

**Depression and Bipolar  
Support Alliance**

Financial Statements

Years Ended December 31, 2017 and 2016

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Depression and Bipolar Support Alliance  
Chicago, Illinois

We have audited the accompanying financial statements of Depression and Bipolar Support Alliance which comprise the statement of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses, and 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 U.S. generally accepted accounting principles; 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 U.S. generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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 auditors consider 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.

## INDEPENDENT AUDITORS' REPORT - Continued

### Opinion

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the financial position of Depression and Bipolar Support Alliance as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

*Mann Weitz & Associates LLC*

MANN. WEITZ & ASSOCIATES L.L.C.

Deerfield, Illinois

May 11, 2018

**DEPRESSION AND BIPOLAR SUPPORT ALLIANCE**

**STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 917,212	\$ 872,748
Accounts receivable	46,977	9,490
Contributions receivable	75,624	320,382
Prepaid expenses	<u>29,649</u>	<u>40,961</u>
Total Current Assets	<u>1,069,462</u>	<u>1,243,581</u>
Property and Equipment, net - Note 4	<u>89,783</u>	<u>105,505</u>
<b>Noncurrent Assets</b>		
Deposits - Note 7	20,000	40,000
Investments - Notes 2 and 3	<u>1,125,832</u>	<u>1,044,707</u>
Total Noncurrent Assets	<u>1,145,832</u>	<u>1,084,707</u>
Total Assets	<u><u>\$ 2,305,077</u></u>	<u><u>\$ 2,433,793</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 53,651	\$ 71,131
Accrued payroll and vacation	88,669	39,741
Accrued rent - Note 7	<u>4,956</u>	<u>2,520</u>
Total Current Liabilities	147,276	113,392
<b>Noncurrent Liabilities</b>		
Accrued rent - Note 7	<u>102,704</u>	<u>107,660</u>
Total Liabilities	<u>249,980</u>	<u>221,052</u>
<b>Net Assets</b>		
Unrestricted	1,564,889	1,428,819
Temporarily restricted - Note 5	<u>490,208</u>	<u>783,922</u>
Total Net Assets	<u>2,055,097</u>	<u>2,212,741</u>
Total Liabilities and Net Assets	<u><u>\$ 2,305,077</u></u>	<u><u>\$ 2,433,793</u></u>

The accompanying notes are an integral part of this statement.

DEPRESSION AND BIPOLAR SUPPORT ALLIANCE

STATEMENT OF ACTIVITIES  
YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Revenues, Gains and Other Support</b>						
Contributions						
Corporations	\$ 737,277	\$ 249,473	\$ 986,750	\$ 495,467	\$ 371,219	\$ 866,686
Foundations	65,980	44,178	110,158	57,128	294,872	352,000
Individuals	746,074		746,074	849,974		849,974
Chapter fees	47,047		47,047	46,707		46,707
Contract revenue	235,827		235,827	192,611		192,611
Program service revenue	38,475		38,475	60,694		60,694
Investment income - Note 2	62,994		62,994	39,690		39,690
Donated goods and services - Note 9	34,850		34,850			
Other	2,847		2,847	6,526		6,526
	<u>1,971,371</u>	<u>293,651</u>	<u>2,265,022</u>	<u>1,748,797</u>	<u>666,091</u>	<u>2,414,888</u>
Total Revenues and Gains						
Net assets released from restrictions - Note 6	587,365	(587,365)		665,727	(665,727)	
	<u>2,558,736</u>	<u>(293,714)</u>	<u>2,265,022</u>	<u>2,414,524</u>	<u>364</u>	<u>2,414,888</u>
Total Revenues, Gains and Other Support						
<b>Expenses</b>						
Program services						
Education and information	935,531		935,531	1,127,113		1,127,113
Grass roots and peer services	709,594		709,594	884,516		884,516
	<u>1,645,125</u>	<u></u>	<u>1,645,125</u>	<u>2,011,629</u>	<u></u>	<u>2,011,629</u>
Total Program Services						
Supporting services						
Management and general	307,017		307,017	262,382		262,382
Fundraising	470,524		470,524	425,434		425,434
	<u>777,541</u>	<u></u>	<u>777,541</u>	<u>687,816</u>	<u></u>	<u>687,816</u>
Total Supporting Services						
Total Expenses	<u>2,422,666</u>	<u></u>	<u>2,422,666</u>	<u>2,699,445</u>	<u></u>	<u>2,699,445</u>
Change in Net Assets	136,070	(293,714)	(157,644)	(284,921)	364	(284,557)
<b>Net Assets</b>						
Beginning of year	<u>1,428,819</u>	<u>783,922</u>	<u>2,212,741</u>	<u>1,713,740</u>	<u>783,558</u>	<u>2,497,298</u>
End of year	<u>\$ 1,564,889</u>	<u>\$ 490,208</u>	<u>\$ 2,055,097</u>	<u>\$ 1,428,819</u>	<u>\$ 783,922</u>	<u>\$ 2,212,741</u>

The accompanying notes are an integral part of this statement.

DEPRESSION AND BIPOLAR SUPPORT ALLIANCE

STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2017

	Program Services			Supporting Services			Total Expenses
	Education and Information	Grass Roots and Peer Services	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and benefits	\$ 531,011	\$ 426,144	\$ 957,155	\$ 237,859	\$ 275,896	\$ 513,755	\$ 1,470,910
Professional fees	6,973	5,596	12,569	3,124	3,623	6,747	19,316
Occupancy	40,748	32,701	73,449	18,252	21,171	39,423	112,872
Telephone	5,577	4,437	10,014	2,202	2,688	4,890	14,904
Equipment leasing and maintenance	20,798	17,135	37,933	9,401	19,888	29,289	67,222
Insurance	6,106	4,900	11,006	2,735	3,172	5,907	16,913
Supplies and computer software	10,214	8,945	19,159	523	1,439	1,962	21,121
Attorney fees	22,240	17,848	40,088	9,962	11,555	21,517	61,605
Consultants and outside services	135,392	80,950	216,342	5,996	96,436	102,432	318,774
Printing	2,812	12,456	15,268	84	8,606	8,690	23,958
Advertising	460	30	490		70	70	560
Postage and shipping and fulfillment	989	7,499	8,488	298	6,632	6,930	15,418
Travel and meetings	66,818	11,230	78,048	2,113	3,654	5,767	83,815
Food and beverage	21,413	12,574	33,987	4,271	402	4,673	38,660
Awards and scholarships/grants	1,993	2,312	4,305		400	400	4,705
Memberships		486	486	842	4,280	5,122	5,608
Web-site design and maintenance	42,441	48,383	90,824	48	500	548	91,372
Bank fees and taxes	5,933	5,111	11,044	2,658	3,083	5,741	16,785
Depreciation	13,529	10,857	24,386	6,061	7,029	13,090	37,476
Miscellaneous	84		84	588		588	672
<b>Total Functional Expenses</b>	<b>\$ 935,531</b>	<b>\$ 709,594</b>	<b>\$ 1,645,125</b>	<b>\$ 307,017</b>	<b>\$ 470,524</b>	<b>\$ 777,541</b>	<b>\$ 2,422,666</b>

The accompanying notes are an integral part of this statement.

DEPRESSION AND BIPOLAR SUPPORT ALLIANCE

STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2016

	Program Services			Supporting Services			Total Expenses
	Education and Information	Grass Roots and Peer Services	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and benefits	\$ 588,850	\$ 450,974	\$ 1,039,824	\$ 207,246	\$ 217,686	\$ 424,932	\$ 1,464,756
Professional fees	7,746	5,932	13,678	2,726	2,864	5,590	19,268
Occupancy	54,675	41,873	96,548	19,243	20,212	39,455	136,003
Telephone	6,961	4,677	11,638	1,951	2,137	4,088	15,726
Equipment leasing and maintenance	24,773	18,973	43,746	8,719	22,661	31,380	75,126
Insurance	6,760	5,177	11,937	2,379	2,499	4,878	16,815
Supplies and computer software	5,628	4,408	10,036	1,272	1,860	3,132	13,168
Attorney fees	12,378	8,232	20,610	2,287	3,239	5,526	26,136
Consultants and outside services	195,915	158,386	354,301	2,059	75,340	77,399	431,700
Printing	16,923	2,633	19,556	(19)	32,836	32,817	52,373
Postage and shipping and fulfillment	4,756	11,938	16,694	1,310	17,408	18,718	35,412
Design and advertising	3,110	2,103	5,213	90	390	480	5,693
Travel and meetings	83,632	88,837	172,469	195	8,859	9,054	181,523
Food and beverage	37,252	17,947	55,199	2,968	2,177	5,145	60,344
Awards and scholarships/grants	5,385	5,036	10,421				10,421
Memberships	1,081	458	1,539	1,170	13,139	14,309	15,848
Web-site design and maintenance	50,516	39,543	90,059		(5,520)	(5,520)	84,539
Bank fees and taxes	5,644	5,996	11,640	1,986	2,086	4,072	15,712
Depreciation	14,634	11,208	25,842	5,150	5,410	10,560	36,402
Miscellaneous	494	185	679	1,650	151	1,801	2,480
<b>Total Functional Expenses</b>	<b>\$ 1,127,113</b>	<b>\$ 884,516</b>	<b>\$ 2,011,629</b>	<b>\$ 262,382</b>	<b>\$ 425,434</b>	<b>\$ 687,816</b>	<b>\$ 2,699,445</b>

The accompanying notes are an integral part of this statements.



**DEPRESSION AND BIPOLAR SUPPORT ALLIANCE**

**STATEMENT OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (157,644)	\$ (284,557)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Net gain on investments	(43,029)	(25,338)
Depreciation	37,476	36,402
Net (increase) decrease in assets		
Accounts receivable	(37,487)	2,658
Contributions receivable	244,758	(39,812)
Prepaid expenses	11,312	(13,464)
Deposits	20,000	20,000
Net increase (decrease) in liabilities		
Accounts payable and accrued expenses	(17,480)	(2,685)
Accrued payroll and vacation	48,928	10,063
Accrued rent	(2,520)	49,520
	<u>104,314</u>	<u>(247,213)</u>
Net Cash Provided by (Used for) Operating Activities		
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(21,754)	(11,086)
Purchase of investments	(289,608)	(1,016,623)
Proceeds from sale of investments	251,512	999,044
	<u>(59,850)</u>	<u>(28,665)</u>
Net Cash Used for Investing Activities		
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	44,464	(275,878)
<b>Cash and Cash Equivalents</b>		
Beginning of year	<u>872,748</u>	<u>1,148,626</u>
End of year	<u>\$ 917,212</u>	<u>\$ 872,748</u>

**Supplemental Disclosures**

During 2017 and 2016, DBSA received \$25,293 and \$8,025 of contributed stock, respectively.

The accompanying notes are an integral part of this statement.

# DEPRESSION AND BIPOLAR SUPPORT ALLIANCE

## NOTES TO FINANCIAL STATEMENTS

### 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Nature of Activities and Organization**

The Depression and Bipolar Support Alliance (DBSA) is an Illinois nonprofit corporation established in 1985. DBSA provides hope, help, support, and education to improve the lives of people living with mood disorders. DBSA creates the opportunity for meaningful lives by compassionately engaging with individuals and providing peer-led support groups, educational materials, and wellness tools that focus on resiliency, achievement, creativity, and connection. DBSA celebrates peers' accomplishments, including those of the many talented, successful individuals recognized by the public for their contributions to the world. DBSA advances learning through research and experience while promoting a transformative understanding of mental health through wide, timely dissemination of information about the latest treatments, wellness practices, and lived experiences. DBSA advocates for the right of peers to choose their own paths to mental, emotional, and physical wellness while promoting structures and practices that advance whole health and accessible care for everyone. Funding is primarily derived from contributions, program service and contract revenue. DBSA is located in Chicago, Illinois.

#### **Basis of Accounting**

The accompanying financial statements have been prepared using the accrual basis of accounting. Using this method, revenues are recognized when earned and expenses are recognized when incurred.

#### **Basis of Presentation**

Information regarding the financial position and activities of DBSA are reported in three classes of net assets (as applicable): unrestricted, temporarily restricted and permanently restricted, which are based on the existence or absence of externally (donor) imposed restrictions on contributions. Accordingly, net assets of DBSA and changes therein are classified and reported as follows:

- Unrestricted net assets – Unrestricted net assets are not subject to donor-imposed stipulations. They include all activities of DBSA, except for those amounts that are temporarily or permanently restricted by external donors.
- Temporarily restricted net assets – Temporarily restricted net assets are subject to donor-imposed stipulations that can be removed through the passage of time (time restrictions) or actions of DBSA (purpose restrictions).

# DEPRESSION AND BIPOLAR SUPPORT ALLIANCE

## NOTES TO FINANCIAL STATEMENTS

### 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Basis of Presentation - Continued

- Permanently restricted net assets – Permanently restricted net assets are subject to the restrictions imposed by donors who require that the principal of these classes of net assets be invested in perpetuity and only the investment income be expended. DBSA currently does not have any permanently restricted amounts.

DBSA reports its expenses by function (i.e., by program).

#### Cash Equivalents

DBSA considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents, excluding those amounts contained in the investment account.

#### Concentration of Credit Risk

DBSA maintains cash balances in financial institutions that at certain times exceeded the insured limits provided by the Federal Deposit Insurance Corporation (FDIC).

#### Investments

Investments are recorded at fair value. All of DBSA's investments are valued using quoted market prices, level 1 except certificates of deposit which are recorded at cost which approximates fair value. All gains and losses are included in the statement of activities.

#### Uncollectible Accounts

DBSA considers its accounts and contributions receivable to be fully collectible. Accordingly, no allowance for uncollectible accounts is required. If amounts become uncollectible, they are charged to operations when that determination is made. This direct write-off method does not materially differ from the allowance method required by U.S. generally accepted accounting principles.

**DEPRESSION AND BIPOLAR SUPPORT ALLIANCE**

**NOTES TO FINANCIAL STATEMENTS**

**1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Property and Equipment**

Property and equipment additions over \$500 are recorded at historical cost. Depreciation is computed using the straight-line method for all property and equipment. The estimated useful lives used in computing depreciation are as follows:

<u>Description</u>	<u>Years</u>
Computer and office equipment and software	3 - 5
Furniture and fixtures	5 - 7

Maintenance and repairs, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expense as incurred. Gains or losses on dispositions of property and equipment are included in the statement of activities.

**Contributions**

Contributions are recognized when the donor makes a promise to give to DBSA that is, in substance, unconditional. Promises to give payable over more than one year are recorded at present value.

Contributions of cash and other assets are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted support that increases that net asset class. Contributions of cash and other assets are recorded as restricted support if they are received with donor stipulations that limit the use of the donated assets. However, if a restriction is fulfilled in the same time period in which the contribution is received, DBSA reports the support as unrestricted. Contributions receivable of \$75,624 are due in 2018.

**Contributed Services**

Contributions of assets other than cash are reflected as contributions at their fair value at the date of the donation and are reported as unrestricted support unless explicit donor stipulations specify how the donor assets must be used.

**Income Taxes**

DBSA is a nonprofit corporation which has been granted a tax-exempt status as a public charity under Section 501(c)(3) of the Internal Revenue Code for all business income related to the organization's tax-exempt purpose. DBSA had no unrelated business activities during 2017 or 2016.

# DEPRESSION AND BIPOLAR SUPPORT ALLIANCE

## NOTES TO FINANCIAL STATEMENTS

### 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### **Evaluation of Tax Positions**

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. As of December 31, 2017 and 2016, DBSA had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

#### **Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Expenses which are easily and directly associated with a particular program or supporting service are allocated directly to that functional category. Certain costs have been allocated among the program and supporting services benefited based on time devoted to the functional areas and other appropriate allocation methods.

#### **Use of Estimates in the Preparation of Financial Statements**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, gains and expenses during the reporting period. Actual results could differ from those estimates.

#### **Effect of Recently Issued Accounting Standards**

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in GAAP when it becomes effective. In July 2015, the FASB approved a one year deferral of this standard, with a revised effective date for fiscal years beginning after December 15, 2018. Early adoption is permitted, although not prior to fiscal years beginning after December 15, 2016. The standard permits the use of either the retrospective or modified retrospective (cumulative effect) transition method. Management is currently evaluating the impact this change in accounting standards will have on the financial statements and related disclosures and has not yet selected a transition method.

## DEPRESSION AND BIPOLAR SUPPORT ALLIANCE

### NOTES TO FINANCIAL STATEMENTS

#### 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

##### Effect of Recently Issued Accounting Standards - Continued

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This ASU requires a lessee to recognize a right-of-use asset and a lease liability under most operating leases in its balance sheet. For non-public entities, the standard is effective for fiscal years beginning after December 15, 2019 and interim periods beginning the following year. Early adoption is permitted. The new standard must be adopted using a modified retrospective transition, and provides for certain practical expedients during the period of adoption. Transition will require application of the new guidance at the beginning of the earliest comparative period presented. Management is currently evaluating the impact this change in accounting standards will have on the financial statements and related disclosures.

On August 18, 2016, FASB issued new rules for nonprofit organizations under ASU 2016-14 *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* (NFP). This ASU changes the financial reporting format for nonprofit organization financial statements to simplify the way in which NFPs quantify and qualify their financial performance, their liquidity and cash flows, and their classification of net assets. Some of the changes included in ASU 2016-14 include:

- The existing three-class system of classifying net assets as unrestricted, temporarily restricted and permanently restricted will be replaced with a simpler two-class structure. Going forward, NFPs will differentiate net assets solely between those net assets with donor restriction and net assets without donor restrictions. NFPs will still be required to disclose the nature and amounts of donor-imposed restrictions.
- NFPs will be required to present an analysis of expenses by both function and natural classification on a separate statement, on the face of the statement of activities, or in the footnotes. Additional disclosures will also be required regarding specific methodologies used to allocate costs among program and support functions.

## DEPRESSION AND BIPOLAR SUPPORT ALLIANCE

### NOTES TO FINANCIAL STATEMENTS

#### 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

##### Effect of Recently Issued Accounting Standards - Continued

- NFPs will be required to disclose in financial statement notes qualitative information regarding how they will manage available liquid resources to meet cash needs for general expenses for the year following the balance sheet date. In addition, NFPs will be required to provide on the face of financial statements or in disclosure notes detailed quantitative information regarding their availability of financial assets at the balance sheet date to meet cash needs for the next year.

The effective date ASU 2016-14 will be for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Application to interim financial statements is permitted but not required in the initial year of application. Early application of the amendments in this ASU is permitted. Management is currently evaluating the impact this change in accounting standards will have on the financial statements and related disclosures.

##### Subsequent Events

DBSA has evaluated subsequent events for potential recognition and/or disclosures through May 11, 2018, the date the financial statements were available to be issued.

## DEPRESSION AND BIPOLAR SUPPORT ALLIANCE

### NOTES TO FINANCIAL STATEMENTS

#### 2. INVESTMENTS

At December 31, 2017 and 2016, investments consist of the following:

	<u>2017</u>	<u>2016</u>
Money market	\$ 164,880	\$ 147,891
Fixed income - certificates of deposit	601,808	594,225
US equities	128,269	131,109
International equities	226,921	164,387
REITs and MLPs	<u>3,954</u>	<u>7,095</u>
Total Investments	<u>\$ 1,125,832</u>	<u>\$ 1,044,707</u>

Investment return consists of the following:

	<u>2017</u>	<u>2016</u>
Interest and dividend income	\$ 19,965	\$ 14,352
Net realized gain	1,604	2,638
Net unrealized gain	<u>41,425</u>	<u>22,700</u>
Net Investment Income	<u>\$ 62,994</u>	<u>\$ 39,690</u>

Investment expense amounted to \$5,884 and \$7,171 in 2017 and 2016.

#### 3. FAIR VALUE OF FINANCIAL INSTRUMENTS

Generally accepted accounting principles provide a uniform framework for the definition, measurement and disclosure of fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Generally accepted accounting principles also establish a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three level of inputs that maybe used to measure fair value:



## DEPRESSION AND BIPOLAR SUPPORT ALLIANCE

### NOTES TO FINANCIAL STATEMENTS

#### 3. FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

Level 1 – Valuations based on quoted prices for identical assets or liabilities in active markets;

Level 2 – Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets; and

Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

The estimated fair values of investments measured on a recurring basis are as follows:

Description	Total	December 31, 2017		
		Fair Value Measurements Using		
		Quoted Prices	Significant	Significant
		in Active Markets for Identical Assets	Other Observable Inputs	Unobservable Inputs
		Level 1	Level 2	Level 3
Money market	\$ 164,880	\$ 164,880	\$ -	\$ -
Equity funds				
US large cap	128,269	128,269		
International	226,921	226,921		
REIT	3,954	3,954		
Investments at Fair Value	524,024	\$ 524,024	\$ -	\$ -
Certificates of Deposit	601,808			
Total Investments	<u>\$ 1,125,832</u>			

DEPRESSION AND BIPOLAR SUPPORT ALLIANCE

NOTES TO FINANCIAL STATEMENTS

3. FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

		December 31, 2016		
		Fair Value Measurements Using		
Description	Total	Quoted Prices		
		in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Money market	\$ 147,891	\$ 147,891	\$ -	\$ -
Equity funds				
US large cap	131,109	131,109		
International	164,387	164,387		
REIT	7,095	7,095		
Investments at Fair Value	450,482	\$ 450,482	\$ -	\$ -
Certificates of Deposit	594,225			
Total Investments	<u>\$ 1,044,707</u>			

There were no investments classified in the Level 2 or Level 3 fair value hierarchy.

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2017	2016
Computer and office equipment and software	\$ 183,183	\$ 163,944
Furniture and fixtures	19,425	19,425
	202,608	183,369
Less: Accumulated depreciation	112,825	77,864
Net Property and Equipment	<u>\$ 89,783</u>	<u>\$ 105,505</u>

Depreciation expense was \$37,476 and \$36,402 for 2017 and 2016, respectively.

**DEPRESSION AND BIPOLAR SUPPORT ALLIANCE**

**NOTES TO FINANCIAL STATEMENTS**

**5. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

	<u>2017</u>	<u>2016</u>
Be Vocal	\$ 21,715	\$ -
Regional Reps - Great Lakes		18,538
Teen Mental Health program	15,000	
Mental Health Parity - NE Ohio	19,858	
Peer Leadership Center		249,293
Mental Health Parity	9,321	
IAB support	75,000	125,000
Advocacy education	41,109	81,003
Advocacy in action	86,648	
FDA White paper		15,216
All of Me	25,000	
Development department infrastructure	196,557	270,000
Online child screening		24,872
	<u>                    </u>	<u>                    </u>
Total Temporarily Restricted Net Assets	<u>\$ 490,208</u>	<u>\$ 783,922</u>

## DEPRESSION AND BIPOLAR SUPPORT ALLIANCE

### NOTES TO FINANCIAL STATEMENTS

#### 6. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions as follows:

	<u>2017</u>	<u>2016</u>
Be Vocal	\$ -	\$ 22,127
Regional Reps - Great Lakes	18,537	26,362
Getting Started pamphlet		22,975
DBSA Florida Chapter dissolution		13,365
Depression panel		81,484
Peer Leadership Center	249,293	117,274
Balanced Mind Parent Network		18,215
Development Department Infrastructure	73,444	
Rebecca's Dream		25,992
Marc (Davka) deGroot Fund		5,807
IAB Support	125,000	125,000
Living Successfully (new)		6,216
Advocacy education	81,003	108,000
Advocacy training		12,930
FDA White paper	15,216	
Online Child Screening	24,872	
I to We Expansion		<u>79,980</u>
Total Net Assets Released From Restrictions	<u>\$ 587,365</u>	<u>\$ 665,727</u>

## DEPRESSION AND BIPOLAR SUPPORT ALLIANCE

### NOTES TO FINANCIAL STATEMENTS

#### 7. LEASE COMMITMENTS

During 2014, DBSA entered into an operating lease for office space which began January 2015 and expires December 2025. Lease payments were abated for the first six full months of the lease and again for five months during the second year of the lease. Rental payments range over the life of the lease from \$9,720 to \$11,745. DBSA will account for this lease in accordance with U.S. generally accepted accounting principles by using the straight-line method of accounting. The difference between actual rent payments and the expense recognized using the straight-line method is recorded as accrued rent liability in the amount of \$107,660 and \$110,180 at December 31, 2017 and 2016, respectively. This lease required an initial security deposit of \$60,000. After the eighteenth and thirty-fifth months of the lease term, the security deposit decreased to \$40,000 and \$20,000 respectively. During 2017 and 2016, \$20,000 of the security deposit was credited to DBSA, respectively leaving a remaining balance of \$20,000 and \$40,000 at December 31, 2017 and 2016. DBSA is also required to pay its proportionate share of real estate taxes and operating costs.

The minimum future rental payments under this operating lease is as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2018	\$ 123,936
2019	126,360
2020	128,796
2021	131,220
2022	133,656
Thereafter	<u>415,536</u>
Total	<u>\$ 1,059,504</u>

Rent expense, including operating expenses, was \$120,871 and \$127,002 for 2017 and 2016, respectively.

## DEPRESSION AND BIPOLAR SUPPORT ALLIANCE

### NOTES TO FINANCIAL STATEMENTS

#### 8. EMPLOYEE BENEFIT PLANS

DBSA maintain a tax-deferred plan qualified under Section 401(k) of the Internal Revenue Code. Under the terms of the plan, an eligible employee may contribute up to 100% of eligible compensation, not to exceed IRS limitations. DBSA matches 100% of the first 2% contributed by an employee. Thereafter, DBSA matches 25% of employee contributions up through the next 4%, with the total employer contribution not to exceed 3%. Contributions were \$18,786 and \$18,402 for the years ended December 31, 2017 and 2016, respectively.

#### 9. DONATED SERVICES

The value of contributed services are included in the financial statements as revenue and allocated to program, management and general and fundraising expenses. During the year ended December 31, 2017, donated services were as follows:

Legal consulting	\$ 3,600
Website survey	<u>31,250</u>
Total Donated Services	<u>\$ 34,850</u>

There were no donated services recorded in the financial statements during 2016.

#### 10. VOLUNTEER SERVICES

A significant amount of volunteer services is contributed to DBSA to support its program and supporting services. These volunteer activities include participating on the Board of Directors and numerous other committees. The value of these services has not been included in the financial statements

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