

**Depression and Bipolar
Support Alliance**

Financial Statements

Years Ended December 31, 2019 and 2018

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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, 2019 and 2018, 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, 2019 and 2018, 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) 2014-09, *Revenue from Contracts with Customers*, as discussed in Note 1. Our opinion is not modified with respect to this matter.

Depression and Bipolar Support Alliance adopted FASB ASU 2018-08 *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, 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 12, 2020

**DEPRESSION AND BIPOLAR SUPPORT ALLIANCE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 549,172	\$ 630,935
Accounts receivable	10,570	75,843
Contributions receivable - Note 10	360,938	312,777
Prepaid expenses	<u>84,462</u>	<u>30,365</u>
Total Current Assets	<u>1,005,142</u>	<u>1,049,920</u>
Property and Equipment, net - Note 4	<u>87,278</u>	<u>120,635</u>
Other Assets		
Deposits - Note 7	20,000	20,000
Contributions receivable - Note 10	7,500	90,000
Investments - Note 3	<u>1,273,425</u>	<u>1,134,022</u>
Total Other Assets	<u>1,300,925</u>	<u>1,244,022</u>
Total Assets	<u><u>\$ 2,393,345</u></u>	<u><u>\$ 2,414,577</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 45,784	\$ 75,020
Accrued payroll and vacation	31,199	91,984
Deferred revenue	14,135	
Deferred rent - Note 7	<u>9,816</u>	<u>7,380</u>
Total Current Liabilities	100,934	174,384
Noncurrent Liabilities		
Deferred rent - Note 7	<u>85,509</u>	<u>95,325</u>
Total Liabilities	<u>186,443</u>	<u>269,709</u>
Net Assets		
Without donor restrictions	1,403,425	1,539,822
With donor restrictions - Note 5	<u>803,477</u>	<u>605,046</u>
Total Net Assets	<u>2,206,902</u>	<u>2,144,868</u>
Total Liabilities and Net Assets	<u><u>\$ 2,393,345</u></u>	<u><u>\$ 2,414,577</u></u>

The accompanying notes are an integral part of this statement.

DEPRESSION AND BIPOLAR SUPPORT ALLIANCE
STATEMENT OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support						
Contributions - Note 10						
Corporations	\$ 635,891	\$ 365,109	\$ 1,001,000	\$ 638,873	\$ 156,127	\$ 795,000
Foundations	143,634	186,166	329,800	129,635	408,526	538,161
Individuals	760,305		760,305	898,373		898,373
Special event revenue				109,553		109,553
Less: Direct cost of special event				(54,441)		(54,441)
Chapter fees	42,187		42,187	51,402		51,402
Contract revenue	163,944		163,944	266,658		266,658
Program service revenue	24,975		24,975	25,605		25,605
Net investment income (loss) - Note 3	134,679		134,679	(30,177)		(30,177)
Donated goods and services - Note 9	3,600		3,600	61,250		61,250
Other	3,157		3,157	10,723		10,723
Total Revenues and Gains	1,912,372	551,275	2,463,647	2,107,454	564,653	2,672,107
Net assets released from restrictions - Note 6	352,844	(352,844)		449,815	(449,815)	
Total Revenues, Gains and Other Support	2,265,216	198,431	2,463,647	2,557,269	114,838	2,672,107
Expenses						
Program services						
Education and information	1,038,477		1,038,477	1,059,253		1,059,253
Grass roots and peer services	572,129		572,129	719,011		719,011
Total Program Services	1,610,606		1,610,606	1,778,264		1,778,264
Supporting services						
Management and general	390,293		390,293	381,352		381,352
Fundraising	400,714		400,714	422,720		422,720
Total Supporting Services	791,007		791,007	804,072		804,072
Total Expenses	2,401,613		2,401,613	2,582,336		2,582,336
Change in Net Assets	(136,397)	198,431	62,034	(25,067)	114,838	89,771
Net Assets						
Beginning of year	1,539,822	605,046	2,144,868	1,564,889	490,208	2,055,097
End of year	\$ 1,403,425	\$ 803,477	\$ 2,206,902	\$ 1,539,822	\$ 605,046	\$ 2,144,868

The accompanying notes are an integral part of this statement.

DEPRESSION AND BIPOLAR SUPPORT ALLIANCE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

	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	\$ 599,032	\$ 301,350	\$ 900,382	\$ 217,000	\$ 249,662	\$ 466,662	\$ 1,367,044
Occupancy - Note 7	57,479	37,036	94,515	17,715	22,792	40,507	135,022
Advertising	1,780	875	2,655	821	1,979	2,800	5,455
Attorney fees	2,604	424	3,028	11,961		11,961	14,989
Awards, scholarships and grants	25	2,555	2,580				2,580
Bank fees and taxes	126	108	234	13,890		13,890	14,124
Consultants and outside services	155,494	76,053	231,547	3,688	4,540	8,228	239,775
Depreciation - Note 4	22,166	11,150	33,316	8,029	9,238	17,267	50,583
Equipment leasing and maintenance	7,340	3,692	11,032	2,658	3,059	5,717	16,749
Food and beverage	833	449	1,282	-	360	360	1,642
Insurance	6,100	3,068	9,168	2,210	2,542	4,752	13,920
Memberships	1,156	1,792	2,948	279	17,677	17,956	20,904
Miscellaneous	951	999	1,950	527	359	886	2,836
Postage, shipping and fulfillment	2,193	7,272	9,465	(412)	21,454	21,042	30,507
Printing	5,214	19,064	24,278	328	22,816	23,144	47,422
Professional fees				90,599		90,599	90,599
Supplies and computer software	17,762	11,070	28,832	6,939	17,153	24,092	52,924
Telephone	7,099	5,781	12,880	2,238	2,673	4,911	17,791
Travel and meetings	101,121	55,572	156,693	11,782	21,925	33,707	190,400
Website design and maintenance	50,002	33,819	83,821	41	2,485	2,526	86,347
Total Expenses Included in Statement of Activities	<u>\$ 1,038,477</u>	<u>\$ 572,129</u>	<u>\$ 1,610,606</u>	<u>\$ 390,293</u>	<u>\$ 400,714</u>	<u>\$ 791,007</u>	<u>\$ 2,401,613</u>

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 - Note 7	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 - Note 4	13,979	11,877	25,856	5,824	6,324	12,148		38,004
Equipment leasing and maintenance	6,260	5,319	11,579	2,609	2,832	5,441		17,020
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	14,581	16,164	30,745	7,711	6,715	14,426		45,171
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
Total Functional Expenses	1,059,253	719,011	1,778,264	381,352	422,720	804,072	54,441	2,636,777
Less: Expenses included in revenues on statement of activities								
Cost of direct benefit to donors							(54,441)	(54,441)
Total Expenses Included in Statement of Activities	\$ 1,059,253	\$ 719,011	\$ 1,778,264	\$ 381,352	\$ 422,720	\$ 804,072	\$ -	\$ 2,582,336

The accompanying notes are an integral part of this statements.

DEPRESSION AND BIPOLAR SUPPORT ALLIANCE
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 62,034	\$ 89,771
Adjustments to reconcile change in net assets to net cash used for operating activities		
Realized and unrealized (gain) loss on investments	(111,541)	49,446
Depreciation	50,583	38,004
Net (increase) decrease in assets		
Accounts receivable	65,273	(28,866)
Contributions receivable	34,339	(327,153)
Prepaid expenses	(54,097)	(716)
Net increase (decrease) in liabilities		
Accounts payable and accrued expenses	(29,236)	21,369
Accrued payroll and vacation	(60,785)	3,315
Deferred revenue	14,135	
Deferred rent	(7,380)	(4,955)
Net Cash Used for Operating Activities	<u>(36,675)</u>	<u>(159,785)</u>
Cash Flows from Investing Activities		
Purchase of property and equipment	(17,226)	(68,856)
Purchase of investments	(177,608)	(294,700)
Proceeds from sale of investments	149,746	237,064
Net Cash Used for Investing Activities	<u>(45,088)</u>	<u>(126,492)</u>
Net Decrease in Cash and Cash Equivalents	(81,763)	(286,277)
Cash and Cash Equivalents		
Beginning of year	<u>630,935</u>	<u>917,212</u>
End of year	<u>\$ 549,172</u>	<u>\$ 630,935</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for taxes		

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 is the leading peer-focused mental health organization whose mission is to improve the lives of people living with mood disorders. DBSA national supports more than 500 support groups and 200 local affiliate chapters. DBSA reaches over four million individuals with support, educational resources, and tools to help individuals living with mood disorders lead productive and fulfilling lives. Additionally, through our advocacy efforts we amplify peers' voices and work towards systemic change in the delivery of mental health care. Funding is primarily derived from contributions, program service and contract revenue. DBSA is a national organization located in Chicago, Illinois.

To achieve DBSA's mission their 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 clinicians, 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.

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting. Using this method, revenues and expenses are recognized in accordance with accounting principles generally accepted in the United States of America.

**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. Interest and dividends, as well as realized and unrealized gains and losses on investments, are included in the statement of activities. Interest and dividends and gains and losses on investments are reported as increases or decreases in net assets without donor restriction unless their use is restricted by explicit donor stipulations.

**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 \$360,938 and \$312,777 at December 31, 2019 and 2018, respectively. Contributions receivable within one to five years amounted to \$7,500 and \$90,000 at December 31, 2019 and 2018, 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**

Revenue Recognition

DBSA receives income from contracts, program service, and chapter and Balanced Mind Parent Network (BMPN) fees. Contract and program service revenue is recognized at a point in time when services are rendered in accordance with the corresponding contract. Chapter fees are recognized at a point in time when payment is received. BMPN fees are recognized over time as resources are continually available for usage.

Program revenue, and payments under cost reimbursable contracts received in advance are deferred to the period in which the related performance obligation is satisfied.

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:

Expense	Method of Allocation
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.

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

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

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, 2019 or 2018.

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, 2019 and 2018, DBSA had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

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 replaced most existing revenue recognition guidance in accounting principles generally accepted in the United States of America. The Organization adopted ASU 2014-09 on January 1, 2019 using the modified retrospective method. Results for reporting periods beginning after January 1, 2019 are presented under ASU 2014-09 while prior period amounts continue to be reported in accordance with legacy revenue recognition guidance. Adoption of this standard did not result in a change in the timing or amount of revenue recognized, and therefore the adoption of this standard did not have a material impact on the Organization's financial position, results of operations or business practices. The adoption did result in expanded disclosures related to the nature of contracts with customers and other matters related to revenues and the accounting for revenues.

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.

Specifically, the amendments:

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

**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

- Modify the simultaneous release option currently in accounting principles generally accepted in the United States of America, which allows a NFP to recognize a restricted contribution directly in unrestricted net assets without donor restrictions if the restriction is met in the same period that revenue is recognized.

The Organization has implemented the guidance in the amendments, applying the changes prospectively, beginning January 1, 2019. Adoption of this standard did not result in a change in the timing or amount of revenue recognized, and therefore the adoption of this standard did not have a material impact on the Organization's financial position, results of operations or business practices.

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. In October 2019, the FASB approved a one year deferral of this standard for non-public entities, with a revised effective date for fiscal years beginning after December 15, 2020. 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.

Reclassifications

Reclassifications were made to the December 31, 2018 statement of functional expenses in order to more accurately reflect certain natural expense amounts to conform with the presentation of the December 31, 2019 statement of functional expenses.

Subsequent Events

DBSA has evaluated subsequent events for potential recognition and/or disclosures through May 12, 2020, the date the financial statements were available to be issued. See Note 13.

**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, 2019 and 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.

The table below presents financial assets available for general expenditures within one year:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents:	\$ 549,172	\$ 630,935
Contributions receivable, current	360,938	312,777
Accounts receivable	10,570	75,843
Investments	<u>1,273,425</u>	<u>1,134,022</u>
Total Financial Assets	<u>2,194,105</u>	<u>2,153,577</u>
Investments with liquidity horizons greater than one year	(457,453)	(440,363)
Net assets with donor restrictions	<u>(803,477)</u>	<u>(605,046)</u>
Financial Assets Not Available to be Used Within One Year	<u>(1,260,930)</u>	<u>(1,045,409)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 933,175</u>	<u>\$ 1,108,168</u>

DEPRESSION AND BIPOLAR SUPPORT ALLIANCE
NOTES TO FINANCIAL STATEMENTS

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS

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:

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:

		December 31, 2019		
		Fair Value Measurements Using		
Description	Total	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
		Level 1	Level 2	Level 3
Money market	\$ 127,306	\$ 127,306	\$ -	\$ -
Equity funds				
US large cap	179,111	179,111		
International	344,786	344,786		
REIT	15,211	15,211		
Investments at Fair Value	666,414	\$ 666,414	\$ -	\$ -
Certificates of Deposit	607,011			
Total Investments	<u>\$ 1,273,425</u>			

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

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS - Continued

		December 31, 2018		
		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	\$ 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	\$ 545,473	\$ -	\$ -
Certificates of Deposit	588,549			
Total Investments	<u>\$ 1,134,022</u>			

DBSA invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and any such changes could materially affect the amounts reported in the statement of financial position.

Investment income (loss) for the years ended December 31, 2019 and 2018, was comprised of the following:

	2019	2018
Interest and dividends	\$ 31,835	\$ 26,074
Realized gains	254	1,305
Unrealized gains (losses)	111,287	(50,751)
Fees	(8,697)	(6,805)
Net Investment Income (Loss)	<u>\$ 134,679</u>	<u>\$ (30,177)</u>

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

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2019</u>	<u>2018</u>
Computer equipment and software	\$ 208,311	\$ 197,620
Furniture and fixtures	19,425	19,425
Website	<u>53,069</u>	<u>53,069</u>
	280,805	270,114
Less: Accumulated depreciation	<u>193,527</u>	<u>149,479</u>
Net Property and Equipment	<u>\$ 87,278</u>	<u>\$ 120,635</u>

Depreciation expense was \$50,583 and \$38,004 for the year ended December 31, 2019 and 2018, respectively.

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

	<u>2019</u>	<u>2018</u>
Purpose restricted:		
Be Vocal	\$ 25,000	\$ 25,000
Development department infrastructure		40,393
FDA engagement	50,000	25,000
IAB support	75,000	50,000
2020 Leadership Summit/35th anniversary	15,109	
Mental health education and wellness tools for youth	25,000	
Peer centered outcomes partnership initiatives	45,000	
Power and purpose program	7,158	
Regional meetings	50,000	25,153
SAB Klermann reception	5,000	15,000
Senior strength depression initiative	249,070	393,526
Student Curriculum on Resilience Education - SCoRE	10,300	
Support for children and teens	128,709	
Teen mental health program	15,000	15,000
Thriving with bipolar treatment awareness campaign	3,131	15,974
Virtual support to individuals and caregivers	<u>100,000</u>	
Total Net Assets With Donor Restrictions	<u>\$ 803,477</u>	<u>\$ 605,046</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>2019</u>	<u>2018</u>
Advocacy in action	\$ -	\$ 86,648
Advocacy education		41,109
All of Me		25,000
Be Vocal	25,000	21,715
Development department infrastructure	40,393	156,164
FDA engagement	25,000	
IAB support	50,000	75,000
Mental health parity - NE Ohio		19,858
Mental health parity		9,321
Regional meetings	25,152	
SAB Klermann reception	15,000	
Senior strength depression initiative	144,456	
Teen mental health program	15,000	15,000
Thriving with bipolar treatment awareness campaign	12,843	
Total Net Assets Released From Restrictions	<u>\$ 352,844</u>	<u>\$ 449,815</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 \$95,325 and \$102,705 at December 31, 2019 and 2018, 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, 2019 and 2018. DBSA is also required to pay its proportionate share of real estate taxes and operating costs.

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

7. LEASE COMMITMENTS - Continued

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2020	\$ 128,796
2021	131,220
2022	133,656
2023	136,080
2024	138,516
Thereafter	<u>140,940</u>
Total	<u>\$ 809,208</u>

Rent expense, including operating expenses, was \$132,214 and \$127,102 for the years ended December 31, 2019 and 2018, respectively.

8. EMPLOYEE BENEFIT PLANS

DBSA maintains 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 \$22,212 and \$18,133 for the years ended December 31, 2019 and 2018, respectively.

9. DONATED GOODS AND SERVICES

Donated goods and services are recognized during the years ended December 31, 2019 and 2018 consist of the following:

	<u>2019</u>	<u>2018</u>
Website design and maintenance	\$ -	\$ 8,181
Consultants and outside services (executive coaching)	<u>3,600</u>	<u> </u>
Total Donated Goods and Services Expense	3,600	8,181
Website (capitalized)	<u> </u>	<u>53,069</u>
Total Donated Goods and Services Revenue	<u>\$ 3,600</u>	<u>\$ 61,250</u>

Donated services expensed for the years ended December 31, 2019 and 2018 are included in management and general expenses in the accompanying statement of activities.

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

10. CONCENTRATION OF CONTRIBUTIONS

There were no concentrations during 2019. 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.

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.

12. RELATED PARTY

During the years ended December 31, 2019 and 2018, contributions from board members and employees totaled \$215,155 and \$161,050, respectively.

13. SUBSEQUENT EVENTS - IMPACT OF COVID-19

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact its operating results. While a certain event will be held virtually instead of being cancelled or suspended and another has been delayed, the extent of the impact of COVID-19 on operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on donors, vendors and employees all of which are uncertain and cannot be predicted. Therefore, the related financial impact cannot be reasonably estimated at this time.

On April 21, 2020, DBSA applied for a Paycheck Protection Program (PPP) loan offered as a result of the Coronavirus Aid, Relief and Economic Security Act (CARES Act) and administered by the Small Business Association. The PPP loan is intended to help certain small businesses and nonprofits stay afloat during the COVID-19 pandemic. On May 1, 2020, DBSA was approved for a loan for \$230,300 which provides for interest at a rate of 1% and matures on May 5, 2022. The PPP loan is eligible for forgiveness if DBSA meets certain criteria including utilization of the loan for eligible expenses and maintaining or restoring employee counts and salary levels to pre-pandemic amounts.

111 Deer Lake Road, Suite 125, Deerfield, IL 60015
Main:847.267.3400 Fax:847.267.3401 Web:mannweitz.com