

**Depression and Bipolar  
Support Alliance**

Financial Statements

Years Ended December 31, 2018 and 2017

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## **INDEPENDENT AUDITOR'S 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, 2018 and 2017, 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 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.

### **Auditor's 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 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 auditor's 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.

## INDEPENDENT AUDITOR'S 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, 2018 and 2017, 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.

### Emphasis of Matter

Depression and Bipolar Support Alliance adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, as discussed in Note 1. Our opinion is not modified with respect to this matter.

*Mann Weitz & Associates LLC*

MANN. WEITZ & ASSOCIATES L.L.C.

Deerfield, Illinois  
May 16, 2019

**DEPRESSION AND BIPOLAR SUPPORT ALLIANCE  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 630,935	\$ 917,212
Accounts receivable	75,843	46,977
Contributions receivable - Note 10	312,777	75,624
Prepaid expenses	<u>30,365</u>	<u>29,649</u>
Total Current Assets	<u>1,049,920</u>	<u>1,069,462</u>
Property and Equipment, net - Note 4	<u>120,635</u>	<u>89,783</u>
<b>Other Assets</b>		
Deposits - Note 7	20,000	20,000
Contributions receivable - Note 10	90,000	
Investments - Note 3	<u>1,134,022</u>	<u>1,125,832</u>
Total Other Assets	<u>1,244,022</u>	<u>1,145,832</u>
Total Assets	<u><u>\$ 2,414,577</u></u>	<u><u>\$ 2,305,077</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 75,020	\$ 53,651
Accrued payroll and vacation	91,984	88,669
Deferred rent - Note 7	<u>7,380</u>	<u>4,956</u>
Total Current Liabilities	174,384	147,276
<b>Noncurrent Liabilities</b>		
Deferred rent - Note 7	<u>95,325</u>	<u>102,704</u>
Total Liabilities	<u>269,709</u>	<u>249,980</u>
<b>Net Assets</b>		
Without donor restrictions	1,539,822	1,564,889
With donor restrictions - Note 5	<u>605,046</u>	<u>490,208</u>
Total Net Assets	<u>2,144,868</u>	<u>2,055,097</u>
Total Liabilities and Net Assets	<u><u>\$ 2,414,577</u></u>	<u><u>\$ 2,305,077</u></u>

The accompanying notes are an integral part of this statement.

DEPRESSION AND BIPOLAR SUPPORT ALLIANCE  
STATEMENT OF ACTIVITIES  
YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018			2017		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues, Gains and Other Support</b>						
Contributions - Note 10						
Corporations	\$ 638,873	\$ 156,127	\$ 795,000	\$ 737,277	\$ 249,473	\$ 986,750
Foundations	129,635	408,526	538,161	65,980	44,178	110,158
Individuals	898,373		898,373	746,074		746,074
Special event revenue	109,553		109,553			
Less: Direct cost of special event	(54,441)		(54,441)			
Chapter fees	51,402		51,402	47,047		47,047
Contract revenue	266,658		266,658	235,827		235,827
Program service revenue	25,605		25,605	38,475		38,475
Net investment income (loss)	(30,177)		(30,177)	57,110		57,110
Donated goods and services - Note 9	61,250		61,250	34,850		34,850
Other	10,723		10,723	2,847		2,847
Total Revenues and Gains	2,107,454	564,653	2,672,107	1,965,487	293,651	2,259,138
Net assets released from restrictions - Note 6	449,815	(449,815)		587,365	(587,365)	
Total Revenues, Gains and Other Support	2,557,269	114,838	2,672,107	2,552,852	(293,714)	2,259,138
<b>Expenses</b>						
Program services						
Education and information	1,059,253		1,059,253	935,531		935,531
Grass roots and peer services	719,011		719,011	709,244		709,244
Total Program Services	1,778,264		1,778,264	1,644,775		1,644,775
Supporting services						
Management and general	381,352		381,352	304,455		304,455
Fundraising	422,720		422,720	467,552		467,552
Total Supporting Services	804,072		804,072	772,007		772,007
Total Expenses	2,582,336		2,582,336	2,416,782		2,416,782
Change in Net Assets	(25,067)	114,838	89,771	136,070	(293,714)	(157,644)
<b>Net Assets</b>						
Beginning of year	1,564,889	490,208	2,055,097	1,428,819	783,922	2,212,741
End of year	\$ 1,539,822	\$ 605,046	\$ 2,144,868	\$ 1,564,889	\$ 490,208	\$ 2,055,097

The accompanying notes are an integral part of this statement.

DEPRESSION AND BIPOLAR SUPPORT ALLIANCE  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2018

	Program Services			Supporting Services			Direct Benefit to Donors	Total Expenses
	Education and Information	Grass Roots and Peer Services	Total Program Services	Management and General	Fundraising	Total Supporting Services		
Salaries and benefits	\$ 533,258	\$ 375,370	\$ 908,628	\$ 227,812	\$ 255,293	\$ 483,105	\$ -	\$ 1,391,733
Occupancy	49,378	34,784	84,162	21,105	23,658	44,763		128,925
Advertising	5,977	1,638	7,615		1,145	1,145		8,760
Attorney fees	2,237	380	2,617	35,772		35,772		38,389
Awards, scholarships and grants	295	1,575	1,870				384	2,254
Bank fees and taxes		284	284	21,845	35	21,880		22,164
Consultants and outside services	227,409	154,731	382,140	25,900	2,500	28,400		410,540
Depreciation	13,979	11,877	25,856	5,824	6,324	12,148		38,004
Equipment leasing and maintenance	18,318	15,643	33,961	7,629	8,313	15,942		49,903
Food and beverage	2,248	2,631	4,879					4,879
Insurance	6,174	10,537	16,711	2,573	2,793	5,366		22,077
Memberships	3,943	717	4,660	130	11,200	11,330		15,990
Miscellaneous	558	(444)	114	180		180		294
Postage, shipping and fulfillment	2,101	6,433	8,534	2,426	17,376	19,802	92	28,428
Printing	25,128	1,349	26,477	84	23,535	23,619		50,096
Professional fees				20,154		20,154		20,154
Special event							53,965	53,965
Supplies and computer software	2,523	5,840	8,363	2,691	1,234	3,925		12,288
Telephone	5,409	5,068	10,477	2,165	2,458	4,623		15,100
Travel and meetings	106,515	47,091	153,606	5,062	35,646	40,708		194,314
Website design and maintenance	53,803	43,507	97,310		31,210	31,210		128,520
<b>Total Functional Expenses</b>	<b>1,059,253</b>	<b>719,011</b>	<b>1,778,264</b>	<b>381,352</b>	<b>422,720</b>	<b>804,072</b>	<b>54,441</b>	<b>2,636,777</b>
Less: Expenses included in revenues on statement of activities								
Cost of direct benefit to donors							(54,441)	(54,441)
<b>Total Expenses Included in Statement of Activities</b>	<b>\$ 1,059,253</b>	<b>\$ 719,011</b>	<b>\$ 1,778,264</b>	<b>\$ 381,352</b>	<b>\$ 422,720</b>	<b>\$ 804,072</b>	<b>\$ -</b>	<b>\$ 2,582,336</b>

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
Occupancy	40,748	32,701	73,449	18,252	21,171	39,423	112,872
Advertising	460	30	490		70	70	560
Attorney fees	22,240	17,848	40,088	9,962	11,555	21,517	61,605
Awards, scholarships and grants	1,993	2,312	4,305		400	400	4,705
Bank fees and taxes	5,933	4,761	10,694	96	111	207	10,901
Consultants and outside services	135,392	80,950	216,342	5,996	96,436	102,432	318,774
Depreciation	13,529	10,857	24,386	6,061	7,029	13,090	37,476
Equipment leasing and maintenance	20,798	17,135	37,933	9,401	19,888	29,289	67,222
Food and beverage	21,413	12,574	33,987	4,271	402	4,673	38,660
Insurance	6,106	4,900	11,006	2,735	3,172	5,907	16,913
Memberships		486	486	842	4,280	5,122	5,608
Miscellaneous	84		84	588		588	672
Postage, shipping and fulfillment	989	7,499	8,488	298	6,632	6,930	15,418
Printing	2,812	12,456	15,268	84	8,606	8,690	23,958
Professional fees	6,973	5,596	12,569	3,124	3,623	6,747	19,316
Supplies and computer software	10,214	8,945	19,159	523	1,439	1,962	21,121
Telephone	5,577	4,437	10,014	2,202	2,688	4,890	14,904
Travel and meetings	66,818	11,230	78,048	2,113	3,654	5,767	83,815
Website design and maintenance	42,441	48,383	90,824	48	500	548	91,372
<b>Total Functional Expenses</b>	<b>\$ 935,531</b>	<b>\$ 709,244</b>	<b>\$ 1,644,775</b>	<b>\$ 304,455</b>	<b>\$ 467,552</b>	<b>\$ 772,007</b>	<b>\$ 2,416,782</b>

The accompanying notes are an integral part of this statements.



**DEPRESSION AND BIPOLAR SUPPORT ALLIANCE**  
**STATEMENT OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 89,771	\$ (157,644)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Realized and unrealized (gain) loss on investments	49,446	(43,029)
Depreciation	38,004	37,476
Net (increase) decrease in assets		
Accounts receivable	(28,866)	(37,487)
Contributions receivable	(327,153)	244,758
Prepaid expenses	(716)	11,312
Deposits		20,000
Net increase (decrease) in liabilities		
Accounts payable and accrued expenses	21,369	(17,480)
Accrued payroll and vacation	3,315	48,928
Deferred rent	(4,955)	(2,520)
	<u>(159,785)</u>	<u>104,314</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(68,856)	(21,754)
Purchase of investments	(294,700)	(289,608)
Proceeds from sale of investments	237,064	251,512
	<u>(126,492)</u>	<u>(59,850)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(286,277)	44,464
<b>Cash and Cash Equivalents</b>		
Beginning of year	<u>917,212</u>	<u>872,748</u>
End of year	<u>\$ 630,935</u>	<u>\$ 917,212</u>

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. For over 30 years, the Depression and Bipolar Support Alliance (DBSA) has provided millions of Americans with life-changing programs and services for individuals living with mood disorders. DBSA provides hope, help, and support through peer-based, wellness-focused, empowering services and resources when people need them, where they need them, and how they need to receive them.

To achieve DBSA's mission of "providing hope, help, support and education to improve the lives of individuals living with mood disorders" our work is grounded within four organizational pillars:

**Empowering Wellness:**

Through education, resources, outreach and advocacy DBSA and its 200+ affiliate Chapters promote hope and understanding among individuals living with depression and bipolar disorders.

**Cultivating Connections:**

Among our stakeholders, such as individuals living with mood disorders, their families and caregivers and the medical community we are committed to creating powerful and impactful communities of shared experiences and support.

**Inspiring Understanding:**

DBSA inspires understanding by focusing our education and advocacy efforts in dismantling stereotypes, ending discrimination, and changing the way individuals communicate about mood disorders.

**Catalyzing Transformation:**

Through our advocacy efforts we amplify voices of those living with mood disorders and work towards systemic change in the delivery and quality of mental health care.

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.

**DEPRESSION AND BIPOLAR SUPPORT ALLIANCE  
NOTES TO FINANCIAL STATEMENTS**

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

**Basis of Presentation**

Information regarding the financial position and activities of DBSA are reported in two classes of net assets: net assets without donor restrictions and net assets with donor restrictions, based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- Without donor restrictions - Net assets without donor restrictions are not subject to donor-imposed stipulations, but may be subject to board designations. They include all activities of DBSA, except for those amounts that are restricted by external donors.
- With donor restrictions - Net assets with donor restrictions are subject to donor-imposed stipulations that can be removed through the passage of time (time restrictions) or actions of DBSA (purpose restrictions). Net assets with donor restrictions may also be 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 has no net assets with donor restrictions stipulated to be invested in perpetuity.

**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). However, DBSA has not experienced any losses on these accounts and management does not believe it is exposed to any significant risk.

**Investments**

Investments are recorded at fair value in the statement of financial position. Net investment income is included in the statement of activities and consists of the following:

	<u>2018</u>	<u>2017</u>
Interest and dividends	\$ 26,074	\$ 19,965
Realized gains	1,305	1,604
Unrealized gains (losses)	(50,751)	41,425
Fees	<u>(6,805)</u>	<u>(5,884)</u>
Net Investment Income (Loss)	<u>\$ (30,177)</u>	<u>\$ 57,110</u>

**DEPRESSION AND BIPOLAR SUPPORT ALLIANCE  
NOTES TO FINANCIAL STATEMENTS**

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

**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 accounting principles generally accepted in the United States of America.

**Property and Equipment**

Property and equipment additions over \$500 are recorded at historical cost. Depreciation is computed using the straight-line method over estimated useful lives of the assets ranging from three to seven years as follows:

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

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 and Contributions Receivable**

Contributions are recognized when the donor makes a promise to give 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 recorded as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, DBSA reports the support as without donor restriction. Contributions receivable due within one year were \$312,777 and \$75,624 at December 31, 2018 and 2017, respectively. Contributions receivable within one to five years amounted to \$90,000 and \$0 at December 31, 2018 and 2017, respectively.

**Contributed Services**

DBSA recognizes the fair value of donated services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed.

**DEPRESSION AND BIPOLAR SUPPORT ALLIANCE  
NOTES TO FINANCIAL STATEMENTS**

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

**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. The statements of functional expenses present the natural classification detail of expenses by function. Expenses which are easily identifiable 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. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<b>Expense</b>	<b>Method of Allocation</b>
Salaries, taxes and benefits	Time and effort
Occupancy	Time and effort
Telephone	Full Time Equivalent and Usage
Equipment leasing and maintenance	Full Time Equivalent and Usage
Insurance	Full Time Equivalent and Usage
Office supplies and computer maintenance	Full Time Equivalent and Usage
Shipping and postage non-program	Full Time Equivalent and Usage
Subscriptions/memberships	Full Time Equivalent and Usage
Depreciation	Full Time Equivalent and Usage

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

The preparation of 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 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.

**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 the years ended December 31, 2018 or 2017, but was subject to taxes related to qualified transportation fringe benefits. No tax provision was required for 2018 or 2017.

**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, 2018 and 2017, DBSA had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

**DEPRESSION AND BIPOLAR SUPPORT ALLIANCE  
NOTES TO FINANCIAL STATEMENTS**

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

**Reclassifications**

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

**Effect of Recently Issued Accounting Standards**

In August 2016, the Financial Accounting Standards Board (FASB) issued new rules for nonprofit organizations under Accounting Standards Update (ASU) 2016-14 *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* (NFP). This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. DBSA has adjusted the presentation of its financial statements accordingly, applying the changes retrospectively to the comparative period presented. The new standards change the following aspects of DBSA's financial statements:

- The unrestricted net asset class has been renamed net assets without donor restrictions.
- Temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.
- The financial statements include a new disclosure about liquidity and availability of resources. See Note 2. DBSA opted not to disclose liquidity and availability information as of December 31, 2017, as permitted under the ASU in the year of adoption.
- DBSA is required to present an analysis of expenses by both function and natural classification which is presented on the statement of functional expenses in the accompanying financial statements for the years ended December 31, 2018 and 2017. Additional disclosures are now required regarding specific methodologies used to allocate costs among program and support functions.

In June 2018, the FASB completed its project on revenue recognition of grants and contracts by not-for-profit entities by issuing ASU 2018-08 "*Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.*" The amendments provide a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction.

- Clarify how an NFP determines whether a resource provider is participating in an exchange transaction or a contribution.

**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**

- Help an entity to evaluate whether contributions are considered conditional or unconditional by stating that a conditional contribution must have (a) a barrier that must be overcome and (b) a right of return or release of obligation.
- Modify the simultaneous release option currently in accounting principles generally accepted in the United States of America, which allows an NFP to recognize a restricted contribution directly in net assets without donor restrictions if the restriction is met in the same period that revenue is recognized.

ASU 2018-08 is effective for annual periods beginning after December 15, 2018, and interim periods within those annual periods beginning after December 15, 2019. Early adoption of the amendments in this update is permitted. Management is currently evaluating the impact these changes in accounting standards will have on the Organization's financial statements and related disclosures.

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.

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.

**Subsequent Events**

DBSA has evaluated subsequent events for potential recognition and/or disclosures through Month 16, 2019, the date the financial statements were available to be issued.

**DEPRESSION AND BIPOLAR SUPPORT ALLIANCE  
NOTES TO FINANCIAL STATEMENTS**

**2. LIQUIDITY AND AVAILABILITY**

The target minimum operating reserve is equal to a minimum of four months of average recurring operating costs per the current annual budget; however, DBSA's goal is to maintain additional financial assets beyond four months of reserves to meet 90 days of operating expenses based on the current annual budget. As part of DBSA's liquidity management plan, the operating reserve is to be funded and available in cash and cash equivalents and cash in excess of daily operating requirements is invested in money market funds, certificates of deposit and other short-term investments. Operating reserves can be utilized with the approval of the finance committee of the board of directors, and should not be used to replace a permanent loss of funds or eliminate an ongoing budget gap. DBSA's goal is to replenish utilized funds within twelve months to restore the reserve fund.

The following table reflects DBSA's financial assets as of December 31, 2018, reduced by amounts that are not available for general use within one year. Financial assets are considered unavailable when non-liquid or not convertible to cash within one year or because donors have restricted the use of funds.

Cash and cash equivalents:	\$ 630,935
Contributions receivable, current	312,777
Accounts receivable	75,843
Investments	<u>1,134,022</u>
Total Financial Assets	<u>2,153,577</u>
Investments with liquidity horizons greater than one year	(440,363)
Net assets with donor restrictions	<u>(605,046)</u>
Financial Assets Not Available to be Used Within One Year	<u>(1,045,409)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u><u>\$ 1,108,168</u></u>

**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:



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**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:

		<b>December 31, 2018</b>		
		<b>Fair Value Measurements Using</b>		
<b>Description</b>	<b>Total</b>	<b>Quoted Prices</b>	<b>Significant</b>	<b>Significant</b>
		<b>in Active</b>	<b>Other</b>	<b>Unobservable</b>
		<b>Markets for</b>	<b>Observable</b>	<b>Inputs</b>
		<b>Identical</b>	<b>Inputs</b>	<b>Inputs</b>
		<b>Assets</b>	<b>Level 2</b>	<b>Level 3</b>
		<b>Level 1</b>		
Money market	\$ 95,218	\$ 95,218	\$ -	\$ -
Equity funds				
US large cap	179,434	179,434		
International	255,747	255,747		
REIT	15,074	15,074		
Investments at Fair Value	545,473	<u>\$ 545,473</u>	<u>\$ -</u>	<u>\$ -</u>
Certificates of Deposit	588,549			
Total Investments	<u>\$ 1,134,022</u>			

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

		December 31, 2017		
		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	\$ 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	<u>\$ 524,024</u>	<u>\$ -</u>	<u>\$ -</u>
Certificates of Deposit	601,808			
Total Investments	<u>\$ 1,125,832</u>			

**4. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at December 31:

	2018	2017
Computer equipment and software	\$ 197,620	\$ 183,183
Furniture and fixtures	19,425	19,425
Website	53,069	
	270,114	202,608
Less: Accumulated depreciation	149,479	112,825
Net Property and Equipment	<u>\$ 120,635</u>	<u>\$ 89,783</u>

Depreciation expense was \$38,004 and \$37,476 for the year ended December 31, 2018 and 2017, respectively.

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**5. NET ASSETS WITH DONOR RESTRICTIONS**

Temporarily restricted net assets are available for the following purposes:

	<u>2018</u>	<u>2017</u>
Purpose restricted:		
Advocacy education	\$ -	\$ 41,109
Advocacy in action		86,648
All of Me		25,000
Be Vocal	25,000	21,715
Development department infrastructure	40,393	196,557
FDA III engagement	25,000	
IAB support	50,000	75,000
Mental Health Parity - NE Ohio		19,858
Mental Health Parity		9,321
Thriving with bipolar treatment awareness campaign	15,974	
Regional meetings	25,153	
SAB Klermann Reception 2019	15,000	
Senior strength depression initiative	393,526	
Teen Mental Health program	<u>15,000</u>	<u>15,000</u>
Total Net Assets With Donor Restrictions	<u>\$ 605,046</u>	<u>\$ 490,208</u>

**DEPRESSION AND BIPOLAR SUPPORT ALLIANCE  
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**6. NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from donor restrictions as follows:

	<u>2018</u>	<u>2017</u>
Advocacy in action	\$ 86,648	\$ -
Advocacy education	41,109	81,003
Advocacy training		
All of Me	25,000	
Be Vocal	21,715	
Development department infrastructure	156,164	73,444
FDA White paper		15,216
IAB Support	75,000	125,000
Mental Health Parity - NE Ohio	19,858	
Mental Health Parity	9,321	
Online Child Screening		24,872
Peer Leadership Center		249,293
Regional Reps - Great Lakes		18,537
Teen Mental Health program	<u>15,000</u>	
Total Net Assets Released From Restrictions	<u>\$ 449,815</u>	<u>\$ 587,365</u>

**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 expenses lease payments on a straight-line basis in accordance with accounting principles generally accepted in the United State of America on accounting for leases. The difference between actual rent payments and the expense recognized using the straight-line method is recorded as deferred rent of \$102,705 and \$107,660 at December 31, 2017 and 2016, respectively. The 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 \$20,000 of the security deposit was credited to DBSA, respectively leaving a remaining balance of \$20,000 at December 31, 2018 and 2017. DBSA is also required to pay its proportionate share of real estate taxes and operating costs.

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**7. LEASE COMMITMENTS - Continued**

Future minimum rent payments due under the lease are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2019	\$ 126,360
2020	128,796
2021	131,220
2022	133,656
2023	136,080
Thereafter	<u>279,456</u>
Total	<u>\$ 935,568</u>

Rent expense, including operating expenses, was \$127,102 and \$120,871 for the years ended December 31, 2018 and 2017, respectively.

**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 \$18,133 and \$18,786 for the years ended December 31, 2018 and 2017, respectively.

**9. DONATED GOODS AND SERVICES**

Donated goods and services are recognized during the years ended December 31, 2018 and 2017 consist of the following:

	<u>2018</u>	<u>2017</u>
Attorney fees	\$ -	\$ 3,600
Website design and maintenance	8,181	
Consultants and outside services (survey)		<u>31,250</u>
Total Donated Goods and Services Expense	8,181	34,850
Website (capitalized)	<u>53,069</u>	
Total Donated Goods and Services Revenue	<u>\$ 61,250</u>	<u>\$ 34,850</u>

**DEPRESSION AND BIPOLAR SUPPORT ALLIANCE  
NOTES TO FINANCIAL STATEMENTS**

**10. CONCENTRATION OF CONTRIBUTIONS**

During 2018, approximately 23% of total contribution revenue was contributed to DBSA by two donors, of which \$240,000 was in pledges receivable at December 31, 2018. There were no concentrations during 2017.

**11. 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 because the criteria for recognition have not been satisfied.

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