



RMHC[®]
Greater Delaware

**RONALD MCDONALD HOUSE CHARITIES
OF GREATER DELAWARE, INC.**

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

**YEARS ENDED
DECEMBER 31, 2024 AND 2023**

RONALD MCDONALD HOUSE CHARITIES OF GREATER DELAWARE, INC.
YEARS ENDED DECEMBER 31, 2024 AND 2023

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INDEPENDENT AUDITOR'S REPORT

May 13, 2025

To the Board of Directors
Ronald McDonald House Charities of Greater Delaware, Inc.
Wilmington, Delaware

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ronald McDonald House Charities of Greater Delaware, Inc., which comprise the statements of financial position as of December 31, 2024 and 2023, 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 present fairly, in all material respects, the financial position of Ronald McDonald House Charities of Greater Delaware, Inc., as of December 31, 2024 and 2023, 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 ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ronald McDonald House Charities of Greater Delaware, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Board of Directors
Ronald McDonald House Charities of Greater Delaware, Inc.

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 Ronald McDonald House Charities of Greater Delaware, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit 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 auditor's 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 GAAS 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 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 GAAS, 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 Ronald McDonald House Charities of Greater Delaware, Inc.'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 Ronald McDonald House Charities of Greater Delaware, Inc.'s ability to continue as a going concern for a reasonable period of time.

To the Board of Directors
Ronald McDonald House Charities of Greater Delaware, Inc.

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 audit.

Barbacane, Thornton & Company LLP
BARBACANE, THORNTON & COMPANY LLP

RONALD MCDONALD HOUSE CHARITIES OF GREATER DELAWARE, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 1,892,908	\$ 1,509,766
Cash and cash equivalents - restricted	1,200	42,400
Contributions receivable	319,171	331,757
Prepaid expenses	36,718	36,718
Inventory	11,004	11,004
Investments	8,887,673	7,902,104
Right of use operating lease asset	138,711	125,170
Property and equipment, net	5,173,980	5,313,983
TOTAL ASSETS	\$ 16,461,365	\$ 15,272,902
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 153,195	\$ 241,809
Other accrued expenses	39,580	64,939
Operating lease payable	138,711	125,170
TOTAL LIABILITIES	331,486	431,918
 NET ASSETS		
Without donor restrictions	15,446,529	14,302,334
With donor restrictions	683,350	538,650
TOTAL NET ASSETS	16,129,879	14,840,984
 TOTAL LIABILITIES AND NET ASSETS	\$ 16,461,365	\$ 15,272,902

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

RONALD MCDONALD HOUSE CHARITIES OF GREATER DELAWARE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAIN, AND OTHER SUPPORT			
Contributions	\$ 2,635,113	\$ 187,100	\$ 2,822,213
In-kind contributions	57,764	-	57,764
Special events revenue	1,275,143	-	1,275,143
Less: Direct benefit costs	<u>(383,013)</u>	<u>-</u>	<u>(383,013)</u>
Net Revenue from Special Events	<u>892,130</u>	<u>-</u>	<u>892,130</u>
RMH room donations/fees	365,114	-	365,114
Interest and dividend income	204,666	-	204,666
Other income	81,346	-	81,346
Net assets released from restrictions	42,400	<u>(42,400)</u>	<u>-</u>
Total Revenues, Gain, and Other Support	<u>4,278,533</u>	<u>144,700</u>	<u>4,423,233</u>
EXPENSES			
Program services	2,848,763	-	2,848,763
Support services:			
Management and general	445,266	-	445,266
Fundraising	<u>621,211</u>	<u>-</u>	<u>621,211</u>
Total Expenses	<u>3,915,240</u>	<u>-</u>	<u>3,915,240</u>
CHANGES IN NET ASSETS FROM OPERATIONS	363,293	144,700	507,993
REALIZED AND UNREALIZED GAINS (LOSSES), NET	<u>780,902</u>	<u>-</u>	<u>780,902</u>
CHANGE IN NET ASSETS	1,144,195	144,700	1,288,895
Net Assets - Beginning of Year	<u>14,302,334</u>	<u>538,650</u>	<u>14,840,984</u>
NET ASSETS - END OF YEAR	<u>\$ 15,446,529</u>	<u>\$ 683,350</u>	<u>\$ 16,129,879</u>

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

RONALD MCDONALD HOUSE CHARITIES OF GREATER DELAWARE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Contributions	\$ 1,931,776	\$ 42,400	\$ 1,974,176
In-kind contributions	55,272	-	55,272
Special events revenue	1,110,074	-	1,110,074
Less: Direct benefit costs	(341,912)	-	(341,912)
Net Revenue from Special Events	768,162	-	768,162
RMH room donations/fees	199,334	-	199,334
Interest and dividend income	164,864	-	164,864
Other income	17,997	-	17,997
Net assets released from restrictions	2,500	(2,500)	-
Total Revenues and Other Support	3,139,905	39,900	3,179,805
EXPENSES			
Program services	2,473,023	-	2,473,023
Support services:			
Management and general	393,320	-	393,320
Fundraising	557,205	-	557,205
Total Expenses	3,423,548	-	3,423,548
CHANGES IN NET ASSETS FROM OPERATIONS	(283,643)	39,900	(243,743)
REALIZED AND UNREALIZED GAINS (LOSSES), NET	989,378	-	989,378
CHANGE IN NET ASSETS	705,735	39,900	745,635
Net Assets - Beginning of Year	13,596,599	498,750	14,095,349
NET ASSETS - END OF YEAR	\$ 14,302,334	\$ 538,650	\$ 14,840,984

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

RONALD MCDONALD HOUSE CHARITIES OF GREATER DELAWARE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services			Support Services		
	Ronald McDonald House	Ronald McDonald Family Room	Total	Management and General	Fund Raising	Total
Salaries	\$ 667,630	\$ 54,934	\$ 722,564	\$ 276,436	\$ 369,493	\$ 1,368,493
Benefits	118,184	-	118,184	45,214	60,435	223,833
Payroll taxes	51,274	4,203	55,477	21,224	28,369	105,070
Total Salaries and Related Expenses	837,088	59,137	896,225	342,874	458,297	1,697,396
Administrative expenses	31,950	-	31,950	6,847	6,847	45,644
Bank charges	34,573	-	34,573	2,470	12,348	49,391
Cleaning services	139,180	-	139,180	7,732	7,732	154,644
Contract services	165,652	-	165,652	19,489	9,744	194,885
Direct mailings	94,016	-	94,016	-	55,216	149,232
Dues and subscriptions	1,979	-	1,979	124	371	2,474
House supplies	301,117	-	301,117	-	-	301,117
Insurance	28,596	-	28,596	1,682	3,364	33,642
Laundry and linens	58,090	-	58,090	-	-	58,090
Merchandise	5,273	-	5,273	-	-	5,273
Miscellaneous	43,462	-	43,462	-	-	43,462
Postage and delivery	3,880	-	3,880	1,035	259	5,174
Printing and publishing	71,494	-	71,494	10,213	20,427	102,134
Professional fees	77,992	-	77,992	15,598	10,399	103,989
Repairs and maintenance	119,310	-	119,310	2,512	3,768	125,590
Social services	205,467	-	205,467	-	-	205,467
Telephone	62,595	-	62,595	3,477	3,477	69,549
Training and seminars	8,344	-	8,344	1,669	1,113	11,126
Travel	13,559	-	13,559	2,543	848	16,950
Utilities	93,104	-	93,104	5,173	5,173	103,450
Volunteer expenses	10,341	-	10,341	574	574	11,489
Bad debt (recovery)	(1,350)	-	(1,350)	(75)	(75)	(1,500)
Subtotal	2,405,712	59,137	2,464,849	423,937	599,882	3,488,668
Depreciation	383,914	-	383,914	21,329	21,329	426,572
Total Expenses	<u>\$ 2,789,626</u>	<u>\$ 59,137</u>	<u>\$ 2,848,763</u>	<u>\$ 445,266</u>	<u>\$ 621,211</u>	<u>\$ 3,915,240</u>

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

RONALD MCDONALD HOUSE CHARITIES OF GREATER DELAWARE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program Services			Support Services		
	Ronald McDonald House	Ronald McDonald Family Room	Total	Management and General	Fund Raising	Total
Salaries	\$ 588,021	\$ 48,384	\$ 636,405	\$ 243,473	\$ 325,434	\$ 1,205,312
Benefits	109,400	-	109,400	41,854	55,943	207,197
Payroll taxes	44,095	3,701	47,796	18,286	24,441	90,523
Total Salaries and Related Expenses	741,516	52,085	793,601	303,613	405,818	1,503,032
Administrative expenses	28,124	-	28,124	6,027	6,027	40,178
Bank charges	36,770	-	36,770	2,626	13,132	52,528
Cleaning services	88,316	-	88,316	4,906	4,906	98,128
Contract services	148,370	-	148,370	17,455	8,728	174,553
Direct mailings	93,496	-	93,496	-	54,910	148,406
Dues and subscriptions	818	-	818	51	153	1,022
House supplies	77,042	-	77,042	-	-	77,042
Insurance	50,205	-	50,205	2,953	5,907	59,065
Laundry and linens	31,603	-	31,603	-	-	31,603
Merchandise	7,839	-	7,839	-	-	7,839
Miscellaneous	137,936	-	137,936	-	-	137,936
Postage and delivery	9,712	-	9,712	2,590	647	12,949
Printing and publishing	62,204	-	62,204	8,886	17,772	88,862
Professional fees	55,601	-	55,601	11,120	7,414	74,135
Repairs and maintenance	84,040	-	84,040	1,769	2,654	88,463
Social services	255,550	-	255,550	-	-	255,550
Telephone	15,009	-	15,009	834	834	16,677
Training and seminars	7,865	-	7,865	1,573	1,049	10,487
Travel	13,301	-	13,301	2,494	831	16,626
Utilities	99,598	-	99,598	5,533	5,533	110,664
Volunteer expenses	8,393	-	8,393	466	466	9,325
Bad debt (recovery)	-	-	-	-	-	-
Subtotal	2,053,308	52,085	2,105,393	372,896	536,781	3,015,070
Depreciation	367,630	-	367,630	20,424	20,424	408,478
Total Expenses	<u>\$ 2,420,938</u>	<u>\$ 52,085</u>	<u>\$ 2,473,023</u>	<u>\$ 393,320</u>	<u>\$ 557,205</u>	<u>\$ 3,423,548</u>

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

RONALD MCDONALD HOUSE CHARITIES OF GREATER DELAWARE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,288,895	\$ 745,635
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	426,572	408,478
Realized/unrealized (gains) losses on investments, net of expenses	(780,902)	(989,378)
Changes in operating assets and liabilities:		
(Increase) Decrease in contributions receivable	12,586	(310,887)
Increase (Decrease) in accounts payable	(88,614)	95,009
Increase (Decrease) in other accrued expenses	(25,359)	28,716
Increase (Decrease) in inventory	-	(11,004)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>833,178</u>	<u>(33,431)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(286,569)	(257,206)
Proceeds from sale of investments	516,738	163,623
Investment purchases	<u>(721,405)</u>	<u>(237,804)</u>
NET CASH PROVIDED (USED) BY INVESTMENT ACTIVITIES	<u>(491,236)</u>	<u>(331,387)</u>
 NET CHANGE IN CASH AND CASH EQUIVALENTS	341,942	(364,818)
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,552,166</u>	<u>1,916,984</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,894,108</u>	<u>\$ 1,552,166</u>
 SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Taxes paid	<u>\$ -</u>	<u>\$ -</u>
 RECONCILIATION OF CASH AND CASH EQUIVALENTS:		
Cash and cash equivalents	\$ 1,892,908	\$ 1,509,766
Cash and cash equivalents - restricted	1,200	42,400
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 1,894,108</u>	<u>\$ 1,552,166</u>

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

RONALD MCDONALD HOUSE CHARITIES OF GREATER DELAWARE, INC.
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Organization

The Ronald McDonald House Charities of Greater Delaware, Inc. ("the Organization") is a Delaware 501(c)(3) nonprofit charitable corporation formed on March 13, 1987. The mission of the Organization is to serve families with seriously ill children by enabling access to medical care and to provide a place that offers comfort, hope, and togetherness. The Organization ascribes to the following core values: we are compassionate to families and children through dedicated volunteers and staff; we are attentive to the needs of the families, the hospital, and the community; we are responsible both fiscally and emotionally with pride and stewardship toward our facilities; and we are engaged in making the lives of families better during their stay.

We fulfill our mission through the operation of sustainable programs that enable family centered care, bridge access to quality healthcare, are a vital part of the healthcare continuum, and strengthen families during difficult times. The following programs are operated by the Organization:

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

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

Name Change

On June 7, 2023, the Ronald McDonald House of Delaware became Ronald McDonald House Charities of Greater Delaware. Becoming a Charities chapter will allow us to bring more

RONALD MCDONALD HOUSE CHARITIES OF GREATER DELAWARE, INC.
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (cont'd)

programming to more families in need and expand the delivery of our mission. This change will also expand our fundraising territory, providing more opportunities for the community to support the Organization's programs. While we are still in the process of our name change, you will note that the name on some documents may still be "Ronald McDonald House of Delaware" while we await new forms and updated documents. Our EIN remains the same.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management of the Organization to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash Equivalents

Cash equivalents include money market funds and all highly liquid investments with a maturity date of less than three months from the date of purchase. The Organization's cash balances that are maintained in bank accounts may exceed Federal Deposit Insurance Corporation limits from time to time. The Organization has not experienced any losses in such accounts, and management believes that it is not exposed to any significant credit risk on cash.

Restricted Cash

Restricted cash consists of funds held in the Organization's bank accounts which is subject to donor-imposed restrictions on its use.

Contributions Receivable

Contributions receivable are unconditional promises to give. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows if significantly different from net realizable value. Contributions receivable are written off when deemed uncollectible.

RONALD MCDONALD HOUSE CHARITIES OF GREATER DELAWARE, INC.
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (cont'd)

The Organization is the beneficiary under various wills and trust agreements of which the total realizable amount is not presently determinable. Such amounts are recorded when a will is declared valid by probate court, and the proceeds are measurable.

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Realized and unrealized gains and losses and income are included in the statements of activities.

Fair Value Measurements

In determining fair value, the Organization uses various valuation approaches within the fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability. A hierarchy for inputs is 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. Levels within the hierarchy are based on the reliability of inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;

Level 2 – Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets; and

Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models, and similar techniques not based on market, exchange, dealer, or broker-traded transactions.

Property and Equipment

Property and equipment are stated at cost, if purchased, or estimated fair value, if donated, at the date of donation. Additions of \$1,500 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as incurred. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	5 - 40 years
Office furniture and equipment	3 - 10 years
Vehicles	5 years

RONALD MCDONALD HOUSE CHARITIES OF GREATER DELAWARE, INC.
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (cont'd)

Impairment of Long-lived Assets

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 values.

Donated Assets, Property and Equipment, and Services

Donated marketable securities, property and equipment, and other noncash donations are recorded as contributions at their fair values at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use are reported as net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Donated services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization also receives donated services from other contributors and volunteers that are not measurable and, therefore, are excluded from the financial statements.

Deferred Revenue

Income from sponsorships received in advance of future special events is deferred and recognized over the periods to which the sponsorships relate.

Net Assets

The Organization's net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions or law.

RONALD MCDONALD HOUSE CHARITIES OF GREATER DELAWARE, INC.
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (cont'd)

Net Assets With Donor Restrictions – Net assets subject to restrictions imposed by donor or law. These restrictions may be removed either by actions of the Organization or the passage of time, or may exist in perpetuity.

Revenue Recognition

Unconditional promises to give are recognized as revenue in the period the promise was made. Conditional promises are recorded as revenue when the conditions are substantially met. 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. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Direct Mail

Direct mail costs are charged to operations when the activity first takes place. Direct mail costs include expenses of printing and postage for brochures and newsletters which have a specific appeal for contributions.

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses not directly attributable to a specific category require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, benefits, and payroll taxes, which are allocated on the basis of estimates of time and effort as well as depreciation, utilities, and cleaning services, which are allocated on an approximate square-footage basis. The allocation of joint costs for programmatic activities which include a fundraising appeal is discussed in Note 13.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income, if any, from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b) (1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

RONALD MCDONALD HOUSE CHARITIES OF GREATER DELAWARE, INC.
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTES TO FINANCIAL STATEMENTS

NOTE 2 CONTRIBUTIONS RECEIVABLE

Contributions receivable consist primarily of pledges and bequests as of December 31:

	<u>2024</u>	<u>2023</u>
Amounts due in less than one year	\$ 319,171	\$ 331,757
Total	<u>\$ 319,171</u>	<u>\$ 331,757</u>

NOTE 3 FAIR VALUE MEASUREMENTS

The fair values of assets measured on a recurring basis as of December 31, 2024 and 2023 are as follows:

<u>Assets</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Fair Value Measurements at December 31, 2024 Using</u>	
			<u>Level 1</u>	<u>Level 2</u>
Investments				
Mutual funds:				
Equity index funds	\$ 1,545,965	\$ 4,325,784	\$ 4,325,784	\$ -
Bond index funds	3,528,541	3,581,636	3,581,636	-
International index funds	662,894	862,019	862,019	-
Pooled asset trust	109,426	111,738	-	111,738
Money market funds	6,496	6,496	6,496	-
Total	<u>\$ 5,853,322</u>	<u>\$ 8,887,673</u>	<u>\$ 8,775,935</u>	<u>\$ 111,738</u>

<u>Assets</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Fair Value Measurements at December 31, 2023 Using</u>	
			<u>Level 1</u>	<u>Level 2</u>
Investments				
Mutual funds:				
Equity index funds	\$ 1,590,102	\$ 3,951,005	\$ 3,951,005	\$ -
Bond index funds	3,333,468	3,067,271	3,067,271	-
International index funds	657,295	774,120	774,120	-
Pooled asset trust	102,891	103,528	-	103,528
Money market funds	6,180	6,180	6,180	-
Total	<u>\$ 5,689,936</u>	<u>\$ 7,902,104</u>	<u>\$ 7,798,576</u>	<u>\$ 103,528</u>

RONALD MCDONALD HOUSE CHARITIES OF GREATER DELAWARE, INC.
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTES TO FINANCIAL STATEMENTS

NOTE 3 FAIR VALUE MEASUREMENTS (cont'd)

The composition of investment income on the Organization's investment portfolio for the years ended December 31, 2024 and 2023 is as follows:

	2024	2023
Interest and dividend income	\$ 204,666	\$ 164,864
Realized and unrealized gains (losses), net of expenses	780,902	989,378
Investment Income (Loss), Net	\$ 985,568	\$ 1,154,242

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31:

	2024	2023
Land	\$ 629,100	\$ 629,100
Building and improvements	10,765,182	10,584,026
Office furniture and equipment	2,352,745	2,247,332
Vehicles	151,009	151,009
Total, at cost	13,898,036	13,611,467
Accumulated depreciation	(8,724,056)	(8,297,484)
Total Property and Equipment, Net	\$ 5,173,980	\$ 5,313,983

NOTE 5 LINE OF CREDIT

The Organization has a \$200,000 unsecured line of credit with M&T Bank. The line of credit bears interest at the floating national commercial rate (7.75% at December 31, 2024 and 8.75% at December 31, 2023). The Organization had no balance outstanding at December 31, 2024 and 2023, and did not use the line of credit during 2024 or 2023.

During the year ended December 31, 2023, the Organization obtained an additional \$200,000 unsecured line of credit with Chase Bank. The line of credit bears interest at a floating rate established by Chase Bank (6.402% at December 31, 2024 and 7.252% at December 31, 2023). The Organization had no balance outstanding at December 31, 2024 and 2023, and did not use the line of credit during 2024 or 2023.

RONALD MCDONALD HOUSE CHARITIES OF GREATER DELAWARE, INC.
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NOTES TO FINANCIAL STATEMENTS

NOTE 6 NET ASSETS

Net Assets Without Donor Restrictions

The Board has designated a contingency reserve for organizational continuity based on information retrieved from the Better Business Bureau and for repairs and equipment expenses which may not be anticipated and, therefore, are not covered in a particular year's operating budget (maintenance reserve fund). Net assets without donor restrictions, including Board designations, were as follows as of December 31:

	2024	2023
Board designated – contingency reserve	\$ 6,842,272	\$ 6,072,800
Board designated – maintenance reserve	1,501,962	1,333,054
Expended (property and equipment)	5,173,980	5,313,983
Undesignated	1,928,315	1,582,497
Total Net Assets Without Donor Restrictions	\$ 15,446,529	\$ 14,302,334

Net Assets With Donor Restrictions

Net assets with donor restrictions were available for the following programs and purposes as directed by donors as of December 31:

	2024	2023
Ronald McDonald House Charities of Greater Delaware:		
Lunches with Love	\$ 200	\$ -
Library books	1,000	-
Spoonful of Hope	185,900	-
Salsthon	-	42,400
Net assets to be held in perpetuity	496,250	496,250
	\$ 683,350	\$ 538,650

Net Assets to be Held in Perpetuity

The Organization's net assets to be held in perpetuity consist of the original contribution by Mrs. J. Kroc to the Organization. The amount is restricted for funding housing operations. Income from the assets above the original contribution amount of \$496,250 can be spent on Ronald McDonald House Charities of Greater Delaware operations.

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NOTES TO FINANCIAL STATEMENTS

NOTE 6 NET ASSETS (cont'd)

Net assets were released from restrictions as follows:

	2024	2023
Ronald McDonald House Charities of Greater Delaware:		
Salsthon	\$ 42,400	\$ -
Hospitality carts	-	2,500
	\$ 42,400	\$ 2,500

NOTE 7 LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets consist of cash and cash equivalents, including restricted cash and cash equivalents, contributions receivable, and investments.

The following reflects the Organization's financial assets as of December 31, 2024 and 2023, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts not available include amounts set aside for contingency and maintenance reserves that could be drawn upon if the governing board approves that action.

	2024	2023
Financial assets, at year-end	\$11,100,952	\$ 9,786,027
Less those unavailable for general expenditures within one year due to:		
Donor-imposed purpose or time restrictions	683,350	538,650
Board-designated – contingency reserve	6,842,272	6,072,800
Board-designated – maintenance reserve	1,501,962	1,333,054
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,073,368	\$ 1,841,523

Of the Organization's financial assets subject to donor-imposed purpose or time restrictions, \$496,250 are restricted to be held in perpetuity and, therefore, will not be available for general expenditure within one year of the statement of financial position date. Contributions receivable are subject to implied time restrictions. The Organization has a goal to maintain financial assets on hand to meet 60 days of normal operating expenses (excluding depreciation), which is approximately \$535,000. The Organization utilizes capital campaign and grant funding for major capital expenditures and utilizes an annual capital budget and, therefore, does not include depreciation expense when evaluating operating expenses for liquidity purposes. The Organization has a policy to structure its financial assets to be available

RONALD MCDONALD HOUSE CHARITIES OF GREATER DELAWARE, INC.
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NOTES TO FINANCIAL STATEMENTS

NOTE 7 LIQUIDITY AND AVAILABILITY OF RESOURCES (cont'd)

as its general expenditures, liabilities, and other obligations come due. As described in Note 5, the Organization also has available lines of credit in the amount of \$400,000, which it could draw upon in the event of an unanticipated liquidity need.

The Organization is currently raising funds for a five-year capital plan.

NOTE 8 DONATED GOODS AND SERVICES

The fair value of donated materials and services included as contributions in the financial statements and the corresponding expense categories for the years ended December 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Donated materials	\$ 25,978	\$ 22,603
Outside vendor services	<u>31,786</u>	<u>32,669</u>
Total	<u>\$ 57,764</u>	<u>\$ 55,272</u>

Donated goods and services are valued at retail cost for equivalent goods and services, and are used in the Organization's operations. In addition, volunteers contributed 17,333 and 15,575 hours of services during 2024 and 2023, respectively. These volunteer hour contributions are not reflected in the financial statements since these services do not meet the criteria for recognition.

NOTE 9 RETIREMENT PLAN

The Organization has a 401(k) retirement plan covering all employees who meet the eligibility requirements. Employees may make contributions to the plan up to the maximum allowed by the Internal Revenue Code, if they wish. The Organization contributes a match of employee contributions of up to 4% of an employee's salary. Employer contributions to the plan were \$42,394 and \$39,341 for 2024 and 2023, respectively.

NOTE 10 OPERATING LEASES

The Organization has non-cancellable operating leases for office equipment that expire in March 2029. Total rental payments under this lease were \$45,863 for 2024 and \$13,668 for 2023, and are included in contract services on the statement of functional expenses. The

RONALD MCDONALD HOUSE CHARITIES OF GREATER DELAWARE, INC.
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NOTES TO FINANCIAL STATEMENTS

NOTE 10 OPERATING LEASES (cont'd)

weighted life of these leases is 3.77 years at December 31, 2024. The leases are reflected at a discount rate of 3%.

Future minimum lease payments on these leases are as follows:

<u>Year Ending December 31,</u>	
2025	\$ 45,863
2026	40,473
2027	39,395
2028	25,277
2029	2,700
	<u>153,708</u>
	<u>(14,997)</u>
Less: Discount Total	<u>\$ 138,711</u>

NOTE 11 CONCENTRATION OF CREDIT RISK

The Organization maintains its cash in bank deposit accounts which, at times, may exceed the federally insured limit of \$250,000 per financial institution. The Organization has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risk on its cash balances. The uninsured balance was \$1,139,621 and \$815,738 at December 31, 2024 and 2023, respectively.

NOTE 12 SPECIAL EVENTS

The Organization holds a number of special events each year to raise funds. A summary of the activities for the years ended December 31, 2024 and 2023 is as follows:

	<u>2024</u>		
	<u>Revenue</u>	<u>Expenses</u>	<u>Net Proceeds</u>
Share a Night	\$ 82,462	\$ 10,452	\$ 72,010
Golf outing	572,574	188,236	384,338
Run/Walk 5k	107,015	29,496	77,519
Wine, Women & Shoes	513,092	154,829	358,263
	<u>\$ 1,275,143</u>	<u>\$ 383,013</u>	<u>\$ 892,130</u>

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NOTES TO FINANCIAL STATEMENTS

NOTE 12 SPECIAL EVENTS (cont'd)

	2023		
	Revenue	Expenses	Net Proceeds
Share a Night	\$ 80,450	\$ 22,584	\$ 57,866
Golf outing	501,345	169,758	331,587
Run/Walk 5k	117,053	17,433	99,620
Wine, Women & Shoes	411,226	132,137	279,089
	\$ 1,110,074	\$ 341,912	\$ 768,162

NOTE 13 JOINT COSTS OF ACTIVITIES THAT INCLUDE A FUNDRAISING APPEAL

The Organization achieves some of its programmatic goals in direct mail campaigns that include requests for contributions. The costs of conducting those campaigns included joint costs totaling \$149,232 and \$148,406 in 2024 and 2023, respectively, that are not directly attributable to either the programming or the fundraising component of the activities. Those joint costs were allocated as follows:

	2024	2023
Program services	\$ 94,016	\$ 93,496
Fundraising	55,216	54,910
Total	\$ 149,232	\$ 148,406

NOTE 14 TRANSACTIONS WITH RELATED ENTITIES

Ronald McDonald House Charities ("RMHC") is a system of independent, separately registered public benefit organizations, referred to as "Chapters" within the global organization. The Organization is an independent operating Chapter within the RMHC system. Each Chapter is licensed by McDonald's Corporation and Ronald McDonald House Charities, Inc. to use RMHC-related trademarks in conjunction with fundraising activities and the operation of its programs; the License Agreement also sets standards of operations for programs, governance, finance, branding, and reporting.

Ronald McDonald House Charities, Inc. ("RMHC Global"), a separately registered nonprofit organization, ensures delivery of the mission across the globe. As a center of excellence, RMHC Global builds and sustains a robust infrastructure of support to the network of Chapters,

RONALD MCDONALD HOUSE CHARITIES OF GREATER DELAWARE, INC.
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NOTES TO FINANCIAL STATEMENTS

NOTE 14 TRANSACTIONS WITH RELATED ENTITIES (cont'd)

including operations, licensing and compliance, finance, risk management, communications, marketing, and development. As a new charity chapter, the Organization receives 75% of net revenues from all national fundraising efforts facilitated by RMHC Global, as defined by the license agreement. During the years ended December 31, 2024 and 2023, the Organization received \$274,627 and \$211,456, respectively, from these revenue streams.

NOTE 15 SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through May 13, 2025, the date the financial statements were available to be issued.