# Table of Contents

**Independent Auditors' Report** .......................................................................................................................................................... 3  
**Financial Information**  
Statement of Financial Position .......................................................................................................................................................... 5  
Statement of Activities ................................................................................................................................................................. 6  
Statement of Functional Expenses ...................................................................................................................................................... 7  
Statement of Cash Flows ................................................................................................................................................................. 8  
Notes to Financial Statements .......................................................................................................................................................... 9
Independent Auditors’ Report

Board of Directors
Consumer Credit Counseling of Springfield, Missouri, Inc.
Springfield, Missouri

We have audited the accompanying financial statements of Consumer Credit Counseling of Springfield, Missouri, Inc. (a non-profit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditors’ 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 Organization’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 the effectiveness of the Organization’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 Consumer Credit Counseling of Springfield, Missouri, Inc., as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

KPM CPAs, PC
Springfield, Missouri
June 7, 2019
## Consumer Credit Counseling of Springfield, Missouri, Inc.

### Statement of Financial Position

December 31, 2018

### Assets

**Current Assets**
- Cash and cash equivalents $9,306
- Cash and cash equivalents - restricted for client funds $59,364
- Investments $337,780
- Accounts receivable $5,976
- Prepaid expenses $3,600

**Total Current Assets** $416,026

**Property and Equipment**
- Land $237,450
- Building and improvements $566,422
- Vehicles $21,575
- Equipment and furniture $111,573
- Less accumulated depreciation $(354,597)

**Net Property and Equipment** $582,423

**Total Assets** $998,449

### Liabilities and Net Assets

**Current Liabilities**
- Accounts payable $9,697
- Client funds payable $68,106
- Accrued payroll expenses $13,127
- Deferred revenue $13,989

**Total Current Liabilities** $104,919

**Total Liabilities** $104,919

**Net Assets**
- Without donor restrictions $893,530

**Total Net Assets** $893,530

**Total Liabilities and Net Assets** $998,449

See accompanying notes to financial statements
## Consumer Credit Counseling of Springfield, Missouri, Inc.

### Statement of Activities

Year Ended December 31, 2018

<table>
<thead>
<tr>
<th>Without Donor Restrictions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues and Gains</strong></td>
</tr>
<tr>
<td><strong>Public Support</strong></td>
</tr>
<tr>
<td>Contributions</td>
</tr>
<tr>
<td>Government grants</td>
</tr>
<tr>
<td>Fees</td>
</tr>
<tr>
<td>Lease revenue</td>
</tr>
<tr>
<td><strong>Total Public Support</strong></td>
</tr>
<tr>
<td><strong>Other Revenue</strong></td>
</tr>
<tr>
<td>Interest income</td>
</tr>
<tr>
<td>Realized gains</td>
</tr>
<tr>
<td>Unrealized (losses)</td>
</tr>
<tr>
<td>Other income</td>
</tr>
<tr>
<td><strong>Total Other Revenue</strong></td>
</tr>
<tr>
<td><strong>Total Revenues and Gains</strong></td>
</tr>
</tbody>
</table>

| **Expenses**                |
| Program Services            |
| Client services             | 377,781 |
| Supporting Services         |
| Administration              | 56,458  |
| **Total Expenses**          | 434,239 |

**Changes in Net Assets without Donor Restrictions**

(71,081)

**Net Assets, Beginning of year**

964,611

**Net Assets, End of year**

$893,530
### Statement of Functional Expenses

**Year Ended December 31, 2018**

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Supporting Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$169,744</td>
<td>$25,881</td>
<td>$195,625</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>50,330</td>
<td>7,674</td>
<td>58,004</td>
</tr>
<tr>
<td>Professional fees</td>
<td></td>
<td>4,500</td>
<td>4,500</td>
</tr>
<tr>
<td>Client assistance</td>
<td>31,391</td>
<td></td>
<td>31,391</td>
</tr>
<tr>
<td>Bank fees</td>
<td></td>
<td>3,587</td>
<td>3,587</td>
</tr>
<tr>
<td>License and permits</td>
<td></td>
<td>847</td>
<td>847</td>
</tr>
<tr>
<td>Supplies</td>
<td>510</td>
<td>57</td>
<td>567</td>
</tr>
<tr>
<td>Postage</td>
<td>5,859</td>
<td>651</td>
<td>6,510</td>
</tr>
<tr>
<td>Telephone</td>
<td>13,737</td>
<td>1,526</td>
<td>15,263</td>
</tr>
<tr>
<td>IT services</td>
<td>10,753</td>
<td>1,195</td>
<td>11,948</td>
</tr>
<tr>
<td>Travel</td>
<td>2,490</td>
<td>277</td>
<td>2,767</td>
</tr>
<tr>
<td>Dues and memberships</td>
<td>5,575</td>
<td>619</td>
<td>6,194</td>
</tr>
<tr>
<td>Education and straff training</td>
<td>591</td>
<td></td>
<td>591</td>
</tr>
<tr>
<td>Insurance</td>
<td>21,064</td>
<td>2,340</td>
<td>23,404</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>21,308</td>
<td>2,368</td>
<td>23,676</td>
</tr>
<tr>
<td>Depreciation</td>
<td>14,237</td>
<td>1,582</td>
<td>15,819</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>140</td>
<td>16</td>
<td>156</td>
</tr>
<tr>
<td>Advertising</td>
<td>22,846</td>
<td>2,538</td>
<td>25,384</td>
</tr>
<tr>
<td>Utilities</td>
<td>6,600</td>
<td>733</td>
<td>7,333</td>
</tr>
<tr>
<td>Printing</td>
<td>606</td>
<td>67</td>
<td>673</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$377,781</strong></td>
<td><strong>$56,458</strong></td>
<td><strong>$434,239</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements
Consumer Credit Counseling of Springfield, Missouri, Inc.

Statement of Cash Flows
Year Ended December 31, 2018

Cash Flows from Operating Activities
Change in net assets $ (71,081)
Adjustments to reconcile change in net assets to net cash provided by operating activities:
Depreciation 15,819
Non-cash contributions (6,994)
Realized (gain) on investments (6,439)
Unrealized loss on investments 34,232
Changes in operating assets and liabilities:
Decrease in prepaid expenses 2,738
Decrease in accounts receivable 454
(Decrease) in client funds payable (3,510)
Increase in accrued payroll expenses 5,759
Increase in accounts payable 9,169
Net Cash (Used) by Operating Activities (19,853)

Cash Flows from Investing Activities
Net deposits to client trust account 4,240
Maturity of short term investments 20,000
Additions to short-term investments (2,848)
Net Cash Provided by Investing Activities 21,392

Net Increase in Cash 1,539

Cash, Cash Equivalents, and Restricted Cash December 31, 2017 67,131
Cash, Cash Equivalents, and Restricted Cash, December 31, 2018 $ 68,670

Supplemental Disclosures of Cash Flow Information
Non-cash transactions
Property and equipment additions donated $ 20,984

See accompanying notes to financial statements
1. **Summary of Significant Accounting Policies**

**Nature of Operations**

Consumer Credit Counseling was established in 1969 as a not-for-profit organization that is affiliated with the National Foundation for Consumer Credit. The Organization assists individuals with debt problems by offering constructive advice and counseling and/or through a Debt Management Program. The Organization also provides counseling as a HUD certified Housing Counseling Agency.

Funding for the Organization is provided from creditors, fees from clients, and grants.

**Financial Statement Presentation**

Financial statement presentation is in accordance with FASB Accounting Standards Codification (ASC) 958-205, Not-for-Profit Entities, Presentation of Financial Statements. Under ASC 958-205, The Organization is required to report information regarding its financial position and activities according to two classes of net assets – net assets without donor restrictions and net assets with donor restrictions. During 2018, the Organization adopted the provisions of Accounting Standards Update (ASU) 2016-14: Not-for-Profit-Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit-Entities, which improves the current net asset classification and the related information presented in the financial statements and notes about the Organization’s liquidity, financial performance, and cash flows.

**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. Under the accrual basis of accounting, revenues are recognized when earned and measurable and expenses are recognized when incurred.

**Property and Equipment**

All property and equipment held by the Organization are stated at cost. Any donated assets are recorded at their estimated fair value in the net asset without donor restriction class. All purchases of long-lived assets with cost greater than $1,000 are recorded to property and equipment, and depreciation is computed on a straight-line basis over the useful life of the asset.

**Contributions**

All contributions received are recorded as net assets without donor restrictions unless the donor indicates otherwise.

**Functional Expenses**

The Organization allocates its expenses to programs, which are combined into a functional expense statement that have been summarized on the statement of activities and presented on the statement of functional expenses. Expenses that can be identified with a specific program are allocated directly to their natural expense classification. Expenses that benefit multiple programs are allocated to the programs by various statistical bases.
Income Taxes
The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as a charitable organization whereby only unrelated business income, as defined by Section 509(a)(1) of the Code, is subject to federal income tax. The Organization currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded.

The Organization has adopted the provisions of the FASB Standard on Accounting for Uncertainty in Income Taxes (ASC 740-10-25). The Organization does not believe there are any material uncertain tax positions and accordingly, they will not recognize any liability for unrecognized tax benefits. For the year ended December 31, 2018, there were no penalties or interest recorded or included in the financial statements.

Donated Materials and Services
Donated land, buildings, equipment, investments, and other noncash donations are recorded as contributions at their fair market value at their date of donation. The Organization reports the donations in the net assets without donor restrictions category, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets must be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported in the net assets with donor restrictions category. Per FASB ASU 2016-14 and absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

No amounts have been included in the financial statements for donated member or volunteer services since they did not meet the criteria for recognition under FASB ASC 958-605.

Compensated Absences
The Consumer Credit Counseling of Springfield, Missouri, Inc. does not reimburse employees for unused vacation or sick leave remaining at year-end.

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

Investments
The Organization carries investment in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in investment income in the accompanying statement of activities. Cash equivalents held by the Organization in its investment accounts are classified as short-term investments and are not considered to be cash equivalents for purposes of the statement of cash flows. At December 31, 2018, the Organization had $337,780 invested with the Community Foundation of the Ozarks.
Recently Issued Accounting Standards

The following accounting pronouncements were recently issued by the FASB:

In November 2016, the FASB issued ASU No. 2016-18, Statement of Cash Flows (Topic 230). This ASU requires that a statement of cash flows explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments in the ASU do not provide a definition of restricted cash or restricted cash equivalents. The ASU is effective for all nonpublic business entities for fiscal years beginning after December 15, 2018. Early adoption is permitted. The Organization is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

In August 2016, the FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities, which changes the current guidance for assets classification, governing board designations, investment return, underwater endowment funds, expenses, liquidity and presentation of operating cash flows. ASU 2016-14 reduces the required number of classes of net assets from three to two: net assets with donor restrictions and net assets without donor restrictions. ASU 2016-14 also requires not-for-profit entities to provide enhanced disclosures about the amounts and purposes of governing board designations and appropriations. ASU 2016-14 requires not-for-profits to report investment return net of external and direct internal investment expenses. The requirement to disclose those netted expenses is eliminated. In addition to the current required disclosure of the aggregate amount by which endowment funds are underwater, ASU 2016-14 requires not-for-profit entities to disclose the aggregate fair value of such funds as well as the aggregate original gift amounts to be maintained. ASU 2016-14 also requires an NFP to disclose its interpretation of the ability to spend from underwater endowment funds including its policy, and any actions taken during the period, concerning appropriation from underwater endowment funds. All underwater endowment funds will be classified as part of net assets with donor restrictions rather than as a charge to unrestricted net assets as per the current rules. In the absence of explicit donor restrictions, ASU 2016-14 requires not-for-profit entities to use the placed-in-service approach to account for capital gifts. The current option to use the over-time approach has been eliminated. ASU 2016-14 requires expenses to be reported by nature in addition to function and include an analysis of expenses by both nature and function. The methods used by not-for-profit entities to allocate costs among program and support functions will also need to be disclosed. ASU 2016-14 requires not-for-profit entities to provide both qualitative and quantitative information on management of liquid available resources and the ability to cover short-term cash needs within one year of the balance sheet date. Finally, current standards allow not-for-profit entities to decide whether to present operating cash flows using either the direct method or the indirect method. ASU 2016-14 eliminates the requirement to present or disclose the indirect method of reconciliation if the entity decides to use the direct method. ASU 2016-14 is effective for annual reporting periods beginning after December 15, 2017. The Organization has adopted the provisions of ASU 2016-14.

2. Advertising

The Organization uses advertising to promote its programs among the audiences it serves. The costs of advertising are expensed as incurred. During 2018, advertising costs totaled $25,385.
3. Liquidity & Availability of Funds

The Organization’s financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$68,670</td>
</tr>
<tr>
<td>Investments</td>
<td>337,780</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>5,976</td>
</tr>
<tr>
<td><strong>Total financial assets</strong></td>
<td><strong>412,426</strong></td>
</tr>
</tbody>
</table>

Less amounts not available to be used within one year:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted cash</td>
<td>(59,364)</td>
</tr>
</tbody>
</table>

**Total financial assets available to meet general expenditures within the next 12 months** $353,062

As part of the Organization’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. In addition, the Organization invests cash in excess of daily requirements in short-term investments.

4. Statement of Cash Flows

For purposes of the statement of cash flows, all highly liquid investments with original maturities of three months or less when purchased are considered cash equivalents.

5. Investments

The FASB *Fair Value Measurements* standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable. The Organization has adopted this standard for its financial assets and liabilities measured on a recurring and nonrecurring basis (ASC 820-10).

Fair Value Measurement defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e., an exit price. To estimate an exit price, a three-tier hierarchy is used to prioritize the inputs:

- **Level 1**: Quoted prices in active markets for identical securities.
- **Level 2**: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc.)
- **Level 3**: Significant unobservable inputs (including the Organization’s own assumptions in determining the fair value of investments).

Investments are recorded at fair value on a recurring basis during the year ended December 31, 2018, using quoted prices in active markets.
Investments at December 31, 2018, consisted of the following:

<table>
<thead>
<tr>
<th>Money market funds</th>
<th>Real assets</th>
<th>Alternatives</th>
<th>Fixed income</th>
<th>Equity securities</th>
<th>Assets held at Community Foundation of the Ozarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>$9,119</td>
<td>30,061</td>
<td>51,679</td>
<td>72,284</td>
<td>174,631</td>
<td>$337,780</td>
</tr>
</tbody>
</table>

Investment return during 2018 consisted of the following:

<table>
<thead>
<tr>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and dividends</td>
<td>$6,503</td>
<td>$6,503</td>
</tr>
<tr>
<td>Realized gains on investments</td>
<td>6,439</td>
<td>6,439</td>
</tr>
<tr>
<td>Unrealized (losses) on investments</td>
<td>(34,232)</td>
<td>(34,232)</td>
</tr>
<tr>
<td>Investment fees</td>
<td>(3,631)</td>
<td>(3,631)</td>
</tr>
<tr>
<td>Net investment income</td>
<td>$(24,921)</td>
<td>$(24,921)</td>
</tr>
</tbody>
</table>

6. **Donated Materials & Services**

The Organization is dependent upon donated materials from diverse groups to fulfill its mission. For the year ended December 31, 2018, donated materials recorded in the financial statements as in-kind contributions totaled $11,811.

7. **Related Party Transactions**

The Organization entered into an agreement on July 31, 2017 with Catholic Charities of Southern Missouri creating a relationship with that Organization. The agreement is for two years and could possibly provide for a merger at the conclusion of the term of the agreement. Consumer Credit continues to operate as a separate entity for the two year period. During the year ended December 31, 2018, Catholic Charities of Southern Missouri has paid various operational costs of Consumer Credit amounting to $18,459.
8. Subsequent Events

Management has evaluated subsequent events through June 7, 2019, the date the financial statements were available to be issued.
We have audited the financial statements of the Consumer Credit Counseling of Springfield, Missouri, Inc. for the year ended December 31, 2018, and have issued our report thereon dated June 7, 2019. Professional standards require that we provide you with the following information related to our audit.

**Our Responsibility under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter dated November 28, 2018, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

**Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated November 28, 2018.

**Significant Audit Matters**

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Consumer Credit Counseling of Springfield, Missouri, Inc. are described in Note 1 to the financial statements. As described in Note A, the Organization adopted FASB ASU No 2016-14 related to the Presentation of Financial Statements of Not-for-Profits in 2018.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events.

The disclosures in the financial statements are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.
Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated .

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Organization’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This report is intended solely for the use of the Board of Directors and management of the Consumer Credit Counseling of Springfield, Missouri, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

KPM CPAs, PC
Springfield, Missouri
June 7, 2019