

THE REFUGE CENTER FOR COUNSELING, INC.

DECEMBER 31, 2019

**Report
of
Examination**

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Independent Auditor's Report

October 18, 2020

Board of Directors
The Refuge Center for Counseling, Inc.
Franklin, TN

Report on the Financial Statements

We have audited the accompanying financial statements of The Refuge Center for Counseling, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Refuge Center for Counseling, Inc., as of December 31, 2019, 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.

Parsons and Associates
Parsons and Associates

The Refuge Center for Counseling, Inc.
Statement of Financial Position
December 31, 2019

ASSETS

<u>Current Assets</u>	
Cash	\$ 592,465
Investment account	31
<u>Total Current Assets</u>	<u>592,496</u>
<u>Fixed Assets</u>	
Fixed Assets (Net)	<u>1,439,866</u>
<u>Total Assets</u>	<u>2,032,362</u>

LIABILITIES AND NET ASSETS

<u>Liabilities</u>	
Accounts payable	1,300
Bank Loan	<u>342,445</u>
<u>Total Liabilities</u>	<u>343,745</u>
<u>Net Assets</u>	
Without donor restrictions	1,688,617
With donor restrictions	<u>0</u>
<u>Total Net Assets</u>	<u>1,688,617</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 2,032,362</u>

See accompanying notes and auditor's report.

**The Refuge Center for Counseling, Inc.
Statement of Activities
Year Ended December 31, 2019**

<u>Revenue</u>	
Counseling services	\$ 1,266,860
Special events	180,401
Contributions	809,557
Grant income	207,000
Other	9,223
In-kind donations	947,769
<u>Total Revenue and Other Support</u>	<u>3,420,810</u>
 <u>Expenses</u>	
Program services	
Counseling	1,924,523
Supporting services	
Administration and general	189,754
Fundraising	176,412
<u>Total supporting services</u>	<u>366,166</u>
 <u>Total Expenses</u>	 <u>2,290,722</u>
 <u>Change in Net Assets</u>	 1,130,088
 <u>Net Assets at beginning of year</u>	 558,529
 <u>Net Assets at end of year</u>	 <u>\$ 1,688,617</u>

See accompanying notes and auditor's report.

The Refuge Center for Counseling, Inc.
Statement of Cash Flows
Year Ended December 31, 2019

Cash flows from operating activities	
Changes in net assets	\$ 1,130,088
Adjustments to reconcile change in net assets to net cash provided by (used in) operating Activities	
Depreciation expense	20,510
Land – in kind	(630,000)
Decrease (increase) in investment account	0
Increase (decrease) in payables	<u>(3,022)</u>
Net cash provided by (used in) operating activities	<u>517,576</u>
Cash Flows from Financing Activities	<u> </u>
Bank loan property	<u>392,445</u>
Cash Flows from Investing Activities	<u> </u>
Fixed assets purchased	<u>(771,624)</u>
Increase (decrease) in cash	138,397
Cash at beginning of year	454,068
Cash at end of year	<u>\$ 592,465</u>

See accompanying notes and auditor's report

The Refuge Center for Counseling, Inc.
Notes to Financial Statements
December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Refuge Center for Counseling, Inc. (the Center) is a center which offers counseling service on a sliding scale basis based on income of the individual. 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 the surrounding Middle Tennessee area.

Basis of Accounting

The financial statement of The Refuge Center for Counseling, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax exempt status, and any limits resulting from contractual agreements with creditor and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period.

Income Taxes

The Center is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Center's tax exempt purpose is subject to taxation as unrelated business income.

As of December 31, 2019, 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.

The Refuge Center for Counseling, Inc.
Notes to Financial Statements
December 31, 2019

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 October 18, 2020, which is the date the financial statements were available to be issued. As of October 18, 2020 the Center has plans to expand its services and is going thru the approval procedure for rezoning the proposed property for the new location.

NOTE 2 – LINE OF CREDIT

The Center has a \$60,000 line of credit with Pinnacle Bank with a 5% interest rate. There was no outstanding balance on the line at December 31, 2019.

NOTE 3 - LEASES

The Center leases its Franklin location from Crossforth and Nance. The rent is currently \$18,053.29 monthly for several offices plus a percentage of expenses allocated based on the square footage of the building leased by the Center

NOTE 4 – NOTE PAYABLE

The Center has a note payable with a local Williamson County financial institution that is secured by land to be used for the Organization's campus land. The loan is to be paid off in 2020 prior to the beginning of construction.

**The Refuge Center for Counseling, Inc.
Schedule of Functional Expenses
Year Ended December 31, 2019**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and payroll taxes	\$ 622,620	\$ 71,841	\$ 103,770	\$ 798,231
Employee Benefits	21,765			21,765
Contract/Consulting fees	1,018,279			1,018,279
Advertising	14,980			14,980
Rent	195,872	10,531	4,212	210,615
Fundraising			24,744	24,774
Maintenance	12,671			12,671
Telephone	3,062			3,062
Education and development	10,329			10,329
Professional fees		22,692		22,692
Program supplies	7,743			7,743
Meals and entertainment		6,176		6,176
Technology		10,646		10,646
Office supplies	2,662	13,163		15,825
Bank fees		24,844		24,844
Support animal expense	2,701			2,701
Printing/postage		6,844		6,844
Dues/subscriptions		2,127		2,127
Capital campaign			43,686	43,686
Insurance	11,842			11,842
Taxes		380		380
Depreciation		20,510		20,510
<u>Total</u>	<u>\$ 1,924,526</u>	<u>\$ 189,754</u>	<u>\$ 176,412</u>	<u>\$ 2,290,722</u>

See accompanying notes and auditor's report