

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

**AUDITED FINANCIAL STATEMENTS**

**DECEMBER 31, 2019 AND 2018**

The logo consists of a dark blue square with a white border. Inside the square, the letters "HRC" are written in a white, bold, sans-serif font.

**HRC**

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

**DECEMBER 31, 2019 AND 2018**

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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, 2019, 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, 2019 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 2018 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated July 19, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited financial statements from which it was derived.

*Hmedsmoth, Russo & Company, P.C.*

Las Vegas, Nevada  
July 29, 2020

**RONALD MCDONALD HOUSE CHARITIES  
OF GREATER LAS VEGAS, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2019 AND 2018**

	2019	2018
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 699,613	\$ 676,574
Cash and cash equivalents, restricted	122,444	41,977
Investments	2,805,221	2,390,434
Accounts receivable	61,182	107,607
Unconditional promises to give, current	81,172	72,649
Prepaid expenses	22,649	33,159
Gift cards	2,561	2,359
	3,794,842	3,324,759
<b>OTHER ASSETS</b>		
Property and equipment, net	1,768,727	1,795,145
Unconditional promises to give, less current portion, net	-	43,120
	\$ 5,563,569	\$ 5,163,024
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 40,039	\$ 13,946
Accrued expenses	67,460	45,977
Deferred revenue	8,500	5,000
Scholarships payable	100,000	78,749
	215,999	143,672
<b>NET ASSETS</b>		
Without donor restrictions	5,143,954	4,861,606
With donor restrictions	203,616	157,746
	5,347,570	5,019,352
	\$ 5,563,569	\$ 5,163,024

See accompanying notes to financial statements.

**RONALD MCDONALD HOUSE CHARITIES  
OF GREATER LAS VEGAS, INC.  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
<b>UNRESTRICTED NET ASSETS</b>		
Revenue, gains and other support:		
Contributions	\$ 1,353,864	\$ 1,322,509
Special events		
Special event revenue	\$ 436,094	\$ 474,174
Cost of direct benefits to donors	<u>(127,629)</u>	<u>(148,585)</u>
Net revenues from special events	308,465	325,589
Room donations	12,011	12,441
In-kind contributions	264,286	162,009
Investment income (loss), net of expenses	415,205	(163,770)
Released from restrictions	<u>113,270</u>	<u>148,035</u>
	<u>2,467,101</u>	<u>1,806,813</u>
Expenses and losses:		
Program expenses:		
Ronald McDonald House	966,795	934,998
Ronald McDonald Family Room	172,880	210,128
Scholarships	287,111	332,479
Lunch is On Us	157,869	129,540
Care Mobile	112,771	56,203
Supporting services:		
Fundraising	268,976	204,984
Management and general	<u>218,135</u>	<u>167,890</u>
	2,184,537	2,036,222
Loss on disposal of assets	<u>216</u>	<u>7,222</u>
	<u>2,184,753</u>	<u>2,043,444</u>
Increase (decrease) in net assets without donor restrictions	<u>282,348</u>	<u>(236,631)</u>
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>		
Contributions	159,140	14,387
Released from restrictions:		
Satisfied by purpose and/or time	<u>(113,270)</u>	<u>(148,035)</u>
Increase (decrease) in net assets with donor restrictions	<u>45,870</u>	<u>(133,648)</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, 2019 AND 2018**

	2019	2018
INCREASE (DECREASE) IN NET ASSETS	328,218	(370,279)
NET ASSETS, BEGINNING OF YEAR	5,019,352	5,389,631
NET ASSETS, END OF YEAR	\$ 5,347,570	\$ 5,019,352

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, 2019  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018)**

	Program Services					Supporting Services				2019 Totals	2018 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	\$ 455,785	\$ 73,655	\$ 55,051	\$ 67,105	\$ 24,393	\$ 159,933	\$ 113,236	\$ -	\$ 949,158	\$ 849,041	
Accounting	-	-	-	-	-	-	18,450	-	18,450	15,964	
Advertising	2,883	2,883	2,883	-	-	20,180	-	-	28,829	14,110	
Auto and travel	5,522	892	667	813	296	1,938	1,372	-	11,500	12,659	
Bank fees	-	-	-	-	-	-	13,962	-	13,962	16,550	
Canister fees and supplies	-	-	-	-	-	500	-	-	500	3,439	
Conference	3,337	539	403	491	179	1,171	829	-	6,949	34,721	
Depreciation	125,851	13,679	987	1,914	368	1,693	2,754	-	147,246	135,683	
Direct mail expenses	-	-	-	-	-	56,027	-	-	56,027	52,771	
Facilities and equipment rental	1,067	172	129	157	57	374	265	88,562	90,783	113,579	
Guest Services	234,265	17,623	-	-	-	-	-	-	251,888	204,393	
Insurance	25,516	2,773	200	388	75	343	558	-	29,853	33,151	
Meals and entertainment	5,175	836	625	762	277	1,816	1,286	-	10,777	12,990	
Occupancy	2,130	47,202	-	-	-	-	-	-	49,332	64,450	
Office and supplies	23,355	3,774	2,821	3,439	1,250	8,195	5,802	15,118	63,754	62,188	
Postage and printing	6,197	1,002	749	912	332	2,175	1,540	-	12,907	13,234	
Professional fees	3,495	-	-	-	-	13,659	56,501	23,950	97,605	79,124	
Food Expenses	-	-	-	80,789	-	-	-	-	80,789	68,477	
Repairs and maintenance	29,105	3,164	228	443	85	392	637	-	34,054	39,453	
Professional dental services	-	-	-	-	85,332	-	-	-	85,332	50,170	
Scholarships and grants	-	-	222,030	-	-	-	-	-	222,030	247,653	
Security	1,883	205	15	29	6	25	41	-	2,204	16,344	
Utilities	41,229	4,481	323	627	121	555	902	-	48,238	44,663	
	<u>\$ 966,795</u>	<u>\$ 172,880</u>	<u>\$ 287,111</u>	<u>\$ 157,869</u>	<u>\$ 112,771</u>	<u>\$ 268,976</u>	<u>\$ 218,135</u>	<u>127,630</u>	<u>2,312,167</u>	<u>2,184,807</u>	
Less: Direct benefits to donors								<u>(127,630)</u>	<u>(127,630)</u>	<u>(148,585)</u>	
								<u>\$ -</u>	<u>\$ 2,184,537</u>	<u>\$ 2,036,222</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, 2019 AND 2018**

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ 328,218	\$ (370,279)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	147,246	135,683
Change in discount to present value	1,358	(2,268)
Realized/unrealized (gain) loss on investments	(360,271)	196,113
Donated property and equipment	(30,753)	(3,000)
Loss on disposal of fixed assets	216	7,222
Donated gift cards	(202)	1,084
(Increase) decrease in operating assets:		
Accounts receivable	46,425	(66,255)
Unconditional promises to give	33,239	51,739
Prepaid expenses	10,510	104,122
Increase (decrease) in operating liabilities:		
Accounts payable	26,093	(61,760)
Accrued expenses	21,483	9,668
Deferred revenue	3,500	(89,247)
Scholarships payable	21,251	10,225
	248,313	(76,953)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	1,617,360	120,385
Purchases of investments	(1,671,876)	(151,929)
Purchases of property and equipment	(90,291)	(125,655)
	(144,807)	(157,199)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	103,506	(234,152)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	718,551	952,703
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 822,057	\$ 718,551

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, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
SUMMARY OF CASH ACCOUNTS		
Cash and cash equivalents	\$ 699,613	\$ 676,574
Cash and cash equivalents, restricted	<u>122,444</u>	<u>41,977</u>
	<u>\$ 822,057</u>	<u>\$ 718,551</u>

See accompanying notes to financial statements.

**RONALD MCDONALD HOUSE CHARITIES  
OF GREATER LAS VEGAS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018**

**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 for 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 and University Medical Center (UMC). 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, primarily from the Southern Nevada region.

**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 two classes of net assets: those with and those without donor restrictions.

**Restricted and Unrestricted Revenue**

Contributions received are recorded as increases in net assets with or without restrictions, depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**RONALD MCDONALD HOUSE CHARITIES  
OF GREATER LAS VEGAS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019 AND 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**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.

**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, 2019 and 2018 as all accounts receivable were determined to be collectable.

**RONALD MCDONALD HOUSE CHARITIES  
OF GREATER LAS VEGAS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019 AND 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Expense Allocation**

The costs of providing the various programs and supporting services have been summarized in the statements of activities on a functional basis. Some expenses can be directly allocated to one of the programs or supporting functions. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Some expenses were allocated on the basis of a salary allocation percentage, which is calculated based on the employees' salaries and timesheet data. The expenses in this category include salaries and related, auto and travel, conference fees, facilities and equipment rental, meals and entertainment, office and supplies, and postage and printing. Other expenses were allocated on the basis of a square footage allocation, using estimates of the square footage occupied by each activity. The expenses in this category include depreciation, insurance, repairs and maintenance, security, and utilities.

**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, 2019 or 2018 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, 2019 and 2018, consists of services to the House totaling \$19,531 and \$26,408, 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 supported 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 958, *Not-for-Profit Entities*. These volunteers donated 23,965 and 22,508 hours, which at an hourly rate determined by the Independent Sector Research would be valued at \$25 per hour, or \$599,125 and \$562,700, for the years ended December 31, 2019 and 2018, 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 programmatic, scholarship, and fundraising functions. Advertising is expensed as incurred.

**RONALD MCDONALD HOUSE CHARITIES  
OF GREATER LAS VEGAS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019 AND 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Revenue**

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

**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, 2018, from which the summarized information was derived. Additionally, certain reclassifications have been made to the 2018 financial statements to conform to the 2019 presentation.

**Subsequent Events**

Management has evaluated subsequent events through July 29, 2020, which is the date the financial statements were available to be issued.

**NOTE 2. INFORMATION REGARDING LIQUIDITY AND AVAILABILITY**

The Organization is substantially supported by contribution revenues, and considers contributions restricted for programs which are ongoing, major, and central to its operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. To help manage unanticipated liquidity needs, the Organization has a line of credit for a total of \$150,000, which could be drawn upon, as discussed in Note 12.

The following table reflects the Organization's financial assets as of December 31, 2019, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 822,057	\$ 718,551
Investments	2,805,221	2,390,434
Accounts receivable	61,182	107,607
Unconditional promises to give, current	<u>36,693</u>	<u>23,659</u>
Total for general expenditures within one year	<u>\$ 3,725,153</u>	<u>\$ 3,240,251</u>

**RONALD MCDONALD HOUSE CHARITIES  
OF GREATER LAS VEGAS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019 AND 2018**

**NOTE 3. INVESTMENTS**

Investments are stated at their fair market value and related gains and losses on investments are reported as increases or decreases in net assets without donor restrictions. The following is a summary of investments at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Equities	\$ 1,626,564	\$ 1,365,679
Money market funds	25,746	409,655
Bonds	1,046,527	430,065
Other mutual funds	<u>106,384</u>	<u>185,035</u>
	<u>\$ 2,805,221</u>	<u>\$ 2,390,434</u>

Investment income is reported net of investment fees of \$22,618 and \$22,030 for the years ended December 31, 2019 and 2018, respectively.

**NOTE 4. 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>2019</u>	<u>Level 1</u>
Equities	\$ 1,626,654	\$ 1,626,654
Money market funds	25,746	25,746
Bonds	1,046,527	1,046,527
Other mutual funds	<u>106,384</u>	<u>106,383</u>
Total	<u>\$ 2,805,221</u>	<u>\$ 2,805,220</u>
	<u>2018</u>	<u>Level 1</u>
Equities	\$ 1,365,679	\$ 1,365,679
Money market funds	409,655	409,655
Bonds	430,065	430,065
Other mutual funds	<u>185,035</u>	<u>185,035</u>
Total	<u>\$ 2,390,434</u>	<u>\$ 2,390,434</u>

**RONALD MCDONALD HOUSE CHARITIES  
OF GREATER LAS VEGAS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019 AND 2018**

**NOTE 5. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

	<u>2019</u>	<u>2018</u>
Building and improvements	\$ 2,823,065	\$ 2,763,108
Land	75,000	75,000
Furniture and equipment	309,509	265,021
Website and database	60,000	60,000
Vehicles	<u>83,632</u>	<u>79,379</u>
	3,351,206	3,242,508
Less: accumulated depreciation	<u>(1,582,479)</u>	<u>(1,447,363)</u>
	<u>\$ 1,768,727</u>	<u>\$ 1,795,145</u>

**NOTE 6. UNCONDITIONAL PROMISES TO GIVE**

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

	<u>2019</u>	<u>2018</u>
Unconditional promises to give	\$ 81,602	\$ 117,557
Less: unamortized discount	<u>(430)</u>	<u>(1,788)</u>
Net unconditional promises to give	81,172	115,769
Less: receivable in less than one year	<u>81,172</u>	<u>72,649</u>
Receivable in one to five years, net	<u>\$ -</u>	<u>\$ 43,120</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 net assets with donor restrictions until released from restriction.



**RONALD MCDONALD HOUSE CHARITIES  
OF GREATER LAS VEGAS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019 AND 2018**

**NOTE 7. NET ASSETS**

Net assets with donor restrictions at December 31 are restricted for the following purposes:

	<u>2019</u>	<u>2018</u>
Scholarships	\$ -	\$ 12,540
Lunch is On Us	-	29,437
Care Mobile	122,444	-
Time restricted	<u>81,172</u>	<u>115,769</u>
	<u>\$ 203,616</u>	<u>\$ 157,746</u>

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

	<u>2019</u>	<u>2018</u>
Satisfaction of purpose restrictions:		
Scholarships	\$ 12,540	\$ 98,564
Lunch is On Us	29,438	
Expiration of time restriction		
Time restricted	<u>71,291</u>	<u>49,471</u>
	<u>\$ 113,269</u>	<u>\$ 148,035</u>

Net assets with donor restrictions consisted of the following:

	<u>2019</u>	<u>2018</u>
Cash	\$ 122,444	\$ 41,977
Unconditional promises to give	<u>81,172</u>	<u>115,769</u>
	<u>\$ 203,616</u>	<u>\$ 157,746</u>

**NOTE 8. 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 \$325,452 and \$154,470 as of December 31, 2019 and 2018, respectively. Two donors contributed a total of \$500,000 during the year ending December 31, 2019, which amounts to 20% of the total income for the year.

**RONALD MCDONALD HOUSE CHARITIES  
OF GREATER LAS VEGAS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019 AND 2018**

**NOTE 9. TRANSACTIONS WITH AFFILIATE**

House receives grants and other donations from the national Ronald McDonald House Charities. The House received income totaling \$53,021 and \$52,522 in 2019 and 2018, respectively. A total of \$8,468 and \$23,659 of these amounts were included in unconditional promises to give in 2019 and 2018, respectively.

**NOTE 10. OPERATING LEASE**

The House entered into an operating lease for office equipment that expires in October 2021. Lease expenses totaled \$2,967 and \$2,532 in 2019 and 2018, respectively.

Future minimum rentals under this operating lease are as follows:

2020		\$ 2,023
2021		<u>1,686</u>
		<u>\$ 3,709</u>

In December 2015, the House entered into a below-market lease for 1,380 square feet of space for 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 has been amortized over the 5-year term of the lease and the corresponding amortization of the discount has been recognized as an in-kind contribution. For the years ending December 31, 2019 and 2018, rent expense in the amount of \$47,202 and \$48,990 respectively, related to this lease was recognized.

**NOTE 11. 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, 2019 and 2018 is \$23,651 and \$19,729, respectively.

**NOTE 12. LINE OF CREDIT**

The House opened a \$150,000 line of credit in July 2012 expiring in July 2021 with an interest rate of LIBOR plus 2.948%. At December 31, 2019, the LIBOR rate was 1.763%. 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, 2019 and 2018.

**RONALD MCDONALD HOUSE CHARITIES  
OF GREATER LAS VEGAS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019 AND 2018**

**NOTE 13. SUBSEQUENT EVENTS**

Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. In connection with the Coronavirus (COVID-19) pandemic, there have been significant global, federal, state and local developments. As a result of this worldwide pandemic, which is driving economic uncertainty, the House may experience volatility that may impact results and/or impede general operations. The House continues to monitor this unprecedented situation and evaluate the impact of this pandemic on their results.

On April 6, 2020, the House (Borrower) was granted a loan (Loan) from Zion Bank Corporation, N.A. dba Nevada State Bank in the aggregate amount of \$170,500, pursuant to the Paycheck Protection Program (PPP), under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The Loan, which was in the form of a note dated April 6, 2020, matures on April 6, 2022 and bears interest at a rate of 1.00% per annum, payable monthly commencing on November 6, 2020. The note may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties. Funds from the Loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. The Organization intends to use the Loan for qualifying expenses. Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.