RONALD MCDONALD HOUSE CHARITIES OF GREATER LAS VEGAS, INC.

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

RONALD MCDONALD HOUSE CHARITIES
OF GREATER LAS VEGAS, INC.

DECEMBER 31, 2020 AND 2019

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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, 2020, 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.

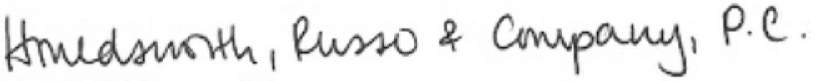
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2020 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 2019 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated July 29, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it was derived.



Las Vegas, Nevada
April 19, 2021

RONALD MCDONALD HOUSE CHARITIES
OF GREATER LAS VEGAS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 737,685	$ 699,613
Cash and cash equivalents, restricted	162,066	122,444
Investments	2,858,822	2,805,221
Accounts receivable	34,672	61,182
Unconditional promises to give, current	90,590	81,172
Prepaid expenses	17,445	22,649
Gift cards	3,949	2,561
	3,905,229	3,794,842
OTHER ASSETS		
Property and equipment, net	3,527,841	1,768,727
Unconditional promises to give, less current portion, net	204,169	-
	$ 7,637,239	$ 5,563,569
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 4,800	$ 40,039
Accrued expenses	34,248	67,460
Deferred revenue	9,500	8,500
Scholarships payable	-	100,000
Line of credit	1,000,000	-
	1,048,548	215,999
OTHER LIABILITIES		
Security deposit	3,047	-
	1,051,595	215,999
NET ASSETS		
Without donor restrictions	6,128,819	5,143,954
With donor restrictions	456,825	203,616
	6,585,644	5,347,570
	$ 7,637,239	$ 5,563,569

See accompanying notes to financial statements.

RONALD MCDONALD HOUSE CHARITIES
OF GREATER LAS VEGAS, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020		2019	
NET ASSETS WITHOUT DONOR RESTRICTIONS				
Revenue, gains and other support:				
Contributions		$ 1,177,477		$ 1,353,864
Paycheck Protection Program funds		170,500		-
Special events				
Special event revenue	$ 296,309		$ 436,095	
Cost of direct benefits to donors	(42,366)		(127,630)	
Net revenues from special events		253,943		308,465
Room donations		8,574		12,011
In-kind contributions		662,225		264,286
Investment income, net of expenses		359,440		415,205
Released from restrictions		203,616		113,270
		2,835,775		2,467,101
Expenses and losses:				
Program expenses:				
Ronald McDonald House		865,960		966,795
Ronald McDonald Family Room		105,620		172,880
Scholarships and grants		180,334		287,111
Lunch is On Us		46,725		157,869
Care Mobile		185,078		112,771
Supporting services:				
Fundraising		234,686		268,976
Management and general		231,480		218,135
		1,849,883		2,184,537
Loss on disposal of assets		1,027		216
		1,850,910		2,184,753
Increase in net assets without donor restrictions		984,865		282,348
NET ASSETS WITH DONOR RESTRICTIONS				
Contributions		203,544		159,140
In-kind contributions		253,281		-
Released from restrictions:				
Satisfied by purpose and/or time		(203,616)		(113,270)
Increase in net assets with donor restrictions		253,209		45,870

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, 2020 AND 2019

	2020	2019
INCREASE NET ASSETS	1,238,074	328,218
NET ASSETS, BEGINNING OF YEAR	5,347,570	5,019,352
NET ASSETS, END OF YEAR	$ 6,585,644	$ 5,347,570

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, 2020
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2019)

	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 to Donors	2020 Totals	2019 Totals
Salaries and related	$ 482,432	$ 20,749	$ 55,713	$ 28,077	$ 27,194	$ 141,622	$ 127,142	$ -	$ 882,929	$ 949,158
Accounting	-	-	-	-	-	-	19,250	-	19,250	18,450
Advertising	5,611	-	-	-	-	16,059	-	-	21,670	28,829
Auto and travel	2,669	41	-	20	826	879	-	-	4,435	11,500
Bank fees	-	-	-	-	-	-	11,655	-	11,655	13,962
Canister fees and supplies	-	-	-	-	-	-	-	-	-	500
Conference	-	-	-	-	-	-	2,012	-	2,012	6,949
Depreciation	127,723	13,882	1,001	1,943	374	1,719	2,794	-	149,436	147,246
Direct mail expenses	-	-	-	-	-	45,855	-	-	45,855	56,027
Facilities and equipment rental	1,059	45	122	62	60	311	279	-	1,938	90,783
Guest services	63,974	7,742	-	-	-	-	-	-	71,716	251,888
Insurance	28,525	3,100	224	434	83	384	624	-	33,374	29,853
Meals and entertainment	1,544	66	178	90	87	454	407	-	2,826	10,777
Occupancy	11,385	48,990	-	-	-	-	-	-	60,375	49,332
Office and supplies	3,826	157	10,855	213	206	8,216	4,184	28,057	55,714	63,754
Postage and printing	7,884	339	911	459	444	2,315	2,078	-	14,430	12,907
Professional fees	38,940	1,675	4,497	2,266	2,195	11,431	55,431	14,309	130,744	97,605
Food expenses	-	-	-	11,138	-	-	-	-	11,138	80,789
Repairs and maintenance	35,840	2,905	1,905	1,193	911	4,708	4,430	-	51,892	34,054
Professional dental services	-	-	-	-	152,539	-	-	-	152,539	85,332
Scholarships and grants	-	-	104,500	-	-	-	-	-	104,500	222,030
Security	15,435	1,678	121	235	45	207	338	-	18,059	2,204
Utilities	39,113	4,251	307	595	114	526	856	-	45,762	48,238
	$ 865,960	$ 105,620	$ 180,334	$ 46,725	$ 185,078	$ 234,686	$ 231,480	42,366	1,892,249	2,312,167
Less: Direct benefits to donors								(42,366)	(42,366)	(127,630)
								$ -	$ 1,849,883	$ 2,184,537

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, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	$ 1,238,074	$ 328,218
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	149,436	147,246
Change in discount to present value	2,300	1,358
Realized/unrealized gain on investments	(297,348)	(360,271)
Donated property and equipment	(560,505)	(30,753)
Loss on disposal of fixed assets	1,027	216
Donated gift cards	(1,388)	(202)
(Increase) decrease in operating assets:		
Accounts receivable	26,510	46,425
Unconditional promises to give	(215,887)	33,239
Prepaid expenses	5,204	10,510
Increase (decrease) in operating liabilities:		
Accounts payable	(35,239)	26,093
Accrued expenses	(33,212)	21,483
Deferred revenue	1,000	3,500
Scholarships payable	(100,000)	21,251
Security deposit	3,047	-
Net cash provided by operating activities	183,019	248,313
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	796,749	1,617,360
Purchases of investments	(553,002)	(1,671,876)
Purchases of property and equipment	(1,349,072)	(90,291)
Net cash used in investing activities	(1,105,325)	(144,807)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	1,000,000	-
Net cash provided by financing activities	1,000,000	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	77,694	103,506
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	822,057	718,551
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 899,751	$ 822,057

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, 2020 AND 2019

	2020	2019
SUMMARY OF CASH ACCOUNTS		
Cash and cash equivalents	$ 737,685	$ 699,613
Cash and cash equivalents, restricted	162,066	122,444
	$ 899,751	$ 822,057

See accompanying notes to financial statements.

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.

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, 2020 and 2019 as all accounts receivable were determined to be collectable.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expense Allocation

The costs of providing the various programs and supporting services 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.

The following expenses were allocated on the basis of employee time and effort: salaries and related, facilities and equipment rental, meals and entertainment and postage and printing.

The following expenses were allocated on a square footage basis: depreciation, insurance, security and utilities.

The following expenses were directly allocated by function based on the nature of the expense: accounting, advertising, auto and travel, bank fees, canister fees and supplies, conferences, food expenses, guest services, professional dental services, occupancy, scholarships and grants and direct mail expenses.

The following expenses were allocated on the basis of a combination of employee time and effort and by direct allocation: office and supplies and professional fees.

The following expenses were allocated on the basis of a combination of employee time and effort and square footage basis: repairs and maintenance.

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, 2020 or 2019 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, 2020 and 2019, consists of services to the House totaling $61,254 and $19,531, 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 6,754 and 23,965 hours, which at an hourly rate determined by the Independent Sector Research would be valued at $27 and $25 per hour, or $182,358 and $599,125, for the years ended December 31, 2020 and 2019, respectively.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2019, from which the summarized information was derived. Additionally, certain reclassifications have been made to the 2019 financial statements to conform to the 2020 presentation.

Subsequent Events

Management has evaluated subsequent events through April 19, 2021, 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 $1,300,000 of which $300,000 is available at December 31, 2020, which could be drawn upon, as discussed in Note 12.

NOTE 2. INFORMATION REGARDING LIQUIDITY AND AVAILABILITY (CONTINUED)

The following table reflects the Organization's financial assets as of December 31, 2020 and 2019, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date:

	2020	2019
Cash and cash equivalents	$ 899,751	$ 822,057
Investments	2,858,822	2,805,221
Accounts receivable	34,672	61,182
Unconditional promises to give cash, current	41,478	36,693
Total for general expenditures within one year	$ 3,834,723	$ 3,725,153

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, 2020 and 2019:

	2020	2019
Equities	$ 1,688,030	$ 1,626,564
Money market funds	30,648	25,746
Bonds	1,027,794	1,046,527
Other mutual funds	112,350	106,384
	$ 2,858,822	$ 2,805,221

Investment income is reported net of investment fees of $17,282 and $22,618 for the years ended December 31, 2020 and 2019, 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.

NOTE 4. FAIR VALUE OF ASSETS (CONTINUED)

The House's only assets valued at fair value are its investments. The House's investment holdings are as follows:

	2020	Level 1
Equities	$ 1,688,030	$ 1,688,030
Money market funds	30,648	30,648
Bonds	1,027,794	1,027,794
Other mutual funds	112,350	112,350
Total	$ 2,858,822	$ 2,858,822

	2019	Level 1
Equities	$ 1,626,564	$ 1,626,564
Money market funds	25,746	25,746
Bonds	1,046,527	1,046,527
Other mutual funds	106,384	106,384
Total	$ 2,805,221	$ 2,805,221

NOTE 5. UNCONDITIONAL PROMISES TO GIVE

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

	2020	2019
Unconditional promises to give	$ 297,489	$ 81,602
Less: unamortized discount	(2,730)	(430)
Net unconditional promises to give	294,759	81,172
Less: receivable in less than one year	90,590	81,172
Receivable in one to five years, net	$ 204,169	$ -

Unconditional promises to give are recorded at the present value of estimated future cash flows using a discount rate of .42% and 1.93% for the years ended December 31, 2020 and 2019, respectively. Amounts are recorded net assets with donor restrictions until released from restriction.

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2020	2019
Building and improvements	$ 2,844,745	$ 2,823,065
Land	1,752,955	75,000
Land improvements	180,992	-
Furniture and equipment	326,896	309,509
Website and database	60,000	60,000
Vehicles	83,632	83,632
	5,249,220	3,351,206
Less: accumulated depreciation	(1,721,379)	(1,582,479)
	$ 3,527,841	$ 1,768,727

NOTE 7. NET ASSETS

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

	2020	2019
Scholarships	$ 27,199	$ -
Care Mobile	76,367	122,444
Remodel	58,500	-
Time restricted	294,759	81,172
	$ 456,825	$ 203,616

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:

Satisfaction of purpose restrictions:	2020	2019
Scholarships	$ -	$ 12,540
Lunch is On Us	-	29,438
Care Mobile	122,444	-
Expiration of time restriction:		
Time restricted	81,172	71,291
	$ 203,616	$ 113,269

NOTE 7. NET ASSETS (CONTINUED)

Net assets with donor restrictions consisted of the following:

	2020	2019
Cash	$ 162,066	$ 122,444
Unconditional promises to give	294,759	81,172
	$ 456,825	$ 203,616

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 $580,718 and $325,452 as of December 31, 2020 and 2019, respectively. Three donors contributed a total of $450,000 during the year ending December 31, 2020, which amounts to 15% of the total income for the year.

NOTE 9. TRANSACTIONS WITH AFFILIATE

House receives grants and other donations from the national Ronald McDonald House Charities. The House received income totaling $78,937 and $53,021 in 2020 and 2019, respectively. A total of $8,250 and $8,468 of these amounts were included in unconditional promises to give in 2020 and 2019, respectively.

NOTE 10. OPERATING LEASE

The House entered into an operating lease for office equipment that expires in October 2021. Lease expenses totaled $1,481 and $2,967 in 2020 and 2019, respectively.

Future minimum rentals under this operating lease are as follows:

2021	$ 1,686
	$ 1,686

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 expired in November 2020, had 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 was amortized over the 5-year term of the lease and the corresponding amortization of the discount had been recognized as an in-kind contribution. The House entered into a new 5-year lease agreement which is effective through November 30, 2025. This lease 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 $260,095 was recognized with a discount to present value using a rate of .42%. 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.

NOTE 10. OPERATING LEASE (CONTINUED)

For the years ending December 31, 2020 and 2019, rent expense in the amount of $48,990 and $47,202 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, 2020 and 2019 was $22,077 and $23,651, 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%. In December 2020, the line of credit was increased to $1,300,000. At December 31, 2020, the LIBOR rate was .15%. The line of credit is collateralized by the House's investments. As of December 30, 2020 and 2019, the outstanding balance on the line of credit was $1,000,000 and $0, respectively.

NOTE 13. RISKS AND UNCERTAINTIES

In March of 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses and communities. Specific to the House, COVID-19 may impact various parts of its future operations and financial results. Management believes the House is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.