RONALD MCDONALD HOUSE CHARITIES OF CENTRAL PENNSYLVANIA

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2025 AND 2024

RONALD MCDONALD HOUSE CHARITIES OF CENTRAL PENNSYLVANIA
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Ronald McDonald House Charities of Central Pennsylvania
Hershey, Pennsylvania

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ronald McDonald House Charities of Central Pennsylvania, which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Ronald McDonald House Charities of Central Pennsylvania for the years ended December 31, 2025 and 2024, and 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audits.

CliftonLarsonAllen LLP

Bethlehem, Pennsylvania
REPORT DATE

RONALD MCDONALD HOUSE CHARITIES OF CENTRAL PENNSYLVANIA
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 526,068	$ 466,337
Contributions Receivable	17,322	40,303
Due from RMHC - Global	82,275	-
Investments, at Fair Value	5,786,154	5,216,773
Prepaid Expenses	43,625	50,619
Total Current Assets	6,455,444	5,774,032
PROPERTY, FURNITURE, AND EQUIPMENT, NET	4,950,878	4,908,464
OTHER ASSETS		
Investments Held for Endowment, at Fair Value	7,261,459	6,475,067
Total Assets	$ 18,667,781	$ 17,157,563
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	$ 1,362	$ 18,361
Accrued Expenses	49,228	42,785
Total Liabilities	50,590	61,146
NET ASSETS		
Without Donor Restrictions:		
Undesignated	10,918,362	10,287,944
Board-Designated for Endowment	6,697,209	5,910,817
Board-Designated for Expansion and Capital Improvements	272,575	272,575
Total Without Donor Restrictions	17,888,146	16,471,336
With Donor Restrictions	729,045	625,081
Total Net Assets	18,617,191	17,096,417
Total Liabilities and Net Assets	$ 18,667,781	$ 17,157,563

See accompanying Notes to Financial Statements.

RONALD MCDONALD HOUSE CHARITIES OF CENTRAL PENNSYLVANIA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Contributions	$ 1,376,456	$ 253,860	$ 1,630,316
Bequests	14,752	-	14,752
Fundraising Events	524,162	-	524,162
Guest Donations	17,562	-	17,562
Contributions of Nonfinancial Assets	153,714	-	153,714
Contributions of Nonfinancial Assets - Fundraising Events	82,331	-	82,331
Miscellaneous	1,298	-	1,298
Interest and Dividend Income	743,427	18,256	761,683
Realized Loss on Investments	276,167	17,628	293,795
Unrealized Loss on Investments	541,230	16,912	558,142
Total	3,731,099	306,656	4,037,755
Net Assets Released from Restrictions	202,692	(202,692)	-
Total Revenues, Gains, and Other Support	3,933,791	103,964	4,037,755
EXPENSES			
Program Services - House and Family Rooms	1,579,381	-	1,579,381
Management and General	322,601	-	322,601
Fundraising	375,356	-	375,356
Cost of Direct Benefits to Donors	239,643	-	239,643
Total Expenses	2,516,981	-	2,516,981
CHANGE IN NET ASSETS	1,416,810	103,964	1,520,774
Net Assets - Beginning of Year	16,471,336	625,081	17,096,417
NET ASSETS - END OF YEAR	$ 17,888,146	$ 729,045	$ 18,617,191

See accompanying Notes to Financial Statements.

RONALD MCDONALD HOUSE CHARITIES OF CENTRAL PENNSYLVANIA
STATEMENT OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Contributions	$ 985,571	$ 61,205	$ 1,046,776
Bequests	885,048	-	885,048
Fundraising Events	627,582	-	627,582
Guest Donations	7,170	-	7,170
Contributions of Nonfinancial Assets	485,186	-	485,186
Contributions of Nonfinancial Assets - Fundraising Events	103,225	-	103,225
Miscellaneous	289	-	289
Interest and Dividend Income	646,819	16,509	663,328
Realized Gain on Investments	35,511	1,869	37,380
Unrealized Gain (Loss) on Investments	295,256	(10,927)	284,329
Total	4,071,657	68,656	4,140,313
Net Assets Released from Restrictions	27,825	(27,825)	-
Total Revenues, Gains, and Other Support	4,099,482	40,831	4,140,313
EXPENSES			
Program Services - House			
Program Services - House and Family Rooms	1,600,047	-	1,600,047
Management and general	328,220	-	328,220
Fundraising	496,898	-	496,898
Cost of Direct Benefits to Donors	343,241	-	343,241
Total Expenses	2,768,406	-	2,768,406
CHANGE IN NET ASSETS	1,331,076	40,831	1,371,907
Net Assets - Beginning of Year	15,140,260	584,250	15,724,510
NET ASSETS - END OF YEAR	$ 16,471,336	$ 625,081	$ 17,096,417

See accompanying Notes to Financial Statements.

RONALD MCDONALD HOUSE CHARITIES OF CENTRAL PENNSYLVANIA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025

	Program Services	Supporting Services			
	House and Family Rooms	Management and General	Fundraising	Costs of Direct Benefits to Donors	Total
Salaries	$ 561,831	$ 121,010	$ 181,513	$ -	$ 864,354
Payroll Taxes	43,765	9,426	14,140	-	67,331
Employee Benefits	108,346	21,669	14,446	-	144,461
House Supplies	64,455	-	21,485	24,479	110,419
Insurance	46,255	15,419	-	-	61,674
Cleaning	3,090	96	-	-	3,186
Utilities	74,535	761	761	-	76,057
Maintenance and Repairs	121,245	5,052	-	-	126,297
Contract Services	191,171	12,746	114,704	52,952	371,573
Dues and Subscriptions	130	1,952	521	4,171	6,774
Travel	706	4,589	1,765		7,060
Meetings and Seminars	1,558	3,117	520	3,626	8,821
Office Supplies	23,759	11,880	3,960	2,201	41,800
Donated Materials	127,894	4,263	9,947	82,331	224,435
Facility Rental	-	-	-	7,197	7,197
Food and Beverage	-	-	-	61,155	61,155
Telephone	2,804	568	178	-	3,550
Postage	845	635	2,750	1,491	5,721
Marketing	6,565	131	6,434	-	13,130
Professional Fees	18,281	103,593	-	-	121,874
Guest Hotel Stays	266	-	-	-	266
Volunteer Recognition	7,700	251	418	40	8,409
Depreciation	174,180	5,443	1,814	-	181,437
Total Expenses by Function	$ 1,579,381	$ 322,601	$ 375,356	$ 239,643	$ 2,516,981

See accompanying Notes to Financial Statements.

RONALD MCDONALD HOUSE CHARITIES OF CENTRAL PENNSYLVANIA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services	Supporting Services			
	House and Family Rooms	Management and General	Fundraising	Cost of Direct Benefits to Donors	Total
Salaries	$ 530,658	$ 134,770	$ 176,885	$ -	$ 842,313
Payroll Taxes	43,300	10,997	14,434	-	68,731
Employee Benefits	82,522	19,044	25,392	-	126,958
House Supplies	41,598	3,466	24,265	21,279	90,608
Insurance	20,708	8,218	3,944	-	32,870
Cleaning	3,058	96	32	-	3,186
Utilities	74,076	2,315	772	-	77,163
Maintenance and Repairs	88,332	2,760	920	-	92,012
Contract Services	149,897	23,062	115,306	97,450	385,715
Dues and Subscriptions	169	2,539	677	4,990	8,375
Travel	4,001	6,002	3,335	-	13,338
Meetings and Seminars	781	1,042	782	2,160	4,765
Office Supplies	18,805	9,402	9,402	1,273	38,882
Donated Materials	169,310	5,644	13,169	103,225	291,348
Facility Rental	-	-	-	7,234	7,234
Food and Beverage	-	-	-	105,610	105,610
Telephone	1,928	390	122	-	2,440
Postage	9,916	7,438	32,230	20	49,604
Marketing	170,960	4,884	68,384	-	244,228
Professional Fees	9,471	80,505	4,736	-	94,712
Guest Hotel Stays	89	-	-	-	89
Volunteer Recognition	5,254	171	286	-	5,711
Depreciation	175,214	5,475	1,825	-	182,514
Total Expenses by Function	$ 1,600,047	$ 328,220	$ 496,898	$ 343,241	$ 2,768,406

See accompanying Notes to Financial Statements.

RONALD MCDONALD HOUSE CHARITIES OF CENTRAL PENNSYLVANIA
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 1,520,774	$ 1,371,907
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	181,437	182,514
Realized Gain on Investments	(293,795)	(37,380)
Unrealized Gain on Investments	(558,142)	(284,329)
Changes in Assets and Liabilities		
Contributions Receivable	22,981	(25,700)
Due from RMHC - Global	(82,275)	24,421
Prepaid Expenses	6,994	(8,972)
Accounts Payable	(16,999)	(4,752)
Accrued Expenses	6,443	(4,337)
Net Cash Provided by Operating Activities	787,418	1,213,372
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(503,836)	(1,550,432)
Purchases of Property, Furniture, and Equipment	(223,851)	(75,704)
Net Cash Used by Investing Activities	(727,687)	(1,626,136)
NET CHANGE IN CASH AND CASH EQUIVALENTS	59,731	(412,764)
Cash and Cash Equivalents - Beginning of Year	466,337	879,101
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 526,068	$ 466,337
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES		
In-Kind Contribution of Goods and Services	$ 153,714	$ 485,186
In-Kind Contribution for Fundraising Activities	$ 82,331	$ 103,225

See accompanying Notes to Financial Statements.

NOTE 1 NATURE AND PURPOSE OF THE ORGANIZATION

Ronald McDonald House Charities of Central Pennsylvania (the Organization) is a nonprofit organization which provides temporary lodging, accommodations, and other assistance to pediatric patients and their families during treatment at the Penn State Milton S. Hershey Medical Center. The Organization's main sources of revenue include local and national fundraisers sponsored by McDonald's, contributions from businesses, foundations, individuals and service organizations, and fundraising events.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of the Organization are prepared on the accrual basis of accounting, in accordance with the Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 958, *Not-for-Profit Entities*.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions or law. The governing board has designated, from net assets without donor restrictions, net assets for an endowment, net assets for guest assistance, and net assets for various expansion and capital improvement projects.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash equivalents include cash and money market funds.

Concentration of Credit Risk

The Organization may be subject to credit risk on its cash and cash equivalent assets, which are placed with high credit-quality financial institutions. The Federal Deposit Insurance Corporation (FDIC) coverage is $250,000 for all accounts. From time to time, the Organization may have amounts on deposit in excess of the FDIC limits. Cash balances exceeded the levels of deposit insurance by approximately $90,000 and $313,000 at December 31, 2025 and 2024, respectively.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions Receivable

Contributions receivable primarily represent amounts expected to be received from donors. The Organization uses the allowance method to determine uncollectible contributions. Any allowance would be based on management's analysis of specific balances and recent collection history. In the opinion of management, all of the contributions receivable are considered to be realizable at the amount stated in the accompanying statements of financial position and no allowance for uncollectible accounts was considered necessary at December 31, 2025 and 2024.

Valuation of Investments in Securities at Fair Value

The Organization complies with the provisions of FASB ASC 820, *Fair Value Measurements*. Under ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

ASC 820 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Property, Furniture, and Equipment

Donations of property, furniture, and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Furniture, and Equipment (Continued)

We record property and equipment additions over $2,500 at cost, or if donated, at fair value on the date of donation. Property, furniture, and equipment are carried at cost, less accumulated depreciation. Maintenance and repairs which neither materially add to the value of property nor appreciably prolong its life are charged to expense. The cost of assets retired or otherwise disposed of, and the related accumulated depreciation are eliminated from the accounts in the year of disposal. Related gains or losses from such transactions are credited or charged to income.

The Organization evaluates its long-lived assets for any events or changes in circumstances which indicate that the carrying amount of such assets may not be fully recoverable. The Organization evaluates the recoverability of long-lived assets by measuring the carrying amount of such assets against the estimated undiscounted future cash flows associated with them. At the time such evaluation indicates that the future undiscounted cash flows of certain long-lived assets are not sufficient to recover the carrying value of such assets, the assets are adjusted to their fair value.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 39 years.

Revenue Recognition

The Organization generates the majority of their revenue through various donations from the public, operational grants and proceeds from special events held throughout the year. Support revenue is generally recognized at the point in time when the donation is received. In-kind contributions are recognized as income when the donated asset is physically received. Contributions, grants, and bequests are recognized as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Donor-imposed restrictions are released when a restriction expires; this is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized.

Contributions of Nonfinancial Assets

For the years ending December 31, 2025 and 2024, nonfinancial assets recognized within the statements of activities included:

	2025	2024
Food and Supplies	$ 149,184	$ 235,940
Donated Services	4,530	249,246
Fundraising Events	82,331	103,225
Total	$ 236,045	$ 588,411

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions of Nonfinancial Assets (Continued)

The Organization values food and supplies as well as items donated for fundraising events using the estimated selling price of similar products as well as information provided by the donor. Donated services are valued at the estimated cost to provide similar services to the Organization. Donated capital assets are valued based on appraisals performed by third-party valuation professionals.

A substantial portion of the nonfinancial contributions are used in the operation of the Ronald McDonald House. Assets contributed for fundraising events are used to promote and facilitate various special events during the year. Significant additional goods and services were donated for the comfort of the House and Family Room guests. However, these amounts have not been recorded in the financial statements since the criteria for recognition have not been met.

Numerous volunteers have donated significant amounts of time to the Organization. The value of these contributed services is not reported in the financial statements since the criteria for recognition has not been met.

Functional Expenses

The statements of functional expenses report certain categories of expenses that are attributable to one or more program or supporting function of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include: depreciation, maintenance and repairs, contract services, and utilities, which are allocated on a square footage basis; and salaries and wages, payroll taxes and employee benefits, which are allocated on the basis of estimates of time and effort. The remaining expenses are allocated based on historical estimates of usage between program and support functions.

Income Taxes

No provision for income taxes has been made in the financial statements since the Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state provisions. However, income from activities not directly related to the Organization’s tax-exempt purpose, if any, would be subject to taxation as unrelated business income.

The Organization complies with the guidance for uncertainty in income taxes using the provisions of FASB ASC 740, *Income Taxes*. Using that guidance tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the position will be sustained upon examination by tax authorities. As of December 31, 2025 and 2024, the Organization had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Liquidity

Financial assets available for general expenditures within one year of the statement of financial position date, comprise of the following:

	2025	2024
Cash and Cash Equivalents	$ 526,068	$ 466,337
Investments Available for Operations	5,786,154	5,216,773
Contributions Receivable	17,322	40,303
Other Receivables	82,275	-
Total	6,411,819	5,723,413
Less: Assets Held to Meet Donor Restrictions	164,795	60,831
Total	$ 6,247,024	$ 5,662,582

The Organization maintains financial assets, consisting of cash and short-term investments, on hand to meet its normal operating expenses based on its annual budget. Operating expenses are compared to budgeted expenses on a monthly basis and financial assets on hand are adjusted as necessary. As more fully described in Note 9, the Organization also has a committed line of credit in the amount of $500,000, which it could draw upon in the event of an unanticipated liquidity need. The line of credit was closed as of December 31, 2025.

In addition, although the Organization does not intend to spend from its board-designated endowment, other than amounts appropriated from general expenditure as part of its annual budget approval and appropriation, amounts from its board-designated endowment could be made available if necessary.

Revisions

Certain revisions of amounts previously reported have been made to the accompanying financial statements. In the Liquidity note above, the disclosure of the financial assets available for general expenditures for the prior year has been revised to $5,662,582. The revision had no effect on previously reported change in net assets.

Subsequent Events

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through REPORT DATE, the date the financial statements were available to be issued. No events or transactions have occurred that would require recognition or disclosure in the financial statements.

NOTE 3 INVESTMENTS

The Organization's investments are recorded at fair value and have been categorized based upon a fair value hierarchy in accordance with FASB ASC 820 (see Note 2). All investments held at December 31, 2025 and 2024 are summarized as follows:

	2025			
	Level 1	Level 2	Level 3	Total
Without Donor Restrictions:				
Money Market Funds	$ 950,085	$ -	$ -	$ 950,085
Certificates of Deposit	234,388	-	-	234,388
Bonds Mutual Fund	3,186,694	-	-	3,186,694
Equity Mutual Funds	8,002,445	-	-	8,002,445
Investments held in perpetual trust	-	-	101,956	101,956
Total Without Donor Restrictions	12,373,612	-	101,956	12,475,568
With Donor Restrictions:				
Equity Security	572,045	-	-	572,045
Total With Donor Restrictions	572,045	-	-	572,045
Total Investments	$ 12,945,657	$ -	$ 101,956	$ 13,047,613

	2024			
	Level 1	Level 2	Level 3	Total
Without Donor Restrictions:				
Money Market Funds	$ 684,574	$ -	$ -	$ 684,574
Certificates of Deposit	455,913	-	-	455,913
Bonds Mutual Fund	3,037,743	-	-	3,037,743
Equity Mutual Funds	6,859,478	-	-	6,859,478
Investments held in perpetual trust	-	-	89,882	89,882
Total Without Donor Restrictions	11,037,708	-	89,882	11,127,590
With Donor Restrictions:				
Equity Security	529,983	-	-	529,983
Equity Mutual Funds	34,267	-	-	34,267
Total With Donor Restrictions	564,250	-	-	564,250
Total Investments	$ 11,601,958	$ -	$ 89,882	$ 11,691,840

The Organization invested funds into the Foundation for Enhancing Communities. The Foundation has since managed the investment and issues distributions back to the Organization on an annual basis. As the Organization cannot monitor the underlying assets of the funds held by the Foundation, they have been treated as level 3 investments. The following table sets forth a summary of the changes in fair value of this investment for the years ended December 31, 2025 and 2024:

	2025	2024
Balance - January 1	$ 89,882	$ 79,866
Distributions	(1,733)	(4,217)
Investment Return	13,807	14,233
Balance - December 31	$ 101,956	$ 89,882

NOTE 3 INVESTMENTS (CONTINUED)

Generally, for all equities and mutual funds, fair value is determined by reference to quoted market prices and other relevant information generated by market transactions.

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

The composition of investment income on the Organization's investment portfolio, inclusive of interest earned on the Organization's checking, savings, and money market accounts, for the years ended December 31, 2025 and 2024 is as follows:

	2025	2024
Interest and Dividend Income, Net	$ 761,683	$ 663,328
Realized/Unrealized Gain (Loss)	851,937	321,709
Total	$ 1,613,620	$ 985,037

NOTE 4 PROPERTY, FURNITURE, AND EQUIPMENT

Property, furniture, and equipment consists of the following at December 31:

	2025	2024
Land	$ 1,344,696	$ 1,344,695
Building and Improvements	6,674,499	6,573,454
Equipment	359,745	351,787
Furniture and Fixtures	404,727	401,138
Family Room Furniture	12,861	12,861
Construction in Progress	93,658	9,110
Subtotal	8,890,186	8,693,045
Less: Accumulated Depreciation	3,939,308	3,784,581
Total Property and Equipment	$ 4,950,878	$ 4,908,464

Depreciation expense for the years ended December 31, 2025 and 2024 was $181,437 and $182,514, respectively.

NOTE 5 ENDOWMENTS

The Organization received a contribution of 10,000 shares of McDonald's Corporation stock in 1993. The contribution was recorded at $506,250, the fair market value at the date of acquisition. In accordance with the donor's restriction, which requires the principal to be held in perpetuity for the benefit of the Ronald McDonald House, the original value of the stock is reported as net assets with donor restrictions. All contributions provided by donors which have been solicited for the endowment may be held in perpetuity.

NOTE 5 ENDOWMENTS (CONTINUED)

Interest, dividends, gains and losses are restricted for House operating expenses and therefore, also reported as net assets with donor restrictions until appropriated.

In addition, the Organization's Board of Directors established a separate endowment fund during the year ended December 31, 2013. The board of directors has also elected to classify certain unrestricted funds as endowment funds which will be board-designated in perpetuity. The Board will be responsible for distributing any investment income produced by the endowment fund while maintaining the original principal balance of contributions to the endowment fund.

Endowment Return Objectives, Risk Parameters and Strategies

The Organization has adopted investment and spending policies, approved by the board of directors, which govern both of the Organization's endowments. The primary objective of these policies is to produce a total return which will permit maximum support for the general operating fund of the Organization to the extent that it is consistent with (a) prudent management of investments, (b) preservation of principal and (c) potential for long-term asset growth.

Spending Policy

On an at least annual basis, the Finance Committee of the Board shall recommend to the Board an amount to be transferred from the income and/or gain of the endowment funds to the general operating fund of the Organization. No such distribution of income and/or gain shall decrease the total market value of the endowment fund below 110% of the original contributions balance. At the same time, an amount no greater than 6% of the total market value of the endowment fund may be distributed in a given calendar year.

Following are the changes in the endowment net assets for the years ended December 31, 2025 and 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - January 1, 2024	$ 4,537,326	$ 564,250	$ 5,101,576
Contributions	1,122,332	-	1,122,332
Investment Income:			
Interest and Dividends	320,655	16,509	337,164
Unrealized Gain	133,146	(10,927)	122,219
Realized Gain	18,690	2,243	20,933
Total Investment Income	472,491	7,825	480,316
Appropriations	(221,332)	(7,825)	(229,157)
Endowment Net Assets - December 31, 2024	5,910,817	564,250	6,475,067
Contributions	-	-	-
Investment Income:			
Interest and Dividends	362,363	18,256	380,619
Unrealized Loss	277,132	16,912	294,044
Realized Loss	146,897	17,627	164,524
Total Investment Income	786,392	52,795	839,187
Appropriations	-	(52,795)	(52,795)
Endowment Net Assets - December 31, 2025	$ 6,697,209	$ 564,250	$ 7,261,459

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes:

	2025	2024
Subject to Expenditure for Specific Purpose:		
House Operations and Capital Projects	$ 164,795	$ 60,831
Subject to the Organization's Appropriation:		
Original Donor-Restricted Gift Required to be Maintained in Perpetuity by Donor	564,250	564,250
Total	$ 729,045	$ 625,081

NOTE 7 NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by donors as follows at December 31:

	2025	2024
Purpose Restrictions Accomplished:		
House Operations	$ 149,895	$ 20,000
Appropriation of Endowment	52,797	7,825
	$ 202,692	$ 27,825

NOTE 8 NET ASSETS WITHOUT DONOR RESTRICTIONS

The Organization's governing Board of Directors has designated net assets without donor restrictions for the following purposes as of December 31:

	2025	2024
Board-Designated Endowment	$ 6,697,209	$ 5,910,817
General Capital Reserve	272,575	272,575
Total	$ 6,969,784	$ 6,183,392

NOTE 9 LINE OF CREDIT

The Organization had a $500,000 unsecured line of credit available with a bank for operational purposes. The line of credit expired on December 31, 2025. Interest on outstanding borrowings was payable at the bank's prime rate. There were no borrowings against the line as of December 31, 2025 and 2024, respectively.

NOTE 10 TRANSACTIONS WITH RELATED ENTITIES

The Organization is a beneficiary of national fundraising efforts facilitated by Ronald McDonald House Charities, Inc. (RMHC Global). RMHC Global retains 25% of the funds from such efforts and remits the remaining proceeds to the Organization. During the years ended December 31, 2025 and 2024, the Organization received $370,061 and $167,205, respectively, from these revenue streams.

At December 31, 2025 and 2024, the Organization had $82,275 and $-, respectively, due from RMHC-Global.

NOTE 11 RETIREMENT PLAN

The Organization has a SIMPLE IRA plan available to employees who have received at least $5,000 in compensation during any calendar year preceding the current calendar year. Under the provisions of the plan, a participating employee may elect a salary reduction up to the maximum amount allowable by law. The Organization matches the employee contribution up to a maximum of 3% of the employee's compensation. Employer contributions to the plan were $22,137 and $22,209 for the years ended December 31, 2025 and 2024, respectively.