

THE REFUGE CENTER FOR COUNSELING, INC.

DECEMBER 31, 2011 AND 2010

Report

of

Review

C O N T E N T S

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Independent Accountant's Review Report

April 27, 2012

Board of Directors  
The Refuge Center for Counseling, Inc.

We have reviewed the accompanying statements of financial position of The Refuge Center for Counseling, Inc. (the Center) as of December 31, 2011 and 2010, and the related statements of activities and changes in net assets and of cash flows for the years then ended, and the accompanying supplementary information, which is presented only for analysis purposes. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

*Parsons and Associates*  
Parsons and Associates

The Refuge Center for Counseling, Inc.  
 Statements of Financial Position  
 December 31

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash	\$ 48,368	\$ 40,647
Accounts receivable	425	0
Deposit	1,500	0
<u>Total Assets</u>	<u>\$ 50,293</u>	<u>\$ 40,647</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Liabilities</u>		
Accounts payable	\$ 0	\$ 2,993
<u>Total Liabilities</u>	<u>0</u>	<u>2,993</u>
<u>Unrestricted Net Assets</u>	46,593	37,654
<u>Temporarily Restricted Net Assets</u>	3,700	0
<u>Total Liabilities and Net Assets</u>	<u>\$ 50,293</u>	<u>\$ 40,647</u>

See accompanying notes and accountant's reports.

The Refuge Center for Counseling, Inc.  
 Statements of Activities and Changes in Net Assets  
 Years Ended December 31

	2011		2010
	Unrestricted	Temporarily Restricted	
<u>Revenue</u>			
Counseling services	\$ 220,555	\$	\$ 171,147
Special events	21,096		38,225
Contributions	27,399		22,189
Grant income	108,418	3,700	78,482
Other	233		100
In-kind donations	500		1,700
<u>Total Revenue and Other Support</u>	<u>378,201</u>	<u>3,700</u>	<u>311,843</u>
<u>Expenses</u>			
Program services			
Counseling	312,171		250,624
Supporting services			
Administration and general	39,007		32,743
Fundraising	18,084		20,900
<u>Total supporting services</u>	<u>57,091</u>		<u>53,643</u>
<u>Total Expenses</u>	<u>369,262</u>		<u>304,267</u>
<u>Change in Net Assets</u>	8,939	3,700	7,576
<u>Net Assets at beginning of year</u>	37,654	0	30,078
<u>Net Assets at end of year</u>	<u>\$ 46,593</u>	<u>\$ 3,700</u>	<u>\$ 37,654</u>

See accompanying notes and accountant's report.

The Refuge Center for Counseling, Inc.  
 Statements of Cash Flows  
 Years Ended December 31

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities		
Changes in net assets	\$ 12,639	\$ 7,576
Adjusts to reconcile change in net assets to net cash provided by (used in) operating activities		
Decrease (increase) in accounts receivable	( 424)	27,842
Decrease (increase) in deposits	( 1,500)	0
Increase (decrease) in payables	( 2,994)	278
Net cash provided by (used in) operating activities	<u>7,721</u>	<u>35,696</u>
Increase (decrease) in cash	7,721	35,696
Cash at beginning of year	40,647	4,951
Cash at end of year	\$ <u>48,368</u>	\$ <u>40,647</u>

See accompanying notes and accountant's report.

**The Refuge Center for Counseling, Inc.**  
**Notes to Financial Statements**  
**December 31, 2011 and 2010**

**NOTE A - SUMMARY OF ACCOUNTING POLICIES**

**Nature of Operations**

The Refuge Center for Counseling, Inc. (the Center) is a center which offers counseling service on a sliding scale basis. The mission of the Center is to offer affordable professional counseling services in order to empower, educate and support individuals, couples and families in need. The Center operates in Middle Tennessee serving clients in Williamson and Davidson counties.

**Contributions**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Contributions received with donor restrictions in which the restrictions are satisfied in the year of receipt of funds are considered unrestricted contributions for financial reporting purposes.

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Center considers cash on hand and on deposit with banks to be cash.

**Accounts Receivable**

The Center considers all receivables to be fully collectible; accordingly, no allowance for doubtful accounts is considered necessary. If amounts become uncollectible, they will be charged to operations when that determination is made.

**Net Assets**

The Center reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets represent resources over which the Board of Directors has discretionary control and are used to carry out the operations of the Center in accordance with its bylaws.

Temporarily restricted net assets represent resources currently available for use, but expendable only for those operating purposes specified by the donor or grantor. Resources originate from gifts, grants, bequests, emergency appeals, and investment income earned on certain restricted funds. However, if the restriction is fulfilled in the same time period in which the contribution is received, the Center reports the support as unrestricted. The Center had \$3700 in temporarily restricted net assets on December 31, 2011.

**The Refuge Center for Counseling, Inc.**  
**Notes to Financial Statements**  
**December 31, 2011 and 2010**

Permanently restricted net assets represent resources for which the donor stipulates that the assets be held in perpetuity but allows the Center to spend any income earned from those assets. The Center has no permanently restricted net assets.

**Income Taxes**

The Center is a not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code and is exempt from Federal income taxes on related income under Section 501(a) of the Code.

The Center adopted the accounting standards for uncertainty in income taxes effective January 1, 2009. This guidance prescribes a comprehensive model for financial statement recognition, measurement, classification, and disclosure of uncertain tax positions. The implementation of the standards had no effect on net assets.

As of December 31, 2011 and 2010, the Center has recognized in the financial statements the effects of all tax positions and continually evaluates expiring statutes of limitations, audits, changes in tax law, and new authoritative rulings. The Center is not aware of any circumstances or events that make it reasonably possible that unrecognized tax benefits may increase or decrease within 12 months of the statement of financial position date. Penalties and interest assessed by taxing authorities are included in the Center's expenses, if applicable. There were no interest or penalties paid during 2011 or 2010.

The Center files an exempt organization return in the U.S. federal jurisdiction.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

**Subsequent Events**

Management has evaluated subsequent events for recognition and disclosure in the financial statements through April 27, 2012, which is the date the financial statements were available to be issued. Through April 27, 2012, no subsequent events required recognition or disclosure in the financial statements.



The Refuge Center for Counseling, Inc.  
Notes to Financial Statements  
December 31, 2011 and 2010

**NOTE B - LINE OF CREDIT**

The Center has a \$20,000 line of credit with First Citizens Bank and Trust Company. There was no outstanding balance on the line at December 31, 2011 and 2010. Interest is payable monthly at the Bank's prime rate plus 1.00% and the line matured on June 24, 2011 and was renewed until June 24, 2012.

**NOTE C - RELATED PARTY TRANSACTIONS**

The Center rents office space from JAMS Investments, LLC, which is 50% owned by one of the Center's Board Members. During the years ended December 31, 2011 and 2010, \$21,400 and \$20,800 of rent, respectively, was paid to JAMS Investments, LLC.

The Refuge Center for Counseling, Inc.  
Schedule of Functional Expenses  
Year Ended December 31, 2011

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and payroll taxes	\$ 167,599	\$ 26,250	\$ 8,078	\$ 201,927
Contract fees	53,178			53,178
Advertising	903	141	44	1,088
Rent	41,210	6,690	2,058	49,958
Utilities	2,394	375	115	2,884
Fundraising			6,084	6,084
Telephone	1,482	232	72	1,786
Education and development	4,513	707	217	5,437
Professional fees	2,054	322	99	2,475
Program supplies	10,636			10,636
Meals and entertainment	1,370	215	66	1,651
Furniture and equipment	228	36	11	275
Technology	2,511	393	121	3,025
Office supplies	2,055	322	99	2,476
Bank fees	364	57	17	438
Other operating expenses	3,703	511	155	4,369
Grant writing	12,379	1,939	597	14,915
Printing	478	65	20	563
Insurance	1,333	209	64	1,606
Client resource material	317			317
Strategic planning	<u>3,464</u>	<u>543</u>	<u>167</u>	<u>4,174</u>
	<u>\$ 312,171</u>	<u>\$ 39,007</u>	<u>\$ 18,084</u>	<u>\$ 369,262</u>

See accompanying notes and accountant's reports.

The Refuge Center for Counseling, Inc.  
Schedule of Functional Expenses  
Year Ended December 31, 2010

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and payroll taxes	\$ 148,912	\$ 23,324	\$ 7,176	\$ 179,412
Contract fees	31,787			31,787
Advertising	855	134	41	1,030
Rent	30,029	4,704	1,447	36,180
Utilities	2,055	322	99	2,476
Fundraising			10,826	10,826
Telephone	1,528	239	74	1,841
Education and development	2,258	354	109	2,721
Professional fees	9,707	1,520	468	11,695
Program supplies	9,803			9,803
Meals and entertainment	911	143	44	1,098
Furniture and equipment	2,053	322	99	2,474
Technology	2,468	387	119	2,974
Office supplies	3,464	543	167	4,174
Bank fees	1,131	177	55	1,363
Other operating expenses	<u>3,663</u>	<u>574</u>	<u>176</u>	<u>4,413</u>
	\$ <u>250,624</u>	\$ <u>32,743</u>	\$ <u>20,900</u>	\$ <u>304,267</u>

See accompanying notes and accountant's reports.