

Ronald McDonald House of Houston, Inc.
(Parent-Only)

Financial Statements
and Independent Auditors' Report
for the years ended December 31, 2014 and 2013

Ronald McDonald House of Houston, Inc. (Parent-Only)

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Independent Auditors' Report

To the Board of Directors of
Ronald McDonald House of Houston, Inc.:

We have audited the accompanying parent-only financial statements of Ronald McDonald House of Houston, Inc. (RMH Houston), which comprise the statements of financial position as of December 31, 2014 and 2013 and the related statements of activities, of functional expenses, and of cash flows for the years then ended, and the related notes to the financial statements.

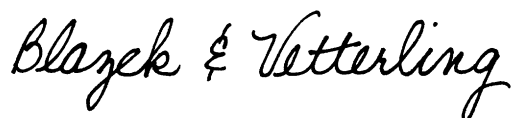
Management's Responsibility for the Financial Statements – Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform our audits 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 parent-only financial statements referred to above present fairly, in all material respects, the financial position of RMH Houston as of December 31, 2014 and 2013 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



April 8, 2015

Ronald McDonald House of Houston, Inc. (Parent-Only)

Statements of Financial Position as of December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and cash equivalents (<i>Notes 2 and 4</i>)	\$ 1,555,867	\$ 561,632
Prepaid expenses and other assets	137,931	130,400
Operating pledges receivable (<i>Note 3</i>)	376,234	271,820
Investments (<i>Note 4</i>)	2,101,766	2,322,936
Cash restricted for capital campaign projects (<i>Note 2</i>)	300,204	
Pledges receivable restricted for capital campaign projects, net (<i>Note 3</i>)	595,959	
Property, net (<i>Note 5</i>)	<u>6,994,275</u>	<u>7,194,342</u>
TOTAL ASSETS	<u>\$ 12,062,236</u>	<u>\$ 10,481,130</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 243,155	\$ 71,375
Accrued payroll expenses	69,220	39,064
Payable to Houston House Foundation	1,265	
Deferred special event revenue	<u>46,220</u>	<u>167,848</u>
Total liabilities	<u>359,860</u>	<u>278,287</u>
Net assets:		
Unrestricted (<i>Note 6</i>)	10,405,095	9,804,376
Temporarily restricted (<i>Note 7</i>)	<u>1,297,281</u>	<u>398,467</u>
Total net assets	<u>11,702,376</u>	<u>10,202,843</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 12,062,236</u>	<u>\$ 10,481,130</u>

See accompanying notes to financial statements.

Ronald McDonald House of Houston, Inc. (Parent-Only)

Statement of Activities for the year ended December 31, 2014

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
OPERATING REVENUE:			
Contributions	\$ 1,817,158	\$ 267,120	\$ 2,084,278
Special events	2,233,567		2,233,567
Direct donor benefit costs	(600,029)		(600,029)
In-kind contributions (Note 8)	100,939		100,939
House occupancy fees	410,854		410,854
Investment return (Note 4)	29,941		29,941
Support from Houston House Foundation	<u>550,000</u>		<u>550,000</u>
Total revenue	4,542,430	267,120	4,809,550
Net assets released from restrictions:			
Program expenditures	<u>380,517</u>	<u>(380,517)</u>	
Total	<u>4,922,947</u>	<u>(113,397)</u>	<u>4,809,550</u>
OPERATING EXPENSES:			
Program	3,162,966		3,162,966
Management and general	433,605		433,605
Fundraising	<u>725,657</u>		<u>725,657</u>
Total expenses	<u>4,322,228</u>		<u>4,322,228</u>
OPERATING CHANGES IN NET ASSETS	600,719	(113,397)	487,322
OTHER CHANGES IN NET ASSETS:			
Capital campaign contributions		<u>1,012,211</u>	<u>1,012,211</u>
CHANGES IN NET ASSETS	600,719	898,814	1,499,533
Net assets, beginning of year	<u>9,804,376</u>	<u>398,467</u>	<u>10,202,843</u>
Net assets, end of year	<u>\$ 10,405,095</u>	<u>\$ 1,297,281</u>	<u>\$ 11,702,376</u>

See accompanying notes to financial statements.

Ronald McDonald House of Houston, Inc. (Parent-Only)

Statement of Activities for the year ended December 31, 2013

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
REVENUE:			
Contributions	\$ 1,752,166	\$ 259,554	\$ 2,011,720
Special events	765,768		765,768
Direct donor benefit costs	(138,798)		(138,798)
In-kind contributions <i>(Note 8)</i>	146,998		146,998
House occupancy fees	429,831		429,831
Investment return <i>(Note 4)</i>	<u>(6,483)</u>		<u>(6,483)</u>
Total revenue	2,949,482	259,554	3,209,036
Net assets released from restrictions:			
Capital expenditures	35,972	(35,972)	
Program expenditures	<u>320,306</u>	<u>(320,306)</u>	
Total	<u>3,305,760</u>	<u>(96,724)</u>	<u>3,209,036</u>
EXPENSES:			
Program	3,005,639		3,005,639
Management and general	388,895		388,895
Fundraising	<u>582,104</u>		<u>582,104</u>
Total expenses	<u>3,976,638</u>		<u>3,976,638</u>
CHANGES IN NET ASSETS	(670,878)	(96,724)	(767,602)
Net assets, beginning of year	<u>10,475,254</u>	<u>495,191</u>	<u>10,970,445</u>
Net assets, end of year	<u>\$ 9,804,376</u>	<u>\$ 398,467</u>	<u>\$ 10,202,843</u>

See accompanying notes to financial statements.

Ronald McDonald House of Houston, Inc. (Parent-Only)

Statements of Functional Expenses for the years ended December 31, 2014 and 2013

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>2014 TOTAL</u>
Salaries	\$ 1,309,714	\$ 194,354	\$ 342,937	\$ 1,847,005
Employee benefits and payroll taxes	355,793	46,702	77,548	480,043
Supplies and equipment	483,510	2,472	77,169	563,151
Depreciation and amortization	366,910	9,656	9,656	386,222
Building and equipment maintenance	221,250	12,939	12,128	246,317
Professional fees	36,911	122,283	72,410	231,604
Utilities	200,188	5,268	5,268	210,724
Printing and postage	24,352	4,203	73,202	101,757
Insurance	88,493	5,584		94,077
Communications	52,620	1,385	38,392	92,397
Other	<u>23,225</u>	<u>28,759</u>	<u>16,947</u>	<u>68,931</u>
Total expenses	<u>\$ 3,162,966</u>	<u>\$ 433,605</u>	<u>\$ 725,657</u>	4,322,228
Direct donor benefit costs				<u>600,029</u>
Total				<u>\$ 4,922,257</u>

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>2013 TOTAL</u>
Salaries	\$ 1,210,265	\$ 201,810	\$ 317,907	\$ 1,729,982
Employee benefits and payroll taxes	371,651	51,258	78,063	500,972
Supplies and equipment	458,794	1,613	94,500	554,907
Depreciation and amortization	389,410	10,247	10,248	409,905
Building and equipment maintenance	161,729	11,786	20,359	193,874
Professional fees	17,496	72,145	8,157	97,798
Utilities	197,723	5,203	5,203	208,129
Printing and postage	23,443	4,585	31,247	59,275
Insurance	84,979	5,800		90,779
Communications	58,426	1,538	1,538	61,502
Other	<u>31,723</u>	<u>22,910</u>	<u>14,882</u>	<u>69,515</u>
Total expenses	<u>\$ 3,005,639</u>	<u>\$ 388,895</u>	<u>\$ 582,104</u>	3,976,638
Direct donor benefit costs				<u>138,798</u>
Total				<u>\$ 4,115,436</u>

See accompanying notes to financial statements.

Ronald McDonald House of Houston, Inc. (Parent-Only)

Statements of Cash Flows for the years ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 1,499,533	\$ (767,602)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Contributions restricted for capital campaign projects	(1,012,211)	
Net realized and unrealized (gain) loss on investments	(12,805)	23,317
Depreciation and amortization	386,222	409,905
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(7,531)	(19,458)
Operating pledges receivable	(104,414)	22,114
Accounts payable and accrued payroll expenses	203,201	(91,132)
Deferred special event revenue	(121,628)	136,798
Net cash provided (used) by operating activities	<u>830,367</u>	<u>(286,058)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property	(186,155)	(83,789)
Proceeds from sales and maturities of investments	250,000	300,000
Purchases of investments	(16,025)	(31,502)
Change in cash restricted for capital campaign projects	<u>(300,204)</u>	<u> </u>
Net cash provided (used) by investing activities	<u>(252,384)</u>	<u>184,709</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from contributions restricted for capital campaign projects	<u>416,252</u>	<u> </u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	994,235	(101,349)
Cash and cash equivalents, beginning of year	<u>561,632</u>	<u>662,981</u>
Cash and cash equivalents, end of year	<u>\$ 1,555,867</u>	<u>\$ 561,632</u>

See accompanying notes to financial statements.

Ronald McDonald House of Houston, Inc. (Parent-Only)

Notes to Financial Statements for the years ended December 31, 2014 and 2013

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – Ronald McDonald House of Houston, Inc. (RMH Houston) is a Texas nonprofit corporation. The mission of RMH Houston is to offer a *home away from home* providing care, compassion and hope to families with seriously ill children being treated in Texas Medical Center member institutions. RMH Houston owns and operates a 50-bedroom residential house on Holcombe Boulevard in the Texas Medical Center in Houston, Texas (the Holcombe House), which provided over 16,450 nights of lodging in 2014. RMH Houston also operates a 20-bedroom house inside Texas Children’s Hospital (TCH), providing over 7,100 nights of lodging in 2014 for families with children in intensive care units (ICU) and a 14-bedroom house inside Children’s Memorial Hermann Hospital, which provided over 4,000 nights of lodging in 2014. In addition, RMH Houston operates four Ronald McDonald Family Rooms inside TCH to serve the hematology/oncology inpatient floor, outpatient clinic, cardiovascular ICU, and the Texas Children’s Pavilion for Women. In June 2013, RMH Houston opened a Family Room inside MD Anderson Children’s Cancer Hospital with 2 bedrooms, providing over 500 nights of lodging in 2014.

Affiliated organization – Houston House Foundation (the Foundation) was created in November 1989 with a transfer of \$3.2 million from RMH Houston. The Foundation was established as a supporting organization and is maintained for the purpose of providing financial assistance and benefit to RMH Houston.

Basis of presentation – The consolidated financial statements of RMH Houston and its affiliate, the Foundation, which are not presented here, are the general-purpose financial statements of RMH Houston. These parent-only financial statements include only the assets, liabilities, net assets, and activities of RMH Houston and are not a substitute for the consolidated financial statements.

Federal income tax status – RMH Houston is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code and is classified as a public charity under §509(a)(1). RMH Houston files annual federal information returns that are subject to routine examination; however, there are no examinations for any tax periods currently in progress. RMH Houston believes it is no longer subject to examinations of returns for tax years ended before December 31, 2011.

Operating changes in net assets exclude capital campaign activity.

Cash and cash equivalents include bank deposits and highly liquid financial instruments with original maturities of three months or less that are maintained for use in operations.

Pledges receivable that are expected to be collected within one year are reported at net realizable value. Amounts due in more than one year are discounted, if material, to estimate the present value of future cash flows. An allowance for uncollectible pledges receivable is provided when it is believed balances may not be collected in full. RMH Houston’s policy is to write off receivables against the allowance when management determines the receivable will not be collected. The loss on pledges recognized each period and the resulting adequacy of the allowance at the end of each period are determined using a combination of historical loss experience and analysis of individual pledge balances. It is possible that management’s estimate regarding the collectability of the balances will change in the near term resulting in a change in the carrying value of these receivables.

Investments are reported at fair value. Investment return is reported in the statement of activities as an increase or decrease in unrestricted net assets unless the use of the income is limited by donor-imposed restrictions. Investment return whose use is restricted by the donor is reported as an increase or decrease in temporarily restricted net assets.

Property is reported at cost if purchased and at fair value at the date of gift if donated. Depreciation is computed on a straight-line basis over estimated useful lives of 3 to 35 years. RMH Houston capitalizes additions and improvements that have a tangible future economic life and a cost of more than \$1,000.

Net asset classification – Revenue and the related net assets are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Unrestricted net assets* include those net assets whose use is not restricted by donor-imposed stipulations even though their use may be limited in other respects such as by contract or board designation.
- *Temporarily restricted net assets* include revenue restricted by the donor for specific purposes or time periods. When a purpose restriction is accomplished or a time restriction ends, temporarily restricted net assets are released to unrestricted net assets.

Contributions are recognized as revenue at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are classified as restricted support. Conditional contributions are recognized in the same manner when the conditions are substantially met. RMH Houston recognizes gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are classified as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, RMH Houston reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Special events revenue is recognized when the event occurs. Amounts received in advance of the event represent conditional contributions and are reported in the statement of financial position as deferred revenue. Direct donor benefit costs represent the cost of goods and services provided to attendees of special events.

In-kind contributions – Donated materials and use of facilities are recognized at fair value as unrestricted contributions when an unconditional commitment is received from the donor. The related expense is recognized as the item is used. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

House occupancy fees are recognized at the time services are provided, net of estimated uncollectible amounts and discounts based on a family’s ability to pay.

Functional allocation of expenses – The costs of providing the program and support services are reported on a functional basis in the statements of activities. Indirect costs have been allocated between program, management and general, and fundraising based on estimates determined by management. While RMH Houston believes its allocation methods are appropriate, use of different methods or assumptions could result in different allocated amounts.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts reported as revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	<u>2014</u>	<u>2013</u>
Bank deposits	\$ 1,780,909	\$ 336,488
Money market mutual funds	<u>75,162</u>	<u>225,144</u>
Total	1,856,071	<u>\$ 561,632</u>
Less: Cash restricted for capital campaign purposes	<u>(300,204)</u>	
Total cash and cash equivalents	<u>\$ 1,555,867</u>	

Bank deposits exceed the federally insured limit per depositor per institution.

NOTE 3 – PLEDGES RECEIVABLE

Pledges receivable are as follows:

	<u>2014</u>	<u>2013</u>
Total pledges receivable	\$ 977,734	\$ 271,820
Discount to net present value at 0.89%	<u>(5,541)</u>	<u></u>
Pledges receivable, net	972,193	271,820
Capital campaign pledges receivable, net	<u>(595,959)</u>	<u></u>
Operating pledges receivable	<u>\$ 376,234</u>	<u>\$ 271,820</u>

Pledges receivable at December 31, 2014 are expected to be collected as follows:

Within one year	\$ 587,734
In one to five years	<u>390,000</u>
Total pledges receivable	<u>\$ 977,734</u>

In 2014, RMH Houston launched a three-year \$20 million capital campaign, “*Behind Every Door.*” The goal of the campaign is to provide a complete renovation of the Holcombe House including a 20-bedroom addition. Through December 31, 2014, contributions to the campaign totaled approximately \$1 million.

Concentration – At December 31, 2014, approximately 70% of pledges are due from four donors.

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Generally accepted accounting principles require that certain assets and liabilities be reported at fair value and establish a hierarchy that prioritizes inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The three levels of the fair value hierarchy are as follows:

- *Level 1* – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the reporting date.
- *Level 2* – Inputs are other than quoted prices included in Level 1, which are either directly observable or can be derived from or corroborated by observable market data at the reporting date.
- *Level 3* – Inputs are not observable and are based on the reporting entity’s assumptions about the inputs market participants would use in pricing the asset or liability.

Assets measured at fair value at December 31, 2014 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Investments:				
Federal short-term bond mutual fund	\$ 2,101,766			\$ 2,101,766
Cash equivalents:				
Money market mutual funds	<u>75,162</u>			<u>75,162</u>
Total assets measured at fair value	<u>\$ 2,176,928</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,176,928</u>

Assets measured at fair value at December 31, 2013 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Investments:				
Federal short-term bond mutual fund	\$ 2,322,936			\$ 2,322,936
Cash equivalents:				
Money market mutual funds	<u>225,144</u>			<u>225,144</u>
Total assets measured at fair value	<u>\$ 2,548,080</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,548,080</u>

Mutual funds are valued at the reported net asset value. This valuation method may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while RMH Houston believes its valuation method is appropriate, the use of different methods or assumptions could result in a different fair value measurement at the reporting date.

Investments are exposed to various risks such as interest rate, market, and credit risks. Because of these risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position and statement of activities.

Investment return consists of the following:

	<u>2014</u>	<u>2013</u>
Interest and dividends\$	\$ 17,136	\$ 15,408
Net realized and unrealized gain (loss)	12,805	(23,317)
Capital gain distributions	<u> </u>	<u>1,426</u>
Total investment return	<u>\$ 29,941</u>	<u>\$ (6,483)</u>

NOTE 5 – PROPERTY

Property is comprised of the following:

	<u>2014</u>	<u>2013</u>
Use of Texas Medical Center land	\$ 1,100,000	\$ 1,100,000
Building	9,420,388	9,420,388
Building improvements	1,701,481	1,662,051
Furniture and equipment	1,453,445	1,475,636
Construction in progress	<u>116,925</u>	<u> </u>
Total property, at cost	13,792,239	13,658,075
Accumulated depreciation and amortization	<u>(6,797,964)</u>	<u>(6,463,733)</u>
Property, net	<u>\$ 6,994,275</u>	<u>\$ 7,194,342</u>

RMH Houston entered into a 99-year lease agreement for \$1 per year with the Texas Medical Center on September 1, 1995 for the use of the land on which the Holcombe House is located. The estimated fair value of this agreement of approximately \$1.1 million is reported as property and is being amortized over the life of the lease.

NOTE 6 – UNRESTRICTED NET ASSETS

Unrestricted net assets consist of the following:

	<u>2014</u>	<u>2013</u>
Undesignated	\$ 3,207,113	\$ 2,293,431
Invested in property, net	6,877,350	7,194,342
Board-designated for future projects	<u>320,632</u>	<u>316,603</u>
Total unrestricted net assets	<u>\$ 10,405,095</u>	<u>\$ 9,804,376</u>

In 2010, the Board of Directors of RMH Houston designated a fund for future projects to ensure the stability of the mission, programs, staffing and on-going operations of the organization. The fund is intended to provide an internal source of funds for such matters as major capital expenditures, investment in new facilities, unanticipated losses in funding, uninsured losses, non-recurring unbudgeted expenses, and start-up costs for new program opportunities. The assets of this fund are included in investments.

NOTE 7 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2014</u>	<u>2013</u>
Capital campaign projects	\$ 1,012,211	
Family activities and services	147,777	\$ 165,235
Other RMH Houston operations and supplies	136,281	81,883
In-hospital house and family rooms	<u>1,012</u>	<u>151,349</u>
Total temporarily restricted net assets	<u>\$ 1,297,281</u>	<u>\$ 398,467</u>

NOTE 8 – IN-KIND CONTRIBUTIONS

RMH Houston recognized in-kind contributions as follows:

	<u>2014</u>	<u>2013</u>
Food and paper goods	\$ 34,233	\$ 45,619
Legal and accounting services	27,438	47,550
Repair and maintenance services	13,773	22,073
Audio visual equipment		13,083
Telephone system		10,013
Other professional services	<u>25,495</u>	<u>8,660</u>
Total in-kind contributions	<u>\$ 100,939</u>	<u>\$ 146,998</u>

Volunteers provide guest, maintenance, and administrative services that are integral to the operation of the Holcombe House and in-hospital programs. During 2014, approximately 650 volunteers donated 15,200 hours for such services to in-hospital programs and 11,000 hours to the Holcombe House. During 2013, approximately 590 volunteers donated 16,000 hours for such services to in-hospital programs and 10,500 hours to the Holcombe House. Each year over 800 volunteers served meals and conducted activities and fieldtrips for families staying at the Holcombe House. No amount has been recognized in the financial statements for these volunteer services because they do not meet the criteria for recognition under generally accepted accounting principles.

NOTE 9 – RETIREMENT PLAN

RMH Houston has a §401(k) retirement plan which covers all employees. RMH Houston contributes an amount equal to 3% of each employee's salary. In addition, RMH Houston will match 100% for each percent the employee contributes up to 3%. RMH Houston contributed \$96,795 to the plan in 2014 and \$97,418 to the plan in 2013.

NOTE 10 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 8, 2015, which is the date that the financial statements were available for issuance. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.