DAEMION COUNSELING CENTER, INC.
BERWYN, PENNSYLVANIA
JUNE 30, 2022
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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

Opinion

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, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

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, 2022, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements sections of my report. I am required to be independent of Daemion Counseling Center, Inc. and to meet my other ethical responsibilities in accordance with the relevant requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in aggregate, that raise substantial doubt about Daemion Counseling Center, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.
Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that included my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standard will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Daemion Counseling Center, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Daemion Counseling Center, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.
Report on Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Functional Expenses is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

[Signature]
Certified Public Accountant

Ambler, Pennsylvania
September 9, 2022
# Statement of Financial Position

**June 30, 2022**

## Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$132,280</td>
</tr>
<tr>
<td>Investments - Available-for-Sale</td>
<td>114,108</td>
</tr>
<tr>
<td>Long-Term Investments</td>
<td>53,667</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>6,713</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>2,679</td>
</tr>
<tr>
<td>Equipment, net</td>
<td>4,688</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$314,135</strong></td>
</tr>
</tbody>
</table>

## Liabilities and Net Assets

### Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>$13,501</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>13,501</strong></td>
</tr>
</tbody>
</table>

### Net Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Without Donor Restrictions</td>
<td>247,848</td>
</tr>
<tr>
<td>With Donor Restrictions</td>
<td>53,667</td>
</tr>
<tr>
<td>Net Unrealized (Loss) on Investments</td>
<td>(881)</td>
</tr>
<tr>
<td><strong>TOTAL NET ASSETS</strong></td>
<td><strong>300,634</strong></td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND NET ASSETS</strong></td>
<td><strong>$314,135</strong></td>
</tr>
</tbody>
</table>

*See Notes to Financial Statements*
DAEMION COUNSELING CENTER, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

CHANGES IN UNRESTRICTED NET ASSETS:

Revenues and Gains

Fund Raising Events $100,581
Foundations and Trusts 95,509
Contributions 60,342
Program Service Fees 27,420
Paycheck Protection Program Loan Forgiveness 26,046
In-Kind Contributions 4,800
Investment Income 4,527

TOTAL REVENUES, GAINS, AND OTHER SUPPORT
WITHOUT DONOR RESTRICTIONS $319,225

Less: Functional Expenses

Program Services 145,028
Management and General 39,314
Fund Raising 9,742

Total Functional Expenses 194,084

INCREASE IN NET ASSETS WITHOUT
DONOR RESTRICTIONS 125,141

CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:

Net Assets Released from Restrictions (3,287)
Investment Income 4,993
Net Unrealized (Loss) on Investments (13,782)

DECREASE IN NET ASSETS
WITH DONOR RESTRICTIONS (12,076)

INCREASE IN NET ASSETS 113,065

NET ASSETS, Beginning of Year 188,450

NET ASSETS, End of Year $301,515

See Notes to Financial Statements
DAEMION COUNSELING CENTER, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in Net Assets $113,065

Adjustments to reconcile increase in net assets to cash provided (used) by operating activities:

Depreciation 2,024

(Increase) decrease in:

Accounts Receivable (6,588)
Prepaid Expenses 59

Increase (decrease) in:

Accounts Payable 5,328
Deferred Revenue (20,250)

Net cash provided by operating activities 93,638

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of Investments (6,194)
Increase Net Unrealized (Loss) of Temporarily Restricted Assets 13,782

Net cash provided by investing activities 7,588

CASH FLOWS FROM FINANCING ACTIVITIES:

Decrease in Loan Payable (26,046)

Net cash (used) by financing activities (26,046)

NET INCREASE IN CASH 75,180

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 57,100

CASH AND CASH EQUIVALENTS, END OF YEAR $132,280

See Notes to Financial Statements
DAEMION COUNSELING CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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 September 9, 2022, 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.
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.
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

JUNE 30, 2022

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 June 30, 2022 the estimated rental value of donated space is recorded at $4,800.

During the year ended June 30, 2022, management estimates there were 550 volunteer hours donated to support various program activities for the benefit of Daemion Counseling Center, Inc. The monetary value of these donated services has not been calculated and are not reported in these financial statements.

Note 6. Paycheck Protection Program Proceeds

In February, 2021 Daemion Counseling Center, Inc. received $26,046 from the federal government’s Small Business Administration (SBA) in loans that help 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.

In December, 2021 the application for loan forgiveness from the Small Business Administration was approved. For this reason, the loan proceeds of $26,046 are reported as revenue on the Statement of Activities for the year ended June 30, 2022, page 5 of this report.
## SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th>Program Services</th>
<th>Management and General</th>
<th>Fund Raising</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll</td>
<td>$78,975</td>
<td>$27,231</td>
<td>$5,802</td>
<td>$112,008</td>
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<tr>
<td>Contract Services</td>
<td>29,503</td>
<td>-</td>
<td>-</td>
<td>29,503</td>
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<tr>
<td>Rent</td>
<td>8,640</td>
<td>960</td>
<td>-</td>
<td>9,600</td>
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<tr>
<td>Payroll Taxes</td>
<td>5,997</td>
<td>2,068</td>
<td>440</td>
<td>8,505</td>
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<tr>
<td>Computer Expenses</td>
<td>7,722</td>
<td>-</td>
<td>-</td>
<td>7,722</td>
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<tr>
<td>Office Expense</td>
<td>2,890</td>
<td>2,312</td>
<td>578</td>
<td>5,780</td>
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<tr>
<td>Professional Fees</td>
<td>2,500</td>
<td>2,500</td>
<td>-</td>
<td>5,000</td>
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<tr>
<td>Insurance</td>
<td>2,413</td>
<td>777</td>
<td>37</td>
<td>3,227</td>
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<tr>
<td>Telephone</td>
<td>999</td>
<td>999</td>
<td>998</td>
<td>2,996</td>
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<tr>
<td>Printing and Postage</td>
<td>821</td>
<td>820</td>
<td>821</td>
<td>2,462</td>
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<tr>
<td>Depreciation</td>
<td>674</td>
<td>675</td>
<td>675</td>
<td>2,024</td>
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<tr>
<td>Maintenance and Repairs</td>
<td>762</td>
<td>609</td>
<td>152</td>
<td>1,523</td>
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<tr>
<td>Payroll Service</td>
<td>955</td>
<td>186</td>
<td>62</td>
<td>1,243</td>
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<tr>
<td>Advertising and Marketing</td>
<td>1,200</td>
<td>-</td>
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<td>1,200</td>
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<tr>
<td>Membership Fees</td>
<td>760</td>
<td>-</td>
<td>-</td>
<td>760</td>
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<tr>
<td>Miscellaneous Expenses</td>
<td>177</td>
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<td>531</td>
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TOTAL EXPENSES  

<table>
<thead>
<tr>
<th>Program Services</th>
<th>$145,028</th>
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<tr>
<td>Management and General</td>
<td>$39,314</td>
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<tr>
<td>Fund Raising</td>
<td>$9,742</td>
</tr>
<tr>
<td>Totals</td>
<td>$194,084</td>
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</tbody>
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See Notes to Financial Statements