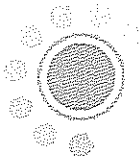


TRI COUNTY COUNSELING & LIFE SKILLS INC.  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011

TRI COUNTY COUNSELING & LIFE SKILLS INC.  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report.....	1
Financial Statements:	
Statement of Assets, Liabilities and Net Assets.....	2
Statement of Revenues and Expenses.....	3
Statement of Functional Expenses.....	4
Statement of Cash Flow.....	5
Notes to Financial Statements.....	6



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**INDEPENDENT AUDITOR'S REPORT**

To The Board of Directors  
Tri County Counseling & Life Skills Inc.  
North Port, Florida

We have audited the accompanying statement of assets, liabilities, and net assets – income tax basis of Tri County Counseling & Life Skills Inc. as of December 31, 2011, and the related statements of revenues and expenses, functional expenses and cash flows – income tax basis for the year then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared on the basis of accounting the company uses for federal income tax purposes, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Tri County Counseling & Life Skills Inc. as of December 31, 2011, and its revenues and expenses for the year then ended, on the basis of accounting as described in Note 1.

Wilson Tax and Accounting, Inc.  
DBA TaxSavers

Jeffrey Paul Goldstein, CPA

Members of:

National Association of Enrolled Agents ~ National Society of Accountants ~ Professional Association of Small Business Accountants

**TRI COUNTY COUNSELING & LIFE SKILLS INC.**  
**STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS**  
**DECEMBER 31, 2011**

	2011
<u>ASSETS</u>	
Current Assets:	
Cash and Savings	\$ 14,484
Property and Equipment	
Software	11,197
Furniture & Fixtures	11,580
Signage	609
Equipment	21,332
	44,718
Less: Accumulated Depreciation	(41,577)
Net Property and Equipment	3,141
Other Assets	
Deposits	1,466
Organization Costs	420
Less: Accumulated Amortization - Organization Costs	(420)
Net Organization Costs	0
Total Assets	\$ 19,091

LIABILITIES AND NET ASSETS

Current Liabilities:	
Note Payable - Regions Bank	\$ 66,258
Note Payable - Thomas Glaza	2,516
Note Payable - Dell (current portion)	1,140
Capital Lease - Marlin (current portion)	1,140
Payroll Taxes Payable	3,690
Total Current Liabilities	74,744
Other Liabilities	
Note Payable - Dell	2,508
Capital Lease - Marlin	2,470
Total Other Liabilities	4,978
Net Assets	(60,631)
Total Liabilities and Net Assets	\$ 19,091

The accompanying notes are in integral part of these financial statements

**TRI COUNTY COUNSELING & LIFE SKILLS INC.**  
**STATEMENT OF REVENUES AND EXPENSES**  
**YEAR ENDED DECEMBER 31, 2011**

	2011		
	Unrestricted	Temporarily Restricted	Total
<b>Revenues:</b>			
Client Fees	\$ 206,464	\$ -	\$ 206,464
Client Drug Testing	18,011		18,011
1 Day Education	19,295		19,295
Contributions	2,550		2,550
Less Refunds to Clients	(50)		(50)
<b>Total Revenues</b>	<b>246,270</b>	<b>-</b>	<b>246,270</b>
<b>Expenses:</b>			
Program Services	177,897		177,897
Management and General	60,373		60,373
Fundraising	-		-
<b>Total Expenditures</b>	<b>238,270</b>	<b>-</b>	<b>238,270</b>
<b>Changes in Net Assets</b>	<b>8,000</b>	<b>-</b>	<b>8,000</b>
<b>Net Assets:</b>			
Beginning of Year	(68,631)	-	(68,631)
End of Year	\$ (60,631)	\$ -	\$ (60,631)

The accompanying notes are in integral part of these financial statements

**TRI COUNTY COUNSELING & LIFE SKILLS INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2011**

	Year Ended December 31, 2011			
	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUND RAISING	TOTAL
Salaries	\$ 82,124	\$ 19,439	\$	\$ 101,563
Payroll Taxes	7,655	1,812		9,467
Accounting		3,340		3,340
Office Expenses		6,710		6,710
Occupancy	54,341	12,746		67,087
Interest	4,435			4,435
Depreciation		2,750		2,750
Insurance	2,613	695		3,308
Contract Services	17,215			17,215
Client Drug Testing Kits	4,221			4,221
Bank Service Charges		2,568		2,568
Licenses & Fees	2,424	1,344		3,768
Client Direct Expenses	788			788
Food	1,418			1,418
Seminars & Education	663			663
Advertising		2,300		2,300
Dues & Subscriptions		818		818
Entertainment		483		483
Internet Fees		1,977		1,977
Moving Expenses		118		118
Postage		313		313
Repairs & Maintenance		2,176		2,176
Supplies		508		508
Taxes & Licenses		76		76
Contributions		200		200
Total Expenses	\$ 177,897	\$ 60,373	\$ -	\$ 238,270

The accompanying notes are in integral part of these financial statements

**TRI COUNTY COUNSELING & LIFE SKILLS INC.**  
**STATEMENT OF CASH FLOW**  
**YEAR ENDED DECEMBER 31, 2011**

	2011
Cash Flows From Operating Activities	
Net Income (Loss)	\$ 8,000
Depreciation and Amortization	2,750
Deposits	5,220
Accrued Liabilities	2,980
Net Cash Flows From Operating Activities	18,950
Cash Flows From Investing Activities	
Capital Expenditures	(1,289)
Net Cash Flows From Investing Activities	(1,289)
Cash Flows From Financing Activities	
Notes Payable Borrowing	1,584
Notes Payable Repayments	(8,214)
Net Cash Flows From Financing Activities	(6,630)
Net Increase (Decrease) in Cash and Cash Equivalents	11,031
Cash and Cash Equivalents:	
Beginning of Year	3,453
End of Year	\$ 14,484

The accompanying notes are in integral part of these financial statements

TRI-COUNTY COUNSELING & LIFE SKILLS INC.  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING

Organization

Tri-County Counseling & Life Skills Center, Inc. (more familiarly known by local residents as Tri-County Counseling) is a non-profit, community-based agency that was founded and maintains its headquarters in North Port, Florida. Tri-County Counseling provides outpatient mental health education and counseling, substance abuse education and counseling, career guidance, case management services, educational guidance, and a variety of life skills courses and workshops for people of all ages, in individual, group, family, and couples settings.

The staff is made up of licensed counselors, masters-level counselor and social work interns, graduate school interns and practicum students, and persons certified to provide substance abuse counseling to individuals and their family members. They are an authorized training site for graduate students enrolled at Argosy University, Webster University, the University of South Florida, and Florida Gulf Coast University.

Tri-County Counseling's main office is open Monday through Saturday, and offers daytime, evening and weekend appointments and services. All services are offered at two satellite offices located in Osprey (698 S. Tamiami Trail) and Port Charlotte (4055 Tamiami Trail, Omni Center).

Tri-County is contracted to provide services for clients and their family members supervised by the Safe Children Coalition of Sarasota and Children's Network of Southwest Florida, DUI students monitored by the State College of Florida Traffic Safety Institute and Southwest Florida Safety Council, and HIV-positive persons under the auspices of Ryan White funding. Tri-County is certified to deliver services to individuals who are directed to complete requirements established by out-of-state DUI programs.

Basis of Presentation

The accompanying financial statements have been prepared on the income tax basis of accounting used for federal income tax reporting purposes. Under this method of accounting, revenues are generally recorded when earned and expenses are recognized when incurred. The accompanying financial statements – income tax basis are not intended to present the financial position and results of operation of the Company in conformity with accounting principles generally accepted in the United States of America.



TRI-COUNTY COUNSELING & LIFE SKILLS INC.  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND SIGNIFICANT OTHER INFORMATION (Continued)

Because many types of transactions are susceptible to varying interpretations under federal and state income tax laws and regulations, the amounts reported in the financial statements – income tax basis may be subject to change at a later date upon final determination by the taxing authorities.

Net assets, revenues, expenses, gains and losses are classified based in the existence or absence of donor-imposed restrictions. Accordingly, net assets of Tri-County and changes therein are classified and reports as follows:

Unrestricted net assets- Net assets are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Company and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of revenues and expenses as net assets released from restrictions.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by Tri-County. Generally, the donors of these assets permit Tri-County to use all or part of the income earned on any related investments for general or specific purposes.

Contributions

Services are recorded in the period in which they are provided. Contributions are recorded as received or unconditionally pledged. All contributions are available for unrestricted use unless specifically restricted by the donor.

Contributions of donated noncash assets are recorded at their fair values in the period received.

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

TRI-COUNTY COUNSELING & LIFE SKILLS INC.  
NOTES TO FINANCIAL STATEMENT  
YEAR ENDED DECEMBER 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND  
SIGNIFICANT OTHER INFORMATION (Continued)

Income Taxes

The activities of Tri-County are exempt from income taxes under section 501(c)(3) of the Internal Revenue Code and therefore have made no provision for income taxes. Federal and State taxing authorities generally have the right to examine tax returns for three years from the date of filing. Any interest or penalties incurred by Tri-County would be included in operating expenses in the accompanying financial statements.

Management has evaluated for uncertain tax positions and feels there are none. Federal and State taxing authorities generally have the right to examine returns for three years from the date of filing. Any interest or penalties incurred by Tri-County would be included in operating expenses in the accompanying financial statements. No interest or penalties are reflected in the 2011 financial statements.

Property and Equipment

Purchased property and equipment are carried at cost. Depreciation is provided in amounts sufficient to relate the cost of depreciable assets to operation over their estimated service lives.

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the statements of revenue, expenses and changes in fund balance. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Donated Materials and Services

Donated materials or services, when received, are reflected as contributions in the accompanying statements at their estimated fair market values at the date of receipt.

TRI-COUNTY COUNSELING & LIFE SKILLS INC.  
NOTES TO FINANCIAL STATEMENT  
YEAR ENDED DECEMBER 31, 2011

NOTE 2 – CAPITAL LEASE OBLIGATION

Tri-County leases one copier under a long-term lease agreement appropriately classified as Capital Lease - Marlin. Property and equipment in the accompanying financial statements include assets capitalized under capital leases as follows:

		<u>2011</u>
Copier	\$	5,700
Less Accumulated Depreciation		<u>4,781</u>
	\$	<u>919</u>

The following is a schedule of minimum payments under this capital lease.

Year Ending December 31:

2012	\$	1,140
2013		1,140
2014		1,140
2014		<u>190</u>
Total Future Payments	\$	<u>3,610</u>

NOTE 3 – NOTES PAYABLE

REGIONS BANK - \$66,258

Tri-County has a \$70,000 revolving line of credit with Regions Bank, which renews annually unless either party terminates the line of credit. This line of credit is collateralized by all of unrestricted assets of Tri-County and is used to fund the daily operations of Tri-County. There were no drawings on the line for the year 2011. Terms of the credit agreement state that the current balance and any future drawings are subject to an interest rate of 6%. This is an interest only line of credit with required minimum monthly payments of the interest expense as calculated. At the discretion of Tri-County, additional principal payments can be made at any time.

THOMAS GLAZA - \$2,516

Unsecured note, monthly payments of \$500 including interest at 3.5% per annum. The note matures May 2012.

TRI-COUNTY COUNSELING & LIFE SKILLS INC.  
 NOTES TO FINANCIAL STATEMENT  
 YEAR ENDED DECEMBER 31, 2011

NOTE 3 – NOTES PAYABLE (Continued)

DELL - \$3,648

Note with Dell Financial Services established in 2008 to facilitate the purchase of computer equipment and related software. The initial amount of the note was \$5,537. There have been no additional increases to this note since inception. Required monthly payments consist of principal and interest at a rate of 15.99% annually until balance is paid in full. This note is unsecured.

NOTE 4 – CONTRIBUTIONS AND GRANTS

Tri-County received grants in 2011 totaling \$2,550 as follows:

Thomas Glaza	\$	2,000
North Port Kiwanis Club		100
South Biscayne Baptist Church		250
Community Foundation of Sarasota		<u>200</u>
Total Grants	\$	<u>2,550</u>

NOTE 5 – DEPOSITS

Tri-County deposits as of December 31, 2011 are as follows:

First America Bank – Rent Deposit, Osprey Location	\$	915
Omni Center – Rent Deposit, Port Charlotte Location		425
Florida Power & Light – Utility Deposit		<u>126</u>
Total Deposits	\$	<u>1,466</u>

NOTE 6 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 1, 2012. A donation of one thousand dollars was received February 28, 2012 from the Venice Community Foundation for the Life Solutions for Today's Youth Program.