

**RONALD MCDONALD HOUSE
CHARITIES OF THE TRIANGLE**

Financial Statements

Years Ended December 31, 2024 and 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Ronald McDonald House Charities of the Triangle
Durham, North Carolina

Opinion

We have audited the accompanying financial statements of Ronald McDonald House Charities of the Triangle (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ronald McDonald House Charities of the Triangle 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 Triangle 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 Triangle's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Triangle'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 Triangle'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.

Thomas, Judy & Duck, P.A.

Durham, North Carolina
June 19, 2025

RONALD MCDONALD HOUSE CHARITIES OF THE TRIANGLE
STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 1,780,938	\$ 1,997,377
Contributions Receivable, Current Portion	105,644	64,187
Contribution Receivable, Facilities Use, Current Portion	180,282	171,697
Sales Tax Receivable	16,610	13,243
Grants Receivable		20,782
Investments	8,044,985	7,535,736
Gift Card Inventory	8,723	16,784
Supply Inventory		38,316
Prepaid Expenses	<u>24,742</u>	<u>42,547</u>
Total Current Assets	10,161,924	9,900,669
Long-Term Contributions Receivable, Net	55,000	67,495
Long-Term Contribution Receivable, Facilities Use, Net	2,825,072	3,005,355
Property and Equipment, Net	<u>12,800,423</u>	<u>13,333,073</u>
Total Assets	<u>\$ 25,842,419</u>	<u>\$ 26,306,592</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$	\$ 491
Accrued Payroll and Vacation	192,559	146,730
Other Accrued Liabilities	27,629	31,437
Deferred Insurance Proceeds		52,311
Deferred Revenue	<u>41,200</u>	<u>44,500</u>
Total Liabilities	<u>261,388</u>	<u>275,469</u>
Net Assets:		
Without Donor Restrictions		
Undesignated	4,431,310	4,300,816
Designated by Board for Endowment	1,694,636	1,804,242
Invested in Property and Equipment	12,800,423	13,333,073
With Donor Restrictions	<u>6,654,662</u>	<u>6,592,992</u>
Total Net Assets	<u>25,581,031</u>	<u>26,031,123</u>
Total Liabilities and Net Assets	<u>\$ 25,842,419</u>	<u>\$ 26,306,592</u>

See Independent Auditors' Report and Accompanying Notes

RONALD MCDONALD HOUSE CHARITIES OF THE TRIANGLE
STATEMENTS OF ACTIVITIES
Year Ended December 31, 2024

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Contributions of Cash and Other Financial Assets	\$ 3,269,016	\$ 80,000	\$ 3,349,016
Contributions of Nonfinancial Assets	2,136,289	158,852	2,295,141
Third Party Reimbursements	891,419		891,419
Special Events Income, Net of Fees of \$331,538	897,872		897,872
Gain on Insurance Proceeds	7,184		7,184
Other Income	6,271		6,271
Investment Earnings, Net	314,939	262,168	577,107
 Total Support and Revenue	 7,522,990	 501,020	 8,024,010
 Net Assets Released from Restrictions	 439,350	 (439,350)	
 Total Support, Revenue and Net Assets Released from Restrictions	 7,962,340	 61,670	 8,024,010
Expenses:			
Program Expenses:			
Ronald McDonald House of Durham	2,677,547		2,677,547
Ronald McDonald House at WakeMed	382,391		382,391
Ronald McDonald House of Chapel Hill	2,569,488		2,569,488
Triangle Wide	200,400		200,400
Family Room at Duke Children's Hospital	85,725		85,725
Family Room at WakeMed Hospital	188,905		188,905
Family Room at UNC Hospital	246,756		246,756
Management and General	640,383		640,383
Fundraising	1,482,507		1,482,507
 Total Expenses	 8,474,102		 8,474,102
 Change in Net Assets	 (511,762)	 61,670	 (450,092)
 Net Assets, Beginning of Year	 19,438,131	 6,592,992	 26,031,123
 Net Assets, End of Year	 <u>\$ 18,926,369</u>	 <u>\$ 6,654,662</u>	 <u>\$ 25,581,031</u>

See Independent Auditors' Report and Accompanying Notes

RONALD MCDONALD HOUSE CHARITIES OF THE TRIANGLE
STATEMENTS OF ACTIVITIES
Year Ended December 31, 2023

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Contributions of Cash and Other Financial Assets	\$ 3,047,046	\$ 155,976	\$ 3,203,022
Contributions of Nonfinancial Assets	1,485,941	109,950	1,595,891
Third Party Reimbursements	118,715		118,715
Special Events Income, Net of Fees of \$274,332	511,374		511,374
Other Income	19,890		19,890
Investment Earnings, Net	225,583	298,552	524,135
 Total Support and Revenue	 5,408,549	 564,478	 5,973,027
 Net Assets Released from Restrictions	 436,377	 (436,377)	
 Total Support, Revenue and Net Assets Released from Restrictions	 5,844,926	 128,101	 5,973,027
Expenses:			
Program Expenses:			
Ronald McDonald House of Durham	2,228,485		2,228,485
Ronald McDonald House at WakeMed	335,044		335,044
Ronald McDonald House of Chapel Hill	1,558,765		1,558,765
Triangle Wide	253,202		253,202
Family Room at Duke Children's Hospital	72,751		72,751
Family Room at WakeMed Hospital	140,134		140,134
Family Room at UNC Hospital	132,687		132,687
Management and General	612,101		612,101
Fundraising	990,243		990,243
 Total Expenses	 6,323,412		 6,323,412
 Change in Net Assets	 (478,486)	 128,101	 (350,385)
 Net Assets, Beginning of Year	 8,004,509	 3,372,492	 11,377,001
 Assets Transferred in Merger	 11,912,108	 3,092,399	 15,004,507
 Net Assets, End of Year	 <u>\$ 19,438,131</u>	 <u>\$ 6,592,992</u>	 <u>\$ 26,031,123</u>

See Independent Auditors' Report and Accompanying Notes

RONALD MCDONALD HOUSE CHARITIES OF THE TRIANGLE
STATEMENTS OF FUNCTIONAL EXPENSES
Year Ended December 31, 2024

	2024											
	Program Services											
	Ronald McDonald House of Durham	Ronald McDonald House at WakeMed	Ronald McDonald House at Chapel Hill	Triangle Wide	Family Room at Duke Children's Hospital	Family Room at WakeMed Hospital	Family Room at UNC Hospital	Total Program Services	Management and General	Fundraising	Cost of Direct Benefit to Donors	Total
Salaries	\$ 596,002	\$ 57,458	\$ 628,173	\$	\$ 31,073	\$ 56,656	\$ 64,209	\$ 1,433,571	\$ 338,026	\$ 753,287	\$	\$ 2,524,884
Payroll Taxes	45,567	4,393	48,027		2,376	4,332	4,909	109,604	25,844	57,593		193,041
Employee Benefits	92,402	8,908	97,389		4,817	8,784	9,955	222,255	52,406	116,786		391,447
Total Salaries and Related Expenses	733,971	70,759	773,589		38,266	69,772	79,073	1,765,430	416,276	927,666		3,109,372
Advertising										3,045		3,045
Automobile	5,474	2,610	3,762					11,846		491		12,337
Bad debt expense									35,540			35,540
Bank and Credit Card Fees						8			4,418	55,946		60,364
Cleaning Services and Supplies	73,763		79,972					153,743				153,743
Depreciation	307,241	15,647	326,852		8,909	2,704	5,370	666,723	10,047	10,354		687,124
Direct Mail										210,861		210,861
Donor Recognition										25,501		25,501
Facilities and Equipment Rental										3,903	96,480	100,383
Family Support Services and Supplies	101,008	31,906	56,454	2,101	645	6,039	22,479	220,632				220,632
In Kind	828,830	228,125	698,016	190,077	19,215	96,775	119,488	2,180,526				2,180,526
Insurance	35,275	1,797	37,527		1,023	311	617	76,550	1,152	1,189		78,891
Linens and Laundry	54,319		21,937					76,256				76,256
Maintenance and Repairs	173,318	8,827	184,381		5,026	1,526	3,029	376,107	5,666	5,841		387,614
Meetings, Education and Training	683	30	243	1,981	4		42	2,983	44,041	4,699		51,723
Merchandise										9,168		9,168
Office Supplies	14,049	1,354	14,807		732	1,336	1,514	33,792	7,970	17,757		59,519
Postage and Courier	743		426					1,169	1,293	16,499	767	19,728
Printing and Publishing	1,051		1,072			236	1,078	3,437	2,086	61,481	31,524	98,528
Professional Fees									53,600	-		53,600
Donated Rent and Land Lease	147,802	7,527	157,237		4,286	1,301	2,583	320,736	4,833	4,981		330,550
Technology	53,968	5,203	56,881		2,814	5,130	5,814	129,810	30,609	70,015		230,434
Telephone	19,540	995	20,787		567	172	342	42,403	638	659		43,700
Travel, Meals and Entertainment				2,015				2,015	1,645	3,025	123,569	130,254
Utilities	99,299	5,057	105,638		2,879	874	1,736	215,483	3,247	3,346		222,076
Volunteer Resources and Recognition	826	41	2,301	3,263		244	782	7,457	776	59		8,292
Merger Expenses	26,069	2,513	27,476		1,359	2,477	2,809	62,703	14,786	32,949		110,438
Other	318		130	963				1,411	1,760	13,072	79,198	95,441
Total Expenses by Function	2,677,547	382,391	2,569,488	200,400	85,725	188,905	246,756	6,351,212	640,383	1,482,507	331,538	8,805,640
Less Expenses Included with Revenue:												
Cost of Direct Benefit to Donors											(331,538)	(331,538)
Total Expenses Included in Expense Section in Statement of Activities	<u>\$ 2,677,547</u>	<u>\$ 382,391</u>	<u>\$ 2,569,488</u>	<u>\$ 200,400</u>	<u>\$ 85,725</u>	<u>\$ 188,905</u>	<u>\$ 246,756</u>	<u>\$ 6,351,212</u>	<u>\$ 640,383</u>	<u>\$ 1,482,507</u>	<u>\$</u>	<u>\$ 8,474,102</u>

See Independent Auditors' Report and Accompanying Notes

RONALD MCDONALD HOUSE CHARITIES OF THE TRIANGLE
STATEMENTS OF FUNCTIONAL EXPENSES
Year Ended December 31, 2023

	2023										
	Program Services							Management and General	Fundraising	Cost of Direct Benefit to Donors	Total
	Ronald McDonald House of Durham	Ronald McDonald House at WakeMed	Ronald McDonald House at Chapel Hill	Triangle Wide	Family Room at Duke Children's Hospital	Family Room at WakeMed Hospital	Family Room at UNC Hospital				
Salaries	\$ 565,131	\$ 47,724	\$ 403,393	\$	\$ 21,158	\$ 47,724	\$ 26,455	\$ 1,111,585	\$ 322,731	\$ 421,778	\$ 1,856,094
Payroll Taxes	41,156	3,534	29,378		1,540	3,534	1,949	81,091	18,562	30,701	130,354
Employee Benefits	71,415	6,004	61,513		2,948	6,004	2,416	150,300	8,811	52,666	211,777
Total Salaries and Related Expenses	677,702	57,262	494,284		25,646	57,262	30,820	1,342,976	350,104	505,145	2,198,225
Advertising										72	72
Automobile	3,882	859	933	1,157		211		7,042		430	7,472
Bank and Credit Card Fees	10							10	3,648	48,104	51,762
Cleaning Services and Supplies	71,685		43,165					114,850			114,850
Depreciation	223,176	11,309	236,233		6,439	1,955	3,881	482,993	6,143	7,483	496,619
Direct Mail										275,958	275,958
Donor Recognition										36,677	36,677
Facilities and Equipment Rental										144	70,664
Family Support Services and Supplies	97,136	22,917	37,324	1,201	6	4,514	5,505	168,603			168,603
In Kind	764,586	224,475	392,476	82,019	26,736	69,937	34,452	1,594,681	1,209		1,595,890
Insurance	19,524	989	20,666		563	171	340	42,253	537	655	43,445
Linens and Laundry	49,093		10,578					59,671			59,671
Maintenance and Repairs	88,617	4,491	93,802		2,557	776	1,541	191,784	2,439	2,972	197,195
Meetings, Education and Training	956		208	11,743		27	87	13,021	21,985	2,388	37,394
Merchandise				11,262				11,262			13,724
Office Supplies	7,730	653	5,638		293	653	352	15,319	3,993	5,762	27,099
Postage and Courier	2,544		108	986				3,638	184	6,646	10,468
Printing and Publishing	1,805		278	13,509				16,688	1,724	48,270	66,682
Professional Fees			3,355					3,355	34,000		37,355
Donated Rent and Land Lease	93,934	4,760	99,429		2,710	823	1,634	203,290	2,586	3,150	209,026
Technology	33,580	2,837	24,492	3,000	1,271	2,837	1,527	69,544	17,344	25,530	112,418
Telephone	17,754	900	18,793		512	155	309	38,423	489	595	39,507
Travel, Meals and Entertainment	418			1,761				2,179	4,381	2,224	121,032
Utilities	70,895	3,592	75,042		2,045	621	1,233	153,428	1,951	2,377	157,756
Volunteer Resources and Recognition	1,091		228	5,393		192		6,904	1,437		8,341
Merger Expenses				120,942	3,973		49,910	174,825	106,066	13,160	294,051
Other	2,367		1,733	229				4,329	49,419	2,501	145,788
Total Expenses by Function	2,228,485	335,044	1,558,765	253,202	72,751	140,134	132,687	4,721,068	612,101	990,243	6,597,744
Less Expenses Included with Revenue: Cost of Direct Benefit to Donors										(274,332)	(274,332)
Total Expenses Included in Expense Section in Statement of Activities	\$ 2,228,485	\$ 335,044	\$ 1,558,765	\$ 253,202	\$ 72,751	\$ 140,134	\$ 132,687	\$ 4,721,068	\$ 612,101	\$ 990,243	\$ 6,323,412

See Independent Auditors' Report and Accompanying Notes

RONALD MCDONALD HOUSE CHARITIES OF THE TRIANGLE
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ (450,092)	\$ (350,385)
Adjustments to Reconcile Change in Net Assets to Net		
Cash Provided (Used) by Operating Activities:		
Depreciation	687,124	496,619
Donated Investments		(20,941)
Realized and Unrealized Gain on Investments	(351,176)	(357,428)
Changes in Assets and Liabilities that Provided (Used) Cash:		
Contributions Receivable	(28,962)	(17,377)
Contributions Receivable, Facilities Use	171,698	99,075
Sales Tax Receivable	(3,367)	(3,458)
Grant Receivable	20,782	
Gift Card Inventory	8,061	(2,140)
Supply Inventory	38,316	
Prepaid Expenses	17,805	(38,547)
Accounts Payable	(491)	(10,344)
Accrued Payroll and Vacation	45,829	53,753
Other Accrued Liabilities	(3,808)	27,906
Deferred Insurance Proceeds	(52,311)	52,311
Deferred Revenue	(3,300)	5,750
Contributions Received for Long-Term Purposes	(80,000)	(500)
Net Cash Provided (Used) by Operating Activities	<u>16,108</u>	<u>(65,706)</u>
Cash Flows from Investing Activities:		
Purchase of Investments	(1,272,178)	(3,248,559)
Proceeds from Sale of Investments	1,114,105	3,006,617
Purchases of Property and Equipment	(154,474)	(160,118)
Net Cash Used by Investing Activities	<u>(312,547)</u>	<u>(402,060)</u>
Cash Flows from Financing Activities:		
Contributions Received for Long-Term Purposes	<u>80,000</u>	<u>500</u>
Net Cash Provided by Financing Activities	<u>80,000</u>	<u>500</u>
Net Decrease in Cash and Cash Equivalents	(216,439)	(467,266)
Cash and Cash Equivalents, Beginning of Year	1,997,377	1,409,349
Cash and Cash Equivalents Acquired in Merger		<u>1,055,294</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,780,938</u>	<u>\$ 1,997,377</u>

See Independent Auditors' Report and Accompanying Notes

RONALD MCDONALD HOUSE CHARITIES OF THE TRIANGLE
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2024 and 2023
(Continued)

	<u>2024</u>	<u>2023</u>
Assets Acquired Upon Merger:		
Cash	\$	\$ 1,055,294
Supplies		38,316
Accounts Receivable		4,625
Accounts Receivable, Facilities		2,218,660
Investments		3,622,853
Property and Equipment		8,075,594
Accounts Payable		<u>(10,835)</u>
	<u>\$</u>	<u>\$ 15,004,507</u>

See Independent Auditors' Report and Accompanying Notes

RONALD MCDONALD HOUSE CHARITIES OF THE TRIANGLE
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

1. Summary of Significant Accounting Policies

Operations

The Ronald McDonald House Charities of Durham and Wake, Inc. is a not-for-profit corporation incorporated under the laws of the State of North Carolina in 1978. The Organization was formed to provide a home away from home as well as community support for seriously ill children and their families.

In 2022, Ronald McDonald House of Durham and Wake and Ronald McDonald House of Chapel Hill formally voted to merge effective July 1, 2023. Upon the merge the name of the entity was changed to Ronald McDonald House Charities of the Triangle (the "Organization"). The Organization now operates 103 bedrooms for short and long-term stays at a house in Durham, Chapel Hill, at Duke Children's Hospital in Durham, North Carolina, and at Wake Med Hospital in Raleigh, North Carolina. The Organization also provides in-hospital support through family rooms located at Duke Children's Hospital in Durham, WakeMed Children's Hospital in Raleigh, and UNC Hospital in Chapel Hill.

Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-205, *Not-for-Profit Entities – Presentation of Financial Statements*. Under these provisions, the Organization is required to report information regarding its financial position and activities according to the following net asset classifications:

- **Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.
- **Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

The Organization has also adopted FASB ASC 958-605, *Not-for-Profit Entities – Revenue Recognition*. Under these provisions, contributions received are recorded as contributions without donor restrictions or contributions with donor restrictions depending on the existence or nature of donor restrictions.

RONALD MCDONALD HOUSE CHARITIES OF THE TRIANGLE
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

1. Summary of Significant Accounting Policies (Continued)

Basis of Accounting and Use of Estimates

The financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles ("GAAP"). Management uses estimates and assumptions in preparing the 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.

Revenue Recognition

Contributions, Grants and Bequests

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the 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 restrictions. Bequests are recorded when the amount and rate of payment is probable.

Special Event Income – Ticket Sales

The portion of ticket sales that relates to the commensurate value the sponsor received in return is recognized when the related events are held and performance obligations are met. Proceeds received in advance of the event are recorded as deferred revenue.

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. The discount is calculated using a risk-adjusted rate of 1%. This rate does not include any consideration of collectability, for which the Organization records a separate allowance for credit losses. Contributions receivable are written off when deemed uncollectible.

The Organization uses the allowance method to determine credit losses. The allowance is based on prior years' experience and management's analysis of specific promises made and the uncollectible amounts are charged as a loss in the statements of activities. The allowance for credit losses was \$5,990 and \$5,477 at December 31, 2024 and 2023, respectively.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers cash on hand, cash in demand deposit accounts, and all short-term debt securities with a maturity of three months or less to be cash equivalents. The Organization had \$337,957 and \$564,627 of cash equivalents at December 31, 2024 and 2023, respectively.

RONALD MCDONALD HOUSE CHARITIES OF THE TRIANGLE
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

1. Summary of Significant Accounting Policies (Continued)

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Realized and unrealized gains and losses and income are included in investment earnings, net in the accompanying statements of activities.

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

Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Donated securities are recorded at their fair values on the dates of the gifts and, except where otherwise required by the donor or Board of Directors, are immediately sold by the Organization.

Income Taxes

The Organization is exempt from income taxes as a not-for-profit organization under Internal Revenue Section code section 501(c)(3). The Organization has been approved under Internal Revenue Code for recognition as a public charity and not as a private foundation. The Organization has adopted the provisions of FASB ASC 740-10-25, *Accounting for Uncertainty in Income Taxes*. Under this standard, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not the position will be sustained upon examination. The Organization does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits. No interest or penalties were accrued as of December 31, 2024.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods.

Functional Allocation of Expenses

The statements of functional expenses report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated on a square footage basis include: depreciation, insurance, maintenance and repairs, donated rent and land lease, telephone, and utilities. The expenses allocated on the basis of estimates of time and effort are salaries, payroll taxes, employee benefits, office supplies, and technology. All other expenses are allocated based on specific identification.

RONALD MCDONALD HOUSE CHARITIES OF THE TRIANGLE
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

1. Summary of Significant Accounting Policies (Continued)

Property and Equipment

It is the Organization's policy to capitalize property and equipment with an original cost or donated value of \$5,000 or more and estimated useful life of more than one year and all expenditures for repairs, maintenance, renewals and betterments that materially prolong the useful lives of assets. Purchased property and equipment are carried at cost. Donations of equipment are recorded as contributions at their estimated fair value at the date of the 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. In the absence of such stipulations, contributions of equipment are recorded as unrestricted assets. Depreciation and amortization are computed using the straight-line method over the estimated useful lives as follows:

Buildings and Improvements	5 – 45 years
Vehicles, Furnishings and Equipment	3 – 15 years

Depreciation expense totaled \$687,124 and \$496,619 for the years ended December 31, 2024 and 2023, respectively.

Donated Services

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.

Risks and Uncertainties

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of financial position.

Advertising

The Organization expenses advertising costs when incurred. Advertising expenses totaled \$3,045 and \$72 for the years ended December 31, 2024 and 2023, respectively.

Accrued Vacation

The Organization allows all full-time employees discretionary time off based on years of continuous service. Employees working less than 40 hours per week are not eligible for paid time off. The maximum number of accrued vacation hours that an employee may carry-over each year is 160 hours. Accrued vacation at December 31, 2024 and 2023 was \$121,800 and \$103,409, respectively.

Reclassification

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported net assets or change in net assets.

RONALD MCDONALD HOUSE CHARITIES OF THE TRIANGLE
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

2. Concentrations of Credit Risk

The Organization occasionally maintains deposits in excess of federally insured limits. These are identified as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by maintaining all deposits in high quality financial institutions. The Federal Deposit Insurance Corporation insures up to \$250,000 for all accounts held at a single institution. As of December 31, 2024, the Organization's uninsured cash balance was \$864,125.

3. Liquidity and Availability

The following represents the Organization's financial assets at December 31:

	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 1,780,938	\$ 1,997,377
Contributions Receivable, Current Portion	105,644	64,187
Sales Tax Receivable	16,610	13,243
Investments	<u>8,044,985</u>	<u>7,535,736</u>
Total financial assets	9,948,177	9,610,543
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>3,649,308</u>	<u>3,415,940</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 6,298,869</u>	<u>\$ 6,194,603</u>

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. It is the Organization's policy to maintain an operating reserve of one to three years of annual expenses. The Organization defines its operating reserve as net assets without donor restrictions less property and equipment divided by annual operating expenses.

Endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

The board-designated endowment of \$1,694,636 is subject to an annual spending rate between 4% and 5% as described in Note 8. Although the Organization does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

RONALD MCDONALD HOUSE CHARITIES OF THE TRIANGLE
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

4. Contributions Receivable

At December 31, contributions receivable are expected to be received as follows:

	2024	2023
Less than One Year	\$ 105,644	\$ 64,187
One to Five Years	60,990	72,972
	166,634	137,159
Less: Allowance for Uncollectible Contributions	(5,990)	(5,477)
Net Contributions Receivable	<u>\$ 160,644</u>	<u>\$ 131,682</u>

At December 31, contributions receivable were designated by the donor for the following purposes:

	2024	2023
Capital Campaign	\$	\$ 9,500
Other (Unrestricted)	166,634	127,659
Contributions Receivable, Before Discount and Allowance for Uncollectible Contributions	<u>\$ 166,634</u>	<u>\$ 137,159</u>

5. Contributions Receivable – Facilities Use

Durham

The Organization entered into a land and improvements lease with Duke University for the site upon which the Organization's Durham house is located. The lease restricts the use of the property to operating a short-term residence facility for children and parents of children who are being treated at Duke University Medical Center. The original lease began May 1979. The Organization entered into a new lease with similar terms in May 2012 through November 2041 with two 10-year renewal periods through November 2061. No rent is paid, and the lessor retains the right to renegotiate rent not in excess of \$1,000 per annum each succeeding fifth year. The lessee is responsible for all assessments against the property, and upon termination of the lease, the improvements thereon become the property of the lessor.

An internal valuation determined that the fair value of the land and improvements at the date of inception was \$1,750,000. The annual rental value was estimated to be approximately \$87,500 per year. In connection with this lease agreement, the Organization discounted the value of the 30-year initial term of the lease using a discount rate of 5.0% and recorded a restricted contribution in 2012 in the amount of \$1,345,089.

RONALD MCDONALD HOUSE CHARITIES OF THE TRIANGLE
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

5. Contributions Receivable – Facilities Use (Continued)

The value remaining on the use of facilities at December 31, 2024 and 2023 is \$986,481 and \$1,022,840, respectively, and has been recorded as contribution receivable, facilities use on the statements of financial position. Rent expense recorded in connection with this lease agreement was \$87,500 for each of the years ended December 31, 2024 and 2023.

Chapel Hill

The Organization entered into a land and improvements lease with the State of North Carolina for the site upon which the Organization's Chapel Hill house is located. The lease restricts the use of the property to operating a short-term residence facility for children and parents of children who are being treated at UNC Children's Hospital. The original lease began December 1985. The Organization entered into a new lease with similar terms in June 2001. The new lease expires in October 2035. The Organization pays annual rent of \$1. The lessee is responsible for all assessments against the property, and upon termination of the lease, the improvements thereon become the property of the lessor.

An internal valuation determined that the fair value of the land and improvements at the date of inception was \$4,860,997. The annual rental value was estimated to be approximately \$243,050 per year. In connection with this lease agreement, the Organization discounted the value of the 35-year initial term of the lease using a discount rate of 5.0%.

The value remaining on the use of facilities at December 31, 2024 and 2023 is \$2,018,873 and \$2,154,212, respectively, and has been recorded as contribution receivable – facilities use on the statements of financial position. Rent expense recorded in connection with this lease agreement for the years ended December 31, 2024 and 2023 was \$243,050 and \$121,525, respectively.

6. Investments

Investments are summarized below.

	<u>Cost</u>	<u>Fair Value</u>
<u>December 31, 2024</u>		
Equity Securities	\$ 592,747	\$ 975,216
Fixed Income	4,113,502	4,570,844
Exchange Traded Funds	1,901,505	2,260,063
Real Estate Interests	<u>300,000</u>	<u>238,862</u>
Total	<u>\$ 6,907,754</u>	<u>\$ 8,044,985</u>
<u>December 31, 2023</u>		
Equity Securities	\$ 2,237,658	\$ 2,736,313
Fixed Income	1,417,988	1,387,227
Exchange Traded Funds	2,833,341	3,128,630
Real Estate Interests	<u>300,000</u>	<u>283,566</u>
Total	<u>\$ 6,788,987</u>	<u>\$ 7,535,736</u>

RONALD MCDONALD HOUSE CHARITIES OF THE TRIANGLE
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

6. Investments (Continued)

Investment earnings for the years ended December 31 are as follows:

	<u>2024</u>	<u>2023</u>
Interest and Dividends	\$ 236,795	\$ 190,598
Investment Fees	(10,864)	(23,891)
Realized and Unrealized Gain	<u>351,176</u>	<u>357,428</u>
Total	<u>\$ 577,107</u>	<u>\$ 524,135</u>

7. Property and Equipment

Property and equipment consist of the following at December 31:

	<u>2024</u>	<u>2023</u>
Buildings and Leased Land	\$ 20,965,267	\$ 20,764,147
Construction in Progress	30,363	79,302
Furnishings and Equipment	1,129,828	1,127,535
Vehicles	<u>168,992</u>	<u>168,992</u>
Total Property and Equipment	22,294,450	22,139,976
Less: Accumulated Depreciation	<u>(9,494,027)</u>	<u>(8,806,903)</u>
Property and Equipment, Net	<u>\$ 12,800,423</u>	<u>\$ 13,333,073</u>

8. Cash and Investments Held in Endowments

The Organization's endowments consist of multiple funds established for the ongoing operations of the Organization. The endowment balances include board-designated and donor-restricted endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

North Carolina G.S. 116, Chapter 36E, Uniform Prudent Management of Institutional Funds Act (UPFIMA) was signed into law March 2009 and is applied to the Organization's endowment funds existing at December 31, 2024 and 2023. The Board of Trustees of the Organization has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

RONALD MCDONALD HOUSE CHARITIES OF THE TRIANGLE
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

8. Cash and Investments Held in Endowments (Continued)

As a result of this interpretation, the Organization classifies the following as net assets with donor restrictions: (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment fund that is not classified as net assets with donor restrictions is classified as net assets without donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with 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 fund, (2) the purpose of the Organization and the donor-restricted endowment fund (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.

The ultimate responsibility for managing the cash and investments of the Organization rests with the Board of Trustees, which may delegate responsibility to the Investment Committee of the Board of Trustees.

Investment Objectives – The investment objective is to maximize investment returns consistent with risk levels resulting in a Target Rate of Return (TRR) of 4.5% - 5.5% net of inflation. Risk tolerance, in achieving TRR, will be low and will not tolerate any loss of principal or capital from default or bankruptcy, or outside of normal market volatility.

Spending Policy – The Organization has various funds established by donors and additional board-designated funds. Based on the terms of the endowments, the Organization can make distributions between 4% and 5% each year or the Organization can appropriate investment income generated from the funds as directed by donors and/or the Board of Trustees. A certain amount of cash equivalents will be held in order to provide for tactical investment decisions, rebalancing, accrued income, and disbursements. Should expenditures be anticipated on an ad hoc basis, sufficient liquidity should be maintained in order to provide for these needs.

Strategies Employed for Achieving Objectives

To achieve its long-term goals the Organization has adopted the following asset allocation objective as a percentage of total assets:

<u>Asset Class</u>	<u>Allocation %</u>	<u>Allowable Range</u>
Equities	60%	40% - 70%
Single Stock Holding	3%	0% - 6%
Fixed Income	35%	25% - 50%
Real Assets	5%	0% - 10%
Alternative Assets	5%	0% - 10%
Cash and Equivalents	5%	2% - 15%

RONALD MCDONALD HOUSE CHARITIES OF THE TRIANGLE
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8. Cash and Investments Held in Endowments (Continued)

Endowment net asset composition by fund type as of December 31 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>2024</u>			
Board-Designated Funds	\$ 1,694,636	\$	\$ 1,694,636
Donor-Restricted Funds		3,649,309	3,649,309
Total Funds	<u>\$ 1,694,636</u>	<u>\$ 3,649,309</u>	<u>\$ 5,343,945</u>
<u>2023</u>			
Board-Designated Funds	\$ 1,804,242	\$	\$ 1,804,242
Donor-Restricted Funds		3,312,471	3,312,471
Total Funds	<u>\$ 1,804,242</u>	<u>\$ 3,312,471</u>	<u>\$ 5,116,713</u>

Changes in endowments for the years ended December 31 were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>2024</u>			
Endowment Net Assets, Beginning of Year	\$ 1,804,242	\$ 3,312,471	\$ 5,116,713
Transfers		103,470	103,470
Contributions	18,500	80,000	98,500
Investment Earnings	143,813	262,168	405,981
Distributions	(271,919)	(108,800)	(380,719)
Endowment Net Assets, End of Year	<u>\$ 1,694,636</u>	<u>\$ 3,649,309</u>	<u>\$ 5,343,945</u>
<u>2023</u>			
Endowment Net Assets, Beginning of Year	\$ 936,532	\$ 2,305,527	\$ 3,242,059
Acquisition in Merger	790,699	810,269	1,600,968
Contributions		10,000	10,000
Investment Earnings	136,535	298,551	435,086
Distributions	(59,524)	(111,876)	(171,400)
Endowment Net Assets, End of Year	<u>\$ 1,804,242</u>	<u>\$ 3,312,471</u>	<u>\$ 5,116,713</u>

From time to time, certain donor-restricted funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no underwater endowments at December 31, 2024 and 2023.

RONALD MCDONALD HOUSE CHARITIES OF THE TRIANGLE
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9. Fair Value Measurements

The FASB established a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value of investments. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2 Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 3)
<u>December 31, 2024</u>			
Equity Securities	\$ 975,216	\$ 263,510	\$ 711,706
Fixed Income	4,570,844	4,570,844	
Exchange -Traded Funds	2,260,063	2,260,063	
Real Estate Interests	<u>238,862</u>		<u>238,862</u>
	<u>\$ 8,044,985</u>	<u>\$ 7,094,417</u>	<u>\$ 950,568</u>
<u>December 31, 2023</u>			
Equity Securities	\$ 2,736,313	\$ 2,080,178	\$ 656,135
Fixed Income	1,387,227	1,387,227	
Exchange -Traded Funds	3,128,630	3,128,630	
Real Estate Interests	<u>283,566</u>		<u>283,566</u>
	<u>\$ 7,535,736</u>	<u>\$ 6,596,035</u>	<u>\$ 939,701</u>

RONALD MCDONALD HOUSE CHARITIES OF THE TRIANGLE
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

9. Fair Value Measurements (Continued)

Changes in Fair Value Levels – The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Change in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the end of the reporting period. There have been no changes in levels or valuation techniques for these assets and liabilities for the years ended December 31, 2024 and 2023.

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) at December 31 were as follows:

	<u>2024</u>	<u>2023</u>
Beginning Balance	\$ 939,701	\$ 951,501
Assets Acquired in Merger		16,381
Purchases	6,000	
Total Realized/Unrealized Gains (Losses) included in Changes in Net Assets	<u>4,867</u>	<u>(28,181)</u>
Ending Balance	<u>\$ 950,568</u>	<u>\$ 939,701</u>

Level 3 investments consist of capital invested in real estate holdings that are valued by brokerage firms that hold and manage the investment portfolio and investments in private investment companies that are valued using the net asset valuations provided by the underlying private investment companies.

10. Line of Credit

In April of 2021, the Organization opened a standby line of credit with a bank. Total borrowing capacity is based on a percentage of investments held, ranging from 60% to 90% depending on the type of investment. Borrowings of less than \$5,000,000 carry an interest rate equal to the Secured Overnight Financing Rate ("SOFR") plus 1.75% (6.24% at December 31, 2024) and are due monthly. The line of credit was closed on November 29, 2024, and there were no draws on the line of credit during December 31, 2024 and 2023.

RONALD MCDONALD HOUSE CHARITIES OF THE TRIANGLE
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Years Ended December 31, 2024 and 2023

11. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes and periods:

	<u>2024</u>	<u>2023</u>
Subject to appropriation and expenditure when a Specified event occurs:		
Land Lease	\$ 3,005,354	\$ 3,177,052
House Operations	1,436,776	1,315,555
General Purpose	264,205	252,265
Garden Enhancement	29,093	24,016
Duke Family Room	88,385	83,561
WakeMed Family Room	20,197	9,890
Subject to endowment spending policy and appropriation:		
House Operations	1,402,500	1,372,500
General Purpose	175,110	175,111
Garden Enhancement	83,392	73,392
Duke Family Room	40,000	40,000
WakeMed Family Room	<u>109,650</u>	<u>69,650</u>
	<u>\$ 6,654,662</u>	<u>\$ 6,592,992</u>

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 the donors as follows for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Satisfaction of purpose restrictions		
Land Lease	\$ 330,550	\$ 209,025
House Operations	81,688	81,707
General Purpose	19,396	19,719
Duke Family Room	6,303	6,360
WakeMed Family Room	1,413	4,090
Capital Campaign	<u> </u>	<u>115,476</u>
Satisfaction of purpose restrictions	<u>\$ 439,350</u>	<u>\$ 436,377</u>

12. Related Party Transactions

The Organization received pledges and contributions from Board members in 2024 and 2023 totaling \$162,630 and \$56,431, respectively. As of December 31, 2024 and 2023, total outstanding pledges due from board members was \$0.

RONALD MCDONALD HOUSE CHARITIES OF THE TRIANGLE
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13. Retirement Plan

Effective January 1, 2024, the Organization adopted the *Ronald McDonald House Charities of the Triangle 401(k) Plan*, a qualified defined contribution plan under IRC Sections 401(a) and 401(k). The Plan is available to all full-time and part-time employees who have completed 90 days of service. The Organization sponsors the Plan with automatic enrollment at 5% of compensation and offers a safe harbor matching contribution equal to 100% of employee deferrals up to 5% of compensation. The Plan replaces the previous retirement plan that was terminated effective December 31, 2023. Total employer contributions for the years ended December 31, 2024 and 2023 were \$100,421 and \$55,345, respectively.

14. Contributed Services

The Organization receives donated services from a variety of unpaid volunteers. No amounts have been recorded in the accompanying statement of activities because the criteria for recognition of such volunteer effort has not been satisfied.

15. Contributed Nonfinancial Assets

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

	<u>2024</u>	<u>2023</u>
Expenses:		
Meals and Supplies	\$ 1,262,912	\$ 920,212
Family Support Services	453,968	411,259
Transportation Services	229,332	182,401
Rent	158,852	109,950
Miscellaneous Services	<u>190,077</u>	<u>82,019</u>
	<u>\$ 2,295,141</u>	<u>\$ 1,705,841</u>

The Organization recognized contributed nonfinancial assets within revenue, including meals and supplies, family support services, transportation services, and miscellaneous services.

In valuing property and equipment, the Organization estimated fair value at the date of donation. In valuing meals and supplies, family support services, transportation services, and miscellaneous services, 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 rent is for the land and facilities which are used for program and general and administrative activities. In valuing the contributed land and facilities, which is located in Durham, North Carolina, the Organization estimated the fair value on the basis of recent comparable sales prices in Durham, North Carolina's real estate market.

RONALD MCDONALD HOUSE CHARITIES OF THE TRIANGLE
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15. Contributed Nonfinancial Assets (Continued)

Contributed food, household goods, and clothing were utilized in the following programs: Ronald McDonald Houses and Ronald McDonald Family Rooms. 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.

All donated assets were utilized by the Organization's Programs and Supporting Services. There were no donor restrictions associated with the donated assets.

16. Subsequent Events

Management has evaluated events and transactions for potential recognition or disclosure in the financial statements through June 19, 2025, which is the date the financial statements were available to be issued.