

SAMARITAN COUNSELING CENTER OF  
WESTERN PA, INC.

AUDITED FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2018  
WITH COMPARATIVE TOTALS  
FOR THE YEAR ENDED DECEMBER 31, 2017

SAMARITAN COUNSELING CENTER OF WESTERN PA, INC.

DECEMBER 31, 2018

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**INDEPENDENT AUDITOR'S REPORT**

The Board of Directors of Samaritan Counseling Center of Western PA, Inc.

I have audited the accompanying balance sheet of Samaritan Counseling Center of Western PA (a nonprofit organization) as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. I conducted my audit 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 from 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 Samaritan Counseling Center of Western PA, Inc. as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

I have previously audited Samaritan Counseling Center of Western PA, Inc.'s 2017 financial statements, and my report dated July 30, 2018, expressed an unmodified opinion on those audited financial statements. In my opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Certified Public Accountant

July 29, 2019  
Sewickley, Pennsylvania

SAMARITAN COUNSELING CENTER OF WESTERN PA, INC.

BALANCE SHEET  
DECEMBER 31, 2018  
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2017

<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
<u>Current Assets</u>		
Cash and Equivalents	\$ 31,226	\$ 79,343
Investments (Note 4)	515,280	536,193
Accounts Receivable, net (Note 2)	89,816	41,884
Prepaid Expenses	6,492	10,274
<u>Total Current Assets</u>	<u>\$ 642,814</u>	<u>\$ 667,694</u>
Leasehold Improvements, Furniture and Equipment		
<u>Less: Accumulated Depreciation of</u> \$88,763 and \$104,124 (Note 3)	<u>18,697</u>	<u>98,272</u>
<u>TOTAL ASSETS</u>	<u>\$ 661,511</u>	<u>\$ 765,966</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Accounts Payable and Accrued Expenses	\$ 3,531	\$ 4,663
<u>Total Liabilities</u>	<u>\$ 3,531</u>	<u>\$ 4,663</u>
<u>Net Assets</u>		
Without Donor Restrictions:		
Operating	\$ 533,096	\$ 572,842
Fixed Assets	18,697	98,272
<u>Total Without Donor Restrictions</u>	<u>\$ 551,793</u>	<u>671,114</u>
With Donor Restrictions		
Purpose Restrictions	38,668	18,149
Perpetual in Nature (Per Analysis in Supplemental Section)	67,519	72,040
<u>Total With Donor Restrictions</u>	<u>\$ 106,187</u>	<u>\$ 90,189</u>
<u>Total Net Assets</u>	<u>\$ 657,980</u>	<u>\$ 761,303</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 661,511</u>	<u>\$ 765,966</u>

The accompanying notes are an integral part of these financial statements.

SAMARITAN COUNSELING CENTER OF WESTERN PENNSYLVANIA, INC.

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018  
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2017

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
	<u>2018</u>	<u>2017</u>	
<b>PUBLIC SUPPORT, REVENUE AND RECLASSIFICATIONS</b>			
Public Support			
Contributions	\$ 70,768	\$ 30,032	\$ 100,800
Grants	69,154	61,600	130,754
Special Event Revenue	43,816	-	43,816
Less: Direct Costs of Special Events	(8,219)	-	(8,219)
Net Revenue from Special Events	35,597	-	35,597
Total Public Support	\$ 175,519	\$ 91,632	\$ 267,151
<b>Revenue</b>			
Counseling Fees, Net of Insurance Adjustments	458,605	-	458,605
Education and Other Fees	16,432	-	16,432
Investment Earnings, Net of Fees	(18,335)	(4,396)	(22,731)
Gain on Sale of Asset	22,785	-	22,785
Return Unused Grant Funds	-	(2,000)	(2,000)
Total Revenue	\$ 479,487	\$ (6,396)	\$ 473,091
Net Assets Released from Restrictions and Transfers	69,238	(69,238)	-
TOTAL PUBLIC SUPPORT AND REVENUE	\$ 724,244	\$ 15,998	\$ 740,242
<b>EXPENSES</b>			
Program Services			
Counseling Services	556,065	-	556,065
Total Program Services	\$ 556,065	\$ -	\$ 556,065
Supporting Services			
Management and General	188,022	-	188,022
Fundraising	99,478	-	99,478
Total Supporting Services	\$ 287,500	\$ -	\$ 287,500
TOTAL EXPENSES	\$ 843,565	\$ -	\$ 843,565
Change in Net Assets	\$ (119,321)	\$ 15,998	\$ (103,323)
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 671,114	\$ 90,189	\$ 761,303
<b>NET ASSETS - END OF YEAR</b>	\$ 551,793	\$ 106,187	\$ 657,980

The accompanying notes are an integral part of these financial statements.

SAMARITAN COUNSELING CENTER OF WESTERN PA, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
 FOR THE YEAR ENDED DECEMBER 31, 2018  
 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2017

	PROGRAM SERVICES		SUPPORTING SERVICES		TOTALS	
	Counseling Services	Management & General	Fundraising	2018	2017	
Salaries & Wages	\$ 424,905	\$ 74,883	\$ 81,284	\$ 581,072	\$ 597,197	
Employee Benefits	16,523	35,801	-	52,324	31,614	
Payroll Taxes	33,141	7,931	5,994	47,066	50,597	
<u>TOTAL SALARIES AND RELATED EXPENSES</u>	\$ 474,569	\$ 118,615	\$ 87,278	\$ 680,462	\$ 679,408	
Advertising	320	5,732	2,721	8,773	11,612	
Office Supplies	11,280	18,904	184	30,368	33,453	
Accounting and Bookkeeping Fees	-	20,041	-	20,041	18,938	
Telephone and Internet	8,481	10,313	-	18,794	15,861	
Utilities, Rent and Maintenance	12,724	5,255	-	17,979	16,054	
Insurance	8,436	3,312	-	11,748	12,375	
Consulting Fees	9,874	870	6,826	17,570	13,273	
Accreditation and Licensing	6,365	-	-	6,365	8,213	
Bad Debt Expense	7,812	-	-	7,812	21,291	
Miscellaneous	1,102	964	-	2,066	1,372	
Education and Training	6,395	968	-	7,363	5,922	
Legal Fees	-	-	-	-	1,813	
Postage and Shipping	-	1,148	1,017	2,165	3,216	
Bank Fees	4,952	422	659	6,033	8,196	
Dues and Subscriptions	300	310	175	785	745	
<u>TOTAL EXPENSES BEFORE DEPRECIATION</u>	\$ 552,610	\$ 186,854	\$ 98,860	\$ 838,324	\$ 851,742	
Depreciation	3,455	1,168	618	5,241	7,670	
<u>TOTAL EXPENSES</u>	\$ 556,065	\$ 188,022	\$ 99,478	\$ 843,565	\$ 859,412	

The accompanying notes are an integral part of these financial statements.

SAMARITAN COUNSELING CENTER OF WESTERN PA, INC.

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2017

	<u>2018</u>	<u>2017</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in Net Assets	\$ (103,323)	\$ (58,353)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	5,241	7,670
Unrealized (Gains) Losses on Investments	32,474	(53,293)
<u>(Increase) Decrease in Operating Assets:</u>		
Accounts Receivable	(47,932)	24,860
Prepaid Expenses	3,782	(1,393)
<u>Increase (Decrease) in Operating Liabilities:</u>		
Accounts Payable	(1,132)	(7,700)
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	<u>\$ (110,890)</u>	<u>\$ (88,209)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Land, Building, and Equipment - Additions	(15,764)	-
Land, Building, and Equipment - Dispositions	90,098	-
Investment Proceeds (Purchases)	(11,561)	(120,601)
<u>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</u>	<u>\$ 62,773</u>	<u>\$ (120,601)</u>
Net Increase (Decrease) in Cash	\$ (48,117)	\$ (208,810)
<u>CASH - BEGINNING OF YEAR</u>	<u>\$ 79,343</u>	<u>\$ 288,153</u>
<u>CASH - END OF YEAR</u>	<u>\$ 31,226</u>	<u>\$ 79,343</u>

The accompanying notes are an integral part of these financial statements.

SAMARITAN COUNSELING CENTER OF WESTERN PA, INC.

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization Background

Founded in 1982, the Samaritan Counseling Center of Western PA, Inc.'s mission is to help individuals and families achieve spiritual, emotional and physical well-being through professional psychological counseling and educational programs using resources of faith.

Tax-Exempt Status

The Samaritan Counseling Center of Western PA, Inc. is recognized as a non-profit organization under Section 501 (c)(3) of the Internal Revenue Code.

Management is responsible for evaluating its uncertain tax positions. Management believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Revenue and Expenses

Revenues and expenses are recorded on the accrual basis of accounting. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Equipment and Depreciation

Land, buildings and equipment are recorded at cost or fair market value at date of gift for donated assets. Depreciation is provided on the straight-line method over the estimated useful lives of the depreciable assets.

Financial Statement Presentation and Contributions

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly.

The financial statements of the organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and its board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less.



SAMARITAN COUNSELING CENTER OF WESTERN PA, INC.

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Donated Services

A number of volunteers have donated significant amounts of their time in the organization's administrative operations. In accordance with requirements of FASB ASC 958 no amounts have been reflected in the financial statements for those services.

Investments

Samaritan Counseling Center of Western PA, Inc. accounts for investments in accordance with FASB ASC 958. Under FASB ASC 958, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values, with gains or losses included in the Statement of Activities. Fair value for publicly traded investments is described below.

FASB ASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), secondary priority to significant other observable inputs (Level 2 measurements), and the lowest priority to unobservable inputs (Level 3 measurements).

Functional Allocation of Expenses

The cost 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.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. Actual results could differ from those estimates.

Comparative Data

The financial statements include certain 2017 comparative information. With respect to the statement of activities, such prior year information is not presented by net asset class and, in the statement of functional expenses, 2017 expenses by object are presented in total rather than by functional category. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2017 from which the summarized information was derived.

2. ACCOUNTS RECEIVABLE

The Organization provides psychological counseling and bills insurance companies for their fees. For 2018 the receivable net of insurance adjustments is \$35,024.

All receivables are deemed by management to be fully collectible. Any bad debts are charged to operations in the year in which the account is determined uncollectible. If the reserve method of accounting for uncollectible accounts were used it would not have a material effect on the financial statements.

SAMARITAN COUNSELING CENTER OF WESTERN PA, INC.

NOTES TO FINANCIAL STATEMENTS

3. LAND, BUILDING AND EQUIPMENT

At December 31, 2018-2017, land, buildings and equipment, which is stated at cost, or fair market value at date of gift for donated assets, consisted of the following:

	2018	2017
Building	\$ -	\$ 110,700
Furniture and Equipment	84,928	84,928
Leasehold Improvements	22,532	6,768
	\$ 107,460	\$ 202,396
<u>Less: Accumulated Depreciation</u>	88,763	104,124
	\$ 18,697	\$ 98,272

4. INVESTMENTS

Investments in equity securities with readily determinable fair values are carried at fair value. Fair value is based on Level 1 and Level 2 inputs as described in Note 1. The Level 2 input consists of an accounting, of the Organization's funds held, provided by the Pittsburgh Foundation. Cost and fair value of investments at December 31, 2018-2017 were as follows:

	2018		2017	
	Cost	Fair Value	Cost	Fair Value
Various Investments held in Charles Schwab Accounts (Level 1)	\$ 404,432	\$ 447,761	\$ 387,805	\$ 464,153
Various Investments held in Pittsburgh Foundation Accounts (Level 2)	67,519	67,519	72,040	72,040
<u>Total</u>	\$ 471,951	\$ 515,280	\$ 459,845	\$ 536,193

Investment return is summarized as follows:

Interest and Dividends	\$ 12,972
Realized and Unrealized Gain (Loss) on Investments	(35,703)
	\$ (22,731)

5. ENDOWMENT DISCLOSURE

As described on the supplemental schedules, the organization has endowment funds which are perpetual in nature. The investment income which is generated from these perpetually restricted net assets will be used for unrestricted operating purposes. As required by Generally Accepted Accounting Principles (GAAP), net assets associated with endowment funds including funds designated by the Board of Directors to function as endowments are classified and reported based on the existence or absence of donor-imposed restrictions. Furthermore, the organization has policies and guidelines for these endowment funds. Changes in the Endowment Net Assets for the year ended December 31, 2018 are detailed in the supplemental information section of this report.

SAMARITAN COUNSELING CENTER OF WESTERN PA, INC.

NOTES TO FINANCIAL STATEMENTS

6. PENSION PLAN

The Samaritan Counseling Center of Western PA, Inc. established a defined contribution pension plan covering all eligible employees. The Organization will match 100% of the employee's voluntary contributions up to 3% of gross salary. Total matching contributions made by the Organization for the years ended December 31, 2018 and 2017 were \$10,189 and \$8,846, respectively.

7. AVAILABILITY AND LIQUIDITY

The organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. As of December 31, 2018, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

	2018
Cash and Equivalents	<u>\$ 31,226</u>
Investments	515,280
Accounts Receivable	<u>89,816</u>
Total Financial Assets	636,322
Less: Amounts not available to be used within one year:	
Net Assets with Donor Restrictions	(106,187)
	<u><u>\$ 530,135</u></u>

8. OPERATING LEASES

The Samaritan Counseling Center of Western PA, Inc. leases its office copier and also entered into a lease for its office space during the year. These leases are accounted for as operating leases with monthly rentals charged to expense as incurred. The future minimum rental commitments under the terms of these leases are as follows:

<u>June 30,</u>	<u>Amount</u>
2019	\$ 11,880
2020	11,880
2021	7,730
2022	6,900
2023	6,900
Thereafter	27,025
<u>Total</u>	<u><u>\$ 72,315</u></u>

9. SUBSEQUENT EVENTS

Subsequent events were evaluated through July 29, 2019, which is the date financial statements were available to be issued.

SAMARITAN COUNSELING CENTER OF WESTERN PA, INC.

DECEMBER 31, 2018

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT ON THE SUPPLEMENTARY INFORMATION

The Board of Directors of  
Samaritan Counseling Center of Western PA, Inc.

I have audited the financial statements of Samaritan Counseling Center of Western PA, Inc. as of and for the year ended December 31, 2018, and have issued my report thereon dated July 29, 2019, which contained an unmodified opinion on those financial statements. My audit was performed for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for the 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.

  
Certified Public Accountant

July 29, 2019  
Sewickley, Pennsylvania

SAMARITAN COUNSELING CENTER OF WESTERN PA, INC.

NET ASSETS WITH DONOR RESTRICTIONS - PURPOSE RESTRICTIONS

FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Principal Balance 1/1/2018</u>	<u>Reduction of Principal 12/31/2018</u>	<u>Addition to Principal 12/31/2018</u>	<u>Principal Balance 12/31/2018</u>	<u>Disposition of Principal 12/31/2018</u>	<u>Original Source and/or Addition to Principal 12/31/2018</u>	<u>Restriction to use of Principal 12/31/2018</u>	<u>By Whom Restricted</u>
Silent Samaritan	\$ -	\$ 11,625	\$ 11,625	\$ -	11,625 - Transfer to Net Assets Without Restrictions	11,625 - Various Contributions	To Fund Counseling Sessions for Female Patients	Donor
Client Aid Fund	-	46,958	60,000	13,042	7,500 - Transfer to Net Assets Without Restrictions	30,000 - Hansen Foundation 20,000 - Pitcarin-Crabbe Foundation 5,000 - Allegheny County Medical Society Foundation 5,000 - The Anne L. and George h. Clapp Trust	To Fund Counseling Sessions for Needy Patients	Donor
Youth Funds	12,771	9,075	4,000	7,696	9,075 - Transfer to Net Assets Without Restrictions	4,000 - Thomas Marshall Foundation	To Fund Counseling Sessions for Youth Patients	Donor
Strategic Planning	2,000	2,000	-	-	Return Unused Grant Funds	-	To Fund Strategic Direction and Succession Planning	Donor
Electronic Medical Records	3,378	-	-	3,378	-	-	To Implement Electronic Medical Records	Donor
Clergy & Congregational Care	-	-	5,052	5,052	-	5,052 - Sewickley Presbyterian Church	To Fund Counseling Sessions for Clergy and Church Members	Donor
Marketing	-	-	9,500	9,500	-	9,500 - William Lambert	To Support Future Marketing Costs	Donor
<b>TOTAL</b>	<u>\$ 18,149</u>	<u>\$ 69,658</u>	<u>\$ 90,177</u>	<u>\$ 38,668</u>				

See independent accountant's review report on supplementary information.

SAMARITAN COUNSELING CENTER OF WESTERN PA, INC.

NET ASSETS WITH DONOR RESTRICTIONS - PERPETUAL IN NATURE

FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Principal Balance 1/1/2018</u>	<u>Reduction of Principal 12/31/2018</u>	<u>Addition to Principal 12/31/2018</u>	<u>Principal Balance 12/31/2018</u>	<u>Disposition of Principal 12/31/2018</u>	<u>Original Source and/or Addition to Principal 12/31/2018</u>	<u>Restriction to use of Principal 12/31/2018</u>	<u>By Whom Restricted</u>
Endowment Fund	\$ 72,040	\$ 5,976	\$ 1,455	\$ 67,519	864 - Management Fees 1,580 - Transfer to Net Assets Without Restrictions 3,532 - Loss on Investments	1,455 - Contributions	Principal to Remain - Income to Temporarily Restricted	Donor
<u>TOTAL</u>	<u>\$ 72,040</u>	<u>\$ 5,976</u>	<u>\$ 1,455</u>	<u>\$ 67,519</u>				

See independent accountant's review report on supplementary information.