

RMHC OF WESTERN NEW YORK, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Table of Contents

As of and for the years ended December 31, 2023 and 2022

Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position	3
Statement of Activities – 2023	4
Statement of Activities – 2022	5
Statement of Functional Expenses – 2023	6
Statement of Functional Expenses – 2022	7
Statements of Cash Flows	8
Notes to Financial Statements	9

INDEPENDENT AUDITORS' REPORT

The Board of Directors
RMHC of Western New York, Inc.

Opinion

We have audited the statements of financial position of RMHC of Western New York, Inc. (the Organization) as of December 31, 2023 and 2022, 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, 2023 and 2022, and the changes in its net assets and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America (GAAP).

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 Auditors' 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 GAAP, 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 for one year after the date the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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.



July 17, 2024

Statements of Financial Position

December 31,	2023	2022
Assets		
Current assets:		
Cash	\$ 199,795	\$ 472,897
Contributions receivable	142,501	70,500
Employee Retention Credit receivable (Note 12)	256,747	-
Other receivables	9,766	3,906
Prepaid expenses	31,145	36,165
	<u>639,954</u>	<u>583,468</u>
Noncurrent assets:		
Investments (Note 2)	4,524,879	4,059,077
Property and equipment, net (Note 3)	828,599	784,124
Cash restricted for property and equipment purchases	343,575	252,500
Contributions receivable restricted for property and equipment purchases	-	37,500
	<u>\$ 6,337,007</u>	<u>\$ 5,716,669</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 43,751	\$ 49,755
Deferred revenue	2,445	2,500
Rental deposits	5,282	6,282
	<u>51,478</u>	<u>58,537</u>
Net assets:		
Without donor restrictions	5,195,300	4,704,918
With donor restrictions (Note 4)	1,090,229	953,214
	<u>6,285,529</u>	<u>5,658,132</u>
	<u>\$ 6,337,007</u>	<u>\$ 5,716,669</u>

Statement of Activities

For the year ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue:			
Contributions			
Public support	\$ 302,679	\$ 39,186	\$ 341,865
RMHC Global	142,693	2,000	144,693
In-kind	74,239	-	74,239
Guest family donations	6,813	-	6,813
Employee Retention Credit (Note 12)	256,747	-	256,747
Special events revenue	447,805	-	447,805
Rental, net of expenses of \$42,658	40,596	-	40,596
Other income	925	-	925
Endowment appropriation for operating purposes	20,000	-	20,000
Net assets released from restrictions	43,969	(43,969)	-
Total operating revenues	1,336,466	(2,783)	1,333,683
Operating expenses:			
Program services			
Ronald McDonald House	634,578	-	634,578
Ronald McDonald Family Room	95,083	-	95,083
Supporting services			
Management and general	232,285	-	232,285
Fundraising and development	205,514	-	205,514
Costs of direct benefit to donors	114,402	-	114,402
Total operating expenses	1,281,862	-	1,281,862
Change in net assets from operating activities	54,604	(2,783)	51,821
Nonoperating activities:			
Contributions	-	119,300	119,300
Investment activity (Note 2)	420,791	55,485	476,276
Endowment appropriation for operating purposes	-	(20,000)	(20,000)
Net assets released from restrictions	14,987	(14,987)	-
Total nonoperating activities	435,778	139,798	575,576
Change in net assets	490,382	137,015	627,397
Net assets - beginning	4,704,918	953,214	5,658,132
Net assets - ending	\$ 5,195,300	\$ 1,090,229	\$ 6,285,529

Statement of Activities

For the year ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue:			
Contributions			
Public support	\$ 302,296	\$ 25,423	\$ 327,719
RMHC Global	70,351	5,000	75,351
In-kind	117,815	-	117,815
Guest family donations	7,102	-	7,102
Special events revenue	195,603	-	195,603
Rental, net of expenses of \$43,946	43,633	-	43,633
Other income	525	-	525
Endowment appropriation for operating purposes	20,200	-	20,200
Net assets released from restrictions	41,230	(41,230)	-
Total operating revenues	798,755	(10,807)	787,948
Operating expenses:			
Program services			
Ronald McDonald House	618,214	-	618,214
Ronald McDonald Family Room	67,623	-	67,623
Supporting services			
Management and general	187,111	-	187,111
Fundraising and development	83,139	-	83,139
Costs of direct benefit to donors	28,324	-	28,324
Total operating expenses	984,411	-	984,411
Change in net assets from operating activities	(185,656)	(10,807)	(196,463)
Nonoperating activities:			
Contributions	-	290,000	290,000
Investment activity (Note 2)	(638,465)	(81,407)	(719,872)
Endowment appropriation for operating purposes	-	(20,200)	(20,200)
Net assets released from restrictions	66,444	(66,444)	-
Total nonoperating activities	(572,021)	121,949	(450,072)
Change in net assets	(757,677)	111,142	(646,535)
Net assets - beginning	5,462,595	842,072	6,304,667
Net assets - ending	\$ 4,704,918	\$ 953,214	\$ 5,658,132

Statement of Functional Expenses

For the year ended December 31, 2023

	Program Services		Supporting Services				
	Ronald McDonald House	Ronald McDonald Family Room	Management and General	Fundraising and Development	Costs of Direct Benefit to Donors	Rental Expenses	Total
Salaries	\$ 351,867	\$ 23,866	\$ 103,964	\$ 94,134	-	\$ 5,141	\$ 578,972
Payroll taxes	33,408	2,314	8,013	7,169	-	386	51,290
Employee benefits	26,961	-	11,654	11,133	-	618	50,366
Total personnel costs	412,236	26,180	123,631	112,436	-	6,145	680,628
Food	37,597	34,792	-	-	22,686	-	95,075
Depreciation	56,551	2,650	6,964	3,482	-	9,027	78,674
Promotions and appeals	-	-	-	69,269	-	-	69,269
Facility costs - special events	-	-	-	-	60,599	-	60,599
Professional fees	-	-	58,940	-	-	-	58,940
Office expenses	16,332	-	21,938	4,507	-	-	42,777
Utilities	27,305	-	3,212	1,606	-	8,325	40,448
Supplies	9,399	13,560	-	252	13,535	-	36,746
Repairs and maintenance	22,045	138	2,610	1,305	-	6,667	32,765
Insurance	20,385	384	1,943	1,722	-	3,724	28,158
Marketing and meetings	8,929	414	10,233	4,344	-	-	23,920
Volunteer recognition	17,887	1,760	-	-	-	-	19,647
Printing and postage	3,090	-	272	2,457	-	-	5,819
Other	2,822	15,205	2,542	4,134	17,582	8,770	51,055
	\$ 634,578	\$ 95,083	\$ 232,285	\$ 205,514	\$ 114,402	\$ 42,658	\$ 1,324,520

See accompanying notes.

Statement of Functional Expenses

For the year ended December 31, 2022

	Program Services		Supporting Services				
	Ronald McDonald House	Ronald McDonald Family Room	Management and General	Fundraising and Development	Costs of Direct Benefit to Donors	Rental Expenses	Total
Salaries	\$ 333,194	\$ 28,455	\$ 97,655	\$ 36,961	\$ -	\$ 5,259	\$ 501,524
Payroll taxes	28,776	2,573	7,792	2,956	-	428	42,525
Employee benefits	31,813	1,236	3,671	3,929	-	536	41,185
Total personnel costs	393,783	32,264	109,118	43,846	-	6,223	585,234
Food	43,420	15,457	-	-	15,042	-	73,919
Depreciation	51,013	4,524	6,533	3,266	-	8,573	73,909
Utilities	29,526	-	3,474	1,737	-	9,102	43,839
Repairs and maintenance	26,957	-	3,171	1,586	-	8,838	40,552
Professional fees	-	-	34,717	-	-	-	34,717
Supplies	12,482	5,608	-	98	12,782	-	30,970
Office expenses	10,694	-	16,282	348	-	-	27,324
Insurance	18,892	362	2,265	1,133	-	2,977	25,629
Promotions and appeals	-	-	-	22,846	-	-	22,846
Volunteer recognition	14,234	34	-	-	-	-	14,268
Marketing and meetings	7,971	152	5,487	372	-	-	13,982
Printing and postage	7,492	-	439	3,023	-	-	10,954
Other	1,750	9,222	5,625	4,884	500	8,233	30,214
	\$ 618,214	\$ 67,623	\$ 187,111	\$ 83,139	\$ 28,324	\$ 43,946	\$ 1,028,357

Statements of Cash Flows

For the years ended December 31,	2023	2022
Operating activities:		
Change in net assets	\$ 627,397	\$ (646,535)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	78,674	73,909
Donated property and equipment	(9,267)	(51,955)
Net realized and unrealized (gains) losses on investments	(376,832)	802,502
Contributions restricted for long-term purposes	(119,300)	(290,000)
Changes in other assets and liabilities:		
Short-term investments	-	488,848
Employee Retention Credit receivable	(256,747)	-
Contributions receivable	(72,001)	(623)
Other receivables	(5,860)	2,074
Prepaid expenses	5,020	(8,255)
Accounts payable and accrued expenses	(6,004)	(4,234)
Deferred revenue	(55)	(2,200)
Rental deposits	(1,000)	(846)
Grant payable	-	(16,349)
Net operating activities	(135,975)	346,336
Investing activities:		
Purchase of property and equipment	(113,882)	(48,590)
Proceeds from sale of investments	2,829,805	656,332
Purchase of investments	(2,918,775)	(734,071)
Net investing activities	(202,852)	(126,329)
Financing activities:		
Proceeds from contributions restricted for long-term purposes	156,800	252,500
Net increase in cash and restricted cash	(182,027)	472,507
Cash and restricted cash - beginning of year	725,397	252,890
Cash and restricted cash - end of year	\$ 543,370	\$ 725,397

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Organization

RMHC of Western New York, Inc. (the Organization) is a New York nonprofit charitable corporation formed in 1982. The mission of the Organization is to create, find and support programs that directly improve the health and well-being of children and their families. The Organization is operated by a local volunteer Board of Directors and is funded primarily by contributions from the local Western New York State community. The Organization keeps families with sick/injured children together and near the care and resources they need.

The Organization ascribes to five core values: we are focused on the critical needs of children, we lead with compassion, we celebrate the diversity of our people and our programs, we value our heritage, and we operate with accountability and transparency.

The following programs represent the core functions of the Organization:

Ronald McDonald House

When children must travel long distances to access top medical care, accommodations and support for families can be expensive or not readily available. The Organization helps families stay close to their ill or injured child through the Ronald McDonald House program located in Buffalo, NY, which provides temporary lodging, meals and other support to children and their families. The program provides families with emotional and physical comfort and increases the caregivers' ability to spend more time with their child, to interact with their clinical care team and to participate in critical medical care decisions.

Ronald McDonald Family Room

When a child is critically ill, parents may be reluctant to leave the hospital. In order to provide comfort and support to their child, it is important that parents have an opportunity to rest, have a meal or have a moment of quiet. Located inside medical care facilities, the Ronald McDonald Family Room program in John R. Oishei Children's Hospital (the Children's Hospital) serves as a place of respite, relaxation and privacy for family members, often just steps away from where their child is being treated. The Ronald McDonald Family Room program provides parents with an opportunity to remain close to their hospitalized child and to be an active member of their child's health care team.

Ronald McDonald hospitality carts travel through all patient floors at the Children's Hospital and through the Mother/Baby Unit and NICU at Sisters of Charity Hospital. The carts are fully stocked with complimentary toiletries, toys, small activities, and light refreshments designed to uplift the spirits of patients and their families. Beyond food and activities, the carts provide a friendly and comforting presence. Volunteers offer a listening ear, warm conversation, and a compassionate presence, creating a sense of companionship and support.

Basis of Presentation

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

Income Taxes

The Organization is a 501(c)(3) corporation exempt from income taxes under §501(a) of the Internal Revenue Code.

Measure of Operations

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

Estimates

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

Cash

Cash in financial institutions may exceed federally insured limits and subject the Organization to concentrations of credit risk at various times during the year.

Investments

Investments consist of marketable securities stated at fair value as determined by quoted prices in active markets.

Investment holdings are exposed to interest rate, market and credit risks. Due to the level of risk associated with certain investment holdings and the level of uncertainty related to changes in the value of investment holdings, it is at least reasonably possible that changes in values in the near term could materially affect the amounts reported in the accompanying financial statements.

Property and Equipment

Property and equipment are stated at cost or fair market value at the date of donation, net of accumulated depreciation. Maintenance and repairs are charged to operations as incurred; additions of \$1,000 and a useful life greater than one year are capitalized. Depreciation is provided using the straight-line method over estimated useful asset lives as follows:

Building and improvements	30-40 years
Furniture and equipment	5-7 years
Vehicles	5-8 years
Hospital lounge	5 years

Net Assets

The Organization's financial position and activities are reported according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are those whose use has been limited by donors for a specified time period, purpose or to be maintained by the Organization in perpetuity.

Revenue Recognition

Contributions

Contributions, including unconditional promises to give, are reported at fair value at the date the contribution or pledge to give is received. Contributions are recorded as restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires, 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.

In-kind contributions consist of noncash donations of assets (primarily furniture and equipment), goods (primarily food and supplies), and services. Noncash donations of assets and goods are recognized as contributions at estimated fair value at the date they are received.

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

The Organization is, on occasion, the beneficiary under various wills and trust agreements. Such amounts to be received are recorded when a will is declared valid by probate court and the proceeds are measurable.

Contributions receivable are stated at the amount management expects to collect from outstanding balances.

Other Revenue Sources

Special events revenue, which consists primarily of sponsorship revenue and ticket sales, is generally recognized when the event occurs and performance obligations are met. Amounts received in advance from these revenue sources are recorded as deferred revenue until earned. Rental activities are recognized based on space usage.

Functional Expenses

The Organization's costs of providing program and supporting services have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain expenses have been allocated among the programs and supporting services benefited. These expenses include salaries and benefits, which are allocated based on estimates of time and effort, and depreciation, utilities, insurance, and repairs and maintenance, which are allocated based on management's estimate of program benefit. Costs of direct benefit to donors consist of costs incurred by the Organization for the benefit of the attendees of its special events. Rental expenses are direct costs associated to the Organization's rental of real property and are shown net of related revenues in the statements of activities.

2. Investments

	2023	2022
Money market	\$ 66,586	\$ 79,302
Government securities	870,435	835,913
Mutual funds	3,587,858	3,143,862
	<u>\$ 4,524,879</u>	<u>\$ 4,059,077</u>

Investment activity consisted of the following for the years ended December 31:

	2023	2022
Dividends and interest, net	\$ 99,444	\$ 82,630
Realized gains (losses)	(139,408)	92,600
Unrealized gains (losses)	516,240	(895,102)
	<u>\$ 476,276</u>	<u>\$ (719,872)</u>

3. Property and Equipment

	2023	2022
Land	\$ 20,000	\$ 20,000
Building and improvements	1,925,313	1,889,733
Furniture and equipment	315,720	342,759
Vehicles	22,436	22,436
Hospital lounge	26,591	24,591
Construction in progress	65,725	-
	<u>2,375,785</u>	<u>2,299,519</u>
Less accumulated depreciation	1,547,186	1,515,395
	<u>\$ 828,599</u>	<u>\$ 784,124</u>

Construction in progress at December 31, 2023 consists of renovations to Ronald McDonald House. The renovations are expected to be completed in Fall 2024 at an expected cost of approximately \$1,164,000. Funding for the projects is expected to be provided through contributions and, if necessary, investments without donor restrictions.

4. Net Assets with Donor Restrictions

Net assets with donor restrictions are comprised of the following at December 31:

	2023	2022
Ronald McDonald Family Room operations	\$ 16,489	\$ 27,894
Ronald McDonald House renovations	409,300	290,000
Unappropriated earnings on perpetual endowment (Note 5)	149,225	113,740
Accumulated principal of perpetual endowment (Note 5)	500,000	500,000
Other	15,215	21,580
	<u>\$ 1,090,229</u>	<u>\$ 953,214</u>

5. Endowment Assets

The Organization's endowment assets arose from donor-restricted gifts that are to be invested in perpetuity, the earnings from which are available for operating expenses. The Organization has adopted investment and spending policies for endowment assets that attempt to provide returns sufficient to address the purposes of the assets over the long-term.

The Board of Directors of the Organization has interpreted the New York Prudent Management of Institutional Funds Act (NYPMIFA) as requiring the preservation of the fair value of the original donor restricted gift as of the gift date absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to be held in perpetuity, (b) the original value of subsequent gifts to the endowment fund, and (c) accumulations to the endowment fund made in accordance with the direction of a donor gift instrument at the time the accumulation is added to the fund.

In accordance with NYPMIFA, the Organization considers the following factors to appropriate or accumulate donor-restricted endowment funds:

- Duration and preservation of the fund
- Purposes of the Organization and the fund
- General economic conditions
- Possible effects of inflation and deflation
- Expected total return from income and appreciation of investments
- Other Organization resources
- Where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the Organization
- Investment policy of the Organization

Endowment investment income (loss) is reported as an increase (decrease) to net assets with donor restrictions until appropriated for use by the Board of Directors in accordance with the Organization's spending policy. The amount of investment return available for spending during a fiscal year is determined using a 3% average of the endowment asset over the prior three years.

The Organization's endowment asset activity is as follows for the years ended December 31:

	Unappropriated Earnings	Accumulated Principal	Total
2023			
Endowment assets - beginning of year	\$ 113,740	\$ 500,000	\$ 613,740
Investment activity:			
Dividends and interest, net	11,585	-	11,585
Net gains	43,900	-	43,900
Total investment activity	55,485	-	55,485
Contributions	-	-	-
Appropriated	(20,000)	-	(20,000)
Endowment assets - end of year	\$ 149,225	\$ 500,000	\$ 649,225
2022			
Endowment assets - beginning of year	\$ 215,347	\$ 500,000	\$ 715,347
Investment activity:			
Dividends and interest, net	9,344	-	9,344
Net losses	(90,751)	-	(90,751)
Total investment activity	(81,407)	-	(81,407)
Contributions	-	-	-
Appropriated	(20,200)	-	(20,200)
Endowment assets - end of year	\$ 113,740	\$ 500,000	\$ 613,740

6. Retirement Plan

The Organization maintains a Savings Incentive Match Plan for Employees of Small Employers (SIMPLE) retirement plan for essentially all full-time employees. The Organization matches 100% of the employees' contribution up to a maximum of 3% of gross salaries to the plan for qualified employees. Employer contributions for the years ended December 31, 2023 and 2022 totaled \$7,822 and \$6,964.

7. Leases

The Organization leases residential apartments to tenants on a month-to-month basis. Rental revenue for these leases totaled \$83,254 and \$87,579 for the years ended December 31, 2023 and 2022. The Organization has not entered into any significant lease arrangements as a lessee for the years ended December 31, 2023 and 2022.

8. Related Party Transactions

Ronald McDonald House Charities (RMHC) is a global system of independent, separately registered nonprofit organizations, referred to as "Chapters" within the global system. 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. (RMHC Global) to use the RMHC related trademarks in conjunction with fundraising activities and the operation of its programs; the License Agreement also sets standards of operations for programs, governance, finance, branding, and reporting.

RMHC Global, a separately registered nonprofit organization, ensures delivery of the mission across the globe. RMHC Global provides an infrastructure of support to the network of Chapters, including operations, licensing and compliance, finance, risk management, communications, marketing, and development. The Organization receives 75% of net revenues from all local fundraising efforts facilitated by RMHC Global, as defined by a license agreement. During the years ended December 31, 2023 and 2022, the Organization received \$144,693 and \$75,351, respectively, from RMHC Global.

9. In-kind Contributions

The Organization received the following in-kind contributions for the years ended December 31:

	2023	2022
Property and equipment:		
Building and improvements	\$ 2,600	\$ 1,500
Furniture and equipment	4,667	50,455
Hospital lounge	2,000	-
Expenses:		
Food	24,005	34,898
Supplies	13,946	10,994
Volunteer recognition	11,516	8,665
Office expenses	9,450	4,570
Other	6,055	6,733
	\$ 74,239	\$ 117,815

The fair value of in-kind contributions for property and equipment and expenses is based on the actual costs incurred by the donor or the estimated cost if purchased by the Organization directly.

Contributed food and supplies were for the Ronald McDonald House and Ronald McDonald Family Room programs. Contributed property and equipment as well as volunteer recognition and office expenses were for the Ronald McDonald House program. There were no donor-imposed restrictions associated with in-kind contributions.

10. Liquidity

The Organization obtains financial assets generally through contributions, investment activity, special events, and rental income. The financial assets are acquired throughout the year to help meet the Organization's needs for general expenditures.

If necessary, the Organization also has access to noncurrent investments totaling approximately \$4,025,000 not subject to donor restriction or are restricted for operating and similar purposes. Although the Organization does not intend to spend from these assets, the assets could be made available, if necessary, through approval by the Board of Directors.

The Organization has a goal to maintain current financial assets on hand to meet between two and six months of normal operating expenses. The average monthly operating expenses for the years ended December 31, 2023 and 2022 were approximately \$98,000 and \$74,000.

The Organization's current financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consist of the following at December 31:

	2023	2022
Cash	\$ 199,795	\$ 472,897
Contributions receivable	142,501	70,500
Employee Retention Credit receivable	256,747	-
Other receivables	9,766	3,906
	<u>\$ 608,809</u>	<u>\$ 547,303</u>

11. Fair Value Measurements

Investments are measured at fair value on recurring basis on the balance sheets. The fair value of all amounts as of December 31, 2023 and 2022 were determined as described in Note 1.

12. COVID-19 Government Assistance

In April 2023, the Organization recognized \$256,747 of refundable credits under the Employee Retention Credit program of the Coronavirus Aid, Relief and Economic Security (CARES) Act in response to the pandemic declared by the World Health Organization in February 2020. These refundable credits are subject to audit by the Internal Revenue Service for a period of five years.

13. Subsequent Events

Management has evaluated events and transactions for potential recognition or disclosure through July 17, 2024, the date the financial statements were available to be issued. Management is not aware of any material subsequent events that require additional recognition or disclosure in the financial statements.