

**RONALD MCDONALD HOUSE CHARITIES OF
COLUMBIA, SC**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

**RONALD MCDONALD HOUSE CHARITIES OF COLUMBIA, SC
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YEARS ENDED DECEMBER 31, 2024 AND 2023**

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Independent Auditor's Report

To the Board of Directors
Ronald McDonald House Charities of Columbia, SC
Columbia, South Carolina

Opinion

We have audited the accompanying financial statements of Ronald McDonald House Charities of Columbia, SC (the "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 the Organization as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 the Organization'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 the Organization'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.

A handwritten signature in black ink that reads "Elliott Davis, LLC". The signature is written in a cursive, flowing style.

Columbia, South Carolina
September 5, 2025

RONALD MCDONALD HOUSE CHARITIES OF COLUMBIA, SC
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

ASSETS	2024	2023
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 617,884	\$ 321,082
Accounts Receivable	28,070	45,588
Contributions Receivable	352,924	27,249
Investments	926,807	951,238
Prepaid Expenses	9,950	17,217
Inventory	66,961	57,170
Accrued Interest Receivable	223	543
Total Current Assets	2,002,819	1,420,087
NONCURRENT ASSETS		
Property and Equipment, Net	2,938,214	3,069,621
Beneficial Use of Land	459,721	480,939
Total Noncurrent Assets	3,397,935	3,550,560
Total Assets	\$ 5,400,754	\$ 4,970,647
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 84,053	\$ 9,492
Other Liabilities	4,956	4,085
Deferred Revenue	16,581	19,680
Total Current Liabilities	105,590	33,257
NONCURRENT LIABILITIES		
Other Noncurrent Liabilities	-	4,470
Total Noncurrent Liabilities	-	4,470
Total Liabilities	105,590	37,727
NET ASSETS		
Without Donor Restrictions	3,695,758	3,368,135
With Donor Restrictions:		
Subject to expenditure for specified purpose	639,685	583,846
Subject to the passage of time	459,721	480,939
With perpetual donor restrictions	500,000	500,000
Total With Donor Restrictions:	1,599,406	1,564,785
Total Net Assets	5,295,164	4,932,920
Total Liabilities and Net Assets	\$ 5,400,754	\$ 4,970,647

See accompanying Notes to Financial Statements.

RONALD MCDONALD HOUSE CHARITIES OF COLUMBIA, SC
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT						
Contributions	\$ 1,018,226	\$ -	\$ 1,018,226	\$ 553,612	\$ 4,100	\$ 557,712
Contributions of Nonfinancial Assets	138,886	-	138,886	115,488	-	115,488
Special Events Revenue	353,075	-	353,075	244,440	-	244,440
Grant Revenue	52,864	-	52,864	81,085	-	81,085
Third-Party Reimbursements	67,287	-	67,287	61,745	-	61,745
Other Income	14,412	-	14,412	26,759	-	26,759
Net Assets Released from Restrictions	50,171	(50,171)	-	63,517	(63,517)	-
Total Revenues and Other Support	<u>1,694,921</u>	<u>(50,171)</u>	<u>1,644,750</u>	<u>1,146,646</u>	<u>(59,417)</u>	<u>1,087,229</u>
EXPENSES						
Program Services	1,160,775	-	1,160,775	1,054,865	-	1,054,865
Cost of Direct Benefits to Donors	51,330	-	51,330	12,692	-	12,692
Management and General Administration	21,676	-	21,676	22,446	-	22,446
Fundraising	134,026	-	134,026	152,677	-	152,677
Total Expenses	<u>1,367,807</u>	<u>-</u>	<u>1,367,807</u>	<u>1,242,680</u>	<u>-</u>	<u>1,242,680</u>
CHANGE IN NET ASSETS FROM OPERATIONS	327,114	(50,171)	276,943	(96,034)	(59,417)	(155,451)
INVESTMENT INCOME, NET	<u>509</u>	<u>84,792</u>	<u>85,301</u>	<u>425</u>	<u>90,598</u>	<u>91,023</u>
CHANGE IN NET ASSETS	327,623	34,621	362,244	(95,609)	31,181	(64,428)
NET ASSETS - BEGINNING OF YEAR	<u>3,368,135</u>	<u>1,564,785</u>	<u>4,932,920</u>	<u>3,463,744</u>	<u>1,533,604</u>	<u>4,997,348</u>
NET ASSETS - END OF YEAR	<u><u>\$ 3,695,758</u></u>	<u><u>\$ 1,599,406</u></u>	<u><u>\$ 5,295,164</u></u>	<u><u>\$ 3,368,135</u></u>	<u><u>\$ 1,564,785</u></u>	<u><u>\$ 4,932,920</u></u>

See accompanying Notes to Financial Statements.

RONALD MCDONALD HOUSE CHARITIES OF COLUMBIA, SC
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services				Supporting Services			
	Ronald McDonald House	Ronald McDonald Family Room	Other Program Services	Total	Management and General	Fundraising	Cost of Direct Benefits to Donors	Total
Salaries	\$ 351,754	\$ 78,907	\$ 28,997	\$ 459,658	\$ 14,218	\$ 8,445	\$ -	\$ 482,321
Payroll Taxes	25,005	1,125	406	26,536	2,311	149	-	28,996
Total Salaries and Related Expenses	376,759	80,032	29,403	486,194	16,529	8,594	-	511,317
Depreciation and amortization	168,597	299	-	168,896	614	614	-	170,124
Interest	531	-	-	531	-	-	-	531
Maintenance and Repairs	69,853	1,023	368	71,244	229	139	-	71,612
Meetings, Education and Training	26,529	11,484	4,254	42,267	80	53	-	42,400
Office Supplies	106,536	74,889	-	181,425	2,872	2,872	-	187,169
Postage and Courier	849	155	-	1,004	141	141	-	1,286
Printing and Publishing	26,377	17,585	-	43,962	-	43,960	-	87,922
Professional Fees	88,340	26,842	249	115,431	157	94	-	115,682
Telephone	3,780	687	-	4,467	630	630	-	5,727
Utilities	44,898	-	423	45,321	423	212	-	45,956
Fundraising Events:								
Fundraising: Golf	-	-	-	-	-	21,469	22,064	43,533
Fundraising: A Fine Affair	-	-	-	-	-	48,776	21,000	69,776
Fundraising: Clay Shoot	-	-	-	-	-	5,948	8,266	14,214
Fundraising: Seasons of Giving	-	-	-	-	-	273	-	273
Fundraising: Seasons 3rd Party	-	-	-	-	-	250	-	250
Other	26	5	2	33	1	1	-	35
Total Expenses	\$ 913,075	\$ 213,001	\$ 34,699	\$ 1,160,775	\$ 21,676	\$ 134,026	\$ 51,330	\$ 1,367,807

See accompanying Notes to Financial Statements.

RONALD MCDONALD HOUSE CHARITIES OF COLUMBIA, SC
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program Services				Supporting Services			
	Ronald McDonald House	Ronald McDonald Family Room	Other Program Services	Total	Management and General	Fundraising	Cost of Direct Benefits to Donors	Total
Salaries	\$ 357,015	\$ 80,087	\$ 29,431	\$ 466,533	\$ 14,431	\$ 8,571	\$ -	\$ 489,535
Payroll Taxes	28,235	1,270	458	29,963	2,610	168	-	32,741
Total Salaries and Related Expenses	385,250	81,357	29,889	496,496	17,041	8,739	-	522,276
Depreciation and amortization	171,983	305	-	172,288	626	626	-	173,540
Interest	1,447	-	-	1,447	-	-	-	1,447
Maintenance and Repairs	27,506	428	154	28,088	96	58	-	28,242
Meetings, Education and Training	6,006	2,600	963	9,569	18	12	-	9,599
Office Supplies	112,584	79,141	-	191,725	3,035	3,035	-	197,795
Postage and Courier	862	157	-	1,019	143	143	-	1,305
Printing and Publishing	19,971	13,314	-	33,285	-	33,285	-	66,570
Professional Fees	49,963	22,098	87	72,148	55	33	-	72,236
Telephone	6,122	1,113	-	7,235	1,020	1,020	-	9,275
Utilities	40,145	-	378	40,523	378	190	-	41,091
Fundraising Events:								
Fundraising: Golf	-	-	-	-	-	30,072	7,892	37,964
Fundraising: A Fine Affair	-	-	-	-	-	64,855	-	64,855
Fundraising: Clay Shoot	-	-	-	-	-	6,573	4,800	11,373
Fundraising: Royal Rumble	-	-	-	-	-	2,161	-	2,161
Fundraising: Seasons of Giving	-	-	-	-	-	1,852	-	1,852
Other	827	159	56	1,042	34	23	-	1,099
Total Expenses	\$ 822,666	\$ 200,672	\$ 31,527	\$ 1,054,865	\$ 22,446	\$ 152,677	\$ 12,692	\$ 1,242,680

See accompanying Notes to Financial Statements.

RONALD MCDONALD HOUSE CHARITIES OF COLUMBIA, SC
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 362,244	\$ (64,428)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	148,906	152,322
Loss on property and equipment adjustment	-	38,465
Net Realized and Unrealized Gains on Investments	(56,938)	(64,020)
Amortization of Beneficial Use of Land	21,218	21,218
(Increase) Decrease in Assets:		
Accounts Receivable	17,518	4,932
Contributions Receivable	(325,675)	(10,922)
Prepaid Expenses	7,267	16,367
Inventory	(9,791)	17,165
Accrued Interest Receivable	320	103
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	74,561	(83,561)
Other Liabilities	(3,599)	(4,921)
Deferred Revenue	(3,099)	4,937
Net Cash Provided by Operating Activities	232,932	27,657
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(2,603)	(4,142)
Proceeds from Sale of Investments	83,972	14,000
Purchases of Property and Equipment	(17,499)	(3,240)
Net Cash Provided by Investing Activities	63,870	6,618
NET INCREASE IN CASH AND CASH EQUIVALENTS	296,802	34,275
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	321,082	286,807
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 617,884	\$ 321,082
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	\$ (531)	\$ (1,447)

See accompanying Notes to Financial Statements.

RONALD MCDONALD HOUSE CHARITIES OF COLUMBIA, SC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Ronald McDonald House Charities of Columbia, SC (the "Organization") is a South Carolina nonprofit charitable corporation formed in 1996. The mission of Ronald McDonald House Charities is to create, find and support programs that directly improve the health and well-being of children and their families. Collectively, Ronald McDonald House Charities and the network of local Chapters ascribe to five core values: we are focused on the critical needs of children, we lead with compassion, we celebrate the diversity of our people and our programs, we value our heritage and we operate with accountability and transparency.

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

Ronald McDonald House

When children must travel long distances to access top medical care, accommodations and support for families can be expensive or not readily available. The Organization helps families stay close to their ill or injured child through the Ronald McDonald House (the "House") program located in Columbia, SC, 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 program in Prisma Health Children's Hospital serves as a place of respite, relaxation and privacy for family members, often just steps away from where their child is being treated. The Ronald McDonald Family Room program provides parents with an opportunity to remain close to their hospitalized child and to be an active member of their child's health care team.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and are presented on the basis of net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are created only by donor-imposed restrictions on their use. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. All other net assets, including board-designated or appropriated amounts, are net assets without donor restrictions and are reported as part of the net assets without donor restriction class.

RONALD MCDONALD HOUSE CHARITIES OF COLUMBIA, SC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measure of Operations

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

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for expected credit losses and an adjustment to a credit allowance based on its assessment of the current status of individual accounts and future economic trends. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for credit losses and a credit to accounts receivable. No allowance for credit losses was recorded as of December 31, 2024 and 2023.

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 and grant revenue. Contributions receivable are written off when deemed uncollectible.

If the Organization becomes the beneficiary under 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.

RONALD MCDONALD HOUSE CHARITIES OF COLUMBIA, SC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Cash balances held temporarily in investment accounts are included with cash and cash equivalents on the Statements of Financial Position.

Prepaid Items and Inventory

Inventory is valued at cost or estimated historical cost and accounted for on a first-in, first-out basis. Inventory consists of consumable items maintained by the Organization. Reported inventory expenses are recognized when inventories are consumed. Prepaid items consist of payments made for future services and are recognized when the services are received.

Property and Equipment

Property and equipment are stated at cost, if purchased, or estimated fair value, if donated, at the date of donation. Additions of \$1,000 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as incurred. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and Improvements	30 Years
Office Furniture and Equipment	5 - 10 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. No impairment existed as of December 31, 2024 and 2023.

Contributed Nonfinancial Assets 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.

RONALD MCDONALD HOUSE CHARITIES OF COLUMBIA, SC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Nonfinancial Assets and Services (continued)

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 for 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.

With Donor Restrictions

Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Revenue Recognition

Contributions and Grants

Unconditional promises to give are recognized as revenue in the period the promise was made. Contributions, grants, and bequests are recognized as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

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

RONALD MCDONALD HOUSE CHARITIES OF COLUMBIA, SC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (continued)

Special Event Revenue – Ticket Sales and Sponsorship Revenue

The portion of ticket sales or sponsorship revenue that relates to the commensurate value the attendee or sponsor 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 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: depreciation and amortization, maintenance and repairs, utilities, which are allocated on a square footage basis; meetings, education and training, telephone, office supplies, postage and courier, printing and publishing, professional fees, and other expenses, which are allocated based on full-time equivalents; and salaries and payroll taxes, which are allocated on the basis of management's estimates of time and effort.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income, if any, from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(1).

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.

RONALD MCDONALD HOUSE CHARITIES OF COLUMBIA, SC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 2 LIQUIDITY

As of December 31, 2024 and 2023 financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, were as follows:

	2024	2023
Assets at year-end:	<u>\$ 5,400,754</u>	<u>\$ 4,970,647</u>
Less amounts not available to be used within one year due to liquidity:		
Beneficial Use of Land	(459,721)	(480,939)
Prepaid expenses	(9,950)	(17,217)
Inventory	(66,961)	(57,170)
Property and equipment, net	<u>(2,938,214)</u>	<u>(3,069,621)</u>
	<u>(3,474,846)</u>	<u>(3,624,947)</u>
Less amounts not available to be used within one year due to:		
Donor imposed restrictions:		
Future expendable donor-restricted endowment, net of spendable amounts	(637,784)	(580,846)
Portion of donor-restricted endowment to be retained in perpetuity	<u>(500,000)</u>	<u>(500,000)</u>
	<u>(1,137,784)</u>	<u>(1,080,846)</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 788,124</u></u>	<u><u>\$ 264,854</u></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. In addition, the expendable donor restricted endowment can be made available in accordance with the Organization's spending policy and appropriation (See Note 7). As part of its liquidity management, the Organization invests cash in excess of daily requirements in various short-term investments.

NOTE 3 CONTRIBUTIONS RECEIVABLE

Contributions receivable as of December 31, 2024 and 2023 totaled \$352,924 and \$27,249, respectively. As of December 31, 2024 and 2023, receivables which resulted from individual pledges without donor stipulations passed through the National Ronald McDonald House Charities totaled \$43,592 and \$27,249, respectively, for the years then ended. At December 31, 2024 and 2023, all amounts are due in less than one year.

RONALD MCDONALD HOUSE CHARITIES OF COLUMBIA, SC
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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 are as follows:

	Quoted Prices in Active Markets or Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets				
Investments:				
Mutual Funds	\$ 93,219	\$ -	\$ -	\$ 93,219
Exchange-Traded Funds:				
Domestic Equity	791,941	-	-	791,941
Fixed-Income Securities:				
Corporate Bonds	-	13,874	-	13,874
Government Bonds	-	27,773	-	27,773
Total Assets	<u>\$ 885,160</u>	<u>\$ 41,647</u>	<u>\$ -</u>	<u>\$ 926,807</u>

The fair values of assets and liabilities measured on a recurring basis as of December 31, 2023 are as follows:

	Quoted Prices in Active Markets or Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets				
Investments:				
Mutual Funds	\$ 139,456	\$ -	\$ -	\$ 139,456
Exchange-Traded Funds:				
Domestic Equity	742,897	-	-	742,897
Fixed-Income Securities:				
Corporate Bonds	-	34,482	-	34,482
Government Bonds	-	34,403	-	34,403
Total Assets	<u>\$ 882,353</u>	<u>\$ 68,885</u>	<u>\$ -</u>	<u>\$ 951,238</u>

RONALD MCDONALD HOUSE CHARITIES OF COLUMBIA, SC
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NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

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. Major investment decisions are authorized by the Board of Directors which oversees the Organization's investment program in accordance with established guidelines.

Allocation of Investment Strategies

The Organization targets a diversified asset allocation that places an emphasis on traditional stocks, mutual funds, and fixed income securities to achieve its long-term return objectives within prudent risk constraints.

The composition of investment 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	\$ 28,363	\$ 27,003
Realized and Unrealized Gains, Net	56,938	64,020
Investment Income, Net	\$ 85,301	\$ 91,023

NOTE 5 PROPERTY AND EQUIPMENT

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

	2024	2023
Buildings and Improvements	\$ 4,064,483	\$ 4,050,184
Office Furniture and Equipment	371,389	368,189
Total, at Cost	4,435,872	4,418,373
Accumulated Depreciation	1,497,658	1,348,752
Total Property and Equipment	\$ 2,938,214	\$ 3,069,621

Depreciation for the years ended December 31, 2024 and 2023 was \$148,906 and \$152,322, respectively.

NOTE 6 BENEFICIAL USE OF LAND

The land upon which the House sits has been leased from Richland Memorial Hospital (now Prisma Health Richland Hospital) since 1998. On September 1, 2014, a new lease was executed with Palmetto Health (now Prisma Health).

RONALD MCDONALD HOUSE CHARITIES OF COLUMBIA, SC
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NOTE 6 BENEFICIAL USE OF LAND (CONTINUED)

The new lease was executed in preparation for the development and operation of a new Ronald McDonald House. The initial term of the new lease is thirty (30) years and includes a provision to extend the lease for up to four (4) successive five (5) year periods. The annual rent is one dollar. An independent assessment determined that the present value of the fair value of rent over the lease term was \$636,537, which is recorded as a restricted contribution and is being amortized on a straight-line basis over the term of the lease beginning in year 2016, the year the new house was placed into service. The value remaining on the use of land as of December 31, 2024 and 2023 is \$459,721 and \$480,939, respectively, and has been recorded as such on the Statements of Financial Position. For each of the years ended December 31, 2024 and 2023, amortization expense of approximately \$21,218 was recorded in connection with this lease agreement. Amortization is expected to be \$21,218 for each of the next five years and each year thereafter until 2046 when amortization is expected to be \$14,144.

NOTE 7 ENDOWMENT FUNDS

The Organization's endowment consists of an individual fund established by the donor to provide annual funding for specific activities and general operations.

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

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

Investment Return Objectives, Risk Parameters and Strategies. The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period.

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NOTE 7 ENDOWMENT FUNDS (CONTINUED)

Under this policy, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of broad market measures of return on investments.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places an emphasis on equity-based investments and mutual funds to achieve its long-term return objectives within prudent risk constraints.

Spending Policy. The Organization has a policy of appropriating for distributions as needed to cover any shortfall in operating funds. The amount available to be spent is equal to the annual interest and dividend earnings. In applying this policy, the Organization considers the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow annually. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term 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:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ 1,080,846	\$ 1,080,846
Investment return, net	-	84,792	84,792
Board approved withdrawals	<u>-</u>	<u>(27,854)</u>	<u>(27,854)</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 1,137,784</u>	<u>\$ 1,137,784</u>

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, beginning of year	\$ -	\$ 1,016,827	\$ 1,016,827
Investment return, net	-	90,598	90,598
Board approved withdrawals	<u>-</u>	<u>(26,579)</u>	<u>(26,576)</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 1,080,846</u>	<u>\$ 1,080,846</u>

RONALD MCDONALD HOUSE CHARITIES OF COLUMBIA, SC
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NOTE 7 ENDOWMENT FUNDS (CONTINUED)

The endowment balances are included in the following accounts at December 31:

	2024	2023
Cash and cash equivalents	\$ 218,467	\$ 156,289
Investments	919,317	924,557
Total	\$ 1,137,784	\$ 1,080,846

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. There were no such deficiencies as of December 31, 2024 and 2023.

NOTE 8 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:		
Program Activities:		
Ronald McDonald House Operations	\$ 639,685	\$ 583,846
Subject to the passage of time:		
Beneficial Use of Land	459,721	480,939
Subject to perpetual donor restrictions:		
Joan Kroc endowment corpus	500,000	500,000
Total net assets with donor restrictions	\$ 1,599,406	\$ 1,564,785

NOTE 9 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 years ended December 31, 2024 and 2023:

	2024	2023
Purpose restrictions accomplished:		
Ronald McDonald House Operations	\$ -	\$ 13,007
Ronald McDonald Family Room	-	2,713
Ronald McDonald Teen Board	1,099	-
Time restrictions accomplished:		
Beneficial Use of Land	21,218	21,218
	22,317	36,938
Release of appropriated endowment returns without purpose restrictions	27,854	26,579
Total restrictions released	\$ 50,171	\$ 63,517

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NOTE 10 CONTRIBUTED NONFINANCIAL ASSETS

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

	<u>2024</u>	<u>2023</u>
Expenses		
Family Support Supplies and Food	<u>\$ 138,886</u>	<u>\$ 115,488</u>

- The Organization recognized contributed nonfinancial assets within revenue.
- Contributed food, household goods, and clothing were utilized in the following programs: Ronald McDonald House and Ronald McDonald Family Room. 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.

NOTE 11 TRANSACTIONS WITH RELATED ENTITIES

Ronald McDonald House Charities (RMHC) is a system of independent, separately registered public benefit organizations, referred to as “Chapters” within the global organization. The Organization is an independent operating Chapter within the RMHC system. Each Chapter is licensed by McDonald's Corporation and Ronald McDonald House Charities, Inc. to use RMHC related trademarks in conjunction with fundraising activities and the operation of its programs; the License Agreement also sets standards of operations for programs, governance, finance, branding and reporting.

Ronald McDonald House Charities, Inc. (RMHC Global), a separately registered nonprofit organization, ensures delivery of the mission across the globe. As a center of excellence, RMHC Global builds and sustains a robust infrastructure of support to the network of Chapters, including operations, licensing and compliance, finance, risk management, communications, marketing and development. The Organization receives 75% of net revenues from all national fundraising efforts facilitated by RMHC Global, as defined by the license agreement. During the years ended December 31, 2024 and 2023, the Organization received \$212,590 and \$67,979, respectively, from these revenue streams.

NOTE 12 CONCENTRATIONS, COMMITMENTS AND UNCERTAINTIES

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, investments, and promises to give. Cash and cash equivalents are in high-quality financial institutions. Though the market value of investments is subject to fluctuations from year-to-year, management believes the investment policy is prudent for the long-term welfare of the Organization.

The Organization relies on support and revenue from contributions that are mostly from donors in the Columbia, South Carolina geographic area.

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NOTE 13 SUBSEQUENT EVENTS

Management evaluated subsequent events through September 5, 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.