RONALD MCDONALD HOUSE CHARITIES
OF SIOUXLAND, INC.

Sioux City, Iowa

AUDITED FINANCIAL STATEMENTS
(With Independent Auditor's Report Thereon)

For the Years Ended
December 31, 2024 and 2023

RONALD MCDONALD HOUSE CHARITIES OF SIOUXLAND, INC.

INDEX

KING, REINSCH, PROSSER & CO., L.L.P.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Ronald McDonald House Charities of Siouxland, Inc.
Sioux City, Iowa

Opinion

We have audited the accompanying financial statements of Ronald McDonald House Charities of Siouxland, 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 Siouxland, 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 Siouxland, 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 Siouxland, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Ronald McDonald House Charities of Siouxland, 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 Siouxland, 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.

King, Reinsch, Prosser & Co., L.L.P

Sioux City, Iowa
August 7, 2025

RONALD MCDONALD HOUSE CHARITIES OF SIOUXLAND, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31,

ASSETS

	2024	2023
CURRENT ASSETS:		
Cash and cash equivalents	$ 528,467	$ 762,418
Accounts receivable	10,923	29,622
Prepaid insurance	2,401	2,005
Total current assets	$ 541,791	$ 794,045
NONCURRENT ASSETS:		
Investments	$ 1,947,866	$ 1,530,500
Property and equipment, net	822,374	860,099
Total noncurrent assets	$ 2,770,240	$ 2,390,599
Total assets	$ 3,312,031	$ 3,184,644

LIABILITIES AND NET ASSETS

	2024	2023
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 16,686	$ 19,660
Total current liabilities	$ 16,686	$ 19,660
NET ASSETS:		
Without donor restrictions:		
Unrestricted	$ 822,871	$ 1,057,094
Board designated	1,649,254	1,244,681
Property and equipment	822,374	860,099
With donor restrictions	846	3,110
Total net assets	$ 3,295,345	$ 3,164,984
Total liabilities and net assets	$ 3,312,031	$ 3,184,644

RONALD MCDONALD HOUSE CHARITIES OF SIOUXLAND, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31,

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support:						
Special events revenue	$ 539,791	$ -	$ 539,791	$ 533,130	$ -	$ 533,130
Contributions	158,096	1,200	159,296	221,210	6,720	227,930
In-kind contributions	24,030	-	24,030	27,163	-	27,163
Program services	11,090	-	11,090	12,112	-	12,112
Interest income	2,032	-	2,032	4,556	-	4,556
Net assets released from restrictions	3,464	(3,464)	-	3,610	(3,610)	-
Total revenues, gains, and other support	$ 738,503	$ (2,264)	$ 736,239	$ 801,781	$ 3,110	$ 804,891
Expenses:						
Program services	$ 410,920	$ -	$ 410,920	$ 314,340	$ -	$ 314,340
Cost of direct benefits to donors	166,181	-	166,181	136,390	-	136,390
Fundraising	89,902	-	89,902	128,247	-	128,247
Management and general	95,886	-	95,886	85,313	-	85,313
Total expenses	$ 762,889	$ -	$ 762,889	$ 664,290	$ -	$ 664,290
Change in net assets from operations	$ (24,386)	$ (2,264)	$ (26,650)	$ 137,491	$ 3,110	$ 140,601
Investment income, net	157,011	-	157,011	167,611	-	167,611
CHANGE IN NET ASSETS	$ 132,625	$ (2,264)	$ 130,361	$ 305,102	$ 3,110	$ 308,212
NET ASSETS AT BEGINNING OF YEAR	3,161,874	3,110	3,164,984	2,856,772	-	2,856,772
NET ASSETS AT END OF YEAR	$ 3,294,499	$ 846	$ 3,295,345	$ 3,161,874	$ 3,110	$ 3,164,984

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

RONALD MCDONALD HOUSE CHARITIES OF SIOUXLAND, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED DECEMBER 31,

2024

	Program Services				Supporting Activities			
	Ronald McDonald House Programs	Family Kitchen	Scholarships	Total Program	Fundraising	Management and General	Cost of Direct Benefits to Donors	Total
Salaries and wages	$ 167,461	$ 27,034	$ 694	$ 195,189	$ 32,884	$ 46,935	$ -	$ 275,008
Payroll taxes	12,845	2,074	53	14,972	2,522	3,600	-	21,094
Employee benefits	13,412	2,165	58	15,635	2,632	4,808	-	23,075
Total salaries and related expenses	$ 193,718	$ 31,273	$ 805	$ 225,796	$ 38,038	$ 55,343	$ -	$ 319,177
Conferences, conventions, and meetings	$ 5,329	$ -	$ -	$ 5,329	$ 1,332	$ -	$ -	$ 6,661
Depreciation	37,437	8,423	936	46,796	520	4,680	-	51,996
Direct mail	-	-	-	-	18,639	-	-	18,639
Dues and subscriptions	1,266	112	28	1,406	5,223	6,345	-	12,974
Insurance	11,929	1,061	265	13,255	147	1,326	-	14,728
Program supplies	6,029	53,046	-	59,075	-	-	-	59,075
Meals and entertainment	-	-	-	-	736	-	-	736
Miscellaneous	8,319	432	78	8,829	1,596	2,250	-	12,675
Office supplies	734	100	17	851	426	427	-	1,704
Printing and publications	1,442	128	32	1,602	801	-	-	2,403
Professional fees	-	-	-	-	-	24,605	-	24,605
Public awareness	20,916	2,282	43	23,241	22,171	-	-	45,412
Repairs and maintenance	8,875	1,997	222	11,094	-	-	-	11,094
Scholarships awarded	-	-	3,000	3,000	-	-	-	3,000
Special events	-	-	-	-	-	-	166,181	166,181
Utilities	7,287	1,638	182	9,107	102	910	-	10,119
Vehicle expenses	1,539	-	-	1,539	171	-	-	1,710
Total expenses	$ 304,820	$ 100,492	$ 5,608	$ 410,920	$ 89,902	$ 95,886	$ 166,181	$ 762,889

2023

	Program Services				Supporting Activities			
	Ronald McDonald House Programs	Family Kitchen	Scholarships	Total Program	Fundraising	Management and General	Cost of Direct Benefits to Donors	Total
Salaries and wages	$ 131,148	$ 22,373	$ 464	$ 153,985	$ 39,866	$ 38,834	$ -	$ 232,685
Payroll taxes	10,029	1,711	35	11,775	3,048	2,970	-	17,793
Employee benefits	8,699	1,484	33	10,216	2,645	2,577	-	15,438
Total salaries and related expenses	$ 149,876	$ 25,568	$ 532	$ 175,976	$ 45,559	$ 44,381	$ -	$ 265,916
Conferences, conventions, and meetings	$ 3,438	$ -	$ -	$ 3,438	$ 1,146	$ -	$ -	$ 4,584
Depreciation	41,068	9,240	1,027	51,335	570	5,134	-	57,039
Direct mail	-	-	-	-	60,549	-	-	60,549
Donation box	-	-	-	-	-	-	-	-
Dues and subscriptions	1,278	113	28	1,419	5,153	6,286	-	12,858
Insurance	5,230	466	116	5,812	65	581	-	6,458
Program supplies	6,478	31,331	-	37,809	-	-	-	37,809
Meals and entertainment	-	-	-	-	426	-	-	426
Miscellaneous	2,695	402	59	3,156	3,576	1,178	-	7,910
Office supplies	412	63	11	486	485	485	-	1,456
Printing and publications	1,650	147	36	1,833	917	-	-	2,750
Professional fees	-	-	-	-	-	26,280	-	26,280
Public awareness	8,883	791	197	9,871	9,415	-	-	19,286
Repairs and maintenance	7,381	1,661	185	9,227	-	-	-	9,227
Scholarships awarded	-	-	3,000	3,000	-	-	-	3,000
Special events	-	-	-	-	-	-	136,390	136,390
Utilities	7,901	1,776	198	9,875	110	988	-	10,973
Vehicle expenses	1,103	-	-	1,103	276	-	-	1,379
Total expenses	$ 237,393	$ 71,558	$ 5,389	$ 314,340	$ 128,247	$ 85,313	$ 136,390	$ 664,290

RONALD MCDONALD HOUSE CHARITIES OF SIOUXLAND, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31,

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 130,361	$ 308,212
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	51,996	57,039
In-kind contributions of property and equipment	-	(1,119)
Net (gain) loss on investments	(116,395)	(129,236)
Decrease (increase) in accounts receivable	18,699	(19,549)
Increase in prepaid insurance	(396)	(1,838)
Decrease in accounts payable and accrued expenses	(2,974)	(18,704)
Net cash provided by operating activities	$ 81,291	$ 194,805
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	$ (14,271)	$ (3,265)
Purchase of investments	(507,055)	(1,291,324)
Proceeds from sale of investments	206,084	1,049,640
Net cash used for investing activities	$ (315,242)	$ (244,949)
NET CHANGE IN CASH AND CASH EQUIVALENTS	$ (233,951)	$ (50,144)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	762,418	812,562
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 528,467	$ 762,418

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

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities - Ronald McDonald House Charities of Siouxland, Inc. (RMHC) is a nonprofit organization located in Sioux City, Iowa. RMHC operates a house to provide temporary lodging and other assistance for children and their families while a child is receiving medical care in Sioux City. Additionally, RMHC operates a Family Kitchen program to support families at Siouxland hospitals by providing nourishing, no-cost food. In addition to stocking a kitchen area with nonperishable food items, RMHC delivers fresh packed lunches to the families of children receiving care in the pediatric and neonatal intensive care units. Finally, RMHC awards scholarships to eligible high school seniors from the Siouxland area based on academic achievement, volunteer experience, and financial need.

Basis of Accounting - These financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Financial Statement Presentation - RMHC reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions - Net assets and transactions that are not subject to donor-imposed restrictions or laws.

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

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Amounts received that are restricted by the donor for specific purposes are reported as net assets with donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution was received, RMHC reports the support as without donor restrictions. Expenses are recorded as decreases in net assets without donor restrictions. Expirations of net assets with donor restrictions (i.e., the donor-restricted purpose has been fulfilled and/or the restricted time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Risks and Uncertainties - Certain risks and uncertainties are inherent in RMHC's day-to-day operations and to the process of preparing its financial statements. The more significant of these risks and uncertainties are presented throughout the notes to the financial statements.

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Management Estimates - The preparation of financial statements in conformity with GAAP requires the management of RMHC to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Management periodically evaluates estimates used in the preparation of the financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates are made prospectively based on such periodic evaluation. It is reasonably possible that changes may occur in the near term that would affect management's estimates. Management's significant estimates include the fair value of contributed nonfinancial assets (in-kind contributions) and the allocation of expenses to program and supporting functions.

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

Cash and Cash Equivalents - RMHC considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. RMHC's cash balances that are maintained in bank accounts may exceed Federal Deposit Insurance Corporation limits from time to time. RMHC has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on cash.

Accounts Receivable - Accounts receivable are stated at the amounts RMHC expects to collect from outstanding balances, of which RMHC has the unconditional right to receive. Any accounts deemed uncollectible are charged off.

RMHC used historical loss information and their collection history with customers and donors to evaluate their outstanding receivables and determine the allowance for credit losses. RMHC had no bad debt expenses during the years ended December 31, 2024 and 2023, nor have they experienced losses related to customers or donors with outstanding balances. As such, RMHC determined that no allowance for credit losses is necessary at December 31, 2024 and 2023.

Investments - RMHC states investments in equity securities with readily determinable fair values and all investments in debt securities at their fair value in the accompanying statements of financial position. Realized and unrealized investment gains and losses are included in the change in net assets in the accompanying statements of activities.

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Property and Equipment - Property and equipment are stated at cost or, if donated, at estimated fair market value at the date of donation. Project costs during the planning and construction phases are capitalized to construction in progress and begin depreciating once the project is placed in service. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Building	40 Years
Land improvements	5 to 10 Years
Furniture and fixtures	5 to 10 Years
Vehicle	3 Years

Costs for repairs and maintenance are charged to expense as incurred. The net property and equipment balance has been recorded as a separate component in net assets without donor restrictions.

Leases - RMHC determines if an arrangement is or contains a lease at inception. For arrangements considered leases, RMHC determines classification of the lease as a finance or operating lease and the initial measurement of the right-of-use asset and lease liability at commencement date, which is the date that the underlying asset becomes available for use. RMHC determines the lease term by assuming the exercise of any renewal or termination options that are reasonably certain. RMHC recognizes a right-of-use asset, which represents their right to use the underlying asset for the lease term, and a lease liability, which represents the present value of their obligation to make payments over the lease term. RMHC uses the rate implicit in the lease when available, and RMHC's incremental borrowing rate at lease commencement for any remaining leases, in applying a discount factor for determining the present value of future lease payments.

Rent expense for operating leases is recognized on a straight-line basis over the term of the lease. Amortization of right-of-use assets is recognized using a systematic and rational method over the shorter of the lease term or the useful life of the right-of-use asset. Any variable rent payments are expensed in the period incurred. These net lease costs are included in operating expenses in the statements of activities and functional expenses.

RMHC has elected to exercise the practical expedient for the treatment of short-term leases for any leases with an initial term of 12 months or less. Right-of-use assets and lease liabilities associated with these short-term leases are not recorded in the statements of financial position, instead RMHC recognizes lease expense for short-term leases on a straight-line basis over the lease term as part of operating expenses in the statements of activities and functional expenses. Total lease cost related to short-term leases of office equipment was $1,428 for each of the years ended December 31, 2024 and 2023.

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Impairment of Long-Lived Assets - RMHC reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying value of such asset may not be fully recoverable. Impairment is present when the sum of undiscounted estimated cash flows expected to result from use of the assets is less than its carrying value. If impairment is present, the carrying value of the impaired asset is reduced to its fair value. During the years ended December 31, 2024 and 2023, there were no impairment losses recognized for long-lived assets.

Revenue Recognition - 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 promises to give, grants, and contract funds are recorded as revenue when earned. Revenue is considered earned when the conditions on which the promise depend have been substantially met, or eligible expenditures or deliverables, as defined in each contract, are met. Funds received but not yet earned are recorded as deferred revenue. Expenditures under contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, RMHC will record such disallowance at the time the final assessment is made.

Special Event Revenue

Sponsorship Revenue - The portion of sponsorship revenue that relates to the commensurate value the sponsor received in return for their sponsorship is recognized when the related events are held and performance obligations are met.

Attendee Fees - The portion of attendee fees that relates to the commensurate value the attendee receives in return for their attendance is recognized when the related events are held and performance obligations are met.

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Allocation of Expenses - The financial statements report certain categories of expenses that are attributable to one or more program or supporting activity of RMHC. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include: salaries and wages, payroll taxes, and employee benefits, which are allocated on the basis of management's estimate of time and effort. Conferences, conventions, and meetings; depreciation; dues and subscriptions; insurance; miscellaneous expenses; office supplies; printing and publication; public awareness; repairs and maintenance; utilities; and vehicle expenses are allocated on the basis of management's estimate of time, costs, and effort.

Advertising - Advertising costs are expensed as incurred. These costs may include donated marketing services for program activities or fundraising efforts, including special events. Total advertising costs charged to expense totaled $115,951 and $56,436 for the years ended December 31, 2024 and 2023, respectively.

Income Taxes - RMHC is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). RMHC files Form 990 (Return of Organization Exempt from Income Tax) annually. Federal income tax returns are generally open to examination by the relevant taxing authorities for a period of three years from the date the return was filed.

Employee Retirement Plan - RMHC contributes to a qualified Simple IRA Plan covering eligible employees whereby voluntary employee contributions up to 3 percent of compensation are matched. Retirement plan expense totaled $5,406 and $4,654 for the years ended December 31, 2024 and 2023, respectively.

Reclassifications - Certain reclassifications have been made to the December 31, 2023 financial statement presentation to correspond to the December 31, 2024 format. Total net assets and change in net assets are unchanged due to the reclassifications.

Subsequent Events - RMHC evaluated for subsequent events through August 7, 2025, the date which their financial statements were available to be issued.

NOTE B - LIQUIDITY:

The following reflects RMHC's financial assets available within one year of the statement of financial position date, reduced by amounts not available for general use because of the donor-imposed purpose restrictions and board designations.

	2024	2023
Financial assets, at year end:		
Cash and cash equivalents	$ 528,467	$ 762,418
Accounts receivable	10,923	29,622
Investments	1,947,866	1,530,500
Total financial assets, at year end	$ 2,487,256	$ 2,322,540
Less those unavailable for general expenditures within one year due to:		
Donor-imposed purpose restrictions	$ 846	$ 3,110
Board designations	1,649,254	1,244,681
	$ 1,650,100	$ 1,247,791
Financial assets available to meet cash needs for general expenditures within one year	$ 837,156	$ 1,074,749

As part of RMHC's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Operating expenses are compared to budgeted expenses on a monthly basis and financial assets on hand are adjusted as necessary by investing cash in excess of operating requirements in various investments.

NOTE C - INVESTMENTS:

Investments in equity securities with readily determinable fair values and all investments in debt securities are stated at their fair value in the accompanying statements of financial position and consist of the following at December 31, 2024 and 2023:

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Equity securities - mutual funds	$ 1,779,080	$ 1,917,066	$ 1,419,106	$ 1,500,798
Debt securities - corporate bonds	30,892	30,800	29,107	29,702
	$ 1,809,972	$ 1,947,866	$ 1,448,213	$ 1,530,500

NOTE D - FAIR VALUE MEASUREMENT:

In determining fair value, RMHC 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.

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.

As of December 31, 2024 and 2023, management determined that the fair value of RMHC's investments were all measured using Level 1 inputs. There have been no changes in the methodologies used at December 31, 2024 and 2023.

The fair values of assets measured on a recurring basis as of December 31, 2024 and 2023 are as follows:

	Quoted Prices in Active Markets (Level 1)	
	2024	2023
Assets:		
Mutual funds:		
Domestic equity	$ 958,413	$ 764,683
International equity	600,065	393,304
Mixed equity	358,588	342,811
Corporate bonds (fixed)	30,800	29,702
Total assets	$ 1,947,866	$ 1,530,500

NOTE E - PROPERTY AND EQUIPMENT:

Property and equipment consist of the following at December 31, 2024 and 2023:

	2024	2023
Land and land improvements	$ 103,251	$ 88,980
Building	1,443,958	1,443,958
Furniture and fixtures	202,103	202,103
Vehicle	25,767	25,767
	$ 1,775,079	$ 1,760,808
Accumulated depreciation	(952,705)	(900,709)
	$ 822,374	$ 860,099

NOTE F - NET ASSETS WITHOUT DONOR RESTRICTIONS - BOARD DESIGNATED:

The Board of Directors has designated net assets without donor restrictions for the following purposes as of December 31, 2024 and 2023:

	2024	2023
Program Account Fund	$ 250,000	$ 250,000
Capital Account	972,984	888,226
Endowment Fund	426,270	106,455
	$ 1,649,254	$ 1,244,681

In 2017, the Board of Directors passed a resolution governing the Program Account Fund, Capital Account Fund, and Endowment Fund.

The purpose of the Program Account Fund is to ensure the sustainability of annual operations by maintaining a reserve and to fund future growth and development of RMHC programs. The Capital Account Fund was established by the Board of Directors to fund future house repairs and replacement of capital assets. The resolution designated that both funds must maintain a minimum balance of $250,000. Funds will be transferred to net assets without donor restrictions - undesignated upon the request of RMHC's finance committee and approval from the Board of Directors.

NOTE G - NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are restricted for the following purposes as of December 31, 2024 and 2023.

	2024	2023
Subject to expenditure for specific purpose:		
Program services:		
Family Kitchens	$ 846	$ 860
Needs of families	-	2,250
	$ 846	$ 3,110

NOTE H - NET ASSETS RELEASED FROM DONOR RESTRICTIONS:

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or other events specified by donors as follows for the years ended December 31, 2024 and 2023:

	2024	2023
Purpose restrictions accomplished:		
Needs of families	$ 2,250	$ 3,250
Family Kitchens	1,214	360
	$ 3,464	$ 3,610

NOTE I - ENDOWMENT FUNDS:

RMHC's endowment can include both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of RMHC 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 absent explicit donor stipulations to the contrary. As a result of this interpretation, RMHC classifies as net assets with donor restrictions (1) the original value of gifts donated to the endowment, (2) the original value of subsequent gifts to the endowment, and (3) 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 UPMIFA, RMHC 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 purpose 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 RMHC, and (7) RMHC's investment policies.

RMHC has adopted investment and spending policies for its endowment. The objective of these policies is to achieve long term preservation and conservative growth. RMHC's investment policy intends that the value of any contributions be maintained, preserved, and carefully enhanced over time. Endowment assets are to be invested in a well-diversified asset mix, as specified by RMHC's finance committee, and communicated to the investment manager. Such investments may include money market funds, U.S. equities, international equities, fixed income, and mixed assets.

RMHC has determined that principal of the fund is not to be used and spending of investment income is not automatic.

As of December 31, 2024 and 2023, the Board of Directors designated $426,270 and $106,455, respectively, of net assets without donor restrictions to function as a general endowment fund to support the mission of RMHC. There were no portions of the endowment fund with donor restrictions at December 31, 2024 and 2023.

NOTE I - ENDOWMENT FUNDS (CONTINUED):

Composition of and change in endowment assets were as follows for the years ended December 31, 2024 and 2023:

	2024	2023
Board designated endowment net assets, beginning of year	$ 106,455	$ 86,920
Contributions	300,000	-
Interest and dividends	8,106	2,598
Capital gain distributions	9,771	879
Net (depreciation) appreciation - realized and unrealized	1,938	16,058
Board designated endowment net assets, end of year	$ 426,270	$ 106,455

NOTE J - CONTRIBUTED NONFINANCIAL ASSETS:

RMHC receives a significant amount of its revenue as contributed goods and services which it monetizes through fundraising events or utilizes within the RMHC house or other program services. None of the contributed nonfinancial assets had donor-imposed restrictions.

For the years ended December 31, 2024 and 2023, contributed nonfinancial assets recognized within the statements of activities included:

	Revenue Recognized	
	2024	2023
RMHC Red Shoe Shindig fundraiser	$ 63,278	$ 69,673
RMHC Golf Classic fundraiser	26,931	6,926
RMHC Family Kitchen	15,476	6,059
RMHC Bubble Walk	12,273	-
RMHC House	7,305	6,564
Travel expenses	1,249	-
Professional fees	-	14,540
	$ 126,512	$ 103,762

NOTE J - CONTRIBUTED NONFINANCIAL ASSETS (CONTINUED):

RMHC estimates the fair value of the goods and services contributed by donors to be that of the market price which would normally be expected to obtain the goods and services. Contributions for fundraising special events included prizes used during the events and advertising for the events. Contributions to the Family Kitchen included supplies or equipment for use in the kitchens. Other house contributions include supplies, equipment, repairs, or maintenance at the house or offices. Contributed travel expenses included expenses related to traveling to the RMHC international conference. Contributed professional fees included accounting services related to required financial statement audits or Form 990 preparation. For the years ended December 31, 2024 and 2023, contributed services were monetized or utilized as follows:

	2024	2023
Advertising	$ 74,649	$ 37,150
Fundraiser prizes	27,833	35,649
Accounting services	-	14,540
Supplies	14,976	9,859
Repairs and maintenance	7,805	5,445
Capital improvements	-	1,119
Travel	1,249	-
	$ 126,512	$ 103,762

A substantial number of unpaid volunteers have made significant contributions of their time to RMHC. Volunteers contributed 2,135 and 1,906 hours of their time to RMHC during the years ended December 31, 2024 and 2023, respectively. The value of their time is not reflected in these financial statements as no objective basis is available to measure the value of such services.