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January 11, 2018

Board of Directors  
Consumer Credit Counseling Service of Northwest Indiana, Inc.  
800 E. 86th Avenue, Suite B  
Merrillville, IN 46140

We have reviewed the report prepared by Consumer Credit Counseling Service of Northwest Indiana, Inc. and opined upon by Keilman, Austgen & Sinal, PC, Independent Public Accountants, for the period January 1, 2015 to December 31, 2015. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Consumer Credit Counseling Service of Northwest Indiana, Inc. as of December 31, 2015 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Keilman, Austgen & Sinal, PC prepared all required independent auditor's reports in accordance with generally accepted auditing standards and guidelines established by the State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

  
Paul D. Joyce, CPA  
State Examiner

**FINANCIAL STATEMENTS**

**CONSUMER CREDIT COUNSELING SERVICE  
OF NORTHWEST INDIANA, INC.**

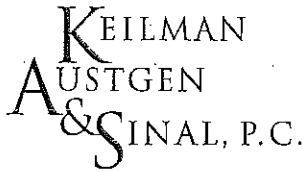
**DECEMBER 31, 2015**

**KEILMAN AUSTGEN & SINAL, P.C.**

**CERTIFIED PUBLIC ACCOUNTANTS**

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CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

May 25, 2016

Consumer Credit Counseling Service of Northwest Indiana, Inc.  
Merrillville, Indiana

We have audited the accompanying financial statements of Consumer Credit Counseling Service of Northwest Indiana, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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

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

### **Auditor's Responsibility**

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

An audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

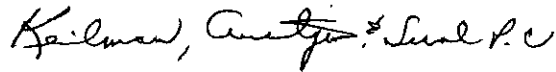
8252 Virginia Street, Suite B  
Merrillville, Indiana 46410  
Telephone 219-736-7501  
Facsimile 219-736-4444

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Consumer Credit Counseling Services of Northwest Indiana, Inc. as of December 31, 2015, 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.

## Report on Summarized Comparative Information

We have previously audited the Consumer Credit Counseling Services of Northwest Indiana, Inc. 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 15, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Keilman, Austgen & Sinal, P.C.

CONSUMER CREDIT COUNSELING SERVICE OF NORTHWEST INDIANA, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2015  
(With Comparative Totals for the Year Ended December 31, 2014)

**ASSETS**

	<u>2015</u>	<u>2014</u>
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 26,700	\$ 13,087
Client Funds Held in Trust	5,406	10,376
Accounts Receivable	20,370	16,226
Prepaid Expenses	3,564	3,377
	<u>56,040</u>	<u>43,066</u>
<b>Fixed Assets:</b>		
Office Equipment	126,041	146,041
Computer Equipment and Software	14,032	5,492
Furniture and Fixtures	76,377	76,377
Leasehold Improvements	1,702	1,702
	<u>218,152</u>	<u>229,612</u>
Less: Accumulated Depreciation	200,273	219,640
	<u>17,879</u>	<u>9,972</u>
Net Fixed Assets	<u>17,879</u>	<u>9,972</u>
	<u>\$ 73,919</u>	<u>\$ 53,038</u>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities:</b>		
Accounts Payable	\$ 8,870	\$ 1,782
Accrued Payroll	8,482	7,422
Accrued Payroll Taxes and Other Withholdings	49	49
Accrued Interest	60	70
Client Funds Held in Trust	5,406	10,376
Capital Lease - Current Portion	3,133	3,433
Note Payable - Current Portion	2,524	17,969
	<u>28,524</u>	<u>41,101</u>
<b>Long-Term Liabilities:</b>		
Note Payable - Net of Current Portion	12,445	-
Capital Lease - Net of Current Portion	-	3,133
	<u>12,445</u>	<u>3,133</u>
Total Liabilities	<u>40,969</u>	<u>44,234</u>
<b>Net Assets</b>		
Unrestricted	32,950	8,804
	<u>32,950</u>	<u>8,804</u>
Total Net Assets	<u>32,950</u>	<u>8,804</u>
Total Liabilities and Net Assets	<u>\$ 73,919</u>	<u>\$ 53,038</u>

See Independent Auditors' Report and Accompanying Notes

CONSUMER CREDIT COUNSELING SERVICE OF NORTHWEST INDIANA, INC.  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR YEAR ENDED DECEMBER 31, 2015  
(With Comparative Totals for the Year Ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
REVENUE AND SUPPORT:		
Consumer education	\$ 10,867	\$ 2,178
Creditor contributions	73,214	46,481
Credit report fees	330	135
Contributions	7,220	7,680
Bankruptcy revenue	200	725
Fee income	74,169	81,874
Housing programs	281,961	229,749
Interest income	1	4
Miscellaneous income	297	3,521
	<u>448,259</u>	<u>372,347</u>
EXPENSES:		
Administrative expenses	79,567	69,116
Program expenses	344,546	334,192
	<u>424,113</u>	<u>403,308</u>
INCREASE (DECREASE) IN NET ASSETS - UNRESTRICTED	<u>24,146</u>	<u>(30,961)</u>
UNRESTRICTED NET ASSETS - BEGINNING OF YEAR	<u>8,804</u>	<u>39,765</u>
UNRESTRICTED NET ASSETS - END OF YEAR	<u>\$ 32,950</u>	<u>\$ 8,804</u>

See Independent Auditors' Report and Accompanying Notes

CONSUMER CREDIT COUNSELING SERVICE OF NORTHWEST INDIANA, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(With Comparative Totals for the Year Ended December 31, 2014)

	2015			2014
	Program	Administrative	Total	Expenses
Accreditation	\$ 320	\$ 80	\$ 400	\$ 400
Advertising	2,309	122	2,431	1,950
Bank fees	-	1,204	1,204	1,151
Board expense	13	-	13	-
Computer related expenses	22,464	5,949	28,413	24,984
Conference and travel	7,751	861	8,612	6,951
Equipment lease and repair	315	55	370	698
Insurance	8,305	8,306	16,611	17,017
Interest expense	-	2,048	2,048	2,643
Miscellaneous	6,312	237	6,549	3,194
Office and operating supplies	7,910	1,978	9,888	8,619
Organizational dues	4,720	1,180	5,900	6,040
Payroll taxes	19,327	3,411	22,738	21,711
Postage and printing	2,162	444	2,606	6,111
Professional fees	6,837	9,699	16,536	8,635
Rent expense	36,137	6,375	42,512	41,131
Salaries	206,022	36,355	242,377	233,263
Training	6,995	-	6,995	9,287
Utilities and telephone	4,837	853	5,690	7,400
Workshop expense	591	104	695	-
Total operating expenses	<u>343,327</u>	<u>79,261</u>	<u>422,588</u>	<u>401,185</u>
Depreciation expense	<u>1,219</u>	<u>306</u>	<u>1,525</u>	<u>2,123</u>
Total expenses	<u>\$ 344,546</u>	<u>\$ 79,567</u>	<u>\$ 424,113</u>	<u>\$ 403,308</u>

See Independent Auditors' Report and Accompanying Notes

CONSUMER CREDIT COUNSELING SERVICE OF NORTHWEST INDIANA, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(With Comparative Totals for the Year Ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 24,146	\$ (30,961)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	1,525	2,123
(Increase) Decrease in Client Deposits	4,970	(5,195)
(Increase) Decrease in Accounts Receivable	(4,144)	11,666
(Increase) Decrease in Prepaid Expenses	(187)	1,045
Increase (Decrease) in Client Funds Held in Trust	(4,970)	5,195
Increase (Decrease) in Accrued Wages	1,060	(319)
Increase (Decrease) in Accounts Payable	7,088	(2,404)
Increase (Decrease) in Accrued Interest	(10)	(119)
Increase (Decrease) in Payroll Taxes and Withholdings	0	13
Net Cash Provided (Used) by Operating Activities	<u>29,478</u>	<u>(18,956)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment on Capital Lease	(3,433)	(2,695)
Purchase of Fixed Assets	(9,432)	
Increase in Note Payable	-	10,000
Decrease in Note Payable	(3,000)	(9,443)
Net Cash Provided (Used) by Financing Activities	<u>(15,865)</u>	<u>(2,138)</u>
Net (Decrease) Increase in Cash	13,613	(21,094)
Cash at Beginning of Year	<u>13,087</u>	<u>34,181</u>
Cash at End of Year	\$ <u>26,700</u>	\$ <u>13,087</u>
<b>SUPPLEMENTAL DATA</b>		
Interest Paid	\$ <u>2,058</u>	\$ <u>2,573</u>

See Independent Auditors' Report and Accompanying Notes

CONSUMER CREDIT COUNSELING SERVICE OF NORTHWEST INDIANA, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Consumer Credit Counseling Service of Northwest Indiana, Inc. provides credit counseling and credit education services to consumers in Northwest Indiana. The mission of the Organization is to work with Northwest Indiana residents to achieve financial stability and improve the quality of their lives. It is a member of the National Foundation for Consumer Credit, Inc. and accredited by the Council on Accreditation. The Housing program offers pre-purchase, default, and post-purchase counseling, first time homebuyer classes, and reverse mortgage counseling. The Bankruptcy program provides pre-filing bankruptcy counseling. The Education program conducts money control workshops, and the Debt Management program stresses money management, financial literacy, income tax assistance, and timely credit card payments.

Basis of Financial Statements

The financial statements have been prepared in conformity with the standards promulgated by the American Institute of Certified Public Accountants in its audit guide for voluntary health and welfare organizations. Consumer Credit Counseling Service of Northwest Indiana, Inc. adopted FASB Accounting Standards Codification 958, *Non-Profit Entities*, (formerly Statement of Financial Accounting Standards (SFAS) No. 116), Accounting for Contributions Received and Contributions Made. In accordance with FASB Financial Accounting Standards Codification 958, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. The Organization adopted the provision of FASB Accounting Standards Codification 958, *Non-Profit Entities* that provides for eliminating the use of separate funds and requires the Organization to report the changes in its net assets classes.

Basis of Accounting

The financial statements of the Consumer Credit Counseling Service of Northwest Indiana, Inc. are prepared on the accrual basis of accounting for both income tax and financial reporting purposes.

Program Services

Revenue is derived from a nominal monthly contribution from each client to defray program expenses. The Organization also requests that each creditor make a contribution to the Organization equal to an agreed upon percentage of the clients' funds paid to the creditor. Both of these contributions are voluntary.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, actual results could differ from those estimates.

CONSUMER CREDIT COUNSELING SERVICE OF NORTHWEST INDIANA, INC.  
NOTES TO FINANCIAL STATEMENTS (cont.)  
DECEMBER 31, 2015

Cash and Cash Equivalents

Cash equivalents include deposits and all highly liquid debt instruments with original maturities of three months or less.

Trust Fund

The Organization accepts a stipulated amount of money each month from overextended consumers (clients) and pays each month an allocation to these clients' creditors as part of the debt management program. Cash balances in the trust fund represent amounts received from clients, but not yet paid to creditors. The current amount due creditors for the year ended December 31, 2015 is \$5,406. The funds received from consumers are held in a separate cash account. A corresponding liability is recorded on the Statement of Financial Position.

Fixed Assets

Fixed assets are recorded at cost or fair market value if donated. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets. Improvements are amortized by the straight-line method over the respective lives of the improvements. The useful lives for computer software is 3 years, for computer equipment is 5 years, for furniture and fixtures is 7 years and 15 years for the sign. Maintenance and repairs are charged to expense as incurred, major renewals and betterments are capitalized. When items of property or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in revenues. Depreciation expense for the year ended December 31, 2015 was \$1,525.

Income Taxes

The Consumer Credit Counseling Service of Northwest Indiana, Inc. is an Indiana Not-For-Profit Corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Advertising

Advertising costs are included in operating expenses and are expensed as incurred. Advertising expense was \$2,431 for the year ended December 31, 2015.

2. ACCOUNTS RECEIVABLE

Accounts receivable consist of billings for grants and other agencies that have been earned in the current year but have not yet been received. Management closely monitors outstanding balances and writes off, as of year-end, all balances past due after a certain period of time and for which all collection efforts have been exhausted. The Organization's policy is to write off bad debts directly against income based on specific identification of those accounts determined to be uncollectible. GAAP requires the use of the allowance method for recording bad debts. The use of the direct write off method does not vary materially from the allowance method and is used for financial reporting purposes.

CONSUMER CREDIT COUNSELING SERVICE OF NORTHWEST INDIANA, INC.  
NOTES TO FINANCIAL STATEMENTS (cont.)  
DECEMBER 31, 2015

3. OPERATING LEASE

The Organization has an lease for its office facility that was on a month to month basis through December, 2013. As of January 1, 2014, the Organization has signed a two year lease with a renewal option for a third year. Rent expense for the year ended December 31, 2015 for office space was \$42,512.

Future minimum lease payments for rent are as follows:

<u>Year</u>	<u>Amount</u>
201	\$ 43,787

In 2015 the Organization had an operating lease for office equipment. Rent expense for office equipment in 2015 was \$370.

4. DONATED MATERIALS AND SERVICES

Donated equipment, furniture and fixtures are reflected as contributions in the accompanying statements at their estimated values on the date of receipt.

5. FUNCTIONAL EXPENSES

Expenses by functions have been allocated between program services and supporting services classifications on the basis of time, income generated, estimates made by the organization's management, or actual usage for the specific programs if determinable.

6. COMPARATIVE FINANCIAL INFORMATION

The financial statements include certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2014, from which the summarized information was derived.

7. SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 25, 2016, the date the financial statements were available to be issued.

CONSUMER CREDIT COUNSELING SERVICE OF NORTHWEST INDIANA, INC.  
 NOTES TO FINANCIAL STATEMENTS (cont.)  
 DECEMBER 31, 2015

8. NOTE PAYABLE

The Organization has a line of credit at December 31, 2015 that, subsequent to the year-end was converted to a term loan. The note is secured by all business assets. The terms of the note, beginning in February 2016, are 60 monthly payments of \$281, with interest at 6.57%.

Balance 12/31/15	\$14,969
Less Current Portion	<u>(2,524)</u>
Long-term Debt	<u><u>\$12,445</u></u>

Future loan payments are due as follows:

2016	\$	2,524
2017		2,861
2018		2,827
2019		3,018
2020		3,223
Thereafter		516
	<u>\$</u>	<u><u>14,969</u></u>

9. CAPITAL LEASE

The Organization currently has equipment being purchased under a capital lease. The equipment cost was \$9,839. Accumulated depreciation on this equipment was \$2,214 at December 31, 2015. Minimum lease payments have been capitalized for the financial statements. The lease expires in September 2016.

The following is a schedule of future minimum lease payments and the present value of the net minimum lease payments as of December 31, 2015.

Total minimum lease payments	\$	3,197
Less amount representing interest		<u>(64)</u>
Present value of net minimum lease payments		3,133
Less current portion		<u>(3,133)</u>
	<u>\$</u>	<u><u>-</u></u>

Future maturities of capital lease obligations are as follows:

2016		3,133
	<u>\$</u>	<u><u>3,133</u></u>

10. CONCENTRATION

During the year ended December 31, 2015, the Organization received approximately 67% of its revenue from two sources. These sources accounted for 100% of the accounts receivable balance at December 31, 2015. In 2015 the Organization had no cash deposits in excess of the FDIC insured limits.

CONSUMER CREDIT COUNSELING SERVICE OF NORTHWEST INDIANA, INC.  
NOTES TO FINANCIAL STATEMENTS (cont.)  
DECEMBER 31, 2015

11. INCOME TAX UNCERTAINTIES

The Organization has adopted the provision of ASC 740-10-25, which requires an organization to disclose any income tax uncertainties, including tax positions, for which it is reasonably possible that the unrecognized tax benefit will significantly change in the next 12 months. The Organization believes that all income tax positions are reasonable and that the total amounts of unrecognized tax benefits will not significantly increase or decrease within 12 months of the reporting date. As a non-profit organization, the Organization is not required to pay income taxes. The Organization did not recognize any penalties or interest in their December 31, 2015 financial statements. In general, the Organization is no longer subject to examinations for the years prior to 2012.