

**RONALD MCDONALD HOUSE CHARITIES OF
OKLAHOMA CITY, INC.**

OKLAHOMA CITY, OKLAHOMA

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

RONALD MCDONALD HOUSE CHARITIES OF OKLAHOMA CITY, INC.
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INDEPENDENT AUDITOR'S REPORT

To the Executive Committee of the Board of Directors
Ronald McDonald House Charities of Oklahoma City, Inc.

Opinion

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ronald McDonald House Charities of Oklahoma City, 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Ronald McDonald House Charities of Oklahoma City, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Ronald McDonald House Charities of Oklahoma City, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance

and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, 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 Oklahoma City, 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 Oklahoma City, 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.



CERTIFIED PUBLIC ACCOUNTANTS

Oklahoma City, Oklahoma
December 5, 2025

RONALD MCDONALD HOUSE CHARITIES OF OKLAHOMA CITY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,654,807	\$ 2,192,091
Contributions and Grants Receivable, Net	103,567	67,404
Promises to Give for Program Expansion, Net	2,213,581	1,433,947
Promises to Give for Nonfinancial Assets, Net	191,716	-
Prepaid Expenses	43,454	16,824
Total Current Assets	<u>4,207,125</u>	<u>3,710,266</u>
NONCURRENT ASSETS		
Promises to Give for Program Expansion, Net	983,823	1,543,311
Promises to Give for Nonfinancial Assets, Net	608,617	-
Operating Investments	955,561	855,524
Endowment Investments	3,054,379	2,737,010
Investments Restricted for Program Expansion	6,313,422	4,646,364
Property and Equipment, Net	5,198,116	3,514,867
Total Noncurrent Assets	<u>17,113,918</u>	<u>13,297,076</u>
Total Assets	<u><u>\$ 21,321,043</u></u>	<u><u>\$ 17,007,342</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 109,190	\$ 106,013
Deferred Revenue	3,000	7,403
Total Current Liabilities	<u>112,190</u>	<u>113,416</u>
Total Liabilities	112,190	113,416
NET ASSETS		
Without Donor Restrictions	10,526,787	9,440,867
With Donor Restrictions	10,682,066	7,453,059
Total Net Assets	<u>21,208,853</u>	<u>16,893,926</u>
Total Liabilities and Net Assets	<u><u>\$ 21,321,043</u></u>	<u><u>\$ 17,007,342</u></u>

The accompanying notes are an integral part of these financial statements.

RONALD MCDONALD HOUSE CHARITIES OF OKLAHOMA CITY, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT						
Contributions and Grants	\$ 857,809	\$ 1,734,927	\$ 2,592,736	\$ 615,158	\$ 3,451,234	\$ 4,066,392
Special Events Revenue	292,883	71,344	364,227	309,891	168,740	478,631
Contributions of Nonfinancial Assets	-	2,948,858	2,948,858	-	318,686	318,686
Other Income	7,908	-	7,908	6,361	-	6,361
Net Assets Released from Restrictions	1,843,491	(1,843,491)	-	2,735,771	(2,735,771)	-
Total Revenues and Other Support	<u>3,002,091</u>	<u>2,911,638</u>	<u>5,913,729</u>	<u>3,667,181</u>	<u>1,202,889</u>	<u>4,870,070</u>
EXPENSES						
Program Services	1,501,049	-	1,501,049	970,431	-	970,431
Cost of Direct Benefits to Donors	92,698	-	92,698	89,550	-	89,550
Management and General Administration	243,407	-	243,407	293,639	-	293,639
Fundraising	520,962	-	520,962	351,063	-	351,063
Total Expenses	<u>2,358,116</u>	<u>-</u>	<u>2,358,116</u>	<u>1,704,683</u>	<u>-</u>	<u>1,704,683</u>
CHANGE IN NET ASSETS FROM OPERATIONS	643,975	2,911,638	3,555,613	1,962,498	1,202,889	3,165,387
INVESTMENT INCOME, NET	<u>441,945</u>	<u>317,369</u>	<u>759,314</u>	<u>402,848</u>	<u>434,388</u>	<u>837,236</u>
CHANGE IN NET ASSETS	1,085,920	3,229,007	4,314,927	2,365,346	1,637,277	4,002,623
Net Assets - Beginning of Year	<u>9,440,867</u>	<u>7,453,059</u>	<u>16,893,926</u>	<u>7,075,521</u>	<u>5,815,782</u>	<u>12,891,303</u>
NET ASSETS - END OF YEAR	<u>\$ 10,526,787</u>	<u>\$ 10,682,066</u>	<u>\$ 21,208,853</u>	<u>\$ 9,440,867</u>	<u>\$ 7,453,059</u>	<u>\$ 16,893,926</u>

The accompanying notes are an integral part of these financial statements.

RONALD MCDONALD HOUSE CHARITIES OF OKLAHOMA CITY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services							
	Ronald McDonald Family Room	Ronald McDonald House Oklahoma Children's Hospital	Ronald McDonald House NWOKC	Total	Management and General	Fundraising	Cost of Direct Benefits to Donors	Total
Salaries	\$ 62,447	\$ 244,628	\$ -	\$ 307,075	\$ 102,499	\$ 369,880	\$ -	\$ 779,454
Employee Benefits	17,329	20,990	-	38,319	11,748	36,511	-	86,578
Payroll Taxes	6,376	23,799	-	30,175	6,819	32,027	-	69,021
Total Salaries and Related Expenses	86,152	289,417	-	375,569	121,066	438,418	-	935,053
Advertising	-	-	-	-	-	1,297	-	1,297
Automobile	-	-	-	-	676	-	-	676
Cleaning Services and Supplies	34	27,442	-	27,476	20	-	-	27,496
Depreciation	1,515	232,300	-	233,815	1,613	-	-	235,428
Family Support Services and Supplies	3,337	51,002	-	54,339	-	-	-	54,339
Insurance	1,635	7,035	-	8,670	6,732	4,418	-	19,820
Maintenance and Repairs	1,938	8,307	-	10,245	-	-	-	10,245
Meetings, Education and Training	-	1,074	-	1,074	4,269	1,286	-	6,629
Office Supplies	368	5,488	-	5,856	2,456	4,326	-	12,638
Postage and Courier	-	73	-	73	1,403	3,999	-	5,475
Printing and Publishing	-	-	-	-	-	6,755	-	6,755
Professional Fees	-	-	-	-	40,862	40	-	40,902
Occupancy	30,500	554,616	72,363	657,479	20,000	-	-	677,479
Technology	-	-	-	-	-	9,219	-	9,219
Telephone	-	13,918	-	13,918	9,411	-	-	23,329
Travel, Meals, and Entertainment	80	1,600	-	1,680	5,914	4,188	92,698	104,480
Other	3,329	107,526	-	110,855	28,985	47,016	-	186,856
Total Expenses	\$ 128,888	\$ 1,299,798	\$ 72,363	\$ 1,501,049	\$ 243,407	\$ 520,962	\$ 92,698	\$ 2,358,116

The accompanying notes are an integral part of these financial statements.

RONALD MCDONALD HOUSE CHARITIES OF OKLAHOMA CITY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program Services							
	Ronald McDonald Family Room	Ronald McDonald House Oklahoma Children's Hospital	Total	Management and General	Fundraising	Cost of Direct Benefits to Donors	Total	
Salaries	\$ 30,890	\$ 226,137	\$ 257,027	\$ 130,510	\$ 256,951	\$ -	\$ 644,488	
Employee Benefits	3,627	28,362	31,989	17,066	24,109	-	73,164	
Payroll Taxes	3,410	22,978	26,388	7,451	23,535	-	57,374	
Total Salaries and Related Expenses	37,927	277,477	315,404	155,027	304,595	-	775,026	
Advertising	-	-	-	-	1,665	-	1,665	
Automobile	-	-	-	731	-	-	731	
Cleaning Services and Supplies	19	19,648	19,667	-	-	-	19,667	
Depreciation	19,368	232,008	251,376	2,395	-	-	253,771	
Donor Recognition	-	-	-	-	1,056	-	1,056	
Family Support Services and Supplies	952	33,217	34,169	-	371	-	34,540	
Insurance	1,535	6,731	8,266	6,147	3,886	-	18,299	
Maintenance and Repairs	-	6,330	6,330	736	-	-	7,066	
Meetings, Education and Training	-	-	-	3,522	1,230	-	4,752	
Office Supplies	847	1,587	2,434	6,284	4,792	-	13,510	
Postage and Courier	-	53	53	751	2,455	-	3,259	
Printing and Publishing	-	-	-	-	4,892	-	4,892	
Professional Fees	-	101	101	42,090	-	-	42,191	
Rent	30,500	200,152	230,652	20,000	-	-	250,652	
Technology	-	-	-	15	10,399	-	10,414	
Telephone	-	13,620	13,620	9,423	-	-	23,043	
Travel, Meals, and Entertainment	-	234	234	7,676	1,866	89,550	99,326	
Other	2,821	85,304	88,125	38,842	13,856	-	140,823	
Total Expenses	\$ 93,969	\$ 876,462	\$ 970,431	\$ 293,639	\$ 351,063	\$ 89,550	\$ 1,704,683	

The accompanying notes are an integral part of these financial statements.

RONALD MCDONALD HOUSE CHARITIES OF OKLAHOMA CITY, INC.
STATEMENTS OF CASH FLOWS
DECEMBER 31, 2024 AND 2023

	2024	2023
Cash Flows From Operating Activities		
Change in Net Assets	\$ 4,314,927	\$ 4,002,623
Adjustments to Reconcile Change in Net Assets to Net Cash		
From (Used for) Operating Activities:		
Depreciation Expense	235,428	253,771
Contributions with Donor Restrictions	(4,755,129)	(3,938,660)
Net Unrealized (Gain)/Loss on Investments	(176,404)	(528,437)
Non-Cash Contributed Nonfinancial Assets - Receivables	(897,580)	-
Non-Cash Contributed Nonfinancial Assets - Contributed Use of Land Asset	(1,374,107)	-
Amortization of Contributed Use of Land Asset	72,334	-
Accretion of Contributed Use of Land Asset	(34,383)	-
Changes in Operating Assets and Liabilities:		
Receivables and Promises to Give	(159,062)	(1,972,520)
Prepaid Expenses	(26,630)	4,430
Accounts Payable, Accrued Liabilities, and Deferred Revenue	(1,226)	6,135
Net Cash Provided by (Used in) Operating Activities	(2,801,832)	(2,172,658)
Cash Flows From Investing Activities		
Purchases of Property and Equipment	(582,521)	-
Purchases of Investments	(1,908,060)	(1,655,186)
Net Cash Provided by (Used in) Investing Activities	(2,490,581)	(1,655,186)
Cash Flows From Financing Activities		
Collection of Contributions with Donor Restriction	4,755,129	3,938,660
Net Cash Provided by (Used in) Financing Activities	4,755,129	3,938,660
Net Increase in Cash, Cash Equivalents, and Restricted Cash	(537,284)	110,816
Cash, Cash Equivalents, and Restricted Cash at Beginning of Year	2,192,091	2,081,275
Cash, Cash Equivalents, and Restricted Cash at End of Year	\$ 1,654,807	\$ 2,192,091
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Contributed Nonfinancial Assets - Contributed Use of Land	1,374,107	-
Amortization of Contributed Use of Land Asset	72,334	-
Accretion of Discount on Contributed Use of Land	34,383	-

The accompanying notes are an integral part of these financial statements.

RONALD MCDONALD HOUSE CHARITIES OF OKLAHOMA CITY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Ronald McDonald House Charities of Oklahoma City, Inc. ("RMHC-OKC" or the "Organization") is an Oklahoma nonprofit charitable corporation formed in June 1980. The mission of Ronald McDonald House Charities ("RMHC" or "RMHC Global") is to provide essential services that remove barriers, strengthen families, and promote healing when children need healthcare. Collectively, RMHC and the network of local Chapters ascribe to four core values: we lead with compassion, we are deeply respectful, we act with integrity, and we are firmly committed. We fulfill our mission through operation of sustainable programs that enable family-centered care, bridge access to quality health care, are a vital part of the health care continuum and strengthen families during difficult times. The following programs, operated by the Organization, represent the core functions of RMHC-OKC.

Ronald McDonald House

When children must travel long distances to access top medical care, accommodations and support for families can be expensive or not readily available. The Organization helps families stay close to their ill or injured child through the Ronald McDonald House program located in Oklahoma City, 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 Oklahoma 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 and reported in the statements of activities as net assets released from 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 OKLAHOMA CITY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

Measure of Operations

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

Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management of the Organization to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash Equivalents

Cash equivalents include money market funds and all highly liquid investments with a maturity date of less than three months from the date of purchase. The Organization's cash balances that are maintained in bank accounts may exceed Federal Deposit Insurance Corporation limits from time to time. The Organization has not experienced any losses in such accounts and management believes that it is not exposed to any significant credit risk on cash.

Contributions Receivable/Promises to Give

Contributions receivable are unconditional promises to give. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Promises to give are written off when deemed uncollectible.

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

Investments

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

Property and Equipment

Property and equipment are stated at cost, if purchased, or estimated fair value, if donated, at the date of donation. Purchases of \$5,000 or more are capitalized. Purchases less than \$5,000 and maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as incurred.

RONALD MCDONALD HOUSE CHARITIES OF OKLAHOMA CITY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and Improvements	10 - 20 Years
Office Furniture and Equipment	3 - 10 Years
Automobiles	5 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.

Contributions of Nonfinancial Assets

Donated goods and services, including property and equipment, usage of land and facility space, and other noncash donations are recorded as contributions at their fair values at the date of donation. For multi-year agreements to use facility space, the present value of the future benefit is recorded as a contribution receivable/promise to give and contribution revenue. For multi-year agreements to use land, the present value of the future benefit is recorded as a contributed use of land asset within property and equipment and contribution revenue. These receivables or right to use land assets are reduced and rent expense is recognized as the space or land is used over the term of the agreement. The value of contributed facility space and land is determined based on market rates for comparable space or properties.

These donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Donated services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization also receives donated services from other contributors and volunteers that are not measurable, and therefore, are excluded from the financial statements.

The Organization's policy is to utilize contributed nonfinancial assets in its operations and not to monetize such contributions.

Deferred Revenue

Income from sponsorships received in advance of future special events, which the resource provider is receiving commensurate value in return or a right of return exists if the event does not occur, is deferred and recognized over the periods to which the sponsorships relate.

RONALD MCDONALD HOUSE CHARITIES OF OKLAHOMA CITY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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 those 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.

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 or Refundable Advances. 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.

Sponsorship and Special Event Revenue

The portion of revenue from sponsorships, special events, and ticket sales that relates to the commensurate value the sponsor or attendee receives in return is recognized when the related events are held and performance obligations are met.

Functional Expenses

The statements of functional expenses report actual expenses that do not require allocation.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income, if any, from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

RONALD MCDONALD HOUSE CHARITIES OF OKLAHOMA CITY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

Leases

The Organization determines if an arrangement is a lease at inception. Operating leases, if any, are included in right-of-use ("ROU") assets – operating and lease liability – operating, and finance leases, if any, are included in right-of-use ("ROU") assets – financing and lease liability – financing in the statements of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statements of financial position, if any.

The individual lease contracts do not typically provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

NOTE 2 FINANCIAL ASSETS AND LIQUIDITY RESOURCES

The Organization had \$1,801,828 of financial assets, as of December 31, 2024, available to meet cash needs for general expenditures within one year of the statement of financial position date, which consisted of the current assets per the statement of financial position, reduced by \$2,405,297 current contributions receivable not available for general use because of donor-imposed restrictions.

The Organization had \$2,276,319 of financial assets, as of December 31, 2023, available to meet cash needs for general expenditures within one year of the statement of financial position date, which consisted of the current assets per the statement of financial position, reduced by \$1,433,947 current contributions receivable not available for general use because of donor-imposed restrictions.

The Organization maintains financial assets, consisting of cash and short-term investments, on hand to meet its normal operating expenses based on its annual budget. Operating expenses are compared to budgeted expenses on a monthly basis and financial assets on hand are adjusted as necessary. As part of its liquidity management, the Organization invests cash in excess of daily requirements in various short-term investments. In addition, the Organization maintains an operating reserve that allows for annual spending.

NOTE 3 CONTRIBUTIONS RECEIVABLE/PROMISES TO GIVE

Contributions and grants receivable totaled \$103,567 and \$67,404, at December 31, 2024 and 2023, respectively, with all balances estimated to be collected within one year.

RONALD MCDONALD HOUSE CHARITIES OF OKLAHOMA CITY, INC.
NOTES TO FINANCIAL STATEMENTS
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Promises to Give for Program Expansion are estimated to be collected as follows at December 31:

	2024	2023
Amounts due in:		
Less than One Year	\$ 2,213,581	\$ 1,433,947
One to Five Years	1,093,785	1,626,500
Total	3,307,366	3,060,447
Unamortized Discount	(109,962)	(83,189)
Net Promises to Give for Program Expansion	<u>\$ 3,197,404</u>	<u>\$ 2,977,258</u>

The discount rates used for the years ended December 31, 2024 and 2023 ranged from 4.66% to 4.83% and 4.68% to 5.22%, respectively.

Promises to Give for Contributed Nonfinancial Assets are estimated to be collected as follows at December 31, 2024:

	2024
Amounts due in:	
Less than One Year	\$ 191,716
One to Five Years	675,364
More than Five Years	-
Total	867,080
Unamortized Discount	(66,747)
Net Promises to Give for Contributed Nonfinancial Assets	<u>\$ 800,333</u>

The discount rates used for the year ended December 31, 2024 ranged from 4.09% to 4.43%.

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.

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The fair values of assets 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:				
Money Market	\$ 92,407	\$ -	\$ -	\$ 92,407
Bonds	773,768	-	-	773,768
Equity Funds	3,143,765	-	-	3,143,765
Cash Equivalents	51,037			51,037
Debt Securities:				
U.S Treasury Notes	6,262,385	-	-	6,262,385
Total Assets	<u>\$ 10,323,362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,323,362</u>

The fair values of assets 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:				
Money Market	\$ 87,140	\$ -	\$ -	\$ 87,140
Bonds	758,565	-	-	758,565
Equity Funds	2,746,829	-	-	2,746,829
Cash Equivalents	44,025			44,025
Debt Securities:				
U.S Treasury Notes	4,602,339	-	-	4,602,339
Total Assets	<u>\$ 8,238,898</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,238,898</u>

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Fair values for Level 1 investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair value of Level 2 investments are determined by reference to quoted prices for similar assets in less active markets. Fair value of Level 3 investments are determined from valuation techniques in which one or more inputs are unobservable. The carrying amounts of all other assets and liabilities reflected in the statements of financial position for the Organization's financial instruments approximates their respective fair value due to the short-term maturities of those instruments. There have been no changes in valuation techniques and related inputs.

Investments

Overall Investment Objective

The overall investment objective of the Organization is to invest its assets in a prudent manner that will achieve a long-term rate of return sufficient to fund a portion of its annual operating activities and increase investment value after inflation. The Organization diversifies its investments among various asset classes incorporating multiple strategies and managers. Major investment decisions are authorized by the Board of Directors which oversees the Organization's investment program in accordance with established guidelines.

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	\$ 582,910	\$ 308,799
Realized and Unrealized Gains (Loss), Net	176,404	528,437
Investment Income (Loss), Net	<u>\$ 759,314</u>	<u>\$ 837,236</u>

NOTE 5 PROPERTY AND EQUIPMENT

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

	2024	2023
Buildings and Improvements	\$ 4,664,568	\$ 4,664,568
Contributed Use of Land	1,336,156	-
Construction in Progress	624,661	42,140
Office Furniture and Equipment	292,236	292,236
Automobiles	31,359	31,359
Total, at Cost	6,948,980	5,030,303
Accumulated Depreciation	(1,750,864)	(1,515,436)
Total Property and Equipment	<u>\$ 5,198,116</u>	<u>\$ 3,514,867</u>

Contributed Use of Land

Effective May 29, 2024, the Organization entered into a ground lease agreement with Tea Properties Oklahoma LLC to lease a parcel of land in northwest Oklahoma City for \$30. The land will be used to build a Ronald McDonald House to be utilized by families whose children are undergoing medical treatment at Mercy Hospital Oklahoma City ("Mercy Hospital") and at other surrounding medical facilities. This lease has an initial term of 30 years, with a renewal

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option for two 15-year periods at the discretion of the Organization. This agreement also provides for termination of the agreement by either party 15 years into the initial term, under provisions stipulated in the agreement. As such, the first 15 years of the agreement are considered an unconditional contribution and any years in excess of the first 15 years are considered a conditional contribution.

The fair value of the contributed use of land was determined based on a market rental rate derived from an independent appraisal, which applied an 8% market yield to the appraised fee simple value of \$1,550,000, resulting in an annual rental value of \$124,000. The total undiscounted fair value of the asset over the initial 15-year term is \$1,860,000. The present value of the total fair rental value, discounted at a rate of 4.72%, was \$1,374,107 and was recognized as contribution revenue and as a corresponding asset included in property and equipment at the time of contribution. The principal market used to determine fair value was the local commercial real estate market.

The total revenue amount recognized for the contributed use of land during the year was \$1,408,490, which consists of the initial contribution plus monthly accretion of the discount from fair value to present value. The amortization expense of the asset totaled \$72,334 for the year ended December 31, 2024, and is recognized as occupancy expense in the accompanying statement of functional expenses and as a direct reduction of the asset balance included in the above table.

The contributed use of land is subject to a donor-imposed restriction requiring its use for a Ronald McDonald House for the duration of the agreement.

NOTE 6 ENDOWMENT FUNDS

The Organization's endowment consists of an individual fund established by a 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

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Investment Return Objectives, Risk Parameters and Strategies. The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets. Those policies attempt to provide a predictable stream of funding to programs supported by its endowment fund while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds any distributions, with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make distributions, while growing the funds if possible. The Organization expects its endowment funds, over time, to provide an average rate of return that is consistent with historical returns of assets allocated 60% equity and 40% fixed income and non-equity investments. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to prevent exposing the fund to unacceptable levels of risk.

The policy allows portions of the endowment portfolio (those in excess of those amounts required to be maintained in perpetuity by the donor) to be split into a separate portfolio where it may be appropriated for expenditures approved by the Board of Directors. The amounts held in Without Donor Restrictions have satisfied the donor-imposed purpose and have been released from any restrictions and can be used for any purpose as determined by the organization.

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

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, Beginning of Year	\$ 2,238,195	\$ 498,815	\$ 2,737,010
Investment Return, Net	-	317,369	317,369
Funds Appropriated for Expenditure	<u>317,369</u>	<u>(317,369)</u>	<u>-</u>
Endowment Net Assets, End of Year	<u>\$ 2,555,564</u>	<u>\$ 498,815</u>	<u>\$ 3,054,379</u>

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

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, Beginning of Year	\$ -	\$ 2,302,622	\$ 2,302,622
Investment Return, Net	-	434,388	434,388
Funds Appropriated for Expenditure	<u>2,238,195</u>	<u>(2,238,195)</u>	<u>-</u>
Endowment Net Assets, End of Year	<u>\$ 2,238,195</u>	<u>\$ 498,815</u>	<u>\$ 2,737,010</u>

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

NOTE 7 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 Expansion - NW OKC	\$ 8,046,762	\$ 6,954,244
Subject to the passage of time:		
Contributed Nonfinancial Assets (Rent)	2,136,489	-
Perpetual in nature, not subject to spending policy or appropriation:		
Other Restrictions:		
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	498,815	498,815
Total Net Assets with Donor Restrictions	<u>\$ 10,682,066</u>	<u>\$ 7,453,059</u>

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NOTE 8 NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by donors as follows for the year ended December 31:

	2024	2023
Purpose restrictions accomplished:		
Program Expenses	\$ 77,061	\$ 34,370
Endowment Funds Appropriated for Expenditure	317,369	2,238,195
Red Shoe Gala Auction & Walk for Kids	77,858	53,664
Rent (Use of Facility Space and Use of Land)	657,450	230,652
Program Expansion - NW OKC	608,409	150
Share-a-Night	105,344	178,740
Total Restrictions Released	<u>\$ 1,843,491</u>	<u>\$ 2,735,771</u>

NOTE 9 CONTRIBUTED NONFINANCIAL ASSETS

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

	2024	2023
Program Expenses	\$ 77,061	\$ 34,370
Red Shoe Gala Auction & Walk for Kids	77,858	53,664
Rent (Use of Facility Space and Use of Land)	2,793,939	230,652
Total Contributed Nonfinancial Assets	<u>\$ 2,948,858</u>	<u>\$ 318,686</u>

The Organization receives contributed nonfinancial assets in the form of food and supplies for program activities, gift cards and items to be auctioned or utilized in fundraising activities, donated use of land, and donated occupancy of certain facility spaces at Oklahoma Children's Hospital. These arrangements are recognized in accordance with ASC 958-605, *Not-for-Profit Entities — Revenue Recognition*, and presented separately in the statement of activities in compliance with ASU 2020-07.

The fair value of contributed (donated) nonfinancial assets is determined as follows:

- Donated food, supplies, and items to be auctioned or utilized in fundraising activities are valued at estimated current market cost at the time of contribution.
- Donated gift cards are valued at the face value of the gift cards.
- Donated use of facility space and donated right to use land is valued using market data for comparable rental properties in the geographic area, discounted as appropriate for the term and conditions of each agreement. Where the term is multi-year, values are discounted using a risk-free rate commensurate with the lease term.

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Substantially all donated assets have donor-imposed purpose restrictions and are typically utilized by the Organization's programs and supporting services in the year of donation, other than the land and facility space under multi-year lease agreements. Those utilized within the year of donation are shown as in-kind contributions/contributions of nonfinancial assets with donor-restriction and included in the release from restriction in the statements of activities.

The contributed use of land is discussed in Note 5. The following is a summary of the existing agreements that are included as promises to give of contributed nonfinancial assets (rental of facility space under multi-year agreements):

Donated Facility Use Under Multi-Year Agreements

The Organization occupies facility space at Oklahoma Children's Hospital under multi-year, non-cancelable lease agreements in which no rent is charged. These agreements convey the right to use specific premises for fixed terms ranging from 2 to 5 years, with extensions available under terms provided for in the agreements. At inception of each agreement, the Organization recognizes contribution revenue and a corresponding contribution receivable (for the right to use the asset) equal to the present value of the estimated fair rental value over the lease term. The receivable is amortized on a straight-line basis over the term of use, with corresponding occupancy expense recognized each year. During the year ended December 31, 2024, the Organization recognized \$830,833 of contribution revenue and \$30,500 occupancy expense under these agreements. At December 31, 2024 and 2023, the balance of contributions receivable related to these non-cancelable agreements was \$800,333 and \$0, respectively.

Donated Facility Use Not Under Multi-Year Agreements

In addition, the Organization occupies other spaces Oklahoma Children's Hospital at no cost under informal or short-term arrangements, or under agreements that have a cancellation provision or early termination clause, as provided for in the respective agreements. Because these agreements are cancelable and not for a specified term, the Organization records contribution revenue and occupancy expense annually for the fair value of the space used during the year. For the year ended December 31, 2024 and 2023, the Organization recognized \$554,616 and \$230,652, respectively, of in-kind contribution revenue and corresponding occupancy expense related to these arrangements.

NOTE 10 DEFINED CONTRIBUTION RETIREMENT PLAN

The Organization has a defined contribution plan qualified under Section 401(k) of the Internal Revenue Code. The plan covers all employees of the Organization. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code if they wish. The Organization matches 100% of the first 3% and 50% of the next 2% of salary deferrals to the plan by qualified employees. Employer matching contributions to the plan were \$13,062 and \$9,847 for the years ended December 31, 2024 and 2023, respectively.

NOTE 11 TRANSACTIONS WITH RELATED ENTITIES

RMHC is a system of independent, separately registered public benefit organizations, referred to as "Chapters" within the global organization. RMHC-OKC is an independent operating Chapter within the system. Each Chapter is licensed by McDonald's Corporation and Ronald

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McDonald House Charities 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.

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 \$259,689 and \$156,186, respectively, from these revenue streams.

Accounts receivable due from related parties included in receivables at December 31, 2024 and 2023 was \$62,540 and \$37,942, respectively.

After 100% participation by all employees and board members in the Northwest Oklahoma City program expansion campaign, amounts due from employees and board members included in promises to give at December 31, 2024 and 2023 were \$81,250 and \$5,000, respectively.

During 2018, RMHC-OKC entered into a lease agreement for temporary office space with a former board member. Under this agreement, the Organization paid or will pay monthly rent of \$1,667. The lease agreement expired on January 31, 2023 and the Organization is still leasing the space on a month-to-month basis.

NOTE 12 REVENUE RECOGNITION

The following table shows the Organization's revenue from contracts with customers disaggregated according to the timing of the transfer of goods or services as of the years ended December 31:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Revenue Recognized at a Point in Time:			
Special Events Revenue	\$ 364,227	\$ 478,631	\$ 390,800

The Organization's contract liabilities consist of:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Deferred Revenue	\$ 3,000	\$ 7,403	\$ 3,050

The Organization recognized \$7,403 and \$3,050 as revenue that was previously included in contract liabilities during the years ended December 31, 2024 and 2023, respectively.

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NOTE 13 CONCENTRATIONS

Capital campaign contributions consisted of \$1,000,000 received in 2024 from a single donor and \$3,500,000 received in 2023 from a separate single donor, which represents 15% and 61%, respectively, of total revenues and other support.

NOTE 14 SUBSEQUENT EVENTS

Management evaluated subsequent events through December 5, 2025, the date the financial statements were available to be issued. There were no material subsequent events that required recognition in the financial statements.