

**DEPRESSION AND BIPOLAR SUPPORT ALLIANCE**

**Financial Statements  
For the Years Ended December 31, 2021 and 2020  
With Independent Auditor's Report**



**MITCHELL TITUS**  
ACHIEVING EXCELLENCE TOGETHER

**DEPRESSION AND BIPOLAR SUPPORT ALLIANCE**  
Financial Statements  
For the Years Ended December 31, 2021 and 2020

**TABLE OF CONTENTS**

	<b><u>Page(s)</u></b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1-3
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8
Notes to Financial Statements	9-22



## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Depression and Bipolar Support Alliance

### ***Report on the Audit of the Financial Statements***

#### ***Opinion***

We have audited the accompanying financial statements of Depression and Bipolar Support Alliance, which comprise the statements of financial position as of December 31, 2021 and 2020, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Depression and Bipolar Support Alliance as of December 31, 2021 and 2020, 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.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Depression and Bipolar Support Alliance, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Other Matter***

The financial statements of Depression and Bipolar Support Alliance as of and for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on May 28, 2021.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

141 West Jackson Blvd.  
Chicago, IL 60604

T: +1 312 332 4964

F: +1 312 332 0181

[mitchelltitus.com](http://mitchelltitus.com)



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Depression and Bipolar Support Alliance's ability to continue as a going concern for one year after the date that the financial statements are issued or are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Depression and Bipolar Support Alliance's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Depression and Bipolar Support Alliance's ability to continue as a going concern for a reasonable period of time.



**MITCHELL TITUS**

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Mitchell Titus, LLP*

May 17, 2022

**DEPRESSION AND BIPOLAR SUPPORT ALLIANCE**

Statements of Financial Position

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
<i>Current assets</i>		
Cash and cash equivalents	\$ 1,099,437	\$ 985,907
Accounts receivable	12,108	38,121
Contributions receivable (Note 5)	495,995	269,725
Prepaid expenses	246,655	166,469
Total current assets	<u>1,854,195</u>	<u>1,460,222</u>
Property and equipment, net (Note 4)	<u>59,576</u>	<u>46,679</u>
<i>Other assets</i>		
Deposits (Note 8)	20,000	20,000
Contributions receivable (Note 5)	-	7,500
Investments (Note 3)	2,268,871	2,068,705
Total other assets	<u>2,288,871</u>	<u>2,096,205</u>
<b>Total assets</b>	<u><u>\$ 4,202,642</u></u>	<u><u>\$ 3,603,106</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<i>Current liabilities</i>		
Accounts payable and accrued expenses	\$ 56,168	\$ 32,269
Accrued payroll and vacation	92,988	72,749
Deferred revenue	10,230	5,032
Deferred rent (Note 9)	14,676	12,240
Total current liabilities	<u>174,062</u>	<u>122,290</u>
<i>Noncurrent liabilities</i>		
Deferred rent (Note 9)	<u>58,595</u>	<u>73,270</u>
Total liabilities	<u>232,657</u>	<u>195,560</u>
<b>NET ASSETS</b>		
Without donor restrictions	3,145,397	2,841,758
With donor restrictions (Note 7)	824,588	565,788
Total net assets	<u>3,969,985</u>	<u>3,407,546</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 4,202,642</u></u>	<u><u>\$ 3,603,106</u></u>

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

# DEPRESSION AND BIPOLAR SUPPORT ALLIANCE

## Statements of Activities

Years Ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS AND OTHER SUPPORT</b>						
<i>Contributions (Note 12)</i>						
Corporations	\$ 871,000	\$ 346,000	\$ 1,217,000	\$ 922,250	\$ 320,310	\$ 1,242,560
Foundations	85,500	475,675	561,175	165,549	115,000	280,549
Government	-	91,365	91,365	-	-	-
Individuals	1,157,946	-	1,157,946	1,716,255	-	1,716,255
Paycheck Protection Program (Note 6)	-	-	-	230,300	-	230,300
Chapter and BMPN fees	40,485	-	40,485	46,331	-	46,331
Contract revenue	164,837	-	164,837	187,267	-	187,267
Program service revenue	54,425	-	54,425	40,348	-	40,348
Net investment income (Note 3)	156,906	-	156,906	24,654	-	24,654
Donated goods and services (Note 11)	35,500	-	35,500	2,038	-	2,038
Other	612	-	612	830	-	830
Total revenue and gains	2,567,211	913,040	3,480,251	3,335,822	435,310	3,771,132
Net assets released from restrictions (Note 8)	654,240	(654,240)	-	672,999	(672,999)	-
Total revenues, gains and other support	3,221,451	258,800	3,480,251	4,008,821	(237,689)	3,771,132
<b>EXPENSES</b>						
<i>Program services</i>						
Education and information	954,493	-	954,493	737,703	-	737,703
Grass roots and peer services	1,182,220	-	1,182,220	1,045,253	-	1,045,253
Total program services	2,136,713	-	2,136,713	1,782,956	-	1,782,956
<i>Supporting services</i>						
Management and general	464,584	-	464,584	450,860	-	450,860
Fundraising	316,515	-	316,515	336,672	-	336,672
Total supporting services	781,099	-	781,099	787,532	-	787,532
Total expenses	2,917,812	-	2,917,812	2,570,488	-	2,570,488
Change in net assets	303,639	258,800	562,439	1,438,333	(237,689)	1,200,644
<b>NET ASSETS</b>						
Beginning of year	2,841,758	565,788	3,407,546	1,403,425	803,477	2,206,902
End of year	\$ 3,145,397	\$ 824,588	\$ 3,969,985	\$ 2,841,758	\$ 565,788	\$ 3,407,546

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

## DEPRESSION AND BIPOLAR SUPPORT ALLIANCE

### Statement of Functional Expenses

Year Ended December 31, 2021

	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	\$ 647,791	\$ 667,538	\$ 1,315,329	\$ 265,758	\$ 193,862	\$ 459,620	\$ 1,774,949
Occupancy (Note 9)	47,390	45,577	92,967	20,245	14,065	34,310	127,277
Advertising	21,545	1,911	23,456	340	2,269	2,609	26,065
Awards, scholarships and grants	79	-	79	719	-	719	798
Bank fees and taxes	-	1	1	15,554	-	15,554	15,555
Consultants and outside services	123,018	250,732	373,750	27,269	9,308	36,577	410,327
Depreciation (Note 4)	14,491	16,301	30,792	4,832	4,499	9,331	40,123
Equipment leasing and maintenance	244	276	520	82	76	158	678
Food and beverage	-	225	225	4,047	40	4,087	4,312
Insurance	9,039	10,168	19,207	3,014	2,806	5,820	25,027
Memberships	2,828	2,932	5,760	488	44,522	45,010	50,770
Miscellaneous	395	497	892	6,051	(2)	6,049	6,941
Postage, shipping and fulfillment	598	4,332	4,930	727	15,875	16,602	21,532
Printing	3,921	12,568	16,489	16	18,063	18,079	34,568
Professional fees	13,181	4,670	17,851	100,960	245	101,205	119,056
Supplies and computer software	21,611	28,799	50,410	9,510	6,534	16,044	66,454
Telephone	8,354	15,491	23,845	2,785	2,792	5,577	29,422
Travel and meetings	1,952	27,723	29,675	1,906	1,561	3,467	33,142
Website design and maintenance	38,056	92,479	130,535	281	-	281	130,816
<b>Total expenses included in statement of activities</b>	<b>\$ 954,493</b>	<b>\$ 1,182,220</b>	<b>\$ 2,136,713</b>	<b>\$ 464,584</b>	<b>\$ 316,515</b>	<b>\$ 781,099</b>	<b>\$ 2,917,812</b>

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



**DEPRESSION AND BIPOLAR SUPPORT ALLIANCE**

Statement of Functional Expenses

Year Ended December 31, 2020

	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	\$ 537,805	\$ 532,034	\$ 1,069,839	\$ 276,550	\$ 210,487	\$ 487,037	\$ 1,556,876
Occupancy (Note 9)	44,730	44,250	88,980	23,000	17,506	40,506	129,486
Advertising	8,642	968	9,610	-	738	738	10,348
Awards, scholarships and grants	341	(470)	(129)	679	-	679	550
Bank fees and taxes	93	-	93	18,072	7	18,079	18,172
Consultants and outside services	59,701	267,027	326,728	141	7,381	7,522	334,250
Depreciation (Note 4)	15,337	17,455	32,792	5,838	6,082	11,920	44,712
Equipment leasing and maintenance	2,470	2,812	5,282	940	980	1,920	7,202
Food and beverage	-	1,329	1,329	(33)	143	110	1,439
Insurance	7,621	8,673	16,294	2,901	3,022	5,923	22,217
Memberships	990	2,704	3,694	251	32,967	33,218	36,912
Miscellaneous	-	59	59	1,000	246	1,246	1,305
Postage, shipping and fulfillment	1,087	3,275	4,362	1,900	19,640	21,540	25,902
Printing	1,652	11,729	13,381	92	19,305	19,397	32,778
Professional fees	4,856	7,142	11,998	107,858	7,266	115,124	127,122
Supplies and computer software	16,239	18,709	34,948	5,907	7,196	13,103	48,051
Telephone	7,451	12,857	20,308	2,799	3,417	6,216	26,524
Travel and meetings	3,187	38,207	41,394	2,965	289	3,254	44,648
Website design and maintenance	25,501	76,493	101,994	-	-	-	101,994
<b>Total expenses included in statement of activities</b>	<b>\$ 737,703</b>	<b>\$ 1,045,253</b>	<b>\$ 1,782,956</b>	<b>\$ 450,860</b>	<b>\$ 336,672</b>	<b>\$ 787,532</b>	<b>\$ 2,570,488</b>

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

**DEPRESSION AND BIPOLAR SUPPORT ALLIANCE**

## Statements of Cash Flows

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 562,439	\$ 1,200,644
<i>Adjustments to reconcile change in net assets to net cash provided by operating activities</i>		
Realized and unrealized (gain) loss on investments	(123,953)	9,975
Depreciation	40,123	44,712
<i>Net (increase) decrease in assets</i>		
Accounts receivable	26,013	(27,551)
Contributions receivable	(218,770)	91,213
Prepaid expenses	(80,186)	(82,007)
<i>Net increase (decrease) in liabilities</i>		
Accounts payable and accrued expenses	23,900	(13,515)
Accrued payroll and vacation	20,238	41,550
Deferred revenue	5,198	(9,103)
Deferred rent	(12,240)	(9,815)
Net cash provided by operating activities	<u>242,762</u>	<u>1,246,103</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(53,020)	(4,113)
Purchase of investments	(557,110)	(2,131,293)
Proceeds from sale of investments	480,898	1,326,038
Net cash used for investing activities	<u>(129,232)</u>	<u>(809,368)</u>
Net increase in cash and cash equivalents	113,530	436,735
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	985,907	549,172
End of year	<u>\$ 1,099,437</u>	<u>\$ 985,907</u>

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

## DEPRESSION AND BIPOLAR SUPPORT ALLIANCE

Notes to Financial Statements

For the Years Ended December 31, 2021 and 2020

### NOTE 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 partners with more than 500 support groups and 140 local affiliate chapters and reaches more than four million people with support, educational resources, and tools to help those living with mood disorders lead productive and fulfilling lives. Additionally, through advocacy efforts DBSA amplifies 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 140 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 on 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.

## DEPRESSION AND BIPOLAR SUPPORT ALLIANCE

Notes to Financial Statements

For the Years Ended December 31, 2021 and 2020

### NOTE 1      **NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

#### 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 (U.S. GAAP).

#### Basis of Presentation

Information regarding the financial position and activities of Depression and Bipolar Support Alliance (DBSA) is 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. However, DBSA has not experienced any losses on these accounts and management does not believe it is exposed to any significant risk.

## DEPRESSION AND BIPOLAR SUPPORT ALLIANCE

Notes to Financial Statements

For the Years Ended December 31, 2021 and 2020

### NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Investments

Investments are recorded at fair value in the statements of financial position. Interest and dividends, as well as realized and unrealized gains and losses on investments, are included in the statements 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.

#### 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. GAAP.

#### Property and Equipment

Property and equipment additions over \$500 are recorded at historical cost. Depreciation is computed using the straight-line method over the 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 statements of activities.

## DEPRESSION AND BIPOLAR SUPPORT ALLIANCE

Notes to Financial Statements

For the Years Ended December 31, 2021 and 2020

### NOTE 1      **NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

#### 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 when both stipulations have occurred. 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.

#### 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.

#### Revenue Recognition

DBSA receives income from contracts, program services, 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 statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Expenses that 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.

## DEPRESSION AND BIPOLAR SUPPORT ALLIANCE

Notes to Financial Statements

For the Years Ended December 31, 2021 and 2020

### NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Functional Allocation of Expenses *(continued)*

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
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 U.S. GAAP 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 that 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, 2021 or 2020.

#### 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, 2021 and 2020, 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

For the Years Ended December 31, 2021 and 2020

### NOTE 1      **NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

#### Effect of Recently Issued Accounting Standard

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (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 May 2020, 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, 2021. 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

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements. These reclassifications have no effect on financial position or results of operations.

#### Subsequent Events

DBSA has evaluated subsequent events for potential recognition and/or disclosures through May 17, 2022, the date the financial statements were available to be issued.

### NOTE 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 12 months to restore the reserve fund.



## DEPRESSION AND BIPOLAR SUPPORT ALLIANCE

### Notes to Financial Statements

For the Years Ended December 31, 2021 and 2020

#### NOTE 2 LIQUIDITY AND AVAILABILITY *(continued)*

The following table reflects DBSA's financial assets as of December 31, 2021 and 2020, 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>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,099,437	\$ 985,907
Contributions receivable, current	495,995	269,725
Accounts receivable	12,108	38,121
Investments	<u>2,268,871</u>	<u>2,068,705</u>
Total financial assets	<u>3,876,411</u>	<u>3,362,458</u>
Investments with liquidity horizons greater than one year	-	(150,000)
Net assets with donor restrictions	<u>(824,588)</u>	<u>(565,788)</u>
Financial assets not available to be used within one year	<u>(824,588)</u>	<u>(715,788)</u>
<b>Financial assets available to meet cash needs for general expenditures within one year</b>	<u>\$ 3,051,823</u>	<u>\$ 2,646,670</u>

#### NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS

U.S. GAAP provides 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. U.S. GAAP also establishes a fair value hierarchy that 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 may be 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

**DEPRESSION AND BIPOLAR SUPPORT ALLIANCE**

## Notes to Financial Statements

For the Years Ended December 31, 2021 and 2020

**NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)**

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 as of December 31, 2021, measured on a recurring basis, are as follows:

Description	Total	December 31, 2021		
		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Money market	\$ 621,700	\$ 621,700	\$ -	\$ -
<i>Equity funds</i>				
Large cap growth	304,689	304,689	-	-
Large cap blend	291,012	291,012	-	-
Small cap growth	89,693	89,693	-	-
Emerging market equities	66,024	66,024	-	-
International equities	176,149	176,149	-	-
Small cap blend	44,976	44,976	-	-
<i>Fixed income</i>				
High-yield bond	27,515	27,515	-	-
Intermediate-term bond	372,165	372,165	-	-
Short-term bond	95,361	95,361	-	-
International bond	26,311	26,311	-	-
Investments at fair value	2,115,595	\$ 2,115,595	\$ -	\$ -
Certificates of deposit	153,276			
<b>Total investments</b>	<b>\$ 2,268,871</b>			

## DEPRESSION AND BIPOLAR SUPPORT ALLIANCE

### Notes to Financial Statements

For the Years Ended December 31, 2021 and 2020

#### NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS *(continued)*

The estimated fair values of investments as of December 31, 2020, measured on a recurring basis, are as follows:

Description	Total	December 31, 2020		
		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Money market	\$ 324,720	\$ 324,720	\$ -	\$ -
<i>Equity funds</i>				
Large cap growth	238,137	238,137	-	-
Large cap blend	240,344	240,344	-	-
Small cap growth	37,081	37,081	-	-
Emerging market equities	152,799	152,799	-	-
International equities	37,497	37,497	-	-
Small cap blend	38,249	38,249	-	-
<i>Fixed income</i>				
High-yield bond	18,154	18,154	-	-
Intermediate-term bond	442,419	442,419	-	-
Short-term bond	109,641	109,641	-	-
International bond	17,682	17,682	-	-
Investments at fair value	1,656,723	\$ 1,656,723	\$ -	\$ -
Certificates of deposit	411,982			
<b>Total investments</b>	<b>\$ 2,068,705</b>			

DBSA invests in various investment securities that are exposed to several 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. The changes could materially affect the amounts reported in the statements of financial position.

Investment income (loss) for the years ended December 31, 2021 and 2020, was comprised of the following:

	2021	2020
Interest and dividends	\$ 45,174	\$ 42,316
Realized gains (losses)	(2,881)	21,930
Unrealized gains (losses)	126,834	(31,905)
Fees	(12,221)	(7,687)
<b>Net investment income</b>	<b>\$ 156,906</b>	<b>\$ 24,654</b>

## DEPRESSION AND BIPOLAR SUPPORT ALLIANCE

### Notes to Financial Statements

For the Years Ended December 31, 2021 and 2020

#### NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<u>2021</u>	<u>2020</u>
Computer equipment and software	\$ 233,621	\$ 203,914
Furniture and fixtures	36,788	19,425
Website	53,069	53,069
	<u>323,478</u>	<u>276,408</u>
<i>Less: Accumulated depreciation</i>	<u>(263,902)</u>	<u>(229,729)</u>
<b>Net property and equipment</b>	<u><u>\$ 59,576</u></u>	<u><u>\$ 46,679</u></u>

Depreciation expense was \$40,123 and \$44,712 for the years ended December 31, 2021 and 2020, respectively.

#### NOTE 5 CONTRIBUTIONS RECEIVABLE

Pledges receivable are due as follows at December 31:

	<u>2021</u>	<u>2020</u>
Due within one year	\$ 495,995	\$ 269,725
Due within two to five years	-	7,500
<b>Total contributions receivable</b>	<u><u>\$ 495,995</u></u>	<u><u>\$ 277,225</u></u>

#### NOTE 6 PAYCHECK PROTECTION PROGRAM

On May 5, 2020, DBSA entered into an agreement with a lender and the Small Business Administration to obtain a Paycheck Protection Program (PPP) loan offered as a result of the Coronavirus Aid, Relief and Economic Security Act. The PPP loan is intended to help certain small businesses and nonprofits stay afloat during the COVID-19 pandemic. The loan amount of \$230,300 provides for interest at a rate of 1% and matures on May 5, 2022. The PPP was forgiven during the year ended December 31, 2020, and included as revenue and other support on the statement of activities at December 31, 2020. There was no such occurrence in 2021.

**DEPRESSION AND BIPOLAR SUPPORT ALLIANCE**

Notes to Financial Statements

For the Years Ended December 31, 2021 and 2020

**NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS**

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

	<u>2021</u>	<u>2020</u>
<i>Purpose restricted</i>		
Addressing mental health disparities in black communities	\$ 28,206	\$ -
Capacity building for apprenticeship program	46,000	-
Clinical trial engagement initiative	-	750
Consulting for bipolar research survey	-	2,000
Enhancing consumer network programs in Illinois through peer support for black communities	22,260	-
Expansion of services to reach diverse audiences	156,788	-
FDA engagement 2022	50,000	-
FDA engagement 2021	-	25,000
IAB support	50,000	75,000
Increasing access to peer support services in black communities	85,000	-
2022 Leadership Summit	25,000	-
2021 Leadership Summit	-	25,000
Mental health education and wellness tools for youth	32,053	19,857
On-line support groups	20,080	64,000
Peer centered outcomes partnership initiatives 2021	-	500
SAB Klermann reception 2021	-	5,000
Senior strength depression initiative	7,500	60,621
Support mental health disparities through peer support in black communities	51,829	123,060
Sustaining chapters and support of group networks	75,000	-
Teen mental health program	15,000	15,000
Veteran peer specialist program	69,184	100,000
Virtual support to individuals and caregivers	90,688	50,000
<b>Total net assets with donor restrictions</b>	<b>\$ 824,588</b>	<b>\$ 565,788</b>

**DEPRESSION AND BIPOLAR SUPPORT ALLIANCE**

## Notes to Financial Statements

For the Years Ended December 31, 2021 and 2020

**NOTE 8 NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from donor restrictions for the following purposes:

	<u>2021</u>	<u>2020</u>
Addressing mental health disparities in black communities	\$ 96,700	\$ -
Be Vocal	-	25,000
Clinical trial engagement initiative	750	-
Consulting for bipolar research survey	2,000	-
Enhancing consumer network programs in Illinois through peer support for black communities	69,105	-
Expansion of services to reach diverse audiences	43,212	-
FDA engagement	25,000	50,000
IAB support	75,000	75,000
2021 Leadership Summit	25,000	15,109
Mental health education and wellness tools for youth	87,803	133,852
On-line support groups	43,921	-
Peer centered outcomes partnership initiatives	500	45,000
Power and purpose program	-	7,158
Regional meetings	-	50,000
SAB Klermann reception	5,000	5,000
Senior strength depression initiative	53,121	188,449
Student Curriculum on Resilience Education - SCoRE	-	10,300
Teen mental health program	15,000	15,000
Thriving with bipolar treatment awareness campaign	-	3,131
Veteran peer specialist program	77,816	-
Virtual support to individuals and caregivers	34,312	50,000
<b>Total net assets released from restrictions</b>	<b>\$ 654,240</b>	<b>\$ 672,999</b>

## DEPRESSION AND BIPOLAR SUPPORT ALLIANCE

Notes to Financial Statements

For the Years Ended December 31, 2021 and 2020

### NOTE 9 LEASE COMMITMENTS

During 2014, DBSA entered into an operating lease for office space, which began in January 2015 and expires in 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 U.S. GAAP 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 \$73,271 and \$85,510 at December 31, 2021 and 2020, respectively. The lease required an initial security deposit of \$60,000.

After the 18th and 35th 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, leaving a remaining balance of \$20,000 at December 31, 2021 and 2020. DBSA is also required to pay its proportionate share of real estate taxes and operating costs.

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ 133,656
2023	136,080
2024	138,516
2025	140,940
<b>Total</b>	<b>\$ 549,192</b>

Rent expense, including operating expenses, was \$125,505 and \$127,776 for the years ended December 31, 2021 and 2020, respectively.

### NOTE 10 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. During 2021 and 2020, DBSA matched 100% of the first 1% contributed by an employee. Thereafter, DBSA matches 50% of employee contributions up through the next 5%, with the total employer contribution not to exceed 3.5%. Contributions were \$39,702 and \$34,142 for the years ended December 31, 2021 and 2020, respectively.

## DEPRESSION AND BIPOLAR SUPPORT ALLIANCE

Notes to Financial Statements

For the Years Ended December 31, 2021 and 2020

### NOTE 11 DONATED GOODS AND SERVICES

Donated goods and services recognized during the years ended December 31, 2021 and 2020 consist of the following:

	<u>2021</u>	<u>2020</u>
Advertising	\$ -	\$ 2,038
Consultants (executive coaching and team building)	<u>35,500</u>	<u>-</u>
<b>Total donated goods and services revenue</b>	<u>\$ 35,500</u>	<u>\$ 2,038</u>

Donated services expensed for the years ended December 31, 2021 and 2020 are included in fundraising and management and general expenses, respectively, in the accompanying statements of activities.

### NOTE 12 CONCENTRATION OF CONTRIBUTIONS

During 2021, there were no concentration of contributions. During 2020, approximately 22% of total contribution revenue was contributed to DBSA by one donor.

### NOTE 13 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.

### NOTE 14 RELATED PARTY

During the years ended December 31, 2021 and 2020, contributions from board members and employees totaled \$324,652 and \$132,580, respectively.

### NOTE 15 IMPACT OF COVID-19

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which could have a negative impact on DBSA's operating results. 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, employees, and vendors, all of which are uncertain and cannot be predicted. DBSA has been operating in a remote environment and a certain event was held virtually. The related financial impact cannot be reasonably estimated at this time.



