

Ryan House

Financial Statements
and
Independent Auditors' Report

Year Ended September 30, 2024
(with comparative financial information as of September 30, 2023)

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Independent Auditors' Report

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

Opinion

We have audited the accompanying financial statements of Ryan House (a nonprofit organization, the Organization), which comprise the statement of financial position as of September 30, 2024, 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 the Organization as of September 30, 2024, and the changes in 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 the 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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, individually 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 the Organization'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 the Organization'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 Ryan House's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 27, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Fester & Chapman, PLLC

March 12, 2025

RYAN HOUSE
STATEMENT OF FINANCIAL POSITION
September 30, 2024
(with comparative financial information as of September 30, 2023)

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets:		
Cash	\$ 422,380	\$ 565,970
Contributions receivable	225,000	225,000
Investments	4,854,087	4,508,825
Prepaid expenses	<u>70,273</u>	<u>62,054</u>
Total current assets	5,571,740	5,361,849
Property and equipment, net	<u>320,406</u>	<u>371,243</u>
Total assets	<u><u>\$ 5,892,146</u></u>	<u><u>\$ 5,733,092</u></u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 19,279	\$ 32,470
Due to related party	<u>418,210</u>	<u>505,301</u>
Total current liabilities	437,489	537,771
Net assets:		
Without donor restrictions	5,148,120	4,918,292
With donor restrictions	<u>306,537</u>	<u>277,029</u>
Total net assets	<u>5,454,657</u>	<u>5,195,321</u>
Total liabilities and net assets	<u><u>\$ 5,892,146</u></u>	<u><u>\$ 5,733,092</u></u>

The accompanying notes are an integral part of these statements.

RYAN HOUSE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024
(with comparative financial information for the year ended September 30, 2023)

	2024			
	Without Donor Restrictions	With Donor Restrictions	Totals	2023
Support and revenue:				
Contributions and grants	\$ 1,178,742	\$ 273,010	\$ 1,451,752	\$ 1,817,033
In-kind contributions	708,046	-	708,046	613,217
Government grants	270,000	-	270,000	403,368
Interest and dividends, net of fees	157,915	-	157,915	173,678
Net gains on investments	710,237	-	710,237	168,654
Net assets released from restrictions	<u>243,502</u>	<u>(243,502)</u>	<u>-</u>	<u>-</u>
	<u>3,268,442</u>	<u>29,508</u>	<u>3,297,950</u>	<u>3,175,950</u>
Special event revenue	662,717	-	662,717	459,117
Less: Costs of direct benefits to donors	<u>(81,837)</u>	<u>-</u>	<u>(81,837)</u>	<u>(56,869)</u>
Net revenues from special events	<u>580,880</u>	<u>-</u>	<u>580,880</u>	<u>402,248</u>
Total support and revenue	<u>3,849,322</u>	<u>29,508</u>	<u>3,878,830</u>	<u>3,578,198</u>
Expenses:				
Program services	2,911,297		2,911,297	2,715,534
Supporting services:				
Management and general	266,112		266,112	261,483
Fundraising	<u>442,085</u>		<u>442,085</u>	<u>482,416</u>
Total supporting services	<u>708,197</u>		<u>708,197</u>	<u>743,899</u>
Total expenses	<u>3,619,494</u>		<u>3,619,494</u>	<u>3,459,433</u>
Change in net assets	229,828	29,508	259,336	118,765
Net assets, beginning of year	<u>4,918,292</u>	<u>277,029</u>	<u>5,195,321</u>	<u>5,076,556</u>
Net assets, end of year	<u>\$ 5,148,120</u>	<u>\$ 306,537</u>	<u>\$ 5,454,657</u>	<u>\$ 5,195,321</u>

The accompanying notes are an integral part of these statements.

RYAN HOUSE
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2024
(with comparative financial information for the year ended September 30, 2023)

	2024					
	Supporting Services					
	Program Services	Management & General	Fundraising	Total Supporting Services	Total	2023
Payroll and related	\$ 1,813,451	\$ 112,178	\$ 189,920	\$ 302,098	\$ 2,115,549	\$ 1,997,365
Office supplies and equipment	10,537	4,865	8,026	12,891	23,428	21,351
Technology	2,314	3,302	15,623	18,925	21,239	71,447
Board expenses	-	783	-	783	783	1,721
Insurance	12,588	7,588	684	8,272	20,860	19,139
Banking and credit card fees	-	8,514	17,802	26,316	26,316	22,275
Consulting and contract labor	45,721	6,980	113,460	120,440	166,161	161,846
Accounting fees	-	54,800	-	54,800	54,800	52,725
Child life and life enhancement program	17,404	-	-	-	17,404	36,358
Facility, utilities and maintenance	146,358	5,487	7,743	13,230	159,588	147,953
Hospice of the Valley - Facility in-kind	274,160	8,940	14,900	23,840	298,000	298,000
Hospice of the Valley - Support services	76,727	11,686	1,587	13,273	90,000	90,000
Hospice of the Valley - Support services in-kind	264,282	40,253	5,465	45,718	310,000	270,000
Events	98,347	-	29,223	29,223	127,570	150,804
Events in-kind	35,603	-	8,824	8,824	44,427	37,105
Marketing and collateral	1,222	103	15,197	15,300	16,522	16,778
Other expenses	120	530	650	1,180	1,300	3,070
Other in-kind	45,119	-	10,500	10,500	55,619	8,112
Depreciation	67,344	103	2,481	2,584	69,928	53,384
	<u>\$ 2,911,297</u>	<u>\$ 266,112</u>	<u>\$ 442,085</u>	<u>\$ 708,197</u>	<u>\$ 3,619,494</u>	<u>\$ 3,459,433</u>

The accompanying notes are an integral part of these statements.

RYAN HOUSE
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2024
(with comparative financial information for the year ended September 30, 2023)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$ 259,336	\$ 118,765
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation	69,928	53,384
Net gains on investments	(710,237)	(168,654)
Changes in:		
Contributions receivable	-	5,000
Prepaid expenses	(8,219)	(12,648)
Accounts payable and accrued expenses	(13,191)	13,522
Due to related party	<u>(87,091)</u>	<u>80,031</u>
Net cash (used) provided by operating activities	<u>(489,474)</u>	<u>89,400</u>
Cash flows from investing activities:		
Purchases of investments	(569,620)	(874,228)
Proceeds from sales of investments	934,595	734,271
Purchases of property and equipment	<u>(19,091)</u>	<u>(201,595)</u>
Net cash provided (used) by investing activities	<u>345,884</u>	<u>(341,552)</u>
Change in cash	(143,590)	(252,152)
Cash, beginning of year	<u>565,970</u>	<u>818,122</u>
Cash, end of year	<u><u>\$ 422,380</u></u>	<u><u>\$ 565,970</u></u>
<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, 2024

(with comparative financial information as of and for the year ended September 30, 2023)

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 the Organization 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.

The Organization 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. The Organization, in partnership with Hospice of the Valley (see Note 9), 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.

The Organization operates exclusively on fundraised revenue and in-kind support from Hospice of the Valley and other donors, and a small governmental contract. The Organization does not charge families for services provided. The Organization 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 the Organization'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, 2024

(with comparative financial information as of and for the year ended September 30, 2023)

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.

Contributions Receivable: Contributions 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 contributions receivable when management determines the receivable will not be collected. The Organization deems receivables to be fully collectible at September 30, 2024 and 2023, and accordingly, no allowance for doubtful accounts has been recorded.

RYAN HOUSE
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

(with comparative financial information as of and for the year ended September 30, 2023)

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, 2024

(with comparative financial information as of and for the year ended September 30, 2023)

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, 2023, from which the summarized information was derived.

Subsequent Events: Subsequent events have been evaluated through March 12, 2025, 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, 2024 that would require an adjustment to, or disclosure in, the financial statements.

RYAN HOUSE
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

(with comparative financial information as of and for the year ended September 30, 2023)

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:

	<u>2024</u>	<u>2023</u>
Total financial assets included in current assets:		
Cash	\$ 422,380	\$ 565,970
Contributions receivable	225,000	225,000
Investments	<u>4,854,087</u>	<u>4,508,825</u>
Total financial assets included in current assets	5,501,467	5,299,795
Less amounts unavailable for general expenditure within one year:		
Net assets with donor restrictions	<u>306,537</u>	<u>277,029</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 5,194,930</u></u>	<u><u>\$ 5,022,766</u></u>

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 - CONTRIBUTIONS RECEIVABLE

Unconditional promises to give are recorded as contributions receivable and revenue is recognized when the promise is made by the donor. The Organization's contributions receivable were due within one year at September 30, 2024 and 2023.

At September 30, 2024 and 2023, the Organization's contributions receivable were due from two donors.

RYAN HOUSE
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

(with comparative financial information as of and for the year ended September 30, 2023)

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 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.

Level 3 inputs are significant unobservable inputs for the asset or liability. At September 30, 2024 and 2023 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, 2024.

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, 2024

(with comparative financial information as of and for the year ended September 30, 2023)

NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS - Continued

	<u>2024</u>	<u>2023</u>
Cash equivalents	\$ 65,622	\$ 79,422
Level 1 inputs:		
Fixed Income:		
Exchange Traded Fund - Domestic Core Tax	658,356	594,239
Mutual Funds - Bank Loans	112,434	116,230
Mutual Funds - Domestic Core Taxable	1,275,121	1,088,342
Mutual Funds - Foreign Bond	116,542	110,784
Mutual funds:		
Exchange Traded Fund - Large Cap Equity	243,418	193,081
Exchange Traded Fund - Mid Cap Equity	292,499	371,970
Mutual Funds - Emerging Market Equity	204,950	180,296
Mutual Funds - International Equity	432,978	403,139
Mutual Funds - Large Cap Equity	974,999	910,306
Mutual Funds - Small Cap Equity	292,056	274,998
Mutual Funds - Alternatives	<u>185,112</u>	<u>186,018</u>
Total Level 1 inputs	<u>4,788,465</u>	<u>4,429,403</u>
Total investments	<u>\$ 4,854,087</u>	<u>\$ 4,508,825</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, 2024

(with comparative financial information as of and for the year ended September 30, 2023)

NOTE 5 - PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following at September 30:

	2024	2023
Furniture and fixtures	\$ 671,790	\$ 665,588
Computers and technology	96,491	96,491
Website	70,657	61,907
Book	34,203	34,203
Leasehold improvements	<u>309,455</u>	<u>305,316</u>
	1,182,596	1,163,505
Accumulated depreciation	<u>(862,190)</u>	<u>(792,262)</u>
	<u><u>\$ 320,406</u></u>	<u><u>\$ 371,243</u></u>

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

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

	2024	2023
Time restricted	\$ 225,000	\$ 225,000
Story of Me Room	4,209	4,702
Medical equipment	269	7,534
Food for house	17,287	15,593
Teen suites	11,539	11,539
Memorial garden	30,000	-
Living room	3,812	-
North door	10,200	-
Family suites	1,721	6,678
COVID	568	-
Memorabilia	1,293	783
North door improvements	-	5,200
Swimming pool	<u>639</u>	<u>-</u>
	<u><u>\$ 306,537</u></u>	<u><u>\$ 277,029</u></u>

RYAN HOUSE
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

(with comparative financial information as of and for the year ended September 30, 2023)

NOTE 7 - RELEASED FROM RESTRICTIONS

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

	2024	2023
Release of time restrictions	\$ 225,000	\$ 230,000
Story of Me Room	493	909
Medical equipment	7,265	11,993
Food for house	1,306	5,078
Teen Suites	-	461
Memorabilia	3,664	235
COVID	215	-
Playground	-	80,000
Board events	-	1,074
Treasured Memories project	-	25,000
Living room	1,188	-
Swimming pool	4,371	-
Fountain	-	38,250
Total net assets with donor restrictions released from restrictions	<u>\$ 243,502</u>	<u>\$ 393,000</u>

NOTE 8 - IN-KIND CONTRIBUTIONS

The Organization records various types of in-kind support, including rent, supplies and professional services. Contributed in-kind support is recognized in accordance with accounting principles generally accepted in the United States of America. This requires recognition of certain services received if those services (a) create or enhance long-lived assets or (b) required specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Donated facility, general support and professional services are valued based on amounts estimated by donors that would otherwise be paid at fair market value. Event related and other in-kind contributions include donated advertising, items for silent auctions, and supplies, and are valued based on estimated retail pricing.

RYAN HOUSE
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

(with comparative financial information as of and for the year ended September 30, 2023)

NOTE 8 - IN-KIND CONTRIBUTIONS - Continued

In-kind donations consisted of the following for the years ended September 30:

	<u>2024</u>	<u>2023</u>
Facility - Hospice of the Valley	\$ 298,000	\$ 298,000
General support - Hospice of the Valley	310,000	270,000
Professional services	18,672	685
Event related	44,427	37,105
Other	36,947	7,427
	<u>\$ 708,046</u>	<u>\$ 613,217</u>

NOTE 9 - 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, 2024 and 2023, the Organization incurred expenses payable to HOV of \$2,517,355 and \$2,517,497, respectively. At September 30, 2024 and 2023, the Organization had accounts payable and accrued expenses due to HOV of \$418,210 and \$505,301, respectively.

NOTE 10 - LINE-OF-CREDIT

The Organization has a line-of-credit with a bank for \$2,000,000 as of September 30, 2024. The line-of-credit matures on September 2, 2027, with a variable interest rate based on the Prime Rate (6.25% at September 30, 2024). The line is secured by the money market account held by the Organization. There was no balance due on the line-of-credit at September 30, 2024 and 2023.