

**RONALD MCDONALD HOUSE CHARITIES  
OF GREATER LAS VEGAS, INC.**

**AUDITED FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 AND 2014**



HOULDSWORTH, RUSSO & COMPANY

8675 S. Eastern Avenue | Las Vegas, Nevada 89123 | P: 702.269.9992 | F: 702.269.9993 | [www.trustHRC.com](http://www.trustHRC.com)

**RONALD MCDONALD HOUSE CHARITIES  
OF GREATER LAS VEGAS, INC.**

**DECEMBER 31, 2015 AND 2014  
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June 25, 2016

Dear RMHC Friends and Supporters:

2015 was a year full of progress and growth at the Ronald McDonald House!

With the highly anticipated completion of our beautiful Ronald McDonald House remodel, we quickly set our focus on the planning and construction of our first Ronald McDonald Family Room right on the grounds of Sunrise Children's Hospital.

The Family Room, which opened in March of 2016, is keeping families closer than ever to their hospitalized children. This exciting new program gives parents and other family members much needed breaks away from the critical care environment – an opportunity to rest and recharge their minds and bodies in a peaceful setting. Yet, they remain just steps away from their little ones in the Neonatal Intensive Care Unit.

We also expanded our one-of-a-kind Lunch Is On Us! Program. Now, in addition to delivering healthy sack lunches in brightly decorated bags to the families sitting bedside at Sunrise Children's Hospital and University Medical Center (UMC), we are also bringing lunches to the young cancer patients being treated at the Cure 4 The Kids Chemotherapy Treatment Center, as well as their family members.

RMHC also increased its support of our Care Mobile, which is now making even more scheduled stops in rural communities and inner city neighborhoods throughout Nevada, where many of the children being treated have never been to a dentist before.

Whether it's college scholarships for local high school seniors, food boxes for our former families still struggling to get back on their feet, or just a healing hug, Ronald McDonald House Charities of Greater Las Vegas is expanding its reach, as well as its impact, in our own community and beyond.

We could not accomplish any of this without our cherished donors, volunteers, and other supporters. You can be assured our RMHC Board of Trustees and our devoted staff will continue to serve as guardians of the House, working closely with the McDonald's Owner-Operators of Las Vegas, to ensure the "House that Love Built" continues to thrive in the years ahead.

Thank you for your trust and support, as we continue to serve with passion and integrity.

  
Alyson McCarthy  
RMHC Executive Director

#### Board of Trustees

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Alyson McCarthy  
*Executive Director*

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Ronald McDonald House Charities  
of Greater Las Vegas, Inc.

We have audited the accompanying financial statements of Ronald McDonald House Charities of Greater Las Vegas, Inc., (a nonprofit organization), which comprise of the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ronald McDonald House Charities of Greater Las Vegas, Inc. as of December 31, 2015 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have previously audited Ronald McDonald House Charities of Greater Las Vegas, Inc.'s 2014 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated May 22, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014 is consistent, in all material respects, with the audited financial statements from which it was derived.

Las Vegas, Nevada  
May 19, 2016

Certified Public Accountants  
**20 YEARS & COUNTING**

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**RONALD MCDONALD HOUSE CHARITIES  
OF GREATER LAS VEGAS, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2015 AND 2014**

	2015	2014
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 783,699	\$ 763,212
Cash and cash equivalents, restricted	126,747	148,832
Investments	1,568,754	1,534,236
Gift cards	1,763	1,085
Accounts receivable	30,116	47,562
Unconditional promises to give, restricted	19,966	30,867
Prepaid expenses	16,214	17,353
	2,547,259	2,543,147
<b>OTHER ASSETS</b>		
Property and equipment, net	1,570,228	1,483,819
	\$ 4,117,487	\$ 4,026,966
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 39,269	\$ 30,949
Accrued expenses	29,165	26,878
Scholarships payable	90,125	69,572
	158,559	127,399
<b>NET ASSETS</b>		
Unrestricted	3,812,215	3,719,868
Temporarily restricted	146,713	179,699
	3,958,928	3,899,567
	\$ 4,117,487	\$ 4,026,966

See notes to financial statements.

**RONALD MCDONALD HOUSE CHARITIES  
OF GREATER LAS VEGAS, INC.  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015	2014
<b>UNRESTRICTED NET ASSETS</b>		
Revenue, gains and other support:		
Contributions	\$ 1,450,891	\$ 1,045,863
Special events		
Special event revenue	\$ 362,595	\$ 398,676
Cost of direct benefits to donors	<u>(103,937)</u>	<u>(136,756)</u>
Net revenues from special events	258,658	261,920
Room rents	9,728	9,063
In-kind contributions	113,368	132,039
Investment income, net of expenses	66,753	64,853
Other income	-	1,233
Released from restrictions	<u>32,986</u>	<u>409,116</u>
	<u>1,932,384</u>	<u>1,924,087</u>
Expenses and losses:		
Program expenses:		
Ronald McDonald House	732,564	646,754
Scholarships and grants	398,169	360,172
Lunch is On Us	103,969	89,659
Care Mobile	57,941	44,893
Supporting services:		
Fundraising	251,797	249,048
Management and general	<u>137,064</u>	<u>112,876</u>
	1,681,504	1,503,402
Bad debt expense	1,000	1,200
Realized/unrealized loss on investments	99,926	8,550
Unallocated payments to affiliated organization	<u>57,607</u>	<u>56,827</u>
	<u>1,840,037</u>	<u>1,569,979</u>
Increase in unrestricted net assets	<u>92,347</u>	<u>354,108</u>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Contributions	-	289,121
Released from restrictions:		
Satisfied by purpose and/or time	<u>(32,986)</u>	<u>(409,116)</u>
Decrease in temporarily restricted net assets	<u>(32,986)</u>	<u>(119,995)</u>

See notes to financial statements.

**RONALD MCDONALD HOUSE CHARITIES  
OF GREATER LAS VEGAS, INC.  
STATEMENTS OF ACTIVITIES (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
INCREASE IN NET ASSETS	59,361	234,113
NET ASSETS, BEGINNING OF YEAR	<u>3,899,567</u>	<u>3,665,454</u>
NET ASSETS, END OF YEAR	<u>\$ 3,958,928</u>	<u>\$ 3,899,567</u>

See notes to financial statements.

**RONALD MCDONALD HOUSE CHARITIES  
OF GREATER LAS VEGAS, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2014)**

	Program Services				Supporting Services			2015 Totals	2014 Totals
	Ronald McDonald House	Scholarships and Grants	Lunch is On Us	Care Mobile	Fundraising	Management and General	Special Event Direct Benefits		
Salaries and related	\$ 361,442	\$ 41,008	\$ 21,019	\$ 9,752	\$ 85,166	\$ 87,348	\$ -	\$ 605,735	\$ 525,881
Accounting	-	-	-	-	-	14,773	-	14,773	14,745
Advertising	12,003	12,003	-	-	12,003	7,149	-	43,158	38,447
Automobile and travel	7,943	901	462	214	1,872	1,919	-	13,311	9,301
Bank fees	-	-	-	-	-	7,365	-	7,365	10,573
Canister fees and supplies	-	-	-	-	44,774	-	-	44,774	48,188
Depreciation	106,783	941	1,507	318	1,439	2,334	-	113,322	109,774
Direct mail campaign	-	-	-	-	49,330	-	-	49,330	59,103
Facilities & equipment rental	5,286	600	307	143	1,245	1,277	70,629	79,487	75,269
Guest services	87,750	-	-	-	-	-	-	87,750	65,629
Insurance	20,795	183	294	355	280	161	-	22,068	26,117
Meals and entertainment	4,424	502	257	119	1,042	1,070	-	7,414	15,988
Other	7,316	830	425	197	8,318	1,770	12,565	31,421	28,553
Office and supplies	13,712	1,556	797	370	3,231	3,312	4,928	27,906	40,818
Camp	-	30,000	-	-	-	-	-	30,000	15,000
Postage and printing	9,565	1,085	556	258	2,254	2,312	-	16,030	21,227
Professional fees	19,042	2,160	1,107	514	39,810	4,602	15,815	83,050	60,700
Food expenses	-	-	76,160	-	-	-	-	76,160	71,228
Repairs and maintenance	30,258	267	425	91	408	661	-	32,110	37,116
Care Mobile Dental	-	-	-	45,475	-	-	-	45,475	40,000
Scholarships and grants	-	305,726	-	-	-	-	-	305,726	278,667
Utilities	46,245	407	653	135	625	1,011	-	49,076	47,834
	<u>\$ 732,564</u>	<u>\$ 398,169</u>	<u>\$ 103,969</u>	<u>\$ 57,941</u>	<u>\$ 251,797</u>	<u>\$ 137,064</u>	<u>103,937</u>	<u>1,785,441</u>	<u>1,640,158</u>
Less: Direct benefits to donors							(103,937)	(103,937)	(136,756)
							<u>\$ -</u>	<u>\$ 1,681,504</u>	<u>\$ 1,503,402</u>

See notes to financial statements.



**RONALD MCDONALD HOUSE CHARITIES  
OF GREATER LAS VEGAS, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 59,361	\$ 234,113
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	113,322	109,774
Realized/unrealized losses on investments	99,926	8,550
Donated property and equipment	(10,795)	(7,909)
Donated gift cards	(678)	434
(Increase) decrease in operating assets:		
Accounts receivable	17,446	(20,585)
Unconditional promises to give	10,901	40
Prepaid expenses	1,139	1,921
Increase (decrease) in operating liabilities:		
Accounts payable	8,320	(25,919)
Accrued expenses	2,287	8,560
Scholarships payable	20,553	(31,637)
	321,782	277,342
Net cash provided by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	431,627	227,830
Purchases of investments	(566,071)	(432,708)
Purchases of property and equipment	(188,936)	(111,480)
	(323,380)	(316,358)
Net cash used by investing activities		
NET DECREASE IN CASH	(1,598)	(39,016)
CASH, BEGINNING OF YEAR	912,044	951,060
CASH, END OF YEAR	\$ 910,446	\$ 912,044

See notes to financial statements.

**RONALD MCDONALD HOUSE CHARITIES  
OF GREATER LAS VEGAS, INC.  
STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015	2014
<b>SUMMARY OF CASH ACCOUNTS</b>		
Cash	\$ 783,699	\$ 763,212
Cash, restricted	126,747	148,832
	\$ 910,446	\$ 912,044
 <b>SUPPLEMENTAL DISCLOSURES</b>		
Property and equipment acquired through accounts payable	\$ 9,603	\$ -

See notes to financial statements.

**RONALD MCDONALD HOUSE CHARITIES  
OF GREATER LAS VEGAS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Ronald McDonald House Charities of Greater Las Vegas, Inc. (“RMHC” or the “House”) is a nonprofit corporation under the laws of the State of Nevada. This “home away from home” provides temporary housing, meals, transportation, and other support services for families who must travel to Las Vegas to seek critical medical treatment for their children. RMHC also operates a Ronald McDonald Family Room right on the grounds of Sunrise Children’s Hospital, offering free meals, a comfortable lounge, hot showers, sleeping and napping accommodations, and computer access to family members with infants in the Neonatal Intensive Care Unit. RMHC’s unique “Lunch Is On Us!” program delivers healthy sack lunches daily to families sitting bedside with their children at Sunrise Children’s Hospital, University Medical Center (UMC), and the Cure 4 The Kids Chemotherapy Treatment Center in Las Vegas. RMHC also awards annual scholarships to local high school seniors, as well as qualifying continuing college students in Clark and Nye Counties. Another RMHC program, the Ronald McDonald Care Mobile, is a mobile state-of-the-art dental van that travels to rural communities and inner city neighborhoods throughout Nevada to serve children from low-income families who have little to no access to critical dental care. Financial support for RMHC comes from individual donors, foundations, local companies and corporations, as well as fundraising events.

Basis of Accounting

The financial statements of the House have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The House reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Restricted and Unrestricted Revenue

Contributions that are restricted by the donor are reported as increases in unrestricted net assets 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. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the House considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**RONALD MCDONALD HOUSE CHARITIES  
OF GREATER LAS VEGAS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2015 AND 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Gifts of Long-Lived Assets

The House reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as temporarily restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the House reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Estimates

Timely 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 certain reported amounts, some of which may require revision in future periods.

Income Tax Status

The House is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from income taxes on related income pursuant to the appropriate section of the Internal Revenue Code

Property and Equipment

Property and equipment are stated at cost or, if donated, at the approximate fair market value at the date of donation. Depreciation is computed using the straight-line method. The House capitalizes items that have a cost of \$1,000 or more and a useful life of over one year.

Impairment of Long-Lived Assets

The House reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to future net undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount which the carrying amount of the assets exceeds the fair value of the assets.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**RONALD MCDONALD HOUSE CHARITIES  
OF GREATER LAS VEGAS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2015 AND 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable consist of revenue due from newspapers and canister collections. Accounts receivable are stated at the amount management expects to collect from outstanding balances. It is the House's policy to charge off uncollectable accounts receivables when management determines the receivables will not be collected. There is no allowance at December 31, 2015 and 2014 as all accounts receivable were determined to be collectable.

Promises to Give

Unconditional promises to give, from Southern Nevada contributors and the national Ronald McDonald House Charities, are reported at their estimated net realizable value and are due within one year. There was no allowance at December 31, 2015 or 2014 as all promises to give were determined to be collectable.

Donated Services

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 House. The value of donated services included in the financial statements for the years ended December 31, 2015 and 2014, consists of services to the House totaling \$33,394 and \$26,733, respectively, and advertising totaling \$43,158 and \$38,447, respectively. The types of services provided include advertising included in scholarship program, house and fundraising, cab services for houseguests, and utility and maintenance services for the House.

A portion of the House's functions and programs are provided by unpaid volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the services do not require specialized skills. These volunteers donated 13,926 and 14,733 hours, which at an hourly rate determined by the Independent Sector Research would be valued at \$23 per hour, or \$320,305 and \$324,126, for the years ended December 31, 2015 and 2014, respectively.

Gift Cards

Gift card inventory consists of donated gift cards and vouchers, recorded at approximate fair value at the date of donation, which are used for the House's various programs.

Advertising

The house uses advertising for the administrative, scholarship, and fundraising functions. Advertising is expensed as incurred. Total advertising expense was \$43,158 and \$38,447 for the years ended December 31, 2015 and 2014, respectively.

Subsequent Events

Management has evaluated subsequent events through May 19, 2016, which is the date the financial statements were available to be issued.

**RONALD MCDONALD HOUSE CHARITIES  
OF GREATER LAS VEGAS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2015 AND 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Comparative Financial Information and Reclassifications

The statement of functional expenses includes certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the House's financial statements for the year ended December 31, 2014, from which the summarized information was derived. Additionally, certain reclassifications have been made to the 2014 financial statements to conform to the 2015 presentation.

NOTE 2. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2015</u>	<u>2014</u>
Building and improvements	\$ 2,331,215	\$ 2,035,929
Land	75,000	75,000
Furniture and equipment	297,709	290,687
Website and database	60,000	60,000
Vehicles	35,158	35,158
Construction in progress	<u>1,612</u>	<u>104,189</u>
	2,800,694	2,600,963
Less: accumulated depreciation	<u>(1,230,466)</u>	<u>(1,117,144)</u>
	<u>\$ 1,570,228</u>	<u>\$ 1,483,819</u>

NOTE 3. CONCENTRATIONS

The House maintains cash balances at several commercial banks. The cash held by the banking institutions is insured up to the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000. The total uninsured cash balances in these accounts were \$396,348 and \$321,277 as of December 31, 2015 and 2014, respectively.

NOTE 4. NET ASSETS

Temporarily restricted net assets consist of donations restricted for the following purposes:

	<u>2015</u>	<u>2014</u>
Scholarships	\$ 126,747	\$ 140,662
Camp expenses	-	8,170
Promises to give	<u>19,966</u>	<u>30,867</u>
	<u>\$ 146,713</u>	<u>\$ 179,699</u>

**RONALD MCDONALD HOUSE CHARITIES  
OF GREATER LAS VEGAS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2015 AND 2014**

NOTE 5. TRANSACTIONS WITH AFFILIATE

The House is required to pay 25% of donations collected in canisters maintained in local McDonald's restaurants less certain qualified expenses to the national Ronald McDonald House. Total payments to the national Ronald McDonald House were \$57,607 and \$56,827 in 2015 and 2014, respectively. A total of \$12,722 and \$13,912 were included in accounts payable at 2015 and 2014, respectively.

In addition, the House receives grants and other donations from the national Ronald McDonald House. The House received income totaling \$103,143 and \$116,146 in 2015 and 2014, respectively. A total of \$7,512 and \$14,998 were included in unconditional promises to give in 2015 and 2014, respectively.

NOTE 6. OPERATING LEASE

The House entered into an operating lease for office equipment that expires in October 2016. Lease expenses totaled \$5,279 and \$5,293 in 2015 and 2014, respectively. Future minimum payments required under this operating lease are for 2016 in the amount of \$4,370.

NOTE 7. EMPLOYEE BENEFIT PLAN

The House participates in a multiple employer defined contribution plan covering all employees who have completed more than three months of service and contribute to the plan. The House offers a matching contribution to the plan up to 4% of all participants' compensation. The matching contributions are vested on a graded five year schedule. Total expense for the years ended December 31, 2015 and 2014 is \$16,454 and \$13,220, respectively.

NOTE 8. LINE OF CREDIT

The Organization opened a \$150,000 line of credit in July 2012 expiring in July 2018 with an interest rate of LIBOR plus 2.948%. At December 31, 2015, the LIBOR rate was .613%. The line of credit is collateralized by the House's investments. The line of credit had not been used during the year ended December 31, 2015.

NOTE 9. INVESTMENTS

Investments are stated at their fair market value and related gains and losses on investments are reported as increases or decreases in unrestricted net assets. The following is a summary of investments at December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Equities	\$ 811,858	\$ 1,227,528
Certificates of deposit	110,146	45,063
Corporate bonds	<u>646,750</u>	<u>261,645</u>
	<u>\$ 1,568,754</u>	<u>\$ 1,534,236</u>

Investment income is reported net of investment fees of \$13,417 and \$13,162 for the years ended December 31, 2015 and 2014, respectively.

**RONALD MCDONALD HOUSE CHARITIES  
OF GREATER LAS VEGAS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2015 AND 2014**

NOTE 10. FAIR VALUE OF ASSETS

The following are quantitative disclosures about the fair value measurements of assets. Fair value measurements are categorized on three levels:

Level 1 inputs are quoted market prices in active markets for identical assets.

Level 2 inputs are inputs other than quoted prices within Level 1; for example quoted prices for similar assets.

Level 3 inputs are unobservable inputs for the assets.

The House's only assets valued at fair value are its investments. The House holds its investments in publicly traded equity or debt instruments, as follows:

	<u>12/31/15</u>	<u>Quoted Prices in Active Market for Identical Assets (Level 1)</u>
Equities	\$ 811,858	\$ 811,858
Certificates of deposit	110,146	110,146
Corporate bonds	<u>646,750</u>	<u>646,750</u>
Total	<u>\$ 1,568,754</u>	<u>\$ 1,568,754</u>

  

	<u>12/31/14</u>	<u>Quoted Prices in Active Market for Identical Assets (Level 1)</u>
Equities	\$ 1,227,528	\$ 1,227,528
Certificates of deposit	45,063	45,063
Corporate bonds	<u>261,645</u>	<u>261,645</u>
Total	<u>\$ 1,534,236</u>	<u>\$ 1,534,236</u>

NOTE 11. SUBSEQUENT EVENTS

The Organization entered into an agreement with a local hospital to lease a family room for \$1 per year. The room will provide a place for families with seriously ill children to rest while receiving care. The Organization completed various leasehold improvements and began occupancy of the room during March 2016.