

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

**AUDITED FINANCIAL STATEMENTS**

**DECEMBER 31, 2016 AND 2015**



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)

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OF GREATER LAS VEGAS, INC.**

**DECEMBER 31, 2016 AND 2015  
CONTENTS**

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4-5
STATEMENT OF FUNCTIONAL EXPENSES (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015)	6
STATEMENTS OF CASH FLOWS	7-8
NOTES TO FINANCIAL STATEMENTS	9-15

## 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 the statement of financial position as of December 31, 2016, 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 misstatement, 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, 2016 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 2015 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated May 19, 2016. In our opinion, the summarized comparative information presented herein as of and for the

Certified Public Accountants  
**20** YEARS & COUNTING

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year ended December 31, 2015 is consistent, in all material respects, with the audited financial statements from which it was derived.

Las Vegas, Nevada  
May 15, 2017

**RONALD MCDONALD HOUSE CHARITIES  
OF GREATER LAS VEGAS, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2016 AND 2015**

	2016	2015
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 814,472	\$ 783,699
Cash and cash equivalents, restricted	117,743	126,747
Investments	1,999,600	1,568,754
Gift cards	711	1,763
Accounts receivable	31,856	30,116
Unconditional promises to give, current	78,348	19,966
Prepaid expenses	14,582	16,214
	3,057,312	2,547,259
<b>OTHER ASSETS</b>		
Property and equipment, net	1,688,591	1,570,228
Unconditional promises to give, less current portion, net	135,672	-
	\$ 4,881,575	\$ 4,117,487
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 61,494	\$ 39,269
Accrued expenses	39,159	29,165
Scholarships payable	68,300	90,125
	168,953	158,559
<b>NET ASSETS</b>		
Unrestricted	4,380,860	3,812,215
Temporarily restricted	331,762	146,713
	4,712,622	3,958,928
	\$ 4,881,575	\$ 4,117,487

See notes to financial statements.

**RONALD MCDONALD HOUSE CHARITIES  
OF GREATER LAS VEGAS, INC.  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016	2015
<b>UNRESTRICTED NET ASSETS</b>		
Revenue, gains and other support:		
Contributions	\$ 1,679,222	\$ 1,450,891
Special events		
Special event revenue	\$ 395,907	\$ 362,595
Cost of direct benefits to donors	<u>(123,844)</u>	<u>(103,937)</u>
Net revenues from special events	272,063	258,658
Room rents	10,848	9,728
In-kind contributions	338,188	113,368
Investment income, net of expenses	50,668	66,753
Realized/unrealized gain on investments	81,112	-
Released from restrictions	<u>9,004</u>	<u>32,986</u>
	<u>2,441,105</u>	<u>1,932,384</u>
Expenses and losses:		
Program expenses:		
Ronald McDonald House	673,960	732,564
Ronald McDonald Family Room	167,222	-
Scholarships and grants	405,366	398,169
Lunch is On Us	126,253	103,969
Care Mobile	45,298	57,941
Supporting services:		
Fundraising	255,096	251,797
Management and general	<u>137,888</u>	<u>137,064</u>
	1,811,083	1,681,504
Bad debt expense	5,875	1,000
Realized/unrealized loss on investments	-	99,926
Unallocated payments to affiliated organization	<u>55,502</u>	<u>57,607</u>
	<u>1,872,460</u>	<u>1,840,037</u>
Increase in unrestricted net assets	<u>568,645</u>	<u>92,347</u>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Contributions	194,053	-
Released from restrictions:		
Satisfied by purpose and/or time	<u>(9,004)</u>	<u>(32,986)</u>
Increase (decrease) in temporarily restricted net assets	<u>185,049</u>	<u>(32,986)</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, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
INCREASE IN NET ASSETS	753,694	59,361
NET ASSETS, BEGINNING OF YEAR	<u>3,958,928</u>	<u>3,899,567</u>
NET ASSETS, END OF YEAR	<u>\$ 4,712,622</u>	<u>\$ 3,958,928</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, 2016  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015)**

	Program Services					Supporting Services			2016 Totals	2015 Totals
	Ronald McDonald House	Ronald McDonald Family Room	Scholarships and Grants	Lunch is On Us	Care Mobile	Fundraising	Management and General	Special Event Direct Benefits		
Salaries and related	\$ 341,414	\$ 70,055	\$ 54,300	\$ 37,278	\$ 4,080	\$ 107,474	\$ 88,766	\$ -	\$ 703,367	\$ 605,735
Accounting	-	-	-	-	-	-	14,572	-	14,572	14,773
Advertising	12,821	-	12,821	-	-	12,821	7,506	-	45,969	43,158
Automobile and travel	4,256	873	677	465	51	1,340	1,106	-	8,768	13,311
Bank fees	-	-	-	-	-	-	8,918	-	8,918	7,365
Canister fees and supplies	-	-	-	-	-	36,465	-	-	36,465	44,774
Conference	5,036	1,033	801	550	60	1,585	1,310	-	10,375	4,988
Depreciation	102,466	11,124	911	1,450	300	1,379	2,241	-	119,871	113,322
Direct mail campaign	-	-	-	-	-	42,971	-	-	42,971	49,330
Facilities & equipment rental	4,280	878	681	467	51	1,347	1,114	79,744	88,562	79,487
Guest services	68,559	19,988	-	-	-	-	-	-	88,547	87,750
Insurance	19,329	2,098	172	274	57	260	422	-	22,612	22,068
Meals and entertainment	3,133	643	498	342	37	986	816	-	6,455	7,414
Licenses and permits	630	129	100	69	8	197	164	-	1,297	7,274
Occupancy	-	53,073	-	-	-	-	-	-	53,073	-
Office and supplies	14,359	2,946	2,284	1,568	172	4,520	3,732	19,420	49,001	47,065
Camp	-	-	-	-	-	-	-	-	-	30,000
Postage and printing	6,872	1,410	1,093	750	82	2,163	1,787	-	14,157	16,030
Professional fees	14,483	2,972	2,303	1,581	173	40,559	3,766	24,680	90,517	83,050
Food expenses	-	-	-	80,382	-	-	-	-	80,382	76,160
Repairs and maintenance	33,888	-	298	478	101	457	741	-	35,963	32,110
Professional dental services	-	-	-	-	40,000	-	-	-	40,000	45,475
Scholarships and grants	-	-	328,053	-	-	-	-	-	328,053	305,726
Utilities	42,434	-	374	599	126	572	927	-	45,032	49,076
	<u>\$ 673,960</u>	<u>\$ 167,222</u>	<u>\$ 405,366</u>	<u>\$ 126,253</u>	<u>\$ 45,298</u>	<u>\$ 255,096</u>	<u>\$ 137,888</u>	<u>123,844</u>	<u>1,934,927</u>	<u>1,785,441</u>
Less: Direct benefits to donors								(123,844)	(123,844)	(103,937)
								<u>\$ -</u>	<u>\$ 1,811,083</u>	<u>\$ 1,681,504</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, 2016 AND 2015**

	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 753,694	\$ 59,361
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	119,871	113,322
Change in discount to present value	7,216	-
Realized/unrealized (gain) loss on investments	(81,112)	99,926
Donated property and equipment	(14,000)	(10,795)
Donated gift cards	1,052	(678)
(Increase) decrease in operating assets:		
Accounts receivable	(1,740)	17,446
Unconditional promises to give	(201,270)	10,901
Prepaid expenses	1,632	1,139
Increase (decrease) in operating liabilities:		
Accounts payable	22,225	8,320
Accrued expenses	9,994	2,287
Scholarships payable	(21,825)	20,553
	595,737	321,782
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	373,752	431,627
Purchases of investments	(723,486)	(566,071)
Purchases of property and equipment	(224,234)	(188,936)
	(573,968)	(323,380)
<b>NET INCREASE (DECREASE) IN CASH</b>	21,769	(1,598)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	910,446	912,044
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 932,215	\$ 910,446

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, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>SUMMARY OF CASH ACCOUNTS</b>		
Cash and cash equivalents	\$ 814,472	\$ 783,699
Cash and cash equivalents, restricted	<u>117,743</u>	<u>126,747</u>
	<u>\$ 932,215</u>	<u>\$ 910,446</u>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Property and equipment acquired through accounts payable	<u>\$ 5,832</u>	<u>\$ -</u>

See notes to financial statements.

**RONALD MCDONALD HOUSE CHARITIES  
OF GREATER LAS VEGAS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

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, 2016 AND 2015**

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 greater than 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, 2016 AND 2015**

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 was no allowance at December 31, 2016 and 2015 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, 2016 or 2015 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, 2016 and 2015, consists of services to the House totaling \$19,738 and \$33,394, respectively. The types of services provided include 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 meet the criteria as set forth in the FASB ASC. These volunteers donated 16,166 and 13,926 hours, which at an hourly rate determined by the Independent Sector Research would be valued at \$23 per hour, or \$371,818 and \$320,298, for the years ended December 31, 2016 and 2015, 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 \$45,969 and \$43,158 for the years ended December 31, 2016 and 2015, respectively.

Subsequent Events

Management has evaluated subsequent events through May 15, 2017, 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, 2016 AND 2015**

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. 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, 2015, from which the summarized information was derived. Additionally, certain reclassifications have been made to the 2015 financial statements to conform to the 2016 presentation.

NOTE 2. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2016</u>	<u>2015</u>
Building and improvements	\$ 2,480,679	\$ 2,331,215
Land	75,000	75,000
Furniture and equipment	341,870	297,709
Website and database	60,000	60,000
Vehicles	79,379	35,158
Construction in progress	<u>2,000</u>	<u>1,612</u>
	3,038,928	2,800,694
Less: accumulated depreciation	<u>(1,350,337)</u>	<u>(1,230,466)</u>
	<u>\$ 1,688,591</u>	<u>\$ 1,570,228</u>

Depreciation expense was \$119,871 and \$113,322 for the years ended December 31, 2016 and 2015, respectively.

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 \$352,014 and \$396,348 as of December 31, 2016 and 2015, respectively.

NOTE 4. NET ASSETS

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

	<u>2016</u>	<u>2015</u>
Scholarships	\$ 117,742	\$ 126,747
Unconditional promises to give	<u>214,020</u>	<u>19,966</u>
	<u>\$ 331,762</u>	<u>\$ 146,713</u>

**RONALD MCDONALD HOUSE CHARITIES  
OF GREATER LAS VEGAS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2016 AND 2015**

**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 \$55,502 and \$57,607 in 2016 and 2015, respectively. A total of \$14,057 and \$12,722 were included in accounts payable at 2016 and 2015, respectively.

In addition, the House receives grants and other donations from the national Ronald McDonald House. The House received income totaling \$115,598 and \$103,143 in 2016 and 2015, respectively. A total of \$26,358 and \$7,512 were included in unconditional promises to give in 2016 and 2015, respectively.

**NOTE 6. OPERATING LEASE**

The House entered into an operating lease for office equipment that expires in October 2021. Lease expenses totaled \$4,488 and \$5,279 in 2016 and 2015, respectively.

Future minimum rentals under this operating lease is as follows:

2017	\$ 2,023
2018	2,023
2019	2,023
2020	2,023
2021	<u>1,686</u>
	<u>\$ 9,779</u>

In December 2015, the House entered into a below-market lease for 1,380 square feet of space, the Family Room, located inside Sunrise Hospital. This lease, which expires in November 2020, has an annual base rent of \$1. To recognize the fair market value of this lease, an unconditional promise to give and related in-kind contribution revenue of \$244,950 were recognized with a discount to present value using a rate of 1.93%. The unconditional promise to give will be amortized over the 5-year term of the lease and the corresponding amortization of the discount will be recognized as in-kind contribution expense. For the year ending December 31, 2016, rent expense in the amount of \$53,073 related to this lease was recognized.

**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, 2016 and 2015 is \$15,681 and \$16,454, respectively.

**RONALD MCDONALD HOUSE CHARITIES  
OF GREATER LAS VEGAS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2016 AND 2015**

NOTE 8. LINE OF CREDIT

The House 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, 2016, the LIBOR rate was .942%. The line of credit is collateralized by the House's investments. The line of credit had not been used during the years ended December 31, 2016 and 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, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Equities	\$ 1,114,416	\$ 811,858
Certificates of deposit	64,651	45,140
Money market funds	210,416	65,006
Corporate bonds	<u>610,117</u>	<u>646,750</u>
	<u>\$ 1,999,600</u>	<u>\$ 1,568,754</u>

Investment income is reported net of investment fees of \$13,843 and \$13,417 for the years ended December 31, 2016 and 2015, respectively.

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's investment holdings are as follows:

	<u>12/31/16</u>	<u>Level 1</u>
Equities	\$ 1,114,416	\$ 1,114,416
Certificates of deposit	64,651	64,651
Money market funds	210,416	210,416
Corporate bonds	<u>610,117</u>	<u>610,117</u>
Total	<u>\$ 1,999,600</u>	<u>\$ 1,999,600</u>



**RONALD MCDONALD HOUSE CHARITIES  
OF GREATER LAS VEGAS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2016 AND 2015**

NOTE 10. FAIR VALUE OF ASSETS (CONTINUED)

	<u>12/31/15</u>	<u>Level 1</u>
Equities	\$ 811,858	\$ 811,858
Certificates of deposit	45,140	45,140
Money market funds	65,006	65,006
Corporate bonds	<u>646,750</u>	<u>646,750</u>
Total	<u>\$ 1,568,754</u>	<u>\$ 1,568,754</u>

NOTE 11. UNCONDITIONAL PROMISES TO GIVE

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

	<u>2016</u>	<u>2015</u>
Unconditional promises to give	\$ 221,236	\$ 19,966
Less: unamortized discount	<u>7,216</u>	<u>-</u>
Net unconditional promises to give	214,020	19,966
Less: receivable in less than one year	<u>78,348</u>	<u>19,966</u>
Receivable in one to five years, net	<u>\$ 135,672</u>	<u>\$ -</u>

Unconditional promises to give are recorded at the present value of estimated future cash flows using a discount rate of 1.93%. Amounts are recorded as temporarily restricted net assets until released from restriction.

NOTE 12. SUBSEQUENT EVENTS

In November 2016, the House entered into an agreement with Nevada Energy and Bombard Electric for renewable energy generating facilities (solar panels). Until the facilities are deemed to be ready for operation, Bombard Electric retains all ownership interest. Upon completion, the ownership interest is expected to be transferred to the House where the donation will be recognized as an in-kind contribution and a capital asset. This transfer is expected to take place during the fiscal year ending December 31, 2017. The total value of the facilities has not yet been determined. Therefore, the effect on the financial statements is unable to be determined at this time