

Re:MIND and Affiliate

Combined Financial Statements and Supplementary Information


December 31, 2017 and 2016



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December 31, 2017 and 2016**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Re:MIND
Houston, Texas

Report on Financial Statements

We have audited the accompanying combined financial statements of Re:MIND and Affiliate (collectively, the "Organization"), which comprise the combined statements of financial position as of December 31, 2017 and 2016, and the related combined statements of activities and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined 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 the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the combined 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 Organization'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 combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of Re:MIND and Affiliate as of December 31, 2017 and 2016, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying combined schedules of functional expenses are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

Cam, Riggs & Ingram, L.L.C.

Houston, Texas

April 3, 2018

**Re:MIND and Affiliate
Combined Statement of Financial Position**

December 31, 2017

	Re:MIND				Gary L. Levering Endowment Corporation				Combined Total
	Unrestricted	Temporarily	Permanently	Total	Unrestricted	Temporarily	Permanently	Total	
		Restricted	Restricted			Restricted	Restricted		
Assets									
Cash and cash equivalents	\$ 271,225	\$ 89,814	\$ -	\$ 361,039	\$ -	\$ -	\$ -	\$ -	\$ 361,039
Investments	-	-	-	-	1,295,525	-	106,150	1,401,675	1,401,675
Pledges receivable	53,127	-	-	53,127	-	-	-	-	53,127
Due to/from	10,758	-	-	10,758	(10,758)	-	-	(10,758)	-
Prepaid expenses	10,869	-	-	10,869	-	-	-	-	10,869
Property and equipment, net	7,434	-	-	7,434	-	-	-	-	7,434
Other assets	19,036	-	-	19,036	-	-	-	-	19,036
Total assets	\$ 372,449	\$ 89,814	\$ -	\$ 462,263	\$ 1,284,767	\$ -	\$ 106,150	\$ 1,390,917	\$ 1,853,180
Liabilities and net assets									
Liabilities									
Accounts payable and accrued expenses	\$ 38,036	\$ -	\$ -	\$ 38,036	\$ -	\$ -	\$ -	\$ -	\$ 38,036
Deferred rent payable	55,639	-	-	55,639	-	-	-	-	55,639
Total liabilities	93,675	-	-	93,675	-	-	-	-	93,675
Net assets	278,774	89,814	-	368,588	1,284,767	-	106,150	1,390,917	1,759,505
Total liabilities and net assets	\$ 372,449	\$ 89,814	\$ -	\$ 462,263	\$ 1,284,767	\$ -	\$ 106,150	\$ 1,390,917	\$ 1,853,180

The accompanying notes are an integral part of these combined financial statements

**Re:MIND and Affiliate
Combined Statement of Financial Position**

December 31, 2016

	Re:MIND				Gary L. Levering Endowment Corporation				Combined Total	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total		
Assets										
Cash and cash equivalents	\$ 476,787	\$ 35,116	\$ -	\$ 511,903	\$ -	\$ -	\$ -	\$ -	\$ 511,903	
Investments	-	-	-	-	1,173,858	-	106,150	1,280,008	1,280,008	
Pledges receivable	12,756	-	-	12,756	-	-	-	-	12,756	
Due to/from	4,414	-	-	4,414	(4,414)	-	-	(4,414)	-	
Prepaid expenses	19,034	-	-	19,034	480	-	-	480	19,514	
Property and equipment, net	5,137	-	-	5,137	-	-	-	-	5,137	
Other assets	25,010	-	-	25,010	-	-	-	-	25,010	
Total assets	\$ 543,138	\$ 35,116	\$ -	\$ 578,254	\$ 1,169,924	\$ -	\$ 106,150	\$ 1,276,074	\$ 1,854,328	
Liabilities and net assets										
Accounts payable and accrued expenses	\$ 37,963	\$ -	\$ -	\$ 37,963	\$ -	\$ -	\$ -	\$ -	\$ 37,963	
Net assets	505,175	35,116	-	540,291	1,169,924	-	106,150	1,276,074	1,816,365	
Total liabilities and net assets	\$ 543,138	\$ 35,116	\$ -	\$ 578,254	\$ 1,169,924	\$ -	\$ 106,150	\$ 1,276,074	\$ 1,854,328	

The accompanying notes are an integral part of these combined financial statements

Re:MIND and Affiliates Combined Statement of Activities

For the year ended December 31, 2017

	Re:MIND				Gary L. Levering Endowment Corporation				Combined Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
Support and income									
Contributions	\$ 741,544	\$ 191,805	\$ -	\$ 933,349	\$ -	\$ -	\$ -	\$ -	\$ 933,349
Donated professional services	22,400	-	-	22,400	-	-	-	-	22,400
In-kind donation - Google Grants Pro	470,939	-	-	470,939	-	-	-	-	470,939
Special event (net of direct benefit to donors of \$51,231)	274,379	-	-	274,379	-	-	-	-	274,379
Investment income	490	-	-	490	161,667	-	-	161,667	162,157
Net assets released from restrictions - satisfaction of program restrictions	137,107	(137,107)	-	-	-	-	-	-	-
Total support and income	1,646,859	54,698	-	1,701,557	161,667	-	-	161,667	1,863,224
Expenses									
Program service	1,630,569	-	-	1,630,569	-	-	-	-	1,630,569
Fundraising	198,178	-	-	198,178	-	-	-	-	198,178
General and administrative	44,513	-	-	44,513	46,824	-	-	46,824	91,337
Total expenses	1,873,260	-	-	1,873,260	46,824	-	-	46,824	1,920,084
Changes in net assets	(226,401)	54,698	-	(171,703)	114,843	-	-	114,843	(56,860)
Net assets at beginning of year	505,175	35,116	-	540,291	1,169,924	-	106,150	1,276,074	1,816,365
Net assets at end of year	\$ 278,774	\$ 89,814	\$ -	\$ 368,588	\$ 1,284,767	\$ -	\$ 106,150	\$ 1,390,917	\$ 1,759,505

The accompanying notes are an integral part of these combined financial statements

Re:MIND and Affiliates Combined Statement of Activities

For the year ended December 31, 2016

	Re:MIND				Gary L. Levering Endowment Corporation				Combined Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
Support and income									
Contributions	\$ 779,890	\$ 66,000	\$ -	\$ 845,890	\$ -	\$ -	\$ -	\$ -	\$ 845,890
Donated professional services	22,027	-	-	22,027	-	-	-	-	22,027
In-kind donation - Google Grants Pro	300,808	-	-	300,808	-	-	-	-	300,808
Special event (net of direct benefit to donors of \$64,691)	293,679	-	-	293,679	-	-	-	-	293,679
Investment income	884	-	-	884	52,096	-	-	52,096	52,980
Net assets released from restrictions - satisfaction of program restrictions	120,949	(120,949)	-	-	-	-	-	-	-
Total support and income	1,518,237	(54,949)	-	1,463,288	52,096	-	-	52,096	1,515,384
Expenses									
Program service	1,317,248	-	-	1,317,248	-	-	-	-	1,317,248
Fundraising	171,454	-	-	171,454	-	-	-	-	171,454
General and administrative	39,692	-	-	39,692	3,932	-	-	3,932	43,624
Total expenses	1,528,394	-	-	1,528,394	3,932	-	-	3,932	1,532,326
Change in net assets before affiliate transactions	(10,157)	(54,949)	-	(65,106)	48,164	-	-	48,164	(16,942)
Transfer to Endowment	(130,404)	-	-	(130,404)	130,404	-	-	130,404	-
Changes in net assets	(140,561)	(54,949)	-	(195,510)	178,568	-	-	178,568	(16,942)
Net assets at beginning of year	645,736	90,065	-	735,801	991,356	-	106,150	1,097,506	1,833,307
Net assets at end of year	\$ 505,175	\$ 35,116	\$ -	\$ 540,291	\$ 1,169,924	\$ -	\$ 106,150	\$ 1,276,074	\$ 1,816,365

The accompanying notes are an integral part of these combined financial statements

**Re:MIND and Affiliate
Combined Statements of Cash Flows**

<i>For the years ended December 31,</i>	2017	2016
Operating activities		
Changes in net assets	\$ (56,860)	\$ (16,942)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Unrealized gains on investments	(140,131)	(34,452)
Depreciation	3,477	6,906
Changes in operating assets and liabilities:		
Pledges receivable	(40,371)	81,736
Prepaid expenses	8,645	17,198
Other assets	5,974	(9,467)
Accounts payable and accrued expenses	73	7,985
Deferred rent payable	55,639	-
Net cash (used in) provided by operating activities	(163,554)	52,964
Investing activities		
Purchase of property and equipment	(5,774)	(1,111)
Sales of investments	40,000	668,114
Purchase of investments	-	(774,914)
Reinvestment of interest and dividend income	(21,536)	(17,644)
Security deposit	-	(9,468)
Net cash provided by (used in) investing activities	12,690	(135,023)
Net decrease in cash and cash equivalents	(150,864)	(82,059)
Cash and cash equivalents at beginning of year	511,903	593,962
Cash and cash equivalents at end of year	\$ 361,039	\$ 511,903
Supplemental disclosure of noncash investing activities		
Disposal of fully depreciated property and equipment	\$ 13,608	\$ -

The accompanying notes are an integral part of these combined financial statements

Re:MIND and Affiliate Notes to Combined Financial Statements

NOTE 1: ORGANIZATION

In October 2017, Depression and Bipolar Support Alliance Greater Houston, a Texas nonprofit organization filed with the State of Texas to change its name to Re:MIND. Additional information on the organization may be found at www.remindsupport.org.

Re:MIND provides free and confidential support groups for individuals living with, or family and friends affected by, depression and bipolar disorders. Re:MIND support groups are led by trained, dedicated facilitators who provide comforting, compassionate environments in which peers accept and understand one another. This sense of community and empathy encourages them to live more meaningful and healthy lives. RE:MIND volunteer and professional facilitators are trained, managed and supported by staff members who are licensed mental health professionals who also monitor the health of the groups to maintain a sustainable, high quality program. In addition to providing support groups, Re:MIND staff and board members work to educate the public about mental disorders, confront social stigma and advocate for the rights of people living with mental illness.

In June 2015, Re:MIND formed The Gary L. Levering Endowment Corporation (the "Corporation") to operate as a Type 1 supporting organization to Re:MIND as described in section 509(a)(3). The Corporation was created and initially funded by Re:MIND to act as an endowment for Re:MIND's benefit. Thus, the Corporation manages and invests funds on Re:MIND's behalf. The money earned from the Corporation's investments is to be used to fund Re:MIND's operations, including support group meetings and educational classes for individuals living with depression and bipolar disorders.

The accompanying combined financial statements include the accounts of Re:MIND and the Corporation (collectively, the "Organization"). Inter-organization transactions and balances have been eliminated in combination.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization's combined financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Organization's resources are reported for accounting purposes in separate classes of net assets based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purpose by action of the Board.
- Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or passage of time. This classification includes contributions and unconditional promises to give for which the ultimate purpose of the proceeds is not permanently restricted.
- Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization.



Re:MIND and Affiliate Notes to Combined Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash Equivalents

The Organization considers all highly liquid investments with original maturities of three months or less at date of purchase to be cash equivalents unless they are donor-restricted to endowments or are board-designated for long-term purposes.

Concentrations

At various times during the year, the Organization may have bank deposits in excess of Federal Deposit Insurance Corporation (FDIC) insurance limits. Management believes any credit risk is low due to the overall financial strength of the financial institutions.

Cash equivalents, other securities, and limited amounts of cash held in a brokerage account are protected by the Securities Investor Protection Corporation (SIPC) in the event of broker-dealer failure, up to \$500,000 of protection with a limit of \$250,000 for claims of uninvested cash balances.

Pledges Receivable

The Organization considers all receivables to be fully collectible; accordingly, no allowance for doubtful accounts has been established. If amounts become uncollectible, they will be charged to operations when that determination is made. Receivable amounts are expected to be collected within twelve months.

Pledges receivable that are expected to be collected within one year are recorded at net realizable value. Amounts that are expected to be collected in future years are discounted to estimate the present value of future cash flows, if material.

Investments

Investments are stated at fair value. Investment income is recognized when earned. The change in unrealized gains and losses are included in the changes in net assets in the accompanying combined statements of activities.

Property and Equipment

Property and equipment are recorded at cost if purchased, or if donated, at the approximate fair value on the date of donation. The cost of property and equipment purchased in excess of \$1,000 is capitalized. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets. Routine maintenance, repair, renewal and replacement costs are charged against operations in the year incurred.

Re:MIND and Affiliate Notes to Combined Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

The Organization records contributions and grants when they are received. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions.

Donated Assets and Services

Donated assets, including contributions of materials, furniture and equipment, are recorded as support at their fair market values at date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Donated professional services, including volunteer facilitators for support groups, are reflected in the combined financial statements as unrestricted support and program expense at the estimated fair value. In 2017 the Organization received \$22,400 in donated professional services and \$470,939 in advertisements through a Google Grant. In 2016 the Organization received \$22,027 in donated professional services and \$300,808 in advertisements through a Google Grant.

Many individuals volunteer their time and perform a variety of other tasks that assist the Organization with its programs. The value of the contributed time is not reflected in these statements because it does not require specialized skills or create or enhance a nonfinancial asset.

Fair Value Considerations

The Organization uses fair value to measure monetary and certain nonmonetary assets and liabilities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value hierarchy established and prioritized fair value measurements into three levels based on the nature of the inputs. The hierarchy gives the highest priority to inputs based on market data from independent sources (observable inputs-Level 1) and the lowest priority to a reporting entity's internal assumptions based upon the best information available when external market data is limited or unavailable (unobservable inputs-Level 3).

The fair value option allows entities to choose, at specified election dates, to measure eligible financial assets and financial liabilities at fair value that are not otherwise required to be measured at fair value. If an organization elects the fair value option for an eligible item, changes in that item's fair value in subsequent reporting periods must be recognized in current earnings. The Organization did not elect the fair value option for the measurement of any eligible assets or liabilities.

The Organization's remaining financial instruments (primarily cash and cash equivalents, receivables, and payables) are carried in the accompanying combined financial statements at amounts which reasonably approximate fair value.

Re:MIND and Affiliate Notes to Combined Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Rent Payable

The Organization's office space lease agreement beginning in 2017 includes abatement of rent for 10 months and scheduled and specified rent increases over the term of the lease agreement (Note 8). The Organization records rent expense on a straight-line basis over the life of the lease. The difference between rent expense and cash rent payments is recorded as a deferred rent liability in the accompanying combined statements of financial position.

Functional Allocation of Expenses

The costs of providing various program and other activities have been summarized on a functional basis in the combined statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services directly benefited, or upon management's estimates of the proportion of these costs applicable to each function.

Federal Income Tax

Re:MIND and the Corporation are nonprofit organizations that are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, Re:MIND and the Corporation were granted individual rulings under the same section and have been classified as organizations that are not private foundations under Section 509(a) of the Internal Revenue Code and, as such, qualify as a charitable deduction for amounts contributed by individual donors.

The Organization accounts for uncertain tax positions, when it is more likely than not, that such an asset or a liability will be realized. As of December 31, 2017, management believes there were no uncertain tax positions.

Use of Estimates

The preparation of the combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the amounts of reported revenues and expenses, and the allocation of expenses among various functions. Actual results could differ from those estimates that were used.

Subsequent Events

The Organization has evaluated subsequent events through the time the combined financial statements are available for issuance on April 3, 2018. No matters were identified affecting the accompanying combined financial statements and related disclosures.

Re:MIND and Affiliate Notes to Combined Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Financial Accounting Pronouncement

In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Under this ASU, net assets will be presented in two classes: net assets with donor restrictions and net assets without donor restrictions. Underwater endowments will be included in net assets with donor restrictions and new or enhanced disclosures regarding the composition of net assets will be required. Disclosures regarding liquidity and availability of resources for general operating expenditures within one year of the date of the statement of financial position must also be presented. The ASU requires expenses to be presented by both nature and function, and investment return will be presented net of investment expenses. Absent specific donor stipulations, the Organization will use the placed-in-service approach for reporting expirations of restrictions on long-lived assets. The ASU is effective for fiscal periods beginning after December 15, 2017, but early adoption is permitted. Adoption of this ASU will impact the presentation and disclosures of the Organization's combined financial statements. The Organization did not elect to early adopt this standard as of December 31, 2017.

NOTE 3: FAIR VALUE MEASUREMENTS

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value three-tier hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The three levels of inputs that may be used to measure fair value are as follows:

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than Level 1 inputs that are either directly or indirectly observable such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable; or other inputs not directly observable, but derived principally from, or corroborated by, observable market data.
- Level 3: Unobservable inputs that are supported by little or no market activity.

Re:MIND and Affiliate
Notes to Combined Financial Statements

NOTE 3: FAIR VALUE MEASUREMENTS (Continued)

The value of assets measured at fair value on a recurring basis is as follows:

<i>December 31, 2017</i>	Fair Value	Quoted Market Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Cash equivalents	\$ 438,565	\$ 438,565	\$ -	\$ -
Mutual funds	835,170	835,170	-	-
Exchange traded funds	127,940	127,940	-	-
Total investments	\$ 1,401,675	\$ 1,401,675	\$ -	\$ -

<i>December 31, 2016</i>	Fair Value	Quoted Market Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Cash equivalents	\$ 459,605	\$ 459,605	\$ -	\$ -
Mutual funds	694,912	694,912	-	-
Exchange traded funds	125,491	125,491	-	-
Total investments	\$ 1,280,008	\$ 1,280,008	\$ -	\$ -

The Organization utilizes the market approach to measure fair value for its financial assets and liabilities. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Mutual funds and Exchange Traded Funds have been classified based on the general characteristics of the investment focus and strategy.

Investments are exposed to various risks such as interest rate risks, 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 such changes could materially affect the amounts reported in the combined statements of financial position and combined statements of activities.

The following summarizes the investment return in the combined statements of activities:

<i>For the years ended December 31,</i>	2017	2016
Interest and dividend income	\$ 22,026	\$ 18,528
Realized and unrealized gains on investments	140,131	34,452
Total investment income	\$ 162,157	\$ 52,980

**Re:MIND and Affiliate
Notes to Combined Financial Statements**

NOTE 4: PROPERTY AND EQUIPMENT

Property and equipment and their estimated useful lives are summarized as follows:

<i>December 31,</i>		2017	2016
	<u>Lives (Years)</u>		
Leasehold Improvements	10.8	\$ 5,772	\$ 13,608
Office equipment	5	22,866	22,866
Furniture and fixtures	7	16,317	16,317
		44,955	52,791
Less: accumulated depreciation		(37,521)	(47,654)
Net property and equipment		\$ 7,434	\$ 5,137

Depreciation expense for the years ended December 31, 2017 totaled \$3,477 and \$6,906, respectively.

NOTE 5: ENDOWMENT FUNDS

Re:MIND's Board of Directors has designated unrestricted net assets as a general endowment fund to support the mission of Re:MIND. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as unrestricted net assets. With the creation of the Corporation in 2015, Re:MIND transferred \$1,014,558, including investment earnings, of its board-designated general endowment fund to the Corporation.

The Corporation also has a donor-restricted endowment fund which is maintained in accordance with donor stipulations. The Board of Directors of the Organization has interpreted the Texas Uniform Prudent management of Institutional Funds Act (the Act) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of the interpretation, the Organization classifies the original value of the gifts donated to the permanent endowment as permanently restricted net assets. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the Act.

The Organization has adopted an investment policy that attempts to maximize total return consistent with an applicable level of risk. Endowment assets are invested to provide for long-term growth with a goal of 5% return net of investment management fees and inflation. Actual returns in any given year may vary from this amount. The Organization's spending policy is designed to provide funds to Re:MIND to help fulfill its charitable mission while strengthening the financial base of the endowment. Each year, the Corporation's Board of Directors will determine the amount of funds, if any, that are available for annual distribution to Re:MIND.

Re:MIND and Affiliate
Notes to Combined Financial Statements

NOTE 5: ENDOWMENT FUNDS (Continued)

The following tables describe the Organization's endowment net assets composition by type of fund and the changes in endowment net assets as of and for the years ended December 31, 2017 and 2016:

Endowment Net Asset Composition by Type of Fund

<i>December 31,</i>	2017	2016
Corporation - Board-designated endowment funds - Unrestricted	\$ 1,284,767	\$ 1,173,858
Corporation - Donor-restricted endowment funds - Permanently restricted	106,150	106,150
	\$ 1,390,917	\$ 1,280,008

Changes in Endowment Net Assets for the years ended December 31, 2017 and 2016

Corporation	Unrestricted	Permanently Restricted	Total
Endowment net assets, December 31, 2015	\$ 1,014,558	\$ 106,150	\$ 1,120,708
Contributions	130,000	-	130,000
Transfers	404	-	404
Investment return			
Interest and dividends	17,644	-	17,644
Net appreciation	34,452	-	34,452
Appropriations	(23,200)	-	(23,200)
Endowment net assets, December 31, 2016	\$ 1,173,858	\$ 106,150	\$ 1,280,008
Contributions	-	-	-
Transfers	(3,934)	-	(3,934)
Investment return			
Interest and dividends	21,536	-	21,536
Net appreciation	140,131	-	140,131
Appropriations	(46,824)	-	(46,824)
Endowment net assets, December 31, 2017	\$ 1,284,767	\$ 106,150	\$ 1,390,917

NOTE 6: TEMPORARILY RESTRICTED NET ASSETS

At December 31, 2017 and 2016 temporarily restricted net assets totaling \$89,814 and \$35,116, respectively, are available for program awareness, specific support groups and Hurricane Harvey assistance. During the years ended December 31, 2017 and 2016, \$137,107 and \$120,949, respectively, was released from donor restrictions.

Re:MIND and Affiliate
Notes to Combined Financial Statements

NOTE 7: RETIREMENT PLAN

The Organization offers a Savings Incentive Match Plan for Employees of Small Employers (SIMPLE) retirement plan to eligible employees. Employees may contribute to the plan up to the maximum amount allowed by law. The Organization matches an employee's contributions up to a limit that is equivalent to 3% of the employee's salary. All employer contributions vest immediately. Employer contributions for the years ended December 31, 2017 and 2016 totaled \$14,986 and \$12,912, respectively.

NOTE 8: OPERATING LEASES

RE:MIND leases office space under an operating lease which expires in January 2027. Monthly lease payments over the term of the lease will increase from \$5,988 to \$7,406 per month. Rent expense related to these operating leases totaled \$66,822 for the year ended December 31, 2017 of which \$11,183 represents cash payments and the remainder the amortization of the deferred rent liability. Rent expense for the year ended December 31, 2016 totaled \$91,981. Future minimum lease payments under the office space lease as of December 31, 2017 are as follows:

<i>Year ending December 31,</i>	
2018	\$ 66,668
2019	73,591
2020	75,482
2021	77,373
2022	79,264
Thereafter	432,094
Total	\$ 804,472

NOTE 9: ADMINISTRATIVE SERVICES AGREEMENT

Re:MIND and the Corporation have entered into an agreement to allow Re:MIND to provide administrative assistance to the Corporation during its first few years of operations. Re:MIND will provide monthly services, as outlined in the agreement, for twelve months. The terms of the agreement will be evaluated annually to determine if the services, and scope of services, is still needed. Re:MIND provided administrative services to the Corporation totaling \$6,824 and \$4,414 for the years ended December 31, 2017 and 2016, respectively.



Supplementary Information

**Re:MIND and Affiliate
Combined Schedule of Functional Expense**

For the year ended December 31, 2017

	Program Service	Fundraising	General and Administrative	Total
Re: MIND:				
Payroll and benefits expense	\$ 632,494	\$ 141,024	\$ 19,406	\$ 792,924
Program activities	311,608	368	416	312,392
In-kind expense - Google Grants Pro	470,939	-	-	470,939
Contract services	78,009	4,586	9,172	91,767
Equipment rental and maintenance	3,155	186	371	3,712
Facilities	65,931	3,850	7,694	77,475
Fundraising	185	40,402	-	40,587
Furniture, fixtures and equipment	661	14	28	703
Insurance	5,995	353	577	6,925
Office expenses	35,954	4,446	4,847	45,247
Other	5,243	492	385	6,120
Technology expense	13,554	2,137	662	16,353
Travel and meetings	3,870	145	624	4,639
Depreciation	2,971	175	331	3,477
Total Re:MIND	1,630,569	198,178	44,513	1,873,260
Gary L. Levering Endowment Corporation:				
Contract services	-	-	44,027	44,027
Insurance	-	-	948	948
Other expenses	-	-	1,849	1,849
Total the Gary L. Levering Endowment Corporation	-	-	46,824	46,824
Combined Total	\$ 1,630,569	\$ 198,178	\$ 91,337	\$ 1,920,084

See independent auditors' report.

**Re:MIND and Affiliate
Combined Schedule of Functional Expense**

For the year ended December 31, 2016

	Program Service	Fundraising	General and Administrative	Total
Re: MIND:				
Payroll and benefits expense	\$ 522,298	\$ 114,411	\$ 17,030	\$ 653,739
Program activities	282,180	3,372	587	286,139
In-kind expense - Google Grants Pro	300,808	-	-	300,808
Contract services	63,280	3,722	7,445	74,447
Equipment rental and maintenance	3,231	190	380	3,801
Facilities	78,164	4,475	9,341	91,980
Fundraising	2,347	34,196	3	36,546
Insurance	6,244	367	566	7,177
Office expenses	32,173	5,069	2,460	39,702
Other	4,975	2,730	388	8,093
Technology expense	8,490	2,421	485	11,396
Travel and meetings	7,188	156	316	7,660
Depreciation	5,870	345	691	6,906
Total Re:MIND	1,317,248	171,454	39,692	1,528,394
Gary L. Levering Endowment Corporation:				
Contract services	-	-	3,526	3,526
Insurance	-	-	241	241
Other expenses	-	-	165	165
Total the Gary L. Levering Endowment Corporation	-	-	3,932	3,932
Combined Total	\$ 1,317,248	\$ 171,454	\$ 43,624	\$ 1,532,326

See independent auditors' report.