

PASTORAL COUNSELING AND CONSULTATION
CENTERS OF TENNESSEE, INC.
(D/B/A INSIGHT COUNSELING CENTERS)

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

PASTORAL COUNSELING AND CONSULTATION CENTERS OF TENNESSEE, INC.
(D/B/A INSIGHT COUNSELING CENTERS)
DECEMBER 31, 2019 and 2018

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THURMAN CAMPBELL GROUP, PLC
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Pastoral Counseling and Consultation Centers of Tennessee, Inc.
d/b/a Insight Counseling Centers
Nashville, TN

We have audited the accompanying financial statements of Pastoral Counseling and Consultation Centers of Tennessee, Inc., d/b/a Insight Counseling Centers (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits 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 Pastoral Counseling and Consultation Centers of Tennessee, Inc., d/b/a Insight Counseling Centers as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Thurman Campbell Group, PLC

Nashville, TN
September 8, 2020

PASTORAL COUNSELING AND CONSULTATION CENTERS OF TENNESSEE, INC.
(D/B/A INSIGHT COUNSELING CENTERS)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 and 2018

ASSETS

	<u>2019</u>	<u>2018</u>
Current Assets:		
Cash and Cash Equivalents	\$ 23,732	\$ 18,052
Cash and Cash Equivalents - Restricted	67,120	10,070
Pledges Receivable, current	7,235	15,360
Patients Accounts Receivable	2,350	3,345
Grants Receivable, current	<u>18,000</u>	<u>26,500</u>
Total Current Assets	<u>118,437</u>	<u>73,327</u>
 Furniture and Equipment, net	 <u>-</u>	 <u>-</u>
Noncurrent Assets:		
Pledges Receivable, noncurrent	5,000	-
Grants Receivable, noncurrent	<u>5,000</u>	<u>-</u>
Total Noncurrent Assets	<u>10,000</u>	<u>-</u>
 Total Assets	 <u>\$ 128,437</u>	 <u>\$ 73,327</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts Payable	\$ 3,497	\$ 3,870
Line of Credit Payable	-	9,918
Accrued Expenses	<u>17,472</u>	<u>14,555</u>
Total Current Liabilities	<u>20,969</u>	<u>28,342</u>
Net Assets:		
Without Donor Restrictions	17,348	8,415
With Donor Restrictions	<u>90,120</u>	<u>36,570</u>
Total Net Assets	<u>107,468</u>	<u>44,985</u>
 Total Liabilities and Net Assets	 <u>\$ 128,437</u>	 <u>\$ 73,327</u>

SEE ACCOMPANYING NOTES AND AUDITOR'S REPORT

PASTORAL COUNSELING AND CONSULTATION CENTERS OF TENNESSEE, INC.
(D/B/A INSIGHT COUNSELING CENTERS)
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018

	For Year Ended December 31, 2019			For Year Ended December 31, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<u>SUPPORT, REVENUES, AND RECLASSIFICATIONS</u>						
Contributions	\$ 48,016	\$ -	\$ 48,016	\$ 136,051	\$ -	\$ 136,051
Grants	17,255	228,910	246,165	19,910	122,403	142,313
Counseling Services	348,782	-	348,782	290,665	-	290,665
Special Events	76,878	-	76,878	30,193	-	30,193
Investment Income	26	-	26	-	-	-
Net Assets Released From Restrictions	175,360	(175,360)	-	145,498	(145,498)	-
Total Support, Revenues and Reclassifications	666,317	53,550	719,867	622,317	(23,095)	599,222
<u>EXPENSES</u>						
Program	485,024	-	485,024	442,925	-	442,925
General and Administrative	102,821	-	102,821	102,482	-	102,482
Fundraising	69,539	-	69,539	71,064	-	71,064
Total Expenses	657,384	-	657,384	616,471	-	616,471
<u>CHANGE IN NET ASSETS</u>	8,933	53,550	62,483	5,846	(23,095)	(17,249)
<u>NET ASSETS, BEGINNING</u>	8,415	36,570	44,985	2,569	59,665	62,234
<u>NET ASSETS, ENDING</u>	\$ 17,348	\$ 90,120	\$ 107,468	\$ 8,415	\$ 36,570	\$ 44,985

SEE ACCOMPANYING NOTES AND AUDITOR'S REPORT

PASTORAL COUNSELING AND CONSULTATION CENTERS OF TENNESSEE, INC.
(D/B/A INSIGHT COUNSELING CENTERS)
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018

	Year Ended December 31, 2019				Year Ended December 31, 2018			
	General and				General and			
	Program	Administrative	Fundraising	Total	Program	Administrative	Fundraising	Total
Salaries & Wages	\$ 187,599	\$ 60,683	\$ 42,220	\$ 290,502	\$ 252,776	\$ 59,539	\$ 42,827	\$ 355,142
Contract Labor	211,354	19,580	-	230,934	99,246	19,117	7,973	126,336
Payroll Taxes	13,178	4,247	2,956	20,381	18,703	4,270	3,083	26,056
Public Relations	2,025	2,025	12,432	16,482	2,334	2,335	6,644	11,313
Employee Benefits	4,003	1,895	1,895	7,793	4,079	2,839	2,544	9,462
Payroll Processing	2,291	429	143	2,863	1,613	303	101	2,017
Travel	1,787	682	269	2,738	1,594	506	122	2,222
Fees, Dues, & Subscriptions	1,104	663	442	2,209	582	350	233	1,165
Insurance	4,816	903	301	6,020	4,629	868	289	5,786
Rent	5,400	600	-	6,000	4,950	550	-	5,500
Technology Support	8,629	1,355	721	10,705	9,422	1,217	807	11,446
Supplies	1,980	1,020	680	3,680	2,629	693	464	3,786
Telephone	1,083	309	155	1,547	1,147	328	165	1,640
Internet	2,328	665	333	3,326	1,951	557	279	2,787
Credit Card Processing	6,298	415	894	7,607	5,096	310	513	5,919
Bank Charges	451	437	437	1,325	585	567	567	1,719
Printing & Copying	2,636	520	186	3,342	2,892	657	274	3,823
Postage & Delivery	488	163	163	814	649	217	217	1,083
Professional Fees	20,494	3,718	2,788	27,000	5,012	2,811	1,889	9,712
Equipment Rental	2,434	696	348	3,478	2,509	717	359	3,585
Marketing	1,670	1,616	2,119	5,405	2,591	1,252	825	4,668
Staff Development	2,526	80	27	2,633	15,125	2,269	756	18,150
Donations	-	-	-	-	20	-	80	100
Janitorial	450	120	30	600	787	210	53	1,050
Loss on Disposal of Assets	-	-	-	-	2,004	-	-	2,004
Total Expenses	\$ 485,024	\$ 102,821	\$ 69,539	\$ 657,384	\$ 442,925	\$ 102,482	\$ 71,064	\$ 616,471

SEE ACCOMPANYING NOTES AND AUDITOR'S REPORT

PASTORAL COUNSELING AND CONSULTATION CENTERS OF TENNESSEE, INC.
(D/B/A INSIGHT COUNSELING CENTERS)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<u>Cash Flows from Operating Activities:</u>		
Change in Net Assets	<u>\$ 62,483</u>	<u>\$ (17,249)</u>
Adjustments to Reconcile Change in Net Assets To Net Cash Provided By (Used In) Operating Activities:		
Loss on Disposal of Assets	-	2,004
(Increase) Decrease in Pledges Receivable	8,125	(7,310)
(Increase) Decrease in Patients Accounts Receivable	995	(1,429)
(Increase) Decrease in Grants Receivable	8,500	(11,500)
(Increase) Decrease in Prepaid Expenses	-	500
Increase (Decrease) in Accounts Payables	(373)	845
Increase (Decrease) in Accrued Payroll and Other Liabilities	<u>2,917</u>	<u>(388)</u>
Total Adjustments	<u>15,165</u>	<u>(17,279)</u>
Net Cash Provided By (Used In) Operating Activities	<u>77,648</u>	<u>(34,528)</u>
<u>Cash Flows from Financing Activities:</u>		
Increase (Decrease) in Line of Credit Payable	<u>(9,918)</u>	<u>9,918</u>
Net Cash Provided By (Used In) Financing Activities	<u>(9,918)</u>	<u>9,918</u>
Net Increase (Decrease) in Cash and Cash Equivalents	67,730	(24,610)
Cash and Cash Equivalents-Beginning	<u>28,122</u>	<u>52,732</u>
Cash and Cash Equivalents-Ending	<u>\$ 95,852</u>	<u>\$ 28,122</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Financial Position:		
Cash and Cash Equivalents	\$ 23,732	\$ 18,052
Cash and Cash Equivalents - Restricted	<u>67,120</u>	<u>10,070</u>
Total Cash and Cash Equivalents	<u>\$ 90,852</u>	<u>\$ 28,122</u>

SEE ACCOMPANYING NOTES AND AUDITOR'S REPORT

PASTORAL COUNSELING AND CONSULTATION CENTERS OF TENNESSEE, INC.
(D/B/A INSIGHT COUNSELING CENTERS)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 and 2018

1. NATURE OF OPERATIONS

Organized in 1984, Pastoral Counseling and Consultation Centers of Tennessee, Inc., d/b/a Insight Counseling Centers (ICC), is a not-for-profit corporation committed to providing spiritually integrated therapy to individuals, couples, and families. Additionally, the agency provides training for counselors and mental awareness education for communities in Middle Tennessee. Such organizations are typically classified as voluntary health and welfare (VHW) entities.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

ICC, for financial statement purposes, includes all of the assets and liabilities relevant to the operations of ICC. The financial statements presented herein do not include any other agencies or organizations which are separate and distinct units of themselves.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. ICC utilizes the accrual basis of accounting which recognizes revenues when earned and expenses when incurred.

The Financial Accounting Standards Board (FASB) has established standards concerning contributions and financial statement presentation applicable to non-governmental not-for-profit organizations such as ICC. These standards require that unconditional promises to give (pledges) be recorded as receivables and revenues and require ICC to distinguish among contributions received for each net asset category in accordance with two classes of net assets: with and without donor restrictions.

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

C. Revenue and Support

For grants qualifying as exchange transactions, revenue is recognized in the period when eligible expenditures are incurred under the terms of the grant. Such grant funds received prior to expenditure are recorded initially as unearned revenue.

Revenue (other than contributions) is recognized when services are rendered and/or reimbursable charges are incurred under the terms of the agreement. Revenue received in advance of services provided and/or reimbursable charges being incurred are recorded as unearned revenue.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D. Support and Expenses

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets without donor restrictions. ICC reports gifts of cash and other assets as support and net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in statements activities as net assets released from restrictions.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Gifts of land, buildings, equipment, other long-lived assets and gifts of cash that must be used to acquire long-lived assets are reported as support and net assets without donor restrictions unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as support and net assets with donor restrictions. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of net assets with donor restrictions to net assets without donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

E. Tax-Exempt Status

ICC is a not-for-profit corporation and the Internal Revenue Service has granted ICC exempt status under Section 501(c)(3) of the Internal Revenue Code (IRC). Accordingly, no provision for income taxes has been made in the accompanying financial statements. ICC is required to file annually a federal exempt organization information return, an IRS Form 990. As of December 31, 2019, ICC's tax years for 2016, 2017 and 2018 are subject to examination by the IRS.

F. Patient Accounts, Pledges, and Grants Receivable

Patient accounts receivable consists of third-party billings to patients for work performed by participants in the therapy program and these billings may be covered by patient's health insurance. Pledges receivable consists of unconditional promises to give primarily from individual donors. Grants receivable consists primarily of awards from private foundations to support compassionate mental health counseling to residents of Middle Tennessee who need financial aid to obtain such related therapy. As of December 31, 2019, patient accounts receivable consists of \$2,350, pledges receivable consists of \$12,235, and grant receivables consists of \$23,000 on the statements of financial position. At December 31, 2019, \$7,235 of the pledges receivable and \$18,000 of the grants receivable are expected to be collected in less than one year, with \$5,000 of the pledges receivable and \$5,000 of the grants receivable expected to be collected in one to five years.

Management periodically reviews all delinquent receivables and charges off accounts after collection efforts are exhausted. The allowance for doubtful receivables, if any, represents an amount which, in management's judgment, reflects the net collectible balance of the receivable. In determining the adequacy of the allowance, management considers general economic conditions, the client's past credit experience and the donor's past support and/or financial ability, the age of the receivable, and any potential collateral. As of December 31, 2019, and 2018, management has evaluated, its receivables and has determined that all amounts are fully collectible and no allowance for uncollectible accounts is necessary.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

G. Advertising Costs

All advertising costs are expensed as incurred. Advertising costs totaled \$5,405 in 2019 and \$4,668 in 2018.

H. Cash and Cash Equivalents

For the purposes of the statement of cash flows, ICC considers bank deposits and all highly liquid instruments with a maturity of three months or less when purchased to be cash and cash equivalents.

I. Restricted Cash

ICC's restricted cash consists of cash contributions that are subject to grantor-imposed stipulations as to the timing or manner of use.

J. Property and Equipment

Purchased property and equipment are carried at cost. Donated equipment is recorded at estimated market value at the date of donation. Equipment purchased with a unit cost in excess of \$2,500 is capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally three to five years. Expenditures for maintenance and repairs are charged to expense as incurred. Expenditures for improvements, renewals and significant repairs that extend the useful life of an asset are capitalized.

K. Functional Allocation of Expenses

Functional allocation of expenses is allocated to program expenses, management and general, and fundraising based upon estimates deemed appropriate and rational by management.

L. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

M. Compensated Absences

Employees of ICC are entitled to paid vacation, paid sick days and personal days off, depending on job classification, length of service, and other factors. It is impracticable to estimate the amount of compensation for future absences, and, accordingly, no liability has been recorded in the accompanying financial statements. ICC's policy is to recognize the cost of compensated absences when actually paid to employees.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

N. Fair Values

ICC has an established process for determining fair values of financial assets and liabilities, primarily receivables to be received in over one year and payables to be paid in over one year, i.e., of a long-term nature. When applicable, fair value is based upon quoted market prices, where available. If listed prices or quotes are not available, fair value is based upon internally developed models or processes that use primarily market-based or independently-sourced market data. Valuation adjustments are made as deemed appropriate to ensure that financial instruments are recorded at fair value. As of December 31, 2019, and 2018, ICC had no long-term assets or liabilities that required fair values to be determined. Pledges receivable were recorded at net realizable value which approximates fair value.

O. Recent Authoritative Accounting Guidance

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). This guidance outlines a single comprehensive model for companies to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The core principle of the revenue model is that revenue is recognized when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. Transfer of control is not the same as transfer of risks and rewards, as it is considered in current guidance. The Organization will also need to apply new guidance to determine whether revenue should be recognized over time or at a point in time. The Organization is currently evaluating the impact of this election on the financial statements. The guidance is not expected to have a material effect on the Organization's financial statements.

3. SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 8, 2020, the date on which the financial statements were available to be issued.

4. RISK MANAGEMENT

ICC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. ICC has elected to obtain various insurance policies to transfer risk to a commercial insurance company. Insurance settlements have not been in excess of insurance coverage in any of the prior three fiscal years.

5. CONTINGENCIES AND CONCENTRATIONS

ICC maintains its cash in bank deposit accounts at a local branch of a well-known regional financial institution with operations in markets throughout Middle Tennessee. The balances, at times, may exceed federally insured limits. ICC has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risk on cash and cash equivalents in its deposit accounts. In addition, when necessary to comply with donor restrictions, e.g. grant requirements, cash has been maintained in separate accounts.

Approximately 60% of the receivables are due from two grantors/donors and are considered fully collectible by the management.

5. CONTINGENCIES AND CONCENTRATIONS (CONT'D)

Grants and bequests may require the fulfillment of certain conditions as set forth in the grant or bequest documents. Failure to fulfill any such conditions could result in the return of the funds to the grantors or donors. Although such a circumstance is a possibility, management deems such a contingency remote because ICC has historically complied satisfactorily with grantor/donor provisions. By accepting the gift and their terms, ICC has demonstrated its intent and its policy to accommodate the intentions of the grantors/donors and to coordinate them with the objectives of the Organization.

6. DONATED SERVICES

Officers, members of the Board of Directors, and other volunteers of ICC have assisted in the accomplishment of its goals and objectives by the donation of their time and services. No amounts have been reflected in the financial statements for such donations as it was not practicable to determine the valuation of such services to ICC, and it exercises no significant control over the major elements of donated services.

7. SPECIAL EVENTS

During the fiscal years ended December 31, 2019 and 2018, ICC sponsored and/or participated in several fund-raising events. These events serve as sources of additional revenue and greater public awareness. ICC received revenues from the special events of \$76,878 in 2019 and of \$30,193 in 2018.

8. OPERATING LEASES

Historically, ICC has entered into annual leases for housing of administrative offices and of counseling meeting space and such leases have been generally cancellable on a month to month basis. In addition, supporting church congregations generally donate meeting space at each church when such space is not being used for church purposes. As of December 31, 2019, and 2018, there was one lease for administrative offices and also one for equipment usage resulting in related rental expense for 2019 of \$6,000 and for 2018 of \$5,500 for office space and also for 2019 of \$3,478 and for 2018 of \$3,585 for equipment usage.

9. PROPERTY AND EQUIPMENT

Details of property and equipment, net at December 31, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Furniture and Equipment	\$ 43,749	\$ 43,749
Less: Accumulated Depreciation	<u>(43,749)</u>	<u>(43,749)</u>
Net Property and Equipment	<u>\$ -</u>	<u>\$ -</u>

Depreciation was \$0 for 2019 and was \$0 for 2018.

10. LINE OF CREDIT

ICC has a line of credit with Pinnacle Bank that provides for borrowings up to \$50,000 at a variable interest rate based on an index that is the Pinnacle base rate, which is set by the Bank at its sole discretion plus 1.50%. The base rate is currently 5.25%, which yields an interest rate of 6.75%. The outstanding balance on the line of credit as of December 31, 2019 was \$0 and it was \$9,918 as of December 31, 2018. The line of credit is secured by all real or personal property of ICC and also by the guarantees of two members of its Board of Directors. The line of credit expired on April 10, 2019 at which time it was extended for an additional year under basically the same terms.

11. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

ICC has \$33,317 of financial assets available within one year of the statement of financial position date to meet cash needs for general operating expenditures, consisting of cash and cash equivalents of \$23,732, and receivables of \$9,585. As part of ICC's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

12. NET ASSETS

Net assets as of December 31, 2019 and 2018 were as follows:

<u>Net Assets Without Donor Restrictions:</u>	<u>2019</u>	<u>2018</u>
Undesignated	\$ 17,348	\$ 8,415
Total Net Assets Without Donor Restrictions	<u>\$ 17,348</u>	<u>\$ 8,415</u>
<u>Net Assets With Donor Restrictions:</u>		
Unexpended funds received for restricted purposes:		
Aladdin Industries Foundation	\$ 22,000	\$ -
Angel Fund	2,500	-
Bonnaroo Works Fund	5,000	-
Tusculum Sife	5,000	4,200
CMC Community Health Foundation	8,340	5,870
Joe C Davis Foundation	23,611	-
United Way of Rutherford County	504	-
West End Home Foundation	165	-
Subject to passage of time	<u>23,000</u>	<u>26,500</u>
Total Net Assets With Donor Restrictions	<u>\$ 90,120</u>	<u>\$ 36,570</u>

Restricted cash consists of the cash deposits held for the purposes listed under net assets with donor restrictions.

13. NEW ACCOUNTING PRONOUNCEMENT

Effective for the fiscal year ending December 31, 2018, ICC adopted the provisions of FASB ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. ICC has adjusted the presentation of its financial statements accordingly, applying the changes retrospectively to the financial statements presented. The new standards change the following aspects of ICC's financial statements:

- The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The financial statements include a new disclosure about liquidity and availability of financial resources (Note 11).

13. NEW ACCOUNTING PRONOUNCEMENT (CONT'D)

The changes have the following effect on net assets as of December 31, 2018:

<u>Net Asset Class</u>	<u>As Originally Presented</u>	<u>After Adoption of ASU 2016-14</u>
Unrestricted Net Assets	\$ 8,415	\$ -
Temporarily Restricted Net Assets	36,570	-
Net Assets Without Donor Restrictions	-	8,415
Net Assets With Donor Restrictions	-	36,570
Total Net Assets	<u>\$ 44,985</u>	<u>\$ 44,985</u>

14. CHANGE IN PRESENTATION

Certain items from the prior year have been reclassified to conform to current year presentation.