

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

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016



HOULDSWORTH, RUSSO & COMPANY

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

**DECEMBER 31, 2017 AND 2016
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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, 2017, 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, 2017 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 2016 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated May 15, 2017. In our opinion, the summarized comparative information presented herein as of and for the

Certified Public Accountants
20 YEARS & COUNTING

year ended December 31, 2016 is consistent, in all material respects, with the audited financial statements from which it was derived.

Houldsworth, Russo & Company, P.C.

Las Vegas, Nevada
May 23, 2018

**RONALD MCDONALD HOUSE CHARITIES
OF GREATER LAS VEGAS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016**

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 826,551	\$ 814,472
Cash and cash equivalents, restricted	126,154	117,743
Investments	2,555,003	1,999,600
Gift cards	3,443	711
Accounts receivable	41,352	31,856
Unconditional promises to give, current	75,398	78,348
Prepaid expenses	137,281	14,582
	3,765,182	3,057,312
OTHER ASSETS		
Property and equipment, net	1,809,395	1,688,591
Unconditional promises to give, less current portion, net	89,842	135,672
	\$ 5,664,419	\$ 4,881,575
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 75,707	\$ 61,494
Accrued expenses	36,309	39,159
Deferred revenue	94,247	-
Scholarships payable	68,525	68,300
	274,788	168,953
NET ASSETS		
Unrestricted	5,098,237	4,380,860
Temporarily restricted	291,394	331,762
	5,389,631	4,712,622
	\$ 5,664,419	\$ 4,881,575

See accompanying notes to financial statements.

**RONALD MCDONALD HOUSE CHARITIES
OF GREATER LAS VEGAS, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017	2016
UNRESTRICTED NET ASSETS		
Revenue, gains and other support:		
Contributions	\$ 1,772,830	\$ 1,679,222
Special events		
Special event revenue	\$ 414,177	\$ 395,907
Cost of direct benefits to donors	<u>(124,462)</u>	<u>(123,844)</u>
Net revenues from special events	289,715	272,063
Room rents	14,132	10,848
In-kind contributions	284,146	338,188
Investment income, net of expenses	64,153	50,668
Realized/unrealized gain on investments	192,157	81,112
Miscellaneous revenue	5,000	-
Released from restrictions	<u>55,419</u>	<u>9,004</u>
	<u>2,677,552</u>	<u>2,441,105</u>
Expenses and losses:		
Program expenses:		
Ronald McDonald House	793,138	673,960
Ronald McDonald Family Room	198,380	167,222
Scholarships and grants	382,719	405,366
Lunch is On Us	111,639	126,253
Care Mobile	51,641	45,298
Supporting services:		
Fundraising	219,007	255,096
Management and general	<u>146,972</u>	<u>137,888</u>
	1,903,496	1,811,083
Bad debt expense	-	5,875
Loss on disposal of assets	3,430	-
Unallocated payments to affiliated organization	<u>53,249</u>	<u>55,502</u>
	<u>1,960,175</u>	<u>1,872,460</u>
Increase in unrestricted net assets	<u>717,377</u>	<u>568,645</u>
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	15,051	194,053
Released from restrictions:		
Satisfied by purpose and/or time	<u>(55,419)</u>	<u>(9,004)</u>
Increase (decrease) in temporarily restricted net assets	<u>(40,368)</u>	<u>185,049</u>

See accompanying notes to financial statements.

**RONALD MCDONALD HOUSE CHARITIES
OF GREATER LAS VEGAS, INC.
STATEMENTS OF ACTIVITIES (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
INCREASE IN NET ASSETS	677,009	753,694
NET ASSETS, BEGINNING OF YEAR	<u>4,712,622</u>	<u>3,958,928</u>
NET ASSETS, END OF YEAR	<u>\$ 5,389,631</u>	<u>\$ 4,712,622</u>

See accompanying notes to financial statements.

**RONALD MCDONALD HOUSE CHARITIES
OF GREATER LAS VEGAS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016)**

	Program Services					Supporting Services				
	Ronald McDonald House	Ronald McDonald Family Room	Scholarships and grants	Lunch is On Us	Care Mobile	Fundraising	Management and General	Special Event Direct Benefits	2017 Totals	2016 Totals
Salaries and related	\$ 367,371	\$ 73,681	\$ 55,962	\$ 39,794	\$ 4,061	\$ 102,917	\$ 94,500	\$ -	\$ 738,286	\$ 703,367
Accounting	-	-	-	-	-	-	16,152	-	16,152	14,572
Advertising	11,877	11,877	11,877	-	-	8,357	-	-	43,988	45,969
Auto and travel	9,300	1,865	1,417	1,007	103	2,605	2,393	-	18,690	8,768
Bank fees	-	-	-	-	-	-	12,335	-	12,335	8,918
Canister fees and supplies	-	-	-	-	-	36,245	-	-	36,245	36,465
Conference	3,543	711	540	384	39	993	910	-	7,120	10,375
Depreciation	117,238	12,728	1,042	1,660	343	1,577	2,565	-	137,153	119,871
Direct mail expenses	-	-	-	-	-	47,540	-	-	47,540	42,971
Facilities and equipment rental	2,477	497	377	268	27	694	638	82,166	87,144	88,562
Guest Services	129,195	25,982	-	-	-	-	-	-	155,177	88,547
Insurance	21,193	2,301	188	300	62	285	464	-	24,793	22,612
Meals and entertainment	3,014	605	459	327	33	844	776	-	6,058	6,455
License and permits	548	110	84	59	6	154	141	-	1,102	1,297
Occupancy	-	48,990	-	-	-	-	-	-	48,990	53,073
Office and supplies	11,106	2,228	1,692	1,203	123	3,111	2,857	20,737	43,057	49,001
Postage and printing	9,646	1,935	1,469	1,045	107	2,702	2,482	-	19,386	14,157
Professional fees	35,803	7,181	5,454	3,878	396	10,030	9,210	21,559	93,511	90,517
Food Expenses	-	-	-	60,711	-	-	-	-	60,711	80,382
Repairs and maintenance	33,471	3,634	298	474	98	450	732	-	39,157	35,963
Professional dental services	-	-	-	-	46,134	-	-	-	46,134	40,000
Scholarships and grants	-	-	301,528	-	-	-	-	-	301,528	328,053
Utilities	37,356	4,055	332	529	109	503	817	-	43,701	45,032
	<u>\$ 793,138</u>	<u>\$ 198,380</u>	<u>\$ 382,719</u>	<u>\$ 111,639</u>	<u>\$ 51,641</u>	<u>\$ 219,007</u>	<u>\$ 146,972</u>	124,462	2,027,958	1,934,927
Less: Direct benefits to donors								(124,462)	(124,462)	(123,844)
								<u>\$ -</u>	<u>\$ 1,903,496</u>	<u>\$ 1,811,083</u>

See accompanying notes to financial statements.

**RONALD MCDONALD HOUSE CHARITIES
OF GREATER LAS VEGAS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 677,009	\$ 753,694
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	137,153	119,871
Change in discount to present value	(3,160)	7,216
Realized/unrealized (gain) loss on investments	(192,157)	(81,112)
Donated property and equipment	(141,118)	(14,000)
Loss on disposal of fixed assets	3,430	-
Donated gift cards	(2,732)	1,052
(Increase) decrease in operating assets:		
Accounts receivable	(9,496)	(1,740)
Unconditional promises to give	51,940	(201,270)
Prepaid expenses	(122,699)	1,632
Increase (decrease) in operating liabilities:		
Accounts payable	14,213	22,225
Accrued expenses	(2,850)	9,994
Deferred Revenue	94,247	-
Scholarships payable	225	(21,825)
	504,005	595,737
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	506,169	373,752
Purchases of investments	(869,415)	(723,486)
Purchases of property and equipment	(120,269)	(224,234)
	(483,515)	(573,968)
NET INCREASE IN CASH AND CASH EQUIVALENTS	20,490	21,769
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	932,215	910,446
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 952,705	\$ 932,215

See accompanying notes to financial statements.

**RONALD MCDONALD HOUSE CHARITIES
OF GREATER LAS VEGAS, INC.
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
SUMMARY OF CASH ACCOUNTS		
Cash and cash equivalents	\$ 826,551	\$ 814,472
Cash and cash equivalents, restricted	<u>126,154</u>	<u>117,743</u>
	<u>\$ 952,705</u>	<u>\$ 932,215</u>
SUPPLEMENTAL DISCLOSURES		
Property and equipment acquired through accounts payable	<u>\$ 6,281</u>	<u>\$ 5,832</u>

See accompanying notes to financial statements.

**RONALD MCDONALD HOUSE CHARITIES
OF GREATER LAS VEGAS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

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, 2017 AND 2016**

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, 2017 AND 2016**

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 receivable when management determines the receivables will not be collected. There was no allowance at December 31, 2017 and 2016 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. There was no allowance at December 31, 2017 or 2016 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, 2017 and 2016, consists of services to the House totaling \$17,149 and \$19,738, 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 23,279 and 16,166 hours, which at an hourly rate determined by the Independent Sector Research would be valued at \$25 and \$23 per hour, respectively, or \$581,975 and \$371,818, for the years ended December 31, 2017 and 2016, respectively.

Gift Cards

Gift card inventory consisted 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 \$43,988 and \$45,969 for the years ended December 31, 2017 and 2016, respectively.

Deferred Revenue

Event attendance fees collected in advance are included in deferred revenue in the accompanying statement of financial position. This deferred revenue is expected to be recognized within one year.

**RONALD MCDONALD HOUSE CHARITIES
OF GREATER LAS VEGAS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017 AND 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Management has evaluated subsequent events through May 23, 2018, which is the date the financial statements were available to be issued.

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, 2016, from which the summarized information was derived. Additionally, certain reclassifications have been made to the 2016 financial statements to conform to the 2017 presentation.

NOTE 2. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2017</u>	<u>2016</u>
Building and improvements	\$ 2,602,268	\$ 2,480,679
Land	75,000	75,000
Furniture and equipment	247,294	341,870
Website and database	60,000	60,000
Vehicles	79,379	79,379
Construction in progress	<u>89,458</u>	<u>2,000</u>
	3,153,399	3,038,928
Less: accumulated depreciation	<u>(1,344,004)</u>	<u>(1,350,337)</u>
	<u>\$ 1,809,395</u>	<u>\$ 1,688,591</u>

Depreciation expense was \$137,153 and \$119,871 for the years ended December 31, 2017 and 2016, 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 \$432,860 and \$352,014 as of December 31, 2017 and 2016, respectively.

**RONALD MCDONALD HOUSE CHARITIES
OF GREATER LAS VEGAS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017 AND 2016**

NOTE 4. NET ASSETS

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

	<u>2017</u>	<u>2016</u>
Scholarships	\$ 111,103	\$ 117,742
Lunch is on us	15,051	-
Unconditional promises to give	<u>165,240</u>	<u>214,020</u>
	<u>\$ 291,394</u>	<u>\$ 331,762</u>

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 Charities were \$53,249 and \$55,502 in 2017 and 2016, respectively. A total of \$0 and \$14,057 were included in accounts payable at 2017 and 2016, respectively.

In addition, the House receives grants and other donations from the national Ronald McDonald House Charities. The House received income totaling \$137,368 and \$223,629 in 2017 and 2016, respectively. A total of \$17,908 and \$26,358 were included in unconditional promises to give in 2017 and 2016, respectively.

NOTE 6. OPERATING LEASE

The House entered into an operating lease for office equipment that expires in October 2021. Lease expenses totaled \$2,048 and \$4,488 in 2017 and 2016, respectively.

Future minimum rentals under this operating lease is as follows:

2018	\$ 2,023
2019	2,023
2020	2,023
2021	<u>1,686</u>
	<u>\$ 7,755</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 years ending December 31, 2017 and 2016, rent expense in the amount of \$48,990 and \$53,073, respectively, related to this lease was recognized.

**RONALD MCDONALD HOUSE CHARITIES
OF GREATER LAS VEGAS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017 AND 2016**

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, 2017 and 2016 is \$19,474 and \$15,681, respectively.

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, 2017, the LIBOR rate was 1.56%. 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, 2017 and 2016.

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, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Equities	\$ 1,518,017	\$ 1,114,416
Certificates of deposit	109,050	64,651
Money market funds	297,227	210,416
Bonds	452,119	610,117
Other mutual funds	<u>178,590</u>	<u>-</u>
	<u>\$ 2,555,003</u>	<u>\$ 1,999,600</u>

Investment income is reported net of investment fees of \$16,981 and \$13,843 for the years ended December 31, 2017 and 2016, 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:

**RONALD MCDONALD HOUSE CHARITIES
OF GREATER LAS VEGAS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017 AND 2016**

NOTE 10. FAIR VALUE OF ASSETS (CONTINUED)

	<u>2017</u>	<u>Level 1</u>
Equities	\$ 1,518,017	\$ 1,518,017
Certificates of deposit	109,050	109,050
Money market funds	297,227	297,227
Bonds	452,119	452,119
Other mutual funds	<u>178,590</u>	<u>178,590</u>
Total	<u>\$ 2,555,003</u>	<u>\$ 2,555,003</u>
	<u>2016</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
Bonds	<u>610,117</u>	<u>610,117</u>
Total	<u>\$ 1,999,600</u>	<u>\$ 1,999,600</u>

NOTE 11. UNCONDITIONAL PROMISES TO GIVE

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

	<u>2017</u>	<u>2016</u>
Unconditional promises to give	\$ 169,296	\$ 221,236
Less: unamortized discount	<u>4,056</u>	<u>7,216</u>
Net unconditional promises to give	165,240	214,020
Less: receivable in less than one year	<u>75,398</u>	<u>78,348</u>
Receivable in one to five years, net	<u>\$ 89,842</u>	<u>\$ 135,672</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.