Grant Thornton

Financial Statements and Report of Independent Certified Public Accountants

RONALD MCDONALD HOUSE CHARITIES OF SOUTHERN CALIFORNIA

December 31, 2015 (With Comparative Summarized Financial Information for December 31, 2014)

CONTENTS

Grant Thornton

Audit • Tax • Advisory

Grant Thornton LLP
515 South Flower Street, 7th Floor
Los Angeles, CA 90071-2201

T 213.627.1717
F 213.624.6793
www.GrantThornton.com

Report Of Independent Certified Public Accountants

Board of Directors
Ronald McDonald House Charities of Southern California

Report on the financial statements

We have audited the accompanying consolidated financial statements of Ronald McDonald House Charities of Southern California (a nonprofit organization) and subsidiaries, RMHCSC Holdings LLC and Los Angeles Electing Small Business Trust (collectively known as the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2015, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Ronald McDonald Charities of Southern California and subsidiaries as of December 31, 2015, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The Combining Schedule of Financial Position by Location as of December 31, 2015 and the Combining Schedule of Activities by Location for the year ended December 31, 2015 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Report on 2014 summarized comparative information

We have previously audited the Organization's 2014 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 13, 2015. In our opinion, the accompanying summarized comparative information as of and for the year ended December 31, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Grant Thornton LLP

Los Angeles, California
October 12, 2016

Ronald McDonald House Charities of Southern California

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2015

(With Comparative Summarized Financial Information as of December 31, 2014)

	2015	2014
Assets		
Cash and cash equivalents	$ 5,634,327	$ 5,727,793
Investments (Note 4)	23,879,312	23,655,819
Contributions receivable (net) (Note 5)	1,524,645	775,554
In-kind and other receivables	1,885,734	2,007,185
Prepaid expenses and other assets	328,383	247,175
Land, buildings, and equipment (net) (Note 7)	32,646,616	30,799,837
Total assets	$ 65,899,017	$ 63,213,363
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 1,650,153	$ 1,268,214
Notes payable (Note 13)	2,986,025	3,574,567
Total liabilities	4,636,178	4,842,781
Net assets		
Unrestricted	45,039,253	42,932,992
Temporarily restricted	12,286,166	11,522,567
Permanently restricted	3,937,420	3,915,023
Total net assets	61,262,839	58,370,582
Total liabilities and net assets	$ 65,899,017	$ 63,213,363

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

Ronald McDonald House Charities of Southern California

CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2015

(With Comparative Summarized Financial Information for the Year Ended December 31, 2014)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2015 Total	2014 Total
Revenues and Support					
Contributions	$ 5,820,170	$ 987,134	$ 22,397	$ 6,829,701	$ 6,088,088
Capital campaigns	-	4,305,833	-	4,305,833	2,961,256
In-kind contributions	211,420	59,171	-	270,591	237,157
Special event revenues	4,603,907	203,129	-	4,807,036	4,970,675
Special event expenses	(1,157,369)	(111,306)	-	(1,268,675)	(1,264,782)
	3,446,538	91,823	-	3,538,361	3,705,893
Realized investment gains, net	557,518	136,668	-	694,186	810,290
Unrealized investment (losses) gains	(1,385,486)	(159,152)	-	(1,544,638)	(401,439)
Program fees	286,605	-	-	286,605	301,812
Rental and other income	568,157	-	-	568,157	371,628
Income before release from restrictions	9,504,922	5,421,477	22,397	14,948,796	14,074,685
Released from restrictions					
Operations	4,657,878	(4,657,878)	-	-	-
Endowments	-	-	-	-	-
Total revenues and support	14,162,800	763,599	22,397	14,948,796	14,074,685
Expenses					
Programs	8,834,816	-	-	8,834,816	7,981,856
Management and general	1,222,749	-	-	1,222,749	1,227,058
Fundraising	1,998,974	-	-	1,998,974	1,689,258
Total expenses	12,056,539	-	-	12,056,539	10,898,172
Change in net assets	2,106,261	763,599	22,397	2,892,257	3,176,513
Net assets - beginning	42,932,992	11,522,567	3,915,023	58,370,582	55,194,069
Net assets - ending	$ 45,039,253	$ 12,286,166	$ 3,937,420	$ 61,262,839	$ 58,370,582

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

Ronald McDonald House Charities of Southern California

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2015

(With Comparative Summarized Financial Information for the Year Ended December 31, 2014)

	Houses	Camp	Other Programs	Total Programs	Management and General	Fundraising	2015 Total	2014 Total
Salaries and related costs								
Salaries	$ 2,381,736	$ 401,967	$ -	$ 2,783,703	$ 684,704	$ 988,260	$ 4,456,667	$ 3,982,908
Employee benefits	280,494	58,553	-	339,047	45,655	87,224	471,926	472,516
Payroll taxes	231,807	40,082	-	271,889	34,342	75,650	381,881	344,190
Retirement plan	57,619	12,270	-	69,889	16,497	23,571	109,957	89,570
Total salaries and related costs	2,951,656	512,872	-	3,464,528	781,198	1,174,705	5,420,431	4,889,184
Expenses								
HACER scholarships and grants	-	-	966,076	966,076	-	-	966,076	650,083
Contributions to RMHC Global	-	-	219,163	219,163	-	-	219,163	205,482
Activities and fees	71,165	47,067	14,146	132,378	-	1,135	133,513	123,989
Guest hotel costs	108,900	-	-	108,900	-	-	108,900	184,854
Guest services	4,517	172,155	-	176,672	300	-	176,972	156,059
Insurance	139,771	66,281	-	206,052	15,881	26,982	248,915	265,130
Utilities	265,813	53,195	-	319,008	24,586	41,773	385,367	378,034
Repairs and maintenance	160,586	39,111	3	199,700	15,391	26,150	241,241	221,187
Rent	120,704	73	-	120,777	9,308	15,816	145,901	171,503
Supplies	73,409	3,784	5,767	82,960	5,949	10,108	99,017	95,655
Outside services	51,194	30,076	-	81,270	-	257,090	338,360	273,955
Food and catering	44,773	650	-	45,423	7,596	12,848	65,867	60,576
Cleaning, gardening and housekeeping	100,693	45,297	274	146,264	-	-	146,264	135,959
Automobile costs	44,495	12,847	1,141	58,483	4,473	1,713	64,669	70,258
Printing	56,815	5,796	552	63,163	385	19,800	83,348	65,616
Advertising and promotion	23,625	1,200	-	24,825	4,375	7,585	36,785	25,801
Canister costs	-	-	-	-	-	224,818	224,818	218,004
Professional fees	352,835	228,879	-	581,714	75,318	2,053	659,085	554,350
Equipment	94,020	175,028	1,535	270,583	700	-	271,283	98,038
Telephone	88,385	12,298	660	101,343	7,760	13,184	122,287	116,604
Postage	24,296	3,013	526	27,835	2,105	12,333	42,273	53,798
Employee development	29,134	10,734	46	39,914	17,356	80	57,350	46,603
Conferences and meetings	49,935	7,540	1,000	58,475	208	3	58,686	31,481
Temporary labor	34,684	-	-	34,684	30,955	8,790	74,429	150,272
Property taxes	13,752	-	-	13,752	-	-	13,752	13,982
Tax related charges and expenses		-	-	-	1,025	-	1,025	1,158
Bank charges	6,865	537	1,111	8,513	32,021	4,132	44,666	30,347
Interest expense	-	-	-	-	87,602	-	87,602	106,629
Other expenses	47,425	5,451	969	53,845	11,224	22,331	87,400	84,650
Expenses before depreciation and income taxes	4,959,447	1,433,884	1,212,969	7,606,300	1,135,716	1,883,429	10,625,445	9,479,241
Depreciation	846,249	382,105	162	1,228,516	51,033	115,545	1,395,094	1,379,931
Trust's income taxes	-	-	-	-	36,000	-	36,000	39,000
Total expenditures	$ 5,805,696	$ 1,815,989	$ 1,213,131	$ 8,834,816	$ 1,222,749	$ 1,998,974	$ 12,056,539	$ 10,898,172

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

Ronald McDonald House Charities of Southern California

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2015

(With Comparative Summarized Financial Information for the Year Ended December 31, 2014)

	2015	2014
Cash flows from operating activities		
Change in net assets	$ 2,892,257	$ 3,176,513
Adjustments to reconcile changes in net assets to net cash (used in) provided by operations:		
Depreciation	1,395,094	1,379,931
Contributions restricted for long-term and capital projects	(4,328,770)	(3,107,856)
Net realized and unrealized investment gains	1,075,452	(325,851)
Unrealized gain on interest of land trust	(225,000)	(83,000)
Loss on disposition of assets	31,961	3,226
In-kind contributions of property and equipment	-	(7,114)
Increase (decrease) in cash resulting from changes in:		
Contributions receivable	(1,257,148)	(26,272)
In-kind and other receivables	121,451	(5,317)
Prepaid expenses and other assets	(81,208)	(48,020)
Accounts payable and accrued expenses	236,994	48,827
Net cash (used in) provided by operating activities	(138,917)	1,005,067
Cash flows from investing activities		
Purchases of investments	(10,715,396)	(9,302,131)
Proceeds from sales and maturities of investments	9,641,451	7,689,266
Purchases of property and equipment	(3,128,889)	(2,459,805)
Net cash used in investing activities	(4,202,834)	(4,072,670)
Cash flows from financing activities		
Contributions collected for long-term and capital purposes	4,836,827	3,194,722
Payments on long-term borrowings	(588,542)	(568,040)
Net cash provided by financing activities	4,248,285	2,626,682
Net change in cash and cash equivalents	(93,466)	(440,921)
Cash and cash equivalents - beginning of year	5,727,793	6,168,714
Cash and cash equivalents - end of year	$ 5,634,327	$ 5,727,793
Supplemental cash flow information:		
Interest payments	$ 87,602	$ 106,629
Income taxes paid	$ 36,000	$ 39,000
In-kind contributions of goods and services	$ 270,591	$ 237,157
Investing and financing activities not affecting cash		
Purchase of property and equipment by assuming short term liabilities	$ 374,353	$ 232,231

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

NOTE 1 – DESCRIPTION OF THE ORGANIZATION

Ronald McDonald House Charities of Southern California ("RMHCSC" or the "Organization") is a not-for-profit corporation organized in California in 1977. The Organization's mission is to provide comfort, care, and support to children and families in Southern California. The Organization owns and/or operates houses for this purpose in Los Angeles, Orange, Loma Linda, Pasadena, Bakersfield and Long Beach, California. It also operates Camp Ronald McDonald for Good Times (the "Camp"), as well as grant and scholarship programs.

The Organization has controlling interests in Los Angeles Electing Small Business Trust ("LA ESBT") and RMHCSC Holdings LLC. Both LA ESBT and RMHCSC Holdings LLC hold interest in real property located primarily in the Los Angeles area. The interest was received as part of a bequest from a donor to support RMHCSC's capital campaign. Every year, both entities also receive rental income and all the income is given to RMHCSC as contributions. As RMHCSC has a controlling interest in both entities, RMHCSC consolidated the two entities into RMHCSC's financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). All intercompany transactions have been eliminated.

Net Assets
The Organization reports information regarding its consolidated financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted net assets are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by actions of the Board of Directors (the "Board").

Temporarily restricted net assets consist of contributions with donor-imposed restrictions requiring that the donations be used for a specified location, a specified purpose, or during a future specified period of time. To the extent contributions for each location's operations exceed operating costs, current restricted revenues are added to temporarily restricted net assets. To the extent the location's operating costs exceed current year contributions, prior temporarily restricted revenues are released from restriction and used to support current operations.

Permanently restricted net assets consist of contributions that must be held in perpetuity, based on restrictions imposed by donors. The earnings on these invested assets may be used in support of operations.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - Continued

Summarized Information
The financial statements include certain prior year summarized comparative information in total but not by net asset category. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information is included for informational purposes only and should be read in conjunction with the Organization's financial statements for the year ended December 31, 2014 from which the summarized information was derived.

Cash and Cash Equivalents
Short-term investments with an original maturity of three months or less at the time of purchase are considered to be cash equivalents. Short-term investments with an original maturity greater than three months are included in investments. Cash and cash equivalents are reported at cost, which approximates market value. The Organization maintains cash in various financial institutions that periodically, and as of year-end, exceeds federally insured limits of $250,000. The amount in excess of federally insured limits is $5,124,920 and $5,515,680 as of December 31, 2015 and 2014, respectively. Management does not consider this concentration to be a significant credit risk.

Investments
Investments consist of money market, fixed income, different types of equity fund investments, and managed futures restricted by donors or designated by the Board for long-term investment. Under the provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") No. 958-320, *Investments – Debt and Equity Securities*, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair value in the consolidated statement of financial position. Net appreciation (depreciation) in the fair value of investments, which consists of both the realized gains or losses and the unrealized appreciation (depreciation) of those investments, is reported in the consolidated statement of activities.

Investments which are not publicly traded consist primarily of money market funds and are recorded at fair value using the net asset value ("NAV"). The Organization uses the NAV to determine the fair value of the underlying investments which (a) do not have a readily determinable fair value, and (b) prepare their financial statements consistent with the measurement principles of an investment company or have attributes of an investment company. Depending on the underlying asset, the NAV is determined by the underlying fund manager through national exchange price for securities with a readily determinable value or valuations and estimates. The financial statements of those investments are audited annually (typically June 30 or December 31) by independent auditors.

Investment return on restricted assets is reported as an increase in unrestricted net assets if the asset restriction expires in the reporting period in which the income is recognized. All other restricted investment return is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - Continued

Investments - Continued
Interest income and dividend income are accrued as earned. Investment activities and results on the consolidated financial statements include investment advisory and management fees. All security transactions are recorded on a trade date basis.

Donated Services and Noncash Gifts
Many individuals have donated time and services to advance the Organization's programs and objectives. In some instances, the value of these services has not been recorded in the consolidated financial statements because they do not meet the requirements for recognition under US GAAP. Many other donated goods and products used in programs were received but are not recorded in the consolidated financial statements because there is no objective basis for measuring their values. See Note 14 for the listing of in-kind goods and services that satisfied the revenue recognition and valuation requirements. These items are recorded as income, as well as expenses in the appropriate expense category.

Land, Buildings, and Equipment
Land, buildings and equipment are presented at cost or donated value and are being depreciated on the straight-line method over the useful lives of 3-5 years for vehicles, 3-15 years for fixtures and equipment, and 15-30 years for buildings and improvements. The Organization's policy is to capitalize all asset improvements in excess of $1,000 that extend the useful life or increase the utility of the property.

Accounting for the Impairment of Long-Lived Assets and Disposal of Long-Lived Assets
The Organization reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of the property and equipment may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to future net cash flows, undiscounted and without interest, expected to be generated by the asset. If assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset. During the years ended December 31, 2015 and 2014, there were no events or changes in circumstances indicating that the carrying amount of the property and equipment may not be recoverable.

Revenue and Expense Recognition
Contributions, including unconditional promises to give, are recognized as revenue in the period received and are reported as increases in the appropriate class of net assets. Contributions where donor restrictions are met within the same fiscal year as the contribution is received are included in unrestricted net assets. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate. An allowance for uncollectible contributions is estimated based upon such factors as prior collection history, type of contribution and nature of fundraising activity. Expenses are recognized when incurred.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - Continued

Functional Expense Reporting
The costs of providing program and supporting services have been summarized on a functional basis in the accompanying consolidated statement of activities and detailed in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management's estimates.

Advertising Expenses
Advertising costs are expensed as incurred. During 2015 and 2014, advertising costs were approximately $36,785, and $25,800, respectively, and are reported as advertising and promotional expenses on the consolidated statement of functional expense.

Income Taxes
The Organization has been recognized by the Internal Revenue Service as an organization that is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. It is however subject to tax on net unrelated business income. In accordance with FASB ASC No. 740, *Uncertainty in Income Taxes*, the Organization recognizes the impact of tax positions in the consolidated financial statements if that position is more likely than not to be sustained on audit, based on the technical merits of the position. The Organization has evaluated its tax positions for the open tax years of 2011 through 2015 for federal tax purposes and 2010 through 2015 for California tax purposes. As of December 31, 2015, the Organization has determined that there are no other material uncertain tax positions that require recognition or disclosure in the consolidated financial statements or which may have an effect on its tax exempt status nor is material change to uncertain tax positions anticipated during 12 months following December 31, 2015.

The Organization, on behalf of the Los Angeles House ("House"), is the sole trustee of an electing small business trust ("ESBT") that qualifies as a California S Corporation stockholder, but is treated as a separate trust for tax purposes (see Note 9).

Use of Estimates
The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. While management believes that these estimates are adequate as of December 31, 2015 and 2014, it is possible that actual results could differ from those estimates.

NOTE 3 – SIGNIFICANT ACCOUNTING PRONOUNCEMENTS

In May 2015, the FASB issued ASU 2015-07, *Disclosure for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent).* The guidance specifically clarifies how investments valued using the net asset value (NAV) practical expedient within the fair value hierarchy should be classified. The ASU was issued in order to address diversity in practice. The amended standard's key provision exempts investments measured using the NAV practical expedient from categorization within the fair value hierarchy and related disclosures. The new guidance is effective for the Organization for the year ending December 31, 2017, with early adoption permitted.

NOTE 4 – INVESTMENTS

RMHCSC accounts for its investments at fair value. ASC 820, *Fair Value Measurements*, defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The standard provides a consistent definition of fair value which focuses on an exit price between market participants. The standard also prioritizes, within the measurement of fair value, the use of market-based information over entity specific information and establishes a three-level hierarchy for fair value measurements based on the transparency of information used in the valuation of an asset or liability as of the measurement date.

The three levels of fair value hierarchy are described below:

Level 1 Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that RMHCSC has the ability to access at the measurement date. These investments include cash and cash equivalents and short term investments.

Level 2 Valuations based on inputs, including broker quotes, in markets that are not active or for which all significant inputs are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. These investments include money market funds.

Level 3 Valuations based on inputs that are both significant to the fair value measurement and unobservable, as they trade infrequently and therefore have little or no price transparency. These inputs into the determination of fair value require significant management judgment or estimation and these investments typically are privately held investments and partnership interests.

The determination of where an asset or liability falls in the hierarchy requires significant judgment. The Organization evaluates its hierarchy disclosures each reporting period and, based on various factors, it is possible that an asset or liability may be classified differently from period to period. However, the Organization expects that changes in classifications between different levels will be rare.

NOTE 4 – INVESTMENTS – Continued

The Organization holds marketable debt and equity securities that are intended to provide resources to be used for programs and operations. A portion of these investments are permanently restricted by donor stipulation, and the remainder is a combination of temporarily restricted and unrestricted amounts.

The fair values of investments that are measured on a recurring basis are listed below:

	December 31, 2015				2014
Asset Class	Level 1	Level 2	Level 3	Total	Total
Mutual funds / exchange traded funds:					
Equity - large cap domestic (a)	$ 224,466	$ -	$ -	$ 224,466	$ 209,762
Equity - international (b)	2,408,659	-	-	2,408,659	2,052,052
Equity - emerging markets (c)	327,212	10	-	327,222	320,584
Equity - global (d)	2,630,494	-	-	2,630,494	2,309,181
Fixed income - domestic (e)	4,876,934	-	-	4,876,934	5,554,276
Fixed income - global (f)	2,043,427	-	-	2,043,427	2,231,110
Absolute return (g)	1,738,048	-	3,703,502	5,441,550	4,492,388
Cash and cash equivalents	117,929	32,118	-	150,047	113,160
Separately managed accounts:					
Equity - large cap domestic (h)	2,900,632	37,086	-	2,937,718	2,684,785
Equity - small-mid cap domestic (i)	220,072	10,562	-	230,634	205,562
Money market funds:	-	778,161	-	778,161	1,877,959
	17,487,873	857,937	3,703,502	22,049,312	22,050,819
Interest in land trust	-	-	1,200,000	1,200,000	1,068,000
Interest in limited liability company	-	-	630,000	630,000	537,000
	-	-	1,830,000	1,830,000	1,605,000
	$ 17,487,873	$ 857,937	$5,533,502	$23,879,312	$ 23,655,819

NOTE 4 – INVESTMENTS – Continued

The Organization's policy is to recognize transfers in and out of Level 1, 2, and 3 as of the end of the year or change in circumstances that caused the transfer. There has been no transfer from the Level 1 and Level 2 assets to Level 3 during 2015 and 2014.

(a) Equity – large cap domestic - Comprised of mutual funds investing primarily in common stocks of U.S. companies with market capitalizations similar to companies in the Russell 3000 Index. The funds may invest up to 35% of assets in common stocks of non-U.S. companies with similar market capitalizations.

(b) Equity – international - Comprised of mutual funds investing no less than 65% of assets in equity securities of non-U.S. companies with market capitalizations generally in excess of $1 billion. While generally limited in their use, the funds may invest in derivative securities.

(c) Equity – emerging markets - Comprised of a mutual fund investing in equity securities of non-U.S companies, generally located in developing economies with market capitalizations generally in excess of $1 billion. While generally limited in their use, the fund may invest in fixed income instruments as well as derivative securities.

(d) Equity – global - Comprised of a mutual fund investing in the following security types issued by both U.S. and non-U.S. companies of various market capitalizations: primarily common stocks; secondarily fixed income securities (including sovereign debt, convertible bonds, and high yield), options, preferred stock and asset-backed securities.

(e) Fixed income– domestic - Comprised of mutual funds investing in fixed income instruments of varying maturities issued primarily by U.S. public or private-sector entities and secondarily by non-U.S. entities. Fixed income instruments include investment grade bonds and high yield securities but may also be represented by derivatives including forwards, options, futures, swaps and asset-backed securities. Securities of varying maturities are permitted as well as those denominated in currencies other than the U.S. dollar.

(f) Fixed income – global - Comprised of a mutual fund investing primarily in fixed income instruments issued by U.S. and non-U.S. governments and government agencies. Fixed income instruments may also include those issued by corporations and may be represented by derivatives, high yield and convertible debt, commercial paper and certificates of deposit.

(g) Absolute return - Comprised of mutual funds investing in equity and debt securities issued by U.S. public or private-sector entities, including corporations, governments and government agencies, as well as non-U.S. entities. Long and short positions may also be taken in the following types of foreign and domestically issued securities: common and preferred stocks, exchange traded funds, other mutual funds, U.S. Treasury inflation-protect securities, derivatives and commodities.

NOTE 4 – INVESTMENTS – Continued

In addition to Mutual Fund Exposure, Hedge Fund Strategies, generally structured as limited partnerships or investment companies, are allowed to operate with greater flexibility than most traditional investment managers and their compensation usually includes substantial performance incentives. Investments in Hedge Funds may include investments in the following: common and preferred stocks, options, warrants, convertible securities, foreign securities, foreign currencies, commodities, commodity futures, financial futures, derivatives, mortgage-backed and mortgage-related securities, real estate, bonds (both investment-grade and non-investment-grade, including high-yield debt, distressed or other securities) and other assets. Strategies may utilize short selling and leverage.

(h) Separately Managed - Equity – large cap domestic - Comprised primarily of common stocks of U.S. companies with market capitalizations similar to companies in the Russell 1000 Index.

(i) Separately Managed - Equity – small-mid cap domestic - Comprised primarily of common stocks of U.S. companies with market capitalizations similar to companies in the Russell 2500 Index.

The Organization's valuation methodologies used for mutual fund assets, money market funds, and separately managed funds measured at fair value are based on NAV of shares held by the Organization at year end. There have been no changes in the methodologies used at December 31, 2015 and 2014. The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization 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.

The Organization's valuation methodologies used for alternative investments, which consist of funds that utilize a variety of absolute return strategies are based on the NAV of shares held by the Organization at year-end. Fair-value is determined by the respective investment manager that holds the alternative investments based on valuation procedures adopted by the respective company. Based on their valuation, the fair value of the alternative investments was estimated to be $3,703,502, and $1,564,726 at December 31, 2015 and 2014, respectively.

NOTE 4 – INVESTMENTS – Continued

The 2015 and 2014 activity in alternative investments was as follows:

	2015	2014
Balance at the beginning of the year	$ 1,564,726	$ 900,167
Realized gains (losses)	-	-
Investment income, net	106,722	35,176
Unrealized gains (losses)	(314,640)	12,850
Additions (withdrawals)	2,346,694	616,533
Balance at the end of the year	$ 3,703,502	$ 1,564,726

The Los Angeles House has a beneficial interest in a land trust that holds real property located primarily in the Los Angeles area. This interest was received as a bequest from a donor to the Los Angeles House's capital campaign. Valuations of the trust properties are based on real estate comparables as of year end, obtained from an independent real estate professional. These comparables were used to value the investment using the sales comparable appraisal method. The sales comparable method is a method that uses the average dollar per square foot of comparables sold to value the investment. Using these comparables, the fair market value of the interest in the land trust was estimated to be $1,200,000 and $1,068,000 at December 31, 2015 and 2014, respectively.

The Los Angeles House is the sole member of a California limited liability company ("LLC") that is a general partner in a company that holds real property located primarily in the Los Angeles area. This interest was received as a bequest from a donor to the Los Angeles house's capital campaign. Valuations of the LLC's properties are based on real estate comparables as of year end, obtained from an independent real estate professional. These comparables were used to value the investment using the capitalization method. The capitalization method is a method that capitalizes an income stream into a value indication by converting a series of future periodic installments of net income into present value. The present value of the income stream is calculated using an overall capitalization rate, which is the capitalization rate plus a recapture (or sinking fund) rate. At December 31, 2015, the capitalization rate is 7.83% and sinking fund rate is 1.7%, resulting in an Overall Rate (OAR) of 27.13%. Using these comparables and rates, the fair market value of the interest in the land trust was estimated to be $630,000 at December 31, 2015. At December 31, 2014, the capitalization rate is 6.58% and sinking fund rate is 15.8%, resulting in an Overall Rate (OAR) of 22.38%. Using these comparables and rates, the fair market value of the interest in the land trust was estimated to be $630,000 and $537,000 at December 31, 2015 and 2014, respecitvely.

NOTE 4 – INVESTMENTS - Continued

The 2015 and 2014 activity in the land trust was as follows:

	2015	2014
Balance at the beginning of the year	$ 1,068,000	$ 964,000
Adjustment to fair value	132,000	104,000
Balance at the end of the year	$ 1,200,000	$ 1,068,000

The 2015 and 2014 activity in the limited liability company was as follows:

	2015	2014
Balance at the beginning of the year	$ 537,000	$ 558,000
Adjustment to fair value	93,000	(21,000)
Balance at the end of the year	$ 630,000	$ 537,000

Investment income (losses) and expenses consisted of the following for the years ended December 31, 2015 and 2014:

	2015	2014
Interest and dividend income	$ 527,654	$ 481,820
Gain on sales of investments	302,087	450,067
Investment broker fees	(135,555)	(121,597)
Unrealized (losses) on investments	(1,769,638)	(484,840)
Unrealized gains on land trust and limited liability company	225,000	83,401
Total realized and unrealized investment gains, net	$ (850,452)	$ 408,851

NOTE 4 – INVESTMENTS - Continued

The following tables present the category, fair value, redemption frequency, and redemption notice period for the investments, the fair values of which are estimated using the NAV per share as of December 31, 2015 and 2014:

	December 31, 2015		
	Fair value	Redemption frequency	Redemption notice period
Mutual funds / exchange traded funds:			
Absolute return	$ 3,703,502	Daily	Daily
Money market funds	$ 778,161	Daily	Daily

	December 31, 2014		
	Fair value	Redemption frequency	Redemption notice period
Mutual funds / exchange traded funds:			
Absolute return	$ 1,564,726	Daily	Daily
Money market funds	$ 1,877,959	Daily	Daily

The Level 3 investments are not redeemable until they are sold.

NOTE 5 – CONTRIBUTIONS RECEIVABLE

Contributions receivable as of December 31, 2015 and 2014 consist of the following amounts:

	2015	2014
Contributions due to Bakersfield House	$ 5,000	$ 8,000
Capital campaign contributions due to Camp	340,083	516,500
Capital campaign contributions due to Long Beach House	91,095	185,199
Capital campaign contributions due to Loma Linda House	403,715	107,562
Capital campaign contributions due to Community Grants Board	750,000	-
Contributions receivable before adjustment to fair value	1,589,893	817,261
Less: adjustments to record contributions receivable at fair value		
Discount to present value	(21,868)	(15,467)
Allowance for uncollectible pledges	(43,380)	(26,240)
Total contributions receivable, net	$ 1,524,645	$ 775,554

NOTE 5 – CONTRIBUTIONS RECEIVABLE – Continued

Contributions receivable are expected to be realized in the following periods:

Due in one year or less	$	752,567
Due in more than one year		837,326
	$	1,589,893

Unconditional promises to give are included in the consolidated financial statements as contributions receivable and revenue of the appropriate net asset category. Promises to give are recorded after discounting, at a rate of 2.00%, to the present value of the future cash flows. Unconditional promises to give received during the year ended December 31, 2015 have been discounted at credit-adjusted rates in accordance with ASC 820.

The Organization has established an allowance for uncollectible pledges to further adjust pledges receivable to fair value. Management records a 75% allowance for pledges that have not been collected for three years.

NOTE 6 – CAPITAL CAMPAIGNS

The Long Beach House began a capital campaign in 2007 to raise funds for construction of facilities. The campaign has raised approximately $6.5 million. The balance of pledges receivable at December 31, 2015 of approximately $91,095 is scheduled to be received between 2016 and 2022.

Camp Ronald McDonald for Good Times began a capital campaign in 2005 to raise funds for the renovation of existing facilities, as well as the construction of additional facilities. As of December 31, 2015, the campaign has raised approximately $7.7 million. The balance of pledges receivable at December 31, 2015 of approximately $340,083 is scheduled to be received in 2016 and 2017.

Loma Linda House began a capital campaign in 2013 to raise funds for the renovation of existing facilities. As of December 31, 2015, the campaign has raised approximately $3 million. The balance of pledges receivable at December 31, 2015 of approximately $403,715 is scheduled to be received in between 2016 and 2023.

Over the years, the McDonald's Operators' Association of Southern California has contributed to the Organization's capital campaigns. As of December 2015, $750,000 was recorded as a pledge receivable for future capital campaigns to be allocated as directed by the RMHCSC Board of Directors.

NOTE 7 – LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment was comprised of the following at December 31, 2015 and 2014:

	2015	2014
Construction projects in progress	$ 1,969,770	$ 3,130,716
Land	5,205,554	5,205,554
Buildings and improvements	37,806,024	33,718,553
Furniture and fixtures	4,602,636	4,310,516
Transportation equipment	191,063	191,063
Less: accumulated depreciation	(17,128,431)	(15,756,565)
	$ 32,646,616	$ 30,799,837

Depreciation expense for the years ended December 31, 2015 and 2014 was $1,395,094 and $1,379,931, respectively.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Leases

The Organization leases property from Bakersfield Memorial Hospital for its Bakersfield House rent-free. The original lease was for a five-year term which ended in December 2013 with options to renew thereafter annually. The lease was renewed in 2014. The fair market value of the rent was $10,442 and $8,716 for the years ended December 31, 2015 and 2014, respectively, and is included in in-kind contributions.

The Organization exercised its option to renew the lease from Loma Linda University. The option extends the lease for a five-year term which expires in May 2015, with an option to renew for an additional five year term. The annual lease payment is $1 per year. The fair market value of the rent was $16,712 for the years ended December 31, 2015 and 2014, and is included in in-kind contributions. The in-kind rent receivable was $52,288 and $9,829 at December 31, 2015 and 2014, respectively, and is recorded in in-kind and other receivables.

The Organization leases property from Memorial Health Services for its Long Beach House. The lease is for a 35-year term, which expires in May 2045, with options to renew for three additional five year terms. The annual lease payment is $1 per year. The annual fair market value of the rent was $40,658 for years ended December 31, 2015 and 2014, and was included as in-kind contributions. The in-kind rent receivable was $1,196,033 and $1,236,691 at December 31, 2015 and 2014, respectively, and is recorded in in-kind and other receivables.

NOTE 8 – COMMITMENTS AND CONTINGENCIES – Continued

In June 2012, Tom Bell Chevrolet loaned a 2012 Chevrolet Equinox, and a 2012 Chevrolet Silverado for a period of five years to the Organization at no charge to be used for RMHCSC business purposes. The fair market value of the rent was $9,574 and $9,574 for the years ended December 31, 2015 and 2014, respectively, and is included in in-kind contributions. The in-kind lease receivable was $14,115 and $23,689 at December 31, 2015 and 2014, respectively, and is recorded in in-kind and other receivables.

The Organization is obligated under non-cancellable operating leases for various equipment and vehicle leases. The leases expire between 2016 and 2019. Future minimum obligations are due as follows:

	Operating Leases
Due in 2016	$ 22,790
Due in 2017	20,452
Due in 2018	17,695
Due in 2019	8,639
	$ 69,576

NOTE 9 – PROVISION FOR INCOME TAXES

The income tax provisions for the ESBT for the year ended December 31, 2015 were $25,000 and $11,000 for federal and state, respectively. For the year ended December 31, 2014, income tax provisions were $33,500 and $5,500 for federal and state, respectively.

NOTE 10 – RETIREMENT PLAN

The Organization has adopted a qualified salary deferral 401(k) plan that covers substantially all employees who have met certain service requirements. The Organization may elect to match the employee contributions to the plan. The voluntary employee contributions are limited to a percentage of compensation of qualified participants. The Organization elected to make matching contributions of $109,957and $89,570 in 2015 and 2014, respectively.

NOTE 11 – NET ASSETS

TEMPORARILY RESTRICTED NET ASSETS

At December 31, 2015 and 2014 temporarily restricted net assets are available for the following purposes:

	2015	2014
Bakersfield operations	$ 755,087	$ 741,799
Los Angeles operations	100,000	-
Camp operations	6,994	31,368
Camp capital	350,000	3,064,741
Orange County operations	960,749	988,790
Loma Linda operations	1,010,993	1,330,689
Loma Linda capital	2,955,824	509,771
Pasadena operations	1,501,433	815,471
Pasadena emergency fund	27,221	27,221
Long Beach operations	1,290,502	1,280,186
Central Office – Couples Against Leukemia	531,493	499,865
Central Office – Capital	21,239	91,280
Grants Board – Operations	1,409,633	1,416,299
Grants Board – HACER	529,858	630,926
Grants Board – ASIA	87,725	85,050
Grants Board – Future Achievers	23,518	9,111
Grants Board capital	723897	-
Total temporarily restricted net assets	$ 12,286,166	$ 11,522,567

PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets at December 31, 2015 and 2014 are held in perpetuity for the various locations:

	2015	2014
Los Angeles House	$ 1,324,259	$ 1,324,259
Camp Ronald McDonald for Good Times	439,116	436,666
Orange County House	2,161,645	2,141,698
Loma Linda House	12,400	12,400
Total permanently restricted net assets	$ 3,937,420	$ 3,915,023

NOTE 11 – NET ASSETS – Continued

RELEASED FROM RESTRICTION

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

NOTE 12 – ENDOWMENTS

RMHCSC has classified as permanently restricted, the fair value of donations restricted by donors to be held as endowments in perpetuity. As a result, permanently restricted net assets include the fair value of the original and subsequent gifts made to the endowment fund. As disclosed in Note 2, RMHCSC's accounting policy is to consider restrictions that are satisfied in the same period that the restricted revenue is received to be unrestricted. For this reason, accumulated earnings, as well as, gains and losses related to endowment assets have been reported as unrestricted because the donors have specified that those revenues are available for use in operations. In accordance with the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") and with generally accepted accounting principles, RMHCSC considers that this policy, together with its annual budget approval process, constitutes its decision to appropriate those funds for expenditure.

Net earnings (realized and unrealized) on the investment of endowment assets are classified as temporarily restricted until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA and until expended in a manner consistent with the purpose or time restrictions, if any, imposed by the donor. Any investment return classified as permanently restricted represents only those amounts required to be retained permanently as a result of explicit donor stipulation.

With regard to endowment losses or appropriations in excess of the fair value of the original gift, in accordance with FASB ASC No. 958-320, *Investments – Debt and Equity Securities*, the portion of a donor-restricted endowment that is classified as permanently restricted is not reduced by losses on the investments of the fund, except to the extent required by the donor, including losses related to specific investments that the donor requires the Organization to hold in perpetuity. Similarly, the amount of permanently restricted net assets is not reduced by the Organization's appropriations from the fund. In the absence of donor stipulations or law to the contrary, losses or appropriations of a donor-restricted endowment reduce temporarily restricted net assets to the extent that donor-imposed temporary restrictions on net appreciation of the fund have been satisfied before the loss or appropriation occurs. Any remaining loss or appropriation reduces unrestricted net assets.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund

NOTE 12 – ENDOWMENTS - Continued

- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

From time to time, the fair values of endowment assets may, due to unfavorable market fluctuations, fall below the level that donors require to be retained as a fund of perpetual duration. In accordance with generally accepted accounting principles, declines of this nature are reported as losses in unrestricted net assets. As values recover, the increases are reported as unrestricted gains. As of December 31, 2015, there were no such declines in value below the amount of the original endowments.

RMHCSC has adopted investment and spending policies for endowment assets to provide a predictable stream of revenues for operating activities and to preserve the purchasing power of the endowment assets. Under these policies, endowment assets are invested to produce a return that is expected to meet or exceed the rate of inflation as measured by the Consumer Price Index plus 5.0% and to meet or exceed a benchmark consisting of 70% of the S&P 500 and 30% of the BC Aggregate Index on a risk adjusted basis over the defined time horizon. Actual results during any period may vary from these expectations. RMHCSC relies on a total return strategy which allows the earning objective to be achieved through both capital appreciation and current yield. This strategy involves a diversified asset allocation that provides a balance between equity and debt investments. RMHCSC's spending policy is to appropriate investment income (dividends and interest) and investment gains for current operations at each location. The spending policy was established considering the long-term expected return on assets and the long-term growth of the asset.

Changes in endowment assets for the year ended December 31, 2015 and 2014 are as follows:

	December 31, 2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance at December 31, 2014	$ -	$ -	$ 3,915,023	$ 3,915,023
Contributions	-	-	22,397	22,397
Investment income	-	86,813	-	86,813
Investment broker fees	-	(23,515)	-	(23,515)
Net realized and unrealized gains	-	(63,298)	-	(63,298)
Balance at December 31, 2015	$ -	$ -	$ 3,937,420	$ 3,937,420

NOTE 12 – ENDOWMENTS - Continued

	December 31, 2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance at December 31, 2013	$ -	$ -	$ 3,768,423	$ 3,768,423
Contributions	-	-	146,600	146,600
Investment income	-	88,648	-	88,648
Investment broker fees	-	(23,074)	-	(23,074)
Net realized and unrealized gains	-	755	-	755
Appropriation of endowment income for expenditure	-	(66,329)	-	(66,329)
Balance at December 31, 2014	$ -	$ -	$ 3,915,023	$ 3,915,023

All endowments at December 31, 2015 and 2014 are donor restricted endowment funds.

NOTE 13 – NOTES PAYABLE

Morgan Stanley Smith Barney

In April 2014, the Organization restructured its credit facilities with Morgan Stanley Smith Barney (MSSB). The Organization opened a Portfolio Loan Account (PLA) to replace the Line of Credit in place at MSSB. The PLA is secured by investment accounts held at MSSB. The terms of the PLA include monthly interest only payments based on a variable rate, which is determined by the corresponding PLA index plus 2.50%. The Organization withdrew $2,795,000 from the PLA to completely payoff the existing line of credit.

The variable rate ranged from 2.65% to 2.67% in 2014, and was 2.67% as of December 31, 2015. The balance of the PLA was $2,928,494 and $2,849,464 at December 31, 2015 and 2014, respectively.

Farmers & Merchant Bank of Long Beach

The notes payable also consist of a line of credit due to Farmers and Merchant Bank of Long Beach, secured by contributions receivable for the Long Beach capital campaign. The terms of the line of credit include monthly principal and interest payments based on a variable rate, which ranged from 2.18% to 2.42%, and was 2.35% as of December 31, 2015 and 2.42% as of December 31, 2014. The balance of the line of credit was $57,531 and $725,103 at December 31, 2015 and 2014, respectively, and is due and payable by January 15, 2016.

NOTE 14 – IN-KIND CONTRIBUTIONS AND EXPENSES

In-kind goods and services that satisfied the revenue recognition requirements were recorded as follows:

	2015	2014
Expenses for operations		
Advertising and promotion	$ 5,000	$ 6,883
Automobile costs	8,283	8,509
Cleaning, gardening, housekeeping	18,835	20,773
Special event site fees	6,237	-
Equipment Rental	4,768	-
Postage	-	2,802
Rent	69,613	8,716
Professional fees	100,520	125,188
Supplies	57,335	57,172
	270,591	230,043
Capital improvements		
Building improvements	-	7,114
	-	7,114
Total in-kind contributions	$ 270,591	$ 237,157

NOTE 15 – RELATED PARTIES

RMHCSC is a local chapter of Ronald McDonald House Charities, Inc. ("RMHC, Inc."), an organization that supports a global network of Ronald McDonald Houses and other programs directed at children around the world. RMHCSC has a license agreement with the McDonald's Corporation for the use of its name and trademarks. This license agreement also includes programmatic guidelines that should be followed. As part of the license agreement, twenty-five percent of the revenues from all national fundraising efforts that take place in McDonald's restaurants, such as the donation boxes that are located on the counter tops and at the drive thru windows, are sent to RMHC, Inc. and are reflected in the consolidated financial statements as a payment to Ronald McDonald House Charities Global. During 2015 and 2014, the contribution from McDonald's Corporation was $714,241 and $717,859, respectively.

NOTE 16 – SUBSEQUENT EVENTS

The Organization evaluated its December 31, 2015 financial statements for subsequent events through October 12, 2016, the date the financial statements were available to be issued. The Organization is not aware of any subsequent events which would require recording or disclosure in the financial statements.

SUPPLEMENTARY SCHEDULES

Ronald McDonald House Charities of Southern California

COMBINING SCHEDULE OF FINANCIAL POSITION BY LOCATION

As of December 31, 2015

	Los Angeles House	Bakersfield House	Camp Ronald McDonald	Orange County House	Loma Linda House	Pasadena House	Long Beach House	Central Office	Grants Board	Total
Assets										
Cash and cash equivalents	$ 295,490	$ 279,588	$ -	$ 479,367	1,414,073	$ 1,008,694	$ 73,622	$ 857,736	$ 1,225,757	$ 5,634,327
Investments	5,409,136	562,583	1,524,153	6,372,293	4,725,632	786,902	1,140,941	1,734,620	1,623,052	23,879,312
Contributions receivable (net)	-	1,250	328,314	-	383,208	-	87,976	-	723,897	1,524,645
In-kind and other receivables	6,344	10,402	17,323	34,082	67,342	609	1,199,115	251,582	298,935	1,885,734
Prepaid expenses and other assets	92,594	5,408	53,664	20,135	75,832	25,331	20,239	35,180	-	328,383
Land, buildings and equipment (net)	13,345,250	21,221	10,724,076	1,457,154	3,450,850	6,798	3,589,959	51,308	-	32,646,616
Total assets	$ 19,148,814	$ 880,452	$ 12,647,530	$ 8,363,031	10,116,937	$ 1,828,334	$ 6,111,852	$ 2,930,426	$ 3,871,641	$ 65,899,017
Liabilities										
Accounts payable and accrued expenses	$ 128,535	$ 38,078	$ 97,129	$ 236,245	318,669	$ 30,578	$ 76,490	$ 183,895	$ 540,534	$ 1,650,153
Notes payables	2,928,494	-	-	-	-	-	57,531	-	-	2,986,025
Inter-entity payables (receivables)	5,010	1,183	89,862	(6,693)	(374,984)	-	12	(63,670)	349,280	-
	3,062,039	39,261	186,991	229,552	(56,315)	30,578	134,033	120,225	889,814	4,636,178
Net assets										
Unrestricted	14,662,516	86,105	11,664,429	5,011,085	6,194,035	269,102	4,687,317	2,257,469	207,195	45,039,253
Temporarily restricted	100,000	755,086	356,994	960,749	3,966,817	1,528,654	1,290,502	552,732	2,774,632	12,286,166
Permanently restricted	1,324,259	-	439,116	2,161,645	12,400	-	-	-	-	3,937,420
	16,086,775	841,191	12,460,539	8,133,479	10,173,252	1,797,756	5,977,819	2,810,201	2,981,827	61,262,839
Total liabilities and net assets	$ 19,148,814	$ 880,452	$ 12,647,530	$ 8,363,031	$ 10,116,937	$ 1,828,334	$ 6,111,852	$ 2,930,426	$ 3,871,641	$ 65,899,017

Ronald McDonald House Charities of Southern California

COMBINING SCHEDULE OF ACTIVITIES BY LOCATION

For the Year Ended December 31, 2015

	Los Angeles House	Bakersfield House	Camp Ronald McDonald	Orange County House	Loma Linda House	Pasadena House	Long Beach House	Central Office	Grants Board	Total
Revenues and support										
Contributions	$ 715,512	$ 119,389	$ 566,916	$ 568,654	$ 503,645	$ 892,470	$ 370,330	$ 2,050,888	$ 1,041,897	$ 6,829,701
Capital campaign	-	-	760,883	-	2,446,053	-	-	-	1,098,897	4,305,833
In-kind contributions	17,254	10,441	100,520	28,921	74,665	4,566	29,224	5,000	-	270,591
Special event revenues	713,727	354,949	535,671	898,202	414,522	361,926	1,008,010	323,720	196,309	4,807,036
Special event expenses	(220,659)	(121,647)	(89,027)	(215,781)	(59,344)	(103,732)	(246,323)	(109,192)	(102,970)	(1,268,675)
	493,068	233,302	446,644	682,421	355,178	258,194	761,687	214,528	93,339	3,538,361
Realized investment gains, net	130,154	13,677	46,531	204,705	158,378	24,685	26,668	54,229	35,159	694,186
Unrealized investment gains	(74,977)	(56,094)	(121,365)	(520,694)	(373,070)	(62,689)	(73,097)	(137,387)	(125,265)	(1,544,638)
Program fees	113,234	2,846	-	33,810	78,566	18,809	39,340	-	-	286,605
Rental and other income	219,381	1,045	148,289	180,509	9,218	2,572	6,951	192	-	568,157
Inter-entity	245,304	19,103	90,425	107,805	474,566	34,832	74,099	(396,854)	(649,280)	-
Total revenues and support	1,858,930	343,709	2,038,843	1,286,131	3,727,199	1,173,439	1,235,202	1,790,596	1,494,747	14,948,796
Expenses										
Program expenses	1,876,424	285,896	1,815,989	817,024	1,050,002	377,100	871,127	821,973	919,281	8,834,816
Management and general	285,291	16,881	135,348	332,259	83,073	36,960	126,618	199,895	6,424	1,222,749
Fundraising	343,190	48,188	313,798	192,552	210,110	73,914	180,293	636,747	182	1,998,974
Total expenses	2,504,905	350,965	2,265,135	1,341,835	1,343,185	487,974	1,178,038	1,658,615	925,887	12,056,539
Change in net assets	(645,975)	(7,256)	(226,292)	(55,704)	2,384,014	685,465	57,164	131,981	568,860	2,892,257
Net assets - beginning	16,732,750	848,447	12,686,831	8,189,183	7,789,238	1,112,291	5,920,655	2,678,220	2,412,967	58,370,582
Net assets - ending	$ 16,086,775	$ 841,191	$ 12,460,539	$ 8,133,479	$ 10,173,252	$ 1,797,756	$ 5,977,819	$ 2,810,201	$ 2,981,827	$ 61,262,839