVALENTS, <i>end of year</i>	\$ 362,717	\$ 385,746
SUPPLEMENTARY CASH FLOW INFORMATION		
Cash paid for interest	\$ 31,211	\$ 31,211

See accompanying Notes to Financial Statements.

Ronald McDonald House Charities of the Capital Region, Inc.

Notes to Financial Statements
December 31, 2016 and 2015

Note 1 - Organization and Summary of Significant Accounting Policies

Organization

Ronald McDonald House Charities of the Capital Region, Inc. (RMHC) is a New York State nonprofit charitable corporation formed in 1982. The mission of Ronald McDonald House Charities is to create, find, and support programs that directly improve the health and well-being of children. Collectively, RMHC and the network of local Chapters ascribe to five core values: we are focused on the critical needs of children, we lead with compassion, we celebrate the diversity of our people and our programs, we value our heritage, and we operate with accountability and transparency.

We fulfill our mission through operation of sustainable programs that enable family-centered care, bridge access to quality health care, are a vital part of the health care continuum, and strengthen families during difficult times. The following programs, operated by RMHC, represent the core functions of Ronald McDonald House Charities:

Ronald McDonald House and Family Room

When children must travel long distances to access top medical care, accommodations and support for families can be expensive or not readily available. RMHC helps families stay close to their ill or injured child through the Ronald McDonald House program(s) located in Albany, New York, which provide temporary lodging, meals, and other support to children and their families. The program provides families with emotional and physical comfort and increases the caregivers' ability to spend more time with their child, to interact with their clinical care team, and to participate in critical medical care decisions.

When a child is critically ill, parents may be reluctant to leave the hospital. In order to provide comfort and support to their child, it is important that parents have an opportunity to rest, have a meal, or have a moment of quiet. Located inside medical care facilities, the Ronald McDonald Family Room program in Albany Medical Center serves as a place of respite, relaxation, and privacy for family members, often just steps away from where their child is being treated. The Ronald McDonald Family Room program provides parents with an opportunity to remain close to their hospitalized child and to be an active member of their child's health care team.

Ronald McDonald Care Mobile

The Ronald McDonald Care Mobile (RMCM) program provides access to pediatric medical, dental, and/or health education services for children living in underserved communities. The RMCM program is breaking down the barriers to health care, expanding critical health care access, and extending the Charity's reach to countless underserved children. The RMCM program serves children who are at great risk to develop acute conditions, dental problems, chronic diseases, and even serious lifelong illnesses. Through partnerships with local healthcare organizations and government ministries, RMHC is bringing clinical services and health education directly to those in need, so children can receive high quality, convenient care right in their own neighborhood - from urban communities to remote, hard-to-reach areas.

Grant Program

RMHC's Grant Program reaches out to children in the community. Since 1996, grants have been awarded to local non-profits that directly improve the health and well-being of children and their families.

Ronald McDonald House Charities of the Capital Region, Inc.

Notes to Financial Statements
December 31, 2016 and 2015

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

Basis of Presentation

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and are presented on the basis of unrestricted, temporarily restricted, and permanently restricted net assets. Net assets of the two restricted classes are created only by donor-imposed restrictions on their use. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets. All other net assets, including Board designated or appropriated amounts, are unrestricted and are reported as part of the unrestricted class.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurement

RMHC reports certain assets at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants on the measurement date.

Cash and Cash Equivalents

RHMC's cash and cash equivalents are defined as short-term, highly liquid investments with an initial maturity of three months or less.

Accounts Receivable

Accounts receivable are carried at original invoice. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. RMHC considered accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts was necessary as of December 31, 2016 and 2015. An account receivable is considered to be past due if any portion of the receivable balance is outstanding for more than 90 days. Interest is not charged on past due accounts receivable.

Contributions Receivable, Net

Contributions receivable represent unconditional promises to give by donors. Contributions receivable that are expected to be collected during the next year are recorded at net realizable value. Contributions receivable expected to be collected after one year are recorded at the present value of estimated future cash flows discounted at an adjusted risk free rate. Amortization of the discount is reflected as contributions. Management considers contributions receivable to be fully collectible; accordingly, no allowance for doubtful accounts was considered necessary at December 31, 2016 and 2015.

Ronald McDonald House Charities of the Capital Region, Inc.

Notes to Financial Statements
December 31, 2016 and 2015

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

Investments

RMHC accounts for its investments in marketable securities with readily determinable fair value and all investments in debt securities at their fair values. Realized and unrealized gains (losses) on investments are determined using the specific identification method, and are reflected in the statements of activities as non-operating activity.

Land, Buildings, and Equipment

Acquisitions of land, buildings, and equipment and expenditures which materially change the capacities or extend useful lives are reported at cost, net of accumulated depreciation. Donations of land, buildings, and equipment are recorded as support at their estimated fair values on the date of donation. Expenditures for acquisitions, renewals, and betterments are capitalized, whereas maintenance and repair costs are expensed as incurred. When land, buildings, and equipment are retired or otherwise disposed of, the appropriate accounts are relieved of costs and accumulated depreciation, and any resultant gain or loss is recorded in the statements of activities.

RMHC reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as temporarily restricted support until the restriction expires. Absent explicit donor stipulations about how long-lived assets must be maintained, RMHC reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, ranging from three to thirty-nine years.

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount over its fair value. During the years ended December 31, 2016 and 2015, there was no impairment loss for long-lived assets.

Financing Costs

Financing costs represent debt issuance costs whose amortization is recorded on the straight-line basis over the term of the loan. Amortization expense was \$1,297 for each of years ended December 31, 2016 and 2015. Future amortization of financing costs will be approximately \$1,300 for each of the next five years.

Net Assets

Unrestricted

Unrestricted net assets are not subject to donor-imposed stipulations or law. Unrestricted net assets may be designated for specific purposes by actions of the Board of Directors or may otherwise be limited by contractual agreements with outside parties.

Ronald McDonald House Charities of the Capital Region, Inc.

Notes to Financial Statements
December 31, 2016 and 2015

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

Net Assets - Continued

Temporarily Restricted

Temporarily restricted net assets are subject to restrictions imposed by donor or law that may be met either by actions of the Organization or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. However, if the restrictions are met in the same reporting period in which the contributions are received, RMHC reports the support as unrestricted.

Permanently Restricted Net Assets

Permanently restricted net assets are restricted by a donor to be maintained by RMHC in perpetuity and are comprised of \$521,250 of endowment funds established by a donor restricted gift. The donor permits RMHC to use the income earned on the gift for operating expenses of RMHC. None of the gifted property, or the proceeds from the property, may be used for capital expenditures.

RMHC uses the total return approach for the fund, whereby not only interest and dividends on the endowment but also capital gains above the initial amount of the gift are considered distributable for operating purposes. Such capital gains would only be distributable if they do not cause the corpus of the fund to be less than the original value of the gift.

Revenue Recognition

Contributions

Contributions, including unconditional pledges which are reflected as contributions receivable on the statement of financial position, are recognized at fair value when donor commitments are received. Conditional promises to give become unconditional when the conditions are substantially met and are recognized as revenues at fair value. Gifts are reported as temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets.

Grants

Revenues from grants are recognized according to the specific agreement. Generally, revenues from grants are recognized in the period of the grant award while revenues from cost reimbursement contracts are recognized to the extent of project expenses incurred.

Events

Revenue from events is recognized in the period that the event takes place.

In-Kind Contributions

RMHC periodically receives contributions in a form other than cash; investments; or land, buildings, and equipment. Donated supplies are recorded at estimated fair value as in-kind contributions at the date of the gift and as expenses when the donated items are placed into service or distributed.

Ronald McDonald House Charities of the Capital Region, Inc.

Notes to Financial Statements
December 31, 2016 and 2015

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

In-Kind Contributions - Continued

RMHC benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in RMHC's program operations and in its fund-raising campaigns. However, some of the contributed services do not meet the criteria for recognition in financial statements. U.S. GAAP allows recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills. Donated services meeting the criteria for recognition are included in in-kind contributions in the statements of activities. Those services were primarily family support services used in the in-house and family room programs.

Tax Exempt Status

RMHC is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and related New York State law and is exempt from income taxes. RMHC has been classified as a publicly-supported organization that is not a private foundation under Section 509(a) of the Code.

RMHC files Form 990 annually with the Internal Revenue Service. When annual returns are filed, some tax positions taken are highly certain to be sustained upon examination by the taxing authorities, while other tax positions are subject to uncertainty about the technical merits of the position or amount of the position's tax benefit that would ultimately be sustained. Management evaluated RMHC's tax positions, including interest and penalties attributable thereto, and concluded that RMHC had taken no tax positions that required adjustment in its financial statements as of December 31, 2016 and 2015.

Functional Allocation of Expenses

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

Note 2 - Contributions Receivable, Net

A summary of RMHC's contributions receivable, net, related to the 141 RMH Expansion Campaign, as of December 31, is as follows:

	2016	2015
Amounts due in:		
Less than one year	\$ 91,500	\$ 126,603
One to five years	32,777	154,924
Total	124,277	281,527
Less discounts to present value	(1,868)	(8,532)
Contributions receivable, net	\$ 122,409	\$ 272,995

A discount rate of 1.20% and 1.76% was used for the years ended December 31, 2016 and 2015, respectively.

Ronald McDonald House Charities of the Capital Region, Inc.

Notes to Financial Statements
December 31, 2016 and 2015

Note 3 - Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest priority to unobservable inputs (Level 3).

The following three levels of inputs may be used to measure fair value:

Level 1 - Inputs to the valuation methodology are unadjusted quoted market prices in active markets for identical assets in active markets that RMHC has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in inactive markets;
- Inputs other than quoted prices that are observable for the asset;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset.

Level 3 - Inputs to the valuation methodology are unobservable inputs and significant to the fair value measurement.

The 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 methodologies used for assets measured at fair value at December 31, 2016 and 2015:

Government obligations: Valued at yields currently available on comparable securities of issuers with similar credit ratings.

Corporate stock, treasury obligations, and fixed income fund: Valued at the closing price reported in the active market in which the individual security is traded.

Pooled asset fund: Valued at the net asset value (NAV) of shares held by RMHC of the pooled asset fund at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while RMHC believes its valuation methods are 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.

Ronald McDonald House Charities of the Capital Region, Inc.

Notes to Financial Statements
December 31, 2016 and 2015

Note 3 - Fair Value Measurements - Continued

The fair values of assets measured on a recurring basis as of December 31, 2016 and 2015, are as follows:

	2016			Total
	Level 1	Level 2	Level 3	
Assets				
Corporate stock				
Consumer goods	\$ 91,667	\$ -	\$ -	\$ 91,667
Energy	85,581	-	-	85,581
Financial	183,218	-	-	183,218
Healthcare	46,905	-	-	46,905
Industrial goods	68,017	-	-	68,017
Materials	12,989	-	-	12,989
Services	121,720	-	-	121,720
Technology	48,104	-	-	48,104
Telecommunications	19,089	-	-	19,089
Utilities	21,756	-	-	21,756
	<u>699,046</u>			<u>699,046</u>
Fixed income funds	<u>832,192</u>	-	-	<u>832,192</u>
Pooled asset fund	-	<u>10,088</u>	-	<u>10,088</u>
	<u>\$ 1,531,238</u>	<u>\$ 10,088</u>	<u>\$ -</u>	<u>\$ 1,541,326</u>
2015				
	Level 1	Level 2	Level 3	Total
Assets				
Fixed income securities				
Government obligations	\$ -	\$ 137,665	\$ -	\$ 137,665
U.S. Treasury obligations	366,117	-	-	366,117
	<u>366,117</u>	<u>137,665</u>	-	<u>503,782</u>
Corporate stock				
Basic materials	32,395	-	-	32,395
Consumer goods	61,591	-	-	61,591
Energy	82,924	-	-	82,924
Financial	221,466	-	-	221,466
Healthcare	92,545	-	-	92,545
Industrial goods	95,093	-	-	95,093
Materials	18,466	-	-	18,466
Services	118,140	-	-	118,140
Technology	97,369	-	-	97,369
Telecommunications	32,281	-	-	32,281
Utilities	33,613	-	-	33,613
	<u>885,883</u>	-	-	<u>885,883</u>
Pooled asset fund	-	<u>9,407</u>	-	<u>9,407</u>
	<u>\$ 1,252,000</u>	<u>\$ 147,072</u>	<u>\$ -</u>	<u>\$ 1,399,072</u>

Ronald McDonald House Charities of the Capital Region, Inc.

Notes to Financial Statements
December 31, 2016 and 2015

Note 4 - Land, Buildings, and Equipment, Net

The components of land, building, and equipment, net, as of December 31, are as follows:

	2016	2015
Land	\$ 91,000	\$ 91,000
Buildings	6,238,633	6,226,658
Equipment	802,959	792,959
	7,132,592	7,110,617
Accumulated depreciation	3,499,890	3,180,233
	\$ 3,632,702	\$ 3,930,384

Note 5 - Notes Payable

A summary of RMHC's notes payable as of December 31, is as follows:

	2016	2015
Demand line agreement, under which RMHC may borrow up to \$500,000, with an interest rate of LIBOR plus 2.5% (3.27% and 2.86% at December 31, 2016 and 2015) (a)	\$ 244,755	\$ 410,000
Mortgage payable in monthly installments of \$3,026, including interest at 3.93%, maturing February 2024 (b)(c)(d)	416,437	468,602
	\$ 661,192	\$ 878,602

- (a) Secured by all RMHC assets.
- (b) Secured by a mortgage on real estate.
- (c) RMHC is required to meet certain financial covenants.
- (d) The rate of interest will be adjusted in February 2019 and fixed for the balance of the term of this note to the then current Federal Home Loan Bank amortizing advance rate plus 2%. Commencing March 2019, the monthly installments of principal and interest will be changed to reflect the change in interest rate.

A summary of RMHC's future maturities of long-term debt is as follows:

For the year ending December 31,	
2017	\$ 265,062
2018	21,120
2019	21,965
2020	22,844
2021	23,758
Thereafter	306,443
	\$ 661,192
Total long-term debt	

Ronald McDonald House Charities of the Capital Region, Inc.

Notes to Financial Statements
December 31, 2016 and 2015

Note 5 - Notes Payable - Continued

Margin Account

RMHC has established a margin account with the firm that acts as custodian for RMHC's investments. The amount of credit available in the margin account is based on the maximum loan and market value of eligible securities. The margin account is secured by these securities. Each advance's term may be selected as one, three, six, or twelve-month, or two, three, four, or five-year terms and is renewable at the end of the term. Interest is charged at a fixed rate based on the applicable LIBOR as published in *The Wall Street Journal* two business days after the date of the advance. RMHC has the option to renew the fixed interest rate at the end of the term and is not allowed to have more than nine fixed rate advances outstanding at any one time. The Board of RMHC has limited borrowings on the margin account to \$250,000. There were no amounts outstanding on the margin account at December 31, 2016 and 2015.

Note 6 - Endowment

RMHC's endowment consists of various investments overseen by the Investment Committee of the Board of Directors. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Relevant Law

The Board of Directors of RMHC has interpreted the New York State Not-For-Profit Corporation Law (NPCL) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, RMHC classifies as permanently restricted net assets (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 unrestricted net assets.

In accordance with NPCL, RMHC 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 RMHC 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 RMHC;
7. Where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on RMHC, and
8. The investment policies of RMHC.

Ronald McDonald House Charities of the Capital Region, Inc.

Notes to Financial Statements
December 31, 2016 and 2015

Note 6 - Endowment - Continued

Relevant Law - Continued

Endowment net asset composition by type of fund as of December 31, 2016 and 2015, are as follows:

	2016			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-restricted endowment funds	\$ -	\$ 75,219	\$ 521,250	\$ 596,469
Board-designated endowment funds	993,471	-	-	993,471
Total funds	\$ 993,471	\$ 75,219	\$ 521,250	\$ 1,589,940
	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 50,132	\$ 521,250	\$ 571,382
Board-designated endowment funds	902,358	-	-	902,358
Total funds	\$ 902,358	\$ 50,132	\$ 521,250	\$ 1,473,740

Changes in endowment net assets as of December 31, 2016 and 2015, are as follows:

	2016			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets, <i>beginning of year</i>	\$ 902,358	\$ 50,132	\$ 521,250	\$ 1,473,740
Investment return				
Investment income	31,993	-	-	31,993
Net gain, realized	35,599	-	-	35,599
Fees to managers	(16,282)	-	-	(16,282)
Net gain, unrealized	43,060	25,087	-	68,147
Total investment return	94,370	25,087	-	119,457
Contributions	3,200	-	-	3,200
Withdrawals	(6,457)	-	-	(6,457)
Endowment net assets, <i>end of year</i>	\$ 993,471	\$ 75,219	\$ 521,250	\$ 1,589,940

Ronald McDonald House Charities of the Capital Region, Inc.

Notes to Financial Statements
December 31, 2016 and 2015

Note 6 - Endowment - Continued

Relevant Law - Continued

	2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets, <i>beginning of year</i>	\$ 832,818	\$ 66,875	\$ 521,250	\$ 1,420,943
Investment return				
Investment income	30,269	-	-	30,269
Net gain, realized	26,961	-	-	26,961
Fees to managers	(16,154)	-	-	(16,154)
Net loss, unrealized	(27,197)	(16,743)	-	(43,940)
Total investment return	13,879	(16,743)	-	(2,864)
Contributions	64,963	-	-	64,963
Withdrawals	(9,302)	-	-	(9,302)
Endowment net assets, <i>end of year</i>	<u>\$ 902,358</u>	<u>\$ 50,132</u>	<u>\$ 521,250</u>	<u>\$ 1,473,740</u>

Description of amounts classified as permanently restricted net assets and temporarily restricted net assets (endowment only):

	2016	2015
Permanently restricted net assets		
The portion of perpetual endowment funds that is required to be retained permanently by explicit donor stipulation	<u>\$ 521,250</u>	<u>\$ 521,250</u>
Temporarily restricted net assets		
The portion of earnings on perpetual endowment funds that is restricted for the support of RMHC programs	<u>\$ 75,219</u>	<u>\$ 50,132</u>

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 requires RMHC to retain it as a fund of perpetual duration. Deficiencies of this nature would be reported in unrestricted net assets. These deficiencies could result from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions and continued appropriation for certain programs that were deemed prudent by the Board of Directors. There were no such deficiencies as of December 31, 2016 or 2015.

Ronald McDonald House Charities of the Capital Region, Inc.

Notes to Financial Statements
December 31, 2016 and 2015

Note 6 - Endowment - Continued

Return Objectives and Risk Parameters

RMHC has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that RMHC must hold in perpetuity or for a donor-specified period(s) as well as board designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to obtain a real rate of return on endowment assets so that endowment assets both grow in value at a rate that exceeds the rate of inflation over the long-term and that limits yearly volatility to acceptable levels as reviewed and determined by the Investment Committee.

Strategies Employed for Achieving Objectives

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

Spending Policy and How the Investment Objectives Relate to Spending Policy

RMHC's policy for distributing endowment funds' earnings is based on the need to support its programming. Whether any distributions are made from endowment funds is decided annually by the Board of Directors. Accordingly, over the long term, RMHC expects the current spending policy to allow its endowment to grow at a rate that exceeds the rate of inflation. This is consistent with RMHC's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Note 7 - Restrictions on Net Assets

Board Designated

RMHC Board designated net assets are for the following purposes:

	2016	2015
Capital expenditures and major repair costs for the House	\$ 993,471	\$ 902,358

Temporarily Restricted

Temporarily restricted net assets are available for the following purposes:

	2016	2015
141 RMHC Expansion Campaign	\$ 122,409	\$ 272,995
Endowment	75,219	50,132
	\$ 197,628	\$ 323,127

Ronald McDonald House Charities of the Capital Region, Inc.

Notes to Financial Statements
December 31, 2016 and 2015

Note 8 - Donated Goods and Services

A summary of RMHC's in-kind contributions is as follows:

	2016		2015	
	Hours	Value	Hours	Value
In-house support services	7,292	\$ 201,186	7,938	\$ 213,201
Family room support services	3,990	110,084	5,476	147,072
Materials and supplies		255,315		178,774
	<u>11,282</u>	<u>566,585</u>	<u>13,414</u>	<u>539,047</u>
Youth and teen programs	1,285	-	2,164	-
Care Mobile Volunteers	3,824	-	3,152	-
Meal groups program	3,090	-	2,694	-
	<u>19,481</u>	<u>\$ 566,585</u>	<u>21,424</u>	<u>\$ 539,047</u>

Note 9 - Defined Contribution Pension Plan

RMHC sponsors a SIMPLE IRA plan covering substantially all full-time employees. Contributions are determined annually by the RMHC Board and are based on a percentage of each eligible employee's compensation up to 3% of each covered employee's salary.

Matching contributions by RMHC totaled \$13,940 and \$13,762 for the years ended December 31, 2016 and 2015, respectively.

Note 10 - Commitments, Risks, and Uncertainties

Concentration of Credit Risk

RMHC maintains cash and cash equivalent balances at two financial institutions located in the Northeast. Accounts are insured up to certain limits by the Federal Deposit Insurance Corporation (FDIC). At times, RMHC has bank deposits in excess of amounts insured by the FDIC.

RMHC maintains its investment holdings at one financial institution. The financial institution is a member of the Securities Investment Protection Corporation (SIPC), which protects securities up to \$500,000, with a \$250,000 limit for cash.

Investments

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

Operating Leases

RMHC has noncancellable operating leases for equipment through February 2021. Lease expense was \$4,479 and \$4,540 for the years ended December 31, 2016 and 2015, respectively.

Ronald McDonald House Charities of the Capital Region, Inc.

Notes to Financial Statements
December 31, 2016 and 2015

Note 10 - Commitments, Risks, and Uncertainties - Continued

Operating Leases - Continued

A summary of RMHC's future minimum lease payments required under these operating leases is as follows:

For the year ending December 31,	
2017	\$ 4,036
2018	3,960
2019	3,150
2020	2,988
2021	498
	<hr/>
	\$ 14,632
	<hr/>

Note 11 - Accounting Standards Issued But Not Yet Implemented

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. Among other changes, the ASU replaces the three current classes of net assets with two new classes, "net assets with donor restrictions" and "net assets without donor restrictions," and expands disclosures about the nature and amount of any donor restrictions. ASU 2016-14 is effective for annual periods beginning after December 15, 2017 and interim periods within fiscal years beginning after December 15, 2018, with early adoption permitted. RMHC is currently evaluating the impact the adoption of this guidance will have on its financial statements.

Note 12 - Subsequent Events

RMHC has evaluated subsequent events for potential recognition or disclosure through May 18, 2017, the date the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in the financial statements.

**Ronald McDonald House Charities
of the Capital Region, Inc.**

Supplementary Information - Schedule of Grant Expenses
Year Ended December 31, 2016

	2016
<u>Name and Address of Donee</u>	
First Round June 15, 2016	
Aim Services Saratoga Springs, NY 12866 - <i>Enhanced Respite Services</i>	\$ 4,800
Alpha Pregnancy Care Center Albany, NY 12206 - <i>SAFE Babies Sleep & Travel</i>	8,000
Boys & Girls Clubs of Schenectady Schenectady, NY 12301 - <i>Arts Program at Camp Lovejoy</i>	7,750
Capital Region Sponsor-A-Scholar Albany, NY 12205 - <i>Pathways to College Program</i>	6,500
Catholic Charities Tri-County Services Rensselaer, NY 12144 - <i>Camp Scully</i>	3,985
Charlton Heights Elementary School Charlton, NY 12019 - <i>Knight's Arena Community Playground</i>	2,500
Empire State Youth Orchestra Schenectady, NY 12305 - <i>CHIME Program</i>	2,000
Jake's Help from Heaven Saratoga Springs, NY 12866 - <i>Travel Reimbursement Program</i>	5,000
Joseph's House and Shelter Troy, NY 12180 - <i>Emergency Family Shelter Services</i>	6,328
Special Olympics NY Schenectady, NY 12180 - <i>Young Athletes Program</i>	4,760
The Baby Institute, Inc. Albany, NY 12210 - <i>Workshop Program</i>	8,000
Whitney Young Health Center Albany, NY 12207 - <i>Pediatric Dental Unit</i>	4,400
Girl Scouts of Northeastern NY Kinderhook, NY 12106 - <i>6-week start up Troop Program</i>	1,000
Family Promise of the Capital Region Albany NY 12208 - <i>15-passenger van purchase</i>	5,000
Schenectady Theater for Children Scotia NY 12302 - <i>Children's Program</i>	5,000
Albany Medical Albany, NY 12208 - <i>NICU Family Suite</i>	25,000
	100,023

See Independent Auditor's Report.

**Ronald McDonald House Charities
of the Capital Region, Inc.**

Supplementary Information - Schedule of Grant Expenses - Continued
Year Ended December 31, 2016

<u>Name and Address of Donee</u>	<u>2016</u>
Second Round Grants Payable December 2016 paid in January 2017	
Camp TLC Queensbury, NY 12804 - <i>Camp Moki Program</i>	5,000
Northeast Assoc of the Blind at Albany Albany, NY 12206 - <i>KidSight & Youth Rec & Ed Program</i>	5,500
Ballston Area Community Center Ballston Spa, NY 12020 - <i>Universal Pre-K and Teen Program</i>	6,500
enCourage Kids Foundation Cohoes, NY 12047 - <i>Escape Program and Holiday Celebration</i>	5,000
Franklin Community Center Saratoga, Springs NY 12866 - <i>Project Lift</i>	3,800
Northeast Health Foundation, Inc. Albany, NY 12208 - <i>Child/Adolescent Crisis Fund Program</i>	10,000
START Children's Center Troy, NY 12180 - <i>SAFE Initiative Program</i>	7,000
The Community Hospice Foundation, Inc. Albany, NY 12208 - <i>Pediatric Bereavement Program</i>	5,282
Troy Boys & Girls Club Troy, NY 12180 - <i>SMART Moves Program</i>	13,000
Albany Medical Albany, NY 12208 - <i>NICU Family Suite</i>	25,000
	86,082
	\$ 186,105

**Ronald McDonald House Charities
of the Capital Region, Inc.**

Supplementary Information - Schedule of Grant Expenses
Year Ended December 31, 2015

	2015
<u>Name and Address of Donee</u>	
First Round June 16, 2015	
Family & Child Service of Schenectady, Inc. Schenectady, NY 12305 - <i>Social Activity Program</i>	\$ 4,400
Fulton County YMCA Johnstown, NY 12096 - <i>Building on Excellence Capital Campaign</i>	15,654
Caldwell Lake George Library Lake George, NY 12845 - <i>Animated Story House & Computer Request</i>	3,595
Easter Seals New York, Inc. Rochester, NY 14617 - <i>Camp Colonie</i>	5,960
Saratoga State Park Saratoga Springs, NY 12866 - <i>Park</i>	500
Albany Police Athletic League Albany, NY 12208 - <i>Nutrition Center</i>	10,000
Mechanicville Area Comm. Svc. Center Mechanicville, NY 12118 - <i>Kids Technology</i>	7,375
The Sylvia Center Kinderhook, NY 12106 - <i>Fresh Food Comes from the Farm</i>	6,800
Grassroot Givers Delmar, NY 12054 - <i>Little Free Library Project</i>	2,000
Capital District Gay & Lesbian Comm. Council Albany, NY 12210 - <i>Center Families</i>	1,800
Schenectady Jewish Community Center Niskayuna, NY 12309 - <i>Teva Play Natural Outdoor Play Space and Classroom</i>	5,490
Center for Disabilities Glenville, NY 12302 - <i>Autism Program</i>	500
World Awareness Children's Museum Glens Falls, NY 12801 - <i>Spectral Beauty Exhibition</i>	5,000
	69,074

**Ronald McDonald House Charities
of the Capital Region, Inc.**

Supplementary Information - Schedule of Grant Expenses - Continued
Year Ended December 31, 2015

<u>Name and Address of Donee</u>	<u>2015</u>
Second Round Grants Payable December 2015 paid in January 2016	
Capital Region Youth Tennis Foundation, Inc. Albany, NY 12206 - <i>LOVE Book Giveaway Program</i>	7,050
Ellis Hospital Foundation, Inc. Schenectady, NY 12308 - <i>Bellevue NICU: Specialized Care for the Tiniest Patients</i>	10,000
Crandall Public Library Glens Falls, NY 12801 - <i>1000 Books b4 Kindergarten</i>	2,500
Schenectady Ring of Hope Boxing Club Schenectady, NY 12304 - <i>Peaceful Warriors High School Program</i>	8,000
Jack's Place, III Foundation, Inc. Gansevoort, NY 12831-2703 - <i>Caring Connections: Digital Network & Community Computers for Jack's Place</i>	7,000
Nick's Fight to be Healed Foundation Clifton Park, NY 12065 - <i>Nick's Comfort Bags</i>	9,360
Palace Performing Arts Albany, NY 12207 - <i>Educational and Community Initiative</i>	5,500
Rebuilding Together Saratoga County Wilton, NY 12831 - <i>Home Repairs for Low Income Families with Children</i>	5,000
Saratoga Automobile Museum Saratoga Springs, NY 12866 - <i>Distracted Driving Initiative</i>	3,500
Albany Medical Albany, NY 12208 - <i>NICU Family Suite</i>	25,000
Glens Falls Hospital Glens Falls, NY 12801 - <i>Amanda's House</i>	5,000
	87,910
	\$ 156,984