

**Pastoral Counseling and Consultation
Centers of Tennessee, Inc.
dba Insight Counseling Centers**

Financial Statements
For the Years Ended December 31, 2022 and 2021

Pastoral Counseling and Consultation Centers of Tennessee, Inc.
dba Insight Counseling Centers
Financial Statements
For the Years Ended December 31, 2022 and 2021

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Independent Auditor's Report

Board of Directors
Pastoral Counseling and Consultation Centers of Tennessee, Inc.
dba Insight Counseling Centers

Opinion

We have audited the financial statements of Pastoral Counseling and Consultation Centers of Tennessee, Inc. dba Insight Counseling Centers (the Organization), which comprise the statements of financial position as of December 31, 2022 and 2021, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in note 2 to the financial statements, the 2021 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Brentwood, Tennessee
August 23, 2023

Pastoral Counseling and Consultation Centers of Tennessee, Inc.
dba Insight Counseling Centers
 Statements of Financial Position
 December 31, 2022 and 2021

	2022	2021
Assets		
Current assets		
Cash and cash equivalents	\$ 267,778	\$ 254,617
Accounts receivable	18,900	11,500
Pledges receivable, current	68,801	36,500
Total current assets	355,479	302,617
 Cash and cash equivalents designated for long-term purposes	-	10,000
Property, plant, and equipment, net	-	-
Pledges receivable, noncurrent	1,800	2,000
Investments	48,413	-
Total assets	\$ 405,692	\$ 314,617
 Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 584	\$ 85
Accrued expenses	20,110	21,286
Total current liabilities	20,694	21,371
 Net assets		
Without donor restrictions		
Unrestricted	240,984	239,238
Board designated	48,413	10,000
Total net assets without donor restrictions	289,397	249,238
With donor restrictions	95,601	44,008
Total net assets	384,998	293,246
Total liabilities and net assets	\$ 405,692	\$ 314,617

Pastoral Counseling and Consultation Centers of Tennessee, Inc.
dba Insight Counseling Centers
Statement of Activities
For the Year Ended December 31, 2022

	Without donor restrictions	With donor restrictions	Total
Support and Revenues			
Contributions of cash and other financial assets	\$ 263,784	\$ 104,703	\$ 368,487
Contributions of nonfinancial assets	71,825	-	71,825
Counseling services	547,871	-	547,871
Special events	24,024	-	24,024
Dividend and interest income	2,283	-	2,283
Unrealized gain (loss) on investments	(2,033)	-	(2,033)
Net assets released from restrictions	<u>53,110</u>	<u>(53,110)</u>	<u>-</u>
Total support and revenues	960,864	51,593	1,012,457
Expenses			
Program services	669,183	-	669,183
Management and general	158,043	-	158,043
Fundraising	<u>93,479</u>	<u>-</u>	<u>93,479</u>
Total expenses	920,705	-	920,705
Change in net assets	40,159	51,593	91,752
Net assets, beginning of year	<u>249,238</u>	<u>44,008</u>	<u>293,246</u>
Net assets, end of year	\$ 289,397	\$ 95,601	\$ 384,998

Pastoral Counseling and Consultation Centers of Tennessee, Inc.
dba Insight Counseling Centers
Statement of Activities
For the Year Ended December 31, 2021

	Without donor restrictions	With donor restrictions	Total
Support and Revenues			
Contributions of cash and other financial assets	\$ 259,424	\$ 39,337	\$ 298,761
Contributions of nonfinancial assets	69,485	-	69,485
PPP loan forgiveness	66,983	-	66,983
Counseling services	481,059	-	481,059
Special events	38,720	-	38,720
Dividend and interest income	131	-	131
Net assets released from restrictions	29,149	(29,149)	-
Total support and revenues	944,951	10,188	955,139
Expenses			
Program services	566,634	-	566,634
Management and general	148,164	-	148,164
Fundraising	88,778	-	88,778
Total expenses	803,576	-	803,576
Change in net assets	141,375	10,188	151,563
Net assets, beginning of year	107,863	33,820	141,683
Net assets, end of year	\$ 249,238	\$ 44,008	\$ 293,246

Pastoral Counseling and Consultation Centers of Tennessee, Inc.
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Statement of Functional Expenses
For the Year Ended December 31, 2022

	Program services	Management and general	Fundraising	Total
Salaries and benefits	\$ 220,094	\$ 61,333	\$ 43,294	\$ 324,721
Payroll taxes	16,838	4,692	3,312	24,842
Employee benefits	14,046	7,352	5,285	26,683
Advertising	6,176	3,073	4,097	13,346
Bank charges	218	212	212	642
Bad debt	3,838	-	-	3,838
Contract labor	237,253	62,525	19,047	318,825
Contributions to others	103	-	-	103
Credit card processing	10,978	722	1,551	13,251
Equipment rental	450	129	64	643
Fees, dues, and subscriptions	914	548	366	1,828
Insurance	6,043	1,133	378	7,554
Internet	939	268	134	1,341
Janitorial	1,414	377	94	1,885
Payroll processing	1,755	329	110	2,194
Postage and delivery	330	110	110	550
Printing and copying	76	22	11	109
Professional fees	33,942	2,029	1,476	37,447
Public relations	2,025	2,025	10,945	14,995
Rent	64,642	7,183	-	71,825
Staff development	3,531	172	57	3,760
Supplies	20,342	1,558	1,112	23,012
Technology support	22,168	1,847	1,604	25,619
Telephone	619	177	89	885
Travel	449	227	131	807
	\$ 669,183	\$ 158,043	\$ 93,479	\$ 920,705

Pastoral Counseling and Consultation Centers of Tennessee, Inc.
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Statement of Functional Expenses
For the Year Ended December 31, 2021

	Program services	Management and general	Fundraising	Total
Salaries and benefits	\$ 182,730	\$ 65,731	\$ 45,314	\$ 293,775
Payroll taxes	13,964	5,019	3,460	22,443
Employee benefits	12,795	7,324	5,375	25,494
Advertising	1,132	1,132	1,510	3,774
Bank charges	186	181	181	548
Contract labor	208,485	51,904	16,211	276,600
Credit card processing	10,497	628	961	12,086
Equipment rental	450	129	64	643
Fees, dues, and subscriptions	864	519	346	1,729
Insurance	5,827	1,093	364	7,284
Internet	1,050	300	150	1,500
Janitorial	1,316	351	88	1,755
Payroll processing	1,326	249	83	1,658
Postage and delivery	247	82	82	411
Printing and copying	187	23	2	212
Professional fees	23,478	1,275	980	25,733
Public relations	1,341	1,341	10,918	13,600
Rent	63,886	7,099	-	70,985
Staff development	4,089	152	51	4,292
Supplies	10,953	1,196	890	13,039
Technology support	21,146	2,231	1,642	25,019
Telephone	656	188	94	938
Travel	29	17	12	58
	\$ 566,634	\$ 148,164	\$ 88,778	\$ 803,576

Pastoral Counseling and Consultation Centers of Tennessee, Inc.
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 Statements of Cash Flows
 For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash and cash equivalents, beginning of year	\$ 264,617	\$ 114,757
Cash flows from operating activities		
Change in net assets	91,752	151,563
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
PPP loan forgiveness	-	(66,983)
Unrealized (gains) losses on investments	2,033	-
Change in:		
Accounts receivable	(7,400)	(11,500)
Pledges receivable	(32,101)	6,525
Accounts payable	499	(759)
Accrued expenses	(1,176)	4,031
Net cash provided (used) by operating activities	53,607	82,877
Cash flows from investing activities		
Purchases of investments	(50,446)	-
Cash flows from financing activities		
Proceeds from PPP loan	-	66,983
Net change in cash and cash equivalents	3,161	149,860
Cash and cash equivalents, end of year	\$ 267,778	\$ 264,617
Reconciliation of cash and cash equivalents to statement of financial position		
Cash and cash equivalents	\$ 267,778	\$ 254,617
Cash and cash equivalents designated for long-term purposes	-	10,000
	\$ 267,778	\$ 264,617

Pastoral Counseling and Consultation Centers of Tennessee, Inc.
dba Insight Counseling Centers
Notes to Financial Statements
For the Years Ended December 31, 2022 and 2021

Note 1. Nature of Operations

Organized in 1984, Pastoral Counseling and Consultation Centers of Tennessee, Inc. dba Insight Counseling Centers (ICC or the Organization), is a not-for-profit corporation committed to providing spiritually integrated therapy to individuals, couples, and families. Additionally, the Organization 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.

Note 2. Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP).

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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. 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.

ICC has cash and cash equivalents board designated for long-term purposes of \$0 and \$10,000 as of December 31, 2022 and 2021, respectively, which is included as a component of the endowment fund (note 7). Cash equivalents board designated for long-term purposes include investment in a money market account which is reported at its carrying value, which approximates fair value.

Accounts Receivable

Accounts receivable are obligations due for counseling services provided and fundraising event sponsorships. Accounts receivable are considered current since they are expected to be collected within one year. No allowances for uncollectible accounts receivable were deemed necessary as of December 31, 2022 and 2021.

Pledges Receivable

Pledges receivable include pledges for contributions and awarded grants which have not been fully disbursed to ICC. Pledges for contributions are recorded at fair value for all unconditional promises to give. No allowances for uncollectible pledges receivable were deemed necessary as of December 31, 2022 and 2021.

Investments

ICC reports investments in marketable securities at the daily closing price as reported by actively traded markets. Investment income and gains and losses on investments are reported in the statements of activities as increases or decreases in net assets without donor restrictions.

Pastoral Counseling and Consultation Centers of Tennessee, Inc.
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Notes to Financial Statements
For the Years Ended December 31, 2022 and 2021

Note 2. Significant Accounting Policies

Investments

Gains or losses on the sale of securities are recognized at the time of sale and are included in other income and expense in the statements of activities.

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.

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.

Revenue Recognition

For grants qualifying as exchange transactions, revenues are 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 revenues.

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

Contributions of Cash and Other Financial Assets (New Accounting Pronouncement Adopted in 2022)

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 financial 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.

Pledges receivable consist of unconditional promises to give from individual donors and awards from private foundations to support compassionate mental health counseling to residents of Middle Tennessee who need financial aid to obtain such related therapy. ICC considers all amounts to be collectible; therefore, no allowance for credit losses is provided.

Pastoral Counseling and Consultation Centers of Tennessee, Inc.
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Notes to Financial Statements
For the Years Ended December 31, 2022 and 2021

Note 2. Significant Accounting Policies

Contributions of Nonfinancial Assets (New Accounting Pronouncement Adopted in 2022)

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.

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 valuations of such services to ICC, and it exercises no significant control over the major elements of donated services.

PPP Loan

On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. ICC received a loan in accordance with the Paycheck Protection Program (PPP) section of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). US GAAP provides companies with several alternatives for reporting the loan and any future forgiveness: 1) proceeds can be treated as *debt* and future forgiveness recognized as income when the loan or any portion thereof is formally discharged; 2) proceeds can be treated as a *conditional contribution* where they recognize a refundable advance and derecognize the liability, and recognize income, as the conditions for forgiveness are substantially met or explicitly waived; ICC has elected to treat the PPP loan as a contribution.

Income Taxes

ICC is a not-for-profit corporation and the Internal Revenue Service (IRS) has granted ICC exempt status under Section 501(c)(3) of the Internal Revenue Code. 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. The Organization's federal Form 990, Return of Organization Exempt from Income Tax is generally subject to examination by the Internal Revenue Service (IRS) for three years after the date it is filed.

Advertising Costs

All advertising costs are expensed as incurred.

Pastoral Counseling and Consultation Centers of Tennessee, Inc.
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Notes to Financial Statements
For the Years Ended December 31, 2022 and 2021

Note 2. Significant Accounting Policies

Allocation of Functional Expenses

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

Reclassifications of Certain Revenues

Certain revenues on the statement of activities for the year ended December 31, 2021 have been reclassified, with no effect on change in net assets, to be consistent with the classifications for the year ended December 31, 2022.

Restatement of Prior Year

Contributions of nonfinancial assets and rent expense for the year ended December 31, 2021 have been restated by \$69,485 to recognize contributed nonfinancial assets for the year then ended. This correction had no effect upon change in net assets reported for 2021.

Note 3. Liquidity and Availability

The following represents ICC's financial assets:

	2022	2021
Financial assets		
Cash and cash equivalents, net	\$ 267,778	\$ 264,617
Accounts receivable	18,900	11,500
Pledges receivable	70,601	38,500
Investments	<u>48,413</u>	<u>-</u>
Total financial assets at year-end	405,692	314,617
Less amounts not available to be used within one year		
Net assets with donor restrictions	(95,601)	(44,008)
Net assets board designated for long-term use	<u>(48,413)</u>	<u>(10,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ 261,678	\$ 260,609

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.

Note 4. Pledges Receivable

The following represents ICC's pledges receivable:

	2022	2021
In less than one year	\$ 68,801	\$ 36,500
In one to five years	<u>1,800</u>	<u>2,000</u>
Total	\$ 70,601	\$ 38,500

Pastoral Counseling and Consultation Centers of Tennessee, Inc.
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Notes to Financial Statements
For the Years Ended December 31, 2022 and 2021

Note 5. Investments

ICC holds investments in a brokerage account registered with the Securities Investor Protection Corporation. The various types of investments, carried at fair value determined using quoted market prices, are listed below as of December 31, 2022:

	Fair Value	Cost	Cumulative Unrealized Gain (Loss)
Money Market	\$ 8,116	\$ 8,116	\$ -
Exchange traded funds	30,705	32,500	(1,795)
Common stock	<u>9,592</u>	<u>9,830</u>	<u>(238)</u>
Total	\$ 48,413	\$ 50,446	\$ (2,033)

Note 6. Fair Value Measurements

The FASB ASC 820 provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that ICC has the ability to access.

Level 2 Inputs – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active or non-active markets, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following assets carried at fair value are reviewed and adjusted on a recurring basis based on quoted market prices. Fair values as of December 31, 2022 are as follows:

	Level 1	Level 2	Level 3	Total
Money market	\$ 8,116	\$ -	\$ -	\$ 8,116
Equity security funds	20,988	-	-	20,988
Debt security funds	9,717	-	-	9,717
Equity securities	<u>9,592</u>	<u>-</u>	<u>-</u>	<u>9,592</u>
Total	\$ 48,413	\$ -	\$ -	\$ 48,413

Pastoral Counseling and Consultation Centers of Tennessee, Inc.
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Notes to Financial Statements
For the Years Ended December 31, 2022 and 2021

Note 7. Board-designated Endowment Fund

The Board of Directors approved the establishment of an endowment fund with an initial funding plan on July 16, 2020 and approved the full funding of the endowment fund on February 17, 2022. These funds are designated for long-term investment by the Board of Directors.

ICC has adopted investment return objectives and risk parameters for endowment assets. This policy was approved by the Board of Directors on October 27, 2022.

The approved asset allocation is as follows:

Money market and government-backed Treasury securities	0% – 30%
Equity securities	50% – 100%
Fixed income securities (investment grade – BBB/Baa or higher)	0% – 50%

The changes in endowment assets are comprised of the following:

	2022	2021
Balance, beginning of year	\$ 10,000	\$ -
Contributions	40,000	10,000
Interest and dividends	446	-
Net realized and unrealized appreciation (depreciation)		
on investment return	(2,033)	-
Total investment return	(1,587)	-
Amounts appropriated for expenditure	-	-
Balance, end of year	\$ 48,413	\$ 10,000

ICC considers the following factors in making a determination to appropriate board-designated endowment funds:

- The duration and preservation of the board-designated endowment fund
- The purposes of ICC and the endowment fund
- The general economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and appreciation of investments
- The investment policies of ICC
- The expenditure rules adopted by the Board of Directors

Pastoral Counseling and Consultation Centers of Tennessee, Inc.
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Notes to Financial Statements
For the Years Ended December 31, 2022 and 2021

Note 8. Net Assets with Donor Restrictions

Net assets restricted by donors for time and purpose restrictions consisted of the following:

	2022	2021
Purpose restricted	\$ 60,086	\$ 26,508
Subject to passage of time	<u>35,515</u>	<u>17,500</u>
Total restricted net assets at year-end	\$ 95,601	\$ 44,008

Note 9. Contributions of Nonfinancial Assets

Contributed nonfinancial assets for the years ended December 31, 2022 and 2021, included in the financial statements, were as follows:

	2022	2021
Rent	\$ 71,825	\$ 69,485

ICC did not recognize any contributions of nonfinancial assets with donor-imposed restrictions.

ICC has entered into written agreements with multiple entities, such as churches, to provide office space for counseling services and administrative activities without the exchange of cash or other financial consideration. In valuing the contributed office spaces, which are located throughout middle Tennessee, ICC estimated the fair value on the basis of recent comparable rent prices in the real estate markets in which offices are located.

Note 10. PPP Loan

On January 28, 2021, ICC received a loan in the amount of \$66,983 in accordance with the PPP section of the CARES Act. On December 8, 2021, ICC was notified that the loan had been forgiven and has been recorded as a contribution in the financial statements.

Note 11. Operating Leases

ICC had a lease for administrative offices which expired in March 2021. The lease resulted in related rental expenses of \$1,500 for 2021.

As of December 31, 2022, there was one lease for equipment usage. Equipment usage expenses totaled \$643 and \$643 for 2022 and 2021, respectively.

Note 12. Concentrations of Risk

ICC has a significant concentration of pledges receivable from three donors for December 31, 2022 and 2021. The donors account for 54% and 83% of total pledges receivable as of December 31, 2022 and 2021, respectively.

ICC holds approximately \$11,400 of cash as of December 31, 2022 in accounts held at companies which are not members of the Federal Deposit Insurance Corporation. Accordingly, such amounts are not insured and may be subject to loss. ICC has not experienced any losses on such accounts and management believes it is not exposed to any significant credit risk on cash.

Pastoral Counseling and Consultation Centers of Tennessee, Inc.
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Notes to Financial Statements
For the Years Ended December 31, 2022 and 2021

Note 13. **Subsequent Events**

Management has evaluated subsequent events through August 23, 2023, the date on which the financial statements were available for issuance.