

**TRINITY COUNSELING SERVICE**

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

JUNE 30, 2021 AND 2020

TOGETHER WITH

INDEPENDENT AUDITOR'S REPORT

TRINITY COUNSELING SERVICE

JUNE 30, 2021 AND 2020

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report .....	1
Financial Statements	
Statements of Financial Position .....	3
Statement of Activities, June 30, 2021 .....	4
Statement of Activities, June 30, 2020 .....	5
Statement of Functional Expenses, June 30, 2021 .....	6
Statement of Functional Expenses, June 30, 2020 .....	7
Statements of Cash Flows .....	8
Notes to Financial Statements .....	9

## Independent Auditor's Report

To: The Board of Directors  
Trinity Counseling Service  
Princeton, New Jersey

### ***Opinion***

We have audited the accompanying financial statements of ***Trinity Counseling Service*** (a New Jersey not-for-profit corporation), which comprise the statements of financial position as of June 30, 2021 and 2020, and 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 financial statements referred to above present fairly, in all material respects, the financial position of ***Trinity Counseling Service*** as of June 30, 2021 and 2020, 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. 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 ***Trinity Counseling Service*** 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.

### ***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 ***Trinity Counseling Service's*** ability to continue as a going concern within one year after the date that the financial statements are 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 ***Trinity Counseling Service'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 ***Trinity Counseling Service'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.



Cherry Hill, NJ  
February 28, 2022

TRINITY COUNSELING SERVICE  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30,

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 795,548	\$ 496,278
Patient fees receivable	37,740	55,879
Pledges receivable, net of present value discount of \$7,763 in 2021 and \$5,000 in 2020	397,753	498,695
Prepaid expenses	10,116	26,241
Other assets	1,090	33,060
Investments, at fair market value	5,211,566	4,237,998
Land, building and equipment, net	<u>4,396,015</u>	<u>4,479,007</u>
Total assets	<u>\$ 10,849,828</u>	<u>\$ 9,827,158</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Accounts payable and accrued expenses	\$ 49,529	\$ 42,258
PPP loan advance	<u>193,900</u>	<u>193,900</u>
Total liabilities	<u>243,429</u>	<u>236,158</u>
Net assets		
Without donor restrictions	9,368,377	8,192,033
With donor restrictions	<u>1,238,022</u>	<u>1,398,967</u>
Total net assets	<u>10,606,399</u>	<u>9,591,000</u>
Total liabilities and net assets	<u>\$ 10,849,828</u>	<u>\$ 9,827,158</u>

The accompanying notes are an integral part of these financial statements.

TRINITY COUNSELING SERVICE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021

<u>OPERATING ACTIVITIES</u> <u>REVENUE AND SUPPORT</u>	Without Donor Restrictions	With Donor Restrictions	Total
Patient fees and assessments	\$ 376,732	\$ 55,980	\$ 432,712
Capital campaign	-	539,777	539,777
Contributions	153,625	-	153,625
Grant revenues	8,848	96,000	104,848
Special events fund a need designated for bereavement & childhood intervention initiative	92,893	23,674	116,567
Satisfaction of program restrictions	876,376	(876,376)	-
	<u>1,508,474</u>	<u>(160,945)</u>	<u>1,347,529</u>
Total revenue and support			
 <u>EXPENSES</u>			
Program services	<u>1,248,070</u>	<u>-</u>	<u>1,248,070</u>
Supporting services			
Management and general	184,007	-	184,007
Fundraising and development	103,078	-	103,078
	<u>287,085</u>	<u>-</u>	<u>287,085</u>
Total supporting services			
Total expenses	<u>1,535,155</u>	<u>-</u>	<u>1,535,155</u>
Changes in net assets from operations	<u>(26,681)</u>	<u>(160,945)</u>	<u>(187,626)</u>
 <u>NONOPERATING ACTIVITIES</u>			
Realized capital gains	85,134	-	85,134
Unrealized capital gains	1,040,881	-	1,040,881
Interest and dividends	92,966	-	92,966
Investment fees	(15,956)	-	(15,956)
	<u>1,203,025</u>	<u>-</u>	<u>1,203,025</u>
Total nonoperating activities			
Changes in net assets	1,176,344	(160,945)	1,015,399
Net assets, beginning of fiscal year	<u>8,192,033</u>	<u>1,398,967</u>	<u>9,591,000</u>
Net assets, end of fiscal year	<u>\$ 9,368,377</u>	<u>\$ 1,238,022</u>	<u>\$ 10,606,399</u>

The accompanying notes are an integral part of these financial statements.

TRINITY COUNSELING SERVICE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

<u>REVENUE AND SUPPORT</u>	Without Donor Restrictions	With Donor Restrictions	Total
Patient fees and assessments	\$ 391,942	\$ -	\$ 391,942
Capital campaign	-	2,307,433	2,307,433
Contributions	73,633	125,510	199,143
Grant revenues	37,395	139,150	176,545
Special events	125,216	-	125,216
Rental income	5,800	-	5,800
Satisfaction of program restrictions	3,134,408	(3,134,408)	-
Total revenue and support	<u>3,768,394</u>	<u>(562,315)</u>	<u>3,206,079</u>
 <u>EXPENSES</u>			
Program services	<u>1,146,664</u>	<u>-</u>	<u>1,146,664</u>
Supporting services			
Management and general	159,056	-	159,056
Fundraising and development	145,876	-	145,876
Total supporting services	<u>304,932</u>	<u>-</u>	<u>304,932</u>
Total expenses	<u>1,451,596</u>	<u>-</u>	<u>1,451,596</u>
Changes in net assets from operations	<u>2,316,798</u>	<u>(562,315)</u>	<u>1,754,483</u>
 <u>NONOPERATING ACTIVITIES</u>			
Realized capital gains	222,187	-	222,187
Unrealized capital (losses)	(309,876)	-	(309,876)
Interest and dividends	109,945	-	109,945
Investment fees	(32,551)	-	(32,551)
(Loss) on disposal of equipment	(30,229)	-	(30,229)
Total nonoperating activities	<u>(40,524)</u>	<u>-</u>	<u>(40,524)</u>
Changes in net assets	2,276,274	(562,315)	1,713,959
Net assets, beginning of fiscal year	<u>5,915,759</u>	<u>1,961,282</u>	<u>7,877,041</u>
Net assets, end of fiscal year	<u>\$ 8,192,033</u>	<u>\$ 1,398,967</u>	<u>\$ 9,591,000</u>

The accompanying notes are an integral part of these financial statements.

TRINITY COUNSELING SERVICE  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2021

	Supporting Services			Total
	Program Services	Management and General	Fundraising and Development	
Personnel expenses				
Salaries & wages	\$ 835,160	\$ 77,629	\$ 31,161	\$ 943,950
Payroll taxes	77,107	2,855	2,855	82,817
Employee benefits	57,071	2,914	2,914	62,899
Total personnel expenses	<u>969,338</u>	<u>83,398</u>	<u>36,930</u>	<u>1,089,666</u>
Operating expenses				
Bad debt expense	-	2,630	-	2,630
Bank fees	-	8,111	-	8,111
Computer costs	5,030	2,102	375	7,507
Conferences	4,067	2,118	304	6,489
Continuing education	2,243	937	167	3,347
Counseling services	48,886	-	-	48,886
Depreciation	82,880	34,636	6,185	123,701
Development expenses	-	-	22,162	22,162
Insurance	28,717	12,001	2,143	42,861
Newsletter and development	-	-	14,444	14,444
Office expense	10,606	4,433	791	15,830
Professional fees	61,554	19,120	3,414	84,088
Repairs and maintenance	9,777	4,085	730	14,592
Special events and fundraising	-	-	13,569	13,569
Telephone	5,516	2,305	412	8,233
Utilities	19,456	8,131	1,452	29,039
Total operating expenses	<u>278,732</u>	<u>100,609</u>	<u>66,148</u>	<u>445,489</u>
Total expenses	<u>\$ 1,248,070</u>	<u>\$ 184,007</u>	<u>\$ 103,078</u>	<u>\$ 1,535,155</u>

The accompanying notes are an integral part of these financial statements.



TRINITY COUNSELING SERVICE  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services	Supporting Services		Total
		Management and General	Fundraising and Development	
Personnel expenses				
Salaries & wages	\$ 747,147	\$ 53,322	\$ 25,917	\$ 826,386
Payroll taxes	70,258	2,480	2,480	75,218
Employee benefits	48,991	2,482	2,482	53,955
<b>Total personnel expenses</b>	<b>866,396</b>	<b>58,284</b>	<b>30,879</b>	<b>955,559</b>
Operating expenses				
Bank fees	-	6,493	-	6,493
Computer costs	14,694	6,141	1,097	21,932
Conferences	4,676	2,013	350	7,039
Continuing education	4,688	1,959	348	6,995
Counseling services	40,050	-	-	40,050
Depreciation	10,861	4,539	810	16,210
Development expenses	-	-	35,237	35,237
Insurance	18,771	7,845	1,400	28,016
Newsletter and development	875	365	10,705	11,945
Office expense	12,406	5,185	2,800	20,391
Professional fees	79,230	26,941	4,794	110,965
Rent	59,948	25,053	4,474	89,475
Repairs and maintenance	19,561	8,174	1,460	29,195
Special events and fundraising	-	-	50,439	50,439
Telephone	5,395	2,255	403	8,053
Utilities	9,113	3,809	680	13,602
<b>Total operating expenses</b>	<b>280,268</b>	<b>100,772</b>	<b>114,997</b>	<b>496,037</b>
<b>Total expenses</b>	<b>\$ 1,146,664</b>	<b>\$ 159,056</b>	<b>\$ 145,876</b>	<b>\$ 1,451,596</b>

The accompanying notes are an integral part of these financial statements.

TRINITY COUNSELING SERVICE  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30,

CASH FLOWS FROM OPERATING ACTIVITIES

	2021	2020
Change in net assets	\$ 1,015,399	\$ 1,713,959
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	123,701	16,210
Loss on disposal of equipment	-	30,229
Net investment (gain) losses	(1,203,130)	297,990
Decrease (increase) in:		
Patient fees receivable	18,139	(34,276)
Prepaid expenses	16,125	(6,768)
Security deposits	-	21,000
Unconditional promises to give	100,942	57,305
Other assets	31,970	(33,060)
Increase (decrease) in:		
Accounts payable and accrued expenses	7,271	(107,954)
Net cash provided by operating activities	110,417	1,954,635

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of land, building and equipment	(40,709)	(3,922,544)
Distributions from investments	229,562	1,665,000
Net cash provided by (used in) investing activities	188,853	(2,257,544)

CASH FLOWS FROM FINANCING ACTIVITIES

PPP loan advance	-	193,900
Net cash provided by financing activities	-	193,900
Net increase (decrease) in cash and cash equivalents	299,270	(109,009)
Cash and cash equivalents, beginning of fiscal year	496,278	605,287
Cash and cash equivalents, end of fiscal year	\$ 795,548	\$ 496,278

The accompanying notes are an integral part of these financial statements.

TRINITY COUNSELING SERVICE  
NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 2021 AND 2020

1. PROGRAMS AND ACTIVITIES

***Trinity Counseling Service*** (the "Organization") is a non-profit corporation. Its mission is to provide licensed professional counseling, wellness and educational services in a safe and welcoming environment to individuals and families confronting life's challenges. The Organization is an outpatient mental health agency accredited by the State of New Jersey.

The Organization offers treatment programs which are customized to meet the individual needs of each client. Counseling services are provided to help children, adolescents, adults, and families cope with a variety of issues including depression, grief, anxiety, marriage, divorce and family issues, and school related concerns. In addition, the Organization partners with the Princeton Theological Seminary to provide counseling to all enrolled students and their family members.

Other specialty and community outreach projects include the Childhood Intervention Initiative, where the Organization partners with Princeton Nursery Schools, West Windsor School District, and Cranbury Schools to identify and treat emerging behavioral and developmental challenges in children from low-income families, and the Bereavement and Caregivers Counseling Program, which helps people cope with the loss of a loved one, as well as caregivers who are dealing with a loved one's debilitating illness.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed are described below.

Basis of Presentation

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, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions.

TRINITY COUNSELING SERVICE  
NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 2021 AND 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing program services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate returns on investments and other activities considered to be of a more unusual or nonrecurring nature.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as restricted support that increases the net assets with donor restrictions class of accounts.

All of the Organization's expenses, including expenses relating to assets previously included among the net assets with donor restrictions class of accounts, are decreases in net assets without donor restrictions.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers cash on hand, demand deposits and all highly liquid investments with a maturity of three months or less to be cash equivalents. The Organization maintains cash and cash equivalents and short-term investments with various financial institutions to limit exposure to any one institution.

Patient Fees Receivable

Patient fees receivable primarily consists of amounts due from third-party payors, including government-sponsored healthcare programs, insurance companies, and patients. Contractual adjustments result from differences between billed amounts and the amounts that management anticipates receiving. Accounts receivable are recorded net of contractual adjustments and an allowance for doubtful accounts. Therefore, accounts receivable consists only of amounts management expects to receive.

Property and Equipment

Acquisitions, improvements, and replacements of major assets are capitalized at cost or, if donated, at the fair value at the date of donation. Depreciation is computed using the straight-line method based on the estimated useful life of the asset. The estimated useful life is five years for equipment, seven years for furniture, fifteen years for building improvements, and forty years for the building.

Repairs are expensed as incurred. The Organization's policy is to capitalize all assets with a useful life of more than one year and a value of \$1,000 or more.

TRINITY COUNSELING SERVICE  
NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 2021 AND 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Allocation of Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

The preparation of financial statements in conformity with U.S. 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.

Investments

Investments are generally recorded at fair value based upon quoted market prices, when available. Donated assets are recorded at fair value at the date of the donation or, if sold immediately after receipt, at the amount of sales proceeds received (which are considered a fair measure of the value at the date of donation). Those investments for which fair value is not readily determinable are carried at cost or, if donated, at fair value at the date of donation. If no value can be estimated, the asset is recorded at a nominal value. The Organization records the change of ownership of bonds and stocks on the day a trade is made. Unrealized gains and losses are included in the change in net assets.

Income Taxes

The Organization is incorporated in the State of New Jersey and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is registered as required with the New Jersey Division of Consumer Affairs and is classified by the Internal Revenue Service as a public charity.

The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

TRINITY COUNSELING SERVICE  
NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 2021 AND 2020

3. LIQUIDITY AND AVAILABILITY

As of June 30, the Organization's financial assets available within one year were as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 795,548	\$ 496,278
Patient fees receivable, net	37,740	55,879
Pledges receivable, due within one year	397,753	498,695
Refund receivable	-	31,970
Investments	<u>5,211,566</u>	<u>4,237,998</u>
 Total financial assets	 6,442,607	 5,320,820
 Donor-imposed restrictions:		
Restricted funds	<u>(1,238,022)</u>	<u>(1,398,967)</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 5,204,585</u>	 <u>\$ 3,921,853</u>

The Organization manages its liquidity by operating within a prudent range of financial soundness and stability by maintaining adequate liquid assets to fund near-term operating needs. During the year ended June 30, 2021 and 2020, the Organization has been able to meet cash needs for general expenditures.

In addition to these available financial assets, a significant portion of the Organization's annual expenditures will be funded by current year operating revenues including contributions, grant and contract income and other income.

4. PLEDGES RECEIVABLE

Pledges receivable consisted of the following at June 30:

	<u>2021</u>	<u>2020</u>
For general operating support	<u>\$ 397,753</u>	<u>\$ 498,695</u>
Receivable in less than one year	378,848	306,765
Receivable in one to five years	<u>26,668</u>	<u>196,930</u>
	405,516	503,695
Less: discount to present value (2.5%)	<u>(7,763)</u>	<u>(5,000)</u>
Net pledges receivable	<u>\$ 397,753</u>	<u>\$ 498,695</u>

TRINITY COUNSELING SERVICE  
 NOTES TO FINANCIAL STATEMENTS  
 AS OF JUNE 30, 2021 AND 2020

5. INVESTMENTS

Investments are presented in the financial statements at fair market value. Investments as of June 30, 2021 consist of the following:

<u>Investment Category</u>	<u>Fair Market Value</u>	<u>Cost</u>	<u>Unrealized Capital Gain</u>
Equities	\$ 3,736,313	\$ 3,139,604	\$ 596,709
Fixed income	1,475,253	931,314	543,939
Total	<u>\$ 5,211,566</u>	<u>\$ 4,070,918</u>	<u>\$ 1,140,648</u>

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Organization utilizes various methods to measure the fair value of investments on a recurring basis. Generally accepted accounting principles established a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are described below:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rate and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Organization’s own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The summary of inputs used to value the Organization’s investments as of June 30, 2021 is as follows:

	<u>Total</u>	<u>Level 1 Quoted Prices</u>	<u>Level 2 Other Significant Observable Inputs</u>	<u>Level 3 Significant Unobservable Inputs</u>
Bond funds	\$ 1,475,253	\$ 1,475,253	\$ -	\$ -
Domestic stock funds	2,259,423	2,259,423	-	-
International stock funds	1,476,890	1,476,890	-	-
Total	<u>\$ 5,211,566</u>	<u>\$ 5,211,566</u>	<u>\$ -</u>	<u>\$ -</u>

TRINITY COUNSELING SERVICE  
NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 2021 AND 2020

7. PROPERTY AND EQUIPMENT

The cost and accumulated depreciation of property and equipment are as follows at June 30:

	2021	2020
Land	\$ 831,600	\$ 831,600
Building	3,485,972	1,278,504
Improvements	212,589	2,375,955
Furniture and equipment	129,976	133,368
	4,660,137	4,619,427
Less: accumulated depreciation	(264,122)	(140,420)
Property and equipment, net	\$ 4,396,015	\$ 4,479,007

Depreciation expense for the years ended June 30, 2021 and 2020 was \$123,701 and \$16,210.

8. EMPLOYEE BENEFIT PLAN

The Organization participates in a multi-employer defined contribution plan sponsored by the Episcopal Church which covers all full-time employees. The plan allows employees to defer up to the statutory maximums of their salary on a pre-tax basis. The Organization is required to contribute 5% of eligible employees' salaries and matches 100% of employees' contributions up to 4% of their eligible salary. For the year ended June 30, 2021 and 2020, employer contributions totaled \$52,678 and \$43,204.

9. NET ASSETS WITH DONOR RESTRICTION

Net assets are restricted by donors for the following purposes as of June 30:

	2021	2020
Bereavement Program	\$ 508,799	\$ 514,938
Capital campaign	397,753	498,695
Child Intervention Project	312,300	315,334
Time restrictions	4,170	55,000
Perpetual endowment	15,000	15,000
Total restricted	\$ 1,238,022	\$ 1,398,967

Perpetual endowment funds consist of contributions for funds that are required by the gift instrument to be invested in perpetuity. Then income from such investments is available to be used for general operating purposes.



TRINITY COUNSELING SERVICE  
NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 2021 AND 2020

10. CONCENTRATION OF CREDIT RISK

Financial instruments that are exposed to concentrations of credit risk consist of cash equivalents, investments, patient fees receivable, and pledges receivable. Cash equivalents and investments are with high-quality financial institutions, and are based on quoted market prices. Patient fees receivable are principally with insurance carriers and various individuals receiving services from the Organization. Realization of these items is dependent on various economic conditions.

11. INVESTMENT POLICY

The Organization has a spending policy that allows for appropriating for distribution each year 4.5% of its investment fund's average fair value of the prior 12 quarters. Distributions in excess of 4.5% are subject to Board approval. In establishing this policy, the Organization considered the long-term expected investment return. This is consistent with the Organization's objective to maintain the purchasing power of the assets as well as to provide additional real growth through investment return.

To achieve that objective, the Organization has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 4.5%, while growing the fund if possible. Accordingly, the Organization expects its investment assets over time to produce an average rate of return of approximately CPI 4.5% annually. Actual returns in any given year may vary from this amount.

Investment risk is measured in terms of the total fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

12. SUBSEQUENT EVENTS

In preparing these financial statements, management of the Organization has evaluated events and transactions for potential recognition or disclosure through February 28, 2022, the date the financial statements were available to be issued.

The PPP loan advance was forgiven in full as of August 31, 2021.

The Organization had no other significant or material subsequent events through February 28, 2022.