

International Society for Bipolar Disorders

Audited Financial Statements

Years Ended December 31, 2020 and 2019

International Society for Bipolar Disorders

Audited Financial Statements

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Independent Auditors' Report

Board of Directors
International Society for Bipolar Disorders
Pittsburgh, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the International Society for Bipolar Disorders (a nonprofit Pennsylvania corporation) which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the

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Certified Public Accountants

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reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the International Society for Bipolar Disorders as of December 31, 2020 and 2019, and the changes in its nets assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Beerman, Piper and Associates, LLC

Pittsburgh, Pennsylvania
April 20, 2021

International Society for Bipolar Disorders

Statements of Financial Position

	December 31	
	2020	2019
Assets		
Cash and cash equivalents	\$ 720,923	\$ 65,931
Accounts receivable	6,000	-
Investments	1,382,836	1,255,386
Prepaid expenses and other assets	65,068	71,063
Office equipment, net of accumulated depreciation of \$10,054 and \$9,352 at December 31, 2020 and 2019, respectively	1,009	1,711
Total assets	\$ 2,175,836	\$ 1,394,091
Liabilities and net assets		
Accounts payable	\$ 3,887	\$ 4,919
Deferred revenue	565,525	-
Total liabilities	569,412	4,919
Net assets		
Without donor restrictions	1,606,424	1,389,172
Total liabilities and net assets	\$ 2,175,836	\$ 1,394,091

See notes to financial statements.

International Society for Bipolar Disorders

Statements of Activities

	Year Ended December 31	
	2020	2019
Revenue and support		
Membership dues	\$ 86,663	\$ 91,851
Conferences	273,255	529,065
Royalties	73,841	17,899
Contributions	22,880	212,182
Interest and dividends	46,160	47,934
Realized loss on sale of investments	(36,163)	(16,326)
Unrealized gain on investments	128,545	153,013
Other income	-	715
Total revenue and support	<u>595,181</u>	<u>1,036,333</u>
Expenses		
Program services	265,348	716,991
Support, management, and general	112,581	151,695
Total expenses	<u>377,929</u>	<u>868,686</u>
Increase in net assets	217,252	167,647
Net assets at beginning of year	1,389,172	1,221,525
Net assets at end of year	<u>\$ 1,606,424</u>	<u>\$ 1,389,172</u>

See notes to financial statements.

International Society for Bipolar Disorders

Statement of Functional Expenses

Year Ended December 31, 2020

	Program Services	Support, Management, and General	Total
Salaries	\$ 90,499	\$ 38,785	\$ 129,284
Employee benefits	9,192	3,939	13,131
Payroll taxes	8,122	3,481	11,603
Pension plan contributions	3,620	1,551	5,171
Awards and honorarium	1,236	-	1,236
Bank and contract services	-	12,368	12,368
Professional fees	-	28,745	28,745
Investment management fees	-	10,811	10,811
Advertising and promotion	616	-	616
Conferences	139,823	-	139,823
Office expenses	-	9,608	9,608
Occupancy	-	124	124
Telephone	-	2,284	2,284
Travel and meals	-	183	183
Journal	12,240	-	12,240
Depreciation	-	702	702
Total	<u>\$ 265,348</u>	<u>\$ 112,581</u>	<u>\$ 377,929</u>

See notes to financial statements.

International Society for Bipolar Disorders

Statement of Functional Expenses

Year Ended December 31, 2019

	Program Services	Support, Management, and General	Total
Salaries	\$ 84,977	\$ 36,419	\$ 121,396
Employee benefits	8,559	3,668	12,227
Payroll taxes	6,567	2,815	9,382
Pension plan contributions	3,060	1,311	4,371
Grant	200,000	-	200,000
Bank and contract services	-	15,253	15,253
Professional fees	-	33,839	33,839
Investment management fees	-	10,766	10,766
Advertising and promotion	3,097	-	3,097
Conferences	402,251	-	402,251
Office expenses	-	11,947	11,947
Occupancy	-	29,402	29,402
Telephone	-	3,931	3,931
Travel and meals	-	1,171	1,171
Auto	-	13	13
Journal	8,480	-	8,480
Depreciation	-	1,160	1,160
Total	<u>\$ 716,991</u>	<u>\$ 151,695</u>	<u>\$ 868,686</u>

See notes to financial statements.

International Society for Bipolar Disorders

Statements of Cash Flows

	Year Ended December 31	
	2020	2019
Cash flows from operating activities:		
Increase in net assets	\$ 217,252	\$ 167,647
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	702	1,160
Unrealized (gain) on investments	(128,545)	(153,013)
Changes in operating assets and liabilities:		
Accounts receivable	(6,000)	6,000
Prepaid expenses and other assets	5,995	3,125
Accounts payable	(1,032)	3,724
Deferred revenue	565,525	-
Net cash provided by operating activities	<u>653,897</u>	<u>28,643</u>
Cash flows from investing activities:		
Investments	<u>1,095</u>	<u>(50,112)</u>
Net cash provided (used) by investing activities	<u>1,095</u>	<u>(50,112)</u>
Increase (decrease) in cash and cash equivalents	654,992	(21,469)
Cash and cash equivalents at beginning of year	65,931	87,400
Cash and cash equivalents at end of year	<u>\$ 720,923</u>	<u>\$ 65,931</u>

See notes to financial statements.

International Society for Bipolar Disorders

Notes to Financial Statements

December 31, 2020 and 2019

Note 1—Organization

The International Society for Bipolar Disorders is a nonprofit organization whose purpose is to become the internationally recognized forum to foster ongoing international collaboration on education and research with an objective to advance the treatment of all aspects of bipolar disorders, resulting in improvements in outcomes/quality of life for those with bipolar disorder and their significant others.

The Society is open to the entire spectrum of mental healthcare professionals including basic and clinical researchers, psychiatrists, pharmacologists, psychologists, social workers, students, trainees, and interested lay groups and individuals.

The objectives of the organization are as follows:

- to create an information network among mental health professionals interested in bipolar disorders.
- to provide role models and international collaboration in the field of bipolar disorders.
- to promote awareness of this condition in society at large.
- to promote awareness and education about this condition among mental healthcare professionals, and
- to foster research in all aspects of bipolar disorder.

Note 2—Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenues are recognized when earned and expenses are recognized when incurred. Resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors.

Net assets, revenues, gains, and losses are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows.

Net Assets Without Donor Restrictions—Net assets available for use in general operations and not subject to donor-imposed stipulations. From time to time, the Organization's Board of Directors may designate from net assets for particular purposes and objectives.

International Society for Bipolar Disorders

Notes to Financial Statements

December 31, 2020 and 2019

Note 2—Summary of Significant Accounting Policies (continued)

Basis of Accounting and Presentation (continued)

Net Assets With Donor Restrictions—Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or passage of time. These balances represent the unexpended portion of donor-restricted contributions and investment return to be used for specific programs and activities as directed by the donor. The balances also included net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization (e.g., endowment funds). Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Cash and Cash Equivalents

Cash and cash equivalents include all short-term highly liquid investments with maturities from the date of purchase of three months or less. The Organization maintains its cash balances in one financial institution located in Pittsburgh, Pennsylvania. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The cash balances fluctuate from time to time. At December 31, 2020, the Organization had no uninsured balances.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair value in the statement of financial position.

Net appreciation (decline) in the fair value of investments, which consists of both the realized gains and losses and the unrealized appreciation (decline) of those investments, is reported in the statement of activities. Interest income is accrued as earned and reported net of all investment advisory and transaction fees. Security transactions are recorded on a trade date basis.

The Organization has some exposure to investments risks, including interest rate, market, and credit risks, for both marketable and non-marketable securities. Due to the level of risk exposure, it is possible that near-term valuation changes for investment securities may occur to an extent that could materially affect the amounts reported in the accompanying financial statements.

International Society for Bipolar Disorders

Notes to Financial Statements

December 31, 2020 and 2019

Note 2—Summary of Significant Accounting Policies (continued)

Office Equipment

Office equipment is recorded at cost. The Organization capitalizes office equipment purchases which are valued at \$500 or more. Expenses for maintenance and repairs that do not extend the life of the assets are charged to expense as incurred. Depreciation of office equipment is computed on the straight-line method over the estimated useful life of the asset.

Income Taxes

The Organization is exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986 (the Code) and has been classified as an organization which is not a private foundation under Sections 509 (a)(1) and 170 (b)(1)(A)(vi) of the Code. As such, no provision for federal income tax has been made in the financial statements.

U.S. GAAP requires that a tax position be recognized or derecognized based on a “more likely than not” threshold. This applies to positions taken or expected to be taken in a tax return. The Organization does not believe its financial statements include any uncertain tax positions for the open tax years of 2019, 2018, and 2017.

Functional Allocation of Expenses

The costs of providing the Organization’s various programs and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising Costs

The Organization expenses the cost of advertising and promotions as incurred. Advertising expense was \$616 and \$3,097 for the years ended December 31, 2020 and 2019, respectively.

International Society for Bipolar Disorders

Notes to Financial Statements

December 31, 2020 and 2019

Note 2—Summary of Significant Accounting Policies (continued)

Fair Value Measurements

The Organization carries various assets and liabilities at fair value. The accounting standard for fair value provides a framework for measuring fair value, clarifies the definition of fair value and expands disclosures regarding fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date.

The accounting standard establishes a three-tier hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The carrying values of financial instruments consisting of cash and cash equivalents, accounts receivable, notes receivable, prepaid expenses and accounts payable approximate their fair values due to the short-term nature of such instruments. The Company's cash and cash equivalents are classified in the Level I hierarchy.

Financial instruments consisting of investments in mutual funds are considered Level 1 assets in the fair value hierarchy and are reported at fair value based on quoted prices in active markets for identical assets at the measurement date.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 and expenses during the reporting period. Actual results could differ from those estimates.

International Society for Bipolar Disorders

Notes to Financial Statements

December 31, 2020 and 2019

Note 2—Summary of Significant Accounting Policies (continued)

Subsequent Events

The Organization has evaluated subsequent events through April 20, 2021, the date the financial statements were available to be issued, and has concluded that no recognized subsequent events have occurred since the year ended December 31, 2020.

Note 3—Investments

Investments of the Organization are comprised of the following:

	<u>December 31, 2020</u>		<u>December 31, 2019</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Mutual funds	<u>\$1,382,836</u>	<u>\$1,145,076</u>	<u>\$1,255,386</u>	<u>\$1,146,171</u>

The components of investment return are summarized as follows for the years ended December 31, 2020 and 2019.

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 46,160	\$ 47,934
Realized (loss)	(36,163)	(16,326)
Unrealized gain	128,545	153,013
	<u>\$ 138,542</u>	<u>\$ 184,621</u>

Note 4—Retirement Plan

The Organization maintains a qualified retirement plan under Section 401(k) of the Internal Revenue Code which covers all eligible employees. Contributions to the plan by the Company are discretionary. Total contributions to the plan totaled \$5,171 and \$4,371 for the years ended December 31, 2020 and 2019, respectively.

International Society for Bipolar Disorders

Notes to Financial Statements

December 31, 2020 and 2019

Note 5—Fair Value Measurements

The following summarizes assets measured at fair value by classification within the fair value hierarchy on a recurring basis as of December 31, 2020 and December 31, 2019.

<u>December 31, 2020</u>	<u>Fair Value Measurements Using</u>			
	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual funds	\$ 1,382,836	\$ 1,382,836	-	-
	<u>\$ 1,382,836</u>	<u>\$ 1,382,836</u>	<u>\$ -</u>	<u>\$ -</u>

<u>December 31, 2019</u>	<u>Fair Value Measurements Using</u>			
	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual funds	\$ 1,255,386	\$ 1,255,386	-	-
	<u>\$ 1,255,386</u>	<u>\$ 1,255,386</u>	<u>\$ -</u>	<u>\$ -</u>

Note 6—Liquidity and Availability of Financial Resources

Looking forward, the financial assets available for general expenditure with one year of the statement of financial position date as of December 31, 2020 totals \$1,605,415. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position. As part of its liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due. In addition, the Organization invests cash in excess of daily requirements in short-term investments and money market funds.