

**DEPRESSION AND BIPOLAR SUPPORT ALLIANCE**

**Financial Statements**

**For the Years Ended December 31, 2022 and 2021**

**With Independent Auditor's Report**



**MITCHELL TITUS**  
ACHIEVING EXCELLENCE TOGETHER

**DEPRESSION AND BIPOLAR SUPPORT ALLIANCE**  
Financial Statements  
For the Years Ended December 31, 2022 and 2021

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## 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 financial statements of Depression and Bipolar Support Alliance, which comprise the statements of financial position as of December 31, 2022 and 2021, 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 accompanying financial statements present fairly, in all material respects, the financial position of Depression and Bipolar Support Alliance as of December 31, 2022 and 2021, 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.

#### ***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.

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.

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### ***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.

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 19, 2023

## DEPRESSION AND BIPOLAR SUPPORT ALLIANCE

Statements of Financial Position

As of December 31, 2022 and 2021

	<u>2022</u>	<u>2021 As Restated</u>
<b>ASSETS</b>		
<i>Current assets</i>		
Cash and cash equivalents	\$ 774,836	\$ 1,099,437
Accounts receivable	27,732	12,108
Contributions receivable (Note 5)	279,848	495,995
Prepaid expenses	205,985	246,655
Total current assets	<u>1,288,401</u>	<u>1,854,195</u>
Property and equipment, net (Note 4)	<u>380,169</u>	<u>497,697</u>
<i>Other assets</i>		
Deposits (Note 8)	20,000	20,000
Investments (Note 3)	1,745,162	2,268,871
Total other assets	<u>1,765,162</u>	<u>2,288,871</u>
<b>Total assets</b>	<u><u>\$ 3,433,732</u></u>	<u><u>\$ 4,640,763</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<i>Current liabilities</i>		
Accounts payable and accrued expenses	\$ 85,242	\$ 56,168
Accrued payroll and vacation	110,639	92,988
Operating lease liability (Note 8)	124,280	117,633
Deferred revenue	6,705	10,230
Total current liabilities	<u>326,866</u>	<u>277,019</u>
<i>Noncurrent liabilities</i>		
Operating lease liability (Note 8)	<u>269,479</u>	<u>393,759</u>
Total liabilities	<u>596,345</u>	<u>670,778</u>
<b>NET ASSETS</b>		
Without donor restrictions	2,381,156	3,145,397
With donor restrictions (Note 6)	456,231	824,588
Total net assets	<u>2,837,387</u>	<u>3,969,985</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 3,433,732</u></u>	<u><u>\$ 4,640,763</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, 2022 and 2021

	2022			2021 As Restated		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE, GAINS AND OTHER SUPPORT</b>						
<i>Contributions (Note 11)</i>						
Corporations	\$ 777,650	\$ 210,100	\$ 987,750	\$ 871,000	\$ 346,000	\$ 1,217,000
Foundations	106,500	122,500	229,000	85,500	475,675	561,175
Government	-	142,067	142,067	-	91,365	91,365
Individuals	823,835	-	823,835	1,157,946	-	1,157,946
Chapter and BMPN fees	27,005	-	27,005	40,485	-	40,485
Contract revenue	268,907	-	268,907	164,837	-	164,837
Program service revenue	69,625	-	69,625	54,425	-	54,425
Net investment income (loss) (Note 3)	(226,983)	-	(226,983)	156,906	-	156,906
Donated goods and services (Note 10)	3,600	-	3,600	35,500	-	35,500
Other	1,347	-	1,347	612	-	612
Total revenue and gains	1,851,486	474,667	2,326,153	2,567,211	913,040	3,480,251
Net assets released from restrictions (Note 7)	843,024	(843,024)	-	654,240	(654,240)	-
Total revenue, gains and other support	2,694,510	(368,357)	2,326,153	3,221,451	258,800	3,480,251
<b>EXPENSES</b>						
<i>Program services</i>						
Education and information	983,943	-	983,943	953,389	-	953,389
Grass roots and peer services	1,522,181	-	1,522,181	1,186,987	-	1,186,987
Total program services	2,506,124	-	2,506,124	2,140,376	-	2,140,376
<i>Supporting services</i>						
Management and general	514,003	-	514,003	460,760	-	460,760
Fundraising	438,624	-	438,624	316,676	-	316,676
Total supporting services	952,627	-	952,627	777,436	-	777,436
Total expenses	3,458,751	-	3,458,751	2,917,812	-	2,917,812
Change in net assets	(764,241)	(368,357)	(1,132,598)	303,639	258,800	562,439
<b>NET ASSETS</b>						
Beginning of year	3,145,397	824,588	3,969,985	2,841,758	565,788	3,407,546
<b>End of year</b>	<b>\$ 2,381,156</b>	<b>\$ 456,231</b>	<b>\$ 2,837,387</b>	<b>\$ 3,145,397</b>	<b>\$ 824,588</b>	<b>\$ 3,969,985</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, 2022

	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	\$ 645,619	\$ 851,542	\$ 1,497,161	\$ 308,928	\$ 273,005	\$ 581,933	\$ 2,079,094
Lease expense (Note 9)	21,856	25,462	47,318	10,986	9,609	20,595	67,913
Advertising	48,407	2,961	51,368	6,809	9,091	15,900	67,268
Awards, scholarships and grants	1,964	783	2,747	-	-	-	2,747
Bank fees and taxes	-	-	-	13,970	-	13,970	13,970
Consultants and outside services	98,749	432,032	530,781	4,734	26,753	31,487	562,268
Depreciation (Notes 4 and 9)	44,586	56,272	100,858	16,910	15,783	32,693	133,551
Equipment leasing and maintenance	154	195	349	58	55	113	462
Food and beverage	3,803	1,025	4,828	5,617	50	5,667	10,495
Insurance	8,660	10,929	19,589	3,284	3,065	6,349	25,938
Interest (Note 9)	5,149	6,023	11,172	2,588	2,264	4,852	16,024
Memberships	1,565	4,345	5,910	474	54,527	55,001	60,911
Miscellaneous	108	1,301	1,409	1,775	308	2,083	3,492
Postage, shipping and fulfillment	2,663	4,494	7,157	3,973	9,015	12,988	20,145
Printing	17,712	9,369	27,081	-	8,082	8,082	35,163
Professional fees	6,176	4,817	10,993	114,533	-	114,533	125,526
Supplies and computer software	28,078	50,330	78,408	8,744	8,470	17,214	95,622
Telephone	9,591	17,418	27,009	3,637	3,395	7,032	34,041
Travel and meetings	19,806	33,742	53,548	6,245	15,152	21,397	74,945
Website design and maintenance	19,297	9,141	28,438	738	-	738.00	29,176
<b>Total expenses included in statement of activities</b>	<b>\$ 983,943</b>	<b>\$ 1,522,181</b>	<b>\$ 2,506,124</b>	<b>\$ 514,003</b>	<b>\$ 438,624</b>	<b>\$ 952,627</b>	<b>\$ 3,458,751</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, 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
Lease expense (Note 9)	3,089	2,971	6,060	1,320	917	2,237	8,297
Advertising	27,551	1,911	29,462	340	2,269	2,609	32,071
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	123,017	336,047	459,064	27,269	9,308	36,577	495,641
Depreciation (Notes 4 and 9)	50,234	56,506	106,740	16,749	15,596	32,345	139,085
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
Interest (Note 9)	7,454	7,168	14,622	3,184	2,212	5,396	20,018
Memberships	2,828	2,932	5,760	488	44,522	45,010	50,770
Miscellaneous	397	497	894	6,051	(2)	6,049	6,943
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	28,330	30,282	58,612	9,510	6,534	16,044	74,656
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	25,330	5,681	31,011	281	-	281	31,292
<b>Total expenses included in statement of activities</b>	<b>\$ 953,389</b>	<b>\$ 1,186,987</b>	<b>\$ 2,140,376</b>	<b>\$ 460,760</b>	<b>\$ 316,676</b>	<b>\$ 777,436</b>	<b>\$ 2,917,812</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, 2022 and 2021

	<u>2022</u>	<u>2021, As Restated</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (1,132,598)	\$ 562,439
<i>Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities</i>		
Realized and unrealized (gain) loss on investments	253,355	(123,953)
Depreciation	133,551	139,085
<i>Net (increase) decrease in assets</i>		
Accounts receivable	(15,624)	26,013
Contributions receivable	216,147	(218,770)
Prepaid expenses	40,670	(80,186)
<i>Net increase (decrease) in liabilities</i>		
Accounts payable and accrued expenses	29,072	23,900
Accrued payroll and vacation	17,651	20,238
Change in operating lease liabilities	(117,632)	(111,202)
Deferred revenue	(3,525)	5,198
Net cash (used in) provided by operating activities	<u>(578,933)</u>	<u>242,762</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(16,022)	(53,020)
Purchase of investments	(1,102,623)	(557,110)
Proceeds from sale of investments	1,372,977	480,898
Net cash provided by (used in) investing activities	<u>254,332</u>	<u>(129,232)</u>
Net (decrease) increase in cash and cash equivalents	(324,601)	113,530
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	1,099,437	985,907
<b>End of year</b>	<u>\$ 774,836</u>	<u>\$ 1,099,437</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid during the year for interest	<u>\$ 16,024</u>	<u>\$ 20,018</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, 2022 and 2021

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

#### Nature of Activities and Organization

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 has 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 toward systemic change in the delivery of mental health care. Funding is derived primarily from contributions, program service and contract revenue. DBSA is a national organization located in Chicago, Illinois.

To achieve DBSA's mission, its 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, DBSA are committed to creating powerful and impactful communities of shared experiences and support.

#### Inspiring Understanding

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

#### Catalyzing Transformation

DBSA's advocacy efforts are focused on amplifying the voices of those living with mood disorders and working toward 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, 2022 and 2021

### 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 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 exceed 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, 2022 and 2021

### 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, 2022 and 2021

### 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 statements 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 that 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, 2022 and 2021

### 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, 2022 or 2021.

#### 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, 2022 and 2021, 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, 2022 and 2021

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

#### Adoption of New Accounting Standard

In February 2016, the Financial Standards Board (FASB) issued ASU 2016-02, *Leases (Topic 842)*. This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the requirements of the guidance, effective January 1, 2022, and has elected to apply the provisions of the standard to the beginning of the earliest comparative period presented. Therefore, as of January 1, 2021, right-of-use assets of \$622,593 and operating lease liabilities of \$537,083 were recognized, representing the present value of remaining lease payments discounted using DBSA's weighted average incremental borrowing rate of 3.50%.

#### 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 DBSA's financial position or results of operations.

#### Subsequent Events

DBSA has evaluated subsequent events for potential recognition and/or disclosures through May 19, 2023, 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.

## DEPRESSION AND BIPOLAR SUPPORT ALLIANCE

### Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

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

DBSA's goal is to replenish utilized funds within 12 months to restore the reserve fund. The following table reflects DBSA's financial assets as of December 31, 2022 and 2021, 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>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 774,836	\$ 1,099,437
Contributions receivable, current	279,848	495,995
Accounts receivable	27,732	12,108
Investments	<u>1,745,162</u>	<u>2,268,871</u>
Total financial assets	<u>2,827,578</u>	<u>3,876,411</u>
Net assets with donor restrictions	<u>(436,231)</u>	<u>(824,588)</u>
Financial assets not available to be used within one year	<u>(436,231)</u>	<u>(824,588)</u>
<b>Financial assets available to meet cash needs for general expenditures within one year</b>	<u>\$ 2,391,347</u>	<u>\$ 3,051,823</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 levels 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, 2022 and 2021

#### 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, 2022, measured on a recurring basis, are as follows:

Description	Total	December 31, 2022		
		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	\$ 459,848	\$ 459,848.00	\$ -	\$ -
<i>Equity funds</i>				
Large cap growth	55,639	55,639.00	-	-
Large cap blend	139,420	139,420.00	-	-
Small cap growth	15,397	15,397.00	-	-
Value equities	180,656	180,656.00	-	-
Emerging market equities	54,156	54,156.00	-	-
International equities	92,869	92,869.00	-	-
Small cap blend	14,797	14,797.00	-	-
Real estate	62,911	62,911.00	-	-
<i>Fixed income</i>				
High-yield bond	54,247	54,247.00	-	-
Intermediate-term bond	394,914	394,914.00	-	-
Short-term bond	204,893	204,893.00	-	-
International bond	15,415	15,415.00	-	-
Investments at fair value	1,745,162	\$ 1,745,162	\$ -	\$ -
Certificates of deposit	-	-	-	-
<b>Total investments</b>	<b>\$ 1,745,162</b>			

## DEPRESSION AND BIPOLAR SUPPORT ALLIANCE

### Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

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

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>			

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, 2022 and 2021, was comprised of the following:

	2022	2021
Interest and dividends	\$ 36,248	\$ 45,174
Realized gains (losses)	40,182	(2,881)
Unrealized gains (losses)	(293,538)	126,834
Fees	(9,875)	(12,221)
<b>Net investment income</b>	<b>\$ (226,983)</b>	<b>\$ 156,906</b>

**DEPRESSION AND BIPOLAR SUPPORT ALLIANCE**

## Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

**NOTE 4      PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at December 31:

	<u>2022</u>	<u>2021, As Restated</u>
Operating lease ROU asset	\$ 537,083	\$ 537,083
Computer equipment and software	232,587	233,621
Furniture and fixtures	36,788	36,788
Website	53,069	53,069
	859,527	860,561
<i>Less: Accumulated depreciation</i>	<i>(479,358)</i>	<i>(362,864)</i>
<b>Net property and equipment</b>	<b><u>\$ 380,169</u></b>	<b><u>\$ 497,697</u></b>

Depreciation expense was \$133,551 and \$40,123 for the years ended December 31, 2022 and 2021, respectively.

**NOTE 5      CONTRIBUTIONS RECEIVABLE**

Pledges receivable are due as follows at December 31:

	<u>2022</u>	<u>2021</u>
Due within one year	\$ 279,848	\$ 495,995
Due within two to five years	-	-
<b>Total contributions receivable</b>	<b><u>\$ 279,848</u></b>	<b><u>\$ 495,995</u></b>

**DEPRESSION AND BIPOLAR SUPPORT ALLIANCE**

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

**NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS**

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

	<u>2022</u>	<u>2021</u>
<i>Purpose restricted</i>		
Addressing mental health disparities in Black communities	\$ 75,000	\$ 28,206
Addressing mental health disparities in historically marginalized communities	50,000	-
Capacity building for apprenticeship program	-	46,000
Enhancing consumer network programs in Illinois through peer support for Black communities	28,592	22,260
Expansion of services to reach diverse audiences	53,960	156,788
FDA engagement 2022	-	50,000
FDA engagement 2023	100	-
Foundation giving - time restriction	10,000	-
IAB support	35,000	50,000
Increasing access to peer support services in Black communities	75,000	85,000
2022 Leadership Summit	-	25,000
Mental health education and wellness tools for youth	12,500	32,053
On-line support groups	-	20,080
PCORI senior engagement	41,025	-
Peer-centered outcomes partnership initiatives 2021	6,400	-
Senior strength depression initiative	-	7,500
Support mental health disparities through peer support in Black communities	-	51,829
Sustaining chapters and support of group networks	-	75,000
Teen mental health program	-	15,000
Veteran peer specialist program	68,654	69,184
Virtual support to individuals and caregivers	-	90,688
<b>Total net assets with donor restrictions</b>	<u>\$ 456,231</u>	<u>\$ 824,588</u>

## DEPRESSION AND BIPOLAR SUPPORT ALLIANCE

### Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

#### NOTE 7 NET ASSETS RELEASED FROM RESTRICTIONS

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

	<u>2022</u>	<u>2021</u>
Addressing mental health disparities in Black communities	\$ 28,206	\$ 96,700
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 2021	22,260	69,105
Enhancing consumer network programs in Illinois through peer support for Black communities 2022	66,050	-
Expansion of services to reach diverse audiences	102,829	43,212
FDA engagement	50,000	25,000
IAB support	50,000	75,000
Increasing access to peer support services in Black communities	85,000	-
2021 Leadership Summit	-	25,000
2022 Leadership Summit	25,000	-
Mental health education and wellness tools for youth	32,053	87,803
On-line support groups	20,080	43,921
Peer-centered outcomes partnership initiatives	-	500
SAB Klermann reception	-	5,000
Senior strength depression initiative	7,500	53,121
Support mental health disparities through peer support in black communities	51,829	-
Sustaining chapters and support of group networks	75,000	-
Teen mental health program	15,000	15,000
Veteran peer specialist program	75,529	77,816
Virtual support to individuals and caregivers	90,688	34,312
<b>Total net assets released from restrictions</b>	<b><u>\$ 843,024</u></b>	<b><u>\$ 654,240</u></b>

## DEPRESSION AND BIPOLAR SUPPORT ALLIANCE

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

### NOTE 8 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. The lease required an initial security deposit of \$60,000.

After the 19th and 36th 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, 2022 and 2021.

DBSA's lease has fixed rental payments that were originally based upon annual rent increases based upon a factor of changes in the Consumer Price Index. DBSA makes separate payments to the lessor based on the lessor's real estate taxes assessed on the property, as well as a portion of the common area maintenance and operations associated with the property. DBSA has elected the practical expedient not to separate lease and non-lease components for the building lease.

During 2022 and 2021, DBSA recognized rent expenses associate with the lease as follows:

	<u>2022</u>	<u>2021</u>
<i>Operating lease cost</i>		
Fixed rent expense	\$ 136,656	\$ 131,220
Variable rent expense (reduction)	47,880	(5,715)
Short-term lease cost	-	-
<b>Net lease cost</b>	<b><u>\$ 184,536</u></b>	<b><u>\$ 125,505</u></b>
Lease cost - operating expenses	\$ 65,555	\$ 6,525
Lease cost - depreciation	102,957	98,962
Lease cost - interest	16,024	20,018
<b>Net lease cost</b>	<b><u>\$ 184,536</u></b>	<b><u>\$ 125,505</u></b>

## DEPRESSION AND BIPOLAR SUPPORT ALLIANCE

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

### NOTE 8 LEASE COMMITMENTS *(continued)*

During the years ended December 31, 2022 and 2021, cash and non-cash activities associated with DBSA's lease are as follows:

	<u>2022</u>	<u>2021</u>
<i>Cash paid for amounts in the measurement of lease liabilities</i>		
Operating cash flows from operating leases	<u>\$ 182,250</u>	<u>\$ 136,161</u>
<i>Non-cash investing and financing activities</i>		
New operating lease liabilities	<u>\$ -</u>	<u>\$ -</u>

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ 136,081
2024	138,516
2025	<u>140,940</u>
Total	415,537
Less: Effects of discounting	<u>(21,778)</u>
<b>Lease liabilities recognized</b>	<u><b>\$ 393,759</b></u>

As of December 31, 2022, the remaining lease term for the building operating lease is three years.

In general, DBSA does not have access to the rate implicit in the lease. Therefore, DBSA utilizes rates associated with the U.S. Federal reserve comparative to the term or remaining term of the lease. The discount rate associated with the operating lease is 3.5%.

### NOTE 9 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 2022 and 2021, 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 \$44,996 and \$39,702 for the years ended December 31, 2022 and 2021, respectively.

## **DEPRESSION AND BIPOLAR SUPPORT ALLIANCE**

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

### **NOTE 10 DONATED GOODS AND SERVICES**

Donated goods and services recognized during the years ended December 31, 2022 and 2021, consisted of consultants for executive coaching and team building in the amount of \$3,600 and \$35,500, respectively.

Donated services expensed for the years ended December 31, 2022 and 2021, are included in fundraising and management and general expenses, respectively, in the accompanying statements of activities.

### **NOTE 11 CONCENTRATION OF CONTRIBUTIONS**

During 2022 or 2021, there was no concentration of contributions.

### **NOTE 12 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 13 RELATED PARTY**

During the years ended December 31, 2022 and 2021, contributions from Board members and employees totaled \$100,197 and \$324,652, respectively.

### **NOTE 14 IMPACT OF COVID-19**

As a result of the spread of the COVID-19 virus, economic uncertainties have arisen which could have a negative impact on DBSA's operating results. The extent of the impact of COVID-19 on DBSA's 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.



