

RUSHMORE CONSUMER CREDIT RESOURCE CENTER
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2023 AND 2022

RUSHMORE CONSUMER CREDIT RESOURCE CENTER

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Rushmore Consumer Credit Resource Center
Rapid City, South Dakota

Opinion

We have audited the accompanying financial statements of Rushmore Consumer Credit Resource Center (the Organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of the Organization for the year ended December 31, 2022, were audited by other auditors, whose report dated June 15, 2023 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements were available to be issued.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and there is not a guarantee that an audit conducted in accordance with generally accepted 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, including omissions, 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.

Rushmore Consumer Credit Resource Center

In performing an audit in accordance with generally accepted 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 procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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



KETEL THORSTENSON, LLP
Certified Public Accountants

June 19, 2024

RUSHMORE CONSUMER CREDIT RESOURCE CENTER

**STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022**

ASSETS	2023	2022
Current Assets		
Cash and Cash Equivalents	\$ 201,603	\$ 200,233
Certificate of Deposit	117,348	114,288
Accounts Receivable	1,416	1,519
Promises to Give - Grants	36,728	36,151
Prepaid Expenses	795	1,325
Inventory	19,463	16,442
Total Current Assets	377,353	369,958
Property and Equipment		
Land	279,900	279,900
Building	720,100	720,100
Building Improvements	20,587	20,587
Equipment	47,194	49,689
	1,067,781	1,070,276
Less Accumulated Depreciation	323,459	301,246
	744,322	769,030
Other Assets		
Restricted Cash	4,600	7,300
TOTAL ASSETS	\$ 1,126,275	\$ 1,146,288

The accompanying notes are an integral part of these statements.

LIABILITIES AND NET ASSETS

Current Liabilities

Current Portion of Long-Term Debt and Lease Liability	\$	13,164	\$	15,500
Accounts Payable		5,513		5,996
Accrued Payroll, Taxes, and Benefits		24,125		21,285
Other Accrued Liabilities		583		921
Matched Savings Liability - Amounts Held for Others		1,080		2,700
Tenant Security Deposits		3,200		3,200
Total Current Liabilities		47,665		49,602

Long-Term Obligations

Lease Liability, Less Current Portion		-		1,851
Long-Term Debt, Less Current Portion		171,078		181,906
Total Long-Term Obligations		171,078		183,757

Total Liabilities		218,743		233,359
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Net Assets

Without Donor Restrictions				
Board Designated - Reserve for General Operations		96,574		85,716
Invested in Property and Equipment, Net of Related Obligations		560,080		569,773
Undesignated		242,111		252,140
Total Without Donor Restrictions		898,765		907,629
With Donor Restrictions		8,767		5,300
Total Net Assets		907,532		912,929

TOTAL LIABILITIES AND NET ASSETS	\$	1,126,275	\$	1,146,288
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RUSHMORE CONSUMER CREDIT RESOURCE CENTER

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support			
Government Grants	\$ 155,431	\$ -	\$ 155,431
Education Programs and Product Sales, Net of Cost of Sales of \$10,095	85,296	-	85,296
Other Grants and Contributions	38,286	10,000	48,286
Debt Management Program	38,081	-	38,081
Lease Income	16,013	-	16,013
Net Investment Return - Interest Earnings	5,018	-	5,018
Net Assets Released from Restrictions	6,533	(6,533)	-
Total Revenues and Support	344,658	3,467	348,125
Expenses			
<i>Program Services:</i>			
Counseling and Debt Management	255,055	-	255,055
Education Programs	29,616	-	29,616
<i>Supporting Services:</i>			
Management and General	68,851	-	68,851
Total Functional Expenses	353,522	-	353,522
Change in Net Assets	(8,864)	3,467	(5,397)
Net Assets -- Beginning of Year	907,629	5,300	912,929
Net Assets -- End of Year	\$ 898,765	\$ 8,767	\$ 907,532

The accompanying notes are an integral part of this statement.

RUSHMORE CONSUMER CREDIT RESOURCE CENTER

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support			
Government Grants	\$ 118,890	\$ -	\$ 118,890
Education Programs and Product Sales, Net of Cost of Sales of \$6,505	78,044	-	78,044
Other Grants and Contributions	52,107	6,667	58,774
Debt Management Program	49,360	-	49,360
Lease Income	19,844	-	19,844
Net Investment Return - Interest Earnings	1,224	-	1,224
Net Assets Released from Restrictions	41,927	(41,927)	-
Total Revenues and Support	361,396	(35,260)	326,136
Expenses			
<i>Program Services:</i>			
Counseling and Debt Management	246,764	-	246,764
Education Programs	40,913	-	40,913
<i>Supporting Services:</i>			
Management and General	56,550	-	56,550
Total Functional Expenses	344,227	-	344,227
Change in Net Assets	17,169	(35,260)	(18,091)
Net Assets -- Beginning of Year	890,460	40,560	931,020
Net Assets -- End of Year	\$ 907,629	\$ 5,300	\$ 912,929

The accompanying notes are an integral part of this statement.

RUSHMORE CONSUMER CREDIT RESOURCE CENTER

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Program Services</u>		<u>Supporting Services</u>	<u>Total Expenses</u>
	<u>Counseling and Debt Management</u>	<u>Education Programs</u>	<u>Management and General</u>	
Salaries	\$ 131,032	\$ 16,086	\$ 37,930	\$ 185,048
Payroll Taxes	9,732	1,198	2,836	13,766
Fringe Benefits	7,716	949	2,248	10,913
Total Payroll Expenses	148,480	18,233	43,014	209,727
Maintenance	20,327	2,505	5,960	28,792
Depreciation and Amortization	17,444	2,150	5,114	24,708
Outside Services	19,686	1,339	3,186	24,211
Insurance	13,657	1,681	3,987	19,325
Office	8,654	1,879	2,971	13,504
Occupancy	9,603	1,100	2,580	13,283
Cost of Products Sold	253	9,842	-	10,095
Interest	6,122	701	1,645	8,468
Dues	7,015	15	-	7,030
Travel	3,213	-	-	3,213
Miscellaneous	808	13	32	853
Training	46	-	362	408
Total Expenses	255,308	39,458	68,851	363,617
Less Cost of Products Sold	(253)	(9,842)	-	(10,095)
Total Functional Expenses	\$ 255,055	\$ 29,616	\$ 68,851	\$ 353,522

The accompanying notes are an integral part of this statement.

RUSHMORE CONSUMER CREDIT RESOURCE CENTER

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Program Services		Supporting Services	Total Expenses
	Counseling and Debt Management	Education Programs	Management and General	
Salaries	\$ 118,860	\$ 17,072	\$ 25,125	\$ 161,057
Payroll Taxes	9,144	1,313	1,934	12,391
Fringe Benefits	12,988	1,865	2,746	17,599
Total Payroll Expenses	140,992	20,250	29,805	191,047
Maintenance	16,255	3,632	3,773	23,660
Depreciation and Amortization	18,923	2,557	4,092	25,572
Outside Services	17,865	736	11,395	29,996
Insurance	15,563	1,956	3,337	20,856
Office	8,482	3,255	511	12,248
Occupancy	9,832	1,893	2,157	13,882
Cost of Products Sold	1,424	5,081	-	6,505
Interest	6,335	1,219	1,389	8,943
Dues	8,479	15	-	8,494
Travel	1,224	-	-	1,224
Miscellaneous	575	-	-	575
Training	1,189	-	91	1,280
Assistance to Individuals - Match				
Savings Program	-	5,400	-	5,400
Advertising and Promotion	1,050	-	-	1,050
Total Expenses	248,188	45,994	56,550	350,732
Less Cost of Products Sold	(1,424)	(5,081)	-	(6,505)
Total Functional Expenses	\$ 246,764	\$ 40,913	\$ 56,550	\$ 344,227

The accompanying notes are an integral part of this statement.

RUSHMORE CONSUMER CREDIT RESOURCE CENTER

**STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Cash Flows From Operating Activities	2023	2022
Change in Net Assets	\$ (5,397)	\$ (18,091)
<i>Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:</i>		
Depreciation and Amortization	24,708	25,572
<i>Working Capital Changes Increasing (Decreasing) Cash:</i>		
Accounts Receivable	103	(185)
Promises to Give - Grants	(577)	9,209
Interest Receivable	-	29
Prepaid Expenses	530	(731)
Inventory	(3,021)	3,551
Accounts Payable	(483)	1,189
Accrued Payroll, Taxes, and Benefits	2,840	(1,566)
Other Accrued Liabilities	(338)	(7)
Amounts Held for Others	(1,620)	2,700
Net Cash Provided by Operating Activities	16,745	21,670
Cash Flows Used in Investing Activities		
Reinvested Earnings on Certificate of Deposit	(3,060)	(1,022)
Cash Flows From Financing Activities		
Repayments of Lease Liability	(4,444)	(4,444)
Repayments of Long-Term Debt	(10,571)	(10,432)
Net Cash Used in Financing Activities	(15,015)	(14,876)
Increase (Decrease) in Cash and Cash Equivalents and Restricted Cash	(1,330)	5,772
Cash and Cash Equivalents and Restricted Cash -- Beginning of Year	207,533	201,761
Cash and Cash Equivalents and Restricted Cash -- End of Year	\$ 206,203	\$ 207,533
Reconciliation of Cash and Cash Equivalents and Restricted Cash		
Cash and Cash Equivalents	\$ 201,603	\$ 200,233
Restricted Cash	4,600	7,300
Total Cash and Cash Equivalents and Restricted Cash	\$ 206,203	\$ 207,533
Supplemental Disclosure of Cash Flow Information		
Cash Paid During the Year for Interest	\$ 8,803	\$ 8,943
Cash Paid for Amounts Included in Measurement of Lease Liabilities		
Financing Cash Flows from Finance Leases	4,444	4,444

The accompanying notes are an integral part of these statements.

RUSHMORE CONSUMER CREDIT RESOURCE CENTER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

(1) Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Rushmore Consumer Credit Resource Center (the Organization) is a not-for-profit organization located in Rapid City, South Dakota. Programs are conducted under two divisions: Consumer Credit Counseling Service (CCCS) and the American Center for Credit Education (ACCE). CCCS was established to help the community and surrounding areas overcome financial obstacles and achieve financial goals by offering a variety of financial counseling classes and debt management programs in South Dakota, Nebraska, North Dakota, and Wyoming. ACCE was established to develop and publish printed, online, and mobile financial education and counseling programs used by organizations across the country.

The majority of the Organization's revenue is derived from grants, contributions, and fees for education programs and product sales. The credit counseling industry is impacted by the overall health of the nation's economy. Economic recessions can lead to an inability to pay bills, thus increasing the need for credit counseling and debt management services. Conversely, a strong economy causes a decrease in demand for such services.

Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Basis of Accounting and Financial Statement Presentation

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Organization records resources for accounting and reporting purposes based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets with Donor Restrictions – Net assets of the Organization that are subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants). Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. All amounts that originate and expire in the same fiscal year are reported as net assets without donor restrictions.

Net Assets without Donor Restrictions – Net assets of the Organization that are not subject to donor-imposed restrictions and are available for general operations. The Board of Directors has designated certain net assets without donor restrictions for an operating reserve.

Cash and Cash Equivalents

Cash and cash equivalents consist of bank checking, savings, and money market accounts that are insured by the Federal Deposit Insurance Corporation. For financial statement purposes, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The Organization's cash balances may at times exceed federally insured limits; however, management has not experienced any losses in such accounts and does not believe the Organization is exposed to any significant credit risk.

RUSHMORE CONSUMER CREDIT RESOURCE CENTER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

(1) Nature of Operations and Summary of Significant Accounting Policies

Restricted Cash

Restricted cash represents amounts received from United Way for the Organization's Match Savings program (Note 5). Restricted cash totaled **\$4,600** and \$5,300 at December 31, 2023 and 2022, respectively.

Certificate of Deposit

The certificate of deposit is held at a financial institution and carried at cost plus accrued interest. At December 31, 2023, the certificate of deposit has an interest rate of 5.12 percent and matures in October 2024.

Inventory

Inventory, consisting of books and other educational materials for sale, is valued at average cost.

Property and Equipment

Property and equipment purchases over \$1,000 are capitalized at cost. Maintenance and repairs are expensed as incurred, and major improvements are capitalized. Donated property and equipment is stated at fair market value at the date of the donation. Depreciation is provided for on a straight-line basis over the following estimated useful lives:

Buildings	40 Years
Building Improvements	15 Years
Equipment	5-7 Years

Leases - Lessee

The Organization determines if an arrangement is or contains a lease at inception or modification of the agreement. The right-of-use asset (included with property and equipment) and lease liability (included with financing arrangements) primarily relates to equipment used in operations. The Organization's lease agreement does not contain renewal or termination clauses, material residual value guarantees, restrictions or covenants.

For leases with terms greater than 12 months or that contain a purchase option that is reasonably certain to be exercised, a right-of-use (ROU) asset and lease liability is recognized based on the present value of the future minimum lease payments over the lease term. The Organization has elected to use the risk-free interest rate for all asset classes to determine the lease present value when the implicit rate is not readily determinable. The initial measurement of the ROU asset also includes any initial direct costs and lease prepayments, net of lease incentives received. Leases are classified as either finance or operating leases. This classification dictates whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively.

Leases with terms of 12 months or less or that are cancelable by the lessee and lessor without significant penalties, are not capitalized as right-of-use assets and lease liabilities, but are expensed on a straight-line basis over the lease term. These leases are entered into at periodic rental rates for an unspecified duration and typically have a termination for convenience provision.

RUSHMORE CONSUMER CREDIT RESOURCE CENTER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

(1) Nature of Operations and Summary of Significant Accounting Policies

Leases - Lessor

The Organization determines if an arrangement is or contains a lease at inception or modification of the agreement and classifies such leases as operating, direct financing, or sales-type leases. Direct financing and sales-type leases meet certain criteria that have the economic characteristics of transferring ownership of the underlying asset and are accounted for similar to financing arrangements. A lease is classified as an operating lease if it does not qualify as a sales-type or direct financing lease. The Organization acts as lessor in operating leases only. Operating lease revenue is recognized on a straight-line basis over the term of the lease. None of the Organization's lease agreements contain renewal or termination options, restrictions or covenants.

Revenue Recognition

Educational Programs and Product Sales:

The Organization provides counseling services and sells printed, online and mobile courses and books to other agencies. Fees are based on contracted amounts, fee schedules, and licensing agreements, as applicable. Performance obligations are satisfied at the point in time the service or class is provided, the book is shipped, or the online/mobile material is provided. Revenue is recognized when the performance obligation is met.

Debt Management Program:

When a client contacts the Organization for assistance with a debt payment plan, the Organization is responsible for providing credit counseling to each eligible client, collecting information, completing and executing a debt management program contract, and delivering the information to a third-party nonprofit debt management organization. A one-time fee is charged to clients for this service, and revenue is recognized at the time the information is submitted. In addition, the Organization has an agreement with this third party to provide continued counseling for the clients. Flat monthly fees are received, and revenue for this stand-ready obligation is recognized each month under the contract terms.

Contributions, Grants and Promises to Give:

Unconditional contributions of cash are recognized as revenue in the period promised at their fair values. Grants are received from both government and private sources. Each grant is analyzed to determine whether it is deemed an exchange transaction (where both the grantee and grantor receive commensurate benefits) or a contribution. All grants received in 2023 and 2022 were deemed to be contributions. Unconditional promises to give are recognized upon donor or grantor notification. All amounts due at December 31, 2023 and 2022, are short-term and due from granting agencies. Based on management's judgment and subsequent collections, all are considered collectible, resulting in no allowance for uncollectible amounts. Contributions are distinguished between those that increase net assets with and without donor restriction. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. The Statements of Functional Expenses present the natural classification detail of expenses by function. Certain expenses can be directly allocated to program or supporting functions. Most categories of expenses are attributable to more than one program or supporting function and require allocation on a reasonable basis that is consistently applied. Accordingly, those costs have been allocated among program and management and general activities based on the time spent on each function. No significant fundraising activities occurred in 2023 or 2022.

RUSHMORE CONSUMER CREDIT RESOURCE CENTER

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

(1) Nature of Operations and Summary of Significant Accounting Policies

Federal Income Tax

The Organization qualifies as an exempt organization under Section 501(c)(3) of the Internal Revenue Code under a group ruling issued by the Internal Revenue Service. In addition, the Organization is not considered a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code. As such, no federal income tax is paid unless net income is derived from activities that are unrelated to their exempt activities. No such activities are conducted.

At December 31, 2023 and 2022, the Organization believes there are no significant uncertain tax positions or liabilities, or interest and penalties associated with uncertain tax positions.

Reclassifications

Certain items in the 2022 financial statements have been reclassified to conform to the 2023 presentation with no effect on previously reported net assets.

Subsequent Events

Subsequent events have been evaluated through June 19, 2024, the date which the financial statements were available to be issued.

(2) Leases

Lessee

The Organization leases certain office facilities on a month-to-month basis. Total short-term lease expense for the year ended December 31, 2023, and 2022, was **\$1,110** and \$654, respectively.

During 2019, the Organization entered into a finance lease for a copy machine. The right-to-use asset is included in property and equipment in the statements of financial position and totals **\$1,137** and \$6,669 at December 31, 2023 and 2022, respectively. Amortization of the right-to-use asset totaled **\$5,532** and \$4,444 for 2023 and 2022, respectively. The finance lease liability consists of the following at December 31:

	<u>2023</u>	<u>2022</u>
Finance lease due in monthly installments of \$370 at 0% interest, due in May 2024 (remaining lease term of approximately 5 months)	\$ 1,851	\$ 6,295
Less Current Portion	1,851	4,444
Long-Term Lease Liability	\$ -	\$ 1,851

RUSHMORE CONSUMER CREDIT RESOURCE CENTER

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

(2) Leases

Lessor

The Organization leases portions of its building to two other nonprofit agencies. One lease requires monthly payments of \$650 through May 2024, and one requires monthly payments of \$424 through June 2025. Depreciation expense is not separately allocated to the leased spaces. The future minimum lease payments to be received under operating leases are as follows as of December 31:

2024	\$	8,338
2025		2,544
	\$	10,882

Subsequent to year-end, the Organization sold its building. The leases were assigned to the buyer (Note 8).

(3) Long-Term Debt

Long-term debt consists of the following at December 31:

	<u>2023</u>	<u>2022</u>
Mortgage note payable to bank, due in monthly installments of \$1,615, including 4.5% interest through November 2039, secured by building	\$ 182,391	\$ 192,962
Less Current Maturities	11,313	11,056
	\$ 171,078	\$ 181,906

Long-term debt matures as follows at December 31:

2024	\$	11,313
2025		11,941
2026		12,490
2027		13,064
2028		13,647
Thereafter		119,936
	\$	182,391

Subsequent to year-end, the Organization sold its building, and the debt was paid in full (Note 8).

(4) Retirement Plan

The Organization participates in a 401(k) retirement plan covering substantially all employees desiring to participate. The plan allows for discretionary employer contributions; however, the Organization chose not to make any contributions for the years ended December 31, 2023 or 2022.

(5) Net Assets with Donor Restrictions

Net assets with donor restrictions as of December 31, 2023, includes **\$4,167** to support the Organization's mission in 2024. Also included in net assets with donor restrictions at December 31, 2023 and 2022, is **\$4,600** and \$5,300, respectively for the Match Savings Program, which encourages clients to begin saving money.

RUSHMORE CONSUMER CREDIT RESOURCE CENTER

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

(6) Conditional Promises to Give

A portion of the Organization’s revenue is derived from cost-reimbursable federal and state grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has performed the requirements and/or incurred expenditures in compliance with specific contract or grant provisions. These revenues follow a simultaneous release policy and are recorded as net assets without donor restriction if the restrictions expire in the year in which the contributions are recognized. At December 31, 2023, contributions totaling **\$97,538** have not been recognized in the accompanying Statements of Activities and Changes in Net Assets because the conditions on which they depend have not been met. All such conditional amounts are dependent on conducting counseling sessions for which reimbursement is received.

(7) Liquidity and Availability

As of December 31, the total financial assets held by the Organization and the amounts of those financial assets that could readily be made available within one year of the statement of financial position date to meet general expenditures are as follows:

	<u>2023</u>	<u>2022</u>
Financial Assets at Year-End:		
Cash and Cash Equivalents	\$ 201,603	\$ 200,233
Certificate of Deposit	117,348	114,288
Accounts Receivable	1,416	1,519
Promises to Give - Grants	36,728	36,151
	<u>357,095</u>	<u>352,191</u>
Less Board Designated Reserve	(96,574)	(85,716)
Less Net Assets with Time Restriction	(4,166)	-
Financial Assets Available for General Use Within One Year	<u>\$ 256,355</u>	<u>\$ 266,475</u>

The Organization regularly monitors liquidity required to meet its operating needs and has various sources of liquidity at its disposal, including cash and cash equivalents. The Organization focuses on budgeting controls and maintaining adequate cash reserves totaling three months of operating expenses. In the event of unanticipated liquidity needs, the Board of Directors could utilize the designated reserve funds. In addition, subsequent to year-end, the Organization sold its building, which generated additional cash reserves (Note 8).

(8) Subsequent Event

On February 13, 2024, the Organization sold its building to an unrelated party for \$1,285,000. Proceeds were utilized to pay the outstanding mortgage (Note 3). Final proceeds, net of the loan pay-off and closing costs, totaled \$1,018,959. A member of the Board of Directors is related to a principal of the real estate agency used to broker the sale.

As part of the sale agreement, leases in which the Organization is lessor were fully assigned to the buyer (Note 2). In addition, the Organization entered into an agreement with the buyer to lease back several offices within the building. The lease requires monthly payments of \$2,200 through February 2025, with two one-year renewal options available.