

DAEMION COUNSELING CENTER, INC.

BERWYN, PENNSYLVANIA

DECEMBER 31, 2019 and 2018

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**ANDREW A. KELLOCK**

*Certified Public Accountant*

912 ROBERTS ROAD

AMBLER, PA 19002

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Daemion Counseling Center, Inc.  
Berwyn, Pennsylvania

I have audited the accompanying financial statements of Daemion Counseling Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibilities 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**

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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**Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Daemion Counseling Center, Inc. as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



Certified Public Accountant

Ambler, Pennsylvania  
March 30, 2020

DAEMION COUNSELING CENTER, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$36,288	\$54,834
Investments - Available-for-Sale	64,699	49,840
Long-Term Investments	58,285	53,257
Grants Receivable	29,865	21,150
Accounts Receivable	3,220	4,804
Prepaid expenses	2,563	1,409
Equipment, net	<u>3,349</u>	<u>4,671</u>
 TOTAL ASSETS	 <u>\$198,269</u>	 <u>\$189,965</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	<u>\$6,715</u>	<u>\$10,428</u>
 NET ASSETS		
Without Donor Restrictions	123,910	127,731
With Donor Restrictions	58,285	53,257
Net Unrealized Gain (Loss) on Investments	<u>9,359</u>	<u>(1,451)</u>
 TOTAL NET ASSETS	 <u>191,554</u>	 <u>179,537</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$198,269</u>	 <u>\$189,965</u>

*See Notes to Financial Statements*

**DAEMION COUNSELING CENTER, INC.**

**STATEMENTS OF ACTIVITIES**

**YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
<b>CHANGES IN UNRESTRICTED NET ASSETS:</b>		
Revenues and Gains		
Foundations and Trusts Contributions	\$46,500	\$68,000
Program Service Fees	80,889	29,741
Fund Raising Events	36,321	31,961
Investment Income	14,497	27,169
In-Kind Contributions	1,619	10,167
	9,600	9,600
Total Revenues and Gains Without Donor Restrictions	\$189,426	\$176,638
Net Assets Released from Restrictions	2,918	2,981
<b>TOTAL REVENUES, GAINS, AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS</b>	<b>192,344</b>	<b>179,619</b>
<b>Less: Functional Expenses</b>		
Program Services	156,521	142,198
Management and General	30,326	23,640
Fund Raising	9,318	7,601
Total Functional Expenses	196,165	173,439
<b>(DECREASE) INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>(3,821)</b>	<b>6,180</b>
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:</b>		
Net Assets Released from Restrictions	(2,918)	(2,981)
Investment Income	2,870	2,826
Net Unrealized Gain (Loss) on Investments	5,076	(7,010)
<b>INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS</b>	<b>5,028</b>	<b>(7,165)</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>1,207</b>	<b>(985)</b>
NET ASSETS, Beginning of Year	180,988	181,973
NET ASSETS, End of Year	\$182,195	\$180,988

*See Notes to Financial Statements*

**DAEMION COUNSELING CENTER, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
(Decrease) Increase in Net Assets	\$1,207	(\$985)
Adjustments to reconcile increase in net assets to cash provided (used) by operating activities:		
Depreciation	1,322	1,213
(Increase) decrease in:		
Grants Receivable	(8,715)	8,850
Accounts Receivable	1,584	(992)
Prepaid Expenses	(1,154)	40
Increase (decrease) in:		
Accounts Payable	<u>(3,713)</u>	<u>1,593</u>
Net cash provided by (used in) operating activities	<u>(9,469)</u>	<u>9,719</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sales (Purchases) of Investments, net	(6,919)	8,315
Purchases of Equipment	-	(4,784)
Grants Disbursed	2,918	2,981
(Increase) Decrease Net Unrealized Gain (Loss) of Temporarily Restricted Assets	<u>(5,076)</u>	<u>7,010</u>
Net cash provided by (used in) investing activities	<u>(9,077)</u>	<u>13,522</u>
NET (DECREASE) INCREASE IN CASH	(18,546)	23,241
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>54,834</u>	<u>31,593</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$36,288</u></u>	<u><u>\$54,834</u></u>

*See Notes to Financial Statements*

DAEMION COUNSELING CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

Note 1. Nature of the Organization

The Daemion Counseling Center, Inc. is a Pennsylvania nonprofit corporation. The organization operates a community counseling center providing counseling services to individuals and families in the Southeastern Pennsylvania area including Philadelphia and its surrounding counties.

Note 2. Date of Management Review

In preparing the financial statements, the corporation's management has evaluated events and transactions for potential recognition or disclosure through March 30, 2020, and the date that the financial statements were available to be issued.

Note 3. Summary of Significant Accounting Policies

**Basis of Accounting**

The accounting policies of Daemion Counseling Center, Inc. conform to generally accepted accounting principles. The financial statements are presented on the accrual basis which reports revenues when earned and expenses when incurred. Contributions and donations are available for general use unless specifically restricted by the donor.



DAEMION COUNSELING CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

Note 3. Summary of Significant Accounting Policies - Continued

Investments

Investments consist of mutual funds invested with two investment companies. Daemion Counseling Center, Inc.'s investments are classified as "available-for-sale" and reported at fair value at the balance sheet date. Accordingly, unrealized gains and losses are excluded from earnings and reported in a separate component of net assets.

Equipment

Daemion Counseling Center, Inc. capitalizes all expenditures for personal property assets at cost. Depreciation is calculated using the straight-line method over five years.

Functional Expenses

The expenses of the organization are charged to program services, management and general, and fund-raising activities based on direct expenditures incurred. Expenses not directly chargeable to these categories are allocated based on actual or estimated time employees spend on each activity, estimated benefit to the activity or square footage of the center.

DAEMION COUNSELING CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

Note 3. Summary of Significant Accounting Policies - Continued

Net Assets with Donor Restrictions

Since 2004, Daemion Counseling Center, Inc. has received \$ 50,000 in contributions with restrictions placed by the donor. These contributions are invested in perpetuity with the Chester County Community Foundation, Inc. Annually an amount equal to 5% of the current asset value of the assets can be used to support the operating program and capital needs of the Daemion Counseling Center, Inc.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 4. Income Taxes

Daemion Counseling Center, Inc. is exempt from Federal income tax under Internal Revenue Code Section 501 (c) (3). Daemion Counseling Center, Inc. is also exempt from the Pennsylvania corporation franchise tax. No provision for income or other taxes has been made in the accompanying financial statements.

DAEMION COUNSELING CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

Note 5. Donated Space and Services

Daemion Counseling Center, Inc. records the value of donated use of space when there is an objective basis available to measure its value. For the year ended December 31, 2019 the estimated annual rental value of donated space is recorded at \$ 9,600.

During 2019 volunteers donated substantial hours of time to support various program activities for Daemion Counseling Center, Inc. Management estimates the value of these donated services at \$45,000. The estimated value of these services is not reported in the statement of activities.

**DAEMION COUNSELING CENTER, INC.**

**SCHEDULES OF FUNCTIONAL EXPENSES**

**YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019			2018			
	Program Services	Management and General	Fund Raising	Program Services	Management and General	Fund Raising	Total 2018
<b>EXPENSES</b>							
Payroll	\$81,027	\$20,400	\$6,800	\$86,328	\$14,853	\$4,951	\$106,132
Contract Services	32,535	-	-	18,349	-	-	18,349
Rent	12,960	1,440	-	12,960	1,440	-	14,400
Payroll Taxes	6,683	1,609	536	6,928	1,184	395	8,507
Office Expense	2,152	1,722	431	1,407	1,123	281	2,811
Computer Expenses	4,233	-	-	4,023	-	-	4,023
Marketing Expenses	3,860	-	-	2,960	-	-	2,960
Insurance	2,486	782	48	2,750	765	539	4,054
Miscellaneous Expenses	3,022	176	59	1,320	157	53	1,530
Telephone	820	820	820	801	800	800	2,401
Printing	2,273	-	-	1,984	-	-	1,984
Professional Fees	-	2,200	-	-	2,200	-	2,200
Maintenance and Repairs	919	736	184	892	713	178	1,783
Membership Fees	1,591	-	-	927	-	-	927
Depreciation	441	441	440	404	405	404	1,213
Education	1,519	-	-	165	-	-	165
<b>TOTAL EXPENSES</b>	<b>\$156,521</b>	<b>\$30,326</b>	<b>\$9,318</b>	<b>\$142,198</b>	<b>\$23,640</b>	<b>\$7,601</b>	<b>\$173,439</b>

See Notes to Financial Statements