RONALD MCDONALD HOUSE CHARITIES
MIDWEST MN, WI, IA

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2025 AND 2024

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Ronald McDonald House Charities Midwest MN, WI, IA
Rochester, Minnesota

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ronald McDonald House Charities Midwest MN, WI, IA 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 Midwest MN, WI, IA as of December 31, 2025 and 2024, and its changes in 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ronald McDonald House Charities Midwest MN, WI, IA 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 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 Midwest MN, WI, IA's ability to continue as a going concern within one year after the date the financial statements are available to be issued.

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Auditors' 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 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 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 Midwest MN, WI, IA'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 Midwest MN, WI, IA'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.

CliftonLarsonAllen LLP

Austin, Minnesota
March 23, 2026

RONALD MCDONALD HOUSE CHARITIES MIDWEST MN, WI, IA
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 4,203,579	$ 3,034,653
Contributions Receivable	196,580	179,451
Materials for Resale	13,129	15,588
Prepaid Expenses	49,462	28,992
Total Current Assets	4,462,750	3,258,684
NONCURRENT ASSETS		
Contributions Receivable, Net	107,500	150,000
Investments	10,090,505	8,439,718
Interest Receivable	-	2,261
Charitable Trust Split-Interest Agreement	170,195	171,523
Property and Equipment, Net	16,458,779	17,073,087
Beneficial Use of Land	1,404,016	1,536,796
Total Noncurrent Assets	28,230,995	27,373,385
Total Assets	$ 32,693,745	$ 30,632,069
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	$ 79,689	$ 61,764
Accrued Expenses	48,701	84,163
Deferred Revenue	80,400	45,900
Total Current Liabilities	208,790	191,827
NET ASSETS		
Net Assets Without Donor Restrictions	30,050,164	28,032,650
Net Assets With Donor Restrictions	2,434,791	2,407,592
Total Net Assets	32,484,955	30,440,242
Total Liabilities and Net Assets	$ 32,693,745	$ 30,632,069

See accompanying Notes to Financial Statements.

RONALD MCDONALD HOUSE CHARITIES MIDWEST MN, WI, IA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Contributions	$ 2,966,154	$ 439,871	$ 3,406,025
In-Kind Contributions	291,021	-	291,021
Special Event Revenue	670,908	-	670,908
Guest Family Donations	109,470	-	109,470
Third-Party Reimbursements	214,526	-	214,526
Other Income	14,624	-	14,624
Net Assets Released from Restrictions	412,672	(412,672)	-
Total Revenues and Other Support	4,679,375	27,199	4,706,574
EXPENSES			
Program Services	3,667,589	-	3,667,589
Management and General	329,323	-	329,323
Fundraising	415,873	-	415,873
Cost of Direct Benefits to Donors	73,008	-	73,008
Total Expenses	4,485,793	-	4,485,793
CHANGE IN NET ASSETS FROM OPERATIONS	193,582	27,199	220,781
NONOPERATING ACTIVITIES			
Change in Value of Split-Interest Agreement	3,685	-	3,685
Investment Income, Net	1,820,247	-	1,820,247
Total Nonoperating Activities	1,823,932	-	1,823,932
CHANGE IN NET ASSETS	2,017,514	27,199	2,044,713
Net Assets - Beginning of Year	28,032,650	2,407,592	30,440,242
NET ASSETS - END OF YEAR	$ 30,050,164	$ 2,434,791	$ 32,484,955

See accompanying Notes to Financial Statements.

RONALD MCDONALD HOUSE CHARITIES MIDWEST MN, WI, IA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Contributions	$ 2,894,268	$ 325,817	$ 3,220,085
In-Kind Contributions	261,577	1,606,969	1,868,546
Special Event Revenue	683,831	-	683,831
Guest Family Donations	101,843	-	101,843
Third-Party Reimbursements	217,051	-	217,051
Other Income	12,749	-	12,749
Net Assets Released from Restrictions	358,448	(358,448)	-
Total Revenues and Other Support	4,529,767	1,574,338	6,104,105
EXPENSES			
Program Services	3,208,348	-	3,208,348
Management and General	247,977	-	247,977
Fundraising	347,263	-	347,263
Cost of Direct Benefits to Donors	79,318	-	79,318
Total Expenses	3,882,906	-	3,882,906
CHANGE IN NET ASSETS FROM OPERATIONS	646,861	1,574,338	2,221,199
NONOPERATING ACTIVITIES			
Change in Value of Split-Interest Agreement	10,155	-	10,155
Investment Income, Net	1,049,882	-	1,049,882
Total Nonoperating Activities	1,060,037	-	1,060,037
CHANGE IN NET ASSETS	1,706,898	1,574,338	3,281,236
Net Assets - Beginning of Year	26,325,752	833,254	27,159,006
NET ASSETS - END OF YEAR	$ 28,032,650	$ 2,407,592	$ 30,440,242

See accompanying Notes to Financial Statements.

RONALD MCDONALD HOUSE CHARITIES MIDWEST MN, WI, IA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025

	Program Services	Management and General	Fundraising	Fundraising Cost of Direct Benefits to Donors	Total
Salaries	$ 1,121,733	$ 136,797	$ 109,437	$ -	$ 1,367,967
Benefits	125,687	15,328	12,262	-	153,277
Payroll Taxes	78,805	9,610	7,688	-	96,103
Total Salaries and Related Expenses	1,326,225	161,735	129,387	-	1,617,347
Cleaning Services and Supplies	128,515	-	-	-	128,515
Depreciation	676,875	-	-	-	676,875
Development	12,488	2,775	12,488	-	27,751
Direct Mail	-	-	168,262	-	168,262
Dues	182	1,089	545	-	1,816
Family Activities	47,393	-	-	-	47,393
Family Support Services and Supplies	329,117	-	-	-	329,117
Grants	55,062	-	-	-	55,062
Insurance	67,188	3,536	-	-	70,724
Licenses	1,591	-	-	-	1,591
Linens and Laundry	20,754	-	-	-	20,754
Maintenance and Repairs	151,392	-	-	-	151,392
Meetings, Education and Training	4,097	1,024	-	-	5,121
Office Supplies	39,265	6,929	-	-	46,194
Postage and Courier	2,235	149	596	-	2,980
Printing and Publishing	18,713	1,170	3,509	-	23,392
Professional Fees	268,161	89,387	-	-	357,548
Rent	188,978	9,946	-	-	198,924
Scholarships	2,000	-	-	-	2,000
Special Events Expense	-	-	89,981	73,008	162,989
Technology	98,054	18,385	6,128	-	122,567
Telephone	5,312	111	111	-	5,534
Utilities	191,508	10,079	-	-	201,587
Volunteer Resources and Recognition	10,587	-	-	-	10,587
Other	21,897	21,897	4,866	-	48,660
Total	$ 3,667,589	$ 329,323	$ 415,873	$ 73,008	$ 4,485,793

See accompanying Notes to Financial Statements.

RONALD MCDONALD HOUSE CHARITIES MIDWEST MN, WI, IA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services	Management and General	Fundraising		Total
			Fundraising	Cost of Direct Benefits to Donors	
Salaries	$ 1,054,650	$ 128,616	$ 102,893	$ -	$ 1,286,159
Employee Benefits	118,430	14,443	11,554	-	144,427
Payroll Taxes	89,328	10,894	8,715	-	108,937
Total Salaries and Related Expenses	1,262,408	153,953	123,162	-	1,539,523
Cleaning Services and Supplies	121,776	-	-	-	121,776
Depreciation	674,817	-	-	-	674,817
Development	18,327	4,073	18,327	-	40,727
Direct Mail	-	-	135,477	-	135,477
Dues	169	1,011	506	-	1,686
Family Activities	49,804	-	-	-	49,804
Family Support Services and Supplies	327,496	-	-	-	327,496
Grants	8,705	-	-	-	8,705
Insurance	78,303	4,121	-	-	82,424
Licenses	1,170	-	-	-	1,170
Linens and Laundry	17,680	-	-	-	17,680
Maintenance and Repairs	136,999	-	-	-	136,999
Meetings, Education and Training	10,597	2,649	-	-	13,246
Office Supplies	22,382	3,950	-	-	26,332
Postage and Courier	2,993	200	798	-	3,991
Printing and Publishing	2,370	148	444	-	2,962
Professional Fees	95,711	31,904	-	-	127,615
Rent	94,489	4,973	-	-	99,462
Scholarships	1,500	-	-	-	1,500
Special Events Expense	-	-	59,793	79,318	139,111
Technology	75,298	14,118	4,705	-	94,121
Telephone	4,723	98	98	-	4,919
Utilities	170,610	8,979	-	-	179,589
Volunteer Resources and Recognition	12,221	-	-	-	12,221
Other	17,800	17,800	3,953	-	39,553
Total	$ 3,208,348	$ 247,977	$ 347,263	$ 79,318	$ 3,882,906

See accompanying Notes to Financial Statements.

RONALD MCDONALD HOUSE CHARITIES MIDWEST MN, WI, IA
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 2,044,713	$ 3,281,236
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	676,875	674,817
Noncash Contributions of Beneficial Use of Land	(66,144)	(1,536,796)
Realized and Unrealized Gain on Investments	(225,989)	(358,622)
Change in Value of Charitable Trust Split-Interest Agreement	(3,685)	(10,155)
(Increase) Decrease in Assets:		
Contributions Receivable	25,371	(231,935)
Materials for Resale	2,459	3,613
Prepaid Expenses	(20,470)	2,704
Interest Receivable	2,261	6,487
Beneficial Use of Land	198,924	-
Increase (Decrease) in Liabilities:		
Accounts Payable	17,925	37,724
Accrued Expenses	(35,462)	8,564
Deferred Revenue	34,500	(47,802)
Net Cash Provided by Operating Activities	2,651,278	1,829,835
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(62,566)	(43,554)
Purchase of Investments	(1,824,799)	(1,959,034)
Proceeds from Sale of Investments	400,000	1,561,104
Net Cash Used by Investing Activities	(1,487,365)	(441,484)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash for Charitable Trust Split-Interest Agreement	5,013	4,938
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,168,926	1,393,289
Cash and Cash Equivalents - Beginning of Year	3,034,653	1,641,364
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 4,203,579	$ 3,034,653
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Contributions of Materials and Services	$ 291,021	$ 1,868,546

See accompanying Notes to Financial Statements.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Ronald McDonald House Charities Midwest MN, WI, IA (the Organization) is a Minnesota nonprofit charitable corporation formed in 1979. The mission of Ronald McDonald House Charities (RMHC) is to create, find, and support programs that directly improve the health and well-being of children and their families. Collectively, RMHC and the network of local Chapters ascribe to five core values: we are focused on the critical needs of children, we lead with compassion, we celebrate the diversity of our people and our programs, we value our heritage, and we operate with accountability and transparency.

We fulfill our mission through operation of sustainable programs that enable family-centered care, bridge access to quality health care, are a vital part of the health care continuum and strengthen families during difficult times. 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 Rochester, 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.

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) and are presented on the basis of net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are created only by donor-imposed restrictions on their use. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. All other net assets, including board-designated or appropriated amounts, are net assets without donor restrictions and are reported as part of the net assets without donor restriction class.

Measure of Operations

The Organization's change in net assets from operations on the statements of activities includes all operating revenues and expenses that are an integral part of its program and supporting activities, net assets released from donor restrictions to support operating expenditures and other nonoperating funds to support current operating activities. The measure of operations excludes investment return on investments.

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.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and 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.

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. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Contributions receivables 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

Investments are measured at fair value in the statements of financial position. Certificates of deposit are recorded at cost which approximates fair value. Realized and unrealized gains and losses and income are included in the statements of activities.

Materials Held for Resale

Materials held for resale are stated at the lower of cost or net realizable value.

Charitable Trust Split-Interest Agreement

During 2012, upon the death of a donor, a trust naming the Organization as one of multiple beneficiaries of a charitable annuity trust was established. Under the terms of the split-interest agreement, the Organization is to receive 5% of income from trust assets annually for 20 years and 10 equal installments of 5% of total trust assets for the 10 years thereafter. No restrictions have been placed on the donation. The receivable for the split-interest agreement is carried at fair value, which the Organization has estimated based on the present value of its expected cash inflows. Based on a discount rate of 3%, the fair value of the Organization's interest in the trust was estimated to be $170,195 and $171,523 at December 31, 2025 and 2024, respectively.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 $2,500 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	30 to 40 Years
Equipment	3 to 15 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 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 restricted contributions. 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, which the resource provider is receiving commensurate value in return, or a right of return exists if the event does not occur, is deferred and recognized over the periods to which the sponsorships relate.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

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

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 operating reserve, capital reserve, designated endowment, development and outreach, missions and programs, marketing, and scholarships.

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.

Revenue Recognition

Contributions and Grants

Unconditional promises to give are recognized as revenue in the period the promise was made. 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, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Conditional grants and contract funds are recorded as revenue when earned. Revenue is earned when eligible expenditures or deliverables, as defined in each contract, are met. Funds received but not yet earned are shown as Deferred Revenue. Expenditures under contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Organization will record such disallowance at the time the final assessment is made.

Sponsorship Revenue

The portion of sponsorship revenue that relates to the commensurate value the sponsor received in return is recognized when the related events are held, and performance obligations are met.

Special Event Revenue – Ticket Sales

The portion of ticket sales that relates to the commensurate value the attendee receives in return is recognized when the related events are held, and performance obligations are met. Revenues of contributions totaled $562,908 and $569,831 and registration fees totaled $108,000 and $114,000 for the years ended December 31, 2025 and 2024, respectively. The costs of direct benefits to donors totaled $73,008 and $79,318 for the years ended December 31, 2025 and 2024, respectively.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Third-Party Reimbursements

Third-party reimbursements are reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing housing to eligible families. These amounts are due from third-party payors, as applicable, and include variable consideration and price concessions due to coverage. Revenue is recognized as performance obligations are satisfied based on actual charges incurred in relation to total expected collections.

Functional Expenses

The statements of functional expenses report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include: insurance and utilities, which are allocated based on usage of the building; technology and telephone, which are allocated based on estimated usage between families and staff; and salaries, benefits, and payroll taxes, which are allocated based on management's estimates of time and effort.

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.

Leases

The Organization leases copiers and computers. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on the statements of financial position. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities on the statements of financial position.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of leases do not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the balance sheet.

The Organization has a copier lease which terminates in March 2027 and a computer lease which terminates in April 2027. The leases require monthly rental payments of $163 and $1,058, respectively. The Organization determined the leases were immaterial and chose not to record as a ROU asset and liability.

The following table summarizes the future commitments for the copier leases as of December 31, 2025:

Year Ending December 31,	Amount
2026	$ 14,649
2027	4,720
Total	$ 19,369

In 2025, the Organization entered into an in-kind lease for a room to be used in operations. The lease did not commence until February 2026.

NOTE 2 LIQUIDITY

As of December 31, 2025 and 2024, the Organization has $4,015,635 and $3,039,558 of financial assets available to meet cash needs for general expenditures within one year of the statements of financial position date, which consists of the current assets per the statements of financial position, reduced by $62,591 and $44,580 materials for resale and prepaid expenses, as well as $384,524 and $174,546 of cash not available for general use because of contractual or donor-imposed restrictions, respectively.

NOTE 2 LIQUIDITY (CONTINUED)

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 part of its liquidity management, the Organization invests cash in excess of daily requirements in various short-term investments. In addition, the Organization maintains an operating reserve that allows for annual spending, if needed. $2,523,611 and $1,760,526 of appropriations from the operating reserve are available within the next 12 months as of December 31, 2025 and 2024.

In addition, although the Organization does not intend to spend from its board-designated endowment, other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation, amounts from its board-designated endowment could be made available if necessary. The board-designated endowment has a spending rate of 5%. $401,986 and $314,158 of appropriations from the board-designated endowment are available within the next 12 months as of December 31, 2025 and 2024.

NOTE 3 CONTRIBUTIONS RECEIVABLE

Contributions receivable consist primarily of pledges as of the years ended December 31:

	2025	2024
Promises to Give Expected to be Collected Within:		
One Year	$ 196,580	$ 179,451
One to Five Years	107,500	150,000
Total	$ 304,080	$ 329,451

NOTE 4 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

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

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.

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

	Quoted Prices in Active Markets or Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV	Total
Investments:					
Nonpublicly Traded Multi-Assets Fund	$ -	$ -	$ -	$ 10,090,505	$ 10,090,505
Total	-	-	-	10,090,505	10,090,505
Split-Interest Agreement	-	-	170,195	-	170,195
Total Assets	$ -	$ -	$ 170,195	$ 10,090,505	$ 10,260,700

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

	Quoted Prices in Active Markets or Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV	Total
Investments:					
Nonpublicly Traded Multi-Assets Fund	$ -	$ -	$ -	$ 8,039,718	$ 8,039,718
Total	-	-	-	8,039,718	8,039,718
*Certificates of Deposit					400,000
Total Investments					8,439,718
Split-Interest Agreement	-	-	171,523	-	171,523
Total Assets	$ -	$ -	$ 171,523	$ 8,039,718	$ 8,611,241

*Certificates of deposit accounts are not measured at fair value but are included in the fair value measurement table to facilitate reconciliation to the “Investments” account shown on the statements of financial position.

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair values for Level 1 investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair value of Level 2 investments is determined by reference to quoted prices for similar assets in less active markets. Fair value of Level 3 investments is determined from valuation techniques in which one or more inputs are unobservable. The Organization reviewed and evaluated the values and assumptions used in determining the fair value of Level 3 financial instruments. The carrying amounts of all other assets and liabilities reflected in the statements of financial position for the Organization's financial instruments approximates their respective fair value due to the short-term maturities of those instruments. There have been no changes in valuation techniques and related inputs.

The significant unobservable inputs used in the fair value measurement of the Organization's interest in a split-interest agreement is based on the estimated present value of future distributions of income at 3% and a discount rate of 3%. Changes in the fair value of the Organization's Level 3 financial assets for the years ended December 31 are as follows:

	2025	2024
Beginning Balance	$ 171,523	$ 166,306
Distribution	(5,013)	(4,938)
Change in Value	3,685	10,155
Ending Balance	$ 170,195	$ 171,523

The Organization uses net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate fair values of certain hedge funds, private equity funds, funds of funds, and limited partnerships, which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

Investments

Overall Investment Objective

The overall investment objective of the Organization is to invest its assets in a prudent manner that will achieve a long-term rate of return sufficient to fund a portion of its annual operating activities and increase investment value after inflation. The Organization diversifies its investments among various asset classes incorporating multiple strategies and managers. Major investment decisions are authorized by the board of trustees which oversees the Organization's investment program in accordance with established guidelines.

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Investments (Continued)

Allocation of Investment Strategies

In addition to traditional stocks and fixed income securities, the Organization has invested funds in the TIFF Multi-Asset Fund (MAF). The program strives to achieve a primary benchmark of the Consumer Price Index (CPI) plus 5% per annum in order to make distributions of approximately 5% of MAF's net assets in the form of dividends and capital gains each year. Investments in these funds are eligible for redemption on a daily basis with no required redemption notice period and are assessed a 0.5% fee with each redemption. Because of the inherent uncertainties of valuation, these estimated fair values may differ significantly from values that would have been used had a ready market existed, and the differences could be material. Such valuations are determined by fund managers and generally consider variables such as operating results, comparable earnings multiples, projected cash flows, recent sales prices, and other pertinent information, and may reflect discounts for the illiquid nature of certain investments held. Moreover, the fair values of the Organization's interests in shares or units of these funds, because of liquidity and capital commitment terms that vary depending on the specific fund or partnership agreement, may differ from the fair value of the funds' underlying net assets.

Investments in certain entities that are measured at fair value using NAV per share as a practical expedient are as follows at December 31, 2025:

Investment Strategy	NAV in Funds	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
TIFF Multi-Asset Fund	$ 10,090,505	$ -	Daily	None

Investments in certain entities that are measured at fair value using NAV per share as a practical expedient are as follows at December 31, 2024:

Investment Strategy	NAV in Funds	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
TIFF Multi-Asset Fund	$ 8,039,718	$ -	Daily	None

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

	2025	2024
Interest and Dividend Income	$ 1,594,258	$ 642,394
Realized and Unrealized Gains, Net	225,989	407,488
Investment Income, Net	$ 1,820,247	$ 1,049,882

NOTE 5 PROPERTY AND EQUIPMENT

	2025	2024
Buildings	$ 22,424,760	$ 22,416,875
Equipment	1,032,271	1,032,270
Construction in Progress	54,681	-
Total	23,511,712	23,449,145
Less: Accumulated Depreciation	(7,052,933)	(6,376,058)
Total	$ 16,458,779	$ 17,073,087

NOTE 6 BENEFICIAL USE OF LAND

The Organization has entered into a ground lease agreement that calls for annual rent of $1. The lease is for a 10-year term, which the Organization has the option to extend for an unlimited number of 10-year terms. Upon termination of the lease, the owner of the land may, at its option, purchase the land and facilities residing on the land at its fair market value. The agreement also provides the donor the option to reacquire the land and purchase the facility at any time. The purchase price would be the fair market value of the land and facility. If the Organization terminates the agreement, the land and related facilities revert to the donor. The most recent term of the lease ended June 2024 and was automatically renewed for an additional 10-year period beginning on July 1, 2024. The annual rental value is estimated to be approximately $199,000 per year. In connection with this lease agreement, the Organization discounted the value of the 10-year term of the lease using a discount rate of 4.48% and recorded a restricted contribution in 2024 in the amount of approximately $1,607,000. The value remaining on the use of the land for the years ended December 31, 2025, and 2024 is $1,404,016 and $1,536,796, respectively. For the years ended December 31, 2025 and 2024, rent expense of $198,924 and 99,462, respectively, was recorded in connection with this lease agreement.

NOTE 7 ENDOWMENT

The Organization's endowment consists of one individual fund established by a donor to provide annual funding for general operations. The Endowment also includes certain net assets without donor restrictions that have been designated for endowment by the board of trustees.

Absent explicit donor stipulations to the contrary, the board of trustees of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

NOTE 7 ENDOWMENT (CONTINUED)

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

(1) The duration and preservation of the various funds
(2) The purposes of the donor-restricted endowment funds
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Organization
(7) The Organization's investment policies

Investment Return Objectives, Risk Parameters, and Strategies. The Organization has adopted investment and spending policies, approved by the board of trustees, for endowment assets. Those policies attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the funds if possible. The Organization expects its endowment assets, over time, to produce an average rate of return of approximately 5% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to prevent exposing the fund to unacceptable levels of risk.

Spending Policy – Donor-restricted endowment. There are no restrictions placed on the investment earnings from the donor-restricted endowment. Therefore, there is no spending policy for these funds.

Spending Policy – Board-designated endowment. The Organization has a policy of appropriating for distribution each year 5% of its board-designated and donor-restricted endowment fund’s combined balance from the previous year.

NOTE 7 ENDOWMENT (CONTINUED)

Changes in endowment net assets and net assets by type of fund as follows for the fiscal year ended December 31, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	$ 7,543,468	$ 496,250	$ 8,039,718
Investment Return, Net	2,050,787	-	2,050,787
Endowment Net Assets - End of Year	$ 9,594,255	$ 496,250	$ 10,090,505
Board-Designated Endowment Funds	$ 9,594,255	$ -	$ 9,594,255
Donor-Restricted Endowment Funds:			
Original Donor-Restrict Gift Amount and Amounts Required to be Retained by Donor	-	496,250	496,250
Total Funds	$ 9,594,255	$ 496,250	$ 10,090,505

Changes in endowment net assets and net assets by type of fund were as follows for the fiscal year ended December 31, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	$ 5,786,917	$ 496,250	$ 6,283,167
Investment Return, Net	1,756,551	-	1,756,551
Endowment Net Assets - End of Year	$ 7,543,468	$ 496,250	$ 8,039,718
Board-Designated Endowment Funds	$ 7,543,468	$ -	$ 7,543,468
Donor-Restricted Endowment Funds:			
Original Donor-Restrict Gift Amount and Amounts Required to be Retained by Donor	-	496,250	496,250
Total Funds	$ 7,543,468	$ 496,250	$ 8,039,718

Fund Deficiencies. From time to time, the fair value of assets associated with the donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2025 and 2024.

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes and periods as of December 31:

	2025	2024
Subject to Expenditure for Specific Purpose:		
Birthday Boxes	$ 1,612	$ 4,160
Camp Ronald	17,002	24,703
Charter Commission	1,400	2,600
Coffee Pods	-	1,576
Family Activities	-	13,239
Family Room	282,001	-
Faye Sargent Memorial Garden	5,238	-
Food Co-op	3,995	37,566
Holiday Meals	-	705
Hollidazzle Activity	2,459	7,171
Hope Bear Days	-	3,590
House Dinners	6,470	5,260
Nutritional Support	11,263	52,085
Nourishing Families	41,121	-
Wellness Programming	2,198	2,198
Wishing Well	9,766	19,693
Total Expenditure for Specific Purpose	384,525	174,546
Subject to Time Restriction	150,000	200,000
Subject to the Organizations Spending Policy and Appropriation:		
Original Donor-Restricted Gift Amount Required to be Maintained in Perpetuity by Donor	496,250	496,250
Not Subject to Appropriation or Expenditure:		
Land Required to be Used for a Ronald McDonald House	1,404,016	1,536,796
Total	$ 2,434,791	$ 2,407,592

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

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 for the years ended December 31:

	2025	2024
Purpose Restrictions Accomplished:		
Activity Bags	$ -	$ 3,653
Arts and Entertainment	-	15,226
Birthday Boxes	2,548	686
Camp Ronald	7,702	9,160
Charter Commission	1,200	1,100
Coca-Cola Sponsorship	-	19,908
Coffee Pods	1,576	5,026
Desk Chairs	20,000	-
Family Activities	13,239	13,594
Food Co-op	33,571	43,183
Faye Sargent Memorial Garden	14,762	-
Game Room Refresh	-	19,000
Guest Room Chairs	-	20,000
Holiday Gifts	-	189
Holiday Meals	705	1,943
Hollidazzle Activity	4,712	3,681
Hope Bear Days	3,590	1,776
House Dinners	7,091	5,880
Magic Room	-	6,552
Milk Purchases	-	8,266
Nutritional Support	53,889	46,332
Nourishing Families	18,880	-
Re-Branding	36,500	-
Room Refresh	-	3,649
Urban Playroom	-	235
Wellness Programming	-	595
Wishing Well	9,927	8,641
Beneficial Use of Land	132,780	70,173
Satisfaction of Time Restrictions	50,000	50,000
Total Restrictions Released	$ 412,672	$ 358,448

NOTE 9 NET ASSETS WITHOUT DONOR RESTRICTIONS

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

	2025	2024
Board-Designated Endowment	$ 9,594,255	$ 7,543,468
Board-Designated Operating Reserve	2,523,611	1,760,526
Board-Designated Development and Outreach	75,000	75,000
Board-Designated Mission/Programs/Services	250,000	250,000
Board-Designated Marketing	44,207	44,207
Board-Designated Scholarships	70,000	70,000
Total Board-Designated Net Assets	$ 12,557,073	$ 9,743,201

NOTE 10 CONTRIBUTED NONFINANCIAL ASSETS

The Organization received the following contributions of nonfinancial assets for the years ending December 31:

	2025	2024
Assets		
Beneficial Use of Land	$ -	$ 1,536,796
Special Event Supplies	38,399	29,933
House Supplies	176,830	190,715
Gift Cards	9,648	11,640
Beneficial Use of Land	66,144	99,462
Total In-Kind Contributions	$ 291,021	$ 1,868,546

- The organization recognized contributed nonfinancial assets within revenue, including property and equipment, special event supplies, house supplies, gift cards and repair and maintenance services.
- In valuing property and equipment, the Organization estimated fair value at the date of donation.
- In valuing special event and house supplies, the Organization estimated the fair value on the basis of the market rate to be paid for similar supplies.
- Gift cards are valued at their face value.

NOTE 10 CONTRIBUTED NONFINANCIAL ASSETS (CONTINUED)

- Contributed use of land is for the facility which is used for both program and general and administrative activities. In valuing the contributed land, the Organization estimated the fair value on the basis of estimated market rate paid for use of the land. The amount of contributed rent over the remaining lease term is reported as contributions receivable in the accompanying statements of financial position, and the related rent expense is recorded straight line over the life of the lease in the accompanying statements of activities.

All donated services and assets were utilized by the Organization's programs and supporting services. There were no donor-imposed restrictions associated with the donated services. The beneficial use of land is restricted to be used for a Ronald McDonald House over the term of the lease.

NOTE 11 RETIREMENT PLAN

In accordance with the terms of the Organization's simple retirement plan, it will match the eligible employee's salary reduction contributions up to a limit of 3% of the employee's compensation. Contributions made by the Organization for the years ended December 31, 2025 and 2024 were $35,931 and $35,318, respectively.

NOTE 12 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. 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 $1,310,164 and $928,131, respectively, from these revenue streams.

A board member provides legal services for the Organization. Total services provided for the years ended December 31, 2025 and 2024 were $3,347 and $858, respectively.

NOTE 12 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)

A board member serves as a tax principal at an accounting firm with which the Organization contracted. Services received for the years ended December 31, 2025 and 2024 totaled $44,690 and $20,000, respectively.

NOTE 13 CONCENTRATIONS

Contributions totaling $1,310,164 and $928,131 were received from a single donor during the years ended December 31, 2025 and 2024, respectively, which represents 37% and 22%, respectively of total revenues and other support.

NOTE 14 SUBSEQUENT EVENTS

Management evaluated subsequent events through March 23, 2026, the date the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in the financial statements.

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