



**RONALD McDONALD HOUSE CHARITIES
OF MADISON, INC.**

FINANCIAL STATEMENTS

December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Ronald McDonald House Charities of Madison, Inc.
Madison, Wisconsin

Opinion

We have audited the financial statements of Ronald McDonald House Charities of Madison, Inc., which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Ronald McDonald House Charities of Madison, Inc. as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ronald McDonald House Charities of Madison, 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 Madison, Inc.'s ability to continue as a going concern within one year after the date that 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

Wegner CPAs LLP

Wegner CPAs, LLP
Madison, Wisconsin
June 4, 2025

RONALD McDONALD HOUSE CHARITIES OF MADISON, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash	\$ 619,588	\$ 336,804
RADAR unconditional pledges receivable	47,219	40,801
Unconditional pledges receivable, net	-	2,123
Other receivables	-	12,000
Current portion of investments	172,674	279,688
Prepaid expenses	56,898	47,020
Total current assets	896,379	718,436
NONCURRENT ASSETS		
Investments, net of current portion	5,720,759	5,017,271
Property and equipment, net	9,967,727	10,105,825
Intangibles, net	17,528	32,306
Total noncurrent assets	15,706,014	15,155,402
Total assets	\$ 16,602,393	\$ 15,873,838
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 68,495	\$ 59,118
Accrued expenses	55,036	44,033
Grants payable	22,885	24,056
Refundable advance	-	5,500
Total liabilities	146,416	132,707
NET ASSETS		
Without donor restrictions	16,405,977	15,641,131
With donor restrictions	50,000	100,000
Total net assets	16,455,977	15,741,131
Total liabilities and net assets	\$ 16,602,393	\$ 15,873,838

See accompanying notes.

RONALD McDONALD HOUSE CHARITIES OF MADISON, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions						
General - cash	\$ 2,458,792	\$ -	\$ 2,458,792	\$ 1,900,608	\$ -	\$ 1,900,608
General - noncash	845,630	-	845,630	510,934	-	510,934
Program fees	24,000	-	24,000	24,000	-	24,000
Merchandise	7,869	-	7,869	3,625	-	3,625
Investment return, net	563,557	-	563,557	669,491	-	669,491
Other	-	-	-	34	-	34
Loss on disposals of property and equipment	(3,851)	-	(3,851)	-	-	-
Net assets released from restrictions	50,000	(50,000)	-	50,000	(50,000)	-
 Total support and revenue	 3,945,997	 (50,000)	 3,895,997	 3,158,692	 (50,000)	 3,108,692
EXPENSES						
Program services						
House operations	1,976,158	-	1,976,158	1,590,739	-	1,590,739
St. Mary's Family Room	140,644	-	140,644	139,199	-	139,199
Care Mobile	103,207	-	103,207	93,664	-	93,664
 Total program services	 2,220,009	 -	 2,220,009	 1,823,602	 -	 1,823,602
Supporting activities						
Management and general	437,809	-	437,809	365,515	-	365,515
Fundraising	446,926	-	446,926	437,878	-	437,878
Cost of direct benefits to donors	76,407	-	76,407	51,948	-	51,948
 Total supporting activities	 961,142	 -	 961,142	 855,341	 -	 855,341
 Total expenses	 3,181,151	 -	 3,181,151	 2,678,943	 -	 2,678,943
Change in net assets	764,846	(50,000)	714,846	479,749	(50,000)	429,749
Net assets at beginning of year	15,641,131	100,000	15,741,131	15,161,382	150,000	15,311,382
 Net assets at end of year	 \$ 16,405,977	 \$ 50,000	 \$ 16,455,977	 \$ 15,641,131	 \$ 100,000	 \$ 15,741,131

See accompanying notes.

RONALD McDONALD HOUSE CHARITIES OF MADISON, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2024

	House Operations	St. Mary's Family Room	Care Mobile	Management and General	Fundraising	Cost of Direct Benefits to Donors	Total Expenses
Wages and salaries	\$ 392,768	\$ 88,373	\$ 9,819	\$ 163,653	\$ 163,653	\$ -	\$ 818,266
Benefits	54,352	12,229	1,359	22,647	22,647	-	113,234
Payroll taxes	34,719	7,812	868	14,466	14,466	-	72,331
Total salaries and related expenses	481,839	108,414	12,046	200,766	200,766	-	1,003,831
Advertising	6,803	-	-	756	-	-	7,559
Depreciation and amortization	312,501	-	-	34,722	-	-	347,223
Direct mail	2,767	-	-	308	7,534	-	10,609
Donor recognition	844	-	-	94	1,763	-	2,701
Family support services and supplies	152,494	12,917	-	-	1,240	-	166,651
Fundraising event costs	-	-	-	-	-	76,407	76,407
Grants	-	-	91,161	-	-	-	91,161
Insurance	46,730	-	-	7,794	7,019	-	61,543
Linens and laundry	70,713	-	-	7,857	-	-	78,570
Maintenance and repairs	84,303	-	-	9,367	-	-	93,670
Meetings, education, and training	-	-	-	28,486	-	-	28,486
Noncash materials, services, and facilities	689,688	17,948	-	23,301	95,693	-	826,630
Office supplies and other	8,985	-	-	5,825	1,284	-	16,094
Postage and courier	56	-	-	47	2,553	-	2,656
Printing and publishing	3,012	-	-	2,067	4,861	-	9,940
Professional fees	3,319	-	-	83,765	106,381	-	193,465
Rent	-	1,365	-	-	-	-	1,365
Technology	29,849	-	-	19,342	17,139	-	66,330
Telephone	2,639	-	-	2,640	586	-	5,865
Utilities	77,397	-	-	8,600	-	-	85,997
Volunteer resources and recognition	2,219	-	-	-	-	-	2,219
Other	-	-	-	2,072	107	-	2,179
Total expenses	\$ 1,976,158	\$ 140,644	\$ 103,207	\$ 437,809	\$ 446,926	\$ 76,407	\$ 3,181,151

See accompanying notes.

RONALD McDONALD HOUSE CHARITIES OF MADISON, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2023

	House Operations	St. Mary's Family Room	Care Mobile	Management and General	Fundraising	Cost of Direct Benefits to Donors	Total Expenses
Wages and salaries	\$ 393,777	\$ 82,241	\$ 7,100	\$ 161,040	\$ 161,040	\$ -	\$ 805,198
Benefits	53,511	14,144	1,221	22,959	22,959	-	114,794
Payroll taxes	30,429	8,043	694	13,056	13,056	-	65,278
Total salaries and related expenses	477,717	104,428	9,015	197,055	197,055	-	985,270
Advertising	-	-	-	-	404	-	404
Depreciation and amortization	293,182	-	-	32,576	-	-	325,758
Direct mail	-	-	-	-	9,420	-	9,420
Donor recognition	-	-	-	-	8,447	-	8,447
Family support services and supplies	96,249	11,702	-	-	-	-	107,951
Fundraising event costs	-	-	-	-	12,236	51,948	64,184
Grants	-	-	84,383	-	-	-	84,383
Insurance	40,524	90	-	8,414	6,844	-	55,872
Linens and laundry	69,457	-	-	-	-	-	69,457
Maintenance and repairs	83,388	2,951	-	3,942	-	-	90,281
Meetings, education, and training	28	14	-	16,959	174	-	17,175
Noncash materials, services, and facilities	427,849	17,027	-	12,532	46,477	-	503,885
Office supplies and other	8,999	723	181	4,405	6,401	-	20,709
Postage and courier	99	-	-	98	2,905	-	3,102
Printing and publishing	577	310	13	641	6,600	-	8,141
Professional fees	102	-	-	70,991	124,083	-	195,176
Rent	-	1,482	-	-	-	-	1,482
Technology	18,035	-	-	6,882	15,956	-	40,873
Telephone	3,260	457	72	3,241	641	-	7,671
Travel, meals, and entertainment	-	11	-	-	124	-	135
Utilities	70,060	-	-	7,779	-	-	77,839
Volunteer resources and recognition	1,213	4	-	-	111	-	1,328
Total expenses	\$ 1,590,739	\$ 139,199	\$ 93,664	\$ 365,515	\$ 437,878	\$ 51,948	\$ 2,678,943

See accompanying notes.

RONALD McDONALD HOUSE CHARITIES OF MADISON, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 714,846	\$ 429,749
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Net realized and unrealized gains on investments	(438,758)	(569,267)
Depreciation and amortization	347,223	325,758
Loss on disposals of property and equipment	3,851	-
Noncash contributions	(845,630)	(510,934)
Noncash expenses	826,630	503,885
Donated investments	(29,708)	(22,510)
(Increase) decrease in assets		
RADAR unconditional pledges receivable	(6,418)	(2,873)
Unconditional pledges receivable, net	2,123	99,910
Prepaid expenses	(9,878)	(556)
Other receivables	12,000	(10,082)
Increase (decrease) in liabilities		
Accounts payable	9,377	(1,816)
Accrued expenses	11,003	(36,956)
Grants payable	(1,171)	(7,925)
Refundable advance	(5,500)	(5,750)
Net cash flows from operating activities	589,990	190,633
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(407,776)	(238,958)
Proceeds from sales of investments	279,768	22,384
Purchases of property and equipment and intangibles	(179,198)	(23,676)
Net cash flows from investing activities	(307,206)	(240,250)
Change in cash	282,784	(49,617)
Cash at beginning of year	336,804	386,421
Cash at end of year	<u>\$ 619,588</u>	<u>\$ 336,804</u>
SUPPLEMENTAL DISCLOSURES		
Noncash investing transactions		
Donated investments	\$ 29,708	\$ 22,510
Donated goods and services capitalized	19,000	7,049

See accompanying notes.

RONALD McDONALD HOUSE CHARITIES OF MADISON, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Ronald McDonald House Charities of Madison, Inc. (“RMHC-Madison” or “the Organization”) is a Wisconsin nonprofit charitable corporation formed in May 1993 as a standalone entity. The RMHC-Madison mission is to provide essential services that remove barriers, strengthen families, and promote healing when children need healthcare. RMHC-Madison benefits from a network of global standalone Ronald McDonald House Charities Chapters who share similar missions and core values with the RMHC-Global and receive shared resources and operational support from the RMHC-Global. During the years ended December 31, 2024 and 2023, RMHC-Madison received \$374,816 and \$315,256, respectively, in contributions, either directly or indirectly, from its affiliation with McDonald’s stores and RMHC-Global which represents 10% in 2024 and 2023 of RMHC-Madison’s total support and revenue.

RMHC-Madison fulfills its 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. RMHC-Madison is primarily funded by contributions. The following programs, operated by the Organization, represent the core functions of Ronald McDonald House Charities of Madison, Inc.

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. RMHC-Madison helps families stay close to their ill or injured child through the Ronald McDonald House program located in Madison, which provides temporary lodging, meals, and other support to children and their families. The program provides families with emotional and physical comfort and increases the caregivers’ ability to spend more time with their child, to interact with their clinical care team, and to participate in critical medical care decisions.

Ronald McDonald Family Room

When a child is critically ill or injured, 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 St. Mary’s Hospital in Madison serves 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.

Ronald McDonald Care Mobile

The Ronald McDonald Care Mobile (“RMCM”) program provides access to pediatric medical care, vaccinations, and/or health education services for children living in underserved communities. The RMCM program is breaking down the barriers to health care, expanding critical health care access, and extending the Organization’s reach to countless underserved children. The RMCM program serves children that are at great risk to develop acute conditions, chronic diseases, and even serious lifelong illnesses. Through a local healthcare partnership, the Organization is bringing clinical services and health education directly to those in need, so children can receive high quality, convenient care right in their own neighborhood—from urban communities to remote, hard-to-reach areas. RMHC-Madison supports a Care Mobile serving Northern Illinois.

RONALD McDONALD HOUSE CHARITIES OF MADISON, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restrictions ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from donor restrictions.

RADAR Unconditional Pledges Receivable

RADAR unconditional pledges receivable primarily represent amounts due from RMHC-Global for donations received through RMHC-Global's RADAR. All pledges are expected to be collected within one year of the statement of financial position date as of December 31, 2024 and 2023.

Pledges Receivable

Conditional pledges are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. Unconditional pledges that are expected to be collected within one year are recorded at net realizable value. Unconditional pledges that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the pledges are received. Amortization of the discounts is included in contribution revenue. As of December 31, 2024 and 2023, all pledges receivable are expected to be collected within one year. Based on current conditions and the composition of the pledges receivable balance, management expects all pledges to be fully collected and so no allowance for uncollectible pledges has been established as of December 31, 2024. There was an allowance for uncollectable pledges of \$66 as of December 31, 2023.

Investments

RMHC-Madison 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. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Intangibles

Intangibles subject to amortization include website development costs and videos that are used to promote the house to potential donors, which are being amortized on a straight-line basis over three years.

Property and Equipment

All acquisitions of property and equipment of \$2,500 or more are capitalized. Additions and betterments of \$2,500 or more are also capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

RONALD McDONALD HOUSE CHARITIES OF MADISON, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expense Allocation

The financial statements report certain categories of expenses that are attributable to one or more program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied.

The expenses that are allocated include depreciation and amortization, maintenance and repairs, and utilities which are allocated on a square footage basis, as well as salaries and related expenses, insurance, office supplies and other, postage and courier, printing and publishing, technology, and telephone, which contain at least some expenses that are allocated based on estimates of time and effort.

The following program services and supporting activities are included in the financial statements:

House Operations—RMHC-Madison owns and operates the 31-bedroom, 46,000 square foot Ronald McDonald House (House) located in Madison, Wisconsin. The House is located within walking distance of the American Family Children's Hospital, and a free shuttle service, operated with volunteer drivers, is provided to and from all Madison area hospitals and affiliated clinics.

The families of seriously ill or injured children may stay in the House and are suggested to donate \$10 per night to help fund the overall operations of the organization. No family is required to pay for their stay. In addition to a room, the families are provided food, laundry facilities, and all the comforts of home. The House is staffed 24 hours per day and operates 365 days a year under the management of a small full-time staff, part-time staff, and numerous volunteers.

RMHC-Madison has formed a partnership with local hotel operators to provide hotels for families when the House demand exceeds its room capacity. These rooms, like the House, are at no charge to any family. RMHC-Madison pays an agreed amount per room per night on behalf of each family. Similar to the House, each family is suggested to donate \$10 per night to help cover the overall operations of the Organization.

St. Mary's Family Room—The Ronald McDonald Family Room is a refuge within the hospital for immediate family members who have a child in the neonatal intensive care unit, pediatric intensive care unit, or pediatric unit at St. Mary's Hospital. The Family Room provides a respite where families can regroup and seek support during emotional times away from the hospital atmosphere while still allowing them to remain near their child.

Care Mobile—RMHC-Madison makes grants for the Ronald McDonald Care Mobile ("RMCM"). RMCM provides cost-free vaccination and medical services to underserved and uninsured children. RMCM operates at various host sites in Boone, Lee, Ogle, Stephenson, and Winnebago Counties of north central Illinois.

Management and general— Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of RMHC-Madison's program strategy through the CEO; secure proper administrative functioning of the board of directors; and manage the financial and budgetary responsibilities of the Organization.

RONALD McDONALD HOUSE CHARITIES OF MADISON, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fundraising— Fundraising expenses include the costs related to activities that involve attracting donations of assets, services, or time to fund and support the operations of RMHC-Madison.

Cost of direct benefit to donors—Include expenses for the actual costs incurred for the benefits of donors such as meals at a sponsorship event.

Program Fees

Revenue from program fees primarily includes the fees charged for lunches provided to families staying at the American Family Children's Hospital. Revenue is recognized at a point in time when lunch is provided.

Donated Services

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Volunteers also provided significant amounts of time to RMHC-Madison's house operations and St. Mary's Family Room programs for a variety of services including household chores, decorating, cooking, and yard work throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met. During the years ended December 31, 2024 and 2023, RMHC-Madison estimated that approximately 20,000 and 15,000, respectively, of volunteer hours were utilized.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Income Tax Status

RMHC-Madison is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, RMHC-Madison 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).

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Date of Management's Review

Management has evaluated subsequent events through June 4, 2025, the date which the financial statements were available to be issued.

RONALD McDONALD HOUSE CHARITIES OF MADISON, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 2—CONCENTRATIONS OF CREDIT RISK

RMHC-Madison maintains cash balances at multiple financial institutions. Accounts at each financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of December 31, 2024 and 2023, RMHC-Madison's uninsured cash balances totaled \$303,517 and \$36,287, respectively.

NOTE 3—INVESTMENTS

Investments are comprised of the following:

	2024	2023
Cash and money funds	\$ 172,674	\$ 279,688
Common stocks	2,487,857	2,182,842
Corporate bonds	715,870	633,166
Exchange traded and closed end funds	688,760	645,132
Government and GSE bonds	687,239	643,224
Mutual funds	1,141,033	912,907
	<u>1,141,033</u>	<u>912,907</u>
Investments	<u>\$ 5,893,433</u>	<u>\$ 5,296,959</u>

Fair values of mutual funds and exchange traded and closed end funds are based on quoted net asset values of the shares as reported by the fund. The mutual funds held by the Organization are open-end mutual funds registered with the U.S. Securities and Exchange Commission. The funds must publish their daily net asset value and transact at that price. The mutual funds held by the Organization are considered to be actively traded. Fair values of common stocks are based on the closing prices reported on the active market where the individual securities are traded. Fair values of corporate bonds and government and GSE bonds are determined using a market approach on yields currently available on comparable securities of issuers with similar credit ratings, which are Level 2 fair value measurements.

NOTE 4—INTANGIBLES

Intangibles consist of the following:

	2024	2023
Website	\$ 11,410	\$ 11,410
Videos	44,332	44,332
Accumulated amortization	<u>(38,214)</u>	<u>(23,436)</u>
Intangibles, net	<u>\$ 17,528</u>	<u>\$ 32,306</u>

Amortization expense for the years ended December 31, 2024 and 2023 was \$14,778 and \$10,291, respectively.

RONALD McDONALD HOUSE CHARITIES OF MADISON, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 5—PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2024	2023
Land	\$ 1,896,391	\$ 1,896,391
Building and improvements	10,146,238	10,004,952
Vehicles	40,487	-
Furniture and equipment	584,123	574,239
Property and equipment	12,667,239	12,475,582
Accumulated depreciation	(2,699,512)	(2,369,757)
Property and equipment, net	<u>\$ 9,967,727</u>	<u>\$ 10,105,825</u>

Depreciation expense for the years ended December 31, 2024 and 2023 was \$332,445 and \$315,467, respectively.

NOTE 6—NET ASSETS

As of December 31, 2024 and 2023, net assets with donor restrictions are restricted for general operating use in future periods.

RMHC-Madison's board of directors has designated net assets without donor restrictions for the following purposes:

	2024	2023
Replacement reserve	\$ 1,621,795	\$ 1,601,000
Undesignated	14,784,182	14,040,131
Net assets without donor restrictions	<u>\$ 16,405,977</u>	<u>\$ 15,641,131</u>

NOTE 7—COMMITMENTS

RMHC-Madison has signed an agreement to support the RMCM for underserved children in northern Illinois. Under the agreement, RMHC-Madison has committed to giving a maximum of \$116,000 plus maintenance costs. The current agreement expires in the year ended December 31, 2027. The agreement includes an auto-renewal every five years unless one of the two parties decides to opt out. This distribution of funds is conditioned upon RMCM incurring qualified expenses. For the years ended December 31, 2024 and 2023, RMHC-Madison authorized \$91,161 and \$84,383, respectively, to be paid for the RMCM program. At December 31, 2024 and 2023, \$22,885 and \$24,056, respectively, of these amounts are included in grants payable and are to be paid in the subsequent year.

RONALD McDONALD HOUSE CHARITIES OF MADISON, INC.
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NOTE 8—NONCASH MATERIALS, SERVICES, AND FACILITIES

Noncash (donated) materials, services, and facilities included in the financial statements were as follows:

	2024	2023
Event auction items	\$ 95,225	\$ 43,334
Family room, guest, and house supplies	26,047	67,823
Food and beverages	275,000	257,036
Furniture, appliances, and equipment	19,270	5,584
Other materials	96,858	358
Video production	-	7,049
Professional services	31,132	27,850
Maintenance and repair services	6,801	8,666
Van use	833	5,000
St. Mary's Family Room space	11,063	10,148
Hotel space	283,401	78,086
	<u>\$ 845,630</u>	<u>\$ 510,934</u>

RMHC-Madison includes each of the categories of donated materials, services, and facilities listed above within support and revenue on the statement of activities. The donated materials, services, and facilities listed above did not have donor-imposed restrictions. Event auction items were auctioned off at RMHC-Madison's fundraising events. The video production and large furniture and equipment are to be used in RMHC-Madison's activities over their remaining useful lives. All other categories of donated materials, services, and facilities were for current use in RMHC-Madison's program activities and supporting services.

Event auction items, family room, guest, and house supplies, food and beverages, furniture, appliances, and equipment, and other materials, are valued at the estimated fair value based on estimates of wholesale values that would be received for selling products in the United States. Professional, maintenance and repair, and video production services are valued based on standard industry pricing for similar services. Van use and the St. Mary's Family Room space are valued based on the estimated lease costs that would have been incurred to otherwise rent the van or the room. Hotel space is valued based on the estimated undiscounted costs that RMHC-Madison would have paid to the hotels to have families stay there for a night.

NOTE 9—ECONOMIC DEPENDENCY

During the years ended December 31, 2024 and 2023, RMHC-Madison received 10% of its support and revenue from one fundraising event. A cancellation or scaling-back of this event could have an adverse impact on RMHC-Madison's activities.

NOTE 10—RETIREMENT PLAN

RMHC-Madison sponsors a 403(b) defined contribution plan that covers substantially all employees who have met minimum eligibility requirements. RMHC-Madison contributes up to 8% of eligible employees' compensation to the plan. RMHC-Madison's retirement plan contributions for the years ended December 31, 2024 and 2023 were \$49,946 and \$46,803, respectively.

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NOTE 11—LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure within one year of the statement of financial position date are comprised of the following:

	2024	2023
Cash	\$ 619,588	\$ 336,804
RADAR unconditional pledges receivable	47,219	40,801
Unconditional pledges receivable, net	-	2,123
Other receivables	-	12,000
Investments	5,893,433	5,296,959
Financial assets at year-end	6,560,240	5,688,687
Less those unavailable for general expenditures within one year		
Designated for the replacement reserve	(1,621,795)	(1,601,000)
Investments expected to be held for more than one year	(4,098,964)	(3,416,271)
Restricted by donor for use beyond one year	-	(50,000)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 839,481</u>	<u>\$ 621,416</u>

RMHC-Madison has a goal to maintain financial assets on hand to meet 180 days of normal operating expenses. As part of RMHC-Madison's liquidity management, it invests cash in excess of daily requirements. If needed, RMHC-Madison can liquidate its noncurrent investment balance to meet general operating or unexpected expenses. The replacement reserve is an established board-designated fund where the governing board of directors has the objective of setting funds aside to be drawn upon for future replacement costs or in the event of financial distress or an immediate liquidity need resulting from events outside of the typical life cycle of converting financial assets to cash or settling financial liabilities.

NOTE 12—PAYCHECK PROTECTION PROGRAM LOANS

RMHC-Madison received loans totaling \$300,299 under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). On December 2, 2020, the SBA preliminarily approved forgiveness of RMHC-Madison's first draw loan. On May 27, 2022, the SBA preliminarily approved forgiveness of RMHC-Madison's second draw loan. RMHC-Madison must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review RMHC-Madison's good-faith certification concerning the necessity of its loan request, whether RMHC-Madison calculated the loan amount correctly, whether RMHC-Madison used loan proceeds for the allowable uses specified in the CARES Act, and whether RMHC-Madison is entitled to loan forgiveness in the amount claimed on its application. If SBA determines RMHC-Madison was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of the amount forgiven.