

**NATIONAL FOUNDATION FOR CREDIT COUNSELING, INC.**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
National Foundation for Credit Counseling, Inc.  
Washington, DC

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the accompanying financial statements of National Foundation for Credit Counseling, Inc., which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years 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 National Foundation for Credit Counseling, Inc. as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 National Foundation for Credit Counseling, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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; 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.

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 National Foundation for Credit Counseling, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

***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 GAAS 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 GAAS 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 National Foundation for Credit Counseling, Inc.'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 National Foundation for Credit Counseling, Inc.'s ability to continue as a going concern for a reasonable period of time.

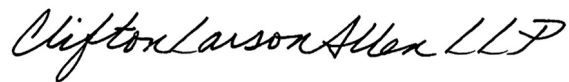
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The 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. The supplemental schedule of expenditures of federal awards 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. Such 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 information 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 July 25, 2025, on our consideration of National Foundation for Credit Counseling, Inc.'s internal control over financial reporting and on 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 National Foundation for Credit Counseling, Inc.'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 National Foundation for Credit Counseling, Inc.'s internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Arlington, Virginia  
July 25, 2025

**NATIONAL FOUNDATION FOR CREDIT COUNSELING, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2024 AND 2023**

	2024	2023
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 796,146	\$ 638,488
Accounts Receivable, net	390,614	270,454
Grants and Contributions Receivable	376,295	991,449
Other Receivable	3,744	7,190
Prepaid Expenses and Other Assets	142,858	95,750
Investments	3,098,125	3,799,578
Deferred Compensation Investments	-	118,304
Property and Equipment, Net	168,951	255,065
Right-of-Use Assets	1,348,533	1,512,771
	\$ 6,325,266	\$ 7,689,049
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 172,404	\$ 263,671
Grants Payable	431,026	1,119,761
Accrued Payroll and Related Expenses	299,602	290,108
Refundable Advances	50,900	23,770
Deferred Compensation	-	118,304
Other Liabilities	10,280	-
Operating Lease Liability	1,614,369	1,790,542
Total Liabilities	2,578,581	3,606,156
<b>NET ASSETS</b>		
Without Donor Restrictions:		
Undesignated	1,379,883	1,195,139
Designated	500,000	500,000
Total Net Assets Without Donor Restrictions	1,879,883	1,695,139
With Donor Restrictions	1,866,802	2,387,754
Total Net Assets	3,746,685	4,082,893
Total Liabilities and Net Assets	\$ 6,325,266	\$ 7,689,049

See accompanying Notes to Financial Statements.

**NATIONAL FOUNDATION FOR CREDIT COUNSELING, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	2024	Without Donor Restrictions	With Donor Restrictions	2023
<b>REVENUE AND SUPPORT</b>						
Contributions and Corporate Grants	\$ 399,029	\$ 1,891,500	\$ 2,290,529	\$ 445,952	\$ 2,523,277	\$ 2,969,229
Program Income	3,621,124	-	3,621,124	2,894,225	-	2,894,225
Government Grants	818,585	-	818,585	2,426,810	-	2,426,810
Dues	1,444,123	-	1,444,123	1,194,611	-	1,194,611
Sponsorships and Exhibit Fees	322,500	-	322,500	238,500	-	238,500
Investment Income, Net	156,664	-	156,664	116,784	-	116,784
Loss on Disposal of Property and Equipment	-	-	-	(115,004)	-	(115,004)
Net Assets Released from Restrictions	2,412,452	(2,412,452)	-	4,002,195	(4,002,195)	-
Total Revenue and Support	<u>9,174,477</u>	<u>(520,952)</u>	<u>8,653,525</u>	<u>11,204,073</u>	<u>(1,478,918)</u>	<u>9,725,155</u>
<b>EXPENSES</b>						
Program Services:						
Housing Counseling	1,899,774	-	1,899,774	4,755,461	-	4,755,461
Membership Support	3,851,834	-	3,851,834	3,101,076	-	3,101,076
General Financial Education	527,821	-	527,821	607,256	-	607,256
Small Business Counseling	233,130	-	233,130	363,461	-	363,461
Total Program Services	<u>6,512,559</u>	<u>-</u>	<u>6,512,559</u>	<u>8,827,254</u>	<u>-</u>	<u>8,827,254</u>
Supporting Services:						
Management and General	2,116,083	-	2,116,083	1,967,049	-	1,967,049
Fundraising	361,091	-	361,091	188,303	-	188,303
Total Supporting Services	<u>2,477,174</u>	<u>-</u>	<u>2,477,174</u>	<u>2,155,352</u>	<u>-</u>	<u>2,155,352</u>
Total Expenses	<u>8,989,733</u>	<u>-</u>	<u>8,989,733</u>	<u>10,982,606</u>	<u>-</u>	<u>10,982,606</u>
<b>CHANGE IN NET ASSETS</b>	184,744	(520,952)	(336,208)	221,467	(1,478,918)	(1,257,451)
Net Assets - Beginning of Year	<u>1,695,139</u>	<u>2,387,754</u>	<u>4,082,893</u>	<u>1,473,672</u>	<u>3,866,672</u>	<u>5,340,344</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 1,879,883</u>	<u>\$ 1,866,802</u>	<u>\$ 3,746,685</u>	<u>\$ 1,695,139</u>	<u>\$ 2,387,754</u>	<u>\$ 4,082,893</u>

See accompanying Notes to Financial Statements.

**NATIONAL FOUNDATION FOR CREDIT COUNSELING, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2024**

	Program Services				Supporting Services				Total
	Housing Counseling	Membership Support	General Financial Education	Small Business Counseling	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 269,783	\$ 1,123,914	\$ 48,956	\$ 11,213	\$ 1,453,866	\$ 1,199,863	\$ 234,309	\$ 1,434,172	\$ 2,888,038
Agency Counseling and Support	1,096,920	52,840	351,480	135,750	1,636,990	-	-	-	1,636,990
Marketing	304,990	1,188,099	92,000	78,435	1,663,524	-	-	-	1,663,524
Studies and Surveys	-	99,660	-	-	99,660	380	-	380	100,040
Information Technology	58,897	554,803	12,177	803	626,680	140,437	13,692	154,129	780,809
Benefits	53,972	255,706	14,482	3,412	327,572	237,013	53,322	290,335	617,907
Consulting	31,703	70,924	1,207	1,959	105,793	129,965	15,358	145,323	251,116
Facility	17,420	74,230	3,413	787	95,850	77,310	15,476	92,786	188,636
Accounting and Legal	7,014	58,751	-	-	65,765	87,070	-	87,070	152,835
Office and Other Expenses	558	54,251	109	54	54,972	118,165	20,068	138,233	193,205
Depreciation and Amortization	8,840	37,672	1,732	399	48,643	39,235	7,854	47,089	95,732
Communications	116	74,301	197	15	74,629	28,448	480	28,928	103,557
Travel	47,876	163,430	2,068	303	213,677	51,274	517	51,791	265,468
Training	1,685	43,253	-	-	44,938	6,923	15	6,938	51,876
<b>Total Expenses</b>	<b>\$ 1,899,774</b>	<b>\$ 3,851,834</b>	<b>\$ 527,821</b>	<b>\$ 233,130</b>	<b>\$ 6,512,559</b>	<b>\$ 2,116,083</b>	<b>\$ 361,091</b>	<b>\$ 2,477,174</b>	<b>\$ 8,989,733</b>

See accompanying Notes to Financial Statements.

**NATIONAL FOUNDATION FOR CREDIT COUNSELING, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2023**

	Program Services					Supporting Services			Total
	Housing Counseling	Membership Support	General Financial Education	Small Business Counseling	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 443,185	\$ 840,349	\$ 90,659	\$ 34,869	\$ 1,409,062	\$ 1,052,868	\$ 65,084	\$ 1,117,952	\$ 2,527,014
Agency Counseling and Support	2,708,021	4,160	363,265	260,875	3,336,321	-	-	-	3,336,321
Marketing	994,812	1,007,555	70,746	29,026	2,102,139	-	-	-	2,102,139
Information Technology	229,774	418,254	16,467	6,005	670,500	126,228	-	126,228	796,728
Benefits	91,689	182,289	19,058	7,459	300,495	217,524	9,712	227,236	527,731
Consulting	98,387	245,513	23,677	20,151	387,728	186,371	105,559	291,930	679,658
Facility	33,027	63,146	6,775	2,614	105,562	78,444	4,618	83,062	188,624
Accounting and Legal	16,788	31,909	-	-	48,697	77,749	-	77,749	126,446
Office and Other Expenses	55,676	37,417	5,140	-	98,233	66,971	-	66,971	165,204
Depreciation and Amortization	23,458	44,851	4,812	1,856	74,977	55,717	3,280	58,997	133,974
Communications	4,738	70,617	464	169	75,988	27,859	-	27,859	103,847
Travel	44,176	153,423	4,826	389	202,814	72,437	50	72,487	275,301
Training	11,730	1,593	1,367	48	14,738	4,881	-	4,881	19,619
<b>Total Expenses</b>	<b>\$ 4,755,461</b>	<b>\$ 3,101,076</b>	<b>\$ 607,256</b>	<b>\$ 363,461</b>	<b>\$ 8,827,254</b>	<b>\$ 1,967,049</b>	<b>\$ 188,303</b>	<b>\$ 2,155,352</b>	<b>\$ 10,982,606</b>

See accompanying Notes to Financial Statements.

**NATIONAL FOUNDATION FOR CREDIT COUNSELING, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (336,208)	\$ (1,257,451)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Used by Operating Activities:		
Depreciation and Amortization	95,732	133,974
Amortization of Right-of-Use Assets	164,238	161,706
Realized Gains on Investments	(51,405)	-
Unrealized (Gains) Losses on Investments	19,227	(61,662)
Loss on Disposal of Property and Equipment	-	115,004
Change in Assets and Liabilities:		
Accounts Receivable	(120,160)	(50,915)
Grants and Contributions Receivable	615,154	757,849
Other Receivable	3,446	(7,190)
Prepaid Expenses and Other Assets	(47,108)	404
Accounts Payable and Accrued Expenses	(91,267)	(38,474)
Grants Payable	(688,735)	(349,542)
Accrued Payroll and Related Expenses	9,494	108,533
Refundable Advances	27,130	(26,700)
Other Liabilities	10,280	-
Operating Lease Liability	(176,173)	(168,758)
Net Cash Used by Operating Activities	(566,355)	(683,222)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(3,261,319)	(5,295,391)
Proceeds from Sale of Investments	3,994,950	1,557,476
Purchases of Property and Equipment	(9,618)	(45,224)
Net Cash Provided (Used) by Investing Activities	724,013	(3,783,139)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	157,658	(4,466,361)
Cash and Cash Equivalents - Beginning of Year	638,488	5,104,849
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 796,146	\$ 638,488

See accompanying Notes to Financial Statements.

**NATIONAL FOUNDATION FOR CREDIT COUNSELING, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

The National Foundation for Credit Counseling, Inc. (the Foundation) is a nonprofit, membership organization dedicated to personal and family preventative and rehabilitative financial education and counseling services. Its purpose is to promote the national agenda for financially responsible behavior and build capacity for its members to deliver the highest quality services in communities throughout the United States and its territories.

The Foundation is creating awareness about nonprofit credit counseling (including housing) so that consumers in need know that help is available through numerous multi-media campaigns in addition to building relationships. The Foundation launched and is building-out a FaithBased Alliance focused on providing awareness through existing trusted faith based leaders, as well as building out video counseling in the United States, based on a program that originated in the United Kingdom. Video, both on personal devices as well as in private sound-proof booths, will provide unprecedented access to consumers in need in a more trusted, personal and safe way. The Foundation is also working with lenders to provide access through their branch office systems.

Descriptions of the Foundation's significant programs and supporting services are as follows:

**Housing Counseling**

Develop and maintain partnerships with the United States Department of Housing and Urban Development (HUD) and industry leaders, including mortgage lenders and servicers, to help Foundation members assist consumers with pre-home ownership (pre-purchase) counseling, post-purchase counseling to help ensure that new owners can remain in their homes, eviction prevention (for renters) and foreclosure prevention (for home owners).

**Membership Support**

Foster member communications; member meetings and annual conference; counselor certification; provide a path to assistance for consumers via the consumer's preferred method (currently phone and online form, while building-out video and digital entry options). Maintain relationships with credit-granting organizations to support clients and member organizations, build awareness for mission through media outreach.

**General Financial Education**

Develop and make available educational materials to member agencies and consumers on the responsible use of credit; develop partnerships with other organizations to address the need for personal financial literacy. The Foundation member agencies have helped almost 30 million people since 2006.

**Small Business Counseling**

The Foundation began development of a national small business counseling program which was initially integrated into the Sharpen Your Financial Focus® initiative. Member agencies support entrepreneurs' personal financial matters as they launch and manage their business.

**NATIONAL FOUNDATION FOR CREDIT COUNSELING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Management and General**

Management of the human, financial and technical resources of the Foundation, administrative support for the Board of Trustees and governing bodies, government advocacy and the development and management of budget and statistical information.

**Fundraising**

Provide funds for the Foundation's mission and other operating expenses.

A summary of the Foundation's significant accounting policies follows:

**Basis of Presentation**

The Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. A description of each net asset group is as follows:

*Without Donor Restrictions – Undesignated:* Net assets whose use is not restricted by donors or internally-designated for other purposes.

*Without Donor Restrictions – Designated:* Designated reserve funds have been established by the Board of Trustees to provide funds for anticipated future projects and unbudgeted expenditures or unforeseen revenue shortfalls.

*With Donor Restrictions:* Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. The Foundation reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions.

**Cash and Cash Equivalents**

For purposes of reporting cash flows, the Foundation considers all bank deposits and highly liquid investments to the cash equivalents.

**Financial Risk**

The Foundation maintains demand deposits at financial institutions. At times, certain balances held within these accounts may not be fully guaranteed or insured by the U.S. government. The uninsured portions of cash and money market accounts are backed solely by the assets of the underlying institution. Therefore, the failure of an underlying institution could result in financial loss to the Foundation. However, the Foundation has not experienced losses on these accounts in the past, and management believes the risk of loss, if any, to be minimal.

**NATIONAL FOUNDATION FOR CREDIT COUNSELING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial Risk (Continued)**

The Foundation invests deferred compensation assets and other investments in a professionally managed portfolio that contains various mutual funds and government securities. Such investments are exposed to market and credit risks. Therefore, the Foundation's investments may be subject to significant fluctuations in fair value. As a result, the investment balances reported in the accompanying financial statements may not be reflective of the portfolio's value during subsequent periods. The mutual funds and government securities are presented at fair value using quoted prices in active markets for identical assets.

**Accounts Receivable and Allowance for Credit Losses**

Accounts receivable consist primarily of amounts due for services rendered to members throughout the United States. The accounts receivable amount is presented at net, which is accounts receivable at the gross amount less allowance for credit losses. The allowance for credit losses is based upon both historical collection data and forward-looking information such as customer-specific risk factors. Management believes the composition of receivables at year-end are consistent with historical conditions, and that no forecasted identification of industry disruptions have been identified. The allowance for credit losses was \$14,850 and \$14,910 as of December 31, 2024 and 2023, respectively.

**Grants and Contributions Receivable**

Grants and contributions receivable consist of receivables from the federal government and corporate donors. The Foundation believes that all grants and contributions are collectible; therefore, an allowance for uncollectible amounts has not been established.

**Investments**

Investments consist of U.S. Treasury securities, and when first purchased are recorded at cost. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment income is reported in the statements of activities and consists of interest income and realized and unrealized capital gains and losses, less external investment expenses.

**Property and Equipment**

Acquisitions of property and equipment greater than \$1,000 for computers and \$3,000 for all other property and equipment are recorded at cost. Depreciation and amortization is computed using the straight-line method over estimated service lives as follows: furniture and equipment – 3 to 7 years; educational development – 3 to 7 years; and leasehold improvements – over the remaining life of the lease.

**Refundable Advances**

Refundable advances consist of cash payments received related to conditional contributions from the U.S. government for which the underlying conditions have not yet been satisfied by the Foundation.

**NATIONAL FOUNDATION FOR CREDIT COUNSELING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions**

Contributions, and grants that are contributions, are reported as revenue in the year in which they are unconditionally received or promised. The Foundation reports donor-restricted support that was initially received as a conditional contribution as net assets without donor restrictions when the donor-imposed conditions and restrictions are met simultaneously.

Conditional contributions are not recognized as revenue until the related conditions are satisfied.

**Contributions and Corporate Grants**

Contributions and corporate grants are recorded as support with or without donor restrictions, depending upon the existence and/or nature of any donor-imposed stipulations. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

**Government Grants**

Government grants are considered to be conditional promises to give until the Foundation meets the conditions under the grant agreements. As such, government grant revenue is recognized as costs qualified and other conditions under the grants are incurred. Government funds received in advance of costs incurred are recorded as refundable advances until expended for the purpose of the grants. Government costs incurred in excess of funds received in advance are recorded as grants receivable.

**Sponsorship and Exhibit Fees**

The Foundation records sponsorship and exhibit fees revenue equal to the fair value of the direct benefits to donors, and contribution revenue for the difference. The fair value of direct benefits to donors as of December 31, 2024 and 2023 was \$27,150 and \$27,740, respectively.

**Revenue from Contracts with Customers**

Revenue from contracts with customers is derived primarily from program income and memberships dues. Revenue is recognized in the period in which it is earned. The Foundation performs an evaluation at contract inception focused on whether a performance obligation is satisfied over time or at a point in time. If a performance obligation meets certain specific criteria, the related revenue is recognized over time if the Foundation is able to reasonably measure its progress toward complete satisfaction of the performance obligation using reliable information. Output methods and input methods are used to measure progress for goods and services for which control has been transferred to the customer. If the specific criteria are not met revenue is recognized at a point in time.

Economic factors are driven by consumer confidence, employment inflation, and other world events that impact the timing and level of cash received, and revenue recognized by the Foundation. Periods of economic downturn resulting from any of the above factors may result in declines in future cash flows and recognized revenue of the Foundation.

**NATIONAL FOUNDATION FOR CREDIT COUNSELING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Program Income**

Program income is recognized at a point in time as the related event occurs or service is provided. Program income consists primarily of National Locator Line fees and conference registrations. In addition, certification and recertification fees are included in this category. Amounts received in advance of the performance of the services are recorded as deferred until the services are provided.

**Dues Revenue**

Dues income is billed on a monthly, quarterly, semi-annual, or annual basis over the membership period. Amounts invoiced are due by the 20th of the month. Member benefits include use the Foundation's brand and trademarks, industry advocacy and communications, access to the Foundation's suite of services and industry strategic guidance. All member benefits are considered one performance obligation and revenue is recognized ratably over the period of the dues cycle.

Prices for program service fees and membership dues are specific to distinct performance obligations and do not consist of multiple transactions. They do not include significant financing components as the performance obligations are typically satisfied within a year of receipts of payment. The Foundation did not have any impairment or credit losses on any receivables or contract assets arising from contracts with customers. There are also no incremental costs of obtaining a contract and no significant financing components, and there are no significant changes in the judgements affecting the determination of the amount of timing of revenue from contracts with customers.

**Fair Value of Financial Instruments**

**Fair Value Measurements**

The Foundation accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement. The Foundation accounts for certain financial assets and liabilities at fair value under various accounting literature, and also accounts for certain assets at fair value under applicable industry guidance.

**Fair Value Hierarchy**

The Foundation has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

**NATIONAL FOUNDATION FOR CREDIT COUNSELING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair Value of Financial Instruments**

Fair Value Hierarchy (Continued)

Financial assets and liabilities recorded on the statements of financial position are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Foundation has the ability to access.

*Level 2* – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include, among others, quoted prices for similar assets or liabilities in active market or nonactive market.

*Level 3* – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

**Functional Allocation of Expenses**

The costs of providing various programs and administrative activities have been summarized on a functional basis in the statements of activities and functional expenses. Expenses that are attributable to more than one program or supporting function require allocation on a reasonable basis that is consistently applied. Occupancy, office expenses, and depreciation and amortization have been allocated among the program and supporting services benefited on the basis of direct labor costs. All other expenses are directly charged to the applicable functional areas.

**Income Taxes**

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been classified by Internal Revenue Service as other than a private foundation. The Foundation is required to report unrelated business income to the Internal Revenue Service and appropriate state taxing authorities. The Foundation had no net unrelated business income for the years ended December 31, 2024 and 2023.

Management has analyzed the tax positions taken and has concluded that as of December 31, 2024 and 2023, there are no uncertain tax positions taken or expected to be taken that would require recognition of a tax liability (or asset) or disclosure in the financial statements.

The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods pending or in progress. It is the Foundation's policy to recognize interest and /or penalties related to uncertainty in income taxes, if any, in income tax or interest expense. As of December 31, 2024 and 2023, the Foundation had no accruals for interest and/or penalties.

**NATIONAL FOUNDATION FOR CREDIT COUNSELING, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Reclassification**

Certain amounts in the year 2023 financial statements have been reclassified to conform to the presentation of the year 2024 financial statements. These reclassifications had no effect on previously reported net assets or changes therein.

**Subsequent Events**

Management has evaluated subsequent events through July 25, 2025, the date on which the financial statements were available to be issued.

**NOTE 2 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Foundation manages its cash available to meet general expenditures following three guiding principles: (1) operating within a prudent range of financial soundness of stability, (2) maintain adequate liquid assets and (3) maintaining sufficient reserves to provide reasonable assurance that long-term grant commitments with donor restrictions that support mission fulfillment will continue to be met, ensuring the sustainability of the Foundation. The table below presents financial assets available to meet general expenditures within one year at December 31, 2024 and 2023. Board-designated reserve funds are not included in financial assets available to meet general expenditures; however, should the need arise it is anticipated the board would allow the Foundation to access the designated fund in the event of a significant cash need. The Foundation has a line of credit should it need access to additional liquidity. See Note 11.

	2024	2023
Financial Assets:		
Cash and Cash Equivalents	\$ 796,146	\$ 638,488
Investments	3,098,125	3,799,578
Accounts Receivable, net	390,614	270,454
Grants and Contributions Receivable	376,295	991,449
Other Receivable	3,744	7,190
Subtotal	4,664,924	5,707,159
Less: Net Assets with Donor Restrictions	(1,866,802)	(2,387,754)
Less: Net Assets with Board Designated Funds	(500,000)	(500,000)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 2,298,122	\$ 2,819,405

**NATIONAL FOUNDATION FOR CREDIT COUNSELING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 3 FAIR VALUE MEASUREMENTS**

The Foundation's investments of \$3,098,125 and \$3,799,578 as of December 31, 2024 and 2023, respectively, measured at fair value on a recurring basis, consist of U.S. Treasury securities which are all classified as Level 1 investments. These securities are valued based on readily available quoted prices in an active market.

**NOTE 4 PROPERTY AND EQUIPMENT**

Property and equipment at December 31, 2024 and 2023 consisted of the following:

	2024	2023
Furniture	\$ 71,687	\$ 71,687
Equipment	405,166	395,548
Leasehold Improvements	85,524	85,524
Educational Development	216,447	216,447
Subtotal	<u>778,824</u>	<u>769,206</u>
Less: Accumulated Depreciation and Amortization	<u>(609,873)</u>	<u>(514,141)</u>
Property and Equipment, Net	<u>\$ 168,951</u>	<u>\$ 255,065</u>

Depreciation and amortization expense for the years ended December 31, 2024 and 2023 was \$95,732 and \$133,974, respectively.

**NOTE 5 CONDITIONAL GRANTS**

The Foundation has conditional promises to give (conditional grants) from the U.S. government of \$418,921 as of December 31, 2024. Future payments are contingent upon the Foundation carrying out certain activities (meeting donor-imposed barriers) stipulated by the grant or contract.

**NOTE 6 CONTRACT ASSETS**

The beginning and ending contract asset balances as of December 31 were as follows:

	2024	2023	2022
Accounts Receivable	\$ 405,464	\$ 285,364	\$ 243,715
Less: Allowance for Credit Losses	<u>(14,850)</u>	<u>(14,910)</u>	<u>(24,175)</u>
Accounts Receivable, Net	<u>\$ 390,614</u>	<u>\$ 270,454</u>	<u>\$ 219,539</u>

**NATIONAL FOUNDATION FOR CREDIT COUNSELING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following for the years ended December 31, 2024 and 2023:

	January 1, 2024	Contributions	Satisfaction of Restrictions	December 31, 2024
Housing Programs	\$ 884,000	\$ 155,000	\$ (770,372)	\$ 268,628
Sharpen Your Financial Focus	1,000,505	482,000	(787,659)	694,846
Surveys	200,147	240,000	(172,664)	267,483
Debt Reduction Program	160,469	-	(160,469)	-
Program Support	142,633	1,014,500	(521,288)	635,845
Total	<u>\$ 2,387,754</u>	<u>\$ 1,891,500</u>	<u>\$ (2,412,452)</u>	<u>\$ 1,866,802</u>

	January 1, 2023	Contributions	Satisfaction of Restrictions	December 31, 2023
Housing Programs	\$ 2,243,785	\$ 925,000	\$ (2,284,785)	\$ 884,000
Sharpen Your Financial Focus	1,241,237	893,277	(1,134,009)	1,000,505
Surveys	320,153	280,000	(400,006)	200,147
Debt Reduction Program	61,497	250,000	(151,028)	160,469
Program Support	-	175,000	(32,367)	142,633
Total	<u>\$ 3,866,672</u>	<u>\$ 2,523,277</u>	<u>\$ (4,002,195)</u>	<u>\$ 2,387,754</u>

**NOTE 8 LEASES**

The Foundation evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) asset represents the Foundation's right to use underlying asset for the lease term, and the operating lease liability represents the Foundation's obligation to make lease payments arising from the lease. The ROU asset and operating lease liability, all of which arise from an operating lease, were calculated based on the present value of future lease payments over the lease terms. The Foundation has made an accounting policy election to use a risk-free rate of 1.51% in lieu of its incremental borrowing rate to discount future lease payments. The Foundation generally does not have access to the rate implicit in the lease. The Foundation elected to treat lease and non-lease components separately.

In September 2021, the Foundation entered into a lease agreement for new office space which commenced in September 2021 and expiration date of August 1, 2032. The initial base lease amount was \$15,737 per month payment commencing on September 1, 2021 with annual increase of 1.51% effective September 1, 2022, with an abatement of rent for the first 15 months of the lease term.

The following summarizes the line items in the statements of financial position which includes amount of operating leases for office building as of December 31:

	2024	2023
Right-of-Use Asset	\$ 1,348,533	\$ 1,512,771
Operating Lease Liability	1,614,369	1,790,542

**NATIONAL FOUNDATION FOR CREDIT COUNSELING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 8 LEASES (CONTINUED)**

The following table represents the qualitative information concerning the Foundation's leases for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Operating Lease Expenses	\$ 188,636	\$ 188,624
Weighted-Average Remaining Lease Term	7.7 years	8.7 years
Weighted Average Discount Rate	1.51%	1.51%

The maturity of the operating lease liability as of December 31, 2024, was as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$ 206,827
2026	211,210
2027	215,433
2028	220,811
2029	226,322
Thereafter	<u>630,906</u>
Total Lease Payments	1,711,509
Less: Interest	<u>(97,140)</u>
Present Value of Lease Liability	<u><u>\$ 1,614,369</u></u>

**NOTE 9 RETIREMENT PLAN**

The Foundation maintains a defined contribution pension plan for all employees who meet certain eligibility requirements. The Foundation makes a 3% nondiscretionary contribution to all eligible employees. In addition, employees may elect to contribute a portion of their annual compensation defined by the plan, up to limits established by the Internal Revenue Service. The Foundation matches 100% of employee contributions to a maximum of 3%. Annual contributions are allocated, as elected by the participant, to ordinary life policies, group annuity contracts and trust fund investments.

In addition, the Foundation provides a 457(b) deferred compensation plan to certain employees. Assets and liabilities related to the 457(b) plan equaled \$0 and \$118,304 as of December 31, 2024 and 2023, respectively. The assets of the plan were held in publicly-traded mutual funds which were valued based on quoted prices for identical assets in active markets on a recurring basis (Level 1 of the fair value hierarchy).

In May 2023, the sole participant in the deferred compensation plan arrangement terminated their employment with the Foundation. Accordingly, the Foundation's deferred compensation liability was relieved and funded by the liquidation of the fund in 2024.

Retirement plan expense for the years ended December 31, 2024 and 2023 was \$155,583 and \$132,806 respectively.

**NATIONAL FOUNDATION FOR CREDIT COUNSELING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 10 COMMITMENTS AND CONTINGENCIES**

**Meetings**

The Foundation reserves hotel accommodations for various meetings up to one year in advance of an event. The contracts contain contingency clauses whereby the Foundation is liable for cancellations. The monetary restitution is based on a percentage of the peak room rate, the number of rooms contracted and the date of cancellation.

**Government Grants**

Federal award revenue provided to the Foundation by U.S. government agencies in relation to expenditures incurred under grant agreements may be subject to audit or adjustment by the government agencies. The expenditures which may be disallowed as a result of an audit cannot be determined at this time, although management expects such amounts, if any, to be immaterial.

**Employment Agreement**

The Foundation has an employment agreement with its chief executive officer. The terms of the agreement stipulate that, if his employment is involuntarily terminated, the Foundation will provide severance equal to 12 months of his base salary unless the CEO obtains other full-time employment paying at least 85% of the CEO's base salary at the time of termination prior to the first anniversary of the termination date. In this case, the Foundation shall be entitled to cease making the severance payments on the later of six months following the termination date or the date the CEO commences other full-time employment.

**NOTE 11 LINE OF CREDIT**

The Foundation has a revolving line of credit agreement with a financial institution that has a borrowing limit of \$500,000, which is renewable annually. In November 2024, the line of credit was renewed for a 12-month period expiring on December 31, 2025. Funds drawn against this line of credit accrue interest at a variable rate based on *The Wall Street Journal* prime rate. The interest rate was 7.50% and 8.50% as of December 31, 2024 and 2023, respectively. At December 31, 2024 and 2023, there were no outstanding balances and there were no borrowings on the line of credit during the years ended December 31, 2024 and 2023.

**NOTE 12 EMPLOYEE RETENTION CREDIT**

The Foundation determined they were eligible and applied for Employee Retention Credit (ERC) funding from the IRS. In accordance with ASC 958-605 *Not-for-Profit Revenue – Grants and Contributions*, the Foundation recognized revenue in the amount of \$133,000 for the year ended December 31, 2023.

Eligibility and conditions for the ERC program may be audited by the IRS. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; management is of the opinion that any audit will not have a material adverse impact on the Foundation's financial position.

**ADDITIONAL INDEPENDENT AUDITORS' REPORT  
FOR FINANCIAL STATEMENTS**



**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***

Board of Directors  
National Foundation for Credit Counseling, Inc.  
Washington, DC

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 National Foundation for Credit Counseling, Inc. (the Foundation), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, 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 July 25, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Foundation'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 Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of Foundation'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.

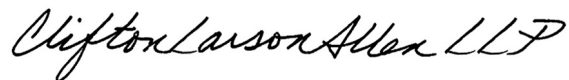
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies 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 or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Foundation’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 determination of financial statement amounts. 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 Foundation'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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Arlington, Virginia  
July 25, 2025

## **FEDERAL AWARDS**



## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors  
National Foundation for Credit Counseling, Inc.  
Washington, DC

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited National Foundation for Credit Counseling, Inc.'s (the Foundation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Foundation's major federal programs for the year ended December 31, 2024. The Foundation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Foundation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

#### ***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 (GAAS); the standards applicable to financial audits contained 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 National Foundation for Credit Counseling, Inc. and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Foundation's compliance with the compliance requirements referred to above.

#### ***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 the Foundation'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 express an opinion on the Foundation'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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that 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 the Foundation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 the Foundation'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 the Foundation'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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Foundation'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**

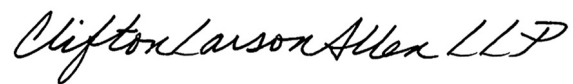
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 a 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.

Board of Directors  
National Foundation for Credit Counseling, Inc.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for 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.

The 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Arlington, Virginia  
July 25, 2025

**NATIONAL FOUNDATION FOR CREDIT COUNSELING, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2024**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed- Through to Subrecipients	Total Federal Expenditures
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
Housing Counseling Assistance Program	14.169	N/A	\$ 295,604	\$ 384,682
		N/A	<u>116,527</u>	<u>159,081</u>
Total U.S. Department of Housing and Urban Development			412,131	543,763
Pass-Through from:				
<b>NEIGHBORHOOD REINVESTMENT CORPORATION</b>				
Housing Stability Counseling Program	99.U19	PL117-2	<u>177,180</u>	<u>274,822</u>
Total Neighborhood Reinvestment Corporation			<u>177,180</u>	<u>274,822</u>
Total Expenditures of Federal Awards			<u>\$ 589,311</u>	<u>\$ 818,585</u>

*See accompanying Notes to Schedule of Expenditures of Federal Awards.*

**NATIONAL FOUNDATION FOR CREDIT COUNSELING, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**DECEMBER 31, 2024**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the National Foundation for Credit Counseling, Inc. (the Foundation) for the year ended December 31, 2024. The information in this schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Foundation, it is not intended to, and does not, present the financial position, changes in net assets or cash flows of the Foundation.

**NOTE 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, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 INDIRECT COST RATE**

The Foundation elected not to use the 10% de minimis indirect cost rate, which is allowed in accordance with the Uniform Guidance.

**NATIONAL FOUNDATION FOR CREDIT COUNSELING, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2024**

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**Section I – Summary of the Auditors' Results**

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**Financial Statements**

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? \_\_\_\_\_ yes      X   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes      X   none reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes      X   no

**Federal Awards**

1. Internal control over major federal programs:
- Material weakness(es) identified? \_\_\_\_\_ yes      X   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes      X   none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes      X   no

**Identification of Major Federal Programs**

**Assistance Listing Number**

14.169

**Name of Federal Program or Cluster**

US Department of Housing and Urban Development

Dollar threshold used to distinguish between Type A and Type B programs:

\$   750,000  

Auditee qualified as low-risk auditee?

  X   yes    \_\_\_\_\_ no

**NATIONAL FOUNDATION FOR CREDIT COUNSELING, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024**

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***Section II – Financial Statement Findings***

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None required to be reported.

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***Section III – Federal Award Findings and Questioned Costs***

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None required to be reported.

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***Section IV – Summary of Prior Year Findings***

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**FEDERAL AWARD PROGRAM AUDIT**

**2023-001 Reporting**

**Condition:** This finding was a significant deficiency stating that there was no audit evidence of the review and approval of its financial and quarterly performance reports.

**Status:** Corrected. Procedures were updated to reflect a formal sign off for electronically submitted reports to prove proper reviews were completed.



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