

**Financial Information & Service Center, Inc.  
d/b/a Consumer Credit Counseling Service  
of Northeastern Wisconsin**

Menasha, Wisconsin

**Consolidated Financial Statements**

Years Ended December 31, 2018 and 2017



## Independent Auditor's Report

Board of Directors  
Financial Information & Service Center, Inc.  
d/b/a Consumer Credit Counseling Service of  
Northeastern Wisconsin  
Menasha, Wisconsin

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Financial Information & Service Center, Inc. d/b/a Consumer Credit Counseling Service of Northeastern Wisconsin (FISC) and Subsidiary which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, and the related consolidated statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of FISC and Subsidiary at December 31, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

*Wipfli LLP*

Wipfli LLP

April 24, 2019

Green Bay, Wisconsin

# Financial Information & Service Center, Inc. d/b/a Consumer Credit Counseling Service of Northeastern Wisconsin

## Consolidated Statements of Financial Position December 31, 2018 and 2017

<i>Assets</i>	2018	2017
<b>Current assets:</b>		
Cash	\$ 35,357	\$ 25,231
Due from Goodwill Industries	16,662	63,462
Restricted cash	611,918	566,002
Accounts receivable	198,767	224,827
<b>Total current assets</b>	<b>862,704</b>	<b>879,522</b>
<b>Property and equipment - Net</b>	<b>33,649</b>	<b>36,233</b>
<b>TOTAL ASSETS</b>	<b>\$ 896,353</b>	<b>\$ 915,755</b>
<b><i>Liabilities and Net Assets</i></b>		
<b>Current liabilities:</b>		
Funds managed for others	\$ 611,312	\$ 565,086
<b>Total current liabilities</b>	<b>611,312</b>	<b>565,086</b>
<b>Net assets:</b>		
Without donor restrictions	74,285	82,313
With donor restrictions	210,756	268,356
<b>Total net assets</b>	<b>285,041</b>	<b>350,669</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 896,353</b>	<b>\$ 915,755</b>

# Financial Information & Service Center, Inc. d/b/a Consumer Credit Counseling Service of Northeastern Wisconsin

## Consolidated Statement of Activities

Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue:</b>			
Contributions	\$ 428,071	\$ 208,390	\$ 636,461
Fair share fees	68,953	0	68,953
Counseling fees	131,271	0	131,271
Payment Partner fees	163,440	0	163,440
Miscellaneous income	1,420	0	1,420
Net assets released from restrictions	265,990	(265,990)	0
<b>Total support and revenue</b>	<b>1,059,145</b>	<b>(57,600)</b>	<b>1,001,545</b>
<b>Expenses:</b>			
<b>Program expenses:</b>			
Financial Information & Service Center, Inc.	614,692	0	614,692
Consumer Credit Counseling Service of Northeastern Wisconsin	106,955	0	106,955
Money Management Education Associates	184,161	0	184,161
<b>Total program expenses</b>	<b>905,808</b>	<b>0</b>	<b>905,808</b>
<b>Management and general</b>	<b>161,365</b>	<b>0</b>	<b>161,365</b>
<b>Total expenses</b>	<b>1,067,173</b>	<b>0</b>	<b>1,067,173</b>
Change in net assets	(8,028)	(57,600)	(65,628)
Net assets at beginning	82,313	268,356	350,669
<b>Net assets at end</b>	<b>\$ 74,285</b>	<b>\$ 210,756</b>	<b>\$ 285,041</b>

See accompanying notes to consolidated financial statements.

# Financial Information & Service Center, Inc. d/b/a Consumer Credit Counseling Service of Northeastern Wisconsin

## Consolidated Statement of Activities Year Ended December 31, 2017

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue:</b>			
Contributions	\$ 622,437	\$ 265,322	\$ 887,759
Fair share fees	77,733	0	77,733
Counseling fees	119,390	0	119,390
Payment Partner fees	168,015	0	168,015
Miscellaneous income	6,136	0	6,136
Net assets released from restrictions	198,975	(198,975)	0
<b>Total support and revenue</b>	<b>1,192,686</b>	<b>66,347</b>	<b>1,259,033</b>
<b>Expenses:</b>			
<b>Program expenses:</b>			
Financial Information & Service Center, Inc.	756,024	0	756,024
Consumer Credit Counseling Service of Northeastern Wisconsin	112,138	0	112,138
Money Management Education Associates	187,005	0	187,005
<b>Total program expenses</b>	<b>1,055,167</b>	<b>0</b>	<b>1,055,167</b>
<b>Management and general</b>	<b>151,210</b>	<b>0</b>	<b>151,210</b>
<b>Total expenses</b>	<b>1,206,377</b>	<b>0</b>	<b>1,206,377</b>
Change in net assets	(13,691)	66,347	52,656
Net assets at beginning	96,004	202,009	298,013
<b>Net assets at end</b>	<b>\$ 82,313</b>	<b>\$ 268,356</b>	<b>\$ 350,669</b>

# Financial Information & Service Center, Inc. d/b/a Consumer Credit Counseling Service of Northeastern Wisconsin

## Consolidated Statements of Cash Flows Years Ended December 31, 2018 and 2017

	2018	2017
Increase (decrease) in cash:		
Cash flows from operating activities:		
Change in net assets	\$ (65,628)	\$ 52,656
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	14,658	15,958
Loss on disposition of property	174	0
Changes in operating assets and liabilities:		
Accounts receivable	26,060	(32,456)
Restricted cash	(45,916)	142,644
Funds managed for others	46,226	(141,344)
Change in due to / due from Goodwill Industries	46,800	(47,567)
Total adjustments	88,002	(62,765)
Net cash from operating activities	22,374	(10,109)
Cash flow from investing activities:		
Purchase of property and equipment	(12,248)	(6,504)
Change in cash	10,126	(16,613)
Cash at beginning	25,231	41,844
Cash at end	\$ 35,357	\$ 25,231

# Financial Information & Service Center, Inc. d/b/a Consumer Credit Counseling Service of Northeastern Wisconsin

## Consolidated Statement of Functional Expenses

Year Ended December 31, 2018

	Program Expenses				Total
	Financial Information & Service Center, Inc.	Consumer Credit Counseling Service of Northeastern Wisconsin	Money Management Education Associates	Management and General	
Salaries and wages	\$ 391,718	\$ 68,930	\$ 110,028	\$ 104,034	\$ 674,710
Payroll taxes and benefits	100,451	17,229	27,709	26,504	171,893
Professional fees	35,318	4,017	3,596	8,773	51,704
Other dues & memberships	11,124	2,142	183	2,763	16,212
Supplies	3,854	28	702	958	5,542
Telephone	2,900	324	526	720	4,470
Postage and shipping	805	1,827	8,761	200	11,593
Insurance	855	-	-	212	1,067
Utilities	29	-	-	7	36
Equipment	14,226	995	-	3,534	18,755
Printing and publications	3,421	555	3,994	850	8,820
Travel	3,296	136	736	819	4,987
Occupancy	27,787	4,835	8,325	7,295	48,242
Conferences, conventions & meetings	1,521	70	-	378	1,969
Bank fees	645	5,284	17,844	160	23,933
Taxes & licenses	43	-	-	11	54
Advertising	5,353	78	-	1,330	6,761
Depreciation	10,143	400	1,596	2,519	14,658
Loss on Sale of Fixed Asset	140	-	-	34	174
Miscellaneous	1,063	105	161	264	1,593
<b>Total functional expenses</b>	<b>\$ 614,692</b>	<b>\$ 106,955</b>	<b>\$ 184,161</b>	<b>\$ 161,365</b>	<b>\$ 1,067,173</b>



# Financial Information & Service Center, Inc. d/b/a Consumer Credit Counseling Service of Northeastern Wisconsin

## Consolidated Statement of Functional Expenses

Year Ended December 31, 2017

	Program Expenses				Total
	Financial Information & Service Center, Inc.	Consumer Credit Counseling Service of Northeastern Wisconsin	Money Management Education Associates	Management and General	
Salaries and wages	\$ 505,617	\$ 73,436	\$ 108,529	\$ 102,946	\$ 790,528
Payroll taxes and benefits	128,485	19,428	28,110	26,354	202,377
Professional fees	23,345	3,574	3,693	4,041	34,653
Other dues & memberships	19,474	2,347	0	3,371	25,192
Supplies	5,339	127	2,375	924	8,765
Telephone	6,949	338	456	1,203	8,946
Postage and shipping	1,062	1,189	10,658	184	13,093
Insurance	883	0	0	153	1,036
Equipment	1,588	624	350	275	2,837
Printing and publications	3,457	374	3,084	598	7,513
Travel	6,579	410	915	1,139	9,043
Occupancy	29,887	4,433	7,393	5,978	47,691
Conferences, conventions & meetings	922	0	0	160	1,082
Bank fees	286	5,297	19,775	50	25,408
Taxes & licenses	9	0	64	1	74
Advertising	3,404	97	0	589	4,090
Depreciation	11,974	400	1,511	2,073	15,958
Miscellaneous	6,764	64	92	1,171	8,091
<b>Total functional expenses</b>	<b>\$ 756,024</b>	<b>\$ 112,138</b>	<b>\$ 187,005</b>	<b>\$ 151,210</b>	<b>\$ 1,206,377</b>

# Financial Information & Service Center, Inc. d/b/a Consumer Credit Counseling Service of Northeastern Wisconsin

## Notes to Consolidated Financial Statements

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### **Note 1: Summary of Significant Accounting Policies**

#### **Organization Activity**

Financial Information & Service Center, Inc. d/b/a Consumer Credit Counseling Service of Northeastern Wisconsin is a nonprofit Wisconsin corporation organized for the purpose of assisting and educating people in the management of personal finances through the following programs:

- Financial Information & Service Center, Inc.—To counsel and educate individuals, primarily those with negative net worth, about finances, including money management, debt, credit, and withholding taxes.
- Consumer Credit Counseling Service of Northeastern Wisconsin—To assist individuals in their debt management with consumer creditors.

Money Management Education Associates (MMEA) is a nonprofit Wisconsin corporation organized to equip people to take responsibility for their financial well-being through financial education, planning, and personal management services through the following programs:

- Money Management Education Associates—To provide money management information, basic investment education, and successful planning for the future to people primarily with positive net worth.
- Payment Partner—To assist individuals who are not capable of managing their finances, including beneficiaries of social security, supplemental income, veterans' benefits, pension, and wages.

#### **Principles of Consolidation**

FISC and MMEA (collectively referred to as the "Organization") have common board members and management and are, therefore, consolidated. All significant intercompany accounts and transactions have been eliminated in preparing the consolidated financial statements.

The Organization is related to Goodwill Industries of North Central Wisconsin, Inc. ("Goodwill Industries"), a nonprofit Wisconsin corporation through common board members and management. A separate consolidated audit report has been issued for Goodwill Industries, Goodwill Development Corp (an entity related to Goodwill Industries), FISC, and MMEA. FISC is a subsidiary of Goodwill as described in Note 5.

# Financial Information & Service Center, Inc. d/b/a Consumer Credit Counseling Service of Northeastern Wisconsin

## Notes to Consolidated Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Basis of Presentation**

The consolidated financial statements have been presented in accordance with a financial accounting standard that requires the Organization to report information regarding its financial position and activities according to three classes of net assets:

- *Net assets without donor restrictions:* Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net assets with donor restrictions:* Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions.

#### **Revenue Recognition**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and nature of any donor restrictions.

Contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets are classified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. If the restriction is met on a contribution in the year the contribution is received, the contribution is reported as revenue without donor restrictions.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

#### **Program Fees**

Program fees include fair share fees, counseling fees, and payment partner fees, and are earned for providing education, debt counseling, and money management services regarding personal finances. These fees are collected from clients and consumer creditors and recorded as revenue when earned.

# Financial Information & Service Center, Inc. d/b/a Consumer Credit Counseling Service of Northeastern Wisconsin

## Notes to Consolidated Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Property, Equipment, and Depreciation**

Property and equipment are carried at cost. Depreciation is computed using the straight-line method for financial reporting purposes based on the estimated useful lives of the assets. Estimated useful lives are 15 to 40 years for building improvements and range from 3 to 10 years for equipment.

#### **Contributed Services**

No amounts have been reflected in the consolidated financial statements for donated services since no objective basis is available to measure the value of such services.

#### **Functional Allocation of Expenses**

Expenses are charged to functional expense categories based on direct expenditures incurred. Certain expenses, including office expenses, professional fees, and depreciation are allocated to program services and supporting services based on time and effort of direct employees.

#### **Use of Estimates in Preparation of Financial Statements**

The preparation of the accompanying consolidated financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

#### **Accounts Receivable**

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management has determined no allowance is necessary based on its assessment of the current status of individual accounts.

#### **Change in Accounting Policy**

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented with the exception of certain omissions of prior year data as allowed under the standard. There was no change in the classification of net assets as a result.

# Financial Information & Service Center, Inc. d/b/a Consumer Credit Counseling Service of Northeastern Wisconsin

## Notes to Consolidated Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **New Accounting Pronouncements**

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606). This ASU, as amended, provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures. The new standard supersedes current revenue recognition requirements in FASB Accounting Standards Codification (ASC) Topic 606, Revenue Recognition, and most industry-specific guidance. When adopted, the amendments in the ASU must be applied using one of two retrospective methods. ASU No. 2014-09 is effective for nonpublic entities for annual periods beginning after December 15, 2018. The Organization is currently evaluating the impact of the provisions of ASC 606.

On June 21, 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The amendments in this update will assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and determining whether a transaction is conditional. The amendments in this update are effective for annual financial statements issued for fiscal years beginning after December 15, 2018, and for interim periods within fiscal years beginning after December 15, 2019, for transactions in which the entity serves as the resource recipient. Early application of the amendments in this update is permitted. The Organization is still evaluating the impact of the provisions of ASU Topic 958.

#### **Tax Status**

FISC and MMEA are nonprofit organizations as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. FISC and MMEA are also exempt from state income taxes on related income.

The Organization is required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements. The Organization has determined there are no amounts to record as assets or liabilities related to uncertain tax positions.

#### **Advertising**

Advertising costs are expensed as incurred.

# Financial Information & Service Center, Inc. d/b/a Consumer Credit Counseling Service of Northeastern Wisconsin

## Notes to Consolidated Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Subsequent Events

Subsequent events have been evaluated through April 24, 2019, which is the date the consolidated financial statements were available to be issued.

### Note 2: Restricted Cash and Funds Managed for Others

Restricted cash consists of \$606 and \$916 of donor restricted cash and \$611,312 and \$565,086 of Payment Partner restricted cash as of December 31, 2018 and 2017, respectively.

MMEA operates Payment Partner, a representative service and bill pay service. Amounts are paid on behalf of the individuals under these programs, and the residual balance of funds is retained by MMEA. These funds are held on behalf of the individuals and are reflected as restricted cash and funds managed for others on the consolidated statement of financial position. The balance of restricted cash related to the Payment Partner program and funds managed for others totaled \$611,312 and \$565,086 at December 31, 2018 and 2017, respectively.

### Note 3: Liquidity and Availability of Financial Resources

The Organization has \$27,668 of financial resources available for general expenditure within the next 12 months (consisting of operating cash of \$11,006 and accounts receivable from Goodwill Industries of \$16,662). The Organization does not have a formal liquidity policy, and generally keeps unrestricted, undesignated cash on hand to a minimum. Goodwill Industries commits annually, through the financial budgeting process, to supporting FISC ensuring that financial needs are met by utilizing the liquidity of Goodwill.

### Note 4: Property and Equipment

Property and equipment consisted of the following at December 31:

	2018	2017
Building improvements	\$ 5,574	\$ 5,574
Furniture & Office Equipment	163,283	176,835
Total property and equipment	168,857	182,409
Less - Accumulated depreciation	135,208	146,176
Property and equipment - Net	\$ 33,649	\$ 36,233

# Financial Information & Service Center, Inc. d/b/a Consumer Credit Counseling Service of Northeastern Wisconsin

## Notes to Consolidated Financial Statements

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### Note 5 Related-Party Transactions

FISC is a subsidiary of Goodwill Industries; however, FISC continues to maintain its own corporate identity. FISC, MMEA, and Goodwill Industries share common board members. All employees for the organizations are employed by Goodwill Industries. The salaries and wages and other direct expenses pertaining to these organizations are allocated to the Organization based on actual costs. Significant purchases of assets and proceeds from the sale of assets are also allocated to the Organization. At December 31, 2018 and 2017, the Organization had a receivable from Goodwill Industries of \$16,662 and \$63,462, respectively.

Goodwill Industries also provides office space and utilities as an in-kind contribution to FISC. The amount of contributed occupancy costs for the years ended December 31, 2018 and 2017, was \$48,242 and \$47,691, respectively, and is recorded in contributions on the consolidated statements of activities and occupancy expense on the consolidated statements of functional expenses.

Goodwill Industries approved a mission contribution to FISC to support the operation of the programs. The mission contributions provided for the years ended December 31, 2018 and 2017 were approximately \$210,000 and \$393,000, respectively.

### Note 6: Retirement Plan

All employees who provide services for the Organization can participate in Goodwill Industries' pension plan, subject to eligibility requirements. Goodwill Industries has a defined contribution pension plan covering substantially all employees who work at least 1,000 hours during the plan year. The plan provides for a discretionary matching contribution by the Organization equal to 100% of the employee's total contribution with the maximum contribution up to 6% of the employee's total compensation. Pension expense paid to Goodwill Industries totaled \$21,314 and \$9,177 for the years ended December 31, 2018 and 2017, respectively.

### Note 7: Net Assets With Donor Restrictions

Net assets with donor restrictions were available for the following purposes at December 31:

	2018	2017
Future periods - time restricted	\$ 208,390	\$ 265,322
Other - purpose restricted	2,366	3,034
Totals	\$ 210,756	\$ 268,356

# Financial Information & Service Center, Inc. d/b/a Consumer Credit Counseling Service of Northeastern Wisconsin

## Notes to Consolidated Financial Statements

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### **Note 8: Trust Fund**

FISC maintains a separate client trust account included in cash on the consolidated statements of financial position entitled CCCS Trust Fund with a balance of \$24,301 and \$25,006 at December 31, 2018 and 2017, respectively.