Ronald McDonald House of Fort Worth, Inc.

Financial Statements
December 31, 2025 and 2024

SFC
Certified Public Accountants

Ronald McDonald House of Fort Worth, Inc.
Contents

Independent Auditors' Report

To the Board of Directors of
Ronald McDonald House of Fort Worth, Inc.

Opinion

We have audited the accompanying financial statements of Ronald McDonald House of Fort Worth, Inc. (a nonprofit organization) (Organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (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 within one year after the date that the financial statements are available to be 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Sutton Frost Cary

A Limited Liability Partnership

Arlington, Texas
May 7, 2026

Ronald McDonald House of Fort Worth, Inc.
Statements of Financial Position
December 31, 2025 and 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	$ 2,756,808	$ 1,496,775
Certificates of deposit	1,046,116	1,006,434
Accounts receivable	16,473	16,110
Unconditional promises to give	872,014	112,927
Prepaid expenses	80,156	93,080
Total current assets	4,771,567	2,725,326
Investments in marketable securities	10,441,173	8,601,141
Unconditional promises to give, net	53,674	46,617
Property and equipment, net	5,645,776	6,109,294
Assets restricted in perpetuity:		
Investments in marketable securities	1,131,250	1,131,250
Assets restricted for capital campaign:		
Cash and cash equivalents	1,260,738	969,882
Construction in progress	155,548	-
Total assets	$ 23,459,726	$ 19,583,510
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	$ 102,698	$ 118,320
Deferred revenue	334,890	62,892
Total liabilities	437,588	181,212
Net assets:		
Without donor restrictions:		
Undesignated	8,832,413	8,443,497
Board-designated quasi-endowment	10,441,173	8,601,141
Board-designated capital campaign	100,000	-
With donor restrictions	3,648,552	2,357,660
Total net assets	23,022,138	19,402,298
Total liabilities and net assets	$ 23,459,726	$ 19,583,510

See notes to financial statements.

Ronald McDonald House of Fort Worth, Inc.
Statement of Activities
Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Contributions of financial assets	$ 2,793,408	$ 1,586,971	$ 4,380,379
Contributions of nonfinancial assets	266,505	-	266,505
Special events (net of direct costs $474,458)	1,332,509	-	1,332,509
Program service fees	163,660	-	163,660
Room donations	26,305	-	26,305
Net assets released from restrictions	296,079	(296,079)	-
Total revenue and support	4,878,466	1,290,892	6,169,358
Expenses:			
Program services	3,141,670	-	3,141,670
Management and general	417,738	-	417,738
Fundraising	447,542	-	447,542
Total expenses	4,006,950	-	4,006,950
Non-operating activity:			
Investment income, net	1,339,926	-	1,339,926
Interest income	116,972	-	116,972
Other income	534	-	534
Total non-operating activity	1,457,432	-	1,457,432
Change in net assets	2,328,948	1,290,892	3,619,840
Net assets at beginning of year	17,044,638	2,357,660	19,402,298
Net assets at end of year	$ 19,373,586	$ 3,648,552	$ 23,022,138

See notes to financial statements.

Ronald McDonald House of Fort Worth, Inc.
Statement of Activities
Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Contributions of financial assets	$ 2,074,417	$ 1,368,226	$ 3,442,643
Contributions of nonfinancial assets	292,615	-	292,615
Special events (net of direct costs $441,939)	1,042,086	-	1,042,086
Program service fees	186,549	-	186,549
Room donations	35,315	-	35,315
Net assets released from restrictions	279,168	(279,168)	-
Total revenue and support	3,910,150	1,089,058	4,999,208
Expenses:			
Program services	2,741,869	-	2,741,869
Management and general	421,247	-	421,247
Fundraising	565,840	-	565,840
Total expenses	3,728,956	-	3,728,956
Non-operating activity:			
Investment income, net	964,125	-	964,125
Interest income	75,325	-	75,325
Other income	534	-	534
Total non-operating activity	1,039,984	-	1,039,984
Change in net assets	1,221,178	1,089,058	2,310,236
Net assets at beginning of year	15,823,460	1,268,602	17,092,062
Net assets at end of year	$ 17,044,638	$ 2,357,660	$ 19,402,298

See notes to financial statements.

Ronald McDonald House of Fort Worth, Inc.
Statement of Functional Expenses
Year Ended December 31, 2025

	Program Services	Management and General	Fundraising	Total
Compensation and related costs	$ 1,493,968	$ 225,273	$ 278,112	$ 1,997,353
Advertising and marketing	-	-	20,922	20,922
Automobile and transportation	8,085	1,208	-	9,293
Bank charges	-	-	20,811	20,811
Capital campaign	-	-	63,596	63,596
Cleaning services and supplies	52,861	1,385	1,385	55,631
Depreciation	488,205	12,848	12,848	513,901
Dues and subscriptions	20,538	23,976	2,591	47,105
Events and catering	-	-	486,209	486,209
Family support services and supplies	430,757	22,671	-	453,428
Insurance	111,548	2,835	2,835	117,218
Linens and laundry	54,565	-	-	54,565
Maintenance and repairs	196,053	4,854	4,854	205,761
Meeting, education and training	2,607	33,144	1,490	37,241
Miscellaneous	2,266	2,643	21,477	26,386
Postage and printing	15,500	833	-	16,333
Professional fees	-	80,367	-	80,367
Security	56,117	-	-	56,117
Technology	42,883	1,232	973	45,088
Telephone	10,643	572	-	11,215
Utilities	155,074	3,897	3,897	162,868
Total expenses	3,141,670	417,738	922,000	4,481,408
Less expenses included with revenues on the statement of activities				
Direct costs of special events	-	-	(474,458)	(474,458)
Total expenses included in the expense section on the statement of activities	$ 3,141,670	$ 417,738	$ 447,542	$ 4,006,950

See notes to financial statements.

Ronald McDonald House of Fort Worth, Inc.
Statement of Functional Expenses
Year Ended December 31, 2024

	Program Services	Management and General	Fundraising	Total
Compensation and related costs	$ 1,120,730	$ 260,608	$ 386,330	$ 1,767,668
Advertising and marketing	-	-	7,746	7,746
Automobile and transportation	6,678	2,345	-	9,023
Bank charges	-	-	43,725	43,725
Capital campaign	-	3,118	27,000	30,118
Cleaning services and supplies	46,765	1,226	1,225	49,216
Depreciation	553,659	14,570	14,570	582,799
Dues and subscriptions	15,512	16,009	22,654	54,175
Events and catering	-	-	457,627	457,627
Family support services and supplies	419,763	9,763	23,838	453,364
Insurance	109,035	2,771	2,771	114,577
Linens and laundry	54,464	-	-	54,464
Maintenance and repairs	124,455	3,081	3,082	130,618
Meeting, education and training	7,488	24,222	2,253	33,963
Miscellaneous	1,620	1,672	10,228	13,520
Postage and printing	12,061	2,400	-	14,461
Professional fees	-	72,247	-	72,247
Security	65,861	-	-	65,861
Technology	46,052	1,324	1,045	48,421
Telephone	11,084	2,206	-	13,290
Utilities	146,642	3,685	3,685	154,012
Total expenses	2,741,869	421,247	1,007,779	4,170,895
Less expenses included with revenues on the statement of activities				
Direct costs of special events	-	-	(441,939)	(441,939)
Total expenses included in the expense section on the statement of activities	$ 2,741,869	$ 421,247	$ 565,840	$ 3,728,956

See notes to financial statements.

Ronald McDonald House of Fort Worth, Inc.
Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ 3,619,840	$ 2,310,236
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	513,901	582,799
Gain from sale of property and equipment	(95)	-
Realized and unrealized gains on investments	(1,039,152)	(699,563)
Change in discount on unconditional promises to give	(57)	3,383
Contributions restricted for capital campaign	(510,000)	(1,000,000)
Change in operating assets and liabilities:		
Accounts receivable	(363)	(12,060)
Unconditional promises to give	(766,087)	(83,414)
Prepaid expenses	12,924	5,091
Accounts payable and accrued expenses	(15,622)	13,752
Deferred revenue	271,998	(79,597)
Net cash provided by operating activities	2,087,287	1,040,627
Cash flows from investing activities:		
Purchases of property and equipment	(206,405)	(158,075)
Proceeds from sales of property and equipment	569	-
Purchases of certificates of deposit	(1,046,116)	(1,006,434)
Redemption of certificates of deposit	1,006,434	-
Purchases of investments	(1,915,675)	(2,679,135)
Proceeds from sales of investments	1,114,795	1,964,573
Net cash used by investing activities	(1,046,398)	(1,879,071)
Cash flows from financing activities:		
Collections of contributions from capital campaign	510,000	1,000,000
Net change in cash and cash equivalents	1,550,889	161,556
Cash and cash equivalents at beginning of year	2,466,657	2,305,101
Cash and cash equivalents at end of year	$ 4,017,546	$ 2,466,657
Supplemental disclosure of cash flow information:		
Capitalized construction included in accounts payable and accrued expenses	$ 16,728	$ -
Reconciliation of cash and cash equivalents and restricted cash and cash equivalents reported within the statements of financial position to the statements of cash flows:		
Cash and cash equivalents	$ 2,756,808	$ 1,496,775
Restricted cash and cash equivalents	1,260,738	969,882
Total cash and cash equivalents and restricted cash and cash equivalents reported in the statements of cash flows	$ 4,017,546	$ 2,466,657

See notes to financial statements.

1. Organization

Ronald McDonald House of Fort Worth, Inc. (Organization) is a Texas nonprofit corporation. The mission of the Organization is to create, find and support programs that directly and indirectly improve the health and well-being of children and their families. 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 Organization fulfills its mission through sustainable programs that enable family-centered care, bridge access to quality health care, are a vital part of the health care continuum and strengthen families during difficult times. The following program, operated by the Organization, represents its core function: When children must travel 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 North Texas, 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.

The Organization is primarily supported by grants and donations received from individuals and other organizations.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Financial Statement Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

> *Net assets without donor restrictions* - Net assets not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the board of directors.

Net assets with donor restrictions - Net assets subject to donor stipulations that will be met by actions of the Organization and/or the passage of time.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a board of directors approved spending policy.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Contributions with donor restrictions for the purchase or construction of property expire when the assets are placed in service.

Financial Instruments and Credit Risk Concentrations

Financial instruments which are potentially subject to concentrations of credit risk consist principally of cash and cash equivalents, certificates of deposit, accounts receivable, unconditional promises to give and investments in marketable securities. Cash and cash equivalents and certificates of deposit are placed with high credit quality financial institutions to minimize risk. Marketable securities are subject to various risks, such as interest rate, credit and overall market volatility risks.

The Organization maintains cash balances at various financial institutions located in Texas. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation up to $250,000. At December 31, 2025, the Organization’s uninsured balances totaled $659,174.

At December 31, 2025 and 2024, approximately 83% and 46% of unconditional promises to give was due from one donor, respectively.

For the years ended December 31, 2025 and 2024, the Organization received contributions from one donor that totaled approximately 52% and 45%, respectively, of total contributions of financial assets.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid investments with a maturity of three months or less when purchased. The Organization classifies cash and money market accounts held in a board designated endowment as investments as these funds are not readily available for operations.

Certificates of Deposit

At December 31, 2025, the Organization has five certificates of deposit totaling $1,046,116 with interest rates ranging from 3.90% to 4.02% maturing in November 2026. The certificates of deposit are carried at cost plus reinvested interest, which approximates fair value.

Accounts Receivable and Unconditional Promises to give

Accounts receivable are unsecured and are due from various government agencies and are expected to be collected in one year. Unconditional promises to give are unsecured and are due from various donors. Accounts receivable and unconditional promises to give are periodically evaluated for collectability based on past collection history with government agencies and donors. Provisions for losses on accounts receivable and unconditional promises to give are determined on the basis of loss experience, known and inherit risk of outstanding balances and current economic events. Accounts receivable and unconditional promises to give are considered to be fully collectible by management at December 31, 2025 and 2024. Accordingly, no allowance for credit losses or doubtful accounts was considered necessary at December 31, 2025 and 2024.

Investments

The Organization's investments in marketable securities primarily consist of cash equivalents and mutual funds that are stated at fair value in the statements of financial position. Interest, dividends and realized and unrealized gains and losses are reported in the statements of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

Property and Equipment

Property and equipment purchased by the Organization are recorded at cost or if acquired by gift, at the fair value at the date of the gift. The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of $1,000; the fair value of donated property and equipment is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of 5-20 years.

Impairment of Long-Lived Assets

Management of the Organization periodically reviews the carrying value of its long-lived assets, including property and equipment, whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognized to the extent fair value of a long-lived asset is less than the carrying amount. Fair value is determined based on the estimated future cash inflows attributable to the asset less estimated future cash outflows. No such losses were recognized during the years ended December 31, 2025 and 2024.

Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets or an unconditional promise to give is received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Conditional promises to give, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Amounts received prior to meeting measurable performance or other barriers are reported as refundable advances.

Event sponsorship revenue is recognized at the date the event occurs. Advanced payments for the event sponsorships are reported as deferred revenue until the date of the event.

Program service revenue consists principally of fees for residency service covered by Medicaid. The revenue is derived from the underlying contract or agreement (contract) and the Organization determines the appropriate accounting treatment for each contract at the commencement of each contract. A performance obligation is a promise in a contract to transfer a distinct good or service to the member or customer. Revenue is recognized when the performance obligation under the terms of the contract with a customer is satisfied. The Organization’s contracts generally have a single performance obligation. The contract prices are generally deemed to be the respective transaction prices and are recognized as revenue when, or as, the performance obligations are satisfied. The Organization recognizes program service revenue at the time the residency services are provided, which generally occurs upon payment for the services.

Donated materials, goods and services are reflected as contributions of nonfinancial assets at their estimated fair values at date of receipt. The Organization recognizes contribution revenue for certain services received at the fair value of those services, provided those services create or enhance non-financial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and has not been classified as a private foundation as defined in the IRC. For the years ended December 31, 2025 and 2024, the Organization had no unrelated business income. Accordingly, no provision for income taxes has been provided in the accompanying financial statements.

GAAP requires the evaluation of tax positions taken in the course of preparing the Organization's tax return and recognition of a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization, and has concluded that at December 31, 2025 and 2024, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

Allocation of Functional Expenses

The costs of providing various program services and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs are allocated between program services and support services based on management's judgment considering square footage, time spent or direct relation to the program or support service benefited.

Estimates and Assumptions

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated.

Reclassifications

Certain items in the 2024 financial statements have been reclassified to conform with the 2025 presentation, specifically miscellaneous expenses were reallocated on the statement of functional expenses. Additionally, program service fees were separated from room donations on the statement of activities.

3. Investments

Under the Fair Value Measurements and Disclosures topic of the Codification, ASC 820, disclosures are required about how fair value is determined for assets and liabilities and a hierarchy for which these assets and liabilities must be grouped is established, based on significant levels of inputs as follows:

Level 1 — Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date;

Level 2 — Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies;

Level 3 Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates or assumptions related to the pricing of the asset or liability including assumptions regarding risk.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy:

Cash Equivalents

Cash equivalents are valued using $1 for the net asset value (NAV) which is classified within level 1 of the hierarchy.

Mutual Funds

These investments are public investment vehicles valued using the NAV provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market and classified within level 1 of the valuation hierarchy.

The Organization's investments at fair value are as follows at December 31:

	2025	2024
Cash equivalents	$ 176,356	$ 137,304
Mutual funds:		
Fixed income	4,871,098	4,309,805
Hedge	56,622	80,937
Real estate and infrastructure	22,690	16,782
Short term	-	18,989
Equity	6,445,657	5,168,574
	$ 11,572,423	$ 9,732,391

Net investment income consists of the following for the years ended December 31:

	2025	2024
Interest and dividend income	$ 360,603	$ 323,951
Realized and unrealized gains	1,039,152	699,563
Less: fiduciary fees	(59,829)	(59,389)
Investment income, net	$ 1,339,926	$ 964,125

The following table presents securities which represent 10% or more of total investments at December 31:

	2025	2024
SPDR S&P 500 ETF Trust	23%	23%
Six Circles Global Bond Fund	15%	15%
Six Circles U.S. Unconstrained Equity Fund	12%	11%

4. Unconditional Promises to Give

Unconditional promises to give consist of the following at December 31:

	2025	2024
Unconditional promises to give	$ 929,014	$ 162,927
Less discount to net present value	(3,326)	(3,383)
Unconditional promises to give, net	$ 925,688	$ 159,544
Receivable in one year or less	$ 872,014	$ 112,927
Receivable between two to five years	53,674	46,617

Unconditional promises to give due in more than one year are valued using discount rates ranging from 3.52% to 4.80% as of December 31, 2025.

5. Property and Equipment

Property and equipment consist of the following at December 31:

	2025	2024
Land	$ 1,898,233	$ 1,898,233
Buildings	14,939,695	14,911,805
Furniture, fixtures and equipment	1,404,700	1,393,677
Vehicle	22,232	44,082
	18,264,860	18,247,797
Less: accumulated depreciation	(12,619,084)	(12,138,503)
Property and equipment, net	$ 5,645,776	$ 6,109,294

Depreciation expense totaled $513,901 and $582,799 for the years ended December 31, 2025 and 2024, respectively.

6. Capital Campaign

During the year ending December 31, 2024, the Organization initiated a capital campaign to raise funds for the construction of a new facility. Changes in capital campaign funds are as follows:

	Without Donor Restrictions Board-Designated Capital Campaign	With Donor Restrictions	Total
Capital campaign net assets - December 31, 2023	$ -	$ -	$ -
Contributions	-	1,000,000	1,000,000
Fundraising costs released from restriction	-	(30,118)	(30,118)
Capital campaign net assets - December 31, 2024	-	969,882	969,882
Contributions	100,000	510,000	610,000
Fundraising costs released from restriction	-	(63,596)	(63,596)
Capital campaign net assets - December 31, 2025	$ 100,000	$ 1,416,286	$ 1,516,286

Certain funds relating to fundraising costs relating to the capital campaign were released when spent. All other capital campaign funds will remain restricted until the building is placed in service.

During the year ended December 31, 2025, the Organization incurred costs for the construction of the new facility totaling $155,548 included on the statement of financial position as construction in progress.

7. Endowment Funds

The Organization's endowment includes both donor-restricted endowment funds which are maintained in accordance with explicit donor stipulations and funds designated by the board of directors (Board) to function as an endowment. The Board of the Organization has interpreted the Texas Uniform Prudent Management of Institutional Funds Act (TUPMIFA) 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 the original value of gifts donated to the permanent endowment as net assets with donor restrictions.

The earnings from the original gift are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by TUPMIFA. In accordance with TUPMIFA, the Organization, in making a determination to appropriate or accumulate donor-restricted endowment funds acts in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and considers if relevant, the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

The income of the Kroc Endowment is held by the Organization in a board-designated quasi-endowment.

Under the investment policy, as approved by the Board, the endowment assets are invested in a manner that is intended to achieve an average total annual rate of return, which exceeds the average annual return of the combined benchmark allocations while assuming a moderate level of investment risk. Returns may vary significantly from this target from year to year.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

The Organization targets a diversified asset allocation by investing approximately 40% of the fund in fixed income, 45% of the fund in domestic equities and 5% in international equities, and investing the remaining 10% of the fund in cash and cash equivalents.

Changes in endowment funds are as follows:

	Without Donor Restrictions Board-Designated Quasi-Endowment	With Donor Restrictions	Total
Endowment net assets - December 31, 2023	$ 7,187,016	$ 1,131,250	$ 8,318,266
Investment income, net	829,148	134,977	964,125
Funds transferred from operating cash	450,000	-	450,000
Appropriation of endowment assets for expenditure	134,977	(134,977)	-
Endowment net assets - December 31, 2024	8,601,141	1,131,250	9,732,391
Investment income, net	1,184,180	155,746	1,339,926
Funds transferred from operating cash	500,106	-	500,106
Appropriation of endowment assets for expenditure	155,746	(155,746)	-
Endowment net assets - December 31, 2025	$ 10,441,173	$ 1,131,250	$ 11,572,423

8. Net Assets With Donor Restrictions

Net assets with donor restrictions are subject to expenditure for the following purposes at December 31:

	2025	2024
Subject to expenditure for specified purpose:		
Family room at Cook Children's Hospital	$ 36,880	$ 36,880
House equipment/remodel	895	895
Meals from the Heart	94,553	59,209
Capital campaign	1,416,286	969,882
Playground Refresh	75,000	-
	1,623,614	1,066,866
Subject to the passage of time	893,688	159,544
Subject to restriction in perpetuity	1,131,250	1,131,250
Total net assets with donor restrictions	$ 3,648,552	$ 2,357,660

9. Contributions of Nonfinancial Assets

The Organization received the following contributions of nonfinancial assets during the year ended December 31, 2025:

	Program Services	Fundraising	Total
Food	$ 92,553	$ -	$ 92,553
Goods	152,837	84,090	236,927
Services	21,115	68,641	89,756
Total	$ 266,505	$ 152,731	$ 419,236

The Organization received the following contributions of nonfinancial assets during the year ended December 31, 2024:

	Program Services	Fundraising	Total
Food	$ 125,801	$ -	$ 125,801
Goods	151,277	71,865	223,142
Services	15,537	68,844	84,381
Total	$ 292,615	$ 140,709	$ 433,324

Included in the fundraising amounts above is $152,731 and $140,709 for the years ended December 31, 2025 and 2024, respectively, of nonfinancial assets related to special events, which are shown in special event revenue on the accompanying statements of activities.

Food

Donated food is valued at the estimated fair value based on sales prices of similar items.

Goods

Donated goods are valued at the estimated fair value based on sales prices of similar items.

Services

Contributed services are valued and reported at the estimated fair value based on current rates for similar services.

There were no donor restrictions on the contributions of nonfinancial assets during the years ended December 31, 2025 and 2024.

10. Leases

The Organization leases a copier and postage machine under non-cancelable operating leases expiring through 2027. Rent expense incurred under these leases totaled $4,154 and $3,622 for the years ended December 31, 2025 and 2024, respectively.

Future minimum lease payments under these lease agreements are as follows for the years ending December 31:

2026	$	3,146
2027		1,711

11. Employee Benefit Plan

The Organization maintains a Simple IRA Plan whereby employees may elect to make contributions pursuant to a salary reduction agreement upon meeting certain service requirements. The Organization’s contribution obligation is up to a maximum of 3.0% of the employee’s gross pay for the employees who participated in the plan. During the years ended December 31, 2025 and 2024, the Organization made contributions to the plan totaling $23,825 and $19,852, respectively. Contribution expense is included in compensation and related costs on the statements of functional expenses.

12. Ronald McDonald House Charities

The Organization is affiliated with a national organization, Ronald McDonald House Charities (RMHC). RMHC has no governing power over its chapters and serves as a trade association providing ongoing education and well-being support to chapters around the world to help ensure they have the tools, resources and support needed to fulfill the RMHC mission. During the years ended December 31, 2025 and 2024, RMHC contributed $2,289,427 and $1,533,855, respectively, to the Organization.

13. Related Party Transactions

The Organization received contributions from board members totaling $420,497 and $184,139 during the years ended December 31, 2025 and 2024, respectively.

14. Liquidity and Availability of Resources

The following is a schedule of the Organization's financial assets available to meet cash needs for general expenditures within one year at December 31:

	2025	2024
Cash and cash equivalents	$ 2,756,808	$ 1,496,775
Certificates of deposit	1,046,116	1,006,434
Accounts receivable	16,473	16,110
Unconditional promises to give, net	925,688	159,544
Investments in marketable securities	11,572,423	9,732,391
Total financial assets	16,317,508	12,411,254
Less amounts not available for general expenditures within one year:		
Unconditional promises to give - due after one year, net	(53,674)	(46,617)
Board-designated quasi-endowment	(10,441,173)	(8,601,141)
Board-designated capital campaign	(100,000)	-
Donor restricted endowment to be retained in perpetuity	(1,131,250)	(1,131,250)
Financial assets available to meet cash needs for general expenditures within one year	$ 4,591,411	$ 2,632,246

The Organization considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures within one year.

The Organization strives to maintain liquid financial assets sufficient to cover near-term operating needs, and to maintain sufficient reserves to provide reasonable assurance that long-term obligations will be fulfilled. During the years ended December 31, 2025 and 2024, the level of liquidity was managed within the Organization's expectations.

15. Subsequent Events

Management has evaluated subsequent events through May 7, 2026, the date the financial statements were available to be issued, and concluded that no additional disclosures are required.