



**RONALD MCDONALD HOUSE CHARITIES  
OF NEW ENGLAND, INC.**

***Financial Statements***

***December 31, 2024 and 2023***

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**RONALD MCDONALD HOUSE CHARITIES OF NEW ENGLAND, INC.**

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***December 31, 2024 and 2023***

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Ronald McDonald House Charities of New England, Inc.  
Providence, Rhode Island

### *Opinion*

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

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

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ronald McDonald House Charities of New England, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 New England, Inc.'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 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, including omissions, 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 New England, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ronald McDonald House Charities of New England, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Calise Marini & Barbieri, PC*

Exeter, Rhode Island  
June 23, 2025

**RONALD MCDONALD HOUSE CHARITIES OF NEW ENGLAND, INC.**

**Statements of Financial Position**

**December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 679,753	\$ 1,186,081
Contributions Receivable	404,929	335,564
Prepaid Expenses	34,404	35,705
Inventories of Promotional and Family Gift Items	-	4,195
<b>Total Current Assets</b>	<u>1,119,086</u>	<u>1,561,545</u>
<b>Other Assets:</b>		
Cash - Held for Debt Repayment or		
Investment in Property and Equipment	-	11,684
Money Market Instruments Fund, at Net Asset Value	1,921,682	642,011
Investments - Quasi Endowment Fund	3,913,029	3,760,035
Investments - Endowment Fund and Quasi-Endowment Fund	1,121,894	1,064,632
Property and Equipment, Net	5,448,360	5,671,017
Security deposits	21,425	21,425
<b>Total Other Assets</b>	<u>12,426,390</u>	<u>11,170,804</u>
<b>Total Assets</b>	<u>13,545,476</u>	<u>\$ 12,732,349</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Accounts Payable and Accrued Expenses	\$ 168,076	\$ 159,692
Grants Payable	88,750	68,750
Deferred Revenue	1,900	39,351
<b>Total Current Liabilities</b>	<u>258,726</u>	<u>267,793</u>
<b>Net Assets:</b>		
Without Donor Restrictions:		
General Operations	8,147,313	7,535,980
Board Designated for Future Projects	100,000	100,000
Board Designated Investments	3,999,092	3,841,708
Total Without Donor Restrictions	<u>12,246,405</u>	<u>11,477,688</u>
With Donor Restrictions:		
Perpetual in Nature	496,250	496,250
Purpose Restrictions	544,095	490,618
Total With Donor Restrictions	<u>1,040,345</u>	<u>986,868</u>
<b>Total Net Assets</b>	<u>13,286,750</u>	<u>12,464,556</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 13,545,476</u>	<u>\$ 12,732,349</u>

*See independent auditors' report and accompanying notes to financial statements.*

**RONALD MCDONALD HOUSE CHARITIES OF NEW ENGLAND, INC.**

**Statement of Activities**

**Year Ended December 31, 2024**

**(with Comparative Totals for the year ended December 31, 2023)**

	<b>2024</b>			
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>2024 Totals</b>	<b>2023 Totals Only</b>
<b>Public Support and Revenue:</b>				
<b>Public Support:</b>				
Special Events Gross Revenue	\$ 426,752	\$ -	\$ 426,752	\$ 387,713
Special Events Direct Benefits to Donors	(79,266)	-	(79,266)	(110,916)
<b>Net Revenue from Special Events</b>	<u>347,486</u>	<u>-</u>	<u>347,486</u>	<u>276,797</u>
Contributions	3,133,917	5,500	3,139,417	3,278,843
Guest Contributions	31,572	-	31,572	21,290
In-Kind Contributions and Donated Services	101,479	-	101,479	32,237
<b>Total Public Support</b>	<u>3,614,454</u>	<u>5,500</u>	<u>3,619,954</u>	<u>3,609,167</u>
<b>Revenue (Loss):</b>				
Interest and Dividend Income, Net of Fees	134,196	13,991	148,187	148,065
Net Unrealized Gains (Losses) on Investments	95,330	25,966	121,296	456,383
Net Realized Gains (Losses) on Investments	149,799	57,980	207,779	(95,340)
Loss on Disposition of Property and Equipment	(11,630)	-	(11,630)	(4,899)
Miscellaneous Income	6,536	-	6,536	241
<b>Total Revenue, Net</b>	<u>374,231</u>	<u>97,937</u>	<u>472,168</u>	<u>504,450</u>
<b>Net Assets Released from Restrictions</b>	<u>49,960</u>	<u>(49,960)</u>	<u>-</u>	<u>-</u>
<b>Total Public Support and Revenue</b>	<u>4,038,645</u>	<u>53,477</u>	<u>4,092,122</u>	<u>4,113,617</u>
<b>Program Expenses:</b>				
Program Services	2,136,576	-	2,136,576	1,663,587
<b>Supporting Service Expenses:</b>				
Management and General Expenses	651,006	-	651,006	772,197
Fundraising Expenses	482,346	-	482,346	530,660
<b>Total Supporting Service Expenses</b>	<u>1,133,352</u>	<u>-</u>	<u>1,133,352</u>	<u>1,302,857</u>
<b>Total Expenses</b>	<u>3,269,928</u>	<u>-</u>	<u>3,269,928</u>	<u>2,966,444</u>
<b>Changes in Net Assets</b>	768,717	53,477	822,194	1,147,173
<b>Net Assets, Beginning of Year</b>	\$ <u>11,477,688</u>	\$ <u>986,868</u>	\$ <u>12,464,556</u>	\$ <u>11,317,383</u>
<b>Net Assets, End of Year</b>	\$ <u>12,246,405</u>	\$ <u>1,040,345</u>	\$ <u>13,286,750</u>	\$ <u>12,464,556</u>

See independent auditors' report and accompanying notes to financial statements.

**RONALD MCDONALD HOUSE CHARITIES OF NEW ENGLAND, INC.**

**Statement of Activities**  
**Year Ended December 31, 2023**

	<b>2023</b>		
	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>2023 Totals</u></b>
<b>Public Support and Revenue:</b>			
<b>Public Support:</b>			
Special Events Gross Revenue	\$ 387,713	\$ -	\$ 387,713
Special Events Direct Benefits to Donors	(110,916)	-	(110,916)
<b>Net Revenue from Special Events</b>	<u>276,797</u>	-	<u>276,797</u>
Contributions	3,272,343	6,500	3,278,843
Guest Contributions	21,290	-	21,290
In-Kind Contributions and Donated Services	32,237	-	32,237
<b>Total Public Support</b>	<u>3,602,667</u>	<u>6,500</u>	<u>3,609,167</u>
<b>Revenue (Loss):</b>			
Interest and Dividend Income, Net of Fees	121,175	26,890	148,065
Net Unrealized Gains (Losses) on Investments	353,572	102,811	456,383
Net Realized Gains (Losses) on Investments	(71,072)	(24,268)	(95,340)
Loss on Disposition of Property and Equipment	(4,899)	-	(4,899)
Miscellaneous Income	241	-	241
<b>Total Revenue, Net</b>	<u>399,017</u>	<u>105,433</u>	<u>504,450</u>
<b>Net Assets Released from Restrictions</b>	<u>88,936</u>	<u>(88,936)</u>	<u>-</u>
<b>Total Public Support and Revenue</b>	<u>4,090,620</u>	<u>22,997</u>	<u>4,113,617</u>
<b>Program Expenses:</b>			
Program Services	<u>1,663,587</u>	-	<u>1,663,587</u>
<b>Supporting Service Expenses:</b>			
Management and General Expenses	772,197	-	772,197
Fundraising Expenses	530,660	-	530,660
<b>Total Supporting Service Expenses</b>	<u>1,302,857</u>	-	<u>1,302,857</u>
<b>Total Expenses</b>	<u>2,966,444</u>	-	<u>2,966,444</u>
<b>Changes in Net Assets</b>	1,124,176	22,997	1,147,173
<b>Net Assets, Beginning of Year</b>	\$ <u>10,353,512</u>	\$ <u>963,871</u>	\$ <u>11,317,383</u>
<b>Net Assets, End of Year</b>	\$ <u><u>11,477,688</u></u>	\$ <u><u>986,868</u></u>	\$ <u><u>12,464,556</u></u>

See independent auditors' report and accompanying notes to financial statements.

**RONALD MCDONALD HOUSE CHARITIES OF NEW ENGLAND, INC.**

**Statement of Functional Expenses**

**Year Ended December 31, 2024**

**(with Comparative Totals for the year ended December 31, 2023)**

	2024				2023	
	Total Program Services	Management and General	Fundraising	Total Supporting Service Expenses	Totals	Totals Only
<b>Salaries and Related Expenses:</b>						
Salaries and Wages	\$ 607,097	\$ 289,919	\$ 243,483	\$ 533,402	\$ 1,140,499	\$ 1,124,454
Employee Benefits	117,614	55,279	47,004	102,283	219,897	239,139
Payroll Taxes	59,438	28,384	23,840	52,224	111,662	88,818
<b>Total Salaries and Related Expenses</b>	<b>784,149</b>	<b>373,582</b>	<b>314,327</b>	<b>687,909</b>	<b>1,472,058</b>	<b>1,452,411</b>
<b>Operating Expenses:</b>						
Conferences and Meetings	11,391	5,695	5,695	11,390	22,781	1,093
Family Gifts	429	-	-	-	429	1,265
Family Groceries and Meals - Providence	77,923	-	-	-	77,923	25,795
Fundraising Expenses	-	-	71,201	71,201	71,201	52,075
Furniture, Fixtures and Equipment	15,873	-	-	-	15,873	3,557
Grants Awarded	213,750	-	-	-	213,750	175,000
House Cleaning - Providence	30,108	3,764	3,763	7,527	37,635	35,775
House Supplies - Providence	3,963	-	-	-	3,963	1,253
Insurance	48,607	6,076	6,076	12,152	60,759	53,444
Information Technology	29,353	14,017	11,773	25,790	55,143	44,764
Interest Expense	-	-	-	-	-	25,751
Maintenance and Repairs	44,774	5,404	5,405	10,809	55,583	39,453
Miscellaneous	-	7,579	-	7,579	7,579	7,837
Office Expenses	20,792	4,456	4,455	8,911	29,703	17,720
Professional Fees - Accounting and Auditing	-	24,531	-	24,531	24,531	25,583
Professional Fees - Administrative Services	9,503	51,678	-	51,678	61,181	-
Professional Fees - Consulting	-	37,399	9,311	46,710	46,710	23,650
Professional Fees - Legal Services	-	3,775	-	3,775	3,775	13,447
Professional Fees - Payroll Service Fees	-	13,003	-	13,003	13,003	10,186
Public Relations	370	-	369	369	739	3,060
Real Estate Taxes - Providence Parking Lot	21,371	2,672	2,672	5,344	26,715	26,772
Rent - Providence Parking Lot	14,378	1,797	1,797	3,594	17,972	18,028
RMH Boston Harbor - Apartment Expenses	527,620	13,885	13,885	27,770	555,390	526,213
Staff Recruitment	-	49,247	-	49,247	49,247	43,961
Travel Expenses	-	829	-	829	829	72
Utilities and Telephone - Providence	65,189	8,149	8,149	16,298	81,487	93,348
Utilities and Telephone - Boston Harbor	26,521	698	698	1,396	27,917	-
Volunteer Recognition and Training	8,352	-	-	-	8,352	1,936
<b>Total Operating Expenses Before Depreciation and Amortization</b>	<b>1,170,267</b>	<b>254,654</b>	<b>145,249</b>	<b>399,903</b>	<b>1,570,170</b>	<b>1,271,038</b>
Depreciation and Amortization	182,160	22,770	22,770	45,540	227,700	242,995
<b>Total Functional Expenses</b>	<b>\$ 2,136,576</b>	<b>\$ 651,006</b>	<b>\$ 482,346</b>	<b>\$ 1,133,352</b>	<b>\$ 3,269,928</b>	<b>\$ 2,966,444</b>

See independent auditors' report and accompanying notes to financial statements.

**RONALD MCDONALD HOUSE CHARITIES OF NEW ENGLAND, INC.**

Statement of Functional Expenses

Year Ended December 31, 2023

	2023				
	Total Program Services	Management and General	Fundraising	Total Supporting Service Expenses	Totals
<b>Salaries and Related Expenses:</b>					
Salaries and Wages	\$ 427,020	\$ 413,638	\$ 283,796	\$ 697,434	\$ 1,124,454
Employee Benefits	92,649	84,565	61,925	146,490	239,139
Payroll Taxes	33,859	32,456	22,503	54,959	88,818
<b>Total Salaries and Related Expenses</b>	<u>553,528</u>	<u>530,659</u>	<u>368,224</u>	<u>898,883</u>	<u>1,452,411</u>
<b>Operating Expenses:</b>					
Conferences and Meetings	-	1,093	-	1,093	1,093
Direct Mail Solicitations	-	-	-	-	-
Family Gifts	1,265	-	-	-	1,265
Family Groceries and Meals - Providence	25,795	-	-	-	25,795
Fundraising Expenses	-	-	52,075	52,075	52,075
Furniture, Fixtures and Equipment	-	-	3,557	3,557	3,557
Grants Awarded	175,000	-	-	-	175,000
House Cleaning - Providence	32,197	1,789	1,789	3,578	35,775
House Supplies - Providence	1,253	-	-	-	1,253
Insurance	21,442	17,393	14,609	32,002	53,444
Information Technology	17,065	16,358	11,341	27,699	44,764
Interest Expense	20,601	2,575	2,575	5,150	25,751
Maintenance and Repairs	31,563	3,945	3,945	7,890	39,453
Miscellaneous	-	7,837	-	7,837	7,837
Office Expenses	7,088	5,316	5,316	10,632	17,720
Professional Fees - Accounting and Auditing	-	25,583	-	25,583	25,583
Professional Fees - Bookkeeping and Administrative Services	-	-	-	-	-
Professional Fees - Consulting	-	23,650	-	23,650	23,650
Professional Fees - Legal Services	-	13,447	-	13,447	13,447
Professional Fees - Payroll Service Fees	-	10,186	-	10,186	10,186
Public Relations	1,530	-	1,530	1,530	3,060
Real Estate Taxes - Providence Parking Lot	13,386	6,693	6,693	13,386	26,772
Rent - Providence Parking Lot	9,014	4,507	4,507	9,014	18,028
RMH Boston Harbor - Apartment Expenses	473,591	26,311	26,311	52,622	526,213
Staff Recruitment	-	43,961	-	43,961	43,961
Travel Expenses	29	29	14	43	72
Utilities and Telephone - Providence	82,909	6,565	3,874	10,439	93,348
Volunteer Recognition and Training	1,936	-	-	-	1,936
<b>Total Operating Expenses Before Depreciation and Amortization</b>	<u>915,664</u>	<u>217,238</u>	<u>138,136</u>	<u>355,374</u>	<u>1,271,038</u>
Depreciation and Amortization	<u>194,395</u>	<u>24,300</u>	<u>24,300</u>	<u>48,600</u>	<u>242,995</u>
<b>Total Functional Expenses</b>	<u>\$ 1,663,587</u>	<u>\$ 772,197</u>	<u>\$ 530,660</u>	<u>\$ 1,302,857</u>	<u>\$ 2,966,444</u>

See independent auditors' report and accompanying notes to financial statements.

**RONALD MCDONALD HOUSE CHARITIES OF NEW ENGLAND, INC.**

**Statements of Cash Flows**

**Years Ended December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Cash Flows from Operating Activities:</b>		
Increase in Net Assets	\$ 822,194	\$ 1,147,173
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by (Used in) Operating Activities:		
Depreciation and Amortization	227,700	242,995
Net Realized and Unrealized (Gains) Losses on Investments	(329,146)	(361,043)
Donation of Capital Assets	(2,525)	-
Loss on Disposition of Assets	11,630	4,899
Changes In:		
Contributions Receivable	(69,365)	(56,244)
Prepaid Expenses	1,301	48,542
Inventories of Promotional and Family Gift Items	4,195	3,120
Accounts Payable and Accrued Expenses	8,384	(141,541)
Grants Payable	20,000	-
Deferred Revenue	(37,451)	39,351
Total Adjustments	<u>(165,277)</u>	<u>(219,921)</u>
<b>Net Cash Provided by Operating Activities</b>	<u>656,917</u>	<u>927,252</u>
<b>Cash Flows from Investing Activities:</b>		
Acquisition of Property and Equipment	(14,148)	(25,955)
Proceeds from Sale of Securities	4,146,376	3,164,377
Purchase of Securities	<u>(5,307,157)</u>	<u>(3,621,756)</u>
<b>Net Cash Used in Investing Activities</b>	<u>(1,174,929)</u>	<u>(483,334)</u>
<b>Cash Flows from Financing Activities:</b>		
Principal Repayments of Term Loan	-	(529,224)
<b>Net Cash Used in Financing Activities</b>	<u>-</u>	<u>(529,224)</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	(518,012)	(85,306)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>1,197,765</u>	<u>1,283,071</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 679,753</u>	<u>\$ 1,197,765</u>
<b>Cash and Cash Equivalents Consists of:</b>		
Current Assets - Cash and Cash Equivalents	\$ 679,753	\$ 1,186,081
Other Assets - Cash - Held for Debt Repayment or Investment in Property and Equipment	-	11,684
	<u>\$ 679,753</u>	<u>\$ 1,197,765</u>
Cash Paid During the Year for Interest	<u>\$ -</u>	<u>\$ 25,751</u>

See independent auditors' report and accompanying notes to financial statements.

# **RONALD MCDONALD HOUSE CHARITIES OF NEW ENGLAND, INC.**

## **Notes to Financial Statements**

**December 31, 2024 and 2023**

### **1. Nature of Operations and Summary of Significant Accounting Policies:**

#### **Nature of Operations**

Ronald McDonald House Charities of New England, Inc., (the “Organization”) was organized under the laws of Massachusetts, Chapter 180, to raise funds for charities that benefit children and distribute those funds to such charities.

The Ronald McDonald Houses provide a “home” allowing families to eat, sleep and find the emotional support they need to center their energy on their sick child. Families are provided with clean, private, safe and proximate accommodations allowing them to focus on their child’s care at a House in Providence, Rhode Island, and at apartments in Boston Harbor, Massachusetts.

The Ronald McDonald Family Rooms, located within area hospitals, replicate a home-like atmosphere when a parent needs a break from the “hospital environment.” They are equipped with conveniences such as a kitchen, laundry facilities, internet access, and provide comfortable and comforting places of respite for patients’ families.

The Ronald McDonald Care Mobile in Worcester, Massachusetts provides medical and dental care to children with unmet healthcare needs, and the Ronald McDonald Care Mobile in Rhode Island (also known as The Molar Express) provides dental care to children in local communities. Staffed with pediatric specialists, the Ronald McDonald Care Mobiles provide cost-effective, high-quality medical, dental and health education services to under-served children in rural and urban areas in eastern New England.

The Organization’s Board is comprised of multiple individuals, some of whom are licensees of McDonald’s Restaurants, business people within the Eastern New England area and individuals with a passion for the mission of Ronald McDonald House Charities (“RMHC”). The Organization receives a significant amount of funds through RMHC from McDonald’s RMHC Canister Program, contributions from Happy Meals sold within their market, other national programs, and individual donors.

#### **Summary of Significant Accounting Policies**

The Organization prepares its financial statements in accordance with generally accepted accounting principles as promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by the Organization are described subsequently to enhance the usefulness and understandability of the financial statements.

##### *A. Basis of Accounting:*

The Organization prepares its financial statements using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**RONALD MCDONALD HOUSE CHARITIES OF NEW ENGLAND, INC.**

**Notes to Financial Statements**

**December 31, 2024 and 2023**

**1. Nature of Operations and Summary of Significant Accounting Policies (Continued)**

**Summary of Significant Accounting Policies (Continued)**

*B. Use of Estimates:*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the Organization's management evaluates the estimates and assumptions based on historical experience and various other factors and circumstances. The Organization's management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

*C. Net Assets:*

The financial statements report net assets and changes in net assets in two classes that are based on the existence or absence of restrictions on the uses of funds that are placed by its donors, as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are the resources available to support operations. The only limits on the use of these assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets With Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restrictions will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions may be perpetual in nature; the Organization must continue to use the resources in accordance with the donor's instructions.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of property and equipment, if applicable (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

**RONALD MCDONALD HOUSE CHARITIES OF NEW ENGLAND, INC.**

**Notes to Financial Statements**

**December 31, 2024 and 2023**

**1. Nature of Operations and Summary of Significant Accounting Policies (Continued)**

**Summary of Significant Accounting Policies (Continued)**

*D. Classification of Transactions:*

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or use in a future period. All expenses and net losses are reported as decreases in net assets without donor restrictions.

*E. Cash and Cash Equivalents, and Monetary Risk:*

Cash and cash equivalents include all cash balances and short-term investments with original maturities of less than three months, except for those assets designated for long-term investment. The Organization maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. At December 31, 2024, approximately \$432,000 of these cash balances were in excess of the \$250,000 federally insured limits. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant risk on cash deposits.

*F. Conditional Contributions:*

Conditional contributions are recorded when substantially all the conditions are met and the contributions become unconditional.

*G. Contributed Assets and Contributed Services:*

Contributions of securities and other assets are recorded at fair values on the dates of the contributions.

Contributions of services are recognized at fair value if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. In addition, many individuals volunteer their time and perform a variety of tasks, primarily program-related, that assist the Organization in accomplishing its purposes, but those services do not meet the criteria for recognition as contributed services.

*H. Contributions Receivable and Unconditional Promises to Give:*

Contributions receivable and unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Those that are expected to be collected in future years (if any) are recorded at the present value of their estimated future cash flows, with discounts being computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

**RONALD MCDONALD HOUSE CHARITIES OF NEW ENGLAND, INC.**

**Notes to Financial Statements**

**December 31, 2024 and 2023**

**1. Nature of Operations and Summary of Significant Accounting Policies (Continued)**

**Summary of Significant Accounting Policies (Continued)**

*H. Contributions Receivable and Unconditional Promises to Give: (Continued)*

Management believes that all contributions receivable and unconditional promises to give as of December 31, 2024 and 2023 are fully collectible. Accordingly, there is no reserve for uncollectible promises to give.

*I. Property and Equipment:*

Property and equipment are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. Acquisitions of property and equipment of \$2,500 or greater and with useful lives of greater than one year are capitalized and are depreciated using the straight-line method over estimated useful lives of the assets, as follows:

Buildings and Improvements	10 - 40 years
Wall Pass-through Donation Boxes	10 years
Boston Harbor Apartment Furniture and Fixtures	10 years
Providence House Furniture, Fixtures and Appliances	3 - 10 years
Office Equipment	5 years
Computer Equipment and Software	3 - 5 years

*J. 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. If, 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 losses were recognized in the financial statements of the current period.

*K. Investments:*

Investments in marketable securities with readily determinable fair values are stated at fair value with changes in unrealized appreciation or depreciation recorded in the statement of activities. Investment income and gains or losses on investments are reported in the statement of activities as increases or decreases in net assets without donor restrictions unless their use is donor restricted by explicit donor stipulations or by law.

**RONALD MCDONALD HOUSE CHARITIES OF NEW ENGLAND, INC.**

**Notes to Financial Statements**

**December 31, 2024 and 2023**

**1. Nature of Operations and Summary of Significant Accounting Policies (Continued)**

**Summary of Significant Accounting Policies (Continued)**

*L. Revenue Recognition:*

Grants and Contributions

The Organization recognizes grants and contributions in the year in which the grant or contribution is made. Contributions are recorded either as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions.

However, donor-restricted grants and contributions are classified as net assets without donor restrictions if the restrictions are satisfied in the same reporting period in which the contributions are received.

*M. Grants and Scholarships:*

Unconditional grants are awarded to various organizations and are expensed and included in program services in the year the grants are approved by the Board of Directors. Grants payable at year end includes grants that have been approved but not yet paid. Conditional grants are expensed when paid or when the payments become unconditionally due. Scholarship grants awarded to students were expensed in the year the grants were approved by the Board of Directors and were also included in program services through the year ended December 31, 2018, when the Scholars Program was suspended.

*N. Expense Recognition and Allocation:*

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and the statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

- Salaries and wages, benefits, and payroll taxes are allocated based on activity reports or estimates prepared by key personnel.
- Utilities, maintenance and repairs, insurance and depreciation expenses are allocated on a square foot basis dependent on the programs and supporting activities occupying the space.
- Other costs, including information technology, office and apartment expenses, are based on estimates of usage.
- Consulting and other professional fees are allocated using specific identification based on the functions benefited.

**RONALD MCDONALD HOUSE CHARITIES OF NEW ENGLAND, INC.**

**Notes to Financial Statements**

**December 31, 2024 and 2023**

**1. Nature of Operations and Summary of Significant Accounting Policies (Continued)**

**Summary of Significant Accounting Policies (Continued)**

*N. Expense Recognition and Allocation: (Continued)*

When programs are added or service efforts change, the bases on which costs are allocated are evaluated.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. Additionally, public relations and advertising costs are expensed as incurred.

*O. Income Tax Status:*

The Internal Revenue Service has determined the Organization is generally exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code and has classified the Organization as one that is not a private foundation.

The Organization evaluates all significant tax positions as required by accounting principles generally accepted in the United States. As of December 31, 2024, the Organization does not believe it has taken any tax positions that would require the recognition of a tax liability or any unrealized tax benefit that would either increase or decrease within the next twelve months. Tax years that are open for examination by taxing authorities are generally the last three tax year-ends after the filing of the returns.

**RONALD MCDONALD HOUSE CHARITIES OF NEW ENGLAND, INC.**

**Notes to Financial Statements**

**December 31, 2024 and 2023**

**2. Liquidity and Availability**

As of December 31, 2024 and 2023, the following tables show the total financial assets held by the Organization and the amounts of those financial assets that could be made available within one year of the statement of financial position date to meet general expenditures (i.e., without donor or other restrictions limiting their use within one year):

Financial Assets Available to Meet General Expenditures Over the Next Twelve Months from December 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 679,753	\$1,197,765
Contributions Receivable	404,929	335,564
Money Market Instruments Fund and Investments	<u>6,956,605</u>	<u>5,466,678</u>
Total Financial Assets at Year-end	\$8,041,287	\$7,000,007
Less Financial Assets Held to Meet Donor-Imposed Restrictions:		
Donor-Restricted Endowment Funds	(1,035,731)	(982,958)
Time and Purpose Restrictions	(4,614)	(3,910)
Less Financial Assets Not Available Within One Year:		
Board-Designated Endowment Funds	(3,999,092)	(3,841,708)
Board-Designated for Future Projects	(100,000)	(100,000)
Cash – Held for Debt Repayment or Investment in Property and Equipment	-	(11,684)
Add Back Amounts Appropriated for Expenditure from Investments/Endowments in 2025 & 2024, respectively	<u>201,070</u>	<u>194,397</u>
	<u>\$3,102,920</u>	<u>\$2,254,144</u>

The above tables reflect donor-restricted and board-designated funds and short-term investments at net asset value as unavailable. It is the Board's intention to invest these assets for the long-term support of the Organization. The Organization strives to maintain a year-end balance of financial assets available without donor restrictions or Board designations to cover 6 months of a year's general operating expenses.

**RONALD MCDONALD HOUSE CHARITIES OF NEW ENGLAND, INC.**

**Notes to Financial Statements**

**December 31, 2024 and 2023**

**3. Contributions Receivable**

Contributions receivable consist of and are estimated to be collected as follows at December 31:

	<u>2024</u>	<u>2023</u>
Ronald McDonald House Charities, Inc. Global (See Note 17)		
Cannister Collections	\$ 38,136	\$ 43,184
Penny per Happy Meal	25,857	29,112
Round-Up Promotion	<u>100,658</u>	<u>58,959</u>
Subtotal	164,651	131,255
Happy Meal Promotions (Local Stores)	47,610	109,836
Give A Little Love (Local Stores)	137,940	-
Unconditional Contributions Receivable	<u>54,728</u>	<u>94,473</u>
Contributions Receivable and Unconditional Promises to Give	<u>\$ 404,929</u>	<u>\$ 335,564</u>
Amounts Due in:		
Less Than One Year	<u>\$ 404,929</u>	<u>\$ 335,564</u>

**4. Property and Equipment, Net**

Property and equipment, net, consists of the following at December 31:

	<u>2024</u>	<u>2023</u>
Providence, RI - Land	\$ 583,319	\$ 583,319
Providence, RI - Building and Land Improvements	8,375,141	8,371,569
Providence, RI - House Furniture, Fixtures and Appliances	161,049	227,337
Boston Harbor, MA - Apartment Furniture and Fixtures	17,113	17,113
Wall Pass-through Donation Boxes (see below)	1,028	391,375
Office & Computer Equipment, and Software	<u>43,497</u>	<u>43,497</u>
	9,181,147	9,634,210
Less: Accumulated Depreciation	<u>3,732,787</u>	<u>3,963,193</u>
Property and Equipment, Net	<u>\$5,448,360</u>	<u>\$5,671,017</u>

**RONALD MCDONALD HOUSE CHARITIES OF NEW ENGLAND, INC.**

**Notes to Financial Statements**

**December 31, 2024 and 2023**

**4. Property and Equipment, Net (Continued)**

*Wall Pass-through Donation Boxes*

RMHC Global implemented a program in 2008 which offered each regional RMHC the opportunity to have a portion of the costs related to the installation of wall pass-through donation boxes in individual stores within their region to be funded by RMHC Global. The installations include donation boxes in the walls under the take-out windows and modular front counter boxes where customers can leave contributions. RMHC Global pays for the installation of these donation boxes in the individual stores that choose to participate in this program and then invoices the Ronald McDonald House Charities chapters for a portion of the box equipment costs.

RMHC Global covers all ongoing maintenance costs at current restaurants, including equipment and labor.

Any expenditures for wall pass-through donation boxes must meet the current capitalization policy (see Note 1.I.); expenditures under the \$2,500 threshold are currently expensed as incurred.

**5. Fair Value Measurements**

The Organization reports fair value measures of its assets and liabilities using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The asset or liability's measurement within the fair value hierarchy is based on the lowest level of input that is significant to the measurement. The three levels of inputs used to measure fair value are as follows:

Level 1 - Quoted prices for identical assets or liabilities in active markets to which the Organization has access at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset or liability. Unobservable inputs are used to measure the fair value if observable inputs are not available and rely on management's assumptions that are developed based on the best information available in the circumstances, which may include the Organization's own data.

**RONALD MCDONALD HOUSE CHARITIES OF NEW ENGLAND, INC.**

**Notes to Financial Statements**

**December 31, 2024 and 2023**

**5. Fair Value Measurements (Continued)**

When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. However, Level 1 inputs are not available for certain of the assets and liabilities that the Organization is required to measure at fair value (for example, contributions receivable and in-kind contributions, if applicable).

The primary uses of fair value measures in the Organization's financial statements are:

- initial measurement of noncash gifts, including gifts of investment assets and contributions receivable (as applicable)
- recurring measurement of investments

**6. Investments**

Fair values of investment assets are measured on a recurring basis and are as follows at December 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>
<i>Cash and Cash Equivalents:</i>	\$ <u>7,738</u>	
<i>Fixed Income:</i>		
Treasury and Federal Agency Bonds	495,186	
Non-governmental Bonds	<u>1,136,682</u>	
<i>Total Fixed Income</i>	<u>1,631,868</u>	
<i>Mutual Funds:</i>		
Equity Funds	2,507,904	
International Funds	<u>755,203</u>	
<i>Total Mutual Funds</i>	<u>3,263,107</u>	
<i>Private Real Estate Fund</i>	<u>-</u>	<u>\$132,210</u>
Total Investments at Fair Value	<u>\$4,902,713</u>	<u>\$132,210</u>
<i>Money Market Instruments Fund, at Net Asset Value</i>		<u>\$1,941,682</u>

**RONALD MCDONALD HOUSE CHARITIES OF NEW ENGLAND, INC.**

**Notes to Financial Statements**

**December 31, 2024 and 2023**

**6. Investments (Continued)**

Fair values of investment assets are measured on a recurring basis and are as follows at December 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>
<i>Cash and Cash Equivalents:</i>	\$ <u>118,812</u>	
<i>Fixed Income:</i>		
Treasury and Federal Agency Bonds	414,144	
Non-governmental Bonds	<u>984,650</u>	
<i>Total Fixed Income</i>	<u>1,398,794</u>	
<i>Mutual Funds:</i>		
International Funds	788,255	
Equity Funds	<u>2,387,542</u>	
<i>Total Mutual Funds</i>	<u>3,175,797</u>	
<i>Private Real Estate Fund</i>	<u>-</u>	<u>\$131,264</u>
 Total Investments at Fair Value	 <u>\$4,693,403</u>	 <u>\$131,264</u>
 <i>Money Market Instruments Fund, at Net Asset Value</i>		 <u>\$642,011</u>

Fair values for Level 1 investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

The fair value for the Level 2 investment was determined by the management company that offers a single class of shares of beneficial interest in the Fund, which are offered at the Private Real Estate Fund's net asset value per share as of the date that the request to purchase the shares is received and accepted by or on behalf of the Fund. The Fund has a ticker and daily pricing which is observable on various finance-related sites.

The money market instruments fund has been measured at net asset value; as such, this holding is not listed in the fair value hierarchy (using the allowable practical expedient).

**RONALD MCDONALD HOUSE CHARITIES OF NEW ENGLAND, INC.**

**Notes to Financial Statements**

**December 31, 2024 and 2023**

**7. Accounting for Endowments**

On February 14, 1993, a gift of 10,000 shares of McDonald's Corporation common stock with a fair value of \$496,250 was given to Ronald McDonald House of Providence, Inc. The gift was given to create an endowment to be held in perpetuity for the benefit of the operations of the Organization. The investment earnings from this endowment are donor restricted until appropriated for expenditure for operating expenses, excluding capital expenditures. This endowment was transferred to the Organization at the date of merger in 2019.

*Endowment Statement of Purpose*

The purpose of the Organization's endowment accounts is to support the current and future needs to fulfill its mission.

*Interpretation of Relevant Law*

The Board of the Organization has interpreted the Commonwealth of Massachusetts' Uniform Prudent Management of Institutional Funds Act (UPMIFA), Chapter 180A of the General Laws, as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At December 31, 2023, there were no such donor stipulations. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the endowment (if any) and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added, if applicable. Donor-restricted amounts not retained in perpetuity are subject to appropriation 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 purposes 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 appreciation of investments;
- (6) Other available resources of the Organization;
- (7) The investment policies of the Organization.

**RONALD MCDONALD HOUSE CHARITIES OF NEW ENGLAND, INC.**

**Notes to Financial Statements**

**December 31, 2024 and 2023**

**7. Accounting for Endowments (Continued)**

At December 31, 2023 and 2022, the Organization had the following endowment net asset composition by type of fund:

Year Ended December 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated Endowment Funds	\$3,999,092	\$ -	\$3,999,092
Donor-restricted Endowment Funds:			
Original Donor-Restricted Gift Amount Required to be Maintained in Perpetuity by Donor	-	496,250	496,250
Accumulated Investment Gains	<u>-</u>	<u>539,581</u>	<u>539,581</u>
	<u>\$3,999,092</u>	<u>\$1,035,831</u>	<u>\$5,034,923</u>

Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated Endowment Funds	\$3,841,708	\$ -	\$3,841,708
Donor-restricted Endowment Funds:			
Original Donor-Restricted Gift Amount Required to be Maintained in Perpetuity by Donor	-	496,250	496,250
Accumulated Investment Gains	<u>-</u>	<u>486,709</u>	<u>486,709</u>
	<u>\$3,841,708</u>	<u>\$ 982,959</u>	<u>\$4,824,667</u>

Return Objectives and Risk Parameters

The Organization's investments are to generate total return of capital and therefore enhance the value of the portfolio in inflation adjusted (real) terms. This objective will be met primarily through capital growth and through income return. The emphasis is on total portfolio return. The objective of the Organization's endowment is to generate a rate of return after fees and inflation superior to identified benchmarks.

Strategies Employed for Achieving Objectives

The Organization's portfolio may be invested in domestic and foreign securities, including common stocks, fixed income obligations, convertible securities and money market instruments. Mutual funds containing the above securities are permitted. Alternative investments, such as hedge funds, may also be part of the allocation but will be considered within the fixed income or equity allocation depending on the composition.

**RONALD MCDONALD HOUSE CHARITIES OF NEW ENGLAND, INC.**

**Notes to Financial Statements**

**December 31, 2024 and 2023**

**7. Accounting for Endowments (Continued)**

*Strategies Employed for Achieving Objectives (Continued)*

The policy asset classes and ranges are as follows:

Fixed Income and Cash	30 – 50%
Equities	50 – 70%

*Spending Policy and How the Investment Objectives Relate to Spending Policy*

The Organization's endowment policy guidelines serve to provide liquidity to the Organization in the event of an emergency, and to contribute to the Organization's annual budget, currently based on 4.5% of the endowment and quasi-endowment funds (based on a 12-quarter rolling average to the end of the previous year). The amounts appropriated for expenditure were \$201,417, or approximately \$16,785 per month for the year ended December 31, 2024, and \$189,716, or approximately \$15,810 per month for the year ended December 31, 2023.

The Finance Committee annually reviews the prior year's final operating account balances to determine if excess funds are available for transfer to the quasi-endowment.

Changes in endowment net assets for the years ended December 31, 2024 and 2023 are as follows:

Year Ended December 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
Endowment Net Assets, Beginning of Year	\$3,841,708	\$ 982,959	\$4,824,667
Contributions	-	-	-
Investment Return	313,737	97,937	411,674
Appropriation of Endowment Assets Pursuant to Spending-Rate Policy	<u>(156,352)</u>	<u>(45,065)</u>	<u>(201,417)</u>
Endowment Net Assets, End of Year	<u>\$3,999,093</u>	<u>\$1,035,831</u>	<u>\$5,034,924</u>

Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
Endowment Net Assets, Beginning of Year	\$3,116,023	\$ 922,463	\$4,038,486
Contributions	500,000	-	500,000
Investment Return	370,463	105,433	475,896
Appropriation of Endowment Assets Pursuant to Spending-Rate Policy	<u>(144,778)</u>	<u>(44,937)</u>	<u>(189,715)</u>
Endowment Net Assets, End of Year	<u>\$3,841,708</u>	<u>\$ 982,959</u>	<u>\$4,824,667</u>

**RONALD MCDONALD HOUSE CHARITIES OF NEW ENGLAND, INC.**

**Notes to Financial Statements**

**December 31, 2024 and 2023**

**7. Accounting for Endowments (Continued)**

*Funds with Deficiencies*

From time to time, the fair value of the assets associated with individual donor-restricted endowment funds may fall below the level that the donors or UPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies at December 31, 2024 or 2023.

**8. Line of Credit**

In August 2021, the Organization entered into an agreement with a financial institution for a \$1.5 million revolving line of credit agreement for a three-year term, with funds to be used for general corporate purposes and working capital needs, with monthly interest-only payments (balance due at maturity), at the Wall Street Journal floating prime rate, minus 50 points. Any borrowings will be collateralized by a first lien on the quasi-endowment account held at the same financial institution. The Organization must maintain a minimum investment balance of \$2,142,857 in this account; the fair value of this account was \$3,913,019 at December 31, 2024 and \$3,760,035 at December 31, 2023. There were no borrowings in fiscal year 2024 or 2023.

**9. Note Payable**

Under the terms of a merger effective March 15, 2019 whereby Ronald McDonald House Providence, Inc. (RMHP) merged into the Organization, the Organization assumed a note payable without modification of the terms.

Effective in 2017, Ronald McDonald House of Providence (“RMHP”), pre-merger, chose the option to utilize a variable rate option at an interest rate per annum equal to the 30-day LIBOR plus 245 basis points based on a 20-year amortization schedule. Under the terms of the agreement, interest only could be paid for up to 12 months from the closing date. RMHP borrowed the funds to partially finance the facilities expansion project, and the debt is secured by a first mortgage position on the real estate. The total amount borrowed was \$1,383,513 in 2016. Under an amendment with the financial institution dated December 30, 2022, the rate that interest was being accrued at was transitioned from a rate based on the LIBOR rate to a rate based on SOFR (secured overnight financing rate).

In accordance with the terms of the original agreement, the organization must maintain a debt service coverage ratio amount, which is tested annually.

Monthly payments include principal of \$5,765, plus variable interest using a twenty-year amortization schedule, with the final payment due in nine years (on January 1, 2026). Total interest for the years ended December 31, 2023 and 2022 was \$25,751 and \$23,391, respectively. The interest rate was 6.570% at December 31, 2022. This debt was paid off on November 14, 2023.

**RONALD MCDONALD HOUSE CHARITIES OF NEW ENGLAND, INC.**

**Notes to Financial Statements**

**December 31, 2024 and 2023**

**10. Grants Payable**

Grants payable consists of the following amounts awarded, but not paid, at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Funding of the “UMASS Memorial Mobile” unit, Worcester, Massachusetts. Quarterly payments of \$38,750 each.	\$ 38,750	\$ 18,750
Funding of the Comprehensive Community Action “Molar Express” in Rhode Island. Quarterly Payments of \$25,000 each.	<u>50,000</u>	<u>50,000</u>
	<u>\$ 88,750</u>	<u>\$ 68,750</u>

**11. Operating Leases**

In February 2016, the FASB issued ASU 2016-02, *Leases*, which is effective for annual periods beginning after December 15, 2021. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the statement of financial position at the date of lease commencement. Leases will be classified as either financing or operating. This distinction is relevant for the pattern of expense recognition in the statement of activities. This standard has no effect on these financial statements since all leases are short-term (12 months) and there is no commitment, or intention to renew, unless the needs arise, with decisions made on an annual basis, throughout the fiscal years.

In June of 2020, the Organization entered into an agreement to lease a parking lot to be used by visitors and guests of the Providence House. The lease term ran from March 1, 2020 through May 31, 2022, with a monthly payment of \$2,000, until renegotiated whereby the Organization would pay \$1,500 each month for the period June 1, 2021 through May 31, 2022. On June 14, 2022, through a verbal agreement, this lease was extended until November 30, 2022. Payments after November 30, 2022 continued to be made on a monthly basis until notification was received from the lessor that the lease would be extended again until June 30, 2023. On February 9, 2024 the lease was again extended until April 30, 2024 at \$1,500 per month. At the date of this auditors’ report, there is no extended lease agreement and the Organization is paying \$1,500 month-to-month.

The Organization has entered into various 12-month lease agreements for 11 apartments for its program in Boston, MA with various terms through May 14, 2025. For the years ended December 31, 2024 and 2023, rental expense for these operating leases was \$555,390 and \$526,213, respectively. Since there is no commitment, or intention to renew unless needs continue or arise, with decisions made on an annual basis, throughout the fiscal years, the new leasing standard did not have any effect on these financial statements.

**RONALD MCDONALD HOUSE CHARITIES OF NEW ENGLAND, INC.**

**Notes to Financial Statements**

**December 31, 2024 and 2023**

**11. Operating Leases (Continued)**

The following is a schedule of future minimum lease payments required under the above noncancelable operating leases that were signed as of the date of the auditors' report:

Due in 2025	\$495,797
Due in 2026	<u>49,868</u>
Total Future Commitments	<u>\$545,665</u>

**12. Donor-Restricted Net Assets**

Net assets with donor restrictions are restricted for the following purposes or future periods at December 31 as follows:

	<u>2024</u>	<u>2023</u>
<u>Endowments:</u>		
Perpetual Gift to Support Operations Subject to Endowment Spending Policy and Appropriation - for Operations	\$ 496,250	\$ 496,250
<u>Subject to Expenditure for Specified Purposes:</u>	539,581	486,708
Other Miscellaneous Purpose Restrictions	<u>4,614</u>	<u>3,910</u>
Net Assets With Donor Restrictions	<u>\$1,040,445</u>	<u>\$ 986,868</u>

**13. Net Assets Released from Restrictions**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes 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>
<u>Expiration of Time Restrictions:</u>		
Promises to Give - Facilities Expansion	\$ -	\$ 35,214
<u>Satisfaction of Purpose Restrictions:</u>		
Miscellaneous	4,796	8,784
<u>Restricted-Purpose Spending Rate Distributions and Appropriations for General Use</u>		
Current Period Operations	<u>45,063</u>	<u>44,938</u>
Net Assets Released from Restriction	<u>\$ 49,859</u>	<u>\$ 88,936</u>

**RONALD MCDONALD HOUSE CHARITIES OF NEW ENGLAND, INC.**

**Notes to Financial Statements**

**December 31, 2024 and 2023**

**14. Board-Designated Investments**

The fair value of investments in excess of those funds required to satisfy restrictions of donors are considered Board-designated net assets since Board approval of withdrawal or transfer and decision of purpose is required.

**15. In-Kind Contributions and Donated Services**

The values of donated materials and services included as in-kind contributions in the financial statements, and the corresponding expenses, are as follows for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Fundraising – Printing Donations	\$ <u>8,604</u>	\$ <u>7,030</u>
Donated Value of Capital Assets	<u>2,525</u>	<u>-</u>
Program Goods:		
Program Groceries and Kitchen Items, and Gift Cards	74,564	25,207
Bedroom Furniture Not Capitalized	15,281	-
Miscellaneous	<u>505</u>	<u>-</u>
	<u>90,350</u>	<u>25,207</u>
Total In-Kind Contributions and Donated Services	\$ <u>101,479</u>	\$ <u>32,237</u>

The Organization uses estimated fair values, or sales values, based on information from donors and independent analyses to recognize these transactions. Donors imposed no restrictions other than the uses above in program services and/or fundraising events as applicable. Other than the sales of items donated for fundraising event auctions, when applicable, the Organization generally does not monetize the in-kind donations.

**16. Defined Contribution Plan**

In 2019, the ForUs 401(k) Plan was adopted by the Organization to allow participation by all eligible employees. Eligible employees may elect to defer up to 92% of pre-tax compensation on a pre-tax basis up to the Internal Revenue Service annual limits. Additionally, the Organization may, at its discretion, make matching contributions and profit-sharing contributions in amounts to be determined by the Organization. Expense was \$31,120 and \$29,557 for the years ended December 31, 2024 and 2023, respectively.

**RONALD MCDONALD HOUSE CHARITIES OF NEW ENGLAND, INC.**

**Notes to Financial Statements**

**December 31, 2024 and 2023**

**17. Affiliations, Related Party Transactions and Concentrations**

Ronald McDonald House Charities, Inc. (“RMHC Global”), an Illinois not-for-profit corporation and a public charity under Section 509(a)(1) on the Internal Revenue Code, is the national organization. The Organization has a license agreement with the McDonald’s Corporation for the use of its name and trademarks. This license agreement also includes programmatic guidelines that should be followed.

As part of the license agreement, the revenues from all national fundraising efforts that take place through McDonald’s restaurants, including the cannister (or donation box) collections that are located on the countertops and at the drive-through windows, Happy Meal promotions, and the Round-up program (whereby customers can round up the amounts they pay at McDonald stores for contributions) are sent to RMHC Global, who in turn remits seventy-five percent of these funds, net of collection costs paid to a third-party vendor, to the Organization.

For the years ended December 31, 2024 and 2023, approximately 22% and 17% of total public support and revenue was from McDonalds’ store donation boxes, Round-up, and other in-store fundraising efforts, respectively.

Additionally, there are local McDonald restaurants that raise funds for the Organization.

**18. Subsequent Events, Evaluation and Uncertainties**

The Organization has evaluated subsequent events through June 23, 2025, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.