

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

Menasha, Wisconsin

Consolidated Financial Statements

Years Ended December 31, 2017 and 2016

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

Consolidated Financial Statements
Years Ended December 31, 2017 and 2016

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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, 2017 and 2016, 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 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, 2017 and 2016, 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.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

April 19, 2018
Madison, Wisconsin

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

Consolidated Statements of Financial Position December 31, 2017 and 2016

<i>Assets</i>	2017	2016
Current assets:		
Cash	\$ 25,231	\$ 41,844
Due from Goodwill Industries	63,462	15,895
Restricted cash	566,002	708,646
Accounts receivable	224,827	192,371
Total current assets	879,522	958,756
Property and equipment - Net	36,233	45,687
TOTAL ASSETS	\$ 915,755	\$ 1,004,443
<i>Liabilities and Net Assets</i>		
Current liabilities:		
Funds managed for others	\$ 565,086	\$ 706,430
Total current liabilities	565,086	706,430
Net assets:		
Unrestricted	82,313	96,004
Temporarily restricted	268,356	202,009
Total net assets	350,669	298,013
TOTAL LIABILITIES AND NET ASSETS	\$ 915,755	\$ 1,004,443

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

Consolidated Statement of Activities Year Ended December 31, 2017

	Unrestricted	Temporarily Restricted	Total
Support and revenue:			
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
Total support and revenue	1,192,686	66,347	1,259,033
Expenses:			
Program expenses:			
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
Total program expenses	1,055,167	0	1,055,167
Management and general	151,210	0	151,210
Total expenses	1,206,377	0	1,206,377
Change in net assets	(13,691)	66,347	52,656
Net assets at beginning	96,004	202,009	298,013
Net assets at end	\$ 82,313	\$ 268,356	\$ 350,669

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

Consolidated Statement of Activities Year Ended December 31, 2016

	Unrestricted	Temporarily Restricted	Total
Support and revenue:			
Contributions	\$ 569,158	\$ 199,268	\$ 768,426
Fair share fees	82,285	0	82,285
Counseling fees	116,795	0	116,795
Payment Partner fees	186,155	0	186,155
Miscellaneous income	8,493	0	8,493
Net assets released from restrictions	262,346	(262,346)	0
Total support and revenue	1,225,232	(63,078)	1,162,154
Expenses:			
Program expenses:			
Financial Information & Service Center, Inc.	760,240	0	760,240
Consumer Credit Counseling Service of Northeastern Wisconsin	123,785	0	123,785
Money Management Education Associates	153,633	0	153,633
Total program expenses	1,037,658	0	1,037,658
Management and general	154,292	0	154,292
Total expenses	1,191,950	0	1,191,950
Change in net assets	33,282	(63,078)	(29,796)
Net assets at beginning	62,722	265,087	327,809
Net assets at end	\$ 96,004	\$ 202,009	\$ 298,013

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

Consolidated Statements of Cash Flows Years Ended December 31, 2017 and 2016

	2017	2016
Increase (decrease) in cash:		
Cash flows from operating activities:		
Change in net assets	\$ 52,656	\$ (29,796)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	15,958	20,191
Changes in operating assets and liabilities:		
Accounts receivable	(32,456)	95
Restricted cash	142,644	(38,595)
Funds managed for others	(141,344)	38,595
Change in due to / due from Goodwill Industries	(47,567)	18,340
Total adjustments	(62,765)	38,626
Net cash (used in) provided by operating activities	(10,109)	8,830
Cash flow used in investing activities:		
Purchase of property and equipment	(6,504)	(10,599)
Change in cash	(16,613)	(1,769)
Cash at beginning	41,844	43,613
Cash at end	\$ 25,231	\$ 41,844

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
Total functional expenses	\$ 756,024	\$ 112,138	\$ 187,005	\$ 151,210	\$ 1,206,377

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

Consolidated Statement of Functional Expenses

Year Ended December 31, 2016

	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	\$ 500,438	\$ 82,487	\$ 86,168	\$ 102,332	\$ 771,425
Payroll taxes and benefits	134,066	21,176	22,872	27,241	205,355
Professional fees	24,825	4,483	0	4,836	34,144
Other dues & memberships	12,488	2,391	0	2,433	17,312
Supplies	7,823	117	3,844	1,524	13,308
Telephone	4,715	549	742	918	6,924
Postage and shipping	1,063	1,379	11,361	207	14,010
Insurance	1,483	0	0	289	1,772
Equipment	2,057	845	314	401	3,617
Printing and publications	3,796	732	540	739	5,807
Travel	8,207	625	857	1,599	11,288
Occupancy	30,462	4,966	6,159	6,159	47,746
Conferences, conventions & meetings	3,609	0	50	703	4,362
Bank fees	89	3,304	18,426	17	21,836
Taxes & licenses	8	0	64	2	74
Advertising	7,744	78	0	1,509	9,331
Depreciation	15,404	344	1,442	3,001	20,191
Miscellaneous	1,963	309	794	382	3,448
Total functional expenses	\$ 760,240	\$ 123,785	\$ 153,633	\$ 154,292	\$ 1,191,950

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

Notes to Consolidated Financial Statements

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, 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 4.

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

Notes to Consolidated Financial Statements

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:

- *Unrestricted net assets* are the net assets of the Organization that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations.
- *Temporarily restricted net assets* are those whose use by the Organization has been limited by donors to a specific time period or purpose. When a restriction is met or expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
- *Permanently restricted net assets* are those restricted by donors to be maintained by the Organization in perpetuity. The Organization does not currently have any permanently restricted net assets.

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 unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any donor restrictions.

Contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are classified as unrestricted net assets 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 unrestricted revenue.

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

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

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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 the building 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 each program based on direct expenditures incurred. Support service expenses are allocated to program services systematically based on the program benefited. The Organization considers all of the programs and services offered to be functionally related.

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.

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

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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.

Subsequent Events

Subsequent events have been evaluated through April 19, 2018, 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 \$916 and \$2,216 of donor restricted cash and \$565,086 and \$706,430 of Payment Partner restricted cash as of December 31, 2017 and 2016, 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 \$565,086 and \$706,430 at December 31, 2017 and 2016, respectively.

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

Notes to Consolidated Financial Statements

Note 3: Property and Equipment

Property and equipment consisted of the following at December 31:

	2017	2016
Building improvements	\$ 5,574	\$ 5,574
Equipment	166,119	162,786
Furniture	10,716	9,415
Total property and equipment	182,409	177,775
Less - Accumulated depreciation	146,176	132,088
Property and equipment - Net	\$ 36,233	\$ 45,687

Note 4 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, 2017 and 2016, the Organization had a receivable from Goodwill Industries of \$63,462 and \$15,895, respectively.

Goodwill Industries also provides office space and utilities as an in-kind contribution to FISC. The amount of contributed occupancy costs as of December 31, 2017 and 2016, was \$47,691 and \$47,746, 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, 2017 and 2016 were approximately \$393,000 and \$311,000, respectively.

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

Notes to Consolidated Financial Statements

Note 5: 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 \$9,177 and \$13,978 for the years ended December 31, 2017 and 2016, respectively.

Note 6: Temporarily Restricted Net Assets

Temporarily restricted net assets were available for the following purposes at December 31:

	2017	2016
Future periods	\$ 265,322	\$ 199,268
Other	3,034	2,741
Totals	\$ 268,356	\$ 202,009

Note 7: 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 \$25,006 and \$23,000 at December 31, 2017 and 2016, respectively.