RONALD MCDONALD HOUSE CHARITIES OF GREATER LAS VEGAS, INC.

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

RONALD MCDONALD HOUSE CHARITIES
OF GREATER LAS VEGAS, INC.

DECEMBER 31, 2021 AND 2020

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

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, 2021 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ronald McDonald House Charities of Greater Las Vegas, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Ronald McDonald House Charities of Greater Las Vegas, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material

misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individualy or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Ronald McDonald House Charities of Greater Las Vegas, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ronald McDonald House Charities of Greater Las Vegas, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Ronald McDonald House Charities of Greater Las Vegas, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 19, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Holdsworth, Russo & Company, P.C.

Las Vegas, Nevada
July 25, 2022

RONALD MCDONALD HOUSE CHARITIES
OF GREATER LAS VEGAS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 644,548	$ 737,685
Cash and cash equivalents, restricted	38,168	162,066
Investments	3,465,279	2,858,822
Accounts receivable	18,685	34,672
Unconditional promises to give, current	143,049	90,590
Gift cards	7,441	3,949
Prepaid expenses	8,392	17,445
	4,325,562	3,905,229
OTHER ASSETS		
Property and equipment, net	3,873,297	3,527,841
Cash and cash equivalents, restricted for long-term purposes	1,649,778	-
Unconditional promises to give, less current portion, net	282,705	204,169
	$ 10,131,342	$ 7,637,239
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 50,772	$ 4,800
Accrued expenses	51,130	34,248
Deferred revenue	-	9,500
Line of credit	1,000,000	1,000,000
	1,101,902	1,048,548
OTHER LIABILITIES		
Security deposit	3,085	3,047
	1,104,987	1,051,595
NET ASSETS		
Without donor restrictions	6,912,655	6,128,819
With donor restrictions	2,113,700	456,825
	9,026,355	6,585,644
	$ 10,131,342	$ 7,637,239

See accompanying notes to financial statements.

RONALD MCDONALD HOUSE CHARITIES
OF GREATER LAS VEGAS, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021		2020	
NET ASSETS WITHOUT DONOR RESTRICTIONS				
Revenue, gains and other support:				
Contributions		$ 1,535,786		$ 1,177,477
Paycheck Protection Program funds		-		170,500
Special events				
Special event revenue	$ 413,003		$ 296,309	
Cost of direct benefits to donors	(86,359)		(42,366)	
Net revenues from special events		326,644		253,943
Room donations		9,686		8,574
Rental income		39,248		-
In-kind contributions		228,160		662,225
Investment income, net of expenses		300,907		359,440
Other income		47,925		-
Released from restrictions		134,867		203,616
		2,623,223		2,835,775
Expenses and losses:				
Program expenses:				
Ronald McDonald House		817,882		865,960
Ronald McDonald Family Room		152,813		105,620
Scholarships and grants		235,207		180,334
Lunch is On Us		-		46,725
Care Mobile		189,000		185,078
Supporting services:				
Fundraising		267,622		234,686
Management and general		176,863		231,480
		1,839,387		1,849,883
Loss on disposal of assets		-		1,027
		1,839,387		1,850,910
Increase in net assets without donor restrictions		783,836		984,865
NET ASSETS WITH DONOR RESTRICTIONS				
Contributions		1,791,742		203,544
In-kind contributions		-		253,281
Released from restrictions:		(134,867)		(203,616)
Increase in net assets with donor restrictions		1,656,875		253,209

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, 2021 AND 2020

	2021	2020
INCREASE NET ASSETS	2,440,711	1,238,074
NET ASSETS, BEGINNING OF YEAR	6,585,644	5,347,570
NET ASSETS, END OF YEAR	$ 9,026,355	$ 6,585,644

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, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	Program Services				Supporting Services				
	Ronald McDonald House	Ronald McDonald Family Room	Scholarships and grants	Care Mobile	Fundraising	Management and General	Special Event Direct Benefits to Donors	2021 Totals	2020 Totals
Salaries and related	$ 437,970	$ 68,279	$ 61,056	$ 34,140	$ 149,544	$ 108,955	$ -	$ 859,944	$ 882,929
Accounting	-	-	-	-	-	15,500	-	15,500	19,250
Advertising	4,670	-	373	-	12,517	-	-	17,560	21,670
Auto and travel	5,398	226	202	113	700	360	-	6,999	4,435
Bank fees	-	-	-	-	-	12,778	-	12,778	11,655
Conference	-	-	-	-	-	4,536	-	4,536	2,012
Depreciation	125,068	13,390	966	360	1,658	2,695	-	144,137	149,436
Direct mail expenses	-	-	-	-	45,889	-	-	45,889	45,855
Facilities and equipment rental	452	71	63	35	154	113	64,035	64,923	1,938
Food expenses	-	-	-	-	-	-	-	-	11,138
Third-party fundraising expenses	-	-	-	-	18,864	-	-	18,864	3,614
Guest services	69,963	642	-	-	-	-	-	70,605	71,716
Insurance	36,685	3,928	283	106	486	791	-	42,279	33,374
Meals and entertainment	2,833	442	395	221	967	705	-	5,563	2,826
Occupancy	632	49,112	-	-	-	-	-	49,744	60,375
Office and supplies	7,222	1,105	988	552	9,576	4,313	13,474	37,230	49,569
Postage and printing	9,867	1,538	1,375	769	3,369	2,455	-	19,373	14,430
Professional fees	18,155	2,830	2,531	1,415	18,199	14,016	8,850	65,996	130,744
Professional dental services	-	-	-	150,000	-	-	-	150,000	152,539
Repairs and maintenance	33,216	4,210	2,017	1,100	4,829	4,879	-	50,251	51,892
Scholarships and grants	-	-	164,450	-	-	-	-	164,450	104,500
Security	25,331	2,712	196	73	335	546	-	29,193	18,059
Taxes and licenses	-	-	-	-	-	3,350	-	3,350	2,531
Utilities	40,420	4,328	312	116	535	871	-	46,582	45,762
	$ 817,882	$ 152,813	$ 235,207	$ 189,000	$ 267,622	$ 176,863	86,359	1,925,746	1,892,249
Less: Direct benefits to donors							(86,359)	(86,359)	(42,366)
							$ -	$ 1,839,387	$ 1,849,883

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, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	$ 2,440,711	$ 1,238,074
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	144,137	149,436
Change in pledge discount to present value	(971)	2,300
Realized/unrealized gain on investments	(187,199)	(297,348)
Donated property and equipment	(204,606)	(560,505)
Loss on disposal of fixed assets	-	1,027
Donated gift cards	(3,492)	(1,388)
(Increase) decrease in operating assets:		
Accounts receivable	15,987	26,510
Unconditional promises to give	(130,024)	(215,887)
Prepaid expenses	9,053	5,204
Increase (decrease) in operating liabilities:		
Accounts payable	12,378	(35,239)
Accrued expenses	16,882	(33,212)
Deferred revenue	(9,500)	1,000
Scholarships payable	-	(100,000)
Security deposit	38	3,047
Net cash provided by operating activities	2,103,394	183,019
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	458,436	796,749
Purchases of investments	(877,694)	(553,002)
Purchases of property and equipment	(251,393)	(1,349,072)
Net cash used in investing activities	(670,651)	(1,105,325)
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	1,432,743	77,694
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	899,751	822,057
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,332,494	$ 899,751

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, 2021 AND 2020

	2021	2020
SUMMARY OF CASH ACCOUNTS		
Cash and cash equivalents	$ 644,548	$ 737,685
Cash and cash equivalents, restricted	38,168	162,066
Cash and cash equivalents, restricted for long-term purposes	1,649,778	-
	$ 2,332,494	$ 899,751
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	$ 30,612	$ -
Assets acquired through accounts payable	$ 33,594	$ -

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 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 accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, and, accordingly, reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205 and subsections. Under ASC 958-205, the House is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

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.

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.

Accounts Receivable

Accounts receivable consist of revenue due from various sources. 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, 2021 and 2020 as all accounts receivable were determined to be collectable.

Unconditional Promises to Give

Unconditional promises to give represent promises from donors to give to the House. Contributions are recognized when the donor makes a promise to give to the House that is, in substance, unconditional. Conditional promises to give are recognized at net realizable value when the conditions on which they depend are substantially met. Promises to give are stated at the amount management expects to collect from outstanding balances. It is the House's policy to charge off uncollectible balances when management determines the promise to give will not be collected. No allowance for uncollectible promises to give was present at December 31, 2021 and 2020. Unconditional promises to give expected to be collected in greater than one year are recognized net of a discount to present value.

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donor-Imposed Restrictions

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.

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, 2021 and 2020, consists of services to the House totaling $115,796 and $61,254, respectively. The types of services provided include cab services for houseguests, heating and air conditioning maintenance services for the House, architect services, general contractor and attorney services related to construction of the new building.

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 6,685 and 6,754 hours, which at an hourly rate determined by the Independent Sector Research would be valued at $30 and $27 per hour, or $200,550 and $182,358, for the years ended December 31, 2021 and 2020, respectively.

Advertising

The House uses advertising for the programmatic, scholarship and fundraising functions. Advertising is expensed as incurred.

Functional Allocation of Expenses

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. Such allocations are determined by management on an equitable basis.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Concentration of Credit Risk

The House maintains its deposits at three financial institutions which, at most times, exceeded amounts covered by the Federal Deposit Insurance Corporation (FDIC) limit of $250,000. The House has not experienced any losses on deposits and does not believe they are exposed to a significant risk.

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, 2020, from which the summarized information was derived. Additionally, certain reclassifications have been made to the 2020 financial statements to conform to the 2021 presentation.

Date of Management's Review

Subsequent events have been evaluated through July 25, 2022, which is the date the financial statements were available to be issued.

NOTE 2. INFORMATION REGARDING LIQUIDITY AND AVAILABILITY

The House 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 House 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 House has a line of credit for a total of $1,300,000 of which $300,000 is available at December 31, 2021, which could be drawn upon, as discussed in Note 12.

The following table reflects the House's financial assets as of December 31, 2021 and 2020, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date:

NOTE 2. INFORMATION REGARDING LIQUIDITY AND AVAILABILITY (CONTINUED)

	2021	2020
Cash and cash equivalents	$ 682,716	$ 899,751
Investments	3,465,279	2,858,822
Accounts receivable	18,685	34,672
Unconditional promises to give, current	92,463	41,478
Total for general expenditures within one year	$ 4,259,143	$ 3,834,723

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, 2021 and 2020:

	2021	2020
Equities	$ 2,058,970	$ 1,688,030
Money market funds	105,417	30,648
Bonds	1,174,407	1,027,794
Other mutual funds	126,485	112,350
	$ 3,465,279	$ 2,858,822

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:

	2021	Level 1
Equities	$ 2,058,970	$ 2,058,970
Money market funds	105,417	105,417
Bonds	1,174,407	1,174,407
Other mutual funds	126,485	126,485
Total	$ 3,465,279	$ 3,465,279

NOTE 4. FAIR VALUE OF ASSETS (CONTINUED)

	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

NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2021	2020
Building and improvements	$ 2,860,296	$ 2,844,745
Land	1,752,955	1,752,955
Land improvements	180,992	180,992
Furniture and equipment	387,791	326,896
Website and database	60,000	60,000
Vehicles	83,632	83,632
Construction in progress	413,147	-
	5,738,813	5,249,220
Less: accumulated depreciation	(1,865,516)	(1,721,379)
	$ 3,873,297	$ 3,527,841

The House capitalizes interest costs as a component of construction in progress, based on the actual interest incurred on the long-term borrowings designated for the construction in progress. Total interest incurred was $30,612 and $0 in 2021 and 2020, respectively.

NOTE 6. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are recorded at the present value of estimated future cash flows using a discount rate of .42% for the years ended December 31, 2021 and 2020. Amounts are recorded as net assets with donor restrictions until released from restriction.

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

	2021	2020
Current receivable balance	$ 143,049	$ 90,590
Long-term receivable balance, net of discount	282,705	204,169
	$ 425,754	$ 294,759

NOTE 6. UNCONDITIONAL PROMISES TO GIVE (CONTINUED)

Expected collections of unconditional promises to give are as follows:

Gross receivables due in less than one year	$ 246,299	$ 90,590
Gross receivables due in one to five years	181,214	206,899
	427,513	297,489
Less: discount to net present value	(1,759)	(2,730)
	$ 425,754	$ 294,759

NOTE 7. NET ASSETS WITH DONOR RESTRICTIONS

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

	2021	2020
Scholarships	$ 29,668	$ 27,199
Care Mobile	-	76,367
Remodel	-	58,500
Food drive	8,500	-
O'Bannon house	1,777,928	-
Time restricted	297,604	294,759
	$ 2,113,700	$ 456,825

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:	2021	2020
Care Mobile	$ 76,367	$ 122,444
Remodel	58,500	-
Expiration of time restriction:		
Time restricted	-	81,172
	$ 134,867	$ 203,616

Net assets with donor restrictions consisted of the following:

	2021	2020
Cash and cash equivalents	$ 1,687,946	$ 162,066
Unconditional promises to give	425,754	294,759
	$ 2,113,700	$ 456,825

NOTE 8. TRANSACTIONS WITH AFFILIATE

House receives grants and other donations from the national Ronald McDonald House Charities. The House received income totaling $116,949 and $78,937 in 2021 and 2020, respectively. A total of $25,000 and $8,250 of these amounts were included in unconditional promises to give in 2021 and 2020, respectively.

NOTE 9. OPERATING LEASE

The House has two leases for office equipment that expires in October 2021 and June 2023. The House replaced one of the leases with a new lease which was entered into in April 2021 and expires in March 2026. Lease expenses totaled $7,371 and $4,056 in 2021 and 2020, respectively.

Future minimum rentals under this operating lease are as follows:

2022	$ 5,888
2023	4,695
2024	3,502
2025	3,502
2026	876
	$ 18,463

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.

For the years ending December 31, 2021 and 2020, rent expense in the amount of $49,112 and $48,990 respectively, related to this lease was recognized.

NOTE 10. 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, 2021 and 2020 was $24,125 and $22,077, respectively.

NOTE 11. 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, 2021, the LIBOR rate was .10%. The line of credit is collateralized by the House's investments. As of December 30, 2021 and 2020, the outstanding balance on the line of credit was $1,000,000 and $1,000,000, respectively.

NOTE 12. RISKS AND UNCERTAINTIES

As of July 25, 2022, the date these financial statements were available to be issued, 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.