

DAEMION COUNSELING CENTER, INC.

BERWYN, PENNSYLVANIA

JUNE 30, 2020

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ANDREW A. KELLOCK
Certified Public Accountant
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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 statement of financial position as of June 30, 2020, and the related statements of activities and cash flows for the six months 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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Certified Public Accountant

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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 June 30, 2020, and the changes in its net assets and its cash flows for the six months then ended in conformity with accounting principles generally accepted in the United States of America.



Certified Public Accountant

Ambler, Pennsylvania
November 18, 2020

DAEMION COUNSELING CENTER, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2020

ASSETS

Cash and cash equivalents	\$78,895
Investments - Available-for-Sale	62,629
Long-Term Investments	55,610
Accounts Receivable	746
Prepaid expenses	2,906
Equipment, net	<u>2,870</u>
 TOTAL ASSETS	 <u><u>\$203,656</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable	\$10,933
Loan Payable	2,000
Deferred Revenue	<u>18,000</u>
 TOTAL LIABILITIES	 <u><u>30,933</u></u>

NET ASSETS

Without Donor Restrictions	110,663
With Donor Restrictions	55,610
Net Unrealized Gain on Investments	<u>6,450</u>
 TOTAL NET ASSETS	 <u><u>172,723</u></u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$203,656</u></u>

See Notes to Financial Statements

DAEMION COUNSELING CENTER, INC.

STATEMENTS OF ACTIVITIES

FOR THE SIX MONTHS ENDED JUNE 30, 2020

CHANGES IN UNRESTRICTED NET ASSETS:

Revenues and Gains		
Foundations and Trusts	\$28,750	
Paycheck Protection Program Proceeds	25,947	
Program Service Fees	16,486	
Fund Raising Events	5,543	
Contributions	4,689	
In-Kind Contributions	2,400	
Investment Income	<u>494</u>	
TOTAL REVENUES, GAINS, AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS		\$84,309
Less: Functional Expenses		
Program Services	74,923	
Management and General	17,437	
Fund Raising	<u>5,196</u>	
Total Functional Expenses		<u>97,556</u>
(DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS		<u>(13,247)</u>

CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:

Investment Income	53	
Net Unrealized (Loss) on Investments	<u>(2,728)</u>	
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS		<u>(2,675)</u>
(DECREASE) IN NET ASSETS		(15,922)
NET ASSETS, Beginning of Year		<u>182,195</u>
NET ASSETS, End of Year		<u><u>\$166,273</u></u>

See Notes to Financial Statements

DAEMION COUNSELING CENTER, INC.
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

(Decrease) in Net Assets	(\$15,922)
Adjustments to reconcile increase in net assets to cash provided (used) by operating activities:	
Depreciation	479
(Increase) decrease in:	
Grants Receivable	29,865
Accounts Receivable	2,474
Prepaid Expenses	(343)
Increase (decrease) in:	
Accounts Payable	4,218
Deferred Revenue	<u>18,000</u>
Net cash provided by operating activities	<u>38,771</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of Investments	(893)
Decrease Net Unrealized Gain of Temporarily Restricted Assets	<u>2,729</u>
Net cash provided by investing activities	<u>1,836</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from Loan Payable	<u>2,000</u>
Net cash provided by financing activities	<u>2,000</u>
NET (DECREASE) INCREASE IN CASH	42,607
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>36,288</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$78,895</u></u>

See Notes to Financial Statements

DAEMION COUNSELING CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

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 November 18, 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, 2020

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, 2020

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, 2020

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 six months ended June 30, 2020 the estimated rental value of donated space is recorded at \$ 2,400.

During six months ended June 30, 2020 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 500 hours or \$ 13,600. These amounts are down significantly in this reporting period due to the pandemic. The estimated value of these services is not reported in the statement of activities.

Note 6. Paycheck Protection Program Proceeds

In April, 2020 Daemion Counseling Center, Inc. received \$ 25,947 from the federal government's Small Business Administration (SBA) as loan that helps businesses keep their workforce employed during the Coronavirus (COVID-19) crisis. This loan allows borrowers to apply for loan forgiveness if the funds were used for eligible payroll costs and other expenses during either the 8- or 24- week period after receipt of the loan proceeds.

Daemion Counseling Center, Inc. has applied for loan forgiveness and is currently waiting approval of loan forgiveness. The management of Daemion Counseling Center, Inc. believes it has complied with the SBA's provisions for loan forgiveness for the full amount of the loan. For this reason, the loan proceeds of \$25,947 are reported as revenue on the Statement of Activities for the six-month period ended June 30, 2020, page 4 of this report.

DAEMION COUNSELING CENTER, INC.
SCHEDULES OF FUNCTIONAL EXPENSES
FOR THE SIX MONTHS ENDED JUNE 30, 2020

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Totals</u>
EXPENSES				
Payroll	\$45,469	\$12,293	\$4,097	\$61,859
Contract Services	16,523	-	-	16,523
Rent	4,320	480	-	4,800
Payroll Taxes	3,424	926	308	4,658
Professional Fees	-	2,200	-	2,200
Computer Expenses	1,745	-	-	1,745
Insurance	1,241	387	39	1,667
Telephone	461	461	460	1,382
Maintenance and Repairs	341	272	68	681
Office Expense	324	258	65	647
Membership Fees	484	-	-	484
Depreciation	160	160	159	479
Education	431	-	-	431
	<u>431</u>	<u>-</u>	<u>-</u>	<u>431</u>
TOTAL EXPENSES	<u><u>\$74,923</u></u>	<u><u>\$17,437</u></u>	<u><u>\$5,196</u></u>	<u><u>\$97,556</u></u>

See Notes to Financial Statements