

Financial Statements

Ronald McDonald
House Charities of
Northwest Ohio, Inc.

December 31, 2025 and 2024



CONTENTS



	Page
Independent Auditor's Report	3
Financial Statements:	
Statements of Financial Position	5
Statements of Activities	6
Statements of Functional Expenses	8
Statements of Cash Flows	10
Notes to Financial Statements	11



To the Board of Directors
Ronald McDonald House Charities
of Northwest Ohio, Inc.
Toledo, Ohio

Independent Auditor's Report

Opinion

We have audited the accompanying financial statements of Ronald McDonald House Charities of Northwest Ohio, Inc. (the "Organization") (a nonprofit corporation), which comprise the statements of financial position as of December 31, 2025 and 2024, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2025 and 2024, and the results of its operations 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

To the Board of Directors
Ronald McDonald House Charities
of Northwest Ohio, Inc.
Page 2

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 GAAS 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

GBQ Partners LLC

Sylvania, Ohio
July 6, 2026

RONALD MCDONALD HOUSE CHARITIES OF NORTHWEST OHIO, INC.

Statements of Financial Position
December 31, 2025 and 2024



	2025	2024
ASSETS		
Assets		
Cash and cash equivalents	\$ 377,555	\$ 395,776
Promises to give receivable	250,134	366,583
Prepaid expenses	581	12,399
Investments	2,057,157	2,188,236
Property and equipment, net	5,943,568	5,832,727
Operating right-of-use assets	1,848	3,644
Finance right-of-use assets	26,006	35,462
Beneficial use of land, net	1,315,224	1,330,124
TOTAL ASSETS	\$ 9,972,073	\$ 10,164,951
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 82,245	\$ 87,578
Refundable advance	-	300,000
Line of credit	-	149,100
Note payable	753,403	1,003,403
Finance right-of-use liabilities	27,362	36,557
Operating right-of-use liabilities	1,848	3,644
Total liabilities	864,858	1,580,282
Net Assets		
Without donor restrictions:		
Undesignated	6,355,952	5,604,921
Board designated	839,229	1,055,321
Total without donor restrictions	7,195,181	6,660,242
With donor restrictions	1,912,034	1,924,427
Total net assets	9,107,215	8,584,669
TOTAL LIABILITIES AND NET ASSETS	\$ 9,972,073	\$ 10,164,951

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

RONALD MCDONALD HOUSE CHARITIES OF NORTHWEST OHIO, INC.

Statement of Activities For the Year Ended December 31, 2025



	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support			
Contributions	\$ 1,406,301	\$ 12,000	\$ 1,418,301
In-kind contributions	67,748	-	67,748
Special events revenue	305,582	-	305,582
Less: direct benefit costs	91,190	-	91,190
Net revenue from special events	214,392	-	214,392
RMH room donation/fees	2,758	-	2,758
Federal and state grants	258,054	-	258,054
Other income (loss)			
Employee retention credit	319,826	-	319,826
Miscellaneous income	3,809	-	3,809
Net assets released from restrictions:			
Satisfaction of program restrictions	9,493	(9,493)	-
Expiration of time restrictions	14,900	(14,900)	-
Total net assets released from restrictions	24,393	(24,393)	-
 Total revenues and other support	 2,297,281	 (12,393)	 2,284,888
Expenses			
Program services	1,596,661	-	1,596,661
Supporting services:			
Management and general	276,048	-	276,048
Fundraising	242,286	-	242,286
Total expenses	2,114,995	-	2,114,995
 Change in net assets from operations	 182,286	 (12,393)	 169,893
Investment Gain, net	352,653	-	352,653
 Change in Net Assets	 534,939	 (12,393)	 522,546
Net Assets - Beginning of Year	6,660,242	1,924,427	8,584,669
Net Assets - End of Year	\$ 7,195,181	\$ 1,912,034	\$ 9,107,215

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

RONALD MCDONALD HOUSE CHARITIES OF NORTHWEST OHIO, INC.

Statement of Activities For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support			
Contributions	\$ 1,077,677	\$ 12,000	\$ 1,089,677
In-kind contributions	152,246	-	152,246
Special events revenue	268,511	-	268,511
Less: direct benefit costs	109,587	-	109,587
Net revenue from special events	158,924	-	158,924
RMH room donation/fees	8,731	-	8,731
Federal and state grants	204,111	-	204,111
Other income	5,914	-	5,914
Satisfaction of program restrictions	14,262	(14,262)	-
Expiration of time restrictions	14,900	(14,900)	-
Total net assets released from restrictions	29,162	(29,162)	-
Total revenues and other support	1,636,765	(17,162)	1,619,603
Expenses			
Program services	1,561,879	-	1,561,879
Supporting services:			
Management and general	263,156	-	263,156
Fundraising	229,940	-	229,940
Total expenses	2,054,975	-	2,054,975
Change in net assets from operations	(418,210)	(17,162)	(435,372)
Investment Gain, net	245,570	-	245,570
Change in Net Assets	(172,640)	(17,162)	(189,802)
Net Assets - Beginning of Year	6,832,882	1,941,589	8,774,471
Net Assets - End of Year	\$ 6,660,242	\$ 1,924,427	\$ 8,584,669

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

RONALD MCDONALD HOUSE CHARITIES OF NORTHWEST OHIO, INC.

Statement of Functional Expenses For the Year Ended December 31, 2025 with Comparative 2024 Total

	Program Services		Supporting Services		2025 Total	2024 Total
	House Operations	Management and General	Fundraising			
Salaries and wages	\$ 538,380	\$ 83,105	\$ 101,172		\$ 722,658	\$ 660,912
Employee health and retirement benefits	75,502	11,654	14,188		101,345	96,714
Payroll taxes	44,345	6,844	8,333		59,520	53,955
Total salaries and related expenses	658,227	101,603	123,693		883,523	811,581
Depreciation	310,763	19,836	-		330,599	317,178
Public relations	52,769	37,927	74,206		164,902	146,785
Contract service expense	75,574	32,389	-		107,963	104,748
Maintenance and repairs	68,548	4,375	-		72,923	9,745
Utilities	63,189	4,033	-		67,222	63,374
Loss on disposal of property and equipment	63,031	-	-		63,031	-
Interest expense	58,154	-	-		58,154	105,084
Other expenses	50,117	3,199	-		53,316	76,327
Food	45,068	-	-		45,068	58,206
Professional fees	5,719	29,412	5,719		40,850	48,205
Programs	32,212	-	-		32,212	7,747
Insurance	29,493	1,882	-		31,375	29,747
Telephone	22,288	1,423	-		23,711	21,718
Printing/publishing	2,523	-	20,414		22,937	25,097
House supplies	22,040	-	-		22,040	82,904
Automobile expense	16,457	-	-		16,457	15,468
Bank charges	-	15,776	-		15,776	12,301
Fundraising	-	-	15,131		15,131	17,664
Rent - land	-	14,900	-		14,900	14,900
Meetings/training/seminars	9,234	2,639	1,319		13,192	17,562
Rental equipment	8,929	1,116	1,116		11,162	11,780
Dues and subscriptions	548	4,936	-		5,484	6,736
Postage	200	265	640		1,104	906
Cleaning services and supplies	1,000	-	-		1,000	47,792
Office supplies	578	337	48		963	1,147
Bad debt	-	-	-		-	273
Total Functional Expenses	\$ 1,596,661	\$ 276,048	\$ 242,286		\$ 2,114,995	\$ 2,054,975

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

RONALD MCDONALD HOUSE CHARITIES OF NORTHWEST OHIO, INC.

Statement of Functional Expenses For the Year Ended December 31, 2024 with Comparative 2023 Total

	Program Services	Supporting Services		2024 Total	2023 Total
	House Operations	Management and General	Fundraising		
Salaries and wages	\$ 492,379	\$ 76,005	\$ 92,528	\$ 660,912	\$ 643,562
Employee health and retirement benefits	72,052	11,122	13,540	96,714	96,593
Payroll taxes	40,196	6,205	7,554	53,955	54,327
Total salaries and related expenses	604,627	93,332	113,622	811,581	794,482
Depreciation	298,147	19,031	-	317,178	317,368
Public relations	46,971	33,761	66,053	146,785	140,747
Interest expense	105,084	-	-	105,084	93,747
Contract service expense	73,324	31,424	-	104,748	90,297
House supplies	82,904	-	-	82,904	34,696
Other expenses	71,747	4,580	-	76,327	18,938
Utilities	59,572	3,802	-	63,374	51,886
Food	58,206	-	-	58,206	46,846
Professional fees	6,748	34,708	6,749	48,205	66,203
Cleaning services and supplies	47,792	-	-	47,792	82,147
Insurance	27,962	1,785	-	29,747	30,113
Printing/publishing	2,761	-	22,336	25,097	30,503
Telephone	20,415	1,303	-	21,718	21,448
Fundraising	-	-	17,664	17,664	21,823
Meetings/training/seminars	12,294	3,512	1,756	17,562	18,974
Automobile expense	15,468	-	-	15,468	15,813
Rent - land	-	14,900	-	14,900	14,848
Bank charges	-	12,301	-	12,301	12,745
Rental equipment	9,424	1,178	1,178	11,780	12,099
Maintenance and repairs	9,160	585	-	9,745	44,833
Programs	7,747	-	-	7,747	14,091
Dues and subscriptions	674	6,062	-	6,736	7,686
Office supplies	688	402	57	1,147	3,110
Postage	164	217	525	906	1,563
Bad debt	-	273	-	273	-
Total Functional Expenses	\$ 1,561,879	\$ 263,156	\$ 229,940	\$ 2,054,975	\$ 1,987,006

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

RONALD MCDONALD HOUSE CHARITIES OF NORTHWEST OHIO, INC.

Statements of Cash Flows December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Change in net assets	\$ 522,546	\$ (189,802)
Adjustments to reconcile change in net assets to net cash and cash equivalents used in operating activities:		
Depreciation	330,599	317,178
Loss on disposal of property and equipment	63,031	-
Amortization of beneficial use of land	14,900	14,900
Net realized and unrealized gains on investments	(289,005)	(184,361)
Changes in operating assets and liabilities that increase (decrease) cash flows:		
Accounts receivable	116,449	47,358
Prepaid expenses	12,079	(12,399)
Other liabilities	-	640
Accounts payable and accrued expenses	(5,333)	10,632
Deferred revenue	-	(16,800)
Refundable advance	(300,000)	300,000
Total adjustments	(57,280)	477,148
Net cash provided by operating activities	465,266	287,346
Cash Flows from Investing Activities		
Purchases of investments	(29,700)	(69,100)
Proceeds from sales of investments	449,784	422,795
Purchases of property and equipment	(504,471)	(13,705)
Net cash (used in) provided by investing activities	(84,387)	339,990
Cash Flows from Financing Activities		
(Payments on) proceeds from line of credit	(149,100)	8,500
Payments on note payable	(250,000)	(259,320)
Net cash used in financing activities	(399,100)	(250,820)
Net (decrease) increase in cash and cash equivalents	(18,221)	376,516
Cash and Cash Equivalents - Beginning of Year	395,776	19,260
Cash and Cash Equivalents - End of Year	\$ 377,555	\$ 395,776
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for:		
Interest	\$ 58,200	\$ 105,100

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

RONALD MCDONALD HOUSE CHARITIES OF NORTHWEST OHIO, INC.

Notes to Financial Statements
December 31, 2025 and 2024



Nature and Scope of Business

Ronald McDonald House Charities of Northwest Ohio, Inc. (the "Organization") was formed in 1981 to own and operate the Ronald McDonald House of Northwest Ohio. The Organization is committed to providing temporary, homelike accommodations and to enrich the lives of children by providing comfort, care and support to families in Northwest Ohio, Southeast Michigan and beyond.

Summary of Significant Accounting Policies

Basis of Accounting

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).

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

The governing board has designated, from net assets without donor restrictions, net assets to serve as collateral for the loan on its facility.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity. The Organization's unspent contributions are reported in net assets with donor restrictions if the donor limited their use, as are promised contributions that are not yet due. Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions. These restrictions expire when the assets are placed in service. The Organization's donor-restricted endowment fund, which is required to be maintained in perpetuity, is classified in net assets with donor restrictions.

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.

RONALD MCDONALD HOUSE CHARITIES OF NORTHWEST OHIO, INC.

Notes to Financial Statements December 31, 2025 and 2024

Summary of Significant Accounting Policies (continued)

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management of the Organization to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. The most significant areas involving the use of management's estimates and assumptions are depreciation of property and equipment, fair value of investments and the allocation of expenses to program services, management and general, and fundraising activities. Actual results could differ from those estimates.

Cash and 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 (FDIC) limits from time to time. Such excess uninsured amounts, which aggregated approximately \$3,000 and \$124,200 at December 31, 2025 and 2024, respectively, are uncollateralized and in the event of bank failure may not be returned. Cash equivalents, consisting of money market funds, amounted to \$108,846 and \$7,174 at December 31, 2025 and 2024, respectively.

Receivables

Receivables primarily consist of unconditional promises to give. Management establishes a reserve for losses on its receivables based on current aging of receivables, a specific review of potential bad debts and historic loss experience. The allowance for credit losses was approximately \$0 at December 31, 2025 and 2024.

Unconditional promises to give totaled \$250,134 and \$366,583 as of December 31, 2025 and 2024, respectively. Amounts due are as follows:

	2025	2024
Less than one year	\$ 67,727	\$ 127,268
One - five years	182,407	239,315
Total	\$ 250,134	\$ 366,583

RONALD MCDONALD HOUSE CHARITIES OF NORTHWEST OHIO, INC.

Notes to Financial Statements
December 31, 2025 and 2024

Summary of Significant Accounting Policies (continued)

Investments

Investments consist of mutual funds and are recorded at fair value. Fair value is determined based upon quoted market values of the funds. Investment securities acquired by gift or bequest are recorded at fair value on the date of gift and such amount is considered the cost of the security. Any realized gain or loss on sale of a security is determined using the cost basis of the security sold. Income from investments, including realized and unrealized gains and losses, is allocated among net assets without donor restrictions and net assets with donor restrictions, based on donor restrictions or the absence thereof.

Property and Equipment

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

Building and improvements	5 - 39 years
Leasehold improvements	15 years
Furniture and equipment	5 - 20 years
Computer hardware and software	3 - 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. There were no such impairment losses recorded for the years ended December 31, 2025 and 2024.

Donated Assets, Property and Equipment, and Services

Donated marketable securities, property and equipment, and other noncash donations are recorded as contributions at their fair values at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

RONALD MCDONALD HOUSE CHARITIES OF NORTHWEST OHIO, INC.

Notes to Financial Statements
December 31, 2025 and 2024

Summary of Significant Accounting Policies (continued)

Donated Assets, Property and Equipment, and Services (continued)

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

Leases

Pursuant to GAAP, a contract contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed. Leases with an initial term of 12 months or less are not recorded within the accompanying statements of financial position.

Operating leases are included in operating lease right-of-use (ROU) assets and operating ROU liabilities within the Organization's accompanying statements of financial position. Finance leases are included in finance ROU assets and finance ROU liabilities within the Organization's accompanying 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. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Organization uses the implicit rate when it is readily determinable. If the Organization's leases do not provide an implicit rate, the Organization elected the practical expedient to utilize the risk-free rate to determine the present value of lease payments. Operating ROU assets also includes any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise the option. Lease cost for finance leases includes the amortization of the asset, which is amortized on a straight-line basis and interest expense on the finance lease liability, which is calculated using the interest method.

The Organization has lease agreements with lease and non-lease components, however the Organization has elected the practical expedient to account for the lease and non-lease components of office equipment as a single lease.

RONALD MCDONALD HOUSE CHARITIES OF NORTHWEST OHIO, INC.

Notes to Financial Statements
December 31, 2025 and 2024

Summary of Significant Accounting Policies (continued)

Revenue Recognition

Unconditional promises to give are recognized as revenue in the period the promise was made. Conditional promises are recorded as revenue when the conditions are substantially met. 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. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions reported in the statements of activities as net assets released from restrictions.

Grants

Conditional local government grants and contract funds are recognized as revenue when eligible expenditures, as defined in each contract, are made or service metrics are achieved (over time). During the year ended December 31, 2025, the Organization incurred qualifying expenditures and achieved required metrics related to previously deferred conditional awards, resulting in the recognition of \$300,000 of revenue that had been reported as refundable advances at December 31, 2024. At December 31, 2025, there were no remaining conditional amounts related to these awards recorded as refundable advances.

In-Kind Contributions

The Organization receives contributed services (primarily laundry, maintenance, and security services), and materials from individuals and organizations throughout the year. The in-kind donations have been recorded as revenue in contributions and a corresponding expense based on the nature of the contributed service.

Functional Allocation of Expenses

The costs of providing program activities have been summarized on a functional basis in the accompanying Statements of Activities. The accompanying Statements of Functional Expenses presents the natural classification of expense by function. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. The expenses that are allocated primarily consist of occupancy and related expenses, which are allocated based on an estimate of the space occupied by each function, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort. Management considers its method of allocation to be equitable.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the "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).

RONALD MCDONALD HOUSE CHARITIES OF NORTHWEST OHIO, INC.

Notes to Financial Statements
December 31, 2025 and 2024

Summary of Significant Accounting Policies (continued)

Income Tax Status (continued)

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. The Organization's policy is to classify interest and penalties recognized in connection with income tax matters in interest expense and management and general expense, respectively.

Concentration of Credit Risk

The Organization receives revenues primarily from contributors in Northwest Ohio and Southeast Michigan. At December 31, 2025 or 2024, there were no single donors greater than 10% of total revenues.

Government Assistance Accounting Policies

Currently, there is no authoritative guidance under U.S. GAAP that addresses accounting and reporting by an organization that receives forgivable debt or assistance not in the form of an income tax credit from a government entity. Accordingly, management has elected to recognize certain payroll-related tax credits (Employee Retention Credits) as a gain contingency and recognize such amounts as income when received. Employee retention credits are recorded within other income in the accompanying statements of activities.

Newly Adopted Accounting Pronouncement

In July 2025, the FASB issued ASU 2025-05, *Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which amends ASC 326-20 to provide a practical expedient and an accounting policy election related to the estimation of expected credit losses for current accounts receivable and current contract assets that arise from transactions accounted for under ASC 606. Specifically, the ASU provides a practical expedient to assume that current conditions as of the statement of financial position do not change for the remaining life of the asset. For entities that elect the practical expedient, the ASU also allows an accounting policy election to consider collection activity after the statement of financial position date when estimating expected credit losses. ASU 2025-05 is effective for fiscal years beginning after December 15, 2025, with early adoption permitted. The Organization has elected to early adopt the practical expedient and accounting policy election, which did not have a material effect to the accompanying financial statements.

RONALD MCDONALD HOUSE CHARITIES OF NORTHWEST OHIO, INC.

Notes to Financial Statements December 31, 2025 and 2024



Liquidity and Availability of Financial Assets

The Organization monitors its liquidity so that it is able to meet its operating needs and other commitments while maximizing the investment of its excess operating cash. The Organization's financial assets available within one year of the statement of financial position are as follows:

	2025	2024
Cash and cash equivalents	\$ 377,555	\$ 395,776
Investments	1,492,925	1,624,004
Receivables	67,727	127,268
Total	\$ 1,938,207	\$ 2,147,048

Investments represent the portion of the Organization's investment portfolio which are not part of its endowment of \$564,232, which is restricted in perpetuity. While it is the Organization's intent to maintain its investment portfolio on a long-term basis, investments are readily marketable and could be converted to cash if necessary.

Receivables represents pledges expected to be collected within one year of the statement of financial position date that are free of any restriction that would limit their availability for general expenditure.

The Organization anticipates covering the majority of its general operating expenditures by collecting sufficient donations and other support. The Organization's operating expenditures average approximately \$170,000 per month. The financial assets above are sufficient to support the Organization's operating expense for approximately 12 months. The Organization also has a \$250,000 line of credit.

Fair Value Measurements

U.S. GAAP established a fair value hierarchy that prioritizes the inputs to measure the fair value of the assets or liabilities being measured. Fair value is defined as the exchange value that would be received on the measurement date to sell an asset or to value the amount paid to transfer a liability in the principal or most advantageous market available to the entity in an orderly transaction between market participants. The three levels of the fair value hierarchy are as follows:

- Level 1 Inputs are unadjusted quoted market prices in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date. Level 1 inputs provide the most reliable measure of fair value as of the measurement date.

- Level 2 Inputs are based on significant observable inputs, including unadjusted quoted market prices for similar assets and liabilities in active markets, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active or inputs other than quoted prices that are observable for the asset or liability.

RONALD MCDONALD HOUSE CHARITIES OF NORTHWEST OHIO, INC.

Notes to Financial Statements
December 31, 2025 and 2024

Fair Value Measurements (continued)

Level 3 Inputs are significant unobservable inputs for the asset or liability. The level of the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2025 and 2024.

Mutual Funds: Valued at quoted market prices, which represent the net asset value of shares held by the Organization at year-end.

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

The following table sets forth by level, within the fair value hierarchy, the Organization's net assets at fair value as of December 31, 2025 and 2024. Classification within the fair value hierarchy table is based on the lowest level of any input that is significant to the fair value measurement.

	2025			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 2,057,157	\$ -	\$ -	\$ 2,057,157

	2024			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 2,188,236	\$ -	\$ -	\$ 2,188,236

The composition of net investment income on the Organization's investment portfolio for the years ended December 31, 2025 and 2024 is as follows:

	2025	2024
Interest and dividend income	\$ 69,221	\$ 67,286
Realized and unrealized gains, net	289,005	184,361
Less: investment expense	(5,573)	(6,077)
Investment Gain, net	\$ 352,653	\$ 245,570

RONALD MCDONALD HOUSE CHARITIES OF NORTHWEST OHIO, INC.

Notes to Financial Statements
December 31, 2025 and 2024

Property and Equipment

	2025	2024
Leasehold improvements	\$ 1,154,969	\$ 1,154,969
Building and improvements	7,284,969	7,293,263
Furniture and equipment	874,762	529,315
Computer hardware and software	148,844	145,587
Total property and equipment	9,463,544	9,123,134
Less: accumulated depreciation	(3,519,976)	(3,290,407)
Net property and equipment	\$ 5,943,568	\$ 5,832,727

Leases

The Organization leases certain equipment under non-cancelable operating leases expiring on various dates through fiscal 2028.

Future minimum rental commitments under non-cancellable operating leases agreements, as of December 31, 2025, are as follows:

	Operating Leases	Finance Leases
2026	\$ 1,862	\$ 10,515
2027	-	10,515
2028	-	7,885
Total undiscounted cash flows	1,862	28,915
Less: present value discount	(14)	(1,553)
Total lease liabilities	\$ 1,848	\$ 27,362

The following summarizes the components of lease expense for the years ended December 31:

	2025	2024
Finance lease expense:		
Amortization of ROU assets	\$ 9,457	\$ 9,457
Interest on lease liabilities	1,320	1,696
Operating lease expense	1,848	1,848
Total lease expense	\$ 12,625	\$ 13,001

RONALD MCDONALD HOUSE CHARITIES OF NORTHWEST OHIO, INC.

Notes to Financial Statements
December 31, 2025 and 2024

Leases (continued)

The following summarizes additional information related to leases for the years ended December 31:

	2025	2024
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from finance leases	\$ 1,352	\$ 1,727
Financing cash flows from finance leases	9,163	8,787
Operating cash flows from operating leases	1,848	1,848
Weighted-average remaining lease term in years for finance leases	2.75	3.75
Weighted-average remaining lease term in years for operating leases	1.00	2.00
Weighted-average discount rate for operating leases	4.19%	4.19%
Weighted-average discount rate for finance leases	1.37%	1.37%

Beneficial Use of Land

In August 2015, the Organization entered into a lease agreement with The Toledo Hospital (the Hospital) whereby the Organization would lease from the Hospital certain land owned by the Hospital. The initial term of the lease was for a 99-year period that ends on August 31, 2114, with an aggregate annual base rent of \$1.00. An independent appraisal determined that the fair value of the space at the time of inception was \$1,470,000. The annual rental value was estimated to be approximately \$147,000 per year. In connection with this lease agreement, the Organization recorded a restricted contribution in 2015 in the amount of \$1,470,000. The value remaining on the use of land is \$1,315,224 and \$1,330,124 as of December 31, 2025 and 2024, respectively. Rent expense associated with the use of the land is being recognized on a straight-line basis over the term of the lease. For both years ended December 31, 2025 and 2024, rent expense of \$14,900 was recorded in connection with this lease agreement.

Line of Credit

The Organization has a demand line of credit in the amount of \$250,000 for its working capital requirements. Interest on amounts borrowed is payable monthly at the greater of 4.00% or the bank's prime rate (effective rate of 6.75% and 7.50% as at December 31, 2025 and 2024, respectively). The line is secured by assignment of pledges, marketable securities, and business assets. Amounts borrowed under this line was \$0 and \$149,100 at December 31, 2025 and 2024, respectively.

RONALD MCDONALD HOUSE CHARITIES OF NORTHWEST OHIO, INC.

Notes to Financial Statements
December 31, 2025 and 2024

Note Payable

Note Payable consists of the following as of December 31:

	2025	2024
Note payable to a bank at a variable rate of SOFR plus 1.30% (effective rate of 5.17% and 5.79% at December 31, 2025 and 2024, respectively). The note requires monthly interest only payments until maturity at July 31, 2029 and payments reducing the principal balance by \$50,000 during each 12 month period commencing December 31, 2024. It is secured by a leasehold mortgage.	\$ 753,403	\$ 1,003,403

Note payable to a bank above contains restrictive covenants, among others, pertaining to maintaining a minimum balance of marketable securities. The Organization was in compliance with all such covenants at December 31, 2025 and 2024.

Net Assets with Donor Restrictions

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

	2025	2024
Subject to expenditures for specified purposes: Other	\$ 32,578	\$ 30,071
Subject to the passage of time: Beneficial use of land	1,315,224	1,330,124
Not subject to appropriation or expenditure: Endowment to be maintained in perpetuity	564,232	564,232
Total Assets with Donor Restrictions	\$ 1,912,034	\$ 1,924,427

Net assets with donor restrictions include endowment fund assets to be held indefinitely. The income from the assets can be spent on Ronald McDonald House operations.

RONALD MCDONALD HOUSE CHARITIES OF NORTHWEST OHIO, INC.

Notes to Financial Statements
December 31, 2025 and 2024

Net Assets with Donor Restrictions (continued)

Net assets were released from restrictions as follows:

	2025	2024
Program restrictions accomplished: Program expenses	\$ 9,493	\$ 14,262
Expiration of time restrictions: Beneficial use of land	14,900	14,900
Total Net Assets Released from Restrictions	\$ 24,393	\$ 29,162

In-Kind Contributions

The Organization receives contributed goods and services (primarily laundry, maintenance, and security services), and materials. These amounts are reported as contributions at their estimated fair value as of the date of the contribution, and are valued based upon estimates of fair market or wholesale values that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor.

Specific information related to contributions of non-financial assets are as follows for the years ended December 31:

Non-financial Contributions Category	Type of Contributions for Beneficiaries	Valuation Method	2025	2024
Household items	Donated household items	Fair market value of identical or similar items	\$ 9,438	\$ 28,653
Food	Donated food and related products	Fair market value of identical or similar items	18,605	20,088
Housekeeping	Donated housekeeping services	Fair market value of identical or similar items	1,000	47,202
Guest Transportation	Donated transportation	Fair market value of identical or similar items	14,141	12,881
Supplies	Donated supplies	Fair market value of identical or similar items	12,564	43,422
Repairs and Maintenance	Donated repairs	Fair market value of identical or similar items	12,000	-
Total			\$ 67,748	\$ 152,246

RONALD MCDONALD HOUSE CHARITIES OF NORTHWEST OHIO, INC.

Notes to Financial Statements December 31, 2025 and 2024

Benefit Plan

The Organization sponsors a 401(k) Plan covering all employees with at least one year of service. The plan provides for discretionary nonelective and matching contributions. The directors authorized nonelective 2% and matching 3% contributions for both 2025 and 2024. Contribution expense relating to this plan aggregated approximately \$30,260 and \$28,700 at December 31, 2025 and 2024, respectively.

Related Party Transactions

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

Ronald McDonald House Charities, Inc. (RMHC Global), a separately registered nonprofit organization, ensures delivery of the mission across the globe. As a center of excellence, RMHC Global builds and sustains a robust infrastructure of support to the network of Chapters, including operations, licensing and compliance, finance, risk management, communications, marketing and development. RMHC Global receives all proceeds of fund-raising events sponsored and supported by RMHC Global, including canister donations, and remits a portion of the proceeds to the Organization. The Organization received contributions of \$396,018 and \$364,221 from RMHC Global in 2025 and 2024, respectively.

Endowments

The Organization's endowments consist of donor restricted endowment funds established to support the operating expenses of the Organization.

Interpretation of Relevant Law

The Organization is subject to the Ohio Uniform Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board of Trustees appropriates such amounts for expenditure. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board of Trustees of the Organization has interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

RONALD MCDONALD HOUSE CHARITIES OF NORTHWEST OHIO, INC.

**Notes to Financial Statements
December 31, 2025 and 2024**



Endowments (continued)

Interpretation of Relevant Law (continued)

In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund.
2. The purpose of the Organization and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Organization.
7. The investment policies of the Organization.

Return Objectives and Risk Parameters

The Organization has adopted an investment policy for endowment assets that attempts to achieve a long-term rate of return on assets that meets or exceeds the Spending Policy for Operations (Spending Policy) rate plus inflation plus expenses. The target rate of return has been based on the assumption that future real returns will approximate the long-term rates of return experienced for each asset class in the investment policy.

Spending Policy

In October 2008, the Organization approved a Spending Policy to determine an annual amount to be withdrawn from the cumulative return of endowment funds to support the activities of the operating fund. The Spending Policy, which was effective January 1, 2009, was also designed to provide support for the operations of future years and to offset potential market declines. As the earnings on the endowment funds are not restricted as for use, the Organization withdraws and expends investment earnings for operating activities.

Strategies Employed for Achieving Objectives

Based on the Organization’s time horizon, risk tolerance, performance expectations, and asset class preferences, an efficient or optimal portfolio was identified. The Organization targets a diversified asset allocation that has a balance of both fixed income and equity securities to achieve its long-term objective within prudent risk constraints.

The following summarizes endowment net asset composition by type of fund as of December 31, 2025 and 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds	\$ -	\$ 564,232	\$ 564,232

RONALD MCDONALD HOUSE CHARITIES OF NORTHWEST OHIO, INC.

Notes to Financial Statements
December 31, 2025 and 2024



Contingencies, Risks and Uncertainties

Grants and Contracts

The Organization receives financial assistance from various governmental agencies in the form of grants and contracts. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and contracts. Advance payments received by the Organization are recorded as refundable advances in the accompanying statements of financial position. The Organization also bills Medicaid for patient services. Amounts billed under the Medicaid program are subject to administrative compliance requirements and if above a certain monetary threshold, are subject to audit and adjustment. Any disallowed claims resulting from such audits could become a liability of the Organization. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Organization at December 31, 2025.

Employee Retention Credits

The CARES Act allows for a refundable Employee Retention Credit (ERC) to eligible employers equal to 50% of qualified wages paid to employees from March 13, 2020 to December 31, 2020, capped at \$10,000 per employee. Subsequently, the Consolidated Appropriations Act of 2021 (CAA), the American Rescue Plan Act of 2021 (ARPA) and the Infrastructure Investment and Jobs Act of 2021 were passed, which expanded the ERC by increasing the credit to 70% of qualified wages paid from January 1, 2021 through September 30, 2021, capped at \$10,000 per employee per quarter. For the year ended December 31, 2025 the Organization recognized \$319,826 in ERC, which is presented within other income in the accompanying 2025 statement of activities. There were no employee retention credits recognized during 2024.

Subsequent Events – Date of Management’s Evaluation

The Organization has evaluated subsequent events through the date of the Independent Auditor’s Report, which is the date the financial statements were available to be issued.