

Consumer Credit Counseling of Springfield, Missouri, Inc.

Independent Auditors' Report
and Financial Statements
Year Ended June 30, 2023

KPM
CPAS & ADVISORS

Table of Contents

Independent Auditors' Report	1
Financial Information	
Statement of Financial Position	4
Statement of Activities and Net Assets	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
Federal Awards	
Schedule of Expenditures of Federal Awards	16
Notes to the Schedule of Expenditures of Federal Awards	17
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	18
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	20
Schedule of Findings and Questioned Costs	23
Summary Schedule of Prior Year Audit Findings	24



Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Consumer Credit Counseling of Springfield, Missouri, Inc. (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and net assets, functional expenses, and cash flows for the year 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 Consumer Credit Counseling of Springfield, Missouri, Inc., as of June 30, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Consumer Credit Counseling of Springfield, Missouri, Inc., and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Consumer Credit Counseling of Springfield, Missouri, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditors' 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 auditors' 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 and *Government 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 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 and *Government 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 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the

underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2024, on our consideration of Consumer Credit Counseling of Springfield, Missouri, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
March 13, 2024

Consumer Credit Counseling of Springfield, Missouri, Inc.

Statement of Financial Position

June 30, 2023

Assets

Current Assets

Cash and cash equivalents	\$	16,217
Restricted cash		52,856
Beneficial interest in community foundation		130,681
Prepaid expenses		5,989
Total current assets		<u>205,743</u>

Property and Equipment

Cost		949,165
Less accumulated depreciation		426,879
Net property and equipment		<u>522,286</u>

Total assets

\$ 728,029

Liabilities and Net Assets

Current Liabilities

Accounts payable	\$	58,955
Client funds payable		52,856
Accrued expenses		28,181
Refundable advance		2,932
Total current liabilities		<u>142,924</u>

Net assets without donor restrictions

585,105

Total liabilities and net assets

\$ 728,029

The accompanying notes are an integral part of these financial statements

Consumer Credit Counseling of Springfield, Missouri, Inc.

Statement of Activities and Net Assets

Year Ended June 30, 2023

Public Support and Revenues

Contributions	\$ 74,792
Government grants	3,319,066
Program fees	176,309
Investment income, net	11,197
Other income	8,390
Total public support and revenue	<u>3,589,754</u>

Expenses

Program services	3,600,093
Management and general	144,928
Fundraising	10,146
Total expenses	<u>3,755,167</u>

Decrease in net assets without donor restriction	(165,413)
Net assets without donor restriction, beginning of year	<u>750,518</u>

Net assets without donor restriction, end of year	<u><u>\$ 585,105</u></u>
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The accompanying notes are an integral part of these financial statements

Consumer Credit Counseling of Springfield, Missouri, Inc.

Statement of Functional Expenses

Year Ended June 30, 2023

	Program Services	Management and General	Fundraising	Total
Client assistance	\$ 3,020,648	\$ -	\$ -	\$ 3,020,648
Wages, taxes, and benefits	398,023	101,408	7,606	507,037
Travel	4,850	-	-	4,850
Rent	9,402	1,045	-	10,447
Utilities and telephone	38,313	4,257	-	42,570
Insurance	18,178	2,020	-	20,198
Depreciation	26,209	2,912	-	29,121
Repairs and maintenance	15,208	1,690	-	16,898
Advertising	26,091	-	-	26,091
Office	43,171	5,079	2,540	50,790
Professional Fees	-	26,517	-	26,517
Total expenses	<u>\$ 3,600,093</u>	<u>\$ 144,928</u>	<u>\$ 10,146</u>	<u>\$ 3,755,167</u>

The accompanying notes are an integral part of these financial statements

Consumer Credit Counseling of Springfield, Missouri, Inc.

Statement of Cash Flows

Year Ended June 30, 2023

Cash flows from (used in) operating activities

Decrease in net assets	\$	(165,413)
Adjustments		
Depreciation		29,121
Realized gain on investments		(1,139)
Unrealized gain on investments		(6,425)
Net change in operating accounts:		
Grants receivable		7,104
Prepaid expenses		3,788
Accounts payable		28,303
Client funds payable		(2,596)
Accrued expenses		(1,301)
Refundable advance		(868,248)
Net cash used in operating activities		<u>(976,806)</u>

Cash flows used in investing activities

Acquisition of property and equipment		(12,036)
Reinvested earnings from community foundation		(2,099)
Net cash used in investing activities		<u>(14,135)</u>

Net decrease in cash, cash equivalents, and restricted cash

(990,941)

Cash, cash equivalents, and restricted cash - beginning of year

1,060,014

Cash, cash equivalents, and restricted cash - end of year

\$ 69,073

The accompanying notes are an integral part of these financial statements

Consumer Credit Counseling of Springfield, Missouri, Inc.

Notes to the Financial Statements

Year Ended June 30, 2023

1. Summary of Significant Accounting Policies

Nature of business: Consumer Credit Counseling of Springfield, Missouri, Inc. (the “Organization”) was established in 1969 as a not-for-profit corporation 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 predominantly provided from fees from creditors and clients and grants.

Accounting pronouncements adopted: Effective July 1, 2022, the Organization elected to adopt FASB ASC 842, *Leases*. This accounting standard requires a lessee to record a right-of-use asset and a lease liability on the statement of financial position for lease agreements entered into by the Organization. The accounting standard allows the Organization to elect not to apply the asset and liability recognition requirements of this standard to immaterial leases. The Organization typically has immaterial leases and, as such, the Organization did not record a right-of-use asset or lease liability for any of its leases upon the adoption of this accounting standard. Expense related to the Organization’s leases was recognized on a straight-line basis over the lease term. The adoption of this standard did not result in any adjustments being made to the Organization’s financial statements.

Basis of presentation: The Organization is required to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets not subject to donor-imposed restrictions 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 must be expended in accordance with donor restrictions. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. At June 30, 2023, the Organization does not have any net assets with donor restrictions.

Donor restricted contributions are reported as increases in net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or the purpose is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and net assets as net assets released from restriction. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions.

Grants receivable and credit policies: Grants receivable consists primarily of funds due to the Organization for providing program services. Grants receivable are stated at the amount billed to the funding source. Management individually reviews all grants receivable balances and estimates the portion of the balance that will not be collected based on an assessment of current creditworthiness.

Consumer Credit Counseling of Springfield, Missouri, Inc.

Notes to the Financial Statements

Year Ended June 30, 2023

Management has concluded that realization losses on balances outstanding at year-end will be immaterial. It is the Organization's policy not to charge finance charges on past due accounts.

Accounting estimates: Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities and disclosures 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 vary from the estimates that were used.

Investments: The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position.

Investment income and loss includes dividends, interest, realized and unrealized gains on investments carried at fair value, and fees associated with investment maintenance. Investment income and loss is reflected in the statement of activities and net assets as with donor restrictions or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

The Organization maintains pooled investment accounts for its funds as approved by the board of directors. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated quarterly to the individual funds based on the relationship of the fair value of the interest of each individual fund to the total fair value of the pooled investments, as computed using the weighted average that reflects addition to or deductions from those accounts.

Property and equipment: Property and equipment have been stated at cost. Depreciation has been computed by applying the straight-line method and the following estimated lives:

<u>Category</u>	<u>Estimated Life</u>
Buildings and improvements	10-50 years
Equipment, furniture, and fixtures	5-10 years

Acquisitions of property and equipment or repairs, maintenance, or betterments in excess of \$1,000, or which materially prolong the useful lives of assets, are capitalized.

Refundable Advance: Refundable advance in the accompanying statement of financial position consists of grant funds which must be returned if not spent. The grant funds received in advance are recognized over the period the expenditure is incurred.

Tax exempt status: Consumer Credit Counseling of Springfield, Missouri, Inc. has been classified as an exempt organization under Internal Revenue Code Section 501(c)(3) and as a public charity qualified for charitable contributions under Internal Revenue Code Section 170.

The Organization has analyzed the tax positions taken and has concluded that as of June 30, 2023, there are no uncertain positions taken, or expected to be taken, that would require recognition of an asset or liability or disclosure in the financial statements. A tax asset or liability would be recognized if the Organization has taken an uncertain position that more likely than not would not be sustained upon

Consumer Credit Counseling of Springfield, Missouri, Inc.

Notes to the Financial Statements

Year Ended June 30, 2023

examination by taxing authorities. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization does not believe it likely that changes will occur within the next fiscal year that will have a material impact on the financial statements.

Revenue recognition: The Organization recognizes revenue using the following methods:

Contributions and grants: Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. The majority of grants received by the Organization are nonreciprocal. Therefore, revenue is recognized as obligations are met.

Nonfinancial contributions: The Organization may receive nonfinancial contributions in carrying out the Organization's mission. The Organization receives a substantial amount of services donated by its members in carrying out the Organization's mission. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under accounting principles generally accepted in the United States of America. Donated goods and assets received by the Organization are recorded at their fair value at the date of donation. The Organization does not monetize any contributed nonfinancial asset that meets the criteria of its mission. The Organization had no material nonfinancial contributions contributed during the years ended June 30 2023.

Program fees: Program service fee revenue is recognized when the related obligation is met.

Statements of cash flows: Cash equivalents include time deposits, certificates of deposit, money market funds, and all highly liquid debt instruments with maturities of three months or less at the date of their acquisition.

Advertising costs: The Organization expenses non-direct response advertising costs as they are incurred. The Organization incurred non-direct response advertising costs of \$26,091 during the year ended June 30, 2023.

Functional allocation of expenses: The cost of providing various programs and other activities have been summarized on a functional basis in the statements of activities. The statement of functional expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. All other costs have been directly applied.

Consumer Credit Counseling of Springfield, Missouri, Inc.

Notes to the Financial Statements

Year Ended June 30, 2023

The allocated expenses include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Wages, taxes, and benefits	Time and effort
Rent	Full time equivalent
Utilities and telephone	Full time equivalent
Insurance	Full time equivalent
Depreciation	Full time equivalent
Repairs and maintenance	Full time equivalent
Office	Full time equivalent

Fair value measurement: The definition of fair value focuses on the exit price (i.e., the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date) not the entry price (i.e., the price that would be paid to acquire the asset or received to assume the liability at the measurement date). The statements emphasize that fair value is a market-based measurement; not an entity-specific measurement. Therefore, the fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability.

Subsequent Event: Management has evaluated subsequent events between the end of the most recent fiscal year end and March 13, 2024, the date the financial statements were available to be issued.

2. Availability and Liquidity

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 become due. The following represents the Organization's financial assets at June 30, 2023, available to meet general expenditures within one year:

Financial assets at year end

Cash, cash equivalents, and restricted cash	\$ 69,073
Beneficial interest in community foundation	130,681
Total financial assets	<u>199,754</u>

Less amounts unavailable for general expenditures within one year

Client funds - restricted cash	<u>52,856</u>
Financial assets available to meet general expenditures within one year	<u><u>\$ 146,898</u></u>

Consumer Credit Counseling of Springfield, Missouri, Inc.

Notes to the Financial Statements

Year Ended June 30, 2023

3. Cash and Cash Equivalents

The following table provides a reconciliation of cash and restricted cash reported within the statement of financial position which sum to the total of the same such amounts shown in the statement of cash flows for the year ended June 30, 2023:

Cash and cash equivalents	\$ 16,217
Client funds - restricted cash	52,856
Total cash, cash equivalents, and restricted cash	<u>\$ 69,073</u>

4. Beneficial Interest in Community Foundation

Beneficial interest in community foundation, as presented in the current assets section of the statement of financial position, consists of funds without donor restrictions held at the Community Foundation of the Ozarks. The investment structure of the assets is to seek higher returns than a cash account while providing reasonable stability of principal.

5. Property and Equipment

Land	\$ 237,450
Buildings and improvements	578,458
Equipment, furniture, and fixtures	133,257
	<u>949,165</u>
Less accumulated depreciation	426,879
Total	<u>\$ 522,286</u>

6. Leases

The Organization leases its facilities in Joplin, West Plains, and Monett, Missouri under short-term leases. The Organization also leases equipment and vehicles used in various programs from unrelated parties as needed.

7. Multiemployer Defined Pension Plan

The Organization participates in a multiemployer defined benefit pension plan, the Christian Brothers Retirement Allowance Committee. The Organization does not directly manage this multiemployer plan, which is managed by a board of trustees. The Organization's full-time employees are participants in the multiemployer plan as of June 30, 2023, subject to eligibility requirements. The expense for the plan was \$22,854 for the year ended June 30, 2023. The risks of participating in a multiemployer plan are different from a single employer plan in the following aspects:

Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.

Consumer Credit Counseling of Springfield, Missouri, Inc.

Notes to the Financial Statements

Year Ended June 30, 2023

If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

If an employer chooses to stop participating in a multiemployer plan, the company may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

8. Fair Value Measurement

The Organization has an established process for determining fair values. 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, including interest rate yield curves, option volatilities and third-party information. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies, or assumptions, to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Valuation Hierarchy

ASC 820 establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1: inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2: inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3: inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Following is a description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Assets held at Community Foundation of the Ozarks - Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include highly liquid government securities and certain other products. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows and are classified within Level 2 of the valuation hierarchy. In certain cases where there is limited activity or less transparency around inputs to the valuation, securities are classified within level 3 of the valuation hierarchy.

Consumer Credit Counseling of Springfield, Missouri, Inc.

Notes to the Financial Statements

Year Ended June 30, 2023

The following tables present the financial instruments carried at fair value on a recurring basis as of June 30, 2023, by caption on the statements of financial position and by ASC 820 valuation hierarchy:

	Fair Value	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Beneficial interest in community foundation	\$ 130,681	\$ -	\$ 130,681	\$ -

During the year ended June 30, 2023, the Organization had no financial instruments classified within Level 3 of the valuation hierarchy for assets and liabilities measured at fair value on a recurring basis.

9. Related Party Transactions

At June 30, 2023, Catholic Charities of Southern Missouri (CCSOMO) is the parent organization for Consumer Credit Counseling of Springfield, Missouri, Inc. See Footnote 12 for further discussion of a subsequent disassociation of the organizations. During the year ended June 30, 2023, the Organization received \$4,142 from CCSOMO for various operating costs. At June 30, 2023, The Organization owes CCSOMO \$22,202 and this amount is include in accounts payable on the statement of financial position.

10. Contingencies

The Organization receives a portion of its funding for projects through various federal and state grants for specific purposes that are subject to audit by grantor agencies. Compliance audits conducted by those agencies in the future could lead to disallowed costs relating to the current period. However, the Organization expects such amounts, if any, to be immaterial.

11. Concentrations

During the year ended June 30, 2023, the Organization received approximately \$3,215,555 in grants from the United States Department of Treasury under the Emergency Rental Assistance Program. The grant concluded in September 2022 and was not renewed.

12. Subsequent Events

Management has evaluated subsequent events between the end of the most recent fiscal year end and March 13, 2024, the date the financial statements were available to be issued.

In October 2023, both CCCS and CCSOMO boards approved a separation agreement which provides CCSOMO is no longer the sole corporate member of CCCS. As a result, CCSOMO will no longer retain any governance authority with respect to CCCS. There is no transfer of assets or liabilities between CCSOMO and CCCS with respect to the separation agreement. The Organization also signed a line of credit promissory note with Central Bank of the Ozarks. The Organization can borrow up to \$400,000 with a 6.5% interest rate, and the note matures in October 2024.

In December 2023, The Organization sold its Springfield, Missouri Campbell street building for \$225,000 and listed its Glenstone Building for sale.

Federal Awards

Consumer Credit Counseling of Springfield, Missouri, Inc.

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Federal Grantor / Pass Through Grantor / Program Title	Federal Assistance Listing	Pass-through Grantor's or Other Identifying Number	Federal Expenditures
Department of Housing and Urban Development			
<i>Passed through National Foundation of Credit Counseling</i>			
Housing Counseling Assistance Program	14.169	N/A	\$ 77,430
Total Department of Housing and Urban Development			77,430
 Department of Treasury			
<i>Passed through Greene County, Missouri</i>			
COVID-19 - Emergency Rental Assistance Program	21.023	ERA0293 ERAE0014	3,215,555
 <i>Passed through Missouri Housing Development Commission</i>			
COVID-19 - Emergency Rental Assistance Program	21.023	N/A	24,500
Total Department of Treasury			3,240,055
Total Expenditures of Federal Awards			\$ 3,394,915

N/A - not applicable

See accompanying notes to the schedule of expenditures of federal awards

Consumer Credit Counseling of Springfield, Missouri, Inc.

Notes to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal awards activity of Consumer Credit Counseling of Springfield, Missouri, Inc. under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of Consumer Credit Counseling of Springfield, Missouri, Inc., it is not intended to, and does not present the financial position, changes in net assets, or cash flows of Consumer Credit Counseling of Springfield, Missouri, Inc.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-122, *Cost Principles of Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Organization has elected not to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

Pass-through entity identifying numbers are presented where available.

3. Subrecipients

Consumer Credit Counseling of Springfield, Missouri, Inc. did not provide federal awards to subrecipients during the year ended June 30, 2023.



Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Consumer Credit Counseling of Springfield, Missouri, Inc. (a nonprofit corporation) which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 13, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Consumer Credit Counseling of Springfield, Missouri, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances, for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
March 13, 2024



Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Consumer Credit Counseling of Springfield, Missouri, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Consumer Credit Counseling of Springfield, Missouri, Inc.'s major federal programs for the year ended June 30, 2023. Consumer Credit Counseling of Springfield, Missouri, Inc.'s major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

In our opinion, Consumer Credit Counseling of Springfield, Missouri, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits obtained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our Report.

We are required to be independent of Consumer Credit Counseling of Springfield, Missouri, Inc., and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Consumer Credit Counseling of Springfield, Missouri, Inc.'s compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Consumer Credit Counseling of Springfield, Missouri, Inc.'s federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and to express an opinion on Consumer Credit Counseling of Springfield, Missouri, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance 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. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Consumer Credit Counseling of Springfield, Missouri, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Consumer Credit Counseling of Springfield, Missouri, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Consumer Credit Counseling of Springfield, Missouri, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Consumer Credit Counseling of Springfield, Missouri, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities of the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

This purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Handwritten signature in black ink that reads "KPM CPAs, PC".

KPM CPAs, PC
Springfield, Missouri
March 13, 2024

Consumer Credit Counseling of Springfield, Missouri, Inc.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

Section I: Summary of Audit Results

Financial Statements		
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:		Unmodified
Internal Control over Financial Reporting:		
Material weakness(es) identified?		No
Significant deficiency(ies) identified?		None Reported
Noncompliance material to financial statements noted?		No
Federal Awards		
Internal control over major federal programs:		
Material weakness(es) identified?		No
Significant deficiency(ies) identified?		None Reported
Type of auditors' report issued on compliance for major federal program:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?		No
Identification of major federal program:		
Federal Assistance Listing Number	Name of Federal Program or Cluster	
21.023	Emergency Rental Assistance Program	
Dollar threshold used to distinguish between type A and type B programs:		\$750,000
Auditee qualified as low-risk auditee?		No

Section II – Findings – Financial Statements Audit

None

Section III – Findings – Major Federal Award Program Audit

None

Consumer Credit Counseling of Springfield, Missouri, Inc.

Summary Schedule of Prior Year Audit Findings

Year Ended June 30, 2023

There were no findings in prior audits.