RONALD MCDONALD HOUSE CHARITIES® OF JACKSONVILLE, INC. FINANCIAL STATEMENTS

December 31, 2024 and 2023



REPORT

Independent Auditor's Report	1
FINANCIAL STATEMENTS Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	6
Statements of Cash Flows	8
Notes to Financial Statements	9



Carr, Riggs & Ingram, L.L.C.

7411 Fullerton Street Suite 300 Jacksonville, FL 32256

904.356.6023 904.900.0313 (fax) CRIadv.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors Ronald McDonald House Charities® of Jacksonville, Inc.

Opinion

We have audited the accompanying financial statements of Ronald McDonald House Charities® of Jacksonville, Inc. (a nonprofit organization), 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 financial statements referred to above present fairly, in all material respects, the financial position of Ronald McDonald House Charities® of Jacksonville, 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. 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 Jacksonville, 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 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 Jacksonville, Inc.'s ability to continue as a going concern within one year after the financial statements are available to be 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Ronald McDonald House Charities® of Jacksonville, 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 Jacksonville, 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.

Jacksonville, Florida May 15, 2025

Carr, Riggs & Ungram, L.L.C.

Ronald McDonald House Charities of Jacksonville, Inc. Statements of Financial Position

December 31,	2024	2023
Assets		
Cash and cash equivalents	\$ 1,353,383	\$ 1,388,731
Contributions receivable, net	358,684	115,242
Prepaid expenses and other assets	79,798	51,702
Investments, at fair value	8,818,409	8,207,487
Property and equipment, net	13,724,283	13,955,459
Right-of-use finance lease asset	13,394	13,394
Total assets	\$ 24,347,951	\$ 23,732,015
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 237,505	\$ 86,695
Performance obligation	-	50,000
Finance lease liabilities	10,685	12,953
Total liabilities	248,190	149,648
Net assets		
Without donor restrictions	20,764,813	21,025,810
With donor restrictions	3,334,948	2,556,557
Total net assets	24,099,761	23,582,367
Total liabilities and net assets	\$ 24,347,951	\$ 23,732,015
וטנמו וומטווונוכט מווע ווכנ מטטכנט	7 24,347,331	7 23,732,013

Ronald McDonald House Charities of Jacksonville, Inc. Statements of Activities

Year Ended December 31, 2024	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support			
Contributions and grants	\$ 1,311,313	\$ 772,124	\$ 2,083,437
Guest family contributions	45,318	· //2/12 ·	45,318
In-kind contributions	294,455	-	294,455
Special events revenue	915,202	-	915,202
Third-party reimbursements	26,860	-	26,860
Investment income, net	129,336	39,057	168,393
Net realized investment gains	135,123	96,966	232,089
Net unrealized investment gains	313,815	65,203	379,018
Other income	34,032	-	34,032
Total revenues and other support before			
net assets released from restrictions	3,205,454	973,350	4,178,804
Het assets released Holli restrictions	3,203,434	973,330	4,170,004
Net assets released from restrictions			
satisfaction of donor restrictions	194,959	(194,959)	-
		,	
Total revenues and other support	3,400,413	778,391	4,178,804
Expenses			
Program services	2,499,914	_	2,499,914
r ogram services	2,433,314		2,433,314
Supporting services			
Management and general	402,728	-	402,728
Fundraising	525,183	-	525,183
Total supporting services	927,911	-	927,911
Cost of direct benefits to donors	233,585	-	233,585
Total expenses	3,661,410	-	3,661,410
Change in net assets	(260,997)	778,391	517,394
Change in het assets	(200,997)	770,391	517,554
Net assets at beginning of year	21,025,810	2,556,557	23,582,367
	<u> </u>	•	-
Net assets at end of year	\$ 20,764,813	\$ 3,334,948	\$ 24,099,761

Ronald McDonald House Charities of Jacksonville, Inc. Statements of Activities (Continued)

Year Ended December 31, 2023	Without Donor Restrictions	With Donor Restrictions	Total
1001 211000 200011201 02) 2020			
Revenues and Other Support			
Contributions and grants	\$ 1,322,523	\$ 105,000	\$ 1,427,523
Guest family contributions	80,163	-	80,163
In-kind contributions	96,777	-	96,777
Special events revenue	1,002,641	-	1,002,641
Third-party reimbursements	31,510	-	31,510
Investment income, net	113,874	33,376	147,250
Net realized investment gains	13,452	7,844	21,296
Net unrealized investment gains	511,305	184,425	695,730
Other income	37,181	-	37,181
Total revenues and other support before			
net assets released from restrictions	3,209,426	330,645	3,540,071
Net assets released from restrictions			
satisfaction of donor restrictions	00 004	(00 004)	
Satisfaction of donor restrictions	88,994	(88,994)	
Total revenues and other support	3,298,420	241,651	3,540,071
_			
Expenses	2 200 474		2 200 474
Program services	2,280,471	-	2,280,471
Supporting convices			
Supporting services Management and general	366,087		366,087
Fundraising	475,928	-	,
ruliulaisilig	4/3,320		475,928
Total supporting services	842,015	_	842,015
Total supporting services	042,013	_	042,013
Cost of direct benefits to donors	211,730	-	211,730
Total evnences	2 224 216		2 224 216
Total expenses	3,334,216		3,334,216
Change in net assets	(35,796)	241,651	205,855
	(,,	,	, -
Net assets at beginning of year	21,061,606	2,314,906	23,376,512
Net assets at end of year	\$ 21,025,810	\$ 2,556,557	\$ 23,582,367

Ronald McDonald House Charities of Jacksonville, Inc. Statements of Functional Expenses

For the year ended December 31, 2024

	Supporting Services										
		Program Services		nagement d General		ındraising		Total Functional Expenses	Costs of Direct Benefits to Donors	t	Total Expenses
Salaries and benefits	Ś	1,056,318	\$	310,400	\$	382,398	Ś	1,749,116	\$ -	\$	1,749,116
Program supplies and expense	,	309,157	,	-	7	-	т.	309,157	-	7	309,157
Professional fees		17,306		25,638		27,448		70,392	_		70,392
Contract services		155,775		-		-		155,775	-		155,775
Printing and publications		708		_		7,641		8,349	-		8,349
Office supplies and expense		3,528		2,545		3,525		9,598	-		9,598
Postage and shipping		18		745		351		1,114	-		1,114
Maintenance and repairs		28,506		21		120		28,647	-		28,647
Dues and subscriptions		968		6,669		6,010		13,647	-		13,647
Telephone		44,683		702		-		45,385	-		45,385
Computer and information technology		59,857		9,600		37,771		107,228	-		107,228
Occupancy		116,884		1,193		1,193		119,270	-		119,270
Travel and lodging		1,909		17,969		3,643		23,521	-		23,521
Meetings, training and seminars		1,650		16,985		1,309		19,944	-		19,944
Depreciation		571,397		5,830		5,831		583,058	-		583,058
Insurance		122,213		2,546		2,546		127,305	-		127,305
Fundraising expenses - special events		-		-		-		-	233,585		233,585
Fundraising expenses - indirect		-		-		17,093		17,093	-		17,093
Interest		-		662		-		662	-		662
Bank service fees		12		469		28,262		28,743	-		28,743
Taxes and licenses - other		528		666		-		1,194	-		1,194
Miscellaneous		8,497		88		42		8,627	-		8,627
Total expenses	\$	2,499,914	\$	402,728	\$	525,183	\$	3,427,825	\$ 233,585	\$	3,661,410

Ronald McDonald House Charities of Jacksonville, Inc. Statements of Functional Expenses (Continued)

For the year ended December 31, 2023

		Supportir	ng Services	<u>. </u>		
	Program	Management		Total Functional	Costs of Direct Benefits	Total
	Services	and General	Fundraising	Expenses	to Donors	Expenses
	00.11000	<u> </u>		2,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	10 2 0 0.10	
Salaries and benefits	\$ 1,003,030	\$ 300,111	\$ 338,245	\$ 1,641,386	\$ -	\$ 1,641,386
Program supplies and expense	223,121	-	-	223,121	-	223,121
Professional fees	2,479	8,571	19,708	30,758	-	30,758
Contract services	119,208	-	-	119,208	-	119,208
Printing and publications	1,343	170	12,483	13,996	-	13,996
Office supplies and expense	3,291	4,867	1,830	9,988	-	9,988
Postage and shipping	294	484	730	1,508	-	1,508
Maintenance and repairs	43,860	-	158	44,018	-	44,018
Dues and subscriptions	204	10,303	5,193	15,700	-	15,700
Telephone	34,109	710	-	34,819	-	34,819
Computer and information technology	59,097	13,102	38,008	110,207	-	110,207
Occupancy	121,779	1,242	1,242	124,263	-	124,263
Travel and lodging	273	4,412	601	5,286	-	5,286
Meetings, training and seminars	6,974	13,281	4,046	24,301	-	24,301
Depreciation	546,409	5,576	5,576	557,561	-	557,561
Insurance	100,573	2,095	2,095	104,763	-	104,763
Fundraising expenses - special events	-	-	-	-	211,730	211,730
Fundraising expenses - indirect	26	650	26,648	27,324	-	27,324
Interest	-	176	-	176	-	176
Bank service fees	1,411	90	17,288	18,789	-	18,789
Taxes and licenses - other	316	413	-	729	-	729
Miscellaneous	10,024	(166)	77	9,935	-	9,935
Bad debt expense	2,650	-	2,000	4,650	-	4,650
Total expenses	\$ 2,280,471	\$ 366,087	\$ 475,928	\$ 3,122,486	\$ 211,730	\$ 3,334,216

Ronald McDonald House Charities of Jacksonville, Inc. Statements of Cash Flows

For the years Ended December 31,	2024			2023
Operating activities				
Change in net assets	\$	517,394	\$	205,855
Adjustments to reconcile change in net assets to net cash	Ą	317,334	Ş	203,633
provided (used) by operating activities				
Depreciation		583,058		EE7 E61
Donated securities		•		557,561
Proceeds from sale of donated securities		(509,548)		-
		509,283		(1.500)
Donated property and equipment		(80,500)		(1,500)
Net realized and unrealized (gain) loss on investments		(611,107)		(717,026)
Changes in operating assets and liabilities		(242 442)		10.100
Contributions receivables		(243,442)		18,108
Prepaid expenses and other assets		(28,096)		(24,702)
Accounts payable and accrued expenses		150,810		1,730
Performance obligation		(50,000)		(50,000)
Net cash provided (used) by operating activities		237,852		(9,974)
Investing activities				
Acquisition of property and equipment		(271,382)		(30,940)
Proceeds from sale of investments		2,956,289		858,136
Purchase of investments		(2,955,839)		(943,757)
Net cash provided (used) by investing activities		(270,932)		(116,561)
Financing activities				
Payments on finance lease liabilities		(2,268)		(6,338)
Net cash provided (used) by financing activities		(2,268)		(6,338)
Net change in cash and cash equivalents		(35,348)		(132,873)
Cash and cash equivalents at beginning of year		1,388,731		1,521,604
Cash and cash equivalents at end of year	\$	1,353,383	\$	1,388,731

Supplemental disclosure of cash flow information: See Note 18.

Note 1: DESCRIPTION OF THE ORGANIZATION

Ronald McDonald House Charities® of Jacksonville, Inc. (the "Organization") is a Florida nonprofit charitable corporation. The mission of Ronald McDonald House Charities is to create, find and support programs that directly improve the health and well-being of children and their families. The Organization ascribes 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. The Organization is licensed by McDonald's Corporation as an independent chapter of Ronald McDonald House Charities®, Inc.

The Organization fulfills its mission through sustainable programs that enable family-centered care, bridge access to quality healthcare, are a vital part of health care continuum and strengthen families during difficult times. The following programs, operated by the Organization, represent the core functions of Ronald McDonald House Charities®:

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 Jacksonville, which provide 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® program in Wolfson Children's Hospital serve 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 health care team.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements 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). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 non-operating funds to support current operating activities. The measure of operations excludes investment return on investments.

Use of 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. Estimates that are particularly susceptible to significant change in the near term are related useful life and depreciation method of property and equipment, fair value of investments, and the allocation of functional expenses.

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.

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 using a credit risk adjusted discount rate. Contributions receivable is written off when deemed uncollectible.

Investments

The Organization reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Realized and unrealized gains and losses and income are included in the statements of activities.

The Organization maintains master investment accounts for its donor-restricted and board-designated endowments. Realized and unrealized gains and losses from securities in the master investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of each endowment to the total fair value of the master investment accounts, as adjusted for additions to or deductions from those accounts.

Note 2: SUMMARY OF 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 \$1,000 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.

Leases

The Organization determines if an arrangement is a lease at inception. Finance leases are included in right-of-use ("ROU") finance lease assets and finance lease obligation liability in the statements of financial position.

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. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If the future undiscounted cash flows expected to result from the use of the asset and its eventual disposition are less than the carrying amount of the asset, an impairment loss is recognized. Long-lived assets and certain intangible assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

No events or circumstances were identified during December 31, 2024 and 2023 that would cause an impairment loss.

Performance Obligation

Revenues received in advance related to fundraising events or program services that could be returned to the donor should the funding not be spent in accordance with the requirements are recorded as a performance obligation. The revenue is recognized as earned in the period which the event takes place or the program service funding requirements are met.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. The governing board has designated a portion of the net assets without donor restrictions to support House and program operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from with donor restrictions to net assets without donor restrictions. Contributions with donor restrictions that are both received and released within the same year are recorded as an increase in net assets without donor restrictions.

Revenue Recognition

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 that relates to the commensurate value the sponsor received in return is recognized when the related events are held and performance obligations are met.

Ticket sales that relate to the commensurate value the attendee receives in return is recognized when the related events are held and performance obligations are met.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

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.

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 have to 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.

Functional Allocation of 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. Expenses not charged to a specific program or supporting function require allocation on a reasonable basis that is consistently applied as follows: depreciation, insurance, occupancy (including utilities), and communications expense (telephone and cable), are allocated on an estimated square footage basis. Office equipment expense, including interest on equipment finance leases, certain office supplies, general postage and printing, certain professional fees, and information technology are allocated based on full-time equivalents.

Salaries and wages, payroll taxes and employee benefits are allocated on the basis of actual time and effort.

Income Taxes

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.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

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 utilized the accounting requirements associated with uncertainty in income taxes using the provisions of FASB ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of December 31, 2024, and 2023, the Organization has no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Reclassifications

Certain reclassifications were made to prior year balances to conform with current year presentation.

Subsequent Events

Management has evaluated subsequent events through the date the financial statements were available to be issued, May 15, 2025, and determined there were no events that occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization receives contributions restricted by donors, and considers contributions restricted for programs, which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures.

The Organization maintains financial assets, consisting of cash and 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 reallocated if necessary. As part of its liquidity management, the Organization invests cash in excess of daily requirements in various investments. In addition, the Organization maintains a board-designated fund that allows for annual spending of income and appreciation approved by the board. Distributions are made annually from donor-restricted perpetual endowment funds based on the endowment spending policy (See Note 10).

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY (Continued)

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions:

December 31,	2024	2023
		_
Total assets at year end	\$ 24,347,951	\$ 23,732,015
Less non-financial assets		
Prepaid expenses and other assets	(79,798)	(51,702)
Property and equipment, net	(13,724,283)	(13,955,459)
Financial assets at year-end	10,543,870	9,724,854
Less those not available for general expenditures within one year,		
due to board designation, contractual or donor-imposed restrictions		
Board designated funds	(4,746,053)	(4,301,920)
Accumulated surplus on donor restricted net assets	(318,606)	(212,865)
Donor restricted due to purpose	(781,936)	(109,286)
Donor restricted perpetual endowment	(1,784,406)	(1,784,406)
Financial assets available to meet cash needs for general		
expenditures within one year	\$ 2,912,869	\$ 3,316,377

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

Note 4: CONTRIBUTIONS RECEIVABLE

Contributions receivable consists of the following:

December 31,	2024	2023		
Receivable within one year Receivable in one to five years	\$ 198,343 170,000	\$	115,242	
Total pledges receivable Discounted at 3.99%	368,343 (9,659)		115,242	
Contributions receivable, net	\$ 358,684	\$	115,242	

There was no bad debt expense for the year ended December 31, 2024. Bad debt expense totaled \$4,650 for the year ended December 31, 2023.

Note 5: INVESTMENTS

Investments in marketable securities consist of the following:

December 31, 2024	Cost	N	larket Value
Money market funds Mutual funds Alternative investments Fixed income	\$ 110,358 4,292,597 786,354 2,652,358	\$	110,358 5,167,483 824,300 2,716,268
Total investments in marketable securities	\$ 7,841,666	\$	8,818,409
December 31, 2023	Cost	N	1arket Value
December 31, 2023 Money market funds Mutual funds Alternative investments Fixed income	\$ 33,482 4,294,452 797,217 2,576,528		33,482 4,739,437 808,240 2,626,328

Note 5: INVESTMENTS (Continued)

The Organization's investment income is summarized as follows:

Year Ended December 31,	2024			2023
Interest and dividend income, net of investment fees Net realized gains Net unrealized gains	\$	168,393 232,089 379,018	\$	147,250 21,296 695,730
Net investment income	\$	779,500	\$	864,276

Investment fees totaled \$74,799 and \$51,085 for the years ended December 31, 2024 and 2023, respectively.

Note 6: PROPERTY AND EQUIPMENT

The components of property and equipment consist of the following at December 31, 2024 and 2023:

	Estimated Useful			
December 31,	Lives (in years)		2024	2023
Land	N/A	\$	1,576,142	\$ 1,576,142
Construction in progress	N/A		201,996	-
Buildings and improvements	7-39		18,491,093	18,491,093
Furniture, fixtures and equipment	3-10		1,912,672	1,763,698
Transportation equipment	5		25,734	25,734
			22,207,637	21,856,667
Less accumulated depreciation			(8,483,354)	(7,901,208)
Total property and equipment			13,724,283	13,955,459
Less restricted land			(450,000)	(450,000)
Total unrestricted property and equipment		\$	13,274,283	\$ 13,505,459
		•	•	-

Depreciation expense was \$583,058 and \$557,561 for the years ended December 31, 2024 and 2023, respectively.

See Note 8 for details on the restricted land.

Note 7: LEASES

The Organization has a finance lease for office equipment. The lease has a remaining term of four years. As of both December 31, 2024 and 2023, assets recorded under the finance leases were \$13,394. Accumulated depreciation associated with the finance leases was \$3,125 and \$446 as of December 31, 2024 and 2023, respectively.

The components of lease expense consist of the following:

For the year ending December 31,	2024			2023
Finance lease cost				
Depreciation of property and equipment	\$	2,679	ć	446
Interest on lease liabilities	Ą	662	Ą	176
Interest on lease habilities		002		1/0
Total finance lease cost	\$	3,341	\$	622
Weighted average remaining lease term and discount rates consist of th	e foll	owing:		
For the year ending December 21		2024		2022

For the year ending December 31,	2024	2023
Property and equipment obtained in exhange for lease obligations Finance leases	\$ -	\$ 13,394
Weighted average remaining lease term Finance leases	4.08 years	5.25 years
Weighted average discount rate Finance leases	4.86%	5.55%

Note 7: LEASES (Continued)

Future minimum lease payments under non-cancellable leases as of December 31, 2024, were as follows:

	Finance				
For the years ending December 31,		Leases			
2025	\$	2,931			
2026		2,931			
2027		2,931			
2028		2,931			
2029		243			
Total future minimum lease payments		11,967			
Less imputed interest		(1,282)			
Present value of lease obligation	\$	10,685			

Note 8: NET ASSETS

A summary of net assets without donor restrictions consists of the following:

December 31	2024	2023
Undesignated	\$ 16,018,760	\$ 16,723,890
Board designated House and program operations	4,746,053	4,301,920
Total net assets without donor restrictions	\$ 20,764,813	\$ 21,025,810

Note 8: NET ASSETS (Continued)

A summary of net assets with donor restrictions consists of the following:

December 31,		2024		2023
Purpose restricted				
Kid Zone	\$	526,212	\$	59,286
Technology		10,383		50,000
Events		245,341		-
Subject to the Organization's spending policy and appropriation				
Accumulated gain (loss)		318,606		212,865
Services,		0=0,000		,
Restricted in perpetuity				
Contributed land		450,000		450,000
Original donor restricted gift amount and amount				
required to be maintained by donor		1,784,406		1,784,406
Total restricted in perpetuity		2,553,012		2,447,271
Total net assets with donor restrictions	ć	3,334,948	ç	2 556 557
Total fiet assets with dollor restrictions	\$	3,334,340	Ą	2,556,557
A summary of the release of donor restrictions consists of the following:	:			
,				
For the years ended December 31,		2024		2023
Purpose restrictions				
Endowment	\$	95,485	\$	86,473
Kid Zone	~	59,857	Υ	2,521
Technology		39,617		-,
		-		
Total net assets with donor restrictions	\$	194,959	\$	88,994

Net assets with donor restrictions are reclassified to net assets without donor restrictions when the time restrictions expires or the funds are utilized for the restricted purpose.

Net assets with donor restrictions that are perpetual in nature consist of endowment contributions to be held in perpetuity. Funds include the Children's Legacy Fund and the Kroc Endowment Fund. Contributions to these funds were recorded at fair market value at the time of receipt, \$1,251,574 and \$532,832, respectively. Income from the funds is intended to support House program expenditures and are distributed in accordance with the Organization's endowment spending policy.

Note 8: NET ASSETS (Continued)

The Organization received land with donor restrictions that are perpetual in nature that was recorded at its fair market value at the date of contribution. The land is part of the property on which the facility is built and is donor restricted in perpetuity to be used as the site for the Ronald McDonald House facility. In accordance with the terms of the donor agreement, ownership of the land will revert back to the donor if the land is used for any other purpose and it may not be sold.

Note 9: REVENUES

The Organization recognizes revenue at a point in time for its special events revenue, including sponsorships and ticket sales, and third-party reimbursement revenue. As of December 31, 2024, there are no performance obligations to be satisfied. As of December 31, 2023, there was performance obligations to be satisfied of \$50,000. All performance obligations at December 31, 2023 were recognized in 2024. These performance obligations are based upon the special event occurring.

The Organization's method of recognizing revenue is the output method for performance obligations to be recognized at a point in time.

Contract liabilities related to special events revenue consist of the following:

December 31,	2024	2023
Contract liabilities		
Performance obligation liability, beginning of year	\$ 50,000	\$ 100,000
Performance obligation liability, end of year	\$ -	\$ 50,000

Note 10: ENDOWMENTS

The Organization's endowment consists of two individual funds established to support House program expenditures. Its endowment includes donor-restricted funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Absent explicit donor stipulations to the contrary, the Finance Committee of the Organization has interpreted the State of Florida's Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gifts as of the gift date of the donor-restricted endowment funds. As a result of this interpretation, the Organization retains in perpetuity and classifies as net assets with donor restrictions (1) the original value of gifts donated to the perpetual endowment, (2) the original value of subsequent gifts to the perpetual endowment, and (3) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Note 10: ENDOWMENTS (Continued)

The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed in SPMIFA. In accordance with SPMIFA, 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, and (7) the Organization's investment policies.

Investment Return Objectives, Risk Parameters and Strategies. The Organization has adopted investment and spending policies determined and recommended by the Finance Committee, and approved by the Board of Directors, 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.

The Organization engages professional investment advisors to handle the investment of endowed and other funds. 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, alternative investments and money market funds. The Organization expects its endowment assets, over time, to produce an average rate of return of approximately 3% over the inflation rate 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. The Organization has a policy of appropriating for distribution each year 5% of its endowment fund's average fair value of the prior 12 quarters through September 30. In no case will the distribution exceed 5% of, nor be less than 3% of, the fair value of endowment assets as of September 30 of the previous year. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, all of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation.

The Organization expects the current spending policy to allow its endowment funds to grow at an average rate as indicated in the previous paragraph, less the annual distribution. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

Note 10: ENDOWMENTS (Continued)

From time to time, certain donor-restricted endowment funds may have fair values that are less than the amount required to be maintained by the donors or by law (underwater endowments). The Organization has interpreted SPMIFA to permit spending from underwater endowments in accordance with prudent measures required by law. The fund was not underwater for the year ended December 31, 2024 and 2023. The fair value of the fund at years ended December 31, 2024 and 2023 was \$2,103,012 and \$1,997,271, respectively. The original funds amount restricted in perpetuity is \$1,784,406 for both years ended December 31, 2024 and 2023.

Endowment net asset composition by type of fund consists of the following:

Year Ended December 31,	2024	2023
Donor-restricted endowment		
net assets in perpetuity	\$ 1,784,406	\$ 1,784,406
Accumulated surplus on donor-restricted		
endowment net assets available for expenditure	318,606	212,865
Total donor-restricted endowment net assets	\$ 2,103,012	\$ 1,997,271

Changes in endowment net assets consists of the following for the years ended December 31, 2024 and 2023:

Year Ended December 31,	2024	2023
Endowment net assets - January 1,	\$ 1,997,271	\$ 1,838,100
Contributions	-	20,000
Investment income	52,000	46,371
Net appreciation on investments	162,169	192,268
Investment management fees	(12,943)	(12,994)
Amounts appropriated for expenditures	(95,485)	(86,474)
		_
Endowment net assets - December 31,	\$ 2,103,012	\$ 1,997,271

Note 11: FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Note 11: FAIR VALUE MEASUREMENTS (Continued)

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
 - o observable; or
 - o can be corroborated by observable market data.

If the asset or liability has a specific (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2024 and 2023.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission (SEC). These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Fixed income: Valued using pricing models maximizing the use of observable inputs for similar securities which includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Alternative investments: Valued using pricing models or other valuation methodologies maximizing the use of observable inputs.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurements at the reporting date.

Note 11: FAIR VALUE MEASUREMENTS (Continued)

Assets and liabilities measured at fair value on a recurring basis consists of the following:

December 31, 2024		Level 1		Level 2		Level 3	Total
Money market funds	\$	110,358	\$		-	\$ -	\$ 110,358
Mutual funds		5,167,483			-	-	5,167,483
Alternative investments		-			-	824,300	824,300
Fixed income		2,716,268			-	-	2,716,268
Total investments at fair value	\$	7,994,109	\$		-	\$ 824,300	\$ 8,818,409
B 4 24 2000		1 1 4				1	
December 31, 2023		Level 1		Level 2		Level 3	Total
Money market funds	\$	33,482	\$		_	\$ -	\$ 33,482
Mutual funds		4,739,437			-	-	4,739,437
Alternative investments		-			-	808,240	808,240
Fixed income		2,626,328			-	-	2,626,328
	·		•	•			
Total investments at fair value	\$	7,399,247	\$		-	\$ 808,240	\$ 8,207,487

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the year ended December 31, 2024, there were no significant transfers in or out of Levels 1, 2 or 3. For the year ended December 31, 2023, there was a purchase of \$540,000 of Level 3 investments due to a change in investment blend.

Changes in Fair Value of Level 3 Assets and Related Gains and Losses

The following table sets forth a summary of changes in the fair value of the Organization's Level 3 assets:

Year Ended December 31,	2024	2023		
Fair value, beginning of year Level 3 investments purchased	\$ 808,240 3,210	\$ 772,920 243,474		
Level 3 investments sold Unrealized gains	- 12,850	226,913 18,759		
Fair value, end of year	\$ 824,300	\$ 808,240		

Note 12: CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash with a financial institution in excess of the FDIC limit of \$250,000 by approximately \$825,000 and \$860,000 at December 31, 2024 and 2023, respectively.

The Organization's credit risk is inherent principally in its investments. Adverse economic conditions either domestically or internationally may result in a reduction of the investments' carrying amount. Market risk of the Organization's investment portfolio is monitored through ongoing review of asset allocations and evaluation by independent investment advisers.

Note 13: DEFINED CONTRIBUTION PLAN

The Organization sponsors a defined contribution retirement plan (the Plan) covering all eligible employees who have completed one year of service and are at least 21 years of age. The Organization matches 50% of the amount contributed by the employee, up to a maximum of 6% of the employee's gross wages. Employees become 20% vested in the Organization's contribution for each year of service, up to five years. No contributions were made to the Plan for the years ended December 31, 2024 and 2023.

Note 14: CONTRIBUTED NONFINANCIAL ASSETS

The Organization received the following contributions of nonfinancial assets:

Year Ended December 31,	2024			2023		
Fundraising services and expenses	\$	21,677	\$	12,758		
House program supplies and expenses- program		111,138		68,262		
Property and equipment donations		80,500		1,500		
Professional services- program		10,432		12,657		
Non-essential items- program		68,708				
Non-essential items- management and general		2,000		-		
Other management and general		-		1,600		
		·				
Total donated materials, property and services	\$	294,455	\$	96,777		

The Organization recognized contributed nonfinancial assets within revenue, including property and equipment, various office and program related supplies, fundraising auction items and professional services. In valuing property and equipment, the Organization estimated fair value at the date of the donation. Fundraising auction items sold are valued at the gross selling price received. 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 and assets.

Note 15: SPECIAL EVENTS ACTIVITIES

Special events activities, including donated revenues and expenses (Note 14), consist of the following:

Year Ended December 31,	2024	2023
Revenues		
McGala	\$ 589,970	\$ 647,112
Golf Tournament	203,825	234,342
Light Up the House 5k	121,407	121,187
Total revenues	915,202	1,002,641
Expenses		
Total direct expenses	(233,584)	(211,730)
Net special events activities	\$ 681,618	\$ 790,911

Note 16: COMMUNITY FOUNDATION FOR NORTHEAST FLORIDA ENDOWMENTS

The Community Foundation for Northeast Florida, Inc. (the Foundation), a non-profit charitable foundation, previously received donations totaling \$690,775 in the Organization's name. Earnings from these funds are to be used for the benefit and support of the Organization. Amounts available for granting and received by the Organization from the Foundation for the years ended December 31, 2024 and 2023 totaled \$31,678 and \$28,774, respectively.

Note 17: RONALD MCDONALD FAMILY ROOM®

There were no expenses in salaries for the coordination of volunteers related to the Ronald McDonald Family Room® licensed ancillary program operations (Note 1) during the years ending December 31, 2024 and 2023. During 2020, the Room was closed due to COVID. At December 31, 2024, the Room remains closed.

Note 18: SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Noncash Investing and Financing Activities

Finance lease obligations arising from obtaining right-of-use assets in the amount \$13,394 for the year ended December 31, 2023.

Supplemental Cash Flow Disclosure

Cash paid for interest totaled \$662 and \$176 for the years ended December 31, 2024 and 2023, respectively.