

DAEMION COUNSELING CENTER, INC.

BERWYN, PENNSYLVANIA

DECEMBER 31, 2018 and 2017

TABLE OF CONTENTS

Independent Auditor's Report	1
Financial Statements	
Statements of Financial Position as of December 31, 2018 and 2017	2
Statements of Activity for the years ended December 31, 2018 and 2017	3
Statements of Cash Flows for the years ended December 31, 2018 and 2017	4
Notes to Financial Statements	5 - 8
Schedules of Functional Expenses for years ended December 31, 2018 and 2017	9

TEL: 215-643-3090
FAX: 215-643-5670

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, 2018 and 2017, and the related statement of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

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.

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, 2018 and 2017, 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.



Certified Public Accountant

Ambler, Pennsylvania

March 1, 2019

DAEMION COUNSELING CENTER, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents	\$54,834	\$31,593
Investments - Available-for-Sale	49,840	80,432
Long-Term Investments	53,257	60,422
Grants Receivable	21,150	30,000
Accounts Receivable	4,804	3,812
Prepaid expenses	1,409	1,449
Equipment, net	4,671	1,100
	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$189,965</u>	<u>\$208,808</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	<u>\$10,428</u>	<u>\$8,835</u>
NET ASSETS		
Unrestricted	127,731	121,551
Temporarily Restricted	53,257	60,422
Net Unrealized Gain (Loss) on Investments	<u>(1,451)</u>	<u>18,000</u>
	<u> </u>	<u> </u>
TOTAL NET ASSETS	<u>179,537</u>	<u>199,973</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$189,965</u>	<u>\$208,808</u>

See Notes to Financial Statements

DAEMION COUNSELING CENTER, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2018 AND 2017

	<i>2018</i>	<i>2017</i>
CHANGES IN UNRESTRICTED NET ASSETS:		
Revenues, Gains, and Support		
Foundations and Trusts	\$68,000	\$60,700
Contributions	29,741	26,771
Program Service Fees	31,961	38,224
Fund Raising Events	27,169	28,713
Investment Income	10,167	10,464
In-Kind Contributions	9,600	9,600
Total Unrestricted Income	\$176,638	\$174,472
Net Assets Released from Restrictions	2,981	5,832
TOTAL UNRESTRICTED SUPPORT AND RECLASSIFICATIONS	179,619	180,304
 Less: Functional Expenses		
Program Services	142,198	138,582
Management and General	23,640	31,080
Fund Raising	7,601	10,395
Total Functional Expenses	173,439	180,057
INCREASE IN UNRESTRICTED NET ASSETS	6,180	247
 CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:		
Net Assets Released from Restrictions	(2,981)	(5,832)
Investment Income	2,826	3,766
Net Unrealized Gain (Loss) on Investments	(7,010)	3,462
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	(7,165)	1,396
INCREASE (DECREASE) IN NET ASSETS	(985)	1,643
NET ASSETS, Beginning of Year	181,973	180,330
NET ASSETS, End of Year	\$180,988	\$181,973

See Notes to Financial Statements

DAEMION COUNSELING CENTER, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
(Decrease) Increase in Net Assets	(\$985)	\$1,643
Adjustments to reconcile increase in net assets to cash provided (used) by operating activities:		
Depreciation	1,213	1,118
(Increase) decrease in:		
Grants Receivable	8,850	(30,000)
Accounts Receivable	(992)	(177)
Prepaid Expenses	40	(40)
Increase (decrease) in:		
Accounts Payable	<u>1,593</u>	<u>1,269</u>
Net cash provided by (used in) operating activities	<u>9,719</u>	<u>(26,187)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sales (Purchases) of Investments, net	8,315	3,155
Purchases of Equipment	(4,784)	-
Grants Disbursed	2,981	5,832
(Increase) Decrease Net Unrealized Gain (Loss) of Temporarily Restricted Assets	<u>7,010</u>	<u>(3,462)</u>
Net cash provided by (used in) investing activities	<u>13,522</u>	<u>5,525</u>
NET (DECREASE) INCREASE IN CASH	23,241	(20,662)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>31,593</u>	<u>52,255</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$54,834</u></u>	<u><u>\$31,593</u></u>

See Notes to Financial Statements

DAEMION COUNSELING CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

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 1, 2019, 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, 2018

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, 2018

Note 3. Summary of Significant Accounting Policies - Continued

Temporarily Restricted Net Assets

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, 2018

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, 2018 the estimated annual rental value of donated space is recorded at \$ 9,600.

During 2018 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 \$46,618. 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, 2018 AND 2017

	2018			2017			
	Program Services	Management and General	Fund Raising	Program Services	Management and General	Fund Raising	Total 2017
EXPENSES							
Payroll	\$86,328	\$14,853	\$4,951	\$77,429	\$21,108	\$7,036	\$105,573
Contract Services	18,349	-	-	20,774	-	-	20,774
Rent	12,960	1,440	-	12,960	1,440	-	14,400
Payroll Taxes	6,928	1,184	395	6,995	1,663	554	9,212
Insurance	2,750	765	539	2,843	902	554	4,299
Computer Expenses	4,023	-	-	3,818	-	-	3,818
Marketing Expenses	2,960	-	-	-	-	-	-
Office Expense	1,407	1,123	281	1,364	1,090	273	2,727
Telephone	801	800	800	801	801	801	2,403
Professional Fees	-	2,200	-	4,900	2,100	-	7,000
Printing	1,984	-	-	2,357	-	-	2,357
Maintenance and Repairs	892	713	178	727	581	145	1,453
Miscellaneous Expenses	1,320	157	53	1,178	1,022	660	2,860
Depreciation	404	405	404	373	373	372	1,118
Membership Fees	927	-	-	1,105	-	-	1,105
Education	165	-	-	958	-	-	958
TOTAL EXPENSES	\$142,198	\$23,640	\$7,601	\$138,582	\$31,080	\$10,395	\$180,057

See Notes to Financial Statements