

**THE REFUGE CENTER FOR COUNSELING, INC.**

**DECEMBER 31, 2018**

**Report  
of  
Examination**

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Independent Auditor's Report

June 5, 2019

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, 2018, 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, 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.

*Parsons and Associates*  
Parsons and Associates

**The Refuge Center for Counseling, Inc.**  
**Statement of Financial Position**  
**December 31, 2018**

ASSETS

<u>Current Assets</u>	
Cash	\$454,038
Investment account	<u>30</u>
<u>Total Current Assets</u>	<u>454,068</u>
<u>Fixed Assets</u>	
Fixed Assets (Net)	<u>108,783</u>
<u>Total Assets</u>	<u>\$562,851</u>

LIABILITIES AND NET ASSETS

<u>Liabilities</u>	
Accounts payable	<u>\$ 4,322</u>
<u>Total Liabilities</u>	<u>4,322</u>
<u>Net Assets</u>	
Without donor restrictions	377,899
With donor restrictions	<u>180,630</u>
<u>Total Net Assets</u>	<u>558,529</u>
<u>Total Liabilities and Net Assets</u>	<u>\$562,851</u>

See accompanying notes and auditor's report.

**The Refuge Center for Counseling, Inc.**  
**Statement of Activities**  
**Year Ended December 31, 2018**

<u>Revenue</u>	
Counseling services	\$ 1,010,569
Special events	174,058
Contributions	244,113
Grant income	214,061
Other	8,062
In-kind donations	<u>416,898</u>
<u>Total Revenue and Other Support</u>	<u>2,067,761</u>
 <u>Expenses</u>	
Program services	
Counseling	1,689,467
Supporting services	
Administration and general	178,494
Fundraising	<u>153,351</u>
<u>Total supporting services</u>	<u>331,845</u>
 <u>Total Expenses</u>	 <u>2,021,312</u>
 <u>Change in Net Assets</u>	 46,449
 <u>Net Assets at beginning of year</u>	 512,080
 <u>Net Assets at end of year</u>	 <u>\$ 558,529</u>

See accompanying notes and auditor's report.

**The Refuge Center for Counseling, Inc.  
Statement of Cash Flows  
Year Ended December 31, 2018**

Cash flows from operating activities	
Changes in net assets	\$ 46,449
Adjustments to reconcile change in net assets to net cash provided by (used in) operating Activities	
Depreciation expense	12,119
Decrease (increase) in investment account	81
Increase (decrease) in payables	<u>( 717)</u>
Net cash provided by (used in) operating activities	<u>57,932</u>
 Cash Flows from Investing Activities	 <u>          </u>
Fixed assets purchased	<u>( 20,026)</u>
 Increase (decrease) in cash	 37,906
 Cash at beginning of year	 416,162
 Cash at end of year	 <u>\$454,068</u>

See accompanying notes and auditor's report

**The Refuge Center for Counseling, Inc.**  
**Notes to Financial Statements**  
**December 31, 2018**

**NOTE A – 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 statements 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, 2018, 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, 2018**

**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 June 5, 2019, which is the date the financial statements were available to be issued. As of June 5, 2019, 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 B – 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, 2018.

**NOTE C - LEASES**

The Center leases its Franklin location from Crossforth and Nance. The rent is currently \$16,701.90 monthly for several offices plus a percentage of expenses allocated based on the square footage of the building leased by the Center



**The Refuge Center for Counseling, Inc.**  
**Schedule of Functional Expenses**  
**Year Ended December 31, 2018**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and payroll taxes	\$ 467,385	\$ 58,788	\$ 75,184	\$ 601,357
Employee Benefits	13,661			13,661
Contract fees	428,584			428,584
Consulting fees	416,898			416,898
Advertising	0	4,918	5,500	10,418
Rent	144,827	6,229	4,672	155,728
Fundraising			24,102	24,102
Maintenance		1,034		1,034
Telephone	3,385			3,385
Education and development	9,107			9,107
Professional fees	147,973	32,480	4,785	185,238
Program supplies	31,770			31,770
Meals and entertainment		6,095		6,095
Technology	3,600	10,913		14,513
Office supplies	4,036	12,109		16,145
Bank fees		19,135		19,135
Support animal expense	3,110			3,110
Printing/postage		5,871		5,871
Dues/subscriptions		1,484		1,484
Capital campaign			39,108	39,108
Insurance	15,131			15,131
Staff appreciation		7,319		7,319
Depreciation		12,119		12,119
<u>Total</u>	<u>\$1,689,467</u>	<u>\$178,494</u>	<u>\$153,351</u>	<u>\$ 2,021,312</u>

See accompanying notes and auditor's report