# RONALD MCDONALD HOUSE CHARITIES OF GREATER DELAWARE, INC.

## REPORT ON AUDIT OF FINANCIAL STATEMENTS

## YEARS ENDED DECEMBER 31, 2025 AND 2024

RONALD MCDONALD HOUSE CHARITIES OF GREATER DELAWARE, INC.
YEARS ENDED DECEMBER 31, 2025 AND 2024

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# INDEPENDENT AUDITOR'S REPORT

May 7, 2026

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, 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 present fairly, in all material respects, the financial position of Ronald McDonald House Charities of Greater Delaware, Inc., as of 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 ("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.

### 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



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

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.

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, 2025 AND 2024**

| | 2025 | 2024 |
|---|---|---|
| **ASSETS** | | |
| Cash and cash equivalents | $ 1,292,324 | $ 1,892,908 |
| Cash and cash equivalents - restricted | 1,000 | 1,200 |
| Contributions receivable | 250,363 | 319,171 |
| Prepaid expenses | 51,718 | 36,718 |
| Inventory | 11,004 | 11,004 |
| Investments | 10,131,232 | 8,887,673 |
| Right of use operating lease asset | 166,219 | 138,711 |
| Property and equipment, net | 5,315,861 | 5,173,980 |
| TOTAL ASSETS | $ 17,219,721 | $ 16,461,365 |
| **LIABILITIES AND NET ASSETS** | | |
| **LIABILITIES** | | |
| Accounts payable | $ 118,558 | $ 153,195 |
| Other accrued expenses | 62,162 | 39,580 |
| Deferred revenue | 4,867 | - |
| Operating lease payable | 166,219 | 138,711 |
| TOTAL LIABILITIES | 351,806 | 331,486 |
| **NET ASSETS** | | |
| Without donor restrictions | 16,370,665 | 15,446,529 |
| With donor restrictions | 497,250 | 683,350 |
| TOTAL NET ASSETS | 16,867,915 | 16,129,879 |
| TOTAL LIABILITIES AND NET ASSETS | $ 17,219,721 | $ 16,461,365 |

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, 2025**

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| **REVENUES, GAIN, AND OTHER SUPPORT** | | | |
| Contributions | $ 2,404,124 | $ 250,000 | $ 2,654,124 |
| In-kind contributions | 216,302 | - | 216,302 |
| Special events revenue | 1,339,491 | - | 1,339,491 |
| Less: Direct benefit costs | (430,750) | - | (430,750) |
| Net Revenue from Special Events | 908,741 | - | 908,741 |
| Occupancy based fees | 328,279 | - | 328,279 |
| Interest and dividend income | 241,692 | - | 241,692 |
| Other income | 56,875 | - | 56,875 |
| Net assets released from restrictions | 436,100 | (436,100) | - |
| Total Revenues, Gain, and Other Support | 4,592,113 | (186,100) | 4,406,013 |
| **EXPENSES** | | | |
| Program services | 3,532,376 | - | 3,532,376 |
| Support services: | | | |
| Management and general | 403,510 | - | 403,510 |
| Fundraising | 725,753 | - | 725,753 |
| Total Expenses | 4,661,639 | - | 4,661,639 |
| **CHANGES IN NET ASSETS FROM OPERATIONS** | (69,526) | (186,100) | (255,626) |
| **REALIZED AND UNREALIZED GAINS (LOSSES), NET** | 993,662 | - | 993,662 |
| **CHANGE IN NET ASSETS** | 924,136 | (186,100) | 738,036 |
| Net Assets - Beginning of Year | 15,446,529 | 683,350 | 16,129,879 |
| **NET ASSETS - END OF YEAR** | $ 16,370,665 | $ 497,250 | $ 16,867,915 |

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

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| **REVENUES 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 | (383,013) | - | (383,013) |
| Net Revenue from Special Events | 892,130 | - | 892,130 |
| Occupancy based 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 | (42,400) | - |
| Total Revenues and Other Support | 4,278,533 | 144,700 | 4,423,233 |
| **EXPENSES** | | | |
| Program services | 2,848,763 | - | 2,848,763 |
| Support services: | | | |
| Management and general | 445,266 | - | 445,266 |
| Fundraising | 621,211 | - | 621,211 |
| Total Expenses | 3,915,240 | - | 3,915,240 |
| **CHANGES IN NET ASSETS FROM OPERATIONS** | 363,293 | 144,700 | 507,993 |
| **REALIZED AND UNREALIZED GAINS (LOSSES), NET** | 780,902 | - | 780,902 |
| **CHANGE IN NET ASSETS** | 1,144,195 | 144,700 | 1,288,895 |
| Net Assets - Beginning of Year | 14,302,334 | 538,650 | 14,840,984 |
| **NET ASSETS - END OF YEAR** | $ 15,446,529 | $ 683,350 | $ 16,129,879 |

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, 2025**

| | Program Services | | | Support Services | | |
|---|---|---|---|---|---|---|
| | Ronald McDonald House | Ronald McDonald Family Room | Total | Management and General | Fund Raising | Total |
| Salaries | $ 803,635 | $ 97,237 | $ 900,872 | $ 230,704 | $ 420,126 | $ 1,551,702 |
| Benefits | 134,570 | - | 134,570 | 34,462 | 62,758 | 231,790 |
| Payroll taxes | 71,571 | 15,991 | 87,562 | 22,424 | 40,835 | 150,821 |
| Total Salaries and Related Expenses | 1,009,776 | 113,228 | 1,123,004 | 287,590 | 523,719 | 1,934,313 |
| Administrative expenses | 33,725 | - | 33,725 | 7,227 | 7,227 | 48,179 |
| Bank charges | 61,122 | - | 61,122 | 4,366 | 21,829 | 87,317 |
| Cleaning services | 126,036 | - | 126,036 | 7,002 | 7,002 | 140,040 |
| Contract services | 209,206 | - | 209,206 | 24,613 | 12,306 | 246,125 |
| Direct mailings | 124,365 | - | 124,365 | - | 73,039 | 197,404 |
| Dues and subscriptions | 525 | - | 525 | 33 | 99 | 657 |
| Insurance | 83,545 | - | 83,545 | 4,914 | 9,829 | 98,288 |
| Laundry and linens | 74,475 | - | 74,475 | - | - | 74,475 |
| Meals and supplies | 524,900 | - | 524,900 | - | - | 524,900 |
| Merchandise | 3,497 | - | 3,497 | - | - | 3,497 |
| Miscellaneous | 98,011 | - | 98,011 | - | - | 98,011 |
| Postage and delivery | 7,623 | - | 7,623 | 2,033 | 508 | 10,164 |
| Printing and publishing | 71,884 | - | 71,884 | 10,269 | 20,538 | 102,691 |
| Professional fees | 83,147 | - | 83,147 | 16,629 | 11,086 | 110,862 |
| Repairs and maintenance | 134,169 | - | 134,169 | 2,825 | 4,237 | 141,231 |
| Social services | 168,623 | - | 168,623 | - | - | 168,623 |
| Telephone | 55,687 | - | 55,687 | 3,094 | 3,094 | 61,875 |
| Training and seminars | 8,856 | - | 8,856 | 1,771 | 1,181 | 11,808 |
| Travel | 8,676 | - | 8,676 | 1,627 | 542 | 10,845 |
| Utilities | 121,689 | - | 121,689 | 6,761 | 6,761 | 135,211 |
| Volunteer expenses | 9,600 | - | 9,600 | 533 | 533 | 10,666 |
| Subtotal | 3,019,137 | 113,228 | 3,132,365 | 381,287 | 703,530 | 4,217,182 |
| Depreciation | 400,011 | - | 400,011 | 22,223 | 22,223 | 444,457 |
| Total Expenses | $ 3,419,148 | $ 113,228 | $ 3,532,376 | $ 403,510 | $ 725,753 | $ 4,661,639 |

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 |
| Insurance | 28,596 | - | 28,596 | 1,682 | 3,364 | 33,642 |
| Laundry and linens | 58,090 | - | 58,090 | - | - | 58,090 |
| Meals and supplies | 301,117 | - | 301,117 | - | - | 301,117 |
| 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 | $ 2,789,626 | $ 59,137 | $ 2,848,763 | $ 445,266 | $ 621,211 | $ 3,915,240 |

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, 2025 AND 2024

| | 2025 | 2024 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | |
| Change in net assets | $ 738,036 | $ 1,288,895 |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: | | |
| Depreciation | 444,457 | 426,572 |
| Realized/unrealized (gains) losses on investments, net of expenses | (993,662) | (780,902) |
| Changes in operating assets and liabilities: | | |
| (Increase) Decrease in contributions receivable | 68,808 | 12,586 |
| (Increase) Decrease in prepaid expenses | (15,000) | - |
| Increase (Decrease) in accounts payable | (34,637) | (88,614) |
| Increase (Decrease) in other accrued expenses | 22,582 | (25,359) |
| Increase (Decrease) in deferred revenue | 4,867 | - |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | 235,451 | 833,178 |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | |
| Purchase of property and equipment | (586,338) | (286,569) |
| Proceeds from sale of investments | 415,667 | 516,738 |
| Investment purchases | (665,564) | (721,405) |
| NET CASH PROVIDED (USED) BY INVESTMENT ACTIVITIES | (836,235) | (491,236) |
| **NET CHANGE IN CASH AND CASH EQUIVALENTS** | (600,784) | 341,942 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 1,894,108 | 1,552,166 |
| **CASH AND CASH EQUIVALENTS, END OF YEAR** | $ 1,293,324 | $ 1,894,108 |
| **SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:** | | |
| Interest paid | $ - | $ - |
| Taxes paid | $ - | $ - |
| **RECONCILIATION OF CASH AND CASH EQUIVALENTS:** | | |
| Cash and cash equivalents | $ 1,292,324 | $ 1,892,908 |
| Cash and cash equivalents - restricted | 1,000 | 1,200 |
| TOTAL CASH AND CASH EQUIVALENTS | $ 1,293,324 | $ 1,894,108 |

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

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 provide essential services that remove barriers, strengthen families, and promote healing when children need healthcare. The Organization ascribes to the following core values: we lead with compassion, we are deeply respectful, we act with integrity, and we are firmly committed.

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.

### 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

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

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.

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

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

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 |

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

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

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.

*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.

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

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.

NOTE 2 CONTRIBUTIONS RECEIVABLE

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

| | 2025 | 2024 |
|---|---|---|
| Amounts due in less than one year | $ 250,363 | $ 319,171 |
| Total | $ 250,363 | $ 319,171 |

NOTE 3 FAIR VALUE MEASUREMENTS

The fair values of assets measured on a recurring basis as of December 31, 2025 and 2024 are as follows:

| Assets | Cost | Fair Value | Fair Value Measurements at December 31, 2025 Using Level 1 | Level 2 |
|---|---|---|---|---|
| Investments | | | | |
| Mutual funds: | | | | |
| Equity index funds | $ 1,569,089 | $ 5,033,446 | $ 5,033,446 | $ - |
| Bond index funds | 3,528,541 | 3,953,338 | 3,953,338 | - |
| International index funds | 662,894 | 1,017,736 | 1,017,736 | - |
| Pooled asset trust | 109,426 | 119,949 | - | 119,949 |
| Money market funds | 6,763 | 6,763 | 6,763 | - |
| Total | $ 5,876,713 | $ 10,131,232 | $ 10,011,283 | 119,949 |

| Assets | Cost | Fair Value | Fair Value Measurements at December 31, 2024 Using Level 1 | Level 2 |
|---|---|---|---|---|
| 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 | $ 5,853,322 | $ 8,887,673 | $ 8,775,935 | $ 111,738 |

The composition of investment income on the Organization's investment portfolio for the years ended December 31, 2025 and 2024 is as follows:

| | 2025 | 2024 |
|---|---|---|
| Interest and dividend income | $ 241,692 | $ 204,666 |
| Realized and unrealized gains (losses), net of expenses | 993,662 | 780,902 |
| Investment Income (Loss), Net | $ 1,235,354 | $ 985,568 |

## NOTE 4 PROPERTY AND EQUIPMENT

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

| | 2025 | 2024 |
|---|---|---|
| Land | $ 629,100 | $ 629,100 |
| Construction in progress | 45,000 | - |
| Building and improvements | 11,128,909 | 10,765,182 |
| Office furniture and equipment | 2,500,522 | 2,352,745 |
| Vehicles | 180,843 | 151,009 |
| Total, at cost | 14,484,374 | 13,898,036 |
| Accumulated depreciation | (9,168,513) | (8,724,056) |
| Total Property and Equipment, Net | $ 5,315,861 | $ 5,173,980 |

## 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 (6.75% at December 31, 2025 and 7.75% at December 31, 2024). The Organization had no balance outstanding at December 31, 2025 and 2024, and did not use the line of credit during 2025 or 2024.

## 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:

| | 2025 | 2024 |
|---|---|---|
| Board designated – contingency reserve | $ 7,884,547 | $ 6,842,272 |
| Board designated – maintenance reserve | 1,730,754 | 1,501,962 |
| Expended (property and equipment) | 5,315,861 | 5,173,980 |
| Undesignated | 1,439,503 | 1,928,315 |
| Total Net Assets Without Donor Restrictions | $ 16,370,665 | $ 15,446,529 |

NOTE 6 NET ASSETS (cont'd)

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:

| | 2025 | 2024 |
|---|---|---|
| Ronald McDonald House Charities of Greater Delaware: | | |
| Lunches with Love | $ - | $ 200 |
| Library books | 1,000 | 1,000 |
| Spoonful of Hope | - | 185,900 |
| Net assets to be held in perpetuity | 496,250 | 496,250 |
| | $ 497,250 | $ 683,350 |

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.

Net assets were released from restrictions as follows:

| | 2025 | 2024 |
|---|---|---|
| Ronald McDonald House Charities of Greater Delaware: | | |
| Salsthon | $ 200 | $ 42,400 |
| Spoonful of hope | 185,900 | - |
| Capital projects (playground, HVAC) | 250,000 | - |
| | $ 436,100 | $ 42,400 |

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, 2025 and 2024, 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

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

include amounts set aside for contingency and maintenance reserves that could be drawn upon if the governing board approves that action.

| | 2025 | 2024 |
|---|---|---|
| Financial assets, at year-end | $11,674,919 | $11,100,952 |
| Less those unavailable for general expenditures within one year due to: | | |
| Donor-imposed purpose or time restrictions | 497,250 | 683,350 |
| Board-designated – contingency reserve | 7,884,547 | 6,842,272 |
| Board-designated – maintenance reserve | 1,730,754 | 1,501,962 |
| Financial assets available to meet cash needs for general expenditures within one year | $ 1,562,368 | $ 2,073,368 |

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 $633,000. 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 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 $200,000, 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, 2025 and 2024 are as follows:

| | 2025 | 2024 |
|---|---|---|
| Donated materials | $ 171,640 | $ 25,978 |
| Outside vendor services | 44,662 | 31,786 |
| Total | $ 216,302 | $ 57,764 |

NOTE 8 DONATED GOODS AND SERVICES (cont'd)

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 23,930 and 17,333 hours of services during 2025 and 2024, 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 $33,079 and $42,394 for 2025 and 2024, 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 2025 and $33,648 for 2024 and are included in contract services on the statement of functional expenses. The weighted life of these leases is 3.77 years at December 31, 2025. The leases are reflected at a discount rate of 3%.

Future minimum lease payments on these leases are as follows:

| Year Ending December 31, | |
|---|---|
| 2026 | $ 70,284 |
| 2027 | 69,206 |
| 2028 | 35,205 |
| 2029 | 8,653 |
| | 183,348 |
| | (17,129) |
| Less: Discount Total | $ 166,219 |

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

NOTE 11 CONCENTRATION OF CREDIT RISK (cont'd)

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 $482,596 and $1,139,621 at December 31, 2025 and 2024, 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, 2025 and 2024 is as follows:

| | 2025 | | |
|---|---|---|---|
| | Revenue | Expenses | Net Proceeds |
| Share a Night | $ 50,271 | $ 15,458 | $ 34,813 |
| Golf outing | 628,837 | 208,689 | 420,148 |
| Run/Walk 5k | 112,117 | 42,506 | 69,611 |
| Wine, Women & Shoes | 548,266 | 164,097 | 384,169 |
| | $ 1,339,491 | $ 430,750 | $ 908,741 |

| | 2024 | | |
|---|---|---|---|
| | Revenue | Expenses | Net Proceeds |
| 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 |
| | $ 1,275,143 | $ 383,013 | $ 892,130 |

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 $197,404 and $149,232 in 2025 and 2024, respectively, that are not directly attributable to either the programming or the fundraising component of the activities. Those joint costs were allocated as follows:

## NOTE 13 JOINT COSTS OF ACTIVITIES THAT INCLUDE A FUNDRAISING APPEAL (cont'd)

| | 2025 | 2024 |
|---|---|---|
| Program services | $ 124,365 | $ 94,016 |
| Fundraising | 73,039 | 55,216 |
| Total | $ 197,404 | $ 149,232 |

## 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, 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, 2025 and 2024, the Organization received $127,224 and $274,627, respectively, from these revenue streams.

## NOTE 15 SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through May 7, 2026, the date the financial statements were available to be issued.