

Ryan House

Financial Statements  
and  
Independent Auditors' Report

Year Ended September 30, 2020  
(with comparative totals for 2019)

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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, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **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, 2020, 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.

## **Emphasis of Matter**

As discussed in Note 1 to the financial statements, in the year ended September 30, 2020, Ryan House adopted new accounting guidance Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.

## **Report on Summarized Comparative Information**

We have previously audited Ryan House's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 9, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Fester & Chapman, PLLC*

April 1, 2021

RYAN HOUSE  
STATEMENT OF FINANCIAL POSITION  
September 30, 2020  
(with comparative financial information as of September 30, 2019)

	2020	2019
ASSETS		
Current assets:		
Cash	\$ 619,957	\$ 540,823
Pledges receivable, net	35,000	225,000
Other receivable	11,488	-
Investments	3,980,892	3,639,366
Prepaid expenses	16,014	37,446
Total current assets	4,663,351	4,442,635
Property and equipment, net	188,729	228,818
Pledges receivable, noncurrent portion	10,000	20,000
Total assets	\$ 4,862,080	\$ 4,691,453
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 13,809	\$ 10,959
Due to related party	336,344	341,740
Deferred revenue	-	1,000
Note payable - Paycheck Protection Program, current portion	2,729	-
Total current liabilities	352,882	353,699
Note payable - Paycheck Protection Program, noncurrent portion	293,771	-
Total liabilities	646,653	353,699
Net assets:		
Without donor restrictions	3,999,374	4,008,676
With donor restrictions	216,053	329,078
Total net assets	4,215,427	4,337,754
Total liabilities and net assets	\$ 4,862,080	\$ 4,691,453

The accompanying notes are an integral part of these statements.

RYAN HOUSE  
STATEMENT OF ACTIVITIES  
For the Year Ended September 30, 2020  
(with comparative financial information for the year ended September 30, 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Totals	
Support and revenue:				
Contributions and grants	\$ 1,400,616	\$ 201,057	\$ 1,601,673	\$ 1,539,119
In-kind contributions	428,399	-	428,399	472,177
Government grants	40,000	-	40,000	219,676
Interest and dividends, net of fees	90,887	-	90,887	99,386
Net gains on investments	51,318	-	51,318	52,811
Net assets released from restrictions	<u>314,082</u>	<u>(314,082)</u>	<u>-</u>	<u>-</u>
	<u>2,325,302</u>	<u>(113,025)</u>	<u>2,212,277</u>	<u>2,383,169</u>
Special event revenue	584,342	-	584,342	518,009
Less: Costs of direct benefits to donors	<u>(66,849)</u>	<u>-</u>	<u>(66,849)</u>	<u>(34,473)</u>
Net revenues from special events	<u>517,493</u>	<u>-</u>	<u>517,493</u>	<u>483,536</u>
Total support and revenue	<u>2,842,795</u>	<u>(113,025)</u>	<u>2,729,770</u>	<u>2,866,705</u>
Expenses:				
Program services	2,200,884		2,200,884	2,200,081
Supporting services:				
Management and general	284,387		284,387	321,621
Fundraising	<u>366,826</u>		<u>366,826</u>	<u>341,409</u>
Total supporting services	<u>651,213</u>		<u>651,213</u>	<u>663,030</u>
Total expenses	<u>2,852,097</u>		<u>2,852,097</u>	<u>2,863,111</u>
Change in net assets	(9,302)	(113,025)	(122,327)	3,594
Net assets, beginning of year	<u>4,008,676</u>	<u>329,078</u>	<u>4,337,754</u>	<u>4,334,160</u>
Net assets, end of year	<u>\$ 3,999,374</u>	<u>\$ 216,053</u>	<u>\$ 4,215,427</u>	<u>\$ 4,337,754</u>

The accompanying notes are an integral part of these statements.

RYAN HOUSE  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended September 30, 2020  
(with comparative financial information for the year ended September 30, 2019)

	2020					
	Supporting Services			Total Supporting Services	Total	2019
	Program Services	Management & General	Fundraising			
Payroll and related	\$ 1,434,839	\$ 122,287	\$ 188,902	\$ 311,189	\$ 1,746,028	\$ 1,660,853
Office supplies and equipment	9,601	2,763	6,603	9,366	18,967	24,956
Technology	8,913	11,812	12,993	24,805	33,718	26,233
Board expenses	-	460	-	460	460	466
Insurance	9,876	7,103	537	7,640	17,516	14,573
Banking and credit card fees	-	868	14,296	15,164	15,164	14,825
Consulting and contract labor	39,000	34,300	63,500	97,800	136,800	141,500
Accounting fees	-	45,915	-	45,915	45,915	55,420
Legal fees	-	1,129	-	1,129	1,129	2,348
Child life and life enhancement program	34,225	-	-	-	34,225	50,358
Facility, utilities and maintenance	123,762	4,526	6,524	11,050	134,812	129,068
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	68,400	18,000	3,600	21,600	90,000	90,000
Hospice of the Valley - Support services in-kind	100,891	26,833	5,276	32,109	133,000	127,000
Events	58,160	30	25,717	25,747	83,907	133,632
Events in-kind	5,739	-	1,435	1,435	7,174	30,276
Marketing and collateral	3,214	90	13,238	13,328	16,542	8,392
Donor cultivation	-	-	5,657	5,657	5,657	562
Community relations	460	244	62	306	766	1,658
Contributions to non-profit organizations	-	-	50	50	50	355
Other in-kind	25,359	-	866	866	26,225	52,901
Depreciation	37,405	167	4,470	4,637	42,042	35,735
	<u>\$ 2,200,884</u>	<u>\$ 284,387</u>	<u>\$ 366,826</u>	<u>\$ 651,213</u>	<u>\$ 2,852,097</u>	<u>\$ 2,863,111</u>

The accompanying notes are an integral part of these statements.

RYAN HOUSE  
STATEMENT OF CASH FLOWS  
For the Year Ended September 30, 2020  
(with comparative financial information for the year ended September 30, 2019)

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ (122,327)	\$ 3,594
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	42,042	35,735
Net gains on investments	(51,318)	(52,811)
Changes in:		
Pledges receivable, net	200,000	(62,300)
Other receivable	(11,488)	-
Prepaid expenses	21,432	(19,248)
Accounts payable and accrued expenses	2,850	(21,292)
Due to related party	(5,396)	(85,749)
Deferred revenue	(1,000)	(7,010)
Net cash provided (used) by operating activities	74,795	(209,081)
Cash flows from investing activities:		
Purchases of investments	(1,569,583)	(1,357,424)
Proceeds from sales of investments	1,279,375	1,458,005
Purchases of property and equipment	(1,953)	(107,622)
Net cash used by investing activities	(292,161)	(7,041)
Cash flows from financing activities:		
Proceeds from note payable	296,500	-
Net cash provided by financing activities	296,500	-
Change in cash	79,134	(216,122)
Cash, beginning of year	540,823	756,945
Cash, end of year	\$ 619,957	\$ 540,823
<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, 2020

(with comparative financial information as of and for the year ended September 30, 2019)

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, 2020

(with comparative financial information as of and for the year ended September 30, 2019)

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, 2020 and 2019, and accordingly, no allowance for doubtful accounts has been recorded.

RYAN HOUSE  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2020

(with comparative financial information as of and for the year ended September 30, 2019)

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.

RYAN HOUSE  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2020

(with comparative financial information as of and for the year ended September 30, 2019)

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

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.

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 costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities, and allocated among the programs and supporting services benefited in the Statement of Functional Expenses.

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, 2019, from which the summarized information was derived.

RYAN HOUSE  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2020

(with comparative financial information as of and for the year ended September 30, 2019)

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

Change in Accounting Principle: On June 21, 2018, FASB issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The update provides a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction by clarifying how a not-for-profit organization determines whether a resource provider is participating in an exchange transaction.

Subsequent Events: Subsequent events have been evaluated through April 1, 2021, 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, 2020 that would require an adjustment to, or disclosure in, the financial statements.

Financial Impact of COVID-19: The Organization's operations have been, and continue to be affected by the outbreak of the Coronavirus disease (COVID-19), which was declared a pandemic by the World Health Organization in March 2020. There is considerable uncertainty around the duration and the related financial impact that cannot be reasonably estimated at this time.

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:

	2020	2019
Total financial assets included in current assets:		
Cash	\$ 619,957	\$ 540,823
Pledges receivable, net	35,000	225,000
Other receivable	11,488	-
Investments	3,980,892	3,639,366
Total financial assets included in current assets	4,647,337	4,405,189
Less amounts unavailable for general expenditure within one year:		
Net assets with donor restrictions	216,053	329,078
Total financial assets available to meet cash needs for general expenditures within one year	\$ 4,431,284	\$ 4,076,111

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.

RYAN HOUSE  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2020

(with comparative financial information as of and for the year ended September 30, 2019)

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:

	<u>2020</u>	<u>2019</u>
Receivable in less than one year	\$ 35,000	\$ 225,000
Receivable in one to two years	<u>10,000</u>	<u>20,000</u>
	<u>\$ 45,000</u>	<u>\$ 245,000</u>

At September 30, 2020 and 2019, 100% and 82%, respectively, of the Organization's pledges were due from two donors.

NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

Fair value measurements are determined based on assumptions that market participants would use in pricing assets and liabilities. GAAP establishes a fair value hierarchy that distinguishes between market participant assumptions and the Organization's own assumptions about market participant assumptions. Observable inputs are assumptions based on market data obtained from independent sources; while unobservable inputs are the Organization's own assumptions about what market participants would assume based on the best information available in the circumstance.

*Level 1 inputs* – A quoted price in an active market for an identical asset or liability is considered to be the most reliable evidence of fair value.

*Level 2 inputs* – These are observable inputs, either directly or indirectly, other than quoted prices included within Level 1. The Organization does not currently have any investments valued based on Level 2 inputs.

*Level 3 inputs* – These inputs are unobservable and are used to measure fair value only when observable inputs are not available. The Organization does not currently have any investments valued based on Level 3 inputs.

RYAN HOUSE  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2020

(with comparative financial information as of and for the year ended September 30, 2019)

NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS - Continued

The Organization's investments and their fair value hierarchy consisted of the following at September 30:

	<u>2020</u>	<u>2019</u>
Level 1 inputs:		
Cash equivalents	\$ 296,430	\$ 253,213
Fixed Income:		
Corporate bonds	530,266	463,550
Municipal bonds	1,567,225	1,327,811
Mutual funds:		
Domestic core equities	957,563	691,186
Emerging market core equities	92,932	108,413
Domestic real estate equities	159,759	171,611
International core equities	<u>376,717</u>	<u>424,782</u>
Total Level 1 inputs	<u>3,980,892</u>	<u>3,440,566</u>
Level 2 inputs:		
Certificates of deposit	<u>-</u>	<u>198,800</u>
Total Level 2 inputs	<u>-</u>	<u>198,800</u>
Total investments	<u>\$ 3,980,892</u>	<u>\$ 3,639,366</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.

NOTE 5 - PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following at September 30:

	<u>2020</u>	<u>2019</u>
Furniture and fixtures	\$ 531,153	\$ 531,153
Computers and technology	96,491	96,491
Website	53,157	53,157
Book	34,203	34,203
Leasehold improvements	<u>134,093</u>	<u>132,139</u>
	849,097	847,143
Accumulated depreciation	<u>(660,368)</u>	<u>(618,325)</u>
	<u>\$ 188,729</u>	<u>\$ 228,818</u>

RYAN HOUSE  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2020

(with comparative financial information as of and for the year ended September 30, 2019)

NOTE 6 - NOTE PAYABLE - PAYCHECK PROTECTION PROGRAM

Note payable consisted of the following as of September 30, 2020:

\$296,500 Paycheck Protection Program loaned on April 15, 2020, through the Small Business Administration which bears interest at a rate of 1% and matures April 2025. Interest only payments are due beginning in September 2021. The loan may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program requirements.	\$ 296,500
Less current portion	<u>(2,729)</u>
Note payable - Paycheck Protection Program, noncurrent portion	<u>\$ 293,771</u>

Future maturities of long-term debt are as follows for the years ending September 30,

2021	\$ 2,729
2022	80,927
2023	81,740
2024	82,561
2025	<u>48,543</u>
Total	<u>\$ 296,500</u>

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

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

	2020	2019
Time restricted	\$ 45,000	\$ 245,000
Treasured Memories project	26,000	2,700
Story of Me Room	7,897	11,321
Medical equipment	10,071	-
Food for house	11,476	8,243
Teen Suites	12,000	-
Sanctuary	50,000	-
Aquatics program	28,609	36,814
Craft room	<u>25,000</u>	<u>25,000</u>
	<u>\$ 216,053</u>	<u>\$ 329,078</u>

RYAN HOUSE  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2020

(with comparative financial information as of and for the year ended September 30, 2019)

NOTE 8 - RELEASED FROM RESTRICTIONS

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

	<u>2020</u>	<u>2019</u>
Treasured Memories project	\$ 29,700	\$ 25,114
Story of Me Room	3,423	28,709
PPE/Masks	1,000	-
Medical equipment	1,224	-
Food for house	2,767	5,055
Storage Unit	-	100,000
Living room remodel	-	100,000
Aquatics program	18,205	44,362
Release of time restrictions	<u>257,762</u>	<u>297,950</u>
Total temporarily restricted net assets released from restrictions	<u>\$ 314,082</u>	<u>\$ 601,191</u>

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>2020</u>	<u>2019</u>
Facility - Hospice of the Valley	\$ 262,000	\$ 262,000
General support - Hospice of the Valley	133,000	127,000
Professional services	14,410	45,125
Event related	7,174	30,276
Other	<u>11,815</u>	<u>7,776</u>
	<u>\$ 428,399</u>	<u>\$ 472,177</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, 2020 and 2019, the Organization incurred expenses payable to HOV of \$2,039,271 and \$2,101,024, respectively. At September 30, 2020 and 2019, the Organization had accounts payable and accrued expenses due to HOV of \$336,344 and \$341,740, respectively.