

**Depression and Bipolar Support  
Alliance Greater Houston and Affiliate**

**Combined Financial Statements  
and Supplementary Information**

**December 31, 2016**



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**Depression and Bipolar Support Alliance Greater Houston and Affiliate**  
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**December 31, 2016**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Depression and Bipolar Support  
Alliance Greater Houston  
Houston, Texas

### **Report on Financial Statements**

We have audited the accompanying combined financial statements of Depression and Bipolar Support Alliance Greater Houston and Affiliate (collectively, the "Organization"), which comprise the combined statement of financial position as of December 31, 2016, and the related combined statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the combined financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the combined 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 Organization'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 combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Depression and Bipolar Support Alliance Greater Houston and Affiliate as of December 31, 2016, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have previously audited the Organization's 2015 financial statements, and we expressed an unmodified opinion on those audited statements in our report dated May 12, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it had been derived.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying combined schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

*Caru, Riggs & Ingram, L.L.C.*

Houston, Texas  
March 22, 2017

## Depression and Bipolar Support Alliance Greater Houston and Affiliate Combined Statements of Financial Position

December 31, 2016

(with summarized financial information as of December 31, 2015)

	2016									
	Depression and Bipolar Support Alliance - Greater Houston				Gary L. Levering Endowment Corporation				Combined Total	2015 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total		
<b>Assets</b>										
Cash and cash equivalents	\$ 476,787	\$ 35,116	\$ -	\$ 511,903	\$ -	\$ -	\$ -	\$ -	\$ 511,903	\$ 593,962
Investments	-	-	-	-	1,173,858	-	106,150	1,280,008	1,280,008	1,121,112
Pledges receivable	12,756	-	-	12,756	-	-	-	-	12,756	94,492
Due to/from	4,414	-	-	4,414	(4,414)	-	-	(4,414)	-	-
Prepaid expenses	19,034	-	-	19,034	480	-	-	480	19,514	36,712
Property and equipment, net	5,137	-	-	5,137	-	-	-	-	5,137	10,932
Other assets	25,010	-	-	25,010	-	-	-	-	25,010	6,075
<b>Total assets</b>	<b>\$ 543,138</b>	<b>\$ 35,116</b>	<b>\$ -</b>	<b>\$ 578,254</b>	<b>\$ 1,169,924</b>	<b>\$ -</b>	<b>\$ 106,150</b>	<b>\$ 1,276,074</b>	<b>\$ 1,854,328</b>	<b>\$ 1,863,285</b>
<b>Liabilities and net assets</b>										
Accounts payable and accrued expenses	\$ 37,963	\$ -	\$ -	\$ 37,963	\$ -	\$ -	\$ -	\$ -	\$ 37,963	\$ 29,978
Commitments and contingencies										
Net assets	505,175	35,116	-	540,291	1,169,924	-	106,150	1,276,074	1,816,365	1,833,307
<b>Total liabilities and net assets</b>	<b>\$ 543,138</b>	<b>\$ 35,116</b>	<b>\$ -</b>	<b>\$ 578,254</b>	<b>\$ 1,169,924</b>	<b>\$ -</b>	<b>\$ 106,150</b>	<b>\$ 1,276,074</b>	<b>\$ 1,854,328</b>	<b>\$ 1,863,285</b>

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

## Depression and Bipolar Support Alliance Greater Houston and Affiliate Combined Statement of Activities and Changes in Net Assets

For the year ended December 31, 2016

(with summarized financial information for the year ended December 31, 2015)

	2016										2015 Total
	Depression and Bipolar Support Alliance - Greater Houston				Gary L. Levering Endowment Corporation				Combined Total		
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total			
<b>Support and income</b>											
Contributions	\$ 779,890	\$ 66,000	\$ -	\$ 845,890	\$ -	\$ -	\$ -	\$ -	\$ 845,890	\$ 866,099	
Donated professional services	22,027	-	-	22,027	-	-	-	-	22,027	22,400	
In-kind donation - Google Grants Pro	300,808	-	-	300,808	-	-	-	-	300,808	36,783	
Special event (net of direct benefit to donors of \$64,691 and \$54,350 for 2016 and 2015, respectively)	293,679	-	-	293,679	-	-	-	-	293,679	391,240	
Investment income	884	-	-	884	52,096	-	-	52,096	52,980	(5,420)	
Net assets released from restrictions - satisfaction of program restrictions	120,949	(120,949)	-	-	-	-	-	-	-	-	
<b>Total support and income</b>	<b>1,518,237</b>	<b>(54,949)</b>	<b>-</b>	<b>1,463,288</b>	<b>52,096</b>	<b>-</b>	<b>-</b>	<b>52,096</b>	<b>1,515,384</b>	<b>1,311,102</b>	
<b>Expenses</b>											
Program service	1,317,248	-	-	1,317,248	-	-	-	-	1,317,248	962,244	
Fundraising	171,454	-	-	171,454	-	-	-	-	171,454	155,664	
General and administrative	39,692	-	-	39,692	3,932	-	-	3,932	43,624	66,472	
<b>Total expenses</b>	<b>1,528,394</b>	<b>-</b>	<b>-</b>	<b>1,528,394</b>	<b>3,932</b>	<b>-</b>	<b>-</b>	<b>3,932</b>	<b>1,532,326</b>	<b>1,184,380</b>	
Change in net assets before affiliate transactions	(10,157)	(54,949)	-	(65,106)	48,164	-	-	48,164	(16,942)	126,722	
Transfer to Endowment	(130,404)	-	-	(130,404)	130,404	-	-	130,404	-	-	
<b>Changes in net assets</b>	<b>(140,561)</b>	<b>(54,949)</b>	<b>-</b>	<b>(195,510)</b>	<b>178,568</b>	<b>-</b>	<b>-</b>	<b>178,568</b>	<b>(16,942)</b>	<b>126,722</b>	
Net assets at beginning of year	645,736	90,065	-	735,801	991,356	-	106,150	1,097,506	1,833,307	1,706,585	
<b>Net assets at end of year</b>	<b>\$ 505,175</b>	<b>\$ 35,116</b>	<b>\$ -</b>	<b>\$ 540,291</b>	<b>\$ 1,169,924</b>	<b>\$ -</b>	<b>\$ 106,150</b>	<b>\$ 1,276,074</b>	<b>\$ 1,816,365</b>	<b>\$ 1,833,307</b>	

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

## Depression and Bipolar Support Alliance Greater Houston and Affiliate Combined Statements of Cash Flows

<i>For the years ended December 31,</i>	<b>2016</b>	2015
<b>Operating activities</b>		
Changes in net assets	\$ (16,942)	\$ 126,722
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Contributions restricted for permanent endowments	-	(5,150)
Unrealized (gain) loss on investments	(34,452)	21,846
Depreciation	6,906	7,415
Changes in operating assets and liabilities:		
Pledges receivable	81,736	41,771
Prepaid expenses	17,198	(21,013)
Other assets	(9,467)	-
Accounts payable and accrued expenses	7,985	777
Net cash provided by operating activities	<b>52,964</b>	172,368
<b>Investing activities</b>		
Purchase of property and equipment	(1,111)	-
Sales of investments	668,114	-
Purchase of investments	(774,914)	(499,834)
Reinvestment of dividend income	(17,644)	(15,744)
Security deposit	(9,468)	-
Net cash used by investing activities	<b>(135,023)</b>	(515,578)
<b>Financing activities</b>		
Contributions restricted for permanent endowments	-	5,150
Net decrease in cash and cash equivalents	<b>(82,059)</b>	(338,060)
Cash and cash equivalents at beginning of year	<b>593,962</b>	932,022
Cash and cash equivalents at end of year	<b>\$ 511,903</b>	\$ 593,962

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

## Depression and Bipolar Support Alliance Greater Houston and Affiliate Notes to the Combined Financial Statements

### NOTE 1: ORGANIZATION

Depression and Bipolar Support Alliance Greater Houston, a Texas nonprofit organization (“DBSA”) was initiated in the state of Texas in October 2003 and obtained 501(c)(3) tax-exempt status.

DBSA provides free and confidential support groups for individuals living with, or family and friends affected by, depression and bipolar disorders. DBSA support groups are led by trained, dedicated facilitators who provide comforting, compassionate environments in which peers accept and understand one another. This sense of community and empathy encourages them to live more meaningful and healthy lives. DBSA volunteer and professional facilitators are trained, managed and supported by staff members who are licensed mental health professionals who also monitor the health of the groups to maintain a sustainable, high quality program. In addition to providing support groups, DBSA staff and board members work to educate the public about mental disorders, confront social stigma and advocate for the rights of people living with mental illness.

In 2014, 2015 and 2016, Charity Navigator, America’s largest and most utilized independent evaluator of nonprofit organizations, awarded DBSA with its highest four star rating. Charity Navigator automatically rates nonprofits for sound fiscal management and commitment to accountability and transparency upon exceeding \$1 million dollars per year in revenues for two consecutive years. Receiving Charity Navigator’s highest rating from the first evaluation was a significant accomplishment for DBSA.

In June 2015, DBSA formed The Gary L. Levering Endowment Corporation (the “Corporation”) to operate as a Type 1 supporting organization to DBSA as described in section 509(a)(3). The Corporation was created and initially funded by DBSA to act as an endowment for DBSA’s benefit. Thus, the Corporation manages and invests funds on DBSA's behalf. The money earned from the Corporation's investments is to be used to fund DBSA’s operations, including support group meetings and educational classes for individuals living with depression and bipolar disorders.

The accompanying combined financial statements include the accounts of DBSA and the Corporation (collectively, the “Organization”). Inter-organization transactions and balances have been eliminated in combination.

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Basis of Accounting*

The Organization’s combined financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Organization’s resources are reported for accounting purposes in separate classes of net assets based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:



## Depression and Bipolar Support Alliance Greater Houston and Affiliate Notes to the Combined Financial Statements

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purpose by action of the Board.
- Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or passage of time. This classification includes contributions and unconditional promises to give for which the ultimate purpose of the proceeds is not permanently restricted.
- Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization.

The combined financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with DBSA's financial statements for the year ended December 31, 2015 from which the summarized information was derived.

#### ***Cash Equivalents***

The Organization considers all highly liquid investments with original maturities of three months or less at date of purchase to be cash equivalents unless they are donor-restricted to endowments or are board-designated for long-term purposes.

#### ***Concentrations***

At various times during the year, the Organization may have bank deposits in excess of Federal Deposit Insurance Corporation (FDIC) insurance limits. Management believes any credit risk is low due to the overall financial strength of the financial institutions.

Cash equivalents, other securities, and limited amounts of cash held in a brokerage account are protected by the Securities Investor Protection Corporation (SIPC) in the event of broker-dealer failure, up to \$500,000 of protection with a limit of \$250,000 for claims of uninvested cash balances.

#### ***Pledges Receivable***

The Organization considers all receivables to be fully collectible; accordingly, no allowance for doubtful accounts has been established. If amounts become uncollectible, they will be charged to operations when that determination is made. Receivable amounts are expected to be collected within twelve months.

Pledges receivable that are expected to be collected within one year are recorded at net realizable value. Amounts that are expected to be collected in future years are discounted to estimate the present value of future cash flows, if material.

## **Depression and Bipolar Support Alliance Greater Houston and Affiliate Notes to the Combined Financial Statements**

### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### ***Investments***

Investments are stated at fair value. Investment income is recognized when earned. The change in unrealized gains and losses are included in the changes in net assets in the accompanying combined statement of activities and changes in net assets.

#### ***Property and Equipment***

Property and equipment are recorded at cost if purchased, or if donated, at the approximate fair value on the date of donation. The cost of property and equipment purchased in excess of \$1,000 is capitalized. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets. Routine maintenance, repair, renewal and replacement costs are charged against operations in the year incurred.

#### ***Contributions***

The Organization records contributions and grants when they are received. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions.

#### ***Donated Assets and Services***

Donated assets, including contributions of materials, furniture and equipment, are recorded as support at their fair market values at date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Donated professional services, including volunteer facilitators for support groups, are reflected in the combined financial statements as unrestricted support and program expense at the estimated fair value. In 2016 the Organization received \$322,835 in donated professional services and advertisements through a Google Grant.

Many individuals volunteer their time and perform a variety of other tasks that assist the Organization with its programs. The value of the contributed time is not reflected in these statements because it does not require specialized skills or create or enhance a nonfinancial asset.

#### ***Fair Value Considerations***

The Organization uses fair value to measure monetary and certain nonmonetary assets and liabilities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value hierarchy established and prioritized fair value measurements into three levels based on the nature of the inputs. The hierarchy gives the highest priority to inputs based on market data from independent sources (observable inputs-Level 1) and the lowest priority to a reporting entity's internal assumptions based upon the best information available when external market data is limited or unavailable (unobservable inputs-Level 3).

## Depression and Bipolar Support Alliance Greater Houston and Affiliate Notes to the Combined Financial Statements

### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The fair value option allows entities to choose, at specified election dates, to measure eligible financial assets and financial liabilities at fair value that are not otherwise required to be measured at fair value. If an organization elects the fair value option for an eligible item, changes in that item's fair value in subsequent reporting periods must be recognized in current earnings. The Organization did not elect the fair value option for the measurement of any eligible assets or liabilities.

The Organization's remaining financial instruments (primarily cash and cash equivalents, receivables, and payables) are carried in the accompanying combined financial statements at amounts which reasonably approximate fair value.

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

The costs of providing various program and other activities have been summarized on a functional basis in the combined statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services directly benefited, or upon management's estimates of the proportion of these costs applicable to each function.

#### ***Federal Income Tax***

DBSA and the Corporation are nonprofit organizations that are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, DBSA and the Corporation were granted individual rulings under the same section and have been classified as organizations that are not private foundations under Section 509(a) of the Internal Revenue Code and, as such, qualify as a charitable deduction for amounts contributed by individual donors.

The Organization accounts for uncertain tax positions, when it is more likely than not, that such an asset or a liability will be realized. As of December 31, 2016, management believes there were no uncertain tax positions.

#### ***Use of Estimates***

The preparation of the combined 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, the amounts of reported revenues and expenses, and the allocation of expenses among various functions. Actual results could differ from those estimates that were used. Estimates that have the most impact on financial position and results of operations primarily relate to the collectability of pledges receivable, the useful lives of property and equipment and allocation of expense by function. Management believes these estimates and assumptions provide a reasonable basis for the fair presentation of the combined financial statements

#### ***Reclassifications***

Certain 2015 amounts have been reclassified to conform to current year presentation. The reclassifications had no impact on total combined net assets.

## Depression and Bipolar Support Alliance Greater Houston and Affiliate Notes to the Combined Financial Statements

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Subsequent Events***

The Organization has evaluated subsequent events through the time the combined financial statements are available for issuance on March 22, 2017. No matters were identified affecting the accompanying combined financial statements and related disclosures.

#### ***Recent Financial Accounting Pronouncement***

In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Under this ASU, net assets will be presented in two classes: net assets with donor restrictions and net assets without donor restrictions. Underwater endowments will be included in net assets with donor restrictions and new or enhanced disclosures regarding the composition of net assets will be required. Disclosures regarding liquidity and availability of resources for general operating expenditures within one year of the date of the statement of financial position must also be presented. The ASU requires expenses to be presented by both nature and function, and investment return will be presented net of investment expenses. Absent specific donor stipulations, the Organization will use the placed-in-service approach for reporting expirations of restrictions on long-lived assets. The ASU is effective for fiscal periods beginning after December 15, 2017, but early adoption is permitted. Adoption of this ASU will impact the presentation and disclosures of the Organization's combined financial statements.

### NOTE 3: FAIR VALUE MEASUREMENTS

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value three-tier hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The three levels of inputs that may be used to measure fair value are as follows:

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than Level 1 inputs that are either directly or indirectly observable such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable; or other inputs not directly observable, but derived principally from, or corroborated by, observable market data.
- Level 3: Unobservable inputs that are supported by little or no market activity.

## Depression and Bipolar Support Alliance Greater Houston and Affiliate Notes to the Combined Financial Statements

### NOTE 3: FAIR VALUE MEASUREMENTS (Continued)

The value of assets measured at fair value on a recurring basis is as follows:

<i>December 31, 2016</i>	Fair Value	Quoted Market Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Cash equivalents	\$ 459,605	\$ 459,605	\$ -	\$ -
Mutual funds	694,912	694,912	-	-
Exchange traded funds	125,491	125,491	-	-
<b>Total investments</b>	<b>\$ 1,280,008</b>	<b>\$ 1,280,008</b>	<b>\$ -</b>	<b>\$ -</b>

The Organization utilizes the market approach to measure fair value for its financial assets and liabilities. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Mutual funds and Exchange Traded Funds have been classified based on the general characteristics of the investment focus and strategy.

Investments are exposed to various risks such as interest rate risks, market and credit risks. Because of these risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the combined statement of financial position and combined statement of activities and changes in net assets.

The following summarizes the investment return in the combined statement of activities and changes in net assets:

<i>For the year ended December 31,</i>	2016
Interest and dividend income	\$ 18,528
Realized and unrealized gain on investments	34,452
<b>Total investment income</b>	<b>\$ 52,980</b>

## Depression and Bipolar Support Alliance Greater Houston and Affiliate Notes to the Combined Financial Statements

### NOTE 4: PROPERTY AND EQUIPMENT

Property and equipment and their estimated useful lives are summarized as follows:

<i>December 31,</i>		2016
	<u>Lives (Years)</u>	
Leasehold Improvements	5.5	\$ 13,608
Office equipment	5	22,866
Furniture and fixtures	7	16,317
		52,791
Less: accumulated depreciation		(47,654)
Net property and equipment		<u>\$ 5,137</u>

Depreciation expense for the year ended December 31, 2016 totaled \$6,905

### NOTE 5: ENDOWMENT FUNDS

DBSA's Board of Directors has designated unrestricted net assets as a general endowment fund to support the mission of DBSA. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as unrestricted net assets. With the creation of the Corporation in 2015, DBSA transferred \$1,014,558, including investment earnings, of its board-designated general endowment fund to the Corporation.

DBSA also has a donor-restricted endowment fund which is maintained in accordance with donor stipulations. These funds, totaling \$106,150, were also transferred to the Corporation in 2015. The Board of Directors of the Organization has interpreted the Texas Uniform Prudent management of Institutional Funds Act (the Act) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of the interpretation, the Organization classifies the original value of the gifts donated to the permanent endowment as permanently restricted net assets. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the Act.

The Organization has adopted an investment policy that attempts to maximize total return consistent with an applicable level of risk. Endowment assets are invested to provide for long-term growth with a goal of 5% return net of investment management fees and inflation. Actual returns in any given year may vary from this amount. The Organization's spending policy is designed to provide funds to DBSA to help fulfill its charitable mission while strengthening the financial base of the endowment. Each year, the Corporation's Board of Directors will determine the amount of funds, if any, that are available for annual distribution to DBSA.

## Depression and Bipolar Support Alliance Greater Houston and Affiliate Notes to the Combined Financial Statements

### NOTE 5: ENDOWMENT FUNDS (Continued)

The following tables describe the Organization's endowment net assets composition by type of fund and the changes in endowment net assets as of and for the year ended December 31, 2016:

#### *Endowment Net Asset Composition by Type of Fund*

<i>December 31,</i>	2016
Corporation - Board-designated endowment funds - Unrestricted	\$ 1,173,858
Corporation - Donor-restricted endowment funds - Permanently restricted	106,150
	\$ 1,280,008

#### *Changes in Endowment Net Assets for the year ended December 31, 2016*

<b><i>DBSA</i></b>	Unrestricted	Permanently Restricted	Total
Endowment net assets, December 31, 2015	\$ 404	\$ -	\$ 404
Transfers	(404)	-	(404)
<b>Endowment net assets, December 31, 2016</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b><i>Corporation</i></b>	Unrestricted	Permanently Restricted	Total
Endowment net assets, December 31, 2015	\$ 1,014,558	\$ 106,150	\$ 1,120,708
Contributions	130,000	-	130,000
Transfers	404	-	404
Investment return			
Interest and dividends	17,644	-	17,644
Net appreciation	34,452	-	34,452
Appropriations	(23,200)	-	(23,200)
<b>Endowment net assets, December 31, 2016</b>	<b>\$ 1,173,858</b>	<b>\$ 106,150</b>	<b>\$ 1,280,008</b>



## **Depression and Bipolar Support Alliance Greater Houston and Affiliate Notes to the Combined Financial Statements**

### **NOTE 6: TEMPORARILY RESTRICTED NET ASSETS**

At December 31, 2016 temporarily restricted net assets totaling \$35,116 are available for program awareness and specific support groups. During the year ended December 31, 2016 \$120,949 was released from donor restrictions.

### **NOTE 7: RETIREMENT PLAN**

The Organization offers a Savings Incentive Match Plan for Employees of Small Employers (SIMPLE) retirement plan to eligible employees. Employees may contribute to the plan up to the maximum amount allowed by law. The Organization matches an employee's contributions up to a limit that is equivalent to 3% of the employee's salary. All employer contributions vest immediately. Employer contributions for the year ended December 31, 2016 totaled \$12,912.

### **NOTE 8: OPERATING LEASES**

DBSA leases office space under an operating lease which expires in February 2017. Rent expense related to these operating leases totaled \$91,981 for the year ended December 31, 2016. Future minimum lease payments remaining under the office space lease total \$3,670.

DBSA entered into a new 130 month lease agreement in November 2016 for office space. DBSA was given 10 months of free rent under the lease agreement after which monthly lease payments over the term of the lease will increase from \$5,988 per month to \$7,406 per month.

### **NOTE 9: ADMINISTRATIVE SERVICES AGREEMENT**

DBSA and the Corporation have entered into an agreement to allow DBSA to provide administrative assistance to the Corporation during its first few years of operations. DBSA will provide monthly services, as outlined in the agreement, for twelve months. The terms of the agreement will be evaluated annually to determine if the services, and scope of services, is still needed. DBSA provided administrative services to the Corporation totaling \$4,414 for the year ended December 31, 2016.





**Supplementary Information**

## Depression and Bipolar Support Alliance Greater Houston and Affiliate Combined Schedule of Functional Expense

For the year ended December 31, 2016

(with summarized financial information for the year ended December 31, 2015)

	2016				2015 Total
	Program Service	Fundraising	General and Administrative	Total	
<b>Depression and Bipolar Support Alliance:</b>					
Payroll and benefits expense	\$ 522,298	\$ 114,411	\$ 17,030	\$ 653,739	\$ 556,171
Program activities	282,180	3,372	587	286,139	281,129
In-kind expense - Google Grants Pro	300,808	-	-	300,808	36,783
Contract services	63,280	3,722	7,445	74,447	78,089
Equipment rental and maintenance	3,231	190	380	3,801	4,051
Facilities	78,164	4,475	9,341	91,980	83,997
Fundraising	2,347	34,196	3	36,546	40,759
Insurance	6,244	367	566	7,177	7,696
Office expenses	32,173	5,069	2,460	39,702	39,917
Other	4,975	2,730	388	8,093	7,582
Technology expense	8,490	2,421	485	11,396	9,356
Travel and meetings	7,188	156	316	7,660	8,233
Depreciation	5,870	345	691	6,906	7,415
<b>Total Depression and Bipolar Support Alliance</b>	<b>1,317,248</b>	<b>171,454</b>	<b>39,692</b>	<b>1,528,394</b>	<b>1,161,178</b>
<b>Gary L. Levering Endowment Corporation:</b>					
Contract services	-	-	3,526	3,526	22,504
Insurance	-	-	241	241	698
Other expenses	-	-	165	165	-
<b>Total the Gary L. Levering Endowment Corporation</b>	<b>-</b>	<b>-</b>	<b>3,932</b>	<b>3,932</b>	<b>23,202</b>
<b>Combined Total</b>	<b>\$ 1,317,248</b>	<b>\$ 171,454</b>	<b>\$ 43,624</b>	<b>\$ 1,532,326</b>	<b>\$ 1,184,380</b>

See independent auditor's report.