

FINANCIAL STATEMENTS
AND
INDEPENDENT ACCOUNTANTS' REVIEW REPORT
THE REFUGE CENTER FOR COUNSELING, INC.



THE REFUGE CENTER
FOR COUNSELING

December 31, 2009 and 2008

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Independent Accountants' Review Report

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, 2009 and 2008, and the related statements of activities and changes in net assets and of cash flows for the years then ended, in accordance with the Statement on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of The Refuge Center for Counseling, Inc.

A review consists principally of inquiries of Center personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, 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.

Our reviews were made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The schedule of functional expenses is presented only for supplementary analysis purposes. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we are not aware of any material modifications that should be made thereto.

Kerber, Eck and Braeckel LLP

Springfield, Illinois
June 25, 2010

Other Locations

Jacksonville, IL • Belleville, IL • Carbondale, IL • Cape Girardeau, MO • St. Louis, MO • Milwaukee, WI

The Refuge Center for Counseling, Inc.

STATEMENTS OF FINANCIAL POSITION

December 31

See Accountants' Review Report

	<u>2009</u>	<u>2008</u>
ASSETS		
Cash	\$ 4,951	\$ 1,370
Accounts receivable	<u>27,842</u>	<u>10,000</u>
Total assets	<u>\$ 32,793</u>	<u>\$ 11,370</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accrued payroll	\$ 2,715	\$ -
Line of credit	<u>-</u>	<u>3,900</u>
Total liabilities	2,715	3,900
Unrestricted net assets	<u>30,078</u>	<u>7,470</u>
Total liabilities and net assets	<u>\$ 32,793</u>	<u>\$ 11,370</u>

The accompanying notes are an integral part of these statements.

The Refuge Center for Counseling, Inc.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years ended December 31

See Accountants' Review Report

	<u>2009</u>	<u>2008</u>
Revenue		
Counseling services	\$ 119,475	\$ 88,554
Special events	21,117	22,249
Contributions	82,320	57,154
Grant income	<u>50,087</u>	<u>43,575</u>
Total revenue and other support	272,999	211,532
Expenses		
Program services		
Counseling	215,259	180,506
Supporting services		
Administration and general	16,930	14,198
Fundraising	<u>18,202</u>	<u>15,992</u>
Total supporting services	<u>35,132</u>	<u>30,190</u>
Total expenses	<u>250,391</u>	<u>210,696</u>
Change in net assets	22,608	836
Net assets at beginning of year	<u>7,470</u>	<u>6,634</u>
Net assets at end of year	<u><u>\$ 30,078</u></u>	<u><u>\$ 7,470</u></u>

The accompanying notes are an integral part of these statements.

The Refuge Center for Counseling, Inc.

STATEMENTS OF CASH FLOWS

Years ended December 31

See Accountants' Review Report

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities		
Change in net assets	\$ 22,608	\$ 836
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Increase in accounts receivable	(17,842)	(9,921)
Increase (decrease) in accrued payroll	<u>2,715</u>	<u>(2,027)</u>
Net cash provided by (used in) operating activities	7,481	(11,112)
Cash flows from financing activities		
Proceeds (payments) on line of credit	<u>(3,900)</u>	<u>3,900</u>
Net cash provided by (used in) financing activities	<u>(3,900)</u>	<u>3,900</u>
Increase (decrease) in cash	3,581	(7,212)
Cash at beginning of year	<u>1,370</u>	<u>8,582</u>
Cash at end of year	<u><u>\$ 4,951</u></u>	<u><u>\$ 1,370</u></u>

The accompanying notes are an integral part of these statements.

The Refuge Center for Counseling, Inc.
NOTES TO FINANCIAL STATEMENTS

December 31, 2009 and 2008

See Accountants' Review Report

NOTE A - SUMMARY OF ACCOUNTING POLICIES

1. 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.

2. 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.

3. 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.

4. 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.

5. 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.

The Refuge Center for Counseling, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2009 and 20088

See Accountants' Review Report

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

5. Net Assets - Continued

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 has no temporarily restricted net assets.

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.

6. 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, 2009, 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 2009.

The Center files an exempt organization return in the U.S. federal jurisdiction. Returns filed for the 2007 and 2008 tax periods remain open for examination.

The Refuge Center for Counseling, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2009 and 2008

See Accountants' Review Report

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

7. 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.

8. Subsequent Events

Management has evaluated subsequent events for recognition and disclosure in the financial statements through June 25, 2010, which is the date the financial statements were available to be issued. Through June 25, 2010, no subsequent events required recognition or disclosure in the financial statements.

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, 2009 and 2008. Interest is payable monthly at the Bank's prime rate plus 1.00% (currently 4.25%), and the line matured on June 24, 2010, and was subsequently renewed until June 24, 2011.

NOTE C - RELATED-PARTY TRANSACTIONS

The Center rents office space from J&J #1, LLC, which was owned by one of the Center's Board Members. During the years ended December 31, 2009 and 2008, rent was paid to J&J #1, LLC, in the amount of \$ 6,800 and \$ 21,889, respectively. In April 2009, the building in which the Center leases office space was sold. The purchasing company, JAMS Investments, LLC, is 50% owned by one of the Center's Board Members. During the year ended December 31, 2009, \$ 13,600 of rent was paid to JAMS Investments, LLC.

SUPPLEMENTARY INFORMATION

The Refuge Center for Counseling, Inc.

SCHEDULE OF FUNCTIONAL EXPENSES

Year ended December 31, 2009

See Accountants' Review Report

	Supporting Services			<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries and payroll taxes	\$ 124,694	\$ 9,807	\$ 5,604	\$ 140,105
Contract fees	41,767	3,285	1,877	46,929
Advertising	40	3	2	45
Rent	26,166	2,058	1,176	29,400
Utilities	1,961	154	88	2,203
Fundraising	-	-	8,529	8,529
Telephone	984	77	44	1,105
Education and development	3,682	290	165	4,137
Meals and entertainment	1,198	94	54	1,346
Furniture and equipment	112	9	5	126
Technology	4,092	322	184	4,598
Office supplies	2,815	221	127	3,163
Bank fees	963	76	43	1,082
Other operating expenses	6,785	534	304	7,623
	\$ 215,259	\$ 16,930	\$ 18,202	\$ 250,391

The Refuge Center for Counseling, Inc.

SCHEDULE OF FUNCTIONAL EXPENSES - CONTINUED

Year ended December 31, 2008

See Accountants' Review Report

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries and payroll taxes	\$ 112,908	\$ 8,880	\$ 5,074	\$ 126,862
Contract fees	22,361	1,759	1,005	25,125
Advertising	1,780	140	80	2,000
Rent	25,048	1,970	1,126	28,144
Utilities	1,425	112	64	1,601
Fundraising	-	-	7,879	7,879
Telephone	1,324	104	59	1,487
Education and development	4,304	339	193	4,836
Meals and entertainment	757	60	34	851
Furniture and equipment	2,236	176	101	2,513
Office supplies	4,756	374	214	5,344
Bank fees	812	64	37	913
Other operating expenses	2,795	220	126	3,141
	<u>\$ 180,506</u>	<u>\$ 14,198</u>	<u>\$ 15,992</u>	<u>\$ 210,696</u>