

Ryan House

Financial Statements
and
Independent Auditors' Report

Year Ended September 30, 2021
(with comparative totals for 2020)

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Independent Auditors' Report

To the Audit Committee and the Board of Directors of
Ryan House
Phoenix, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of Ryan House (a nonprofit Organization), which comprise the statement of financial position as of September 30, 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.

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.

Auditors' 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 auditors' 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 Ryan House as of September 30, 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.

Report on Summarized Comparative Information

We have previously audited Ryan House's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 1, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Fester & Chapman, PLLC

May 12, 2022

RYAN HOUSE
STATEMENT OF FINANCIAL POSITION
September 30, 2021
(with comparative financial information as of September 30, 2020)

	2021	2020
ASSETS		
Current assets:		
Cash	\$ 496,674	\$ 619,957
Pledges receivable	835,000	35,000
Other receivable	-	11,488
Investments	4,479,426	3,980,892
Prepaid expenses	24,787	16,014
Total current assets	5,835,887	4,663,351
Property and equipment, net	219,561	188,729
Pledges receivable, noncurrent portion	-	10,000
Total assets	\$ 6,055,448	\$ 4,862,080
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 14,154	\$ 13,809
Due to related party	337,873	336,344
Note payable - Paycheck Protection Program, current portion	-	2,729
Total current liabilities	352,027	352,882
Note payable - Paycheck Protection Program, noncurrent portion	-	293,771
Total liabilities	352,027	646,653
Net assets:		
Without donor restrictions	4,784,027	3,999,374
With donor restrictions	919,394	216,053
Total net assets	5,703,421	4,215,427
Total liabilities and net assets	\$ 6,055,448	\$ 4,862,080

The accompanying notes are an integral part of these statements.

RYAN HOUSE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021
(with comparative financial information for the year ended September 30, 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Totals	
Support and revenue:				
Contributions and grants	\$ 1,289,932	\$ 873,820	\$ 2,163,752	\$ 1,601,673
In-kind contributions	491,078	-	491,078	428,399
Government grants	562,000	-	562,000	40,000
Paycheck Protection Program forgiveness	296,500	-	296,500	-
Interest and dividends, net of fees	44,359	-	44,359	90,887
Net gains on investments	459,306	-	459,306	51,318
Net assets released from restrictions	<u>170,479</u>	<u>(170,479)</u>	<u>-</u>	<u>-</u>
	<u>3,313,654</u>	<u>703,341</u>	<u>4,016,995</u>	<u>2,212,277</u>
Special event revenue	359,672	-	359,672	584,342
Less: Costs of direct benefits to donors	<u>-</u>	<u>-</u>	<u>-</u>	<u>(66,849)</u>
Net revenues from special events	<u>359,672</u>	<u>-</u>	<u>359,672</u>	<u>517,493</u>
Total support and revenue	<u>3,673,326</u>	<u>703,341</u>	<u>4,376,667</u>	<u>2,729,770</u>
Expenses:				
Program services	2,250,765		2,250,765	2,200,884
Supporting services:				
Management and general	241,062		241,062	284,387
Fundraising	<u>396,846</u>		<u>396,846</u>	<u>366,826</u>
Total supporting services	<u>637,908</u>		<u>637,908</u>	<u>651,213</u>
Total expenses	<u>2,888,673</u>		<u>2,888,673</u>	<u>2,852,097</u>
Change in net assets	784,653	703,341	1,487,994	(122,327)
Net assets, beginning of year	<u>3,999,374</u>	<u>216,053</u>	<u>4,215,427</u>	<u>4,337,754</u>
Net assets, end of year	<u>\$ 4,784,027</u>	<u>\$ 919,394</u>	<u>\$ 5,703,421</u>	<u>\$ 4,215,427</u>

The accompanying notes are an integral part of these statements.

RYAN HOUSE
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2021
(with comparative financial information for the year ended September 30, 2020)

	2021						2020
	Supporting Services			Total Supporting Services	Total		
	Program Services	Management & General	Fundraising				
Payroll and related	\$ 1,473,939	\$ 120,035	\$ 175,771	\$ 295,806	\$ 1,769,745	\$ 1,746,028	
Office supplies and equipment	11,210	2,263	8,290	10,553	21,763	18,967	
Technology	3,771	5,233	13,154	18,387	22,158	33,718	
Board expenses	-	3,795	-	3,795	3,795	460	
Insurance	10,172	6,932	553	7,485	17,657	17,516	
Banking and credit card fees	-	1,100	11,940	13,040	13,040	15,164	
Consulting and contract labor	39,000	-	97,800	97,800	136,800	136,800	
Accounting fees	-	46,040	-	46,040	46,040	45,915	
Legal fees	-	62	-	62	62	1,129	
Child life and life enhancement program	14,669	-	-	-	14,669	34,225	
Facility, utilities and maintenance	125,210	4,097	6,846	10,943	136,153	134,812	
Hospice of the Valley - Facility in-kind	241,040	7,860	13,100	20,960	262,000	262,000	
Hospice of the Valley - Support services	73,800	13,500	2,700	16,200	90,000	90,000	
Hospice of the Valley - Support services in-kind	147,600	27,000	5,400	32,400	180,000	133,000	
Events	32,375	-	13,860	13,860	46,235	83,907	
Events in-kind	20,058	-	5,015	5,015	25,073	7,174	
Marketing and collateral	14,256	325	26,220	26,545	40,801	16,542	
Donor cultivation	-	-	-	-	-	5,657	
Community relations	210	172	71	243	453	766	
Contributions to non-profit organizations	205	-	-	-	205	50	
Other in-kind	9,425	2,500	12,080	14,580	24,005	26,225	
Depreciation	33,825	148	4,046	4,194	38,019	42,042	
	<u>\$ 2,250,765</u>	<u>\$ 241,062</u>	<u>\$ 396,846</u>	<u>\$ 637,908</u>	<u>\$ 2,888,673</u>	<u>\$ 2,852,097</u>	

The accompanying notes are an integral part of these statements.

RYAN HOUSE
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2021
(with comparative financial information for the year ended September 30, 2020)

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 1,487,994	\$ (122,327)
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation	38,019	42,042
Net gains on investments	(459,306)	(51,318)
Forgiveness of Paycheck Protection Program note payable	(296,500)	-
Changes in:		
Pledges receivable	(790,000)	200,000
Other receivable	11,488	(11,488)
Prepaid expenses	(8,773)	21,432
Accounts payable and accrued expenses	345	2,850
Due to related party	1,529	(5,396)
Deferred revenue	-	(1,000)
Net cash (used) provided by operating activities	(15,204)	74,795
Cash flows from investing activities:		
Purchases of investments	(5,391,893)	(1,569,583)
Proceeds from sales of investments	5,352,665	1,279,375
Purchases of property and equipment	(68,851)	(1,953)
Net cash used by investing activities	(108,079)	(292,161)
Cash flows from financing activities:		
Proceeds from note payable	-	296,500
Net cash provided by financing activities	-	296,500
Change in cash	(123,283)	79,134
Cash, beginning of year	619,957	540,823
Cash, end of year	\$ 496,674	\$ 619,957
<u>Supplemental disclosure of cash flow information:</u>		
Cash paid during the period for interest	\$ -	\$ -

The accompanying notes are an integral part of these statements.

RYAN HOUSE
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

(with comparative financial information as of and for the year ended September 30, 2020)

NOTE 1 - BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Ryan House (the Organization) is a nonprofit 501(c)(3) organization incorporated in Arizona. The Organization's mission is to provide essential care in a home-like setting where families of children with life-limiting conditions come for respite and, as needed, end-of-life care. All services at Ryan House are guided by the principles of palliative care. This philosophy of comfort care addresses not only physical pain but also the emotional, spiritual and social needs of the child and family. This enlightened approach to care is of critical importance, beginning at diagnosis and continuing throughout the entire course of a child's life and beyond. The Organization is primarily supported by public contributions from individuals, corporations, foundations, and community organizations.

Ryan House operates the freestanding palliative care home facility to provide respite and pediatric hospice support and comfort care for children with life-limiting conditions and their families. The Organization serves as a source of comfort, ease, quiet, strength and courage. The facility is designed to be fully accessible, providing for all types of mobility and ability without the use of ramps and lifts. The Organization, in partnership with Hospice of the Valley (see Note 10), employs a team of nurses, therapists, and other highly skilled professional caregivers, led by medical doctors and professional health care providers. Each child is provided with a specialized program of care designed by his or her personal physician and parents.

Ryan House operates exclusively on fundraised revenue and in-kind support from Hospice of the Valley and other donors, and a small governmental contract. Ryan House does not charge families for services provided. Ryan House has made significant investments in building its fundraising capacity in order to sustain revenue and operations long-term. The Board of Directors is committed to this fundraising strategy that diversifies Ryan House's donor base and allows for programmatic improvements and growth over time.

The significant accounting policies of the Organization follow:

Basis of Accounting: The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Under this method of accounting, revenue and expenses are identified with specific periods of time and are recorded as earned and incurred, respectively, without regard to the date of receipt or payment.

RYAN HOUSE
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

(with comparative financial information as of and for the year ended September 30, 2020)

NOTE 1 - BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -
Continued

Basis of Presentation: Financial statement presentation follows the recommendations of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) topic of *Not-for-Profit Entities*, requiring the Organization to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of Estimates: In preparing financial statements in conformity with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash: The Organization may at times maintain cash at financial institutions in excess of the maximum amount insured by the Federal Deposit Insurance Corporation. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk.

Pledges Receivable: Pledges receivable are stated at net present value of expected cash flows, less an allowance for doubtful accounts, as deemed necessary, and are recognized as contribution revenue in the year the unconditional promise to give is made. The Organization provides for losses on receivables using the allowance method. The allowance is based on experience, knowledge of the donor or grantor, the industry and other circumstances which may affect the ability of donors or grantors to meet their obligations. It is the Organization's policy to charge off uncollectible pledges receivable when management determines the receivable will not be collected. The Organization deems pledges to be fully collectible at September 30, 2021 and 2020, and accordingly, no allowance for doubtful accounts has been recorded.

RYAN HOUSE
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

(with comparative financial information as of and for the year ended September 30, 2020)

NOTE 1 - BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -
Continued

Investments: The Organization holds certain operational funds in investments with readily determinable fair values. Investments are recorded at their estimated fair value based on quoted market prices in the Statement of Financial Position. See Note 4 regarding the fair value measurements of investments. The Organization holds certain cash and cash equivalents as part of its investment portfolio. Unrealized gains and losses are included in the change in net assets in the Statement of Activities.

Property and Equipment: Property and equipment are stated at cost, or at their estimated fair value at the date of donation. Property and equipment costing \$1,000 or more is capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Furniture and fixtures	7 years
Computers and technology	5 years
Website	3 years
Leasehold improvements	Lesser of the estimated useful life or remaining lease term

Property and equipment also includes the rights to a book, which the Organization sells to promote its mission. The book is stated at the cost of amounts paid to professional writers to develop it, and as the estimated useful life of the book is not determinable, the cost is not being amortized.

In-kind Contributions/Expenses: Use of donated facilities, goods and services are recorded at their estimated fair value at the date of donation. Donated services are recognized in the financial statements at their estimated fair value if the following criteria are met:

- i) The services require specialized skills and the services are provided by individuals possessing those skills, and the services would typically need to be purchased if not donated, or
- ii) The services enhance or create an asset.

The Organization also received numerous hours of donated services by volunteers committed to the Organization's mission. The fair value of these services is not recognized in the accompanying financial statements since they do not meet the criteria for recognition under GAAP.

Income Taxes: The Organization is exempt from federal and state income taxes as an organization other than a private foundation under Section 501(c)(3) of the Internal Revenue Code and similar state provisions.

RYAN HOUSE
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

(with comparative financial information as of and for the year ended September 30, 2020)

NOTE 1 - BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -
Continued

Contributions: Contributions are reported in accordance with the FASB ASC subtopic of *Revenue Recognition for Not-for-Profit Entities*. Contributions received are recorded as net assets without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. All donor restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, 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.

Expense Allocation: The Statement of Functional Expenses reports certain categories of expenses that are attributable to program and supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include: depreciation, facility, utilities and maintenance, facility in-kind, and insurance, which are allocated on a square footage basis; payroll and related, support services, support services in-kind, office supplies and equipment, technology, marketing and collateral, and other in-kind are allocated on the basis of estimates of time and effort.

Organization Personnel: The Organization's personnel are employees of Hospice of the Valley and are subject to all rules and regulations of Hospice of the Valley. In addition, Hospice of the Valley provides all payroll administration and human resource functions for these employees. The Organization reimburses Hospice of the Valley for personnel costs associated with employees of the Organization.

Prior Year Summarized Information: The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2020, from which the summarized information was derived.

Subsequent Events: Subsequent events have been evaluated through May 12, 2022, which was the date the Organization's financial statements were issued. Management has concluded that no events have occurred since the year ended September 30, 2021 that would require an adjustment to, or disclosure in, the financial statements.

RYAN HOUSE
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

(with comparative financial information as of and for the year ended September 30, 2020)

NOTE 2 - LIQUIDITY AND AVAILABILITY

The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Organization has the following financial assets that could readily be made available within one year of each fiscal year end to fund expenses without limitations:

	2021	2020
Total financial assets included in current assets:		
Cash	\$ 496,674	\$ 619,957
Pledges receivable, net	835,000	35,000
Other receivable	-	11,488
Investments	4,479,426	3,980,892
Total financial assets included in current assets	5,811,100	4,647,337
Less amounts unavailable for general expenditure within one year:		
Net assets with donor restrictions	919,394	216,053
Total financial assets available to meet cash needs for general expenditures within one year	\$ 4,891,706	\$ 4,431,284

In addition to financial assets available to meet general expenditures over the year, the Organization operates with a balanced budget and anticipates covering its general expenditures by collecting contributions, grants, and other revenues; and by utilizing donor-restricted resources from current and prior years gifts.

NOTE 3 - PLEDGES RECEIVABLE, NET

Unconditional promises to give are recorded as pledges receivable and revenue is recognized when the promise is made by the donor. The Organization's pledges receivable are due as follows at September 30:

	2021	2020
Receivable in less than one year	\$ 835,000	\$ 35,000
Receivable in one to two years	-	10,000
	\$ 835,000	\$ 45,000

At September 30, 2021 and 2020, 96% and 100%, respectively, of the Organization's pledges were due from two donors.

RYAN HOUSE
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

(with comparative financial information as of and for the year ended September 30, 2020)

NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

Generally accepted accounting principles establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 inputs are unadjusted quoted market prices in active markets for similar for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 inputs are based on significant observable inputs, including unadjusted quoted market prices for similar assets and liabilities in active markets, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability. At September 30, 2021 and 2020 the Organization did not have any financial instruments it valued based on level 2 inputs.

Level 3 inputs are significant unobservable inputs for the asset or liability. At September 30, 2021 and 2020 the Organization did not have any financial instruments it valued based on level 3 inputs.

The level of the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2021.

Corporate and municipal bonds: Determined by the closing bid price on the last business day of the fiscal year.

Exchange traded funds/mutual funds: Valued at the net asset value (NAV) of shares on the last trading day of the fiscal year, which is the basis for transactions at that date.

RYAN HOUSE
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

(with comparative financial information as of and for the year ended September 30, 2020)

NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS - (continued)

	2021	2020
Cash equivalents	\$ 51,610	\$ 296,430
Level 1 inputs:		
Fixed Income:		
Corporate bonds	-	530,266
Municipal bonds	-	1,567,225
Exchange Traded Fund - Domestic Core Tax	440,947	-
Mutual Funds - Domestic Core Taxable	1,112,377	-
Mutual Funds - Foreign Bond	174,992	-
Mutual Funds - High Yield & Preferred St	310,642	-
Mutual funds:		
Domestic core equities	-	957,563
Emerging market core equities	-	92,932
Domestic real estate equities	-	159,759
International core equities	-	376,717
Exchange Traded Fund - Intl Equity	173,858	-
Exchange Traded Fund - Large Cap Equity	228,722	-
Exchange Traded Fund - Mid Cap Equity	273,054	-
Mutual Funds - Emerging Market Equity	330,050	-
Mutual Funds - International Equity	87,647	-
Mutual Funds - Large Cap Equity	818,508	-
Mutual Funds - Small Cap Equity	<u>255,246</u>	<u>-</u>
Mutual Funds - Alternatives	<u>221,773</u>	<u>-</u>
Total Level 1 inputs	<u>4,427,816</u>	<u>3,684,462</u>
Total investments	<u>\$ 4,479,426</u>	<u>\$ 3,980,892</u>

The Organization's investments are covered in limited amounts by Securities Investor Protection Corporation (SIPC). The Organization has not experienced material losses in such accounts and management believes it is not exposed to significant credit risks. Although management is not aware of any factors that would significantly affect the estimated fair value amounts of the Organization's investments, current estimates of fair value may differ significantly from the amounts presented in these financial statements.

RYAN HOUSE
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

(with comparative financial information as of and for the year ended September 30, 2020)

NOTE 5 - PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following at September 30:

	2021	2020
Furniture and fixtures	\$ 600,004	\$ 531,153
Computers and technology	96,491	96,491
Website	53,157	53,157
Book	34,203	34,203
Leasehold improvements	134,093	134,093
	917,948	849,097
Accumulated depreciation	(698,387)	(660,368)
	\$ 219,561	\$ 188,729

NOTE 6 - PAYCHECK PROTECTION PROGRAM

On April 15, 2020, the Organization was approved for a \$296,500 loan under the Paycheck Protection Program (PPP) created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration (SBA).

During the year ended September 30, 2021, the Organization received forgiveness of 100% of the loan and accrued interest, after meeting certain conditions, and therefore \$296,500 is recognized as revenue in the Statement of Activities.

RYAN HOUSE
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

(with comparative financial information as of and for the year ended September 30, 2020)

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at September 30:

	2021	2020
Time restricted	\$ 835,000	\$ 45,000
Treasured Memories project	-	26,000
Story of Me Room	7,857	7,897
Medical equipment	7,534	10,071
Food for house	16,599	11,476
Teen Suites	12,000	12,000
Sanctuary	-	50,000
Aquatics program	-	28,609
Craft room	-	25,000
PPE/masks	9,000	-
Family Suites	4,957	-
Memorabilia	1,447	-
Playground	25,000	-
	<u>\$ 919,394</u>	<u>\$ 216,053</u>

NOTE 8 - RELEASED FROM RESTRICTIONS

Net assets were released from time and purpose restrictions as follows for the years ended September 30:

	2021	2020
Treasured Memories project	26,000	\$ 29,700
Family suites	43	-
Story of Me Room	40	3,423
PPE/masks	-	1,000
Medical equipment	2,537	1,224
Food for house	877	2,767
Sanctuary	50,000	-
Memorabilia	2,372	-
Craft room	25,000	-
Aquatics program	28,609	18,205
Release of time restrictions	<u>35,000</u>	<u>257,762</u>
Total net assets with donor restrictions released from restrictions	<u>\$ 170,479</u>	<u>\$ 314,082</u>

RYAN HOUSE
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

(with comparative financial information as of and for the year ended September 30, 2020)

NOTE 9 - IN-KIND CONTRIBUTIONS

The Organization receives donated goods and services from various sources. In-kind contributions consisted of the following for the years ended September 30:

	<u>2021</u>	<u>2020</u>
Facility - Hospice of the Valley	\$ 262,000	\$ 262,000
General support - Hospice of the Valley	180,000	133,000
Professional services	19,580	14,410
Event related	25,073	7,174
Other	4,425	11,815
	<u>\$ 491,078</u>	<u>\$ 428,399</u>

NOTE 10 - RELATED PARTY

As discussed in Note 1, Hospice of the Valley (HOV) administers the human resource and payroll functions of the Organization, providing clinical care oversight of respite, palliative, and hospice services. HOV invoices the Organization for these costs, as well as for a portion of the costs relating to the shared facility and equipment. HOV donates the value of unbilled facilities costs as in-kind contributions.

During the years ended September 30, 2021 and 2020, the Organization incurred expenses payable to HOV of \$2,049,818 and \$2,039,271, respectively. At September 30, 2021 and 2020, the Organization had accounts payable and accrued expenses due to HOV of \$337,873 and \$336,344, respectively.