

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



THE REFUGE CENTER
FOR COUNSELING

December 31, 2008 and 2007

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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, 2008 and 2007, 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 on page 11 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 & Braeckel LLP

Springfield, Illinois
June 19, 2009

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>2008</u>	<u>2007</u>
ASSETS		
Cash	\$ 1,370	\$ 8,582
Accounts receivable	<u>10,000</u>	<u>79</u>
Total assets	<u>\$ 11,370</u>	<u>\$ 8,661</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accrued payroll	\$ -	\$ 2,027
Line of credit	<u>3,900</u>	<u>-</u>
Total liabilities	3,900	2,027
Unrestricted net assets	<u>7,470</u>	<u>6,634</u>
Total liabilities and net assets	<u>\$ 11,370</u>	<u>\$ 8,661</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>2008</u>	<u>2007</u>
Revenue		
Counseling services	\$ 88,554	\$ 45,394
Special events	22,249	1,491
Contributions	57,154	29,713
Grant income	43,575	20,500
Other	-	900
	<hr/>	<hr/>
Total revenue and other support	211,532	97,998
Expenses		
Program services		
Counseling	180,506	81,357
Supporting services		
Administration and general	14,198	17,016
Fundraising	15,992	2,921
	<hr/>	<hr/>
Total supporting services	30,190	19,937
	<hr/>	<hr/>
Total expenses	210,696	101,294
Change in net assets	836	(3,296)
Net assets at beginning of year	<hr/> 6,634	<hr/> 9,930
Net assets at end of year	<u>\$ 7,470</u>	<u>\$ 6,634</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>2008</u>	<u>2007</u>
Cash flows from operating activities		
Change in net assets	\$ 836	\$ (3,296)
Adjustments to reconcile change in net assets to net cash used in operating activities		
(Increase) decrease in accounts receivable	(9,921)	212
Decrease in accrued payroll	<u>(2,027)</u>	<u>(1,794)</u>
Net cash used in operating activities	(11,112)	(4,878)
Cash flows from financing activities		
Proceeds from line of credit	<u>3,900</u>	<u>-</u>
Net cash provided by financing activities	<u>3,900</u>	<u>-</u>
Decrease in cash	(7,212)	(4,878)
Cash at beginning of year	<u>8,582</u>	<u>13,460</u>
Cash at end of year	<u>\$ 1,370</u>	<u>\$ 8,582</u>

The accompanying notes are an integral part of these statements.

The Refuge Center for Counseling, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2008 and 2007

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, 2008 and 2007

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.

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.

NOTE B - LINE OF CREDIT

Line of credit at December 31 is as follows:

	<u>2008</u>	<u>2007</u>
First Citizens Bank and Trust Company, \$ 20,000 line of credit due June 24, 2009, at 6.00%.	\$ 3,900	\$ -

The Refuge Center for Counseling, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2008 and 2007

See Accountants' Review Report

NOTE C - RELATED PARTY TRANSACTIONS

The Center rents office space from a J&J #1, LLC which is owned by one of the Center's Board Members. During the year ended December 31, 2008 and 2007, rent was paid to J&J #1, LLC in the amount of \$ 21,889 and \$ 10,767, respectively.

NOTE D - SUBSEQUENT EVENT

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.

In January 2009, the Center received a donation from a local church in the amount of \$ 25,000.

Effective June 10, 2009, the Center was notified it is a United Way agency in Williamson County. As a result, the Center will be eligible for donations from the United Way in 2010.

SUPPLEMENTARY INFORMATION

The Refuge Center for Counseling, Inc.

SCHEDULE OF FUNCTIONAL EXPENSES

Year ended December 31, 2008

See Accountants' Review Report

	<u>Supporting Services</u>			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</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>

The Refuge Center for Counseling, Inc.

SCHEDULE OF FUNCTIONAL EXPENSES - CONTINUED

Year ended December 31, 2007

See Accountants' Review Report

	<u>Supporting Services</u>			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and payroll taxes	\$ 47,221	\$ 8,349	\$ 2,783	\$ 58,353
Contract fees	21,590	-	-	21,590
Advertising	96	64	-	160
Rent	10,228	538	-	10,766
Fundraising	-	-	138	138
Telephone	-	1,280	-	1,280
Education and development	1,779	-	-	1,779
Meals and entertainment	-	173	-	173
Furniture and equipment	-	788	-	788
Office supplies	-	2,863	-	2,863
Bank fees	-	851	-	851
Other operating expenses	443	2,110	-	2,553
	<u>\$ 81,357</u>	<u>\$ 17,016</u>	<u>\$ 2,921</u>	<u>\$ 101,294</u>