RONALD MCDONALD HOUSE CHARITIES OF SOUTH LOUISIANA, INC.

FINANCIAL REPORT

DECEMBER 31, 2024

RONALD MCDONALD HOUSE CHARITIES
OF SOUTH LOUISIANA, INC.

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INDEPENDENT AUDITOR'S REPORT

September 11, 2025

To the Board of Directors
Ronald McDonald House Charities
of South Louisiana, Inc.
New Orleans, Louisiana

Opinion

We have audited the accompanying financial statements of Ronald McDonald House Charities of South Louisiana, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year 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 Ronald McDonald House Charities of South Louisiana, Inc. as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 South Louisiana, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Ronald McDonald House Charities of South Louisiana, Inc.'s ability to continue as a going concern within one year after the date that the 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 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 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 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 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 Ronald McDonald House Charities of South Louisiana, 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 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 South Louisiana, 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.

Duplantier, Hrapmann, Hogan & Maher LLP

Metairie, Louisiana

RONALD MCDONALD HOUSE CHARITIES OF SOUTH LOUISIANA, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

ASSETS

CURRENT ASSETS:	
Cash and cash equivalents	$ 997,610
Investments	10,029,758
Accounts receivable	106,404
Due from related party	169,472
Unconditional promises to give, net	121,471
Total current assets	11,424,715
PROPERTY AND EQUIPMENT, NET	3,393,574
OTHER ASSETS	
Unconditional promises to give, net	164,645
Total other assets	164,645
TOTAL ASSETS	$ 14,982,934

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:	
Accounts payable and accrued liabilities	$ 23,535
Current portion of note payable	500,000
Total current liabilities	523,535
LONG-TERM DEBT	1,500,000
TOTAL LIABILITIES	2,023,535
NET ASSETS:	
Without donor restrictions:	
Undesignated	3,822,003
Board-designated:	
Property and equipment	1,393,574
Program expansion	4,000,000
House operations	1,350,000
Total without donor restrictions	10,565,577
With donor restrictions	2,393,822
Total net assets	12,959,399
TOTAL LIABILITIES AND NET ASSETS	$ 14,982,934

See accompanying independent auditor's report and notes to financial statements.

RONALD MCDONALD HOUSE CHARITIES OF SOUTH LOUISIANA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT:			
Contributions	$ 1,548,529	$ -	$ 1,548,529
Family room reimbursement	103,697	-	103,697
Fundraising events	220,798	-	220,798
Interest and dividends	266,072	-	266,072
Unrealized/realized gain on investments	1,089,809	-	1,089,809
Miscellaneous income	6,075	-	6,075
In-kind contributions	240,924	-	240,924
Total revenues and other support	3,475,904	-	3,475,904
EXPENSES:			
Program services	1,245,124	-	1,245,124
Supporting services:			
Management and general	250,812	-	250,812
Fundraising	510,043	-	510,043
Total expenses	2,005,979	-	2,005,979
Change in net assets	1,469,925	-	1,469,925
Net assets - beginning of year	9,095,652	2,393,822	11,489,474
Net assets - end of year	$ 10,565,577	$ 2,393,822	$ 12,959,399

See accompanying independent auditor's report and notes to financial statements.

RONALD MCDONALD HOUSE CHARITIES OF SOUTH LOUISIANA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services	Supporting services: Management and general	Supporting services: Fundraising	Total
Advertising	$ 1,519	$ -	$ -	$ 1,519
Capital campaign	2,681	-	-	2,681
Computer/IT	25,220	-	-	25,220
Depreciation	139,376	16,397	6,520	162,293
Family room	101,667	1,095	-	102,762
Family support	34,856	-	-	34,856
Fundraising	-	-	261,788	261,788
Community resource	27,605	-	-	27,605
In-kind donations	240,924	-	-	240,924
Insurance	128,396	33,830	21,972	184,198
Legal and professional	208,421	67,318	64,901	340,640
Miscellaneous	22,235	-	7,500	29,735
Office	8,757	-	-	8,757
Payroll taxes	30,892	9,420	11,058	51,370
Repairs and maintenance	19,750	-	-	19,750
Salaries	247,827	114,001	133,827	495,655
Travel and seminars	600	8,751	2,477	11,828
Utilities and telephone	4,398	-	-	4,398
	$ 1,245,124	$ 250,812	$ 510,043	$ 2,005,979

See accompanying independent auditor's report and notes to financial statements.

RONALD MCDONALD HOUSE CHARITIES OF SOUTH LOUISIANA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:	
Changes in net assets	$ 1,469,925
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	162,293
Unrealized/realized (gain) on investments	(1,089,809)
Amortization of discount on promises to give	(10,978)
Changes in operating assets and liabilities:	
Increase in accounts receivable	(78,190)
Increase in due from related party	(30,048)
Decrease in other assets	230
Decrease in promises to give	440,157
Increase in accounts payable and accrued liabilities	3,421
Net cash provided by operating activities	867,001
CASH FLOWS FROM INVESTING ACTIVITIES:	
Acquisition of property and equipment	(84,086)
Proceeds from sales of investments	4,604,231
Purchase of investments	(7,447,520)
Net cash used by investing activities	(2,927,375)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Payments on note payable	(250,000)
Net cash used by financing activities	(250,000)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,310,374)
CASH AND CASH EQUIVALENTS - Beginning of year	3,307,984
CASH AND CASH EQUIVALENTS - End of year	$ 997,610
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:	
Cash paid during the year for:	
Interest	$ -
Income taxes	$ -

See accompanying independent auditor's report and notes to financial statements.

NATURE OF OPERATIONS

Ronald McDonald House Charities of South Louisiana, Inc. ("House") was created in 1983. It is a nonprofit organization which provides a "home-away-from-home" to families of seriously ill children and provides programs that give comfort, compassion, and care to children and their families. The House serves critically ill children through our Ronald McDonald House on the campus of Manning Family Children's Hospital New Orleans, Lafayette Ronald McDonald Family Room at Our Lady of Lourdes Women's & Children's Hospital, and Hospitality Carts. Through these programs the House helps provide housing, meals, transportation, community, and psychosocial support to families with children at local hospitals.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting:

The financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation:

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

- Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objections of the organization. These net assets may be used at the discretion of the House's management and the board of directors.

- Net Assets With Donor Restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the House or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Net assets with donor restrictions totaled $2,393,822 at December 31, 2024.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities and changes in net assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents:

Cash equivalents consist of highly liquid investments with original maturities less than three months from the statement of financial position date.

Investments:

Investments are recorded at fair market value. Gains and losses on investments are reported as increases and decreases in net assets without donor restrictions unless the use is restricted by explicit donor stipulation or law.

Accounts Receivable:

Accounts receivable is stated at unpaid balances. Management believes all accounts receivable are collectible, and therefore, there is no allowance for credit losses.

It is the House's policy to charge off uncollectible receivables when management determines the receivable will not be collected. There were no accounts receivable charged off during the year.

Due from Related Party:

Amounts due from related party represent grants and contributions due from Ronald McDonald House Charities, Inc. Global.

Unconditional Promises to Give:

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their net realizable value. The discounts on those amounts are computed using a discount rate applicable to the year in which the promise to give is received. Subsequent amortization of the discount is included in contribution revenue. Management expects the promises to give to be collectible; therefore, no allowance was recorded.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Revenue Recognition: (Continued)

Contributions consist of grants and gifts from individuals, corporations, foundations, and Ronald McDonald House Charities, Inc. Global. The House also receives reimbursements from a medical center for the family room expenses. During 2024, the House began receiving reimbursements from Medicaid to assist with the family lodging and meals while visiting.

Contributions or pledges from donors that are in substance unconditional, are recognized by the House as net assets without donor restrictions. All donor-stipulated contributions are reported as net assets with donor restrictions depending on the nature of the stipulations. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are classified to net assets without donor restrictions and are reported in the statement of activities and changes in net assets as net assets released from restrictions.

The House also hosts fundraising events. There are no restrictions from this support, and the funds are used for the House's primary activities and general operations.

Contributed Services:

The House records non-cash donations as contributions at their estimated fair values at the date of donation. The House recognizes donated services, if significant in amount, which create or enhance nonfinancial assets or that require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. In-kind contributions consisting of both time and resources for the year ended December 31, 2024 were $240,924.

Property and Equipment:

Property and equipment are recorded at cost and depreciated using the straight-line method over the useful lives of the assets, which range as follows:

• Building and improvements	20-39 years
• Equipment	7 years
• Vehicles	5 years

Expenditures for major additions of property and equipment in excess of $1,000 whose useful lives extend beyond a one-year period and betterments which naturally add to the value of related assets or materially extend the useful lives of assets are capitalized. Donated assets are recognized at their estimated fair values at the date of donation. Expenditures for maintenance and repairs are charged to expense as incurred.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Functional Expense Allocation:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited and fundraising. These allocations are based on estimates determined by management. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the House.

Net Assets With Donor Restrictions:

Net assets with donor restrictions are primarily composed of proceeds from the sale of donated stock. The donor specifically stipulated that only the dividends and earnings received from the investment may be used to fund operations and was setup as a perpetual endowment.

Income Taxes:

The House is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision has been made for income taxes.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the House and recognize a tax liability if the House has taken an uncertain position that more likely than not would be sustained upon examination by the IRS or other applicable taxing authorities. Management has analyzed the tax positions taken by the House and has determined that as of December 31, 2024, there were no material uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

The House's forms 990 for 2023, 2022, and 2021 are subject to examination by the IRS, generally for three years after they were filed. The House does not believe that the results from any examination of these open years would have a material adverse effect on the House.

Advertising:

The House expenses advertising costs when incurred. Advertising expense for the year ended December 31, 2024 was $1,519.

2. BOARD-DESIGNATED NET ASSETS:

The House has designated net assets for program expansion, property and equipment, and general house operations. Designated net assets totaled $6,743,574 at December 31, 2024.

3. PROPERTY AND EQUIPMENT:

Property and equipment consisted of the following at December 31, 2024:

Building and improvements	$ 3,135,484
Equipment	494,593
Automobiles	98,670
Subtotal	3,728,747
Acumulated depreciation	(335,173)
Property and equipment, net	$ 3,393,574

Depreciation expense for the year ended December 31, 2024 was $162,293.

4. CONCENTRATIONS:

The House maintains its cash in bank deposit accounts which typically exceed federally insured limits as guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. As of December 31, 2024, the House's cash exceeded the FDIC insurance by $25,302.

The House receives substantially all of its income from grants and contributions, fundraising events, and donations from individuals and businesses located primarily in the New Orleans area. Any significant decrease in these donations could negatively impact the House's operations.

For the year ended December 31, 2024, three donors accounted for approximately 18% of contributions, which includes donations from individuals, corporations and fundraising events held by the House.

5. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The House manages its liquidity by operating within a prudent range of financial stability, maintaining adequate liquidity to fund near-term operations, and maintaining sufficient reserves to provide reasonable assurance that any long-term obligations will be discharged. As part of the House's liquidity management plan, cash in excess of daily requirements is invested in short-term investments and money market accounts. The following table reflects the House's financial assets as of December 31, 2024, reduced by amounts not available for expenses within one year of the statement of financial position:

Financial assets:	
Cash and cash equivalents	$ 997,610
Investments	10,029,758
Accounts receivable	106,404
Due from related party	169,472
Unconditional promises to give, net	121,471
Total financial assets	11,424,715
Less those unavailable for general expenses within one year, due to:	
Current portion of long-term debt	(500,000)
Donor-restricted endowment fund	(2,393,822)
Board-designated funds to be used beyond one year	(6,743,574)
Financial assets available to meet cash needs for general expenses within one year	$ 1,787,319

6. FAIR VALUE MEASUREMENTS:

U.S. GAAP defines fair value and establishes a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value hierarchy is broken down into three levels of inputs that market participants would use in valuing the asset or liability, which can be summarized as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active; and other inputs that are observable or can be corroborated by observable market data.

6. FAIR VALUE MEASUREMENTS: (Continued)

Level 3: Valuation based on inputs that are unobservable, therefore requiring management's own assumptions about the assumptions that market participants would use in pricing an asset or liability

Fair value of assets measured on a recurring basis as of December 31, 2024 was as follows:

	Total Fair Value	Quoted Prices (Level 1)	Significant other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Equities	$ 6,496,906	$ 6,496,906	$ -	$ -
Fixed Income	3,532,852	3,532,852	-	-
Total Investments	$10,029,758	$10,029,758	$ -	$ -

Investment income is composed of the following for the year ended December 31, 2024:

Interest and dividends	$ 266,072
Net unrealized/realized gain	1,089,809
	$ 1,355,881

7. RELATED PARTIES:

Ronald McDonald House Charities, Inc. (RMHC Global) provides ongoing program grants to all of its chapters around the world. These program grants are pre-authorized by the board of RMHC Global for the benefit of all chapters. The grants are available to all chapters that meet the program parameters; as such, the individual grants do not require any additional board action. During the year ended December 31, 2024, the House received $2,000 in grants from RMHC Global.

RHMC Global collects contributions through various programs on behalf of the chapters around the world. During the year ended December 31, 2024, the House received $986,314 from RMHC Global for contributions collected on their behalf.

8. ENDOWMENT FUND:

The House's endowment fund consists of proceeds received from the sale of McDonald's stock. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

8. ENDOWMENT FUND: (Continued)

The Board of Directors of the House has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) 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 House classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual 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 SPMIFA, the House 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 House, and (7) the House's investment policies.

Investment Return Objectives, Risk Parameters and Strategies. The House has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that 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. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the House 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). From time to time, the House updates the investment policy to target a diversified asset allocation that can achieve its long-term objectives within prudent risk constraints.

Spending Policy. Only income earned from the fund may be used for House operations.

Endowment net asset composition by type of fund as of December 31, 2024 was as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Donor-restricted endowment funds	$ -	$ 2,393,822	$ 2,393,822
Total Funds	$ -	$ 2,393,822	$ 2,393,822

8. ENDOWMENT FUND: (Continued)

Changes in endowment net assets as of December 31, 2024 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Endowment net assets, beginning of year	$ -	$ 2,393,822	$ 2,393,822
Unrealized gain (loss)	-	-	-
Endowment net assets, end of year	$ -	$ 2,393,822	$ 2,393,822

9. IN-KIND CONTRIBUTIONS:

The House's in-kind contributions consisted of the following as of December 31, 2024:

Services	$ 179,364
Supplies	61,560
Total in-kind contributions	$ 240,924

Services recognized represent time volunteers spend on cooking meals or providing assistance with various tasks, such as covering the front desk. The House also tracks board members' hours in meetings and committees. Services are recognized at fair value as determined by the donors on the date of the contribution. Supplies are donated items, including food, new toys and household supplies. Supplies were valued at actual cost.

The House used all of these contributed goods and services during the fiscal year for its own program or supporting services activities. No in-kind contributions were restricted. In-kind contributions (non-cash) are offset by like amounts included in the statement of activities and statement of functional expenses.

10. PROMISES TO GIVE:

During the year ended December 31, 2021, the House waged a capital campaign to obtain funds for construction costs of the new building at Manning Family Children's Hospital. The promises to give are recorded as receivables and revenue when received. The money received from these promises to give will be used to assist with construction costs per the agreement with Manning Family Children's Hospital.

10. PROMISES TO GIVE: (Continued)

Unconditional promises to give at December 31, 2024 are as follows:

Unconditional promises to give	$	308,071
Less unamortized discount		(21,955)
Unconditional promises to give, net	$	286,116
The promises to give are due as follows:		
Less than one year	$	121,471
One to five years		164,645
Total unconditional promises to give	$	286,116

Promises to give with due dates extending beyond one year are discounted using Treasury bill rates for similar term investments. The applicable rate when the promises to give were recognized was 3.99%. In subsequent years, amortization of the discount is reported in the Statement of Activities as contribution revenue.

As of December 31, 2024, approximately $109,624 of the unconditional promises to give were due from board members.

11. NOTE PAYABLE:

In November 2020, the House entered into a lease agreement with Manning Family Children's Hospital for use of the newly renovated building. The lease requires payments of $1 a year for ninety-nine years. Payments are due on the first day of each lease year and can be paid in one lump sum at any time during the lease period.

As part of the lease agreement, the House signed an agreement with Manning Family Children's Hospital in which the House agrees to pay a share of the construction costs on the leased building. The total amount to be paid is the lesser amount of 50% of total costs or $3,000,000. The House agreed to pay $3,000,000 over seven installments. Per the terms of the agreement, if the final construction costs incurred are less than $6,000,000, the House will receive a 50% credit of the difference between $6,000,000 and the final cost expended on the project. The House made an initial payment of $500,000 (due before commencement of the project) on December 2, 2021. The note is non-interest bearing, unless the House does not make an annual installment when due. At that point, interest will be charged at a rate of 12% or the highest rate allowed by law, whichever is less, from the date on which the installment is due, until paid in full. The note balance at December 31, 2024, was $2,000,000.

11. NOTE PAYABLE: (Continued)

Future payments on the note are as follows:

2025	$	500,000
2026		500,000
2027		500,000
2028		500,000
	$	2,000,000

12. DATE OF MANAGEMENT'S REVIEW:

Management has evaluated subsequent events through September 11, 2025, which is the date the financial statements were available to be issued, and determined that no events occurred that significantly affected the financial statements.