Whalen CPAs
250 W. Old Wilson Bridge Rd.
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CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022 and 2021

RONALD McDONALD HOUSE CHARITIES
OF CENTRAL OHIO, INC.
711 East Livingstone Ave
Columbus, OH 43205

RONALD McDONALD HOUSE CHARITIES
OF CENTRAL OHIO, INC.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Ronald McDonald House Charities of Central Ohio, Inc.:

Opinion

We have audited the accompanying consolidated financial statements of Ronald McDonald House Charities of Central Ohio, Inc. (a nonprofit organization) and subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Ronald McDonald House Charities of Central Ohio, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ronald McDonald House Charities of Central Ohio, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 Ronald McDonald House Charities of Central Ohio, Inc.'s ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 Ronald McDonald House Charities of Central Ohio, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ronald McDonald House Charities of Central Ohio, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included on pages 32 through 33, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Whalen CPAs

Whalen CPAs
Worthington, Ohio

April 25, 2023

RONALD McDONALD HOUSE CHARITIES OF CENTRAL OHIO, INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31, 2022 and 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 30,440,361	$ 18,685,364
Restricted cash (Note 10)	20,000	-
Accounts receivable	134,191	139,181
Current portion of contributions receivable (Note 2)	1,732,226	7,159,032
Investments - unrestricted (Note 3)	6,873,901	8,489,543
Investments - Columbus Foundation (Note 8)	149,700	175,337
Investments - Licking County Foundation (Note 8)	147,583	177,155
Prepaid expense	8,633	7,058
Deposits	1,500	91,737
TOTAL CURRENT ASSETS	39,508,095	34,924,407
NONCURRENT ASSETS		
Contributions receivable, net of current portion (Note 2)	1,436,128	8,446,268
Note receivable (Note 5)	9,539,600	-
Investments - restricted (Note 10)	1,796,675	2,165,044
Property and equipment, net (Note 4)	10,186,636	10,630,151
Construction in progress (Note 4)	9,779,146	379,088
Beneficial use of land (Note 7)	2,058,382	2,089,381
TOTAL NONCURRENT ASSETS	34,796,567	23,709,932
TOTAL ASSETS	$ 74,304,662	$ 58,634,339

RONALD McDONALD HOUSE CHARITIES OF CENTRAL OHIO, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of December 31, 2022 and 2021

	2022	2021
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 370,550	$ 358,278
Deferred revenue	126,500	174,950
TOTAL CURRENT LIABILITIES	497,050	533,228
LONG TERM LIABILITIES		
Notes payable (Note 6)	13,124,594	-
TOTAL LIABILITIES	13,621,644	533,228
NET ASSETS		
Without donor restrictions	22,485,661	25,168,413
Without donor restrictions - Board designated (Note 13)	6,517,114	4,206,618
With donor restrictions (Note 11)	31,680,243	28,726,080
TOTAL NET ASSETS	60,683,018	58,101,111
TOTAL LIABILITIES AND NET ASSETS	$ 74,304,662	$ 58,634,339

RONALD McDONALD HOUSE CHARITIES OF CENTRAL OHIO, INC.

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Years Ended December 31, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT						
Contributions	$ 2,643,850	$ 3,370,072	$ 6,013,922	$ 2,697,235	$ 6,581,572	$ 9,278,807
Contributions, in-kind (Note 15)	1,254,966	-	1,254,966	1,244,472	224,876	1,469,348
Special events	1,360,053	-	1,360,053	1,244,261	-	1,244,261
Room donations and third-party reimbursements	329,556	-	329,556	316,511	-	316,511
Vehicle donation program	411,541	-	411,541	240,695	-	240,695
Gain (loss) on disposal of assets	-	-	-	(570,290)	-	(570,290)
Net assets released from restrictions (Note 12)	47,541	(47,541)	-	47,809	(47,809)	-
TOTAL REVENUE AND SUPPORT	6,047,507	3,322,531	9,370,038	5,220,693	6,758,639	11,979,332
EXPENSES						
Program services	3,624,290	-	3,624,290	3,427,835	-	3,427,835
Cost of direct benefit to donors	199,411	-	199,411	179,208	-	179,208
Management and general administration	326,560	-	326,560	338,533	-	338,533
Fundraising	1,041,096	-	1,041,096	821,208	-	821,208
TOTAL EXPENSES	5,191,357	-	5,191,357	4,766,784	-	4,766,784
CHANGE IN NET ASSETS FROM OPERATIONS	856,150	3,322,531	4,178,681	453,909	6,758,639	7,212,548
NONOPERATING ACTIVITIES						
Net realized and unrealized gain (loss) on investments	(1,524,391)	(368,368)	(1,892,759)	1,261,339	367,128	1,628,467
Investment income, net	295,985	-	295,985	179,429	-	179,429
TOTAL NONOPERATING ACTIVITIES	(1,228,406)	(368,368)	(1,596,774)	1,440,768	367,128	1,807,896
CHANGE IN NET ASSETS	(372,256)	2,954,163	2,581,907	1,894,677	7,125,767	9,020,444
NET ASSETS, BEGINNING OF YEAR	29,375,031	28,726,080	58,101,111	27,480,354	21,600,313	49,080,667
NET ASSETS, END OF YEAR	$ 29,002,775	$ 31,680,243	$ 60,683,018	$ 29,375,031	$ 28,726,080	$ 58,101,111

RONALD McDONALD HOUSE CHARITIES OF CENTRAL OHIO, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2022

	Program Services							
	Ronald McDonald House	Ronald McDonald Family Room	Ronald McDonald Care Mobile	Total	Management and General	Fundraising	Cost of Direct Benefits to Donors	Total
Salaries	$ 1,217,366	$ 128,036	$ 43,610	$ 1,389,012	$ 172,766	$ 522,756	$ -	$ 2,084,534
Employee health and retirement benefits	186,158	12,664	5,608	204,430	29,884	92,691	-	327,005
Payroll taxes	81,503	6,152	2,068	89,723	11,256	34,180	-	135,159
Total salaries and related benefits	1,485,027	146,852	51,286	1,683,165	213,906	649,627	-	2,546,698
Expenses								
Depreciation	403,640	13,269	-	416,909	13,303	13,303	-	443,515
House supplies	423,974	4,982	-	428,956	-	-	-	428,956
Insurance	51,161	126	-	51,287	12,624	-	5,370	69,281
Linens and laundry	8,503	-	-	8,503	-	-	-	8,503
Maintenance and repair	70,082	-	-	70,082	800	1,347	-	72,229
Meetings, training, and seminars	2,260	-	-	2,260	1,175	623	-	4,058
Office supplies	3,161	-	-	3,161	3,392	3,654	-	10,207
Other expenses	395,044	365,073	-	760,117	48,158	114,320	48,810	971,405
Postage	24	-	-	24	-	703	162	889
Printing and publishing	119	-	-	119	621	47	6,686	7,473
Professional fees	-	-	-	-	22,214	-	-	22,214
Rent	12	-	-	12	-	-	71,922	71,934
Technology	5,861	-	-	5,861	1,318	37,444	-	44,623
Telephone	7,420	-	-	7,420	900	400	-	8,720
Travel, meals, and entertainment	105	-	-	105	371	208	66,461	67,145
Utilities	114,685	-	-	114,685	3,661	3,661	-	122,007
Bank fees	-	-	-	-	2,121	37,075	-	39,196
Care mobile	-	-	58,000	58,000	-	-	-	58,000
Public relations	1,011	-	-	1,011	1,418	28,597	-	31,026
Rental property	575	-	-	575	-	-	-	575
Vehicle donation program	-	-	-	-	-	150,087	-	150,087
Volunteer recognition	12,038	-	-	12,038	578	-	-	12,616
TOTAL EXPENSES	$ 2,984,702	$ 530,302	$ 109,286	$ 3,624,290	$ 326,560	$ 1,041,096	$ 199,411	$ 5,191,357

RONALD McDONALD HOUSE CHARITIES OF CENTRAL OHIO, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2021

	Program Services							
	Ronald McDonald House	**Ronald McDonald Family Room**	**Ronald McDonald Care Mobile**	**Total**	**Management and General**	**Fundraising**	**Cost of Direct Benefits to Donors**	**Total**
Salaries	$ 1,096,855	$ 72,773	$ 29,528	$ 1,199,156	$ 150,729	$ 495,244	$ -	$ 1,845,129
Employee health and retirement benefits	124,565	10,041	4,423	139,029	27,683	87,145	-	253,857
Payroll taxes	74,132	4,610	1,634	80,376	10,236	32,214	-	122,826
Total salaries and related benefits	1,295,552	87,424	35,585	1,418,561	188,648	614,603	-	2,221,812
Expenses								
Depreciation	476,903	3,319	-	480,222	15,461	15,461	-	511,144
House supplies	556,177	2,514	-	558,691	-	-	-	558,691
Insurance	42,478	228	-	42,706	12,026	-	5,370	60,102
Linens and laundry	4,487	-	-	4,487	-	-	-	4,487
Maintenance and repair	70,136	-	-	70,136	200	2,858	-	73,194
Meetings, training, and seminars	157	-	-	157	1,083	145	-	1,385
Office supplies	4,915	-	-	4,915	3,442	3,302	-	11,659
Other expenses	293,843	365,072	-	658,915	90,000	-	48,120	797,035
Postage	-	-	-	-	10	314	596	920
Printing and publishing	215	-	-	215	113	212	5,565	6,105
Professional fees	-	-	-	-	20,602	-	-	20,602
Rent	12	-	-	12	-	-	57,104	57,116
Technology	5,651	-	-	5,651	1,391	19,191	-	26,233
Telephone	5,714	-	-	5,714	825	1,340	-	7,879
Travel, meals, and entertainment	-	5	-	5	186	652	62,453	63,296
Utilities	110,233	-	-	110,233	3,512	3,511	-	117,256
Bank fees	-	-	-	-	853	36,853	-	37,706
Care mobile	-	-	58,000	58,000	-	-	-	58,000
Public relations	-	-	-	-	-	29,402	-	29,402
Rental property	4,196	-	-	4,196	-	-	-	4,196
Vehicle donation program	-	-	-	-	-	93,364	-	93,364
Volunteer recognition	5,019	-	-	5,019	181	-	-	5,200
TOTAL EXPENSES	$ 2,875,688	$ 458,562	$ 93,585	$ 3,427,835	$ 338,533	$ 821,208	$ 179,208	$ 4,766,784

RONALD McDONALD HOUSE CHARITIES OF CENTRAL OHIO, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2022 and 2021

	2022	2021
OPERATING ACTIVITIES		
Change in net assets	$ 2,581,907	$ 9,020,444
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	443,515	511,144
Non cash interest expense	(18,206)	-
Net realized and unrealized loss (gain) on investments	1,892,759	(1,628,467)
Increase in beneficial use of land	-	(224,875)
Amortization of land use asset	30,999	30,242
(Gain) loss on sale of assets	-	570,290
(Increase) decrease in operating assets:		
Accounts receivable	4,990	(28,626)
Contributions receivable	12,436,946	(66,571)
Prepaid expense	(1,575)	(485)
Deposits	90,237	(86,702)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	12,272	(258,198)
Deferred revenue	(48,450)	139,335
NET CASH FROM OPERATING ACTIVITIES	17,425,394	7,977,531
INVESTING ACTIVITIES		
Net proceeds (purchases) from investments	146,461	149,513
Purchase of property and equipment	(9,400,058)	(739,370)
NET CASH FROM INVESTING ACTIVITIES	(9,253,597)	(589,857)
FINANCING ACTIVITIES		
Proceeds from long-term debt	13,780,000	-
Payment of debt issuance costs	(637,200)	-
Issuance of note receivable	(9,539,600)	-
NET CASH FROM FINANCING ACTIVITIES	3,603,200	-
NET CHANGE IN CASH	11,774,997	7,387,674
CASH, RESTRICTED CASH, AND CASH EQUIVALENTS, BEGINNING OF YEAR	18,685,364	11,297,690
CASH, RESTRICTED CASH, AND CASH EQUIVALENTS, END OF YEAR	$ 30,460,361	$ 18,685,364

See accompanying notes and independent auditor's report

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Ronald McDonald House Charities of Central Ohio, Inc. is an Ohio not-for-profit corporation formed in December 1976. The mission of Ronald McDonald House Charities is to create, find and support programs that directly improve the health and well-being of children and their families. Collectively, RMHC and the network of local Chapters ascribe 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.

We fulfill our mission through operation of 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 programs, operated by the Organization, represent the core functions of Ronald McDonald House Charities:

The 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 Columbus, Ohio, 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 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 OhioHealth Riverside Methodist Hospital and in the Big Lots Behavioral Health Pavilion at Nationwide 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.

The Ronald McDonald Care Mobile (RMCM) program provides access to pediatric medical, dental and/or health education services for children living in underserved communities. The RMCM program is breaking down the barriers to health care, expanding critical health care access, and extending the organization's reach to countless underserved children. The RMCM program serves children that are at great risk to develop acute conditions, dental problems, chronic diseases, and even serious lifelong illnesses. Through partnerships with local healthcare organizations and government ministries, the Organization is bringing clinical services and health education directly to those in need, so children can receive high quality, convenient care right in their own neighborhood – from urban communities to remote, hard-to-reach areas.

In November 2021, the Organization formed a wholly controlled supporting organization, Mac House Support Organization, Inc. ("Mac House"), a 501(c)(3) not-for-profit corporation incorporated in the state of Ohio. Mac House was established as part of a New Markets Tax Credit (NMTC) financing transaction for the expansion of the Organization's facilities. As a supporting organization to Ronald McDonald House Charities of Central Ohio, Inc., Mac House activities will involve facilitating and helping to fund the renovation of the facility and leasing the house back to Ronald McDonald House Charities of Central Ohio, Inc. As of December 31, 2021, Mac House did not have any activity. During 2022, net assets with donor restrictions for construction of the facility expansion totalling $25,661,792 were

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

transferred to Mac House. These assets will be released from restriction when the building is placed into service.

Principles of Consolidation
The consolidated financial statements include the accounts of Ronald McDonald House Charities, Inc. and its wholly owned subsidiaries RE Gifted, LLC, Ronald McDonald House Charities of Central Ohio Real Estate Holding Company, LLC and the wholly controlled support corporation Mac House Support Organization, Inc. (collectively the Organization).

Due to the limited size and activity of RE Gifted, LLC and Ronald McDonald House Charities of Central Ohio Real Estate Holding Company, LLC their balances through this consolidated financial statement are included with the balances of Ronald McDonald House Charities, Inc. All significant intercompany transactions and balances have been eliminated in consolidation.

Basis of Presentation
The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and are presented on the basis of net assets without donor restrictions and net assets with donor restrictions.

Net assets with donor restrictions are created only by donor-imposed restrictions on their use. When a 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. All other net assets without donor restrictions including board-designated or appropriated amounts, are net assets without donor restrictions and are reported as part of the net assets without donor restriction class.

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 investment return on investments.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Cash Equivalents

Cash equivalents include money market funds and all highly liquid investments with a maturity date of less than three months from the date of purchase. The Organization's cash balances that are maintained in bank accounts may exceed Federal Deposit Insurance Corporation limits from time to time. The Organization has not experienced any losses in such accounts and management believes that it is not exposed to any significant credit risk on cash.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements. The allowance for accounts receivable was $0 at December 31, 2022 and 2021.

Contributions Receivable

Contributions receivable are unconditional promises to give. Unconditional promises to give that are expected 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 recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

Contributions receivable are stated net of an allowance for doubtful accounts. The Organization establishes an allowance for uncollectable pledges based upon factors surrounding the credit risk of specific donors, historical trends, and other information. The allowance for uncollectable pledges was $0 at December 31, 2022 and 2021. Contributions receivable are written-off when deemed uncollectable.

The Organization is the beneficiary under various wills and trust agreements of which the total realizable amount is not presently determinable. Such amounts are recorded when a will is declared valid by probate court and the proceeds are measurable.

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the consolidated statements of financial position. Realized and unrealized gains, losses, and income are included in the statements of activities and changes in net assets.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property and Equipment

Property and equipment are stated at cost, if purchased, or estimated fair value, if donated, at the date of donation. Additions of $2,000 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as incurred. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

	Life
Building and improvements	39 years
Equipment	3-10 years
Furniture & Fixtures	4-10 years
Vehicles	5 years

Impairment of Long-Lived Assets

The Organization evaluates its long-lived assets for any events or changes in circumstances, which indicate that the carrying amount of such assets may not be fully recoverable. The Organization evaluates the recoverability of long-lived assets by measuring the carrying amount of such assets against the estimated undiscounted future cash flows associated with them. At the time such evaluation indicates that the future undiscounted cash flows of certain long-lived assets are not sufficient to recover the carrying value of such assets, the assets are adjusted to their fair values.

Donated Assets, Property and Equipment, and Services

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

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

Leases

The Organization determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (“ROU”) assets – operating and lease liability – operating, and finance leases are included in right-of-use (“ROU”) assets – financing and lease liability – financing in the statements of financial position.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statements of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

The Organization has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

Deferred Revenue
Income from sponsorships received in advance of future special events, for which the resource provider is receiving commensurate value in return or a right of return exists if the event does not occur, is deferred and recognized over the periods to which the sponsorships relate.

Net Assets
The Organization's net assets and changes therein are classified and reported as follows:

Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions or law. The governing board has designated, from net assets without donor restrictions, net assets for a property maintenance reserve, board designated endowment, and facility expansion.

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

Revenue Recognition:

Contributions and Grants
Unconditional promises to give are recognized as revenue in the period the promise was made. Contributions, grants, and bequests are recognized as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

Special Event Revenue – Ticket Sales
The portion of ticket sales that relates to the commensurate value the attendee receives in return is recognized when the related events are held and performance obligations are met.

Third-party Reimbursements
Third-party reimbursements are reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing housing to eligible families. These amounts are due from third party payors, as applicable, and include variable consideration and price concessions due to coverage. Revenue is recognized as performance obligations are satisfied based on actual charges incurred in relation to total expected collections.

Functional Expenses
The consolidated statements of functional expenses report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include: depreciation, insurance, interest, maintenance and repairs, rent, and utilities, which are allocated on a square footage basis; meetings, education and training, office supplies, technology and telephone, which are allocated based on full-time equivalents; and salaries and wages, payroll taxes, and employee benefits, which are allocated on the basis of estimates of time and effort.

Liquidity
The Organization has $8,156,120 and $16,253,060 of financial assets, as of December 31, 2022 and 2021, respectively, available to meet cash needs for general expenditures within one year of the consolidated statement of financial position date, which consists of the current assets per the consolidated statement of financial position, reduced by $31,351,975 and $16,669,741 of current assets subject to appropriation and donor imposed restrictions.

As part of the Organization's liquidity management, it invests cash in excess of daily requirements in short-term investments. Occasionally, the Board of Trustees designates a portion of any operating surplus to its property maintenance reserve, which was $1,829,671 and $1,809,706 as of December 31, 2022 and 2021, respectively. The Board of Trustees has the objective of setting these funds aside to be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside of the typical life cycle of converting financial assets to cash or settling financial liabilities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Income Taxes
Ronald McDonald House Charities of Central Ohio, Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income, if any, from certain activities not directly related to the Ronald McDonald House Charities of Central Ohio, Inc.'s tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Ronald McDonald House Charities, Inc. qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

RE Gifted, LLC and Ronald McDonald House Charities of Central Ohio Real Estate Holding Company, LLC for tax purposes are considered disregarded entities and all of their assets, liabilities, deduction and credits are treated as if owned or derived by Ronald McDonald House Charities, Inc. on Ronald McDonald House Charities, Inc.'s Federal Form 990.

Mac House Support Organization, Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income, if any, from certain activities not directly related to the Mac House Support Organization, Inc.'s tax-exempt purpose is subject to taxation as unrelated business income. In addition, Mac House Support Organization, Inc. qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(3) Type I supporting organization.

The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements.

Adoption of New Accounting Standards

Leases
In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, Leases (ASC 842). This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The organization adopted the requirements of the guidance effective January 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption. As of December 31, 2022 the Organization had no leases with terms longer than 12 months with renewal options that the Organization is reasonably certain they will execute.

The Organization has elected to adopt the package of practical expedients available in the year of adoption.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Contributed Nonfinancial Assets
In September 2020, the FASB issued amended guidance for contributed nonfinancial assets with ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958). The guidance requires the presentation of contributed nonfinancial assets as a separate line item in the statement of activities, disclosure of the disaggregated amount by type and disclosure of qualitative information about whether the contributed nonfinancial assets were monetized or utilized during the reporting period as well as a description of the programs or other activities in which the assets were used. The guidance also requires disclosure of any donor-imposed restrictions and a description of valuation techniques. The Organization adopted ASU 2020-07 for the year ending December 31, 2022.

NOTE 2 - CONTRIBUTIONS RECEIVABLE

The Contributions receivable consist primarily of pledges as of the years ended December 31:

	2022	2021
Amounts due in:		
Less than one year	$ 1,732,226	$ 7,159,035
One to five years	1,249,425	8,294,397
More than five years	500,000	750,000
Total	3,481,651	16,203,429
Unamortized discount	(313,297)	(598,129)
Allowance for uncollectible	-	-
Net contributions receivable	$ 3,168,354	$ 15,605,300

The discount rate used for the years ended December 31, 2022 and 2021 was 4.07% and 2.5%, respectively.

NOTE 3 - FAIR VALUE MEASUREMENTS

In determining fair value, the Organization uses various valuation approaches within the fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability. A hierarchy for inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Levels within the hierarchy are based on the reliability of inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;

Level 2 – Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets; and

Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models, and similar techniques not based on market, exchange, dealer, or broker-traded transactions.

NOTE 3 - FAIR VALUE MEASUREMENTS – CONTINUED

The fair values of assets measured on a recurring basis as of December 31, 2022 are as follows:

	Quoted Prices in Active Markets or Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV	Total
Assets					
Recurring:					
Investments:					
Mutual Funds:					
Domestic Equity	$ 5,594,723	$ -	$ -	$ -	$ 5,594,723
International Equity	317,354	-	-	-	317,354
Exchange-Traded Funds:					
Domestic Equity	154,940	-	-	-	154,940
International Equity	38,980	-	-	-	38,980
Real Estate	276,308	-	-	-	276,308
Bonds:					
U.S. Corporate	-	2,288,271	-	-	2,288,271
Other:					
Beneficial Interest in Assets Held by Others	297,283	-	-	-	297,283
Total Assets	$ 6,679,588	$2,191,274	$ -	$ -	$ 8,967,859

NOTE 3 - FAIR VALUE MEASUREMENTS – CONTINUED

The fair values of assets measured on a recurring basis as of December 31, 2021 are as follows:

	Quoted Prices in Active Markets or Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV	Total
Assets					
Recurring:					
Investments:					
Mutual Funds:					
Domestic Equity	$ 6,164,018	$ -	$ -	$ -	$ 6,164,018
International Equity	398,274	-	-	-	398,274
Exchange-Traded Funds:					
Domestic Equity	1,311,016	-	-	-	1,311,016
International Equity	550,022	-	-	-	550,022
Real Estate	388,634	-	-	-	388,634
Bonds:					
U.S. Corporate	-	1,842,623	-	-	1,842,623
Other:					
Beneficial Interest in Assets Held by Others	352,492	-	-	-	352,492
Total Assets	$ 9,164,456	$1,842,623	$ -	$ -	$11,007,079

The fair value of the Organization's investments at December 31, 2022 and 2021 are summarized as follows:

2022

	Current	Noncurrent	Total
Equity securities	$ 5,080,974	$ 1,322,306	$ 6,403,280
Fixed income securities	1,896,382	391,889	2,288,271
Real estate funds	193,828	82,480	276,308
	$ 7,171,184	$ 1,796,675	$ 8,967,859

2021

	Current	Noncurrent	Total
Equity securities	$ 7,084,965	$ 1,690,857	$ 8,775,822
Fixed income securities	1,484,446	358,177	1,842,623
Real estate funds	272,624	116,010	388,634
	$ 8,842,035	$ 2,165,044	$ 11,007,079

NOTE 3 - FAIR VALUE MEASUREMENTS – CONTINUED

Scheduled maturities of fixed income securities as of December 31, 2022 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Less than one year	$ 417,992	$ 159,945	$ 577,937
One to five years	1,478,390	231,944	1,710,334
Six to ten years	-	-	-
	$ 1,896,382	$ 391,889	$ 2,288,271

Fair values for Level 1 investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair value of Level 2 investments are determined by reference to quoted prices for similar assets in less active markets. Fair value of Level 3 investments are determined from valuation techniques in which one or more inputs are unobservable. The Organization did not have any investments that were measured using Level 3. The carrying amounts of all other assets and liabilities reflected in the consolidated statements of financial position for the Organization's financial instruments approximates their respective fair value due to the short-term maturities of those instruments. There have been no changes in valuation techniques and related inputs.

The overall investment objective of the Organization is to invest its assets in a prudent manner that will achieve a long-term rate of return sufficient to fund a portion of its annual operating activities and increase investment value after inflation. The Organization diversifies its investments among various asset classes incorporating multiple strategies and managers. Major investment decisions are authorized by the Board of Trustees which oversees the Organization's investment program in accordance with established guidelines.

The composition of investment income on the Organization's investment portfolio for the years ended December 31, 2022 and 2021 is as follows:

	2022	2021
Interest and Dividend Income, Net	$ 104,157	$ 179,429
Realized and Unrealized Gains, Net	(1,892,759)	1,628,467
Investment Income, Net	$ (1,788,602)	$ 1,807,896

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31:

	2022	2021
Buildings and improvements	$ 15,377,235	$ 15,406,525
Furniture and fixtures	2,604,049	2,609,455
Equipment	519,840	521,335
Vehicles	17,512	17,512
Total, at cost	18,518,636	18,554,827
Accumulated depreciation	(8,332,000)	(7,924,676)
Net Property and equipment	$ 10,186,636	$ 10,630,151

At December 31, 2022 and 2021, the Organization also had $9,779,146 and $379,088, respectively, in construction in progress for the facility expansion project.

NOTE 5 - NOTE RECEIVABLE

In March 2022, the Organization entered into a loan agreement with a bank to facilitate the tax credit transactions used to fund the construction of the facility expansion (Note 21). The note receivable at December 31, 2022 is interest only at 1% with quarterly payments through March, 2029. Effective June 2029, interest and principal payments of approximately $145,000 will be due in quarterly installments through maturity in March 2047. At December 31, 2022, the note receivable balance was $9,539,600.

NOTE 6 - NOTES PAYABLE

Notes payable as of December 31, 2022 consisted of:

Note Payable, interest only at 1.22% through March 2029, then quarterly payments of $44,392 until maturity in March 2052, collateralized by building	$	3,557,000
Note Payable, interest only at 1.22% through March 2029, then quarterly payments of $16,126 until maturity in March 2052, collateralized by building		1,293,000
Note Payable, interest only at 1.22% through March 2029, then quarterly payments of $17,757 until maturity in March 2052, collateralized by building		1,422,800
Note Payable, interest only at 1.22% through March 2029, then quarterly payments of $7,204 until maturity in March 2052, collateralized by building		577,200
Note Payable, interest only at 1.22% through March 2029, then quarterly payments of $32,770 until maturity in March 2052, collateralized by building		2,625,800
Note Payable, interest only at 1.22% through March 2029, then quarterly payments of $24,137 until maturity in March 2052, collateralized by building		1,934,000
Note Payable, interest only at 1.22% through March 2029, then quarterly payments of $21,718 until maturity in March 2052, collateralized by building		1,740,200
Note Payable, interest only at 1.22% through March 2029, then quarterly payments of $7,863 until maturity in March 2052, collateralized by building		630,000
	$	13,780,000
Less: loan origination fees, net of accumulated amortization of $18,206		(655,406)
	$	13,124,594

NOTE 7 - BENEFICIAL USE OF LAND

The Organization's main facility is located on land owned by Nationwide Children's Hospital (the Hospital). During 2020, the Organization amended a previously held "Ground Lease Agreement" with the Hospital for a term ending on December 31, 2061 for the use of the land. The Organization pays the Hospital $12 annually for use and occupancy of the real property. The annual rental value was estimated to be approximately $81,203 per year. In connection with this lease agreement, the Organization discounted the value of the lease using a discount rate of approximately 2.5%. A restricted contribution was recorded during 2007 and subsequently during 2020 upon the amendment to include additional parcels to be used for the expansion of the facilities.

Support Agreement - the Hospital has provided $13,000,000 to be used for the construction of the expansion, of which the entire balance has been collected through December 31, 2022. The Organization will be responsible for any remaining construction costs and must meet certain agreed upon construction milestones.

In January 2021, the Organization purchased the final parcel of land needed for the expansion of the facilities. In August 2021, this parcel of land and one acquired in 2017 were transferred to the Hospital and the Ground Lease Agreement was amended to include the additional real property. During 2022, the rights to the Ground Lease Agreement were assigned to Mac House. As of December 31, 2022 and 2021 the value remaining on the use of land was $2,058,382 and $2,089,381, respectively, and is included in noncurrent assets on the consolidated statements of financial position.

NOTE 8 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

A donor has established a fund with Knox County Foundation (formerly known as Community Foundation of Mount Vernon & Knox County) for the benefit of the Organization. The Organization does not control the fund, but may request periodic distributions, subject to the foundation board's approval. Because the Organization does not control this fund, it has not been recorded in the accompanying consolidated financial statements. The balance of this fund at December 31, 2022 and 2021 was $222,477 and $261,708, respectively.

The Ronald McDonald House Charities of Central Ohio Fund Self-Designated Endowment Fund (the Fund) was established by the Organization in April 2011, with The Columbus Foundation for the purpose of providing unrestricted support for the charitable or educational purposes of the Organization with a preference for supporting families. The Organization retains the right to add to the Fund in the future and other individuals, organizations, and corporations may also donate to the Fund.

According to the Code of Regulations of The Columbus Foundation, The Columbus Foundation shall respect and observe the donor's desire as to the time when and the purpose for which the principal shall be distributed and as to the purpose for which the income shall be used for a definite or indefinite period. The Columbus Foundation may at any time or from time-to-time direct the application of the fund transfer to other charitable, scientific, educational, religious, or public purpose as, in their judgment, will most effectually accomplish the general purposes of The Columbus Foundation if and whenever it shall appear to The Columbus Foundation's Board of Trustees that circumstances have so changed since the execution of the instrument containing any fund transfers as to render unnecessary, undesirable, impractical, or impossible a literal compliance with the terms of such instrument.

The Ronald McDonald House Charities of Central Ohio Fund (the RMHC Fund) was established by the Organization in November 2017, with the Licking County Foundation for the purpose of providing unrestricted support of the charitable or educational purposes of the

NOTE 8 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS - CONTINUED

Organization with a preference for supporting Licking County children and families. According to the Treasury Regulations of the Licking County Foundation, the Licking County Foundation shall respect and observe the donor's desire as to the time when and the purpose for which the principal shall be distributed and as to the purpose for which the income shall be used for a definite or indefinite period. The Licking County Foundation may at any time or from time-to-time direct the application of the RMHC Fund transfer to other charitable, scientific, educational, religious, or public purpose as, in their judgment, will most effectually accomplish the general purposes of the Licking County Foundation if and whenever it shall appear to the Licking County Foundation's Board of Trustees that circumstances have so changed since the execution of the instrument containing any fund transfers as to render unnecessary, undesirable, impractical, or impossible a literal compliance with the terms of such instrument.

The beneficial interest in assets held by The Columbus Foundation and the Licking County Foundation as of December 31, 2022 and 2021 was $297,283 and $352,492, respectively. Subsequent changes in the value of the underlying assets are recorded in the accompanying statements of activities as the change in value of beneficial interest in assets held by others.

The net income and principal from both of these funds is designated for the Organization.

NOTE 9 - PAYCHECK PROTECTION PROGRAM

Under the second round of Paycheck Protection Program funding, the Organization applied for and was approved for a $427,300 loan. The loan was received on January 26, 2021. The loan accrued interest at 1%, with the first ten months of interest deferred, had a term of five years and was unsecured and guaranteed by the Small Business Administration. The Organization was eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The Organization received forgiveness of $427,300 on August 26, 2021. The Organization recognized these proceeds as grant revenue on the consolidated statement of activities and changes in net assets during the year ended December 31, 2021.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Organization's financial position.

NOTE 10 - ENDOWMENT FUNDS

The Organization received 10,000 shares of McDonald's common stock from a donor to create an endowment in 1993. The donor agreement states that the Organization may sell the stock and invest the proceeds to maximize income. The Organization chose to sell the original shares of stock and received $500,000 that has been invested in accordance with its investment policies.

The agreement further states that the interest and dividend income may be used as needed for operating expenses of the Organization and the capital gains and losses, as well as appreciation and depreciation in the asset values are to be maintained in the endowment.

In addition, the Organization has funds designated by the Board of Trustees to function as endowment funds with the intent to grow the funds for the future needs of the charity. Net assets associated with endowment funds, including funds functioning as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

NOTE 10 - ENDOWMENT FUNDS - CONTINUED

Absent explicit donor stipulations to the contrary, the Board of Trustees of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with the standard of prudence prescribed by UPMIFA, 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 various funds
(2) The purposes of the donor-restricted endowment funds
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Organization
(7) The Organization's investment policies

Investment Return Objectives, Risk Parameters and Strategies. The Organization has adopted investment and spending policies, approved by the Board of Trustees, for endowment assets. Those policies attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the funds if possible. The Organization expects its endowment assets, over time, to produce an average rate of return of approximately 8% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to prevent exposing the fund to unacceptable levels of risk.

It is the Organization’s policy to limit spending of these funds to less than 5% of the fund’s total fair market value.

NOTE 10 - ENDOWMENT FUNDS – CONTINUED

Changes in endowment net assets and net assets by type of fund were as follows for the year ended December 31, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 352,492	$ 2,165,044	$ 2,517,536
Investment return, net	5,775	-	5,775
Net depreciation realized and unrealized	(60,984)	(368,368)	(429,351)
Contributions	-	-	-
Donor-restricted gift to create endowment	-	20,000	20,000
Appropriation of endowment assets for expenditure	-	-	-
Other Changes:			
Transfers to remove board-designated endowment funds	-	-	-
Transfers to create board-designated endowment funds	-	-	-
Endowment net assets, end of year	$ 297,283	$ 1,816,676	$ 2,113,960

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated quasi-endowment funds	$ 297,283	$ -	$ 297,283
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be retained by donor	-	520,000	520,000
Portion subject to appropriation under UPMIFA	-	1,296,676	1,296,676
Total funds	$ 297,283	$ 1,816,676	$ 2,113,960

NOTE 10 - ENDOWMENT FUNDS – CONTINUED

Changes in endowment net asset and net assets by type of fund were as follows for the year ended of December 31, 2021 :

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 299,955	$ 1,797,916	$ 2,097,871
Investment return, net	1,908	-	1,908
Net appreciation realized and unrealized	48,419	367,128	415,547
Contributions	-	-	-
Appropriation of endowment assets for expenditure	-	-	-
Other Changes:			
Transfers to remove board-designated endowment funds	-	-	-
Transfers to create board-designated endowment funds	2,210	-	2,210
Endowment net assets, end of year	$ 352,492	$ 2,165,044	$ 2,517,536
Board-designated quasi-endowment funds	$ 352,492	$ -	$ 352,492
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be retained by donor	-	500,000	500,000
Portion subject to appropriation under UPMIFA	-	1,665,044	1,665,044
Total funds	$ 352,492	$ 2,165,044	$ 2,517,536

Fund Deficiencies. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2022 and 2021.

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS

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

	2022	2021
Subject to expenditure for specific purpose:		
Program Activities:		
Ronald McDonald House Facility Expansion	$ 27,726,511	$ 24,406,440
Ronald McDonald House Equipment Purchases	-	4,459
Ronald McDonald House Toy Purchases	10,000	-
Ronald McDonald House Vending Subsidy	68,674	60,756
Beneficial Use of Land	2,058,382	2,089,381
	29,863,567	26,561,036
Subject to the Organization's spending policy and appropriation:		
Ronald McDonald House Operations:		
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	520,000	500,000
Accumulated Gain (Loss)	1,296,676	1,665,044
Total – Ronald McDonald House Operations	1,796,676	2,165,044
Total net assets with donor restrictions	$ 31,680,243	$ 28,726,080

NOTE 12 - NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by donors as follows for the year ended December 31:

	2022	2021
Purpose restrictions accomplished:		
Ronald McDonald House	$ 16,542	$ 17,567
Ronald McDonald Family Room	-	-
Beneficial Use of Land	30,999	30,242
	47,541	47,809
Time restrictions expired:		
Passage of specified time	-	-
Release (increase) of appropriated endowment returns without purpose restrictions	-	(367,128)
Total restrictions released (increased)	$ 47,541	$ (319,319)

NOTE 13 - NET ASSETS WITHOUT DONOR RESTRICTIONS

The Organization's governing Board of Trustees has designated net assets without donor restrictions for the following purposes as of December 31:

	2022	2021
Board-Designated Quasi-Endowment funds	$ 297,283	$ 352,492
Board-Designated for Facility Expansion	4,390,160	2,044,419
Board-Designated Property Maintenance Reserve	1,829,671	1,809,707
Total	$ 6,517,114	$ 4,206,618

NOTE 14 - REVENUE RECOGNITION

The following table shows the Organization's revenue disaggregated according to the timing of the transfer of goods or services for the years end December 31:

	2022	2021
Revenue Recognized at a Point in Time		
Contributions	$ 6,013,922	$ 9,278,807
In-kind Contributions	1,254,966	1,469,348
Special Events	1,360,053	1,244,261
Room Donations and Third Party Reimbursements	329,556	316,511
Vehicle Donation Program	411,541	240,695
Gain (Loss) on Sale of Fixed Assets	-	(570,290)
Total	$ 9,370,038	$ 11,979,332

The Organization's contract assets and liabilities consist of the following as of December 31:

	2022	2021
Accounts Receivable		
Sponsorships for Special Events	$ 17,000	$ 8,500
Net Vehicle Donation Proceeds	844	-
Medicaid billing	46,175	35,544
Logo Merchandise	980	7,544
Miscellaneous Receivables	38,702	47,481
Family Room Contributions	30,490	40,112
Capital Campaign Pledges	3,147,854	15,577,533
Naming Rights Pledges	20,500	27,767
Total	$ 3,302,545	$ 15,744,481
Deferred Revenue		
Heroes of the House Contributions	$ 100,000	$ 150,000
Sponsorships for Special Events	19,000	15,000
Prepayments for Team Cuisine Program	7,500	9,950
Total	$ 126,500	$ 174,950

NOTE 15 - DONATED GOODS AND SERVICES

The fair value of donated goods and services included as contributions in the consolidated financial statements and the corresponding expense and fixed assets categories are as follows for the years ended December 31:

	2022	2021
House Supplies	$ 363,371	$ 525,797
Cable TV	57,980	57,980
IT Services	135,569	40,000
House Services	168,449	204,661
Rent Nationwide Children's Hospital	81,203	81,203
Marketing	114,320	-
Behavioral Health Family Room	319,050	319,050
Rent Riverside Methodist Hospital	46,023	46,023
Expanded beneficial use of land	-	224,876
Amortization for beneficial use of land	(30,999)	(30,242)
Total	$ 1,254,966	$ 1,469,348

NOTE 16 - OPERATING LEASE

In December 2016, the Organization entered into a lease agreement with Riverside Methodist Hospital (Riverside) for space and services to operate the Ronald McDonald Family Room, a gathering place at the hospital for families of pediatric patients. The agreement is for ten years and the Organization has the option to renew this lease for two additional five-year periods. There are no payment obligations under the lease agreement. Either party may cancel the agreement without cause with a one year written notice. Under the terms of the agreement, Riverside will provide 1,050 square feet of space to the Organization along with parking, utilities, and janitorial services. The Organization is responsible for operational expenses, furnishings and staffing the space during all hours of operation. The value of this space and services provided by Riverside for the years ended December 31, 2022 and 2021, was $46,023 and $46,023, respectively and is included in donated goods and services. No right-of-use asset or corresponding lease liability have been recorded as of December 31, 2022.

NOTE 17 - COMMITMENTS

During 2010, the Organization entered into an agreement with the Hospital to provide support for the Ronald McDonald Care Mobile Program. In the agreement, the Organization agrees to contribute to the Hospital, in the form of cash, property or in kind contributions, an amount equal to not less than 20% of the annual expenses incurred in operating the Ronald McDonald Care Mobile. The Organization provided $109,286 and $93,585 in support of the Care Mobile for the years ended December 31, 2022 and 2021, respectively.

NOTE 18 - TRANSACTIONS WITH RELATED ENTITIES

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

NOTE 18 - TRANSACTIONS WITH RELATED ENTITIES - CONTINUED

Ronald McDonald House Charities, Inc. (RMHC Global), a separately registered nonprofit organization, ensures delivery of the mission across the globe. As a center of excellence, RMHC Global builds and sustains a robust infrastructure of support to the network of Chapters, including operations, licensing and compliance, finance, risk management, communications, marketing and development. The Organization receives 75% of net revenues from all national fundraising efforts facilitated by RMHC Global, as defined by the license agreement. During the years ended December 31, 2022 and 2021, the Organization received $857,474 and $786,542, respectively, from these revenue streams.

During 2009, the employees of the Organization became employees of Nationwide Children's Hospital. As such, employees are eligible to participate in Nationwide Children's Hospital benefit plans. The Organization reimburses Nationwide Children's Hospital for the employees' wages and related taxes and benefits. The total reimbursed employee expense paid during 2022 and 2021 was $2,518,047 and $2,481,426, respectively.

NOTE 19 - CONCENTRATIONS

Credit risk for accounts and contributions receivable are considered concentrated because substantially all of the balances are receivable from organizations and individuals located within the same geographic region.

At December 31, 2022, the Organization had three donors that represented 59% of outstanding pledge receivables. At December 31, 2021, the Organization had two donors that represented 85% of outstanding pledge receivables. The Organization has a long history and a close working relationship with these donors and management believes the amounts are fully collectible. Changes with these donor pledges could have a significant impact on the Organization.

The Organization has significant investments in stocks, bonds, and mutual funds and is therefore subject to credit risk. Investments are managed by outside firms to maximize returns within the Organization's investment policies. Though the market value of investments is subject to fluctuations on a year-to-year basis, management believes the investment policies are prudent for the long-term welfare of the Organization and its beneficiaries.

NOTE 20 - SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the year ended December 31, 2022 and 2021, for interest was $135,257 and $0, respectively.

NOTE 21 - FACILITY EXPANSION

In March 2022, the Organization entered into a series of transactions designed to provide funding to construct an expansion to the current building. The transactions allowed other unrelated parties to utilize federal and state New Market Tax Credits, which could not be utilized by the Organization. These credits are subject to recapture to the extent the Organization does not meet certain performance standards. The requirements include various economic and community impacts that will respond to the needs of the surrounding community, as specified in the agreement.

NOTE 21 - FACILITY EXPANSION - CONTINUED

Accordingly, the unrelated parties entered into debt, lease, and other agreements designed to protect their financial interests in the transaction and which incentivized the Organization to meet performance standards during the compliance period. Conversely, the Organization negotiated provisions in the agreements which provide options to relieve the Organization of these significant obligations upon expiration of the compliance period. The compliance period expires in March 2029.

NOTE 22 - SUBSEQUENT EVENTS

Management evaluated subsequent events through April 25, 2023, the date the consolidated financial statements were available to be issued.

SUPPLEMENTAL CONSOLIDATING FINANCIAL STATEMENTS

RONALD McDONALD HOUSE CHARITIES OF CENTRAL OHIO, INC.
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
As of December 31, 2022

	Ronald McDonald House Charities of Central Ohio, Inc. and Subsidiaries	Mac House Support Organization, Inc.	Eliminations	Consolidated
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 9,789,572	$ 20,650,789	$ -	$ 30,440,361
Restricted cash (Note 10)	20,000	-	-	20,000
Accounts receivable	134,191	-	-	134,191
Current portion of contributions receivable (Note 2)	1,732,226	-	-	1,732,226
Intercompany Receivables	3,921,802	-	(3,921,802)	-
Investments - unrestricted (Note 3)	6,873,901	-	-	6,873,901
Investments - Columbus Foundation (Note 8)	149,700	-	-	149,700
Investments - Licking County Foundation (Note 8)	147,583	-	-	147,583
Prepaid expense	8,633	-	-	8,633
Deposits	1,500	-	-	1,500
TOTAL CURRENT ASSETS	22,779,108	20,650,789	(3,921,802)	39,508,095
NONCURRENT ASSETS				
Contributions receivable, net of current portion (Note 2)	1,436,128	-	-	1,436,128
Note receivable (Note 5)	9,539,600	-	-	9,539,600
Investments - restricted (Note 10)	1,796,675	-	-	1,796,675
Property and equipment, net (Note 4)	125,163	10,061,473	-	10,186,636
Construction in progress (Note 4)	244,214	9,534,932	-	9,779,146
Beneficial use of land (Note 7)	-	2,058,382	-	2,058,382
TOTAL NONCURRENT ASSETS	13,141,780	21,654,787	-	34,796,567
TOTAL ASSETS	$ 35,920,888	$ 42,305,576	$ (3,921,802)	$ 74,304,662
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	$ 370,550	$ -	$ -	$ 370,550
Intercompany Payables	-	3,921,802	(3,921,802)	-
Deferred revenue	126,500	-	-	126,500
TOTAL CURRENT LIABILITIES	497,050	3,921,802	(3,921,802)	497,050
LONG TERM LIABILITIES				
Notes payable (Note 6)	-	13,124,594	-	13,124,594
TOTAL LIABILITIES	497,050	17,046,396	(3,921,802)	13,621,644
Without donor restrictions	8,112,264	14,373,397	-	22,485,661
Without donor restrictions - Board designated (Note 13)	6,517,114	-	-	6,517,114
With donor restrictions (Note 11)	20,794,460	10,885,783	-	31,680,243
TOTAL NET ASSETS	35,423,838	25,259,180	-	60,683,018
TOTAL LIABILITIES AND NET ASSETS	$ 35,920,888	$ 42,305,576	$ (3,921,802)	$ 74,304,662

See accompanying notes and independent auditor's report

RONALD McDONALD HOUSE CHARITIES OF CENTRAL OHIO, INC.
CONSOLIDATING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended December 31, 2022

	Ronald McDonald House Charities of Central Ohio, Inc., and Subsidiaries			Mac House Support Organization, Inc.				Consolidated		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Eliminations	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT										
Contributions	$ 2,643,850	$ 3,370,072	$ 6,013,922	$ -	$ -	$ -	$ -	$ 2,643,850	$ 3,370,072	$ 6,013,922
Contributions, in-kind (Note 15)	1,204,763	-	1,204,763	50,203	-	50,203	-	1,254,966	-	1,254,966
Special events	1,360,053	-	1,360,053	-	-	-	-	1,360,053	-	1,360,053
Room donations and third-party reimbursements	329,556	-	329,556	-	-	-	-	329,556	-	329,556
Vehicle donation program	411,541	-	411,541	-	-	-	-	411,541	-	411,541
Intercompany contribution	-	-	-	14,776,009	10,885,783	25,661,792	(25,661,792)	-	-	-
Net assets released from restrictions (Note 12)	47,541	(47,541)	-	-	-	-	-	47,541	(47,541)	-
TOTAL REVENUE AND SUPPORT	5,997,304	3,322,531	9,319,835	14,826,212	10,885,783	25,711,995	(25,661,792)	6,047,507	3,322,531	9,370,038
EXPENSES										
Intercompany contribution expense	14,776,009	10,885,783	25,661,792	-	-	-	(25,661,792)	-	-	-
Program services	3,187,005	-	3,187,005	437,285	-	437,285	-	3,624,290	-	3,624,290
Cost of direct benefit to donors	199,411	-	199,411	-	-	-	-	199,411	-	199,411
Management and general administration	314,082	-	314,082	12,478	-	12,478	-	326,560	-	326,560
Fundraising	1,029,734	-	1,029,734	11,362	-	11,362	-	1,041,096	-	1,041,096
TOTAL EXPENSES	19,506,241	10,885,783	30,392,024	461,125	-	461,125	(25,661,792)	5,191,357	-	5,191,357
CHANGE IN NET ASSETS FROM OPERATION	(13,508,937)	(7,563,252)	(21,072,189)	14,365,087	10,885,783	25,250,870	-	856,150	3,322,531	4,178,681
NONOPERATING ACTIVITIES										
Net realized and unrealized gain (loss) on investments	(1,524,391)	(368,368)	(1,892,759)	-	-	-	-	(1,524,391)	(368,368)	(1,892,759)
Investment income, net	287,675	-	287,675	8,310	-	8,310	-	295,985	-	295,985
TOTAL NONOPERATING ACTIVITIES	(1,236,716)	(368,368)	(1,605,084)	8,310	-	8,310	-	(1,228,406)	(368,368)	(1,596,774)
CHANGE IN NET ASSETS	(14,745,653)	(7,931,620)	(22,677,273)	14,373,397	10,885,783	25,259,180	-	(372,256)	2,954,163	2,581,907
NET ASSETS, BEGINNING OF YEAR	29,375,031	28,726,080	58,101,111	-	-	-	-	29,375,031	28,726,080	58,101,111
NET ASSETS, END OF YEAR	$ 14,629,378	$ 20,794,460	$ 35,423,838	$ 14,373,397	$ 10,885,783	$ 25,259,180	$ -	$ 29,002,775	$ 31,680,243	$ 60,683,018