



# RONALD MCDONALD HOUSE CHARITIES OF CENTRAL FLORIDA, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017





## REPORT OF INDEPENDENT AUDITOR

The Board of Directors and Management  
Ronald McDonald House Charities of Central Florida, Inc.  
Orlando, Florida

We have audited the accompanying financial statements of Ronald McDonald House Charities of Central Florida, Inc. ("the Organization"), which consist of the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ronald McDonald House Charities of Central Florida, Inc. as of December 31, 2018 and 2017, the changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in blue ink that reads "Batts Morrison Wales &amp; Lee, P.A." in a cursive script.

BATTS MORRISON WALES & LEE, P.A.

Orlando, Florida  
April 30, 2019

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**RONALD MCDONALD HOUSE CHARITIES OF CENTRAL FLORIDA, INC.**  
STATEMENTS OF FINANCIAL POSITION

**ASSETS**

	December 31,	
	2018	2017
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,097,354	\$ 1,173,386
Assets restricted for long-term purposes	2,155,510	553,227
Investments	425,711	448,858
Other assets	229,330	130,610
Property and equipment, net	11,662,070	11,887,257
Promised use of contributed land	479,461	499,007
<b>Total assets</b>	<b>\$ 16,049,436</b>	<b>\$ 14,692,345</b>

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 124,922	\$ 51,722
Note payable	1,320,000	1,620,000
<b>Total liabilities</b>	<b>1,444,922</b>	<b>1,671,722</b>

**NET ASSETS**

Without donor restrictions		
Undesignated	1,563,191	1,640,217
Designated for the J. Darrell Kelley endowment fund	18,649	19,672
Net investment in property and equipment	10,342,070	10,267,257
Total net assets without donor restrictions	11,923,910	11,927,146
With donor restrictions	2,680,604	1,093,477
<b>Total net assets</b>	<b>14,604,514</b>	<b>13,020,623</b>
<b>Total liabilities and net assets</b>	<b>\$ 16,049,436</b>	<b>\$ 14,692,345</b>

**RONALD MCDONALD HOUSE CHARITIES OF CENTRAL FLORIDA, INC.**  
STATEMENTS OF ACTIVITIES

	For The Year Ended December 31, 2018			For The Year Ended December 31, 2017
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>PUBLIC SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS</b>				
Contributions without donor restrictions	\$ 1,670,254	\$ —	\$ 1,670,254	\$ 1,498,188
Contributions with donor restrictions	—	1,953,887	1,953,887	105,484
Special events revenue	901,780	—	901,780	781,033
Noncash contributions	841,092	—	841,092	622,442
Auxiliary activities and other	92,709	—	92,709	162,641
Net assets released from restrictions	<u>366,760</u>	<u>(366,760)</u>	<u>—</u>	<u>—</u>
<b>Total public support and revenue and net assets released from restrictions</b>	<b><u>3,872,595</u></b>	<b><u>1,587,127</u></b>	<b><u>5,459,722</u></b>	<b><u>3,169,788</u></b>
Expenses				
Program activities				
House operations	3,067,355	—	3,067,355	2,903,099
Affiliate payment to Ronald McDonald House Charities, Inc.	<u>—</u>	<u>—</u>	<u>—</u>	<u>58,029</u>
Total program activities	<u>3,067,355</u>	<u>—</u>	<u>3,067,355</u>	<u>2,961,128</u>
Supporting activities				
Fundraising	504,412	—	504,412	453,171
Cost of direct benefits to donors	159,264	—	159,264	121,296
General and administrative	<u>144,800</u>	<u>—</u>	<u>144,800</u>	<u>135,966</u>
Total supporting activities	<u>808,476</u>	<u>—</u>	<u>808,476</u>	<u>710,433</u>
<b>Total expenses</b>	<b><u>3,875,831</u></b>	<b><u>—</u></b>	<b><u>3,875,831</u></b>	<b><u>3,671,561</u></b>
<b>Change in net assets without donor restrictions</b>	<b>(3,236)</b>	<b>—</b>	<b>(3,236)</b>	<b>225,342</b>
<b>Change in net assets with donor restrictions</b>	<b><u>—</u></b>	<b><u>1,587,127</u></b>	<b><u>1,587,127</u></b>	<b><u>(727,115)</u></b>
<b>CHANGE IN NET ASSETS</b>	<b>(3,236)</b>	<b>1,587,127</b>	<b>1,583,891</b>	<b>(501,773)</b>
<b>NET ASSETS - Beginning of year</b>	<b><u>11,927,146</u></b>	<b><u>1,093,477</u></b>	<b><u>13,020,623</u></b>	<b><u>13,522,396</u></b>
<b>NET ASSETS - End of year</b>	<b><u>\$ 11,923,910</u></b>	<b><u>\$ 2,680,604</u></b>	<b><u>\$ 14,604,514</u></b>	<b><u>\$ 13,020,623</u></b>

The Accompanying Notes are an Integral  
Part of These Financial Statements

**RONALD MCDONALD HOUSE CHARITIES OF CENTRAL FLORIDA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For The Year Ended December 31, 2018

	<u>Program activities</u>	<u>Supporting activities</u>				<u>Total expenses</u>
	<u>House operations</u>	<u>Fundraising</u>	<u>Cost of direct benefits to donors</u>	<u>General and administrative</u>	<u>Total supporting activities</u>	
Salaries, wages, and payroll taxes	\$ 1,172,860	\$ 198,157	\$ —	\$ 80,365	\$ 278,522	\$ 1,451,382
House supplies	565,937	—	—	—	—	565,937
Depreciation	484,160	—	—	—	—	484,160
Repairs and maintenance	181,088	—	—	—	—	181,088
Printing and publishing	2,545	159,507	—	—	159,507	162,052
Utilities	160,305	—	—	—	—	160,305
Cost of direct benefits to donors	—	—	159,264	—	159,264	159,264
Office space	101,391	26,020	—	7,919	33,939	135,330
Insurance	72,666	—	—	—	—	72,666
Professional fees and contract services	31,404	11,081	—	21,296	32,377	63,781
Other house and room management - other supplies	57,292	—	—	—	—	57,292
Interest	56,801	—	—	—	—	56,801
Miscellaneous	10,823	45,024	—	—	45,024	55,847
Linens and laundry	52,236	—	—	—	—	52,236
Telephone	33,785	—	—	1,778	1,778	35,563
Donor recognition and communications	—	25,052	—	—	25,052	25,052
Public relations	4,645	20,340	—	—	20,340	24,985
Travel	7,759	7,759	—	7,759	15,518	23,277
Cleaning service and supplies	20,829	—	—	—	—	20,829
Auto expense	19,358	—	—	—	—	19,358
Bank charges and credit card fees	—	—	—	18,220	18,220	18,220
Volunteers	12,551	—	—	—	—	12,551
Postage	3,578	6,539	—	—	6,539	10,117
Meetings, trainings, and seminars	5,382	—	—	2,307	2,307	7,689
House programs	4,646	—	—	—	—	4,646
Uncollectible pledges	—	4,435	—	—	4,435	4,435
Marketing supplies	—	—	—	3,907	3,907	3,907
Dues and subscriptions	3,706	—	—	—	—	3,706
Taxes and licenses	1,608	—	—	1,249	1,249	2,857
Canister maintenance	—	498	—	—	498	498
	<u>\$ 3,067,355</u>	<u>\$ 504,412</u>	<u>\$ 159,264</u>	<u>\$ 144,800</u>	<u>\$ 808,476</u>	<u>\$ 3,875,831</u>

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**RONALD MCDONALD HOUSE CHARITIES OF CENTRAL FLORIDA, INC.**

STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended December 31, 2017

	<u>Program activities</u>	<u>Supporting activities</u>				<u>Total expenses</u>
	<u>House operations</u>	<u>Fundraising</u>	<u>Cost of direct benefits to donors</u>	<u>General and administrative</u>	<u>Total supporting activities</u>	
Salaries, wages, and payroll taxes	\$ 1,080,622	\$ 178,753	\$ —	\$ 72,111	\$ 250,864	\$ 1,331,486
House supplies	520,540	—	—	—	—	520,540
Depreciation	486,118	—	—	—	—	486,118
Repairs and maintenance	155,142	—	—	—	—	155,142
Utilities	147,121	—	—	—	—	147,121
Office space	99,771	25,488	—	7,757	33,245	133,016
Cost of direct benefits to donors	—	—	121,296	—	121,296	121,296
Interest	78,871	—	—	—	—	78,871
Insurance	76,545	—	—	—	—	76,545
Professional fees and contract services	28,236	12,050	—	26,567	38,617	66,853
Printing and publishing	9,469	57,228	—	—	57,228	66,697
Other house and room management - other supplies	64,397	—	—	—	—	64,397
Public relations	8,762	47,167	—	—	47,167	55,929
Canister maintenance	—	53,350	—	—	53,350	53,350
Miscellaneous	4,125	48,895	—	—	48,895	53,020
Linens and laundry	47,018	—	—	—	—	47,018
Telephone	32,866	—	—	1,730	1,730	34,596
Cleaning service and supplies	25,557	—	—	—	—	25,557
Bank charges and credit card fees	—	962	—	19,141	20,103	20,103
Donor recognition and communications	—	15,392	—	—	15,392	15,392
Volunteers	11,912	—	—	—	—	11,912
Postage	736	11,115	—	—	11,115	11,851
Auto expense	11,520	—	—	—	—	11,520
Travel	2,771	2,771	—	2,771	5,542	8,313
Meetings, trainings, and seminars	5,727	—	—	2,454	2,454	8,181
Taxes and licenses	1,772	—	—	1,480	1,480	3,252
Marketing supplies	—	—	—	1,955	1,955	1,955
Dues and subscriptions	1,830	—	—	—	—	1,830
House programs	1,671	—	—	—	—	1,671
	<u>\$ 2,903,099</u>	<u>\$ 453,171</u>	<u>\$ 121,296</u>	<u>\$ 135,966</u>	<u>\$ 710,433</u>	<u>3,613,532</u>
				Affiliate payment to Ronald McDonald House Charities, Inc.		<u>58,029</u>
				<b>Total Expenses</b>		<u><b>\$ 3,671,561</b></u>

The Accompanying Notes are an Integral  
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**RONALD MCDONALD HOUSE CHARITIES OF CENTRAL FLORIDA, INC.**  
STATEMENTS OF CASH FLOWS

	For the Years Ended	
	December 31,	
	2018	2017
<b>OPERATING CASH FLOWS</b>		
Cash received from contributions	\$ 2,036,152	\$ 1,601,612
Cash received from special events	901,780	781,033
Cash from auxiliary and other activities	117,075	101,735
Cash paid for operating activities and costs	(2,668,859)	(2,484,486)
Interest paid	(56,801)	(78,871)
	<b>329,347</b>	<b>(78,977)</b>
<b>Net operating cash flows</b>		
<b>INVESTING CASH FLOWS</b>		
Net (purchases) sales of investments	(1,219)	2,522
Net purchases of and improvements to property and equipment	(89,866)	(25,369)
Net (investment in) release of assets restricted for long-term purposes	(1,602,283)	680,171
	<b>(1,693,368)</b>	<b>657,324</b>
<b>Net investing cash flows</b>		
<b>FINANCING CASH FLOWS</b>		
Contributions restricted for long-term purposes	1,587,989	2,060
Repayments of note payable	(300,000)	(730,000)
	<b>1,287,989</b>	<b>(727,940)</b>
<b>Net financing cash flows</b>		
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(76,032)</b>	<b>(149,593)</b>
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	<b>1,173,386</b>	<b>1,322,979</b>
<b>CASH AND CASH EQUIVALENTS - End of year</b>	<b>\$ 1,097,354</b>	<b>\$ 1,173,386</b>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET OPERATING CASH FLOWS</b>		
Change in net assets	\$ 1,583,891	\$ (501,773)
Adjustments to reconcile change in net assets to net operating cash flows		
Net loss (gain) on investments	24,366	(60,906)
Noncash contributions of property and equipment	(169,107)	—
Contributions restricted for long-term purposes	(1,587,989)	(2,060)
Depreciation	484,160	486,118
Change in other assets	(98,720)	(8,128)
Change in promised use of contributed land	19,546	20,140
Change in accounts payable and accrued expenses	73,200	(12,368)
	<b>\$ 329,347</b>	<b>\$ (78,977)</b>
<b>Net operating cash flows</b>		

The Accompanying Notes are an Integral  
Part of These Financial Statements

# RONALD MCDONALD HOUSE CHARITIES OF CENTRAL FLORIDA, INC.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE A – NATURE OF ACTIVITIES**

Ronald McDonald House Charities of Central Florida, Inc. (“the Organization”) is a Florida not-for-profit corporation. The purpose of the Organization is to create, find, and support programs that directly improve the health and well-being of children and families. The Organization’s primary activity is the operation of three Ronald McDonald Houses (“the Houses”) in the Central Florida area. The Houses have a combined 74 bedrooms which are used to provide temporary lodging to families of seriously ill children being treated at AdventHealth for Children, Arnold Palmer Medical Center, and Nemours Children’s Hospital.

### **NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Restricted and unrestricted revenue and support**

The Organization recognizes cash contributions as revenue when the contributions are received by the Organization. Contributions received are recorded as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as “net assets released from restrictions.”

#### **Cash and cash equivalents**

The Organization considers investment instruments purchased or donated with original maturities of three months or less to be cash equivalents.

#### **Assets restricted for long-term purposes**

Assets restricted for long-term purposes primarily consist of cash and cash equivalents and pledges receivable and are restricted by donors for capital projects.

#### **Investments**

Investments consist of mutual funds which are carried at estimated fair value. Estimated fair value is determined based on quoted market prices.

#### **Property and equipment**

Property and equipment is stated at original cost, if purchased, or estimated fair value on the date of donation, if donated. Depreciation is provided using the straight-line method over the expected useful lives of the related assets.

#### **Board designated net assets**

The J. Darrell Kelley endowment fund was established by the board in a previous year. The earnings are to be used to support the ongoing operations of the Organization.

#### **Functional allocation of expenses**

The statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Indirect costs that benefit multiple functional areas are allocated among the various functional areas based primarily on employee time.

#### **Income taxes**

The Organization is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code and from state income tax pursuant to Florida law. The Organization is further classified as a public charity and not a private foundation for federal tax purposes. The Organization has not incurred unrelated business income taxes. As a result, no income tax provision or liability has been provided for in the accompanying financial statements.



# RONALD MCDONALD HOUSE CHARITIES OF CENTRAL FLORIDA, INC.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Recently adopted accounting pronouncement**

Financial Accounting Standards Board Accounting Standards Update (“ASU”) 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities is effective for the Organization’s financial statements for the year ended December 31, 2018. The ASU requires various changes to the presentation of financial statements for not-for-profit entities, the most significant of which relate to the classifications of net assets, a requirement to report expenses by natural classification as well as by functional classification, and new required disclosures related to an entity’s liquidity and availability of resources. The last requirement is optional for the year ended December 31, 2017, and the Organization has elected not to apply this provision to the 2017 financial statements. The adoption of the ASU had no effect on the Organization’s net assets as of December 31, 2018 or 2017 or the change in net assets presented for the year ended December 31, 2017.

#### **Reclassifications**

Certain amounts included in the December 31, 2017 financial statements have been reclassified to conform to classifications adopted during the year ended December 31, 2018. The reclassifications had no material effect on the accompanying financial statements.

#### **Use of estimates**

Management uses estimates and assumptions in preparing the 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 financial statements include those related to the estimated useful lives of property and equipment, and the estimated fair value of the promised use of contributed land and noncash contributions. Actual results could differ from the estimates.

#### **Subsequent events**

The Organization has evaluated for possible financial statement reporting and disclosure subsequent events through April 30, 2019, the date as of which the financial statements were available to be issued.

### **NOTE C – LIQUIDITY AND AVAILABILITY OF RESOURCES**

Financial assets available within one year of the December 31, 2018 statement of financial position for general expenditure are as follows:

Cash and cash equivalents (including cash restricted for long-term purposes)	\$ 3,083,149
Investments	<u>425,711</u>
Total financial assets available	3,508,860
Less:	
Amounts unavailable for general expenditure within one year, due to donor-imposed restrictions	<u>(1,986,428)</u>
Net financial assets available within one year	<u>\$ 1,522,432</u>

The Organization is primarily supported by contributions. As part of the Organization’s liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization has assets limited to use for donor-restricted purposes. Because a donor’s restriction requires resources to be used in a specific manner or in a future period, the Organization must maintain sufficient resources to meet its responsibilities to its donors. Thus, those financial assets may not be available for general expenditures within one year of December 31, 2018, and are excluded from net financial assets available to meet general expenditures within one year. Management of the Organization believes the Organization has sufficient investments available for general operations that may be drawn upon in the event of unanticipated financial distress or an immediate liquidity need.

# RONALD MCDONALD HOUSE CHARITIES OF CENTRAL FLORIDA, INC.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE D – CONCENTRATIONS**

The Organization maintains its cash and cash equivalents in deposit accounts which may not be federally insured, may exceed federally insured limits, or may be insured by an entity other than an agency of the federal government. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to cash and cash equivalents.

The Organization's debt is held by one financial institution.

During 2018, approximately 31% of the Organization's contribution revenue was received from a certain organization.

### **NOTE E – ASSETS RESTRICTED FOR LONG-TERM PURPOSES**

Assets restricted for long-term purposes were restricted for capital projects and consisted of the following:

	<u>2018</u>	<u>2017</u>
Cash	\$ 1,985,795	\$ 230,414
Pledges receivable	169,715	290,813
Other	<u>—</u>	<u>32,000</u>
Total assets restricted for long-term purposes	<u>\$ 2,155,510</u>	<u>\$ 553,227</u>

### **NOTE F – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following:

<u>Category</u>	<u>2018</u>	<u>2017</u>
Land	\$ 394,013	\$ 394,013
Buildings and building improvements	14,214,218	14,163,306
Furniture, fixtures, and equipment	1,645,540	1,461,804
Vehicles	91,080	91,080
Construction in progress	<u>24,325</u>	<u>—</u>
Total property and equipment	16,369,176	16,110,203
Less: Accumulated depreciation	<u>(4,707,106)</u>	<u>(4,222,946)</u>
Net property and equipment	<u>\$ 11,662,070</u>	<u>\$ 11,887,257</u>

Depreciation expense amounted to \$484,160 and \$486,118 during 2018 and 2017, respectively. The Organization's land is subject to certain restrictive covenants limiting the use of the properties as Ronald McDonald House locations.

**RONALD MCDONALD HOUSE CHARITIES OF CENTRAL FLORIDA, INC.**  
NOTES TO FINANCIAL STATEMENTS

**NOTE G – PROMISED USE OF CONTRIBUTED LAND**

During a prior year, the Organization entered into a lease agreement with The Nemours Foundation (a Florida not-for-profit organization) to lease certain real property at Nemours Children’s Hospital in Orlando, Florida for a term of 50 years. The lease expires in September 2064. The lease agreement requires nominal rent of \$10 a year which was paid in full in a prior year. The lease requires the Organization to use the property to construct and operate a Ronald McDonald House (“the House”). The Organization completed the construction of the House on the property in a prior year and uses the property for the operation of the House. The estimated fair value of the lease agreement (discounted for present value) was recognized as a contribution at the inception of the lease agreement. The estimated fair value of the leased property at December 31, 2018 and 2017 is \$479,461 and \$499,007, respectively, and is included in “promised use of contributed land” in the accompanying statements of financial position. The estimated fair value of rent annually recognized by the Organization from this agreement was \$22,200 during 2018 and 2017.

**NOTE H – NOTE PAYABLE**

The Organization’s note payable is payable to a bank and requires monthly payments of interest at 3.99% per annum and minimum annual principal reductions of \$200,000. The note is secured by certain real property and matures during June 2021.

Future maturities of the note payable are as follows:

Year Ending <u>December 31,</u>	
2019	\$ 200,000
2020	200,000
2021	<u>920,000</u>
Total	<u>\$ 1,320,000</u>

Interest expense amounted to \$56,801 and \$78,871 during 2018 and 2017, respectively.

**NOTE I – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets were subject to donor restrictions for the following purposes during 2018:

	Balance <u>January 1</u>	Contributions	Transfers	Releases	Balance <u>December 31</u>
Capital projects	\$ 262,414	\$ 1,587,989	\$ 459,716	\$ (324,324)	\$ 1,985,795
Promised use of contributed land	499,007	—	—	(19,546)	479,461
Pledges receivable for capital projects	290,813	338,618	(459,716)	—	169,715
Pledges receivable for operations	40,000	25,000	—	(20,000)	45,000
Other	<u>1,243</u>	<u>2,280</u>	<u>—</u>	<u>(2,890)</u>	<u>633</u>
Total	<u>\$ 1,093,477</u>	<u>\$ 1,953,887</u>	<u>\$ —</u>	<u>\$ (366,760)</u>	<u>\$ 2,680,604</u>

**RONALD MCDONALD HOUSE CHARITIES OF CENTRAL FLORIDA, INC.**  
NOTES TO FINANCIAL STATEMENTS

**NOTE I – NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

Net assets were subject to donor restrictions for the following purposes during 2017:

	<u>Balance</u> <u>January 1</u>	<u>Contributions</u>	<u>Transfers</u>	<u>Releases</u>	<u>Balance</u> <u>December 31</u>
Promised use of contributed land	\$ 519,147	\$ —	\$ —	\$ (20,140)	\$ 499,007
Pledges receivable for capital projects	794,374	77,789	(580,139)	(1,211)	290,813
Capital projects	439,024	2,060	580,139	(758,809)	262,414
Pledges receivable for operations	68,047	20,000	—	(48,047)	40,000
Other	<u>—</u>	<u>5,635</u>	<u>—</u>	<u>(4,392)</u>	<u>1,243</u>
Total	<u>\$ 1,820,592</u>	<u>\$ 105,484</u>	<u>\$ —</u>	<u>\$ (832,599)</u>	<u>\$ 1,093,477</u>

During 2017, management of the Organization determined that certain amounts previously treated as net assets with donor restrictions should have been treated as net assets without donor restrictions. Accordingly, \$33,953 of net assets have been reclassified from donor restricted net assets to net assets without donor restrictions as of January 1, 2017, with no effect on total net assets.

**NOTE J – NONCASH CONTRIBUTIONS**

The Organization receives donations of tickets from several Central Florida theme parks as well as donations of food and beverages, clothing, toys, daily living essentials, and other similar donations from individuals and corporate partners. Noncash contributions are recognized as revenue at their estimated fair value on the date the gifts are received and are recognized as expenses when the related gifts are distributed to families or as assets depending on the nature of the donation. During 2018 and 2017, the Organization recognized noncash contributions of \$841,092 and \$622,442, respectively, which are included in “noncash contributions” in the accompanying statements of activities.

**NOTE K – RETIREMENT PLAN**

The Organization maintains a 403(b) retirement plan (“the Plan”) in which employees are eligible to participate upon meeting the eligibility requirements as described in the Plan document. Eligible employees may make tax-deferred contributions to the Plan. The Plan allows for the Organization to make discretionary contributions. The Organization made contributions to the Plan of approximately \$32,000 and \$29,000 during 2018 and 2017, respectively.