

MCDONALDS CORP
Form 11-K
June 11, 2009
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 11-K

**FOR ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE, SAVINGS AND
SIMILAR PLANS PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

(Mark One)

Annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2008

Or

Transition report pursuant to Section 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____

Commission file number 1-5231

A. Full title of the plan and the address of the plan, if different from that of the issuer named below.

**McDONALD S CORPORATION PROFIT SHARING AND SAVINGS
PLAN**

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office.

McDonald s Corporation

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McDonald s Plaza

Oak Brook, Illinois 60523

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McDONALD S CORPORATION
PROFIT SHARING AND SAVINGS PLAN

Oak Brook, Illinois

FINANCIAL STATEMENTS

December 31, 2008 and 2007

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

McDonald's Corporation

Profit Sharing Administrative Committee

Oak Brook, Illinois

We have audited the accompanying statements of net assets available for benefits of McDonald's Corporation Profit Sharing and Savings Plan (the Plan) as of December 31, 2008 and 2007, and the related statement of changes in net assets available for benefits for the year ended December 31, 2008. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2008 and 2007, and the changes in net assets available for benefits for the year ended December 31, 2008, in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of expressing an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Crowe Horwath LLP

Oak Brook, Illinois

June 11, 2009

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MCDONALD S CORPORATION PROFIT SHARING AND SAVINGS PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2008

(Amounts in thousands)

	Participant-Directed Investments	ESOP Allocated Account	ESOP Unallocated Account	Total 2008
ASSETS				
Investments in the McDonald s Corporation Profit Sharing and Savings Plan, at fair value				
Short-term investments	\$ 88,805	\$ 5,985	\$ 3,659	\$ 98,449
US Treasury bonds	1,950			1,950
Mutual funds	179,044			179,044
American depository receipts, common and preferred stock other than McDonald s Corporation common stock	128,290			128,290
McDonald s Corporation common stock	744,122	256,541	255,816	1,256,479
Common collective funds	547,804			547,804
Wrapper contracts	1,184			1,184
Participant loans	24,384			24,384
Securities loaned	31,166			31,166
Pooled cash collateral	31,506			31,506
Total investments	1,778,255	262,526	259,475	2,300,256
Receivables				
Company contributions	29,507			29,507
Accrued income	793	3	2	798
Dividends			5	5
Other	73	(72)	(1)	
Total receivables	30,373	(69)	6	30,310
Total assets	1,808,628	262,457	259,481	2,330,566
LIABILITIES				
Management and administrative expenses payable	421			421
Obligation for collateral received for loaned securities	31,506			31,506
Accrued interest expense			2,078	2,078
Notes payable			63,635	63,635
Other liabilities	659	39		698
Total liabilities	32,586	39	65,713	98,338
Net assets reflecting all investments at fair value	1,776,042	262,418	193,768	2,232,228
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	50,743			50,743

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NET ASSETS AVAILABLE FOR BENEFITS	\$ 1,826,785	\$ 262,418	\$ 193,768	\$ 2,282,971
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See accompanying notes to financial statements.

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MCDONALD S CORPORATION PROFIT SHARING AND SAVINGS PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2007

(Amounts in thousands)

	Participant- Directed Investments	ESOP Allocated Account	ESOP Unallocated Account	Total 2007
ASSETS				
Investment in the McDonald s Corporation Profit Sharing and Savings Master Trust, at fair value				
Investment securities	\$ 2,002,327	\$ 271,740	\$ 286,576	\$ 2,560,643
Participant loans	22,502			22,502
Total investments	2,024,829	271,740	286,576	2,583,145
Receivables				
Company contributions	29,134			29,134
Accrued income	11	32	27	70
Other	93	(91)	(2)	
Total receivables	29,238	(59)	25	29,204
Total assets	2,054,067	271,681	286,601	2,612,349
LIABILITIES				
Management and administrative expenses payable	420	1		421
Notes payable and other liabilities	1,207	45	73,814	75,066
Total liabilities	1,627	46	73,814	75,487
Net assets reflecting all investments at fair value	2,052,440	271,635	212,787	2,536,862
NET ASSETS AVAILABLE FOR BENEFITS	\$ 2,052,440	\$ 271,635	\$ 212,787	\$ 2,536,862

See accompanying notes to financial statements.

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MCDONALD S CORPORATION PROFIT SHARING AND SAVINGS PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year ended December 31, 2008

(Amounts in thousands)

	Participant- Directed Investments	ESOP Allocated Account	ESOP Unallocated Account	Total 2008
Additions to net assets attributed to:				
Net appreciation/(depreciation) in fair value of investments				
Mutual funds	\$ (143,945)	\$	\$	\$ (143,945)
American depository receipts, common and preferred stock other than McDonald s Corporation common stock	(113,052)			(113,052)
McDonald s Corporation common stock	40,699	13,604	12,303	66,606
Common collective funds	(48,961)			(48,961)
Participant loan interest income	1,821			1,821
Securities lending income	588			588
Interest income	28,443	119	51	28,613
Dividends	29,044	7,003	6,974	43,021
Commission recapture	49			49
 Total net investment income	 (205,314)	 20,726	 19,328	 (165,260)
Contributions				
Company	57,862	13,917	2,277	74,056
Participant	48,794			48,794
Rollovers	1,576			1,576
 Total contributions	 108,232	 13,917	 2,277	 124,426
Interfund transfers-in	23,100			23,100
Other	103			103
 Total additions	 (73,879)	 34,643	 21,605	 (17,631)
Deductions from net assets attributed to:				
Benefits paid to terminated participants and withdrawals	149,189	20,715		169,904
Management and administrative expenses	2,397	43		2,440
Interfund transfers-out		23,099	1	23,100
Interest expense			4,687	4,687
Company matching with profit sharing forfeitures	190			190
Company matching with ESOP shares			35,936	35,936
Other		3		3
 Total deductions	 151,776	 43,860	 40,624	 236,260

Net decrease

225,655

9,217