

**RONALD MCDONALD HOUSE CHARITIES OF THE PIEDMONT
TRIAD, INC.
WINSTON-SALEM, NORTH CAROLINA**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

**RONALD MCDONALD HOUSE CHARITIES OF THE PIEDMONT TRIAD, INC.
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YEARS ENDED DECEMBER 31, 2024 AND 2023**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Ronald McDonald House Charities of the Piedmont Triad, Inc.
Winston-Salem, North Carolina

Opinion

We have audited the accompanying financial statements of Ronald McDonald House Charities of the Piedmont Triad, Inc. (a nonprofit organization), which comprise the statement 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 the Piedmont Triad, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ronald McDonald House Charities of the Piedmont Triad, 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 the Piedmont Triad, 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 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 the Piedmont Triad, 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 the Piedmont Triad, 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.

Gray, Callison + Jones CPA, PC

July 18, 2025
Winston-Salem, NC

RONALD MCDONALD HOUSE CHARITIES OF THE PIEDMONT TRIAD, INC.
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,027,907	\$ 1,063,708
Accounts Receivable, Net	536,767	197,612
Contributions Receivable, Net	67,410	79,938
Grants Receivable, Net	70,218	41,031
Prepaid Expenses	231,966	237,796
Total Current Assets	1,934,268	1,620,085
NONCURRENT ASSETS		
Investments	6,946,339	6,435,216
Property and Equipment, Net	4,778,634	4,837,812
Beneficial Interest in Assets Held by Others	4,029,581	3,676,569
Total Noncurrent Assets	15,754,554	14,949,597
Total Assets	\$ 17,688,822	\$ 16,569,682
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 196,412	\$ 81,400
Finance Lease Obligation - Current Portion	6,237	5,016
Total Current Liabilities	202,649	86,416
NONCURRENT LIABILITIES		
Finance Lease Obligation - Net of Current Portion	23,897	2,020
Total Noncurrent Liabilities	23,897	2,020
Total Liabilities	226,546	88,436
NET ASSETS		
Without Donor Restrictions	16,728,607	15,597,577
With Donor Restrictions	733,669	883,669
Total Net Assets	17,462,276	16,481,246
Total Liabilities and Net Assets	\$ 17,688,822	\$ 16,569,682

See Independent Auditors' Report

RONALD MCDONALD HOUSE CHARITIES OF THE PIEDMONT TRIAD, INC.
STATEMENTS OF ACTIVITES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT						
Contributions	\$ 1,055,616	\$ -	\$ 1,055,616	\$ 1,199,915	\$ 10,000	\$ 1,209,915
In-kind Contributions	195,680	-	195,680	232,733	-	232,733
Special Events Revenue	771,058	-	771,058	492,039	-	492,039
Grant Revenue	407,733	-	407,733	261,213	150,000	411,213
Guest Family Donations	5,935	-	5,935	5,334	-	5,334
Third-Party Reimbursements	388,756	-	388,756	-	-	-
Gain (loss) on disposal of property	(2,791)	-	(2,791)	-	-	-
Net Assets Released from Restrictions	206,473	(206,473)	-	294,959	(294,959)	-
Total Revenues and Other Support	<u>3,028,460</u>	<u>(206,473)</u>	<u>2,821,987</u>	<u>2,486,193</u>	<u>(134,959)</u>	<u>2,351,234</u>
EXPENSES						
Program Services	2,095,048	-	2,095,048	1,828,705	-	1,828,705
Cost of Direct Benefits to Donors	248,157	-	248,157	108,320	-	108,320
Management and General Administration	201,695	-	201,695	182,117	-	182,117
Fundraising	372,014	-	372,014	351,292	-	351,292
Total Expenses	<u>2,916,914</u>	<u>-</u>	<u>2,916,914</u>	<u>2,470,434</u>	<u>-</u>	<u>2,470,434</u>
CHANGE IN NET ASSETS FROM OPERATIONS						
	111,546	(206,473)	(94,927)	15,759	(134,959)	(119,200)
INVESTMENT (LOSS) INCOME, NET						
	<u>1,019,484</u>	<u>56,473</u>	<u>1,075,957</u>	<u>1,028,555</u>	<u>65,788</u>	<u>1,094,343</u>
CHANGE IN NET ASSETS						
	1,131,030	(150,000)	981,030	1,044,314	(69,171)	975,143
Net Assets - Beginning of Year	<u>15,597,577</u>	<u>883,669</u>	<u>16,481,246</u>	<u>14,553,263</u>	<u>952,840</u>	<u>15,506,103</u>
NET ASSETS - END OF YEAR	<u>\$ 16,728,607</u>	<u>\$ 733,669</u>	<u>\$ 17,462,276</u>	<u>\$ 15,597,577</u>	<u>\$ 883,669</u>	<u>\$ 16,481,246</u>

See Independent Auditors' Report

RONALD MCDONALD HOUSE CHARITIES OF THE PIEDMONT TRIAD, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services				Supporting Services			
	Ronald McDonald House	Ronald McDonald Family Room	Ronald McDonald Hospitality Cart	Total	Management and General	Fundraising	Cost of Direct Benefits to Donors	Total
Salaries	\$ 401,033	\$ 160,938	\$ 164,713	\$ 726,684	\$ 107,496	\$ 154,384	\$ -	\$ 988,564
Employee Health and Retirement Benefits	63,578	25,515	26,113	115,206	17,042	24,476	-	156,724
Payroll Taxes	30,522	12,249	12,536	55,307	8,181	11,750	-	75,238
Total Salaries and Related Expenses	<u>495,133</u>	<u>198,702</u>	<u>203,362</u>	<u>897,197</u>	<u>132,719</u>	<u>190,610</u>	<u>-</u>	<u>1,220,526</u>
Automobile Expenses	9,730	1,764	1,805	13,299	-	-	-	13,299
Cleaning Service and Supplies	10,084	-	-	10,084	-	-	-	10,084
Credit Card and Stock Sales Fees on Donations	-	-	-	-	-	19,770	5,459	25,229
Depreciation	234,340	59,859	10,169	304,368	716	1,910	-	306,994
Direct Mail	-	-	-	-	-	96,588	-	96,588
House/Program Supplies	243,573	65,453	53,843	362,869	-	-	111,405	474,274
Insurance	39,524	179	133	39,836	5,002	525	688	46,051
Interest expense	-	-	-	-	609	-	-	609
Linens and Laundry	13,239	-	-	13,239	-	-	-	13,239
Maintenance and Repair	148,469	586	436	149,491	645	1,720	-	151,856
Meetings, Training, and Seminars	13,954	4,421	4,788	23,163	13,301	13,340	-	49,804
Office Supplies	1,631	655	671	2,957	437	1,784	-	5,178
Postage	2,499	953	974	4,426	15	7,184	-	11,625
Printing and Publishing	12,931	4,428	4,531	21,890	566	23,964	18,106	64,526
Professional Fees	3,156	464	476	4,096	22,935	445	-	27,476
Rent	-	-	-	-	-	-	13,759	13,759
Security Services	86,421	-	-	86,421	-	-	-	86,421
Taxes, Licenses and Fees	-	-	-	-	15,348	-	-	15,348
Technology	47,454	719	1,917	50,090	1,758	2,636	-	54,484
Telephone	9,869	1,249	1,886	13,004	599	1,037	-	14,640
Travel, Meals, and Entertainment	473	1,879	1,960	4,312	507	942	98,740	104,501
Utilities	46,248	209	157	46,614	230	614	-	47,458
Volunteer Recognition	28,823	9,325	9,544	47,692	6,308	8,945	-	62,945
Total Non-personnel Expenses	<u>952,418</u>	<u>152,143</u>	<u>93,290</u>	<u>1,197,851</u>	<u>68,976</u>	<u>181,404</u>	<u>248,157</u>	<u>1,696,388</u>
Total Expenses	<u>\$ 1,447,551</u>	<u>\$ 350,845</u>	<u>\$ 296,652</u>	<u>\$ 2,095,048</u>	<u>\$ 201,695</u>	<u>\$ 372,014</u>	<u>\$ 248,157</u>	<u>\$ 2,916,914</u>

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RONALD MCDONALD HOUSE CHARITIES OF THE PIEDMONT TRIAD, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program Services				Supporting Services			
	Ronald McDonald House	Ronald McDonald Family Room	Ronald McDonald Hospitality Cart	Total	Management and General	Fundraising	Cost of Direct Benefits to Donors	Total
Salaries	\$ 379,618	\$ 128,955	\$ 121,820	\$ 630,393	\$ 93,380	\$ 137,175	\$ -	\$ 860,948
Employee Health and Retirement Benefits	55,205	18,753	17,715	91,673	13,580	19,948	-	125,201
Payroll Taxes	27,884	9,472	8,948	46,304	6,859	10,076	-	63,239
Total Salaries and Related Expenses	<u>462,707</u>	<u>157,180</u>	<u>148,483</u>	<u>768,370</u>	<u>113,819</u>	<u>167,199</u>	<u>-</u>	<u>1,049,388</u>
Automobile Expenses	7,707	1,164	1,099	9,970	-	-	-	9,970
Cleaning Service and Supplies	15,291	-	-	15,291	-	-	-	15,291
Credit Card and Stock Sales Fees on Donations	-	-	-	-	-	18,670	217	18,887
Depreciation	232,298	47,450	9,513	289,261	716	1,909	-	291,886
Direct Mail	-	-	-	-	-	105,398	-	105,398
House/Program Supplies	233,689	77,997	67,119	378,805	-	-	64,765	443,570
Insurance	31,819	144	107	32,070	5,131	423	716	38,340
Interest expense	-	-	-	-	407	-	-	407
Linens and Laundry	11,493	-	-	11,493	-	-	-	11,493
Maintenance and Repair	63,420	188	135	63,743	207	552	-	64,502
Meetings, Training, and Seminars	13,642	5,200	5,291	24,133	12,449	7,128	-	43,710
Office Supplies	2,190	744	703	3,637	539	2,483	-	6,659
Postage	3,651	1,237	1,180	6,068	74	5,185	-	11,327
Printing and Publishing	15,305	4,930	3,875	24,110	1,615	33,458	3,819	63,002
Professional Fees	6,669	800	1,193	8,662	29,317	2,106	-	40,085
Rent	-	-	-	-	-	-	2,425	2,425
Security Services	81,132	-	-	81,132	-	-	-	81,132
Taxes, Licenses and Fees	-	-	-	-	13,793	-	-	13,793
Technology	41,987	961	1,371	44,319	1,555	2,333	-	48,207
Telephone	9,084	1,169	1,212	11,465	522	933	-	12,920
Travel, Meals, and Entertainment	708	2,388	2,521	5,617	719	1,455	36,378	44,169
Utilities	36,279	164	123	36,566	180	482	-	37,228
Volunteer Recognition	11,107	1,484	1,402	13,993	1,074	1,578	-	16,645
Total Non-personnel Expenses	<u>817,471</u>	<u>146,020</u>	<u>96,844</u>	<u>1,060,335</u>	<u>68,298</u>	<u>184,093</u>	<u>108,320</u>	<u>1,421,046</u>
Total Expenses	<u>\$ 1,280,178</u>	<u>\$ 303,200</u>	<u>\$ 245,327</u>	<u>\$ 1,828,705</u>	<u>\$ 182,117</u>	<u>\$ 351,292</u>	<u>\$ 108,320</u>	<u>\$ 2,470,434</u>

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RONALD MCDONALD HOUSE CHARITIES OF THE PIEDMONT TRIAD, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 981,030	\$ 975,143
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	306,994	291,886
Donated Furniture	(5,838)	-
Contributions With Donor Restrictions	-	(10,000)
Net Realized and Unrealized (Gains) Losses on Investments	(855,082)	(1,011,738)
(Increase) Decrease in Assets:		
Accounts Receivable	(339,155)	(111,505)
Contributions Receivable	12,528	(5,595)
Grants Receivable	(29,187)	(14,008)
Prepaid Expenses	5,830	(59,488)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	115,012	2,336
Net Cash Provided by Operating Activities	192,132	57,031
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(3,112,533)	(1,352,852)
Proceeds from Sale of Investments	2,877,477	1,037,053
Withdrawals of Investments	190,543	414,426
Changes in beneficial interest	33,060	245,446
Purchases of Property and Equipment	(244,768)	(166,136)
Net Cash Provided (Used) by Investing Activities	(256,221)	177,937
 CASH FLOWS FROM FINANCING ACTIVITIES		
Acquisition of finance lease obligation	34,620	-
Payments on finance lease obligation	(6,332)	(6,623)
Contributions With Donor Restrictions	-	10,000
Net Cash Provided by Financing Activities	28,288	3,377
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(35,801)	238,345
Cash and Cash Equivalents - Beginning of Year	1,063,708	825,363
 CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,027,907	\$ 1,063,708
 SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES		
Acquisition of property and equipment	\$ 250,606	\$ 166,136
Less donated furniture	(5,838)	-
	\$ 244,768	\$ 166,136
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for:		
Interest	\$ 609	407

See Independent Auditors' Report

RONALD MCDONALD HOUSE CHARITIES OF THE PIEDMONT TRIAD, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Ronald McDonald House Charities of the Piedmont Triad, Inc. (the Organization) is a North Carolina, nonprofit charitable corporation formed in January 1981. The mission of Ronald McDonald House Charities (RMHC) is to provide essential services that remove barriers, strengthen families and promote healing when children need healthcare. Collectively, RMHC and the network of local Chapters, of which the Organization is a member, ascribe to four core values: we lead with compassion, we are deeply respectful, we act with integrity, and we are firmly committed.

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. The following programs, operated by the Organization, represent the core functions of the Ronald McDonald House Charities of the Piedmont Triad, 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. The Organization helps families stay close to their ill or injured child through the Ronald McDonald House program located in Winston-Salem, which provides temporary lodging, meals and other support to children and their families. The program provides families with emotional and physical comfort and increases the caregivers' ability to spend more time with their child, to interact with their clinical care team and to participate in critical medical care decisions.

Ronald McDonald Family Room

When a child is critically ill, parents may be reluctant to leave the hospital. In order to provide comfort and support to their child, it is important that parents have an opportunity to rest, have a meal or have a moment of quiet. Located inside medical care facilities, the Ronald McDonald Family Room programs in Atrium Health Wake Forest Baptist Brenner Children's Hospital, Cone Health Moses H. Cone Hospital and Novant Health Forsyth Medical Center 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.

RONALD MCDONALD HOUSE CHARITIES OF THE PIEDMONT TRIAD, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Ronald McDonald Hospitality Cart

When a child is critically ill, parents may be reluctant to leave their child's bedside or the mother-to-be may be receiving antepartum care at the hospital prior to the birth of a child with medical challenges or family may be receiving services in a hospital too small to support a Ronald McDonald Family Room. To provide comfort and support in these situations requires taking a snack, drink or personal care item to the family. Operating in the antepartum wings, maternity suites, Neonatal Intensive Care Units, and/or pediatric clinics of Atrium Health Wake Forest Baptist Brenner Children's Hospital, Downtown Health Plaza and High Point Pediatrics - Premier; Cone Health Moses H. Cone Hospital and the Tim & Carolynn Rice Center for Child & Adolescent Health; Novant Health Forsyth Medical Center, Thomasville Medical Center, Waughtown Pediatrics Clinic and Forsyth Pediatrics - Westgate; and Randolph Health the Ronald McDonald Hospitality Cart program provides parents with an opportunity to remain close to their hospitalized child or child to be and the medical services they need.

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 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 unrestricted 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 non-operating 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.

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.

RONALD MCDONALD HOUSE CHARITIES OF THE PIEDMONT TRIAD, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Organization considers all accounts to be fully collectible and no allowance account for uncollectible amounts has been established for them. If amounts become uncollectible, they are charged to bad debts when that determination is made.

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 receivable are written off when deemed uncollectible.

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

Investments

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

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 \$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 and accelerated methods over the estimated useful lives of the assets as follows:

Building and Improvements	15 - 39 Years
Land Improvements	15 Years
Furniture and Fixtures	3 - 7 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. As of December 31, 2024, and 2023, there were no impairment losses recognized for long-lived assets.

RONALD MCDONALD HOUSE CHARITIES OF THE PIEDMONT TRIAD, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 maintenance reserves.

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.

RONALD MCDONALD HOUSE CHARITIES OF THE PIEDMONT TRIAD, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Contributions and Grants

Unconditional promises to give are recognized as revenue in the period the promise was made. Conditional promises are recorded as revenue when the conditions are substantially met. Contributions, grants, and bequests are recognized as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. 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. The Organization reports contributions restricted by donors as increases in net assets without restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period the revenue is recognized.

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.

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 and meals 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: salaries, employee health and retirement benefits, payroll taxes, meetings, trainings and seminars, and travel, meals and entertainment which are allocated on the basis of estimates of time and effort; depreciation, insurance, maintenance and repairs, and utilities which are allocated on a square footage basis; office supplies, professional fees, security services, and volunteer recognition which are allocated based on full-time equivalents.

Advertising

Advertising (Printing and Publishing) costs are expensed as incurred. Advertising expense totaled \$64,526 and \$63,002 for 2024 and 2023, respectively.

RONALD MCDONALD HOUSE CHARITIES OF THE PIEDMONT TRIAD, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. The Organization's Forms 990, Return of Organization Exempt from Income Tax, for 2024, 2023 and 2022 are subject to examination by the IRS, generally for three years after they are filed.

Leases

The Organization determines if an arrangement is a lease at inception. Operating leases are included in right-of-use ("ROU") assets – operating and lease liability – operating, and finance leases are included in right-of-use ("ROU") assets – financing and lease liability – financing 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. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

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.

Reclassifications

Certain amounts have been reclassified for the year ended December 31, 2023 to conform with the presentation for the year ended December 31, 2024. The reclassifications had no impact on previously reported net assets.

RONALD MCDONALD HOUSE CHARITIES OF THE PIEDMONT TRIAD, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 2 LIQUIDITY

The Organization has \$1,934,268 and \$1,620,085 of financial assets, as of December 31, 2024 and 2023, respectively, available to meet cash needs for general expenditures within one year of the statement of financial position date, as noted in the current assets section of the statement. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The current contributions receivables are subject to time restrictions but will be collected within one year.

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 of 5% of assets based on a rolling preceding 12 quarters average market value, if needed. \$536,743 and \$527,912 of appropriations from the operating reserve, as of December 31, 2024 and 2023, respectively, were available within the next 12 months.

In addition, although the Organization does not intend to spend from its board-designated maintenance reserve, other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation, amounts from its board-designated maintenance reserve could be made available if necessary. The board-designated maintenance reserve balance of \$1,400,000 was available within the next 12 months at both December 31, 2024 and 2023.

NOTE 3 CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of pledges to the Home Away from Home Annual Campaign (HAFHAC), as of the years ended December 31:

	2024	2023
Amounts due in less than one year:		
Home Away from Home Annual Campaign	\$ 55,570	\$ 63,531
HAFHAC via United Ways of surrounding counties	11,840	16,407
Total	67,410	79,938
Unamortized Discount	-	-
Allowance for Uncollectibles	-	-
Net Contributions Receivable	\$ 67,410	\$ 79,938

RONALD MCDONALD HOUSE CHARITIES OF THE PIEDMONT TRIAD, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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

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 and liabilities measured on a recurring basis as of December 31, 2024 and 2023 are as follows:

	Cost	Fair Value	Fair Value Measurements at December 31, 2024 Using		
			Level 1	Level 2	Level 3
Assets:					
Recurring					
Investments by Market Sector					
Money Market Funds	\$ 486,076	\$ 486,076	\$ 486,076	\$ -	\$ -
Mutual Funds	3,181,818	3,288,238	3,288,238	-	-
Exchange Traded Funds	248,175	247,590	247,590	-	-
Equity Funds	158,495	179,297	179,297	-	-
Industrials	106,406	148,210	148,210	-	-
Communication Services	163,731	253,773	253,773	-	-
Consumer Discretionary	108,447	192,767	192,767	-	-
Consumer Staples	191,514	248,954	248,954	-	-
Financials	460,023	675,282	675,282	-	-
Health Care	508,147	540,479	540,479	-	-
Information Technology	355,619	580,485	580,485	-	-
Real Estate	66,797	72,791	72,791	-	-
Utilities	38,355	32,397	32,397	-	-
Total Investments	6,073,603	6,946,339	6,946,339	-	-
Beneficial Interests in Assets Held by Others	1,091,795	4,029,581	4,029,581	-	-
Total	\$ 7,165,398	\$ 10,975,920	\$ 10,975,920	\$ -	\$ -

RONALD MCDONALD HOUSE CHARITIES OF THE PIEDMONT TRIAD, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

	Cost	Fair Value	Fair Value Measurements at December 31, 2023 Using		
			Level 1	Level 2	Level 3
Assets:					
Recurring					
Investments by Market Sector					
Money Market Funds	\$ 492,773	\$ 492,773	\$ 492,773	\$ -	\$ -
Mutual Funds	2,932,745	2,963,297	2,963,297	-	-
Exchange Traded Funds	319,895	353,424	353,424	-	-
Industrials	80,861	119,650	119,650	-	-
Communication Services	126,865	203,104	203,104	-	-
Consumer Discretionary	208,514	251,513	251,513	-	-
Consumer Staples	248,793	268,443	268,443	-	-
Financials	394,588	541,209	541,209	-	-
Health Care	518,749	563,857	563,857	-	-
Information Technology	324,403	506,137	506,137	-	-
Real Estate	26,408	30,207	30,207	-	-
Utilities	156,151	141,602	141,602	-	-
Total Investments	5,830,745	6,435,216	6,435,216	-	-
Beneficial Interests in Assets Held by Others	1,124,855	3,676,569	3,676,569	-	-
Total	\$ 6,955,600	\$ 10,111,785	\$ 10,111,785	\$ -	\$ -

Fair values for Level 1 investments are based on quoted net asset values of the shares held by the Organization at year-end for mutual funds and the fair value of common stock, corporate bonds, and U.S. Government securities are based on quoted market prices. Fair value of Level 2 investments are determined by reference to quoted prices for similar assets in less active markets. Fair value of Level 3 investments are determined from valuation techniques in which one or more inputs are unobservable. 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.

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 Directors which oversees the Organization's investment program in accordance with established guidelines.

RONALD MCDONALD HOUSE CHARITIES OF THE PIEDMONT TRIAD, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Allocation of Investment Strategies

In addition to traditional stocks and fixed income securities, the Organization may also hold shares or units in traditional institutional funds as well as in alternative investment funds involving real asset strategies. Real estate funds generally hold interests in public real estate investment trusts (REITS) or commercial real estate through sole-member entities. Real asset strategies therefore often require the estimation of fair values by the fund managers in the absence of readily determinable market values. 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.

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

	2024	2023
Interest and Dividend Income	\$ 325,515	\$ 177,146
Realized Gains	212,374	38,980
Unrealized Gains (Losses)	642,709	972,758
Less Investment Expenses	(104,641)	(94,541)
Investment Gain (Loss), Net	\$ 1,075,957	\$ 1,094,343

NOTE 5 PROPERTY AND EQUIPMENT

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

	2024	2023
Artwork	\$ 7,000	\$ 7,000
Building and Improvements	5,267,303	5,179,912
Family Rooms	864,512	764,179
Furniture and Fixtures	1,261,677	1,227,621
Land and Improvements	1,283,803	1,283,803
Total, at Cost	8,684,295	8,462,515
Less Accumulated Depreciation	(3,905,661)	(3,624,703)
Total Property and Equipment	\$ 4,778,634	\$ 4,837,812

RONALD MCDONALD HOUSE CHARITIES OF THE PIEDMONT TRIAD, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 6 BOARD DESIGNATED MAINTENANCE RESERVES

The Board of Directors designated \$1,400,000 in 2024 and 2023 for maintenance reserves. Capital maintenance expenditures will be deducted from the interest generated by the designated funds.

NOTE 7 BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION

The Organization is beneficiary of several trusts which are administered by The Winston-Salem Foundation under irrevocable trust agreements. The Foundation annually distributes the earnings on the funds to the Organization. In addition, a portion of the principal may be distributed as requested by the Board of Directors, subject to approval by The Winston-Salem Foundation Committee. The market value of the trusts administered by The Winston-Salem Foundation for the Organization at December 31, 2024 and 2023 are as follows:

	2024	2023
Endowment fund principal account	\$ 1,728,078	\$ 1,639,239
Endowment fund income account	1,931,562	1,699,797
M.W. Parker endowment fund	369,941	337,533
Total Beneficial Interest	\$ 4,029,581	\$ 3,676,569

Under the Organization’s irrevocable trust agreement with the Foundation, the Organization cannot reduce the Endowment Fund Principal Account balance below \$35,000 through withdrawals of earnings and principal. Income and principal from the M.W. Parker Endowment Fund is considered unrestricted and Board designated, and distributions from principal may equal twenty-five percent of the principal value each year. The balance of the income from the expired Elizabeth T. Williams Charitable Annuity Lead Trust previously included in the Endowment Fund Principal Account was fully expended in 2023 satisfying its donor restriction for maintenance and future expansion of facilities. See Note 9.

NOTE 8 EMPLOYEE RETENTION CREDIT AND PRIOR PERIOD ADJUSTMENTS

Grants from the government are recognized when all conditions of such grants are fulfilled or there is reasonable assurance they will be fulfilled. During the year December 31, 2023, the Organization applied for the Employee Retention Credit (ERC) from the Internal Revenue Service in the total amount of \$242,286 for the five Quarters Ending, June 30, September 30, and December 31, 2020, and March 31, and June 30, 2021. A prior period adjustment was made to record government grants for IRS checks received in March 2025, for Quarters Ending June 30, 2020, (\$56,054) and September 30, 2020, (\$13,443) net of total third-party service fees due (\$6,950), restating net assets at December 31, 2023, from \$16,418,699 to \$16,481,246. The Organization has not yet recognized Quarters Ending, December 31, 2020, and March 31, and June 30, 2021 as grant revenue. While performance requirements have been met in compliance with the program during the year ended December 31, 2023, and the Organization has responded in 2025 to IRS requests for additional information, management is of the opinion that the remaining Grants may never be fulfilled so will not recognize revenue until received.

RONALD MCDONALD HOUSE CHARITIES OF THE PIEDMONT TRIAD, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 9 ENDOWMENT FUNDS

The Organization's endowment consists of two individual funds established by donors to provide annual funding for specific activities, general operations, maintenance and future expansion of facilities. The Endowment also includes certain net assets without donor restrictions that have been designated for endowment by the board of directors.

Absent explicit donor stipulations to the contrary, the board of directors 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. In accordance with that 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, and (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 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. 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 8% 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.

RONALD MCDONALD HOUSE CHARITIES OF THE PIEDMONT TRIAD, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 9 ENDOWMENT FUNDS (CONTINUED)

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 June 30th of the preceding calendar year preceding the fiscal year in which the distribution is planned. 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, many 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 of 5% annually. 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.

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

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, December 31, 2023	\$ 3,676,569	\$ 490,000	\$ 4,166,569
Investment Return:			
Investment Income (Loss), Net	2,126	-	2,126
Net Gain - Realized and Unrealized	350,886	-	350,886
Total Investment Return	353,012	-	353,012
Endowment Net Assets, December 31, 2024	\$ 4,029,581	\$ 490,000	\$ 4,519,581
	Without Donor Restrictions	With Donor Restrictions	Total
Donor Restricted Endowment Funds	\$ -	\$ 490,000	\$ 490,000
Board Restricted Endowment Funds	4,029,581	-	4,029,581
Total Funds	\$ 4,029,581	\$ 490,000	\$ 4,519,581

RONALD MCDONALD HOUSE CHARITIES OF THE PIEDMONT TRIAD, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 9 ENDOWMENT FUNDS (CONTINUED)

Changes in endowment net assets and net assets by type of fund were as follows for the year ended December 31, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Net Assets, December 31, 2022	\$ 3,373,212	\$ 690,262	\$ 4,063,474
Investment Return:			
Investment Income (Loss), Net	1,988	-	1,988
Net Loss - Realized and Unrealized	<u>316,033</u>	<u>-</u>	<u>316,033</u>
Total Investment Return	<u>318,021</u>	<u>-</u>	<u>318,021</u>
Appropriation of Endowment Assets for Expenditure	<u>(14,664)</u>	<u>(200,262)</u>	<u>(214,926)</u>
Endowment Net Assets, December 31, 2023	<u>\$ 3,676,569</u>	<u>\$ 490,000</u>	<u>\$ 4,166,569</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor Restricted Endowment Funds	\$ -	\$ 490,000	\$ 490,000
Board Restricted Endowment Funds	<u>3,676,569</u>	<u>-</u>	<u>3,676,569</u>
Total Funds	<u>\$ 3,676,569</u>	<u>\$ 490,000</u>	<u>\$ 4,166,569</u>

Fund Deficiencies. From time to time, the fair value of assets associated with individual 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. Deficiencies, if any, may result from unfavorable market fluctuations that occur shortly after the investment of new donor-restricted contributions and continued appropriation for certain programs that may be deemed prudent by the board of directors. There were no such deficiencies as of December 31, 2024 and 2023.

RONALD MCDONALD HOUSE CHARITIES OF THE PIEDMONT TRIAD, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 10 NET ASSETS WITH DONOR RESTRICTIONS

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

	2024	2023
Subject to expenditure for specific purpose:		
Ronald McDonald House Operations:		
Original donor-restricted gift amount required to be maintained in perpetuity by donor	\$ 490,000	\$ 490,000
Annual operating expenses including capital improvement and future expansion of facilities	243,669	243,669
Relocation and remodel of Forsyth Medical Center Ronald McDonald Family Room	-	150,000
	<u>\$ 733,669</u>	<u>\$ 883,669</u>
Total net assets with donor restrictions	<u>\$ 733,669</u>	<u>\$ 883,669</u>

NOTE 11 NET ASSETS RELEASED FROM DONOR RESTRICTIONS

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 year ended December 31:

	2024	2023
Purpose restrictions accomplished		
Forsyth Medical Center Ronald McDonald Family Room relocation, remodel, and equipment	\$ 150,000	\$ 214,926
Hospitality carts and supplies	-	14,245
Investment earnings (loss)	56,473	65,788
	<u>\$ 206,473</u>	<u>\$ 294,959</u>
Total net assets with donor restrictions	<u>\$ 206,473</u>	<u>\$ 294,959</u>

NOTE 12 NET ASSETS WITHOUT DONOR RESTRICTIONS

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

	2024	2023
Purpose restrictions accomplished		
Board-Designated Maintenance Reserves	\$ 1,400,000	\$ 1,400,000
	<u>\$ 1,400,000</u>	<u>\$ 1,400,000</u>

RONALD MCDONALD HOUSE CHARITIES OF THE PIEDMONT TRIAD, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 13 CONTRIBUTED NONFINANCIAL ASSETS

The Organization received the following contributions of nonfinancial assets year ended December 31,

	2024	2023
Property and equipment:		
Furniture and equipment	\$ 5,838	\$ -
Household items inventory	54,054	95,695
Family support services supplies	20,610	10,151
Family support services food	87,856	71,028
Family support services transportation	1,255	20,700
Hospitality Cart supplies	-	216
House landscaping, cleaning, and storage services	22,830	32,929
Marketing and promotion expenses	730	-
Staff and board development expenses	2,507	2,014
	\$ 195,680	\$ 232,733
Total Contributed Nonfinancial Assets		

In May 2011, the Organization obtained a two-year lease for a vehicle donated by a car dealer. The car was wrapped to advertise the Organization and is used to support families. The lease has continued to be renewed for two additional years from 2013 through 2021. When the lease was renewed for this most recent two-year period it was recorded on December 31, 2021, as contribution income with a total value of \$17,289. In January 2023 the 2011 vehicle lease was properly revalued through December 2025, recorded as contribution income with a total value of \$7,200 and a write-off of the old prepaid lease expense of \$3,236. In October 2023, the Organization obtained a second car lease for a 2021 vehicle through December 2025, recorded as contribution income with a total value of \$13,500. The prepaid lease value of both vehicles was \$8,400 and \$16,800 at December 31, 2024 and 2023, respectively. In 2024 and 2023, the lease expense was \$8,400 and \$7,136, respectively.

- The Organization recognized contributed nonfinancial assets within revenue, including property and equipment; household items inventory; Family Room supplies; family support services supplies, food and transportation; Hospitality Cart supplies; House landscaping, cleaning and storage services; and staff and board development costs.
- In valuing property and equipment, the Organization estimated fair value at the date of donation.
- In valuing household items inventory; Family Room supplies; family support services supplies, food and transportation; Hospitality Cart supplies; House landscaping, cleaning and storage services; and staff and board development costs; the Organization estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products or services in the United States.
- Contributed food, household goods, and clothing were utilized in the following programs: Ronald McDonald House, Ronald McDonald Family Rooms and Hospitality Carts. In valuing these items, the Organization estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.
- Contributed utilities, such as electricity, gas, internet and telephone are used for general and administrative, fundraising, and programmatic activities. They are valued based on current rates for similar utilities.

RONALD MCDONALD HOUSE CHARITIES OF THE PIEDMONT TRIAD, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 13 CONTRIBUTED NONFINANCIAL ASSETS (CONTINUED)

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 14 CONTRIBUTED SERVICES

The Organization pays for most services requiring specific expertise. However, many individuals donate their time in performing a variety of tasks to assist the Organization’s operations. 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 donated hours and value of these contributed services have not been included in these financial statements, as they do not meet the criteria for recognition and were estimated for the years ended December 31, 2024 and 2023 as follows:

	Hours	Value
2024	16,745	\$ 529,812
2023	16,768	\$ 500,692

NOTE 15 TAX-DEFERRED ANNUITY PLAN

The Organization, in 1998, implemented a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code for all eligible employees of the Organization. The Organization contributes up to a maximum of 6% of gross salaries to the plan for qualified employees. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code if they wish. Employer contributions to the plan were \$42,294 and \$31,907 for the years ended December 31, 2024 and 2023 respectively.

NOTE 16 FINANCE LEASE

In January 2020, the Organization entered into a new copier lease with payments of \$509 per month, renegotiated in February 2021, to \$452, renegotiated in February 2022, to \$487, renegotiated in February 2023, to \$520 per month through October 2024. In October 2024, the Organization entered into a new copier lease with payments of \$577 per month. The economic substance of the lease is that the Organization is financing the \$29,430 acquisition cost of the new copier through the lease and, accordingly, it is recorded in the Organization's assets and liabilities. Accumulated depreciation on the copier physically on hand as of December 31, 2024 and 2023 was \$2,102 and \$19,539, respectively.

In July 2022, the Organization entered into a second new copier lease with payments of \$70, renegotiated in September 2023, to \$73 per month, renegotiated in August 2024, to \$76 per month through July 2027. The economic substance of the lease is that the Organization is financing the \$3,844 acquisition cost of the copier through the lease and, accordingly, it is recorded in the Organization's assets and liabilities. Accumulated depreciation on the copier as of December 31, 2024 and 2023 was \$1,922 and \$1,153, respectively.

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NOTE 16 FINANCE LEASE (CONTINUED)

Amortization of assets held under capital leases is included with depreciation expense.

The following is a schedule of future minimum payments required under the leases with their present value as of December 31, 2024:

Year Ending December 31:	Amount
2025	\$ 7,839
2026	7,839
2027	7,198
2028	6,924
2029	5,193
Total minimum lease payments	34,993
Less amounts representing interest	(4,859)
Present value of minimum lease payment	\$ 30,134

Interest expense incurred on capital leases for 2024 and 2023 was \$609 and \$407, respectively.

NOTE 17 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 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. 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 a portion of net revenues from all McDonald’s national fundraising efforts facilitated by RMHC Global. The Organization may also receive other grants and in-kind support from RMHC Global. During the years ended December 31, 2024 and 2023, the Organization received from RMHC Global \$326,839 and \$330,097, respectively, from these revenue streams. Grants Receivable, Net due from RMHC Global at December 31, 2024 and 2023, were \$70,218 and \$41,031, respectively.

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NOTE 18 SUBSEQUENT EVENTS

Management evaluated subsequent events through July 18, 2025, 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.