RONALD MCDONALD HOUSE CHARITIES OF SOUTH FLORIDA, INC. AND SUBSIDIARY

Consolidated Financial Statements and Independent Auditor's Report

As of and for the Years Ended December 31, 2025 and 2024

Ronald McDonald House Charities of South Florida, Inc. and Subsidiary

Contents

Independent Auditor's Report

The Board of Directors
Ronald McDonald House Charities of South Florida, Inc.
and Subsidiary
Miami, FL

Opinion

We have audited the consolidated financial statements of Ronald McDonald House Charities of South Florida, Inc. and Subsidiary, (the Organization) (a non-profit organization), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2025 and 2024, and the change 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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 Consolidated Financial Statements

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

In preparing the consolidated 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 consolidated financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, net assets, and cash flows of the individual companies and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Veridian CPAS PLLC

Miami, Florida
June 30, 2026

Ronald McDonald House Charities of South Florida, Inc. and Subsidiary

Consolidated Statements of Financial Position

December 31,	**2025**	2024
ASSETS		
Current assets		
Cash and cash equivalents	**$ 3,774,079**	$ 5,560,426
Accounts receivable - RMHC Global	**201,214**	214,188
Accounts receivable - other	**888,593**	565,882
Unconditional promises to give - current	**792,353**	635,041
Prepaid expenses	**152,305**	100,800
Total current assets	**5,808,544**	7,076,337
Restricted cash	**14,919,250**	1,398,042
Deposits	**24,691**	11,923
Restricted certificates of deposit	**3,565,909**	5,031,708
Unconditional promises to give, net - long-term	**631,639**	646,923
Note receivable - NMTC	**9,809,800**	-
Investments	**17,939**	5,083,685
Leasehold interest in donated land, net	**2,848,643**	-
Property and equipment, net	**8,257,727**	1,495,421
Total assets	**$ 45,884,142**	$ 20,744,039
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable, accrued expenses and other liabilities	**$ 2,976,006**	$ 117,947
Refundable advances	**119,429**	177,416
Total current liabilities	**3,095,435**	295,363
Long-term liabilities		
Notes payable - NMTC	**14,000,000**	-
Total liabilities	**17,095,435**	295,363
Net assets		
Without donor restrictions		
Undesignated	**13,035,578**	5,020,528
Board designated for house expansion	**-**	6,331,708
Total net assets without donor restrictions	**13,035,578**	11,352,236
With donor restrictions	**15,753,129**	9,096,440
Total net assets	**28,788,707**	20,448,676
Total liabilities and net assets	**$ 45,884,142**	$ 20,744,039

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

Ronald McDonald House Charities of South Florida, Inc. and Subsidiary

Consolidated Statements of Activities

For the Years Ended December 31,	**2025** Without Donor Restrictions	**2025** With Donor Restrictions	**2025** Total	2024 Without Donor Restrictions	2024 With Donor Restrictions	2024 Total
Public support and revenues						
Gross proceeds from special events (net of direct benefit costs of $254,574 and $231,841 in 2025 and 2024, respectively)	**$ 414,290**	**$ -**	**$ 414,290**	$ 305,669	$ -	$ 305,669
Donations	**2,234,051**	**2,889,555**	**5,123,606**	1,756,350	1,735,744	3,492,094
State capital grant revenue	**-**	**1,000,000**	**1,000,000**	-	-	-
Contribution of donated leasehold interest in land	**-**	**2,961,643**	**2,961,643**	-	-	-
Contributions of nonfinancial assets	**848,053**	**-**	**848,053**	805,274	-	805,274
Membership dues	**28,570**	**-**	**28,570**	-	-	-
Interest income from note receivable	**7,357**	**-**	**7,357**	-	-	-
Investment income, net	**738,647**	**32,179**	**770,826**	507,870	1,192	509,062
Total public support and revenues before net assets released from restrictions	**4,270,968**	**6,883,377**	**11,154,345**	3,375,163	1,736,936	5,112,099
Net assets released from restrictions	**226,688**	**(226,688)**	**-**	78,939	(78,939)	-
Total public support and revenues	**4,497,656**	**6,656,689**	**11,154,345**	3,454,102	1,657,997	5,112,099
Expenses						
Program services	**2,161,406**	**-**	**2,161,406**	1,950,664	-	1,950,664
Management and general	**399,879**	**-**	**399,879**	263,662	-	263,662
Fundraising	**253,029**	**-**	**253,029**	185,099	-	185,099
Total expenses	**2,814,314**	**-**	**2,814,314**	2,399,425	-	2,399,425
Change in net assets	**1,683,342**	**6,656,689**	**8,340,031**	1,054,677	1,657,997	2,712,674
Net assets, beginning of year	**11,352,236**	**9,096,440**	**20,448,676**	10,297,559	7,438,443	17,736,002
Net assets, end of year	**$ 13,035,578**	**$ 15,753,129**	**$ 28,788,707**	$ 11,352,236	$ 9,096,440	$ 20,448,676

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

Ronald McDonald House Charities of South Florida, Inc. and Subsidiary

Consolidated Statements of Functional Expenses

For the Years Ended December 31,	**2025** Program Services	**2025** Management and General	**2025** Fundraising	**2025** Total	2024 Program Services	2024 Management and General	2024 Fundraising	2024 Total
Salaries and related expenses	**$ 677,543**	**$ 23,966**	**$ 100,283**	**$ 801,792**	$ 595,026	$ 22,726	$ 81,440	$ 699,192
Supplies (including in-kind of $387,740 and $416,170 in 2025 and 2024, respectively)	**460,948**	**-**	**-**	**460,948**	474,862	-	-	474,862
Repairs and maintenance (including in-kind of $27,334 and $32,737 in 2025 and 2024, respectively)	**346,651**	**273**	**547**	**347,471**	305,634	333	655	306,622
Professional fees (including in-kind of $74,695 and $14,332 in 2025 and 2024, respectively)	**81,786**	**226,614**	**7,675**	**316,075**	65,591	137,142	49,498	252,231
Rent expense (including in-kind of $188,540 and $296,351 in 2025 and 2024, respectively)	**295,935**	**3,015**	**6,031**	**304,981**	290,664	2,964	5,927	299,555
Travel, meetings and program activities (including in-kind of $142,094 and $25,271 in 2025 and 2024, respectively)	**96,671**	**21,770**	**48,950**	**167,391**	28,316	18,517	-	46,833
Miscellaneous	**-**	**2,659**	**20,825**	**23,484**	25	3,186	15,116	18,327
Volunteer, donor and employee engagement (including in-kind of $3,213 in 2024)	**6,103**	**33,378**	**31,649**	**71,130**	5,901	23,847	1,759	31,507
Utilities	**64,166**	**4,680**	**-**	**68,846**	59,345	5,499	-	64,844
Office expense	**3,851**	**45,144**	**14,772**	**63,767**	3,519	42,985	12,097	58,601
Advertising and promotion (including in-kind of $27,650 and $17,200 in 2025 and 2024, respectively)	**13,825**	**18,210**	**21,580**	**53,615**	-	4,637	17,200	21,837
Chapter grants	**46,000**	**-**	**-**	**46,000**	50,000	-	-	50,000
Insurance	**43,383**	**170**	**717**	**44,270**	43,682	1,536	828	46,046
Bad debt expense	**-**	**20,000**	**-**	**20,000**	-	-	-	-
Total expenses before depreciation and amortization	**2,136,862**	**399,879**	**253,029**	**2,789,770**	1,922,565	263,372	184,520	2,370,457
Depreciation and amortization (including amortization of leasehold interest in donated land of $59,180 in 2025)	**24,544**	**-**	**-**	**24,544**	28,099	290	579	28,968
Total expenses	**$ 2,161,406**	**$ 399,879**	**$ 253,029**	**$ 2,814,314**	$ 1,950,664	$ 263,662	$ 185,099	$ 2,399,425

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

Ronald McDonald House Charities of South Florida, Inc. and Subsidiary

Consolidated Statements of Cash Flows

For the Years Ended December 31,		**2025**		2024
Cash flows from operating activities				
Change in net assets	**$**	**8,340,031**	$	2,712,674
Adjustments to reconcile change in net assets to net cash provided by operating activities				
Depreciation and amortization		**24,544**		28,968
Donated use of facilities expense		**113,000**		-
Allowance for doubtful accounts		**20,000**		-
Unrealized loss on investments		**(217,506)**		107,218
Discount on unconditional promises to give		**(3,155)**		(5,620)
Donations of stock		**(197,166)**		-
Donor restricted contributions for capital campaign		**(3,838,100)**		(1,695,744)
Recognition of leasehold interest in donated land		**(2,961,643)**		-
Changes in operating assets and liabilities				
Accounts receivable (RMHC - global and other)		**(309,737)**		(240,618)
Unconditional promises to give		**53,140**		132,299
Prepaid expenses and other assets		**(64,273)**		(51,039)
Accounts payable, accrued expenses and other liabilities		**2,858,059**		59,585
Refundable advances		**(57,987)**		80,116
Net cash provided by operating activities		**3,759,207**		1,127,839
Cash flows from investing activities				
Purchases of property and equipment		**(6,786,850)**		(387,607)
Proceeds from (purchases of) restricted certificates of deposit		**1,465,799**		(246,154)
Proceeds from (purchases of) investments		**5,480,418**		(137,311)
Issuance of note receivable - NMTC		**(9,809,800)**		-
Net cash used in investing activities		**(9,650,433)**		(771,072)
Cash flows from financing activities				
Collections for capital campaign		**3,626,087**		1,395,491
Proceeds from notes payable - NMTC		**14,000,000**		-
Net cash provided by financing activities		**17,626,087**		1,395,491
Net increase in cash, cash equivalents and restricted cash		**11,734,861**		1,752,258
Cash, cash equivalents and restricted cash, beginning of year		**6,958,468**		5,206,210
Cash, cash equivalents and restricted cash, end of year	**$**	**18,693,329**	$	6,958,468
Supplemental disclosure of noncash information:				
Non-cash recognition of leasehold interest in donated land	**$**	**2,961,643**	$	-
Non-cash investing transaction - donations of stock	**$**	**197,166**	$	-

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

1. Nature and Purpose of the Organization

Ronald McDonald House Charities of South Florida, Inc. is a not-for-profit corporation chartered in the State of Florida. The consolidated financial statements include the accounts of Ronald McDonald House Charities of South Florida, Inc. (the House) and its consolidated subsidiary, RMHSF Holding Company, Inc. (Holding) (collectively, the Organization).

The Organization operates the Ronald McDonald House (the House), which provides temporary residential facilities to the families of seriously ill children receiving medical treatment at nearby hospitals. The Organization also provides grants to other local and national charities benefiting children. The House is located on the grounds of the Jackson Memorial Medical Center in Miami, Florida. The Organization is a chapter organization of the global Ronald McDonald House Charities (RMHC Global), a not-for-profit organization located in Chicago, Illinois.

In 2021, the Board of Directors approved the construction of a new residential facility (the “project”) to replace the Organization’s existing House. The new facility is being constructed on the campus of Jackson Memorial Medical Center. Construction of the new facility was in progress as of December 31, 2025. The Organization continued to operate from its existing facility in Miami, Florida.

During 2025, the Organization participated in a New Markets Tax Credit (NMTC) financing transaction to support the development and construction of the new residential facility. In connection with the NMTC transaction, RMHSF Holding Company, Inc., a Florida not-for-profit corporation, was formed to serve as the project borrower entity. RMHSF Holding Company, Inc. holds the project-related assets and accounts, serves as the borrower under the qualified low-income community investment loans, and is a party to the lease arrangement for the completed facility. Refer to Note 12 for more information.

2. Summary of Significant Accounting Policies

Basis of Accounting

The consolidated financial statements of Ronald McDonald House Charities of South Florida, Inc. and its consolidated subsidiary, RMHSF Holding Company, Inc. (collectively, 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). All significant intercompany accounts and transactions have been eliminated in consolidation.

2. Summary of Significant Accounting Policies (cont.)

Financial Statement Presentation

Net assets and revenues, gains and losses are classified into two classes of net assets based on the existence or absence of donor-imposed restrictions. The two classes of net asset categories are as follows:

Net assets without donor restrictions – net assets that are not subject to donor-imposed restrictions or laws and may be expended for any purpose in performing the primary objectives of the Organization.

The governing board had designated approximately $6,332,000 of net assets without donor restrictions for the new residential facility in Miami as of December 31, 2024. During 2025, these board-designated funds were fully utilized for the project, resulting in no remaining board-designated balance as of December 31, 2025.

Net assets with donor restrictions – net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Use of Estimates

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

Cash, Cash Equivalents and Restricted Cash

Cash, cash equivalents and restricted cash include checking, savings and money market funds, and are maintained at various financial institutions. All highly liquid cash investments with original maturities of three months or less are considered to be cash equivalents. Excluded from this definition of cash equivalents are amounts with donor-imposed restrictions that limit their use to long-term purposes.

Restricted cash consists of funds received from donors for the construction of the new residential facility, as well as funds held in restricted project, disbursement, reserve, or escrow accounts in connection with the Organization’s New Markets Tax Credit financing transaction. Such amounts are restricted for construction, debt service, lender-required reserves, or other approved project costs and are not available for general operating purposes.

2. Summary of Significant Accounting Policies (cont.)

Cash, Cash Equivalents and Restricted Cash (cont.)

Total cash, cash equivalents, and restricted cash reported in the consolidated statements of cash flows are as follows as of:

December 31,		**2025**		2024
Cash and cash equivalents	**$**	**3,774,079**	$	5,560,426
Restricted cash:				
NMTC - project and reserve accounts		**10,692,790**		-
Capital campaign		**3,726,460**		1,398,042
Endowment corpus		**500,000**		-
Total restricted cash		**14,919,250**		1,398,042
Total cash, cash equivalents and restricted cash	**$**	**18,693,329**	$	6,958,468

Concentrations of Credit Risk

The Organization may be subject to credit risk on its cash, cash equivalents, restricted cash equivalents and certificates of deposit, which are placed with high credit-quality financial institutions. At times, cash deposits may be in excess of the Federal Deposit Insurance Corporation's insured limits of $250,000. As of December 31, 2025 and 2024, the Organization had approximately $21,401,000 and $7,277,000, respectively, of balances in excess of insured limits. Money market fund accounts held at SIPC insured brokerage firms are insured up to $500,000. The money market funds are reported as "Cash and cash equivalents" in the accompanying consolidated statements of financial position.

Accounts Receivable

Accounts receivable are recorded for contributions earned during the year, but collected after year end. Accounts receivable are stated at net realizable value. An allowance for uncollectible contributions is provided based on management's assessment of historical collection experience, current economic conditions, and other relevant factors. Account balances are written off when all collection efforts have been exhausted and recovery is deemed remote. Management determined that no allowance for doubtful accounts was considered necessary in connection with accounts receivable as of December 31, 2025 and 2024. Accounts receivable are expected to be collected within twelve months.

2. Summary of Significant Accounting Policies (cont.)

Unconditional Promises to Give, Net

Unconditional promises to give (pledges receivable) that are 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 initially recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. The interest rate used in computing the discount of the estimated future cash flows is approximately 4%. The discount will be recognized as contribution revenue in future years as the discount is amortized over the duration of the contributions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. There were no conditional promises to give as of December 31, 2025 and 2024.

Management provides for probable uncollectible pledges through a provision for bad debt expense and an adjustment to the allowance based on its assessment of the current status of individual pledges receivable. Pledges receivable are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. Pledges receivable at December 31, 2025 and 2024 are restricted for the capital campaign. As of December 31, 2025 and 2024, there was an allowance for doubtful accounts of $70,000 and $50,000, respectively, in connection with pledges receivable. There was no bad debt expense during the year ended December 31, 2025 and 2024. Three donors accounted for 55% of pledges receivable at December 31, 2025. Two donors accounted for 33% of pledges receivable at December 31, 2024.

Prepaid Expenses

Prepaid expenses represent costs paid in advance for goods or services to be received in future periods. These amounts are recorded as assets at the time of payment and are expensed on a straight-line basis over the periods to which the expenses relate. The recognition of expense is based on the passage of time or the occurrence of the related event. Prepaid expenses are reviewed periodically for continued benefit and are written down if no longer deemed recoverable.

Restricted Certificates of Deposit

Restricted certificates of deposit consist of two certificates of deposit held at one financial institution with original maturities of three months or less. The certificates of deposit are excluded from cash equivalents because they were funded with donor-restricted contributions held for long-term purposes consisting of the construction of the new residential facility. Interest earned on the certificates of deposit during the years ended December 31, 2025 and 2024 was approximately $237,000 and $246,000, respectively.

2. Summary of Significant Accounting Policies (cont.)

Note Receivable

Note receivable is stated at the outstanding principal balance, net of any allowance for credit losses, if applicable. Interest income is recognized when earned in accordance with the terms of the related note agreement. Management evaluates the collectability of notes receivable based on the borrower's ability to repay, payment history, collateral or other credit support, and other relevant facts and circumstances.

Investments

Investments are measured at fair value in the statements of financial position. Investment income (including realized and unrealized gains and losses on investments, interest and dividends) is included in the statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

The Organization has investments in equity securities and mutual funds that are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect the statements of activities. To minimize risks, the Organization monitors these investments and the associated risks on a regular basis.

Leasehold Interest in Donated Land, Net

The Organization's new residential facility is being constructed on land for which there is a non-cancelable, multi-year ground lease granted by the Public Health Trust of Dade County, Florida (the County or lessor). Legal title to the land remains with the lessor, and the Organization is required to make a nominal lease payment of $1 per year. The lease conveys the right to use the land for a specified term in exchange for nominal consideration and therefore is evaluated under the lease accounting guidance. Only the contractual lease payments of $1 per year are treated as lease consideration under the lease standard. Any excess of the land's fair rental value over the nominal lease payments is accounted for as a contribution under not-for-profit contribution guidance.

Because the lessor has made an unconditional multi-year promise to provide the use of the land for the lease term, the Organization recognizes, when the unconditional promise is received, contribution revenue and a related asset described as "leasehold interest in donated land." The asset is measured at the present value of the fair value of the promised use of the land over the lease term, reduced by the present value of the required nominal payments. This amount is limited to the fair value of the underlying land at the date the promise is received. The related contribution is reported within net assets with donor restrictions when the promised use covers future periods and is released from restriction as the land is used over-time.

2. Summary of Significant Accounting Policies (cont.)

Leasehold Interest in Donated Land, Net (cont.)

The leasehold interest is reported as a long-lived asset in the consolidated statements of financial position. Because the asset is measured at present value, the carrying amount is adjusted each period for accretion of the discount and reduced as the Organization receives the annual benefit from the donated use of the land. Accretion of the discount is recognized as contribution revenue, and the annual benefit received from the donated use of the land is recognized as occupancy or facilities expense within program or supporting services, as appropriate.

Because the underlying asset is land, no depreciation is recognized on the land itself. Any improvements the Organization constructs on the leased land are capitalized as property and equipment and depreciated over the shorter of the improvements' estimated useful lives or the remaining lease term, including renewal options that are reasonably certain to be exercised.

Management evaluates the leasehold interest and related leasehold improvements for impairment when events or changes in circumstances indicate that their carrying amounts may not be recoverable and accounts for any impairment in accordance with applicable GAAP for long-lived assets.

Refer to note 14 of the consolidated financial statements for more information on the leasehold interest in donated land.

Property and Equipment, Net

Buildings, building improvements, construction in progress, furniture and equipment, and vehicles are recorded at cost, if purchased, or at fair value at the date of donation, if contributed. Property and equipment are depreciated using the straight-line method over their estimated useful lives, ranging from 3 to 39 years. Major replacements and betterments of buildings, building improvements and equipment are capitalized, while repairs and minor replacements are charged to operations as incurred.

2. Summary of Significant Accounting Policies (cont.)

Property and Equipment, Net (cont.)

Contributed property is reported as support without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit donor restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as support with donor restrictions. Absent donor stipulations regarding how long donated or acquired assets must be maintained, the Organization reports the expiration 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.

Construction in Progress

Construction in progress consists of costs incurred for the construction and development of the Organization's new residential facility. Construction in progress is stated at cost and is not depreciated while the project is under construction. Costs are transferred to the appropriate property and equipment category when the related assets are completed and placed in service, at which time depreciation begins over the estimated useful lives of the assets. Construction in progress may include construction costs, architectural and engineering fees, permits, capitalized interest, and other costs directly related to preparing the facility for its intended use.

Impairment of Long-Lived Assets

The Organization reviews the carrying value of buildings, building improvements and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable. In cases where the carrying value is not expected to be recoverable, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results and prospects, as well as the effects of obsolescence and other economic factors.

Refundable Advances

Refundable advances consist of conditional contributions received in advance of the fulfillment of donor-imposed conditions. These include amounts received for special events scheduled to occur in a future period, which are not recognized as contribution revenue until the events take place. In prior year, refundable advances also included a conditional grant, which was recognized as revenue when the conditions were substantially met. Refundable advances are recorded as liabilities until the underlying conditions are satisfied, in accordance with ASC 958-605.

2. Summary of Significant Accounting Policies (cont.)

Notes Payable

Notes payable are stated at the outstanding principal balance, net of any unamortized debt issuance costs, if applicable. Interest expense is recognized when incurred in accordance with the terms of the related debt agreements. Debt issuance costs, if any, are deferred and amortized to interest expense over the term of the related debt using a method that approximates the effective interest method.

Functional Expenses

Functional expenses are those expenses incurred by the Organization in the accomplishment of their mission. The statements of functional expenses present expenses by function and natural classification. Expenses that can be directly identified with the program or supporting service are reported as expenses of those functional areas. Other expenses are allocated among program and supporting services based on a reasonable basis that is consistently applied. The expenses that are allocated include: depreciation and amortization, insurance, repairs and maintenance, rent, and utilities, which are allocated on a square footage basis; salaries and related expenses are allocated on the basis of estimates of time and effort.

Advertising

The Organization expenses advertising costs as they are incurred.

Revenue Recognition - Donations

Transfers of cash or other assets or settlement of liabilities that are both voluntary and nonreciprocal are recognized as donations in the accompanying consolidated financial statements. In accordance with Financial Accounting Standards Board (FASB) Accounting Standard Update (ASU) 2018-08, donations are also referred to as “Contributions.” Contributions may either be conditional or unconditional. A contribution is considered conditional when the donor imposes both a barrier and a right of return. Conditional contributions are recognized as revenue on the date all donor-imposed barriers are overcome or explicitly waived by the donor. Barriers may include specific and measurable outcomes, limitations on the performance of an activity and other stipulations related to the contribution. A donor has a right of return of any assets transferred or a right of release of its obligation to transfer any assets in the event the Organization fails to overcome one or more barriers. Assets received before the barrier is overcome are accounted for as refundable advances.

Unconditional contributions may or may not be subject to donor-imposed restrictions. Donor-imposed restrictions limit the use of the donated assets but are less specific than donor-imposed conditions. Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as net assets with donor restrictions if they are received with donor stipulations about the use of the donated assets, or if they are designated as support for future periods.

2. Summary of Significant Accounting Policies (cont.)

Revenue Recognition – Donations (cont.)

When a donor 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.” Donor-restricted contributions whose restrictions are met in the same reporting period in which received are reported as net assets without donor restrictions.

Revenue Recognition – Grants

Government grants and contracts are evaluated to determine whether the arrangement represents a contribution or an exchange transaction. Amounts determined to be contributions, including cost-reimbursement grants, are recognized as revenue when the conditions on which they depend have been substantially met. For cost-reimbursement grants, revenue is recognized as eligible costs are incurred and allowable expenditures are made. Amounts received in advance of satisfying the related conditions are reported as refundable advances until the conditions are substantially met.

During 2025, the Organization recognized $1,000,000 of state capital outlay grant revenue related to a State of Florida Fixed Capital Outlay grant awarded for the new residential facility project.

Revenue Recognition – Exchange Transactions

Reciprocal transfers in which each party receives and sacrifices goods or services with approximate commensurate value are recognized as exchange transactions. The core principle is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

The Organization applies ASC Topic 606, *Revenue from Contracts with Customers* to exchange transactions in which it receives consideration from individuals for special events. Under U.S. GAAP, these arrangements are exchange transactions between the Organization and the individuals. The portion of ticket sales for special events that relates to the commensurate value the attendee receives in return is recognized when the related events are held, and performance obligations are met. Performance obligations are met at a point in time when the events take place.

2. Summary of Significant Accounting Policies (cont.)

Contributed Services, Materials and Other

A substantial number of unpaid volunteers have made significant contributions of their time in the Organization's program services and in its fundraising activities. No amounts have been recognized in the statements of activities because the criterion for recognition has not been satisfied.

The Organization receives donations of advertising materials and food, paper products, cleaning products, and other miscellaneous supplies for use by the Ronald McDonald House residents. The Organization also receives donated promotional items, auction items, and other materials and services for various fundraising events. Donated materials are recorded as revenue and expense in the accompanying statements of activities at fair market value on the date of receipt. 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 records donated use of facilities (Note 9) at fair value.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”) as a charitable organization whereby only unrelated business income, as defined by Section 509(a)(1) of the Code, is subject to federal income tax. The Organization currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded as of December 31, 2025.

The Organization recognizes and measures tax positions based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. Interest and penalties on tax liabilities, if any, would be recorded in interest expense and other non-interest expense, respectively. No uncertain tax positions were identified by the Organization as of December 31, 2025.

The U.S. federal jurisdiction is the major tax jurisdiction where the Organization files income tax returns. The Organization is generally no longer subject to U.S. Federal or State examinations by tax authorities for fiscal years before 2022.

Reclassifications

Certain amounts in the 2024 consolidated financial statements have been reclassified to conform to the 2025 presentation.

2. Summary of Significant Accounting Policies (cont.)

Subsequent Events

The Organization has evaluated events and transactions for potential recognition or disclosure in the consolidated financial statements through June 30, 2026, the date the consolidated financial statements were available to be issued.

3. Liquidity Management and Availability of Resources

The Organization maintains financial assets, consisting of cash and cash equivalents, on hand to meet its normal operating expenses based on its annual budget. Operating expenses are compared to budgeted expenses on a periodic basis and financial assets on hand are adjusted as necessary.

The Organization's financial assets available within one year of the consolidated Statements of Financial Position date for general expenditures are as follows:

December 31,		**2025**		2024
Cash and cash equivalents	**$**	**3,774,079**	$	5,560,426
Accounts receivable - RMHC Global		**201,214**		214,188
Accounts receivable - other		**888,593**		565,882
Unconditional promises to give, net		**1,423,992**		1,281,964
Restricted cash		**14,919,250**		1,398,042
Restricted certificates of deposit		**3,565,909**		5,031,708
Note receivable - NMTC		**9,809,800**		-
Investments		**17,939**		5,083,685
Total financial assets		**34,600,776**		19,135,895
Less: amounts unavailable for general expenditures within one year due to:				
Financial assets restricted by donors with purpose and time restrictions		**8,765,596**		7,166,918
Endowed in perpetuity		**500,000**		500,000
Contractually restricted cash - NMTC		**10,692,790**		-
Contractually restricted note receivable - NMTC		**9,809,800**		
Less: amounts unavailable to management without Board approval				
Board designated - new residential facility		**-**		6,331,708
		29,768,186		13,998,626
Total financial assets available to management for general expenditures within one year	**$**	**4,832,590**	$	5,137,269

3. Liquidity Management and Availability of Resources (cont.)

The Organization invests cash in excess of daily requirements in short-term investments. Board-designated funds of approximately $6,332,000 that were set aside for the new residential facility as of December 31, 2024 were utilized during 2025.

4. Unconditional Promises to Give, Net

Unconditional promises to give, net consist of the following:

December 31,		**2025**		2024
Amounts due in:				
Less than one year	**$**	**792,353**	$	635,041
One to five years		**748,167**		746,606
		1,540,520		1,381,647
Less: allowance for doubtful accounts		**(70,000)**		(50,000)
Less: present value discount		**(46,528)**		(49,683)
Total	**$**	**1,423,992**	$	1,281,964

5. Accounts payable, accrued expenses and other liabilities

Accounts payable, accrued expenses and other liabilities consist of the following:

December 31,		**2025**		2024
Accounts payable	**$**	**2,560,399**	$	77,006
Retainage payable		**378,885**		-
Payroll liabilities		**7,886**		28,617
Accrued expenses		**28,836**		12,324
Total	**$**	**2,976,006**	$	117,947

6. Investments

The Organization’s investments, at fair value, consist of the following:

December 31,		**2025**		2024
Without donor restrictions				
Equity	**$**	**16,815**	$	3,458,001
Mutual fund (bond fund)		**1,124**		1,125,684
		17,939		4,583,685
With donor restrictions				
Equity		**-**		500,000
Total investments	**$**	**17,939**	$	5,083,685

The following schedules summarize investment income and its classification in the statements of activities and changes in net assets:

For the Year ended December 31, 2025		**Without Donor Restrictions**		**With Donor Restrictions**		**Total**
Net unrealized gain	**$**	**194,486**	**$**	**23,020**	**$**	**217,506**
Interest and dividend income, net		**544,161**		**9,159**		**553,320**
Total investment income	**$**	**738,647**	**$**	**32,179**	**$**	**770,826**

For the Year ended December 31, 2024		**Without Donor Restrictions**		**With donor Restrictions**		**Total**
Net unrealized loss	$	(57,906)	$	(49,312)	$	(107,218)
Interest and dividend income, net		565,776		50,504		616,280
Total investment income	$	507,870	$	1,192	$	509,062

7. Fair Value Measurements

The FASB Accounting Standards Codification (ASC) 820, Fair Value Measurement, established a hierarchy for inputs used in measuring fair value that maximized the use of observable inputs and minimized the use of unobservable inputs, requiring that inputs that are most observable be used when available. Observable inputs are those that market participants operating within the same marketplace as the Organization would use in pricing the Organization's asset or liability based on independently derived and observable market data. Unobservable inputs are inputs that cannot be sourced from a broad active market in which assets or liabilities identical or similar to those of the Organization are traded. The Organization estimates the price of any assets for which there are only unobservable inputs by using assumptions that market participants who have investments in the same or similar assets would use, as determined by the money managers for each investment based on best information available in the circumstances.

The input hierarchy is broken down into three levels based on the degree to which the exit price is independently observable or determinable, as follows:

Level 1 - Valuation is based on quoted market prices in active markets for identical assets or liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 - Valuation is based on quoted market prices of investments that are not actively traded or for which certain significant inputs are not observable, either directly or indirectly.

Level 3 - Valuation is based on inputs that are unobservable and reflect management's best estimate of what market participants would use as fair value.

The Organization's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with ASC 820.

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.

The equity security and mutual fund are valued at the closing price reported on the active market in which the individual securities and funds are traded.

7. Fair Value Measurements (cont.)

The following tables represents the Organization's financial instruments measured at fair value on a recurring basis at December 31, 2025 and 2024 for each of the fair value hierarchy levels:

	Investments at Fair Value		
December 31, 2025	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Other Unobservable Inputs (Level 3)**
Equity security	**$ 16,815**	**$ -**	**$ -**
Mutual fund (bond fund)	**1,124**	**-**	**-**
	$ 17,939	**$ -**	**$ -**

	Investments at Fair Value		
December 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Equity security	$ 3,958,001	$ -	$ -
Mutual fund (bond fund)	1,125,684	-	-
	$ 5,083,685	$ -	$ -

8. Property and Equipment, Net

Property and equipment, net, consists of the following:

December 31,		**2025**		2024
Miami House and improvements	**$**	**2,615,566**	$	2,615,566
Furniture and equipment		**227,811**		227,811
Vehicles		**77,593**		77,593
Construction in progress		**8,216,372**		1,429,522
		11,137,342		4,350,492
Less: accumulated depreciation and amortization		**(2,879,615)**		(2,855,071)
Total	**$**	**8,257,727**	$	1,495,421

Depreciation and amortization expense totaled approximately $25,000 and $29,000 for the years ended December 31, 2025 and 2024, respectively.

Construction in progress totaled approximately $8,216,000 and $1,430,000 as of December 31, 2025 and 2024, respectively. Construction in progress as of December 31, 2025 and 2024 relates primarily to costs incurred for the construction and development of the new residential facility. Construction in progress is not depreciated until the related assets are placed in service.

9. Contributions of Nonfinancial Assets

Contributed nonfinancial assets were as follows for the years ended December 31, 2025 and 2024:

Nonfinancial Asset	December 31, 2025	December 31, 2024	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques/Inputs
Donated use of facilities	**$ 188,540**	$ 296,351	Program, Management and General and Fundraising	No donor restrictions	Based on estimated fair market value based on rent rate provided by landlord.
Donated contracted services	**48,558**	47,069	Program and Management and General	No donor restrictions	Based on estimated fair value using invoices, contract rates, standard hourly rates, time records, or comparable market rates for similar services.
Supplies and equipment	**112,296**	170,677	Program	No donor restrictions	Based on estimated fair value using donor-provided values, receipts, retail prices, or comparable market values for similar donated goods.
Donated legal services	**53,470**	3,213	Management and General	No donor restrictions	Based on estimated fair market value based on invoices received to support time spent on organizational matters.
Donated program activities and entertainment	**142,094**	25,271	Program	No donor restrictions	Based on estimated fair value using donor-provided values, published rates, ticket prices, invoices, or comparable market values for similar entertainment, recreational, cultural, or event-related items and experiences.
Advertising and promotion	**27,650**	17,200	Program and Fundraising	No donor restrictions	Based on estimated fair value using published media, ad placement or PSA rates, invoices, donor-provided values, or comparable market values.
Donated meals	**275,445**	245,493	Program - Adopt a meal	No donor restrictions	Based on the estimated fair market value of meals and purchase receipts provided by donors.
Contributions of nonfinancial assets	**$ 848,053**	$ 805,274			
Contribution of donated leasehold interest in land	**$ 2,961,643**	$ -	Program, Management and General and Fundraising	Donor restricted for future use of land	Based on the present value of the estimated fair value of the donated use of land over the lease term.
Total	**$ 3,809,696**	$ 805,274			

10. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes:

December 31,		**2025**		2024
Subject to expenditure for specific purpose				
Capital campaign	**$**	**12,355,251**	$	8,554,504
Land lease restriction- donated land lease		**2,848,643**		-
House operations		**47,963**		27,915
Other		**1,272**		14,021
Subject to the Organization's spending policy and appropriation:				
Original donor-restricted gift required to be maintained in perpetuity by donor		**500,000**		500,000
	$	**15,753,129**	$	9,096,440

During the years ended December 31, 2025 and 2024, net assets were released from donor restrictions as follows:

December 31,		**2025**		2024
Purpose and time restrictions accomplished				
Capital campaign	**$**	**37,353**	$	46,858
House operations		**63,586**		24,909
Land lease restriction- donated land lease		**113,000**		-
Other		**12,749**		7,172
	$	**226,688**	$	78,939

11. Endowment

The Organization’s endowment consists of a donor restricted fund to support the Organization in perpetuity. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA). The Organization has interpreted the FUPMIFA 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, the Organization classifies as net assets with donor restrictions the historical value of donor-restricted endowment funds, which includes (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) changes to the permanent endowment made in accordance with the direction of applicable donor gift instruments. Also included in net assets with donor restrictions is accumulated appreciation on donor restricted endowment funds which are available for expenditure in a manner consistent with the standard of prudence prescribed by the FUPMIFA, and deficiencies associated with funds where the value of the fund has fallen below the original value of the gift.

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

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

Summary of the endowment assets is as follows:

December 31,		**2025**		2024
Restricted cash	**$**	**500,000**	$	-
Investments		**-**		500,000
Total	**$**	**500,000**	$	500,000

11. Endowment (cont.)

Summary of endowment net assets as of :

December 31, 2025 and 2024		Without Donor Restrictions		With Donor Restrictions		Total
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$	-	$	**500,000**	$	**500,000**
Total endowment net assets	**$**	**-**	**$**	**500,000**	**$**	**500,000**

Changes in the endowment net assets for the year ended December 31, 2025 consist of the following:

		Without Donor Restrictions		With Donor Restrictions		Total
Endowment net assets, at December 31, 2024,	**$**	**-**	**$**	**500,000**	**$**	**500,000**
Investment income		**-**		**32,179**		**32,179**
Amounts appropriated for expenditure		**-**		**(32,179)**		**(32,179)**
Endowment net assets, at December 31, 2025	**$**	**-**	**$**	**500,000**	**$**	**500,000**

Changes in the endowment net assets for the year ended December 31, 2024 consist of the following:

		Without Donor Restrictions		With Donor Restrictions		Total
Endowment net assets, at December 31, 2023	$	-	$	500,000	$	500,000
Investment income		-		1,192		1,192
Amounts appropriated for expenditure		-		(1,192)		(1,192)
Endowment net assets, at December 31, 2024	$	-	$	500,000	$	500,000

11. Endowment (cont.)

Funds with Deficiencies

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). There were no such deficiencies in the endowment funds as of December 31, 2025 and 2024. The Organization has interpreted the FUPMIFA and applicable state trust law to permit spending from underwater endowments in accordance with prudent measures required under law.

Return Objectives and Risk Parameters

The Organization has adopted an investment and spending policy for endowment assets that attempts to preserve the real (inflation adjusted) value of endowment assets, increase the real value of the portfolio and facilitate a potential distribution to support some level of future operations. Endowment assets include those assets of funds with donor restrictions that the Organization must hold in perpetuity or for a donor-specified period(s).

Strategies Employed for Achieving Objectives

The endowment assets are invested in a manner that is intended to produce results that are commensurate with an intermediate-long term investment time horizon. This is expected to be achieved by assuming a moderate level of risk. The Organization expects its endowment funds, over time, to provide a rate of return in excess of the original permanently restricted principal. Actual returns in any given year may vary.

During 2025, the Organization moved the endowment assets to cash and cash equivalents. The assets are expected to be reinvested during 2026 in accordance with the Organization's endowment investment objectives and policies.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The principal amount cannot be expended; however, the earnings generated by the original donated principal are available to be expended based on a spending policy.

12. New Markets Tax Credit Financing Transaction

On December 4, 2025, the Organization entered into a New Markets Tax Credit financing structure to provide funding for the construction of its new residential facility. The transaction included the issuance of a leverage loan by the Organization to an NMTC investment fund and the receipt of qualified low-income community investment (QLICI) loans by RMHSF Holding Company, Inc. from a qualified community development entity. The terms of the related note receivable and notes payable are described below.

12. New Markets Tax Credit Financing Transaction (cont.)

Note Receivable – NMTC

On December 4, 2025, the Organization made a leverage loan to TNT-RMHSF NMTC Fund, LLC in connection with the NMTC financing transaction. The note has a principal amount of $9,809,800 and bears interest at 1.000% per annum. Interest is payable annually in accordance with the loan agreement.

Interest income recognized for the year ended December 31, 2025 was $7,357. As of December 31, 2025, the outstanding principal balance of the leverage loan receivable was $9,809,800.

During the NMTC compliance period, the leverage loan requires interest-only payments. No principal payments are due through December 31, 2031. Accordingly, the entire outstanding principal balance of $9,809,800 is classified as a long-term note receivable as of December 31, 2025.

TNT-RMHSF NMTC Fund, LLC is not included in the Organization's consolidated financial statements; therefore, the leverage loan receivable is not eliminated in consolidation.

Notes Payable – NMTC

On December 4, 2025, RMHSF Holding Company, Inc. entered into a loan agreement with Self-Help New Markets 25, LLC that provided for two QLICI loans: Loan A in the principal amount of $9,809,800 and Loan B in the principal amount of $4,190,200, for total borrowings of $14,000,000. The loans bear interest at 1.2020% per annum, calculated on a 30/360 basis. Interest expense recognized during the year ended December 31, 2025 was $12,621.

The proceeds of the loans are restricted for the development and construction of the new residential facility and other approved project costs. The loans are secured by certain project-related assets, accounts, rights, and proceeds, as defined in the loan agreement, and are subject to ongoing NMTC compliance and reporting requirements.

During the NMTC compliance period, the QLICI loans require interest-only payments. No principal payments are due through December 31, 2031. As of December 31, 2025, the outstanding principal balance was $14,000,000, consisting of Loan A of $9,809,800 and Loan B of $4,190,200. The entire balance is classified as long-term debt.

The NMTC financing structure includes provisions that may result in the future repayment, refinancing, settlement, or other resolution of the outstanding debt upon expiration of the NMTC compliance period. Management will evaluate the accounting implications of any such event when it becomes probable and legally enforceable. No gain on extinguishment, debt forgiveness, or other settlement has been recognized as of December 31, 2025.

12. New Markets Tax Credit Financing Transaction (cont.)

Other Transactions

During 2025, the House transferred net assets of $1,057,040 to Holding representing certain construction costs incurred to date in connection with the development of the new residential facility. These costs were previously recorded within property and equipment, net by the House and, upon transfer, were recognized by Holding as a transfer of net assets. The transfer is reflected in the supplemental consolidating statement of activities as a transfer of net assets between affiliated entities.

As part of the New Markets Tax Credit financing transaction, the House and Holding entered into an operating lease for the new residential facility. The lease will commence upon substantial completion of construction and issuance of a certificate of occupancy.

13. Northern Trust Loan Facility

During 2025, the Organization entered into a nonrevolving loan facility with The Northern Trust Company with a maximum borrowing amount of $8,800,000. Borrowings under the facility are available through October 29, 2027 and are to be used in connection with the construction of the new house. Amounts outstanding at the end of the drawdown period convert to a term loan, with monthly principal payments of $29,333 beginning October 30, 2027, plus accrued interest, and any remaining unpaid principal due on October 29, 2032. Borrowings bear interest at a variable rate based on the applicable SOFR-based or prime-based rate, as defined in the agreement. The facility is secured by substantially all assets of the Organization. As of December 31, 2025, no amounts were outstanding under the facility, and $8,800,000 remained available for future borrowings.

14. Facilities

In May 1979, the Organization entered into an agreement with the County to occupy land for 30 years, with a renewal option for an additional 30 years. The renewal option was exercised in May 2009. The Organization constructed the original Miami Ronald McDonald House on this property. Compensation paid under the agreement and its renewal is $1 per year. The Organization records donated rent for the use of the property at its estimated fair value, based on information provided by the County, with a corresponding facilities expense.

In August 2022, the Organization entered into a second agreement with the County for the use of land on which the new residential facility is being constructed. The agreement is for 50 years, with renewal options for two additional 20-year terms. Compensation paid under the agreement is $1 per year. The agreement included certain construction and project-related conditions that were required to be satisfied before the Organization’s right to use the land became unconditional. During 2025, those conditions were met, and the agreement became unconditional.

14. Facilities (cont.)

As a result, on January 1, 2025, the Organization recognized a leasehold interest related to the donated use of the land of $2,820,913. During the year ended December 31, 2025, the Organization recognized accretion of discount of approximately $141,000 and donated use of land expense of approximately $113,000.

15. Transactions with RMHC-Global

Donation box collection services are centralized under RMHC Global. Collection revenue is sent to RMHC Global and the Organization receives a monthly grant which represents 75% of the donation box collections for the month, net of 25% of the collection fees incurred.

At December 31, 2025 and 2024, the Organization had a balance receivable from RMHC-Global of approximately $201,000 and $214,000, respectively.

16. Risks and Uncertainties

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash, cash equivalents, restricted cash, investments, accounts and pledges receivable, and the New Markets Tax Credit note receivable. The Organization places its deposits with quality financial institutions and has not experienced losses in any such accounts. At times, cash balances may exceed federally insured limits.

The Organization places its investments in a variety of financial instruments and, by policy, limits the amount of credit exposure through diversification to achieve a balance that will enhance total return, while avoiding undue risk concentrations in any single asset or investment category. The Organization’s Investment Committee is responsible for oversight of the Organization’s investing activities.

16. Risks and Uncertainties (cont.)

Concentration of Credit Risk (cont.)

Credit risk with respect to accounts and contributions receivable is limited due to the nature and creditworthiness of the grantors, donors, corporations, and individuals who comprise the contributor base. The Organization also has a note receivable from TNT-RMHSF NMTC Fund, LLC, which represents a concentration of credit risk. Management monitors the note receivable and related New Markets Tax Credit transaction in accordance with the terms of the applicable agreements.

17. Construction Commitment

In connection with the new residential facility project, the Organization entered into a construction contract with a third-party general contractor. The total contract amount was approximately $25,154,000. As of December 31, 2025, costs incurred under the contract totaled approximately $5,103,000, and the remaining commitment under the contract was approximately $20,051,000.

SUPPLEMENTARY INFORMATION

Ronald McDonald House Charities of South Florida, Inc. and Subsidiary

Consolidating Statement of Financial Position

December 31, 2025	Ronald McDonald House Charities of South Florida, Inc.	RMHSF Holding Company, Inc.	Eliminating Entries	Total
ASSETS				
Current assets				
Cash and cash equivalents	$ 3,774,079	$ -	$ -	$ 3,774,079
Accounts receivable - RMHC Global	201,214	-	-	201,214
Accounts receivable - other	888,593	-	-	888,593
Unconditional promises to give - current	792,353	-	-	792,353
Prepaid expenses	152,305	-	-	152,305
Total current assets	5,808,544	-	-	5,808,544
Restricted cash	4,226,460	10,692,790	-	14,919,250
Deposits	24,691	-	-	24,691
Restricted certificates of deposit	3,565,909	-	-	3,565,909
Unconditional promises to give, net - long-term	631,639	-	-	631,639
Note receivable - NMTC	9,809,800	-	-	9,809,800
Investments	17,939	-	-	17,939
Leasehold interest in donated land, net	2,848,643	-	-	2,848,643
Property and equipment, net	3,918,508	4,339,219	-	8,257,727
Total assets	$ 30,852,133	$ 15,032,009	$ -	$ 45,884,142
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable, accrued expenses and other liabilities	$ 2,976,006	$ -	$ -	$ 2,976,006
Refundable advances	119,429	-	-	119,429
Total current liabilities	3,095,435	-	-	3,095,435
Long-term liabilities				
Notes payable - NMTC	-	14,000,000	-	14,000,000
Total liabilities	3,095,435	14,000,000	-	17,095,435
Net assets				
Without donor restrictions	12,003,569	1,032,009	-	13,035,578
With donor restrictions	15,753,129	-	-	15,753,129
Total net assets	27,756,698	1,032,009	-	28,788,707
Total liabilities and net assets	$ 30,852,133	$ 15,032,009	$ -	$ 45,884,142

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

Ronald McDonald House Charities of South Florida, Inc. and Subsidiary

Consolidating Statement of Activities

For the Year Ended December 31, 2025	Ronald McDonald House Charities of South Florida, Inc.	RMHSF Holding Company, Inc.	Eliminating Entries	Total
Public support and revenues				
Gross proceeds from special events	$ 414,290	$ -	$ -	$ 414,290
Donations	5,123,606	-	-	5,123,606
State capital grant revenue	1,000,000	-	-	1,000,000
Contribution of donated leasehold interest in land	2,961,643	-	-	2,961,643
Contributions of nonfinancial assets	848,053	-	-	848,053
Membership dues	28,570	-	-	28,570
Interest income from note receivable	7,357	-	-	7,357
Investment income, net	770,826	-	-	770,826
Total public support and revenues	11,154,345	-	-	11,154,345
Expenses				
Program services	2,161,406	-	-	2,161,406
Management and general	374,848	25,031	-	399,879
Fundraising	253,029	-	-	253,029
Total expenses	2,789,283	25,031	-	2,814,314
Change in net assets before net asset transfers	8,365,062	(25,031)	-	8,340,031
Transfer of net assets	(1,057,040)	1,057,040	-	-
Change in net assets after net asset transfers	7,308,022	1,032,009	-	8,340,031
Net assets, beginning of year	20,448,676	-	-	20,448,676
Net assets, end of year	$ 27,756,698	$ 1,032,009	$ -	$ 28,788,707

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