

**CONSUMER CREDIT
COUNSELING SERVICE OF
GREATER ATLANTA, INC d/b/a
CREDABILITY**

FINANCIAL REPORT

DECEMBER 31, 2010

CONSUMER CREDIT COUNSELING SERVICE OF GREATER ATLANTA, INC.
d/b/a CREDABILITY
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Consumer Credit Counseling Service of Greater Atlanta, Inc.
d/b/a CredAbility
Atlanta, Georgia

We have audited the accompanying statements of financial position of **Consumer Credit Counseling Service of Greater Atlanta, Inc., d/b/a CredAbility** as of December 31, 2010 and 2009, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the management of CredAbility. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CredAbility as of December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 6, 2011, on our consideration of CredAbility'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of CredAbility taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Mauldin & Jenkins, LLC

Atlanta, Georgia
April 6, 2011

CONSUMER CREDIT COUNSELING SERVICE OF GREATER ATLANTA, INC.
d/b/a CREDABILITY
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2010 AND 2009

ASSETS	2010	2009
Cash and cash equivalents	\$ 3,917,206	\$ 5,306,931
Restricted cash, clients' trust fund for creditor payments	1,316,237	1,429,825
Accounts receivable, less allowance for doubtful accounts 2010 \$6,361; 2009 \$29,091	495,487	837,769
Grants receivable, less allowance for doubtful accounts 2010 \$70,458; 2009 \$350,749	4,598,802	3,256,770
Prepaid expenses	906,895	1,000,426
Other assets	7,249	10,573
Investments	5,374,562	5,373,382
Property and equipment, net	5,165,275	4,146,670
Deposits	510,427	174,261
Total assets	\$ 22,292,140	\$ 21,536,607
LIABILITIES		
Accounts payable	\$ 1,153,332	\$ 606,533
Accrued expenses and other liabilities	2,445,028	2,229,824
Clients' trust fund for creditor payments	1,316,237	1,429,825
Total liabilities	4,914,597	4,266,182
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Board designated unrestricted net assets	5,474,562	5,473,382
Unrestricted net assets	10,382,551	9,878,928
Total unrestricted net assets	15,857,113	15,352,310
Temporarily restricted net assets	1,520,430	1,918,115
Total net assets	17,377,543	17,270,425
Total liabilities and net assets	\$ 22,292,140	\$ 21,536,607

See Notes to Financial Statements.

CONSUMER CREDIT COUNSELING SERVICE OF GREATER ATLANTA, INC.

d/b/a CREDABILITY

STATEMENTS OF ACTIVITIES**YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
Changes in unrestricted net assets:		
Revenues, gains and support:		
Creditor contributions - debt management plans	\$ 4,798,876	\$ 4,627,205
Client contributions and fees - debt management plans	5,669,107	5,292,697
Grants, contributions, and contracts	14,411,188	16,943,331
Bankruptcy counseling and education fees	9,802,217	13,300,750
Donated advertising and services	2,163,845	2,872,239
Other income	36,066	42,932
Investment income	7,858	7,668
	<u>36,889,157</u>	<u>43,086,822</u>
Net assets released from restrictions	11,299,177	5,804,692
Total unrestricted revenues, gains and support	<u>48,188,334</u>	<u>48,891,514</u>
Expenses and losses:		
Program	41,894,621	40,063,833
Management and general	4,631,463	4,734,030
Resource development	1,158,802	1,136,700
Total expenses	<u>47,684,886</u>	<u>45,934,563</u>
Increase in unrestricted net assets	<u>503,448</u>	<u>2,956,951</u>
Changes in temporarily restricted net assets:		
Contributions and grants	10,901,492	5,613,259
Net assets released from restrictions	<u>(11,299,177)</u>	<u>(5,804,692)</u>
(Decrease) in temporarily restricted net assets	<u>(397,685)</u>	<u>(191,433)</u>
Increase in net assets	105,763	2,765,518
Total net assets, beginning	17,270,425	13,348,467
Total net assets, business combination (see note 1)	<u>1,355</u>	<u>1,156,440</u>
Net assets, ending	<u>\$ 17,377,543</u>	<u>\$ 17,270,425</u>

See Notes to Financial Statements.

CONSUMER CREDIT COUNSELING SERVICE OF GREATER ATLANTA, INC.
d/b/a CREDABILITY
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2010 AND 2009

CASH FLOWS FROM OPERATING ACTIVITIES	2010	2009
Increase in net assets	\$ 105,763	\$ 2,765,518
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,880,579	1,682,250
Changes in assets and liabilities:		
Decrease (increase) in restricted cash and cash equivalents	113,588	(327,714)
Decrease (increase) in accounts receivable, net	342,282	(181,754)
(Increase) in grants receivable, net	(1,342,032)	(1,546,609)
Decrease in accrued interest receivable	132	2,550
Decrease (increase) in prepaid assets	93,531	(178,108)
Decrease in other receivables	3,192	2,389
(Increase) in deposits	(336,166)	(35,584)
Increase (decrease) in accounts payable	546,799	(605,859)
Increase in accrued expenses and other liabilities	215,204	1,520,222
(Decrease) increase in clients' trust fund for creditor payments	(113,588)	327,714
Operating net assets from combination	1,355	(86,405)
Net cash provided by operating activities	1,510,639	3,338,610
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(2,899,184)	(681,914)
Net (purchases) proceeds on investments	(1,180)	565,898
Net cash (used in) investing activities	(2,900,364)	(116,016)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment on line of credit from combination	-	(75,000)
Net cash (used in) financing activities	-	(75,000)
Net (decrease) increase in cash and cash equivalents	(1,389,725)	3,147,594
Cash and cash equivalents - beginning	5,306,931	2,159,337
Cash and cash equivalents - ending	\$ 3,917,206	\$ 5,306,931

See Notes to Financial Statements.

CONSUMER CREDIT COUNSELING SERVICE OF GREATER ATLANTA, INC.
d/b/a CREDABILITY
STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2010

	<u>Program</u>	<u>Management and General</u>	<u>Resource Development</u>	<u>Total</u>
Salaries, wages and employee benefits	\$ 26,161,560	\$ 2,893,016	\$ 662,571	\$ 29,717,147
Contractual and professional services	4,287,191	474,089	108,578	4,869,858
Office and equipment rental	2,425,985	266,255	42,735	2,734,975
Repairs and maintenance	1,210,439	133,854	30,656	1,374,949
Depreciation and amortization	1,638,985	183,078	58,516	1,880,579
Postage and supplies	560,269	61,956	14,189	636,414
Travel and parking	319,007	35,277	8,079	362,363
Marketing and advertising	2,867,403	317,085	72,620	3,257,108
Telephone and utilities	1,049,633	116,271	28,437	1,194,341
Insurance	261,249	28,890	6,616	296,755
National Foundation dues	62,270	6,886	1,577	70,733
Bank charges	503,675	54,322	-	557,997
Other expenses	546,955	60,484	124,228	731,667
	<u>\$ 41,894,621</u>	<u>\$ 4,631,463</u>	<u>\$ 1,158,802</u>	<u>\$ 47,684,886</u>

See Notes to Financial Statements.

CONSUMER CREDIT COUNSELING SERVICE OF GREATER ATLANTA, INC.
d/b/a CREDABILITY
STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2009

	<u>Program</u>	<u>Management and General</u>	<u>Resource Development</u>	<u>Total</u>
Salaries, wages and employee benefits	\$ 24,907,202	\$ 2,940,552	\$ 676,157	\$ 28,523,911
Contractual and professional services	5,280,665	627,998	183,037	6,091,700
Office and equipment rental	2,262,656	269,876	85,318	2,617,850
Repairs and maintenance	936,009	110,506	25,410	1,071,925
Depreciation and amortization	1,450,309	173,424	58,517	1,682,250
Postage and supplies	804,168	94,940	21,831	920,939
Travel and parking	356,541	42,093	9,679	408,313
Marketing and advertising	955,309	109,803	-	1,065,112
Telephone and utilities	1,477,459	173,781	34,467	1,685,707
Insurance	207,972	24,553	5,646	238,171
National Foundation dues	84,382	9,962	2,291	96,635
Bank charges	575,399	66,136	-	641,535
Other expenses	765,762	90,406	34,347	890,515
	<u>\$ 40,063,833</u>	<u>\$ 4,734,030</u>	<u>\$ 1,136,700</u>	<u>\$ 45,934,563</u>

See Notes to Financial Statements.

**CONSUMER CREDIT COUNSELING SERVICE OF GREATER ATLANTA, INC.,
d/b/a CredAbility
NOTES TO FINANCIAL STATEMENTS**

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Consumer Credit Counseling Service of Greater Atlanta, Inc. (CredAbility) is a nonprofit corporation exempt from Federal and State income taxes under internal revenue code section 501(c)(3). Its primary purpose is to provide basic preventative and rehabilitative financial services to the public. This is accomplished through five primary services: 1) providing educational programs in money management, credit and wise consumerism, 2) providing individual budget and credit counseling free of charge, 3) establishing debt management plans for individuals and families who are overextended in debt, 4) providing housing counseling, and 5) providing bankruptcy counseling and education. CredAbility provides services throughout the United States and operates its primary office in Atlanta, Georgia.

Business Combination

Effective November 1, 2010, CredAbility acquired the net assets of the Consumer Credit Counseling Service Program of Compass of South Carolina, Inc. a South Carolina nonprofit corporation. The effects of the net assets acquired totaled \$1,355 in accordance with *Not-for-Profit Entities: Mergers and Acquisitions* and are reflected in the ending balance on the statement of activities.

Effective January 1, 2009, CredAbility. acquired the net assets of Consumer Credit Counseling Service of Central Florida and Florida Gulf Coast, Inc. The effects of the net assets acquired totaled \$1,156,440 using the pooling of interest method of accounting and are reflected in the beginning balance on the statement of activities.

Significant Accounting Policies

Basis of Presentation

CredAbility presents its financial statements in accordance with the Financial Accounting Standards Board (FASB), *Financial Statements for Not-For-Profit Organizations* as promulgated by the Financial Accounting Standards Board. Under this standard, CredAbility is required to report information regarding its financial position and activities according to three categories of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Unrestricted net assets are not subject to donor-imposed restrictions. Temporarily restricted net assets are subject to donor-imposed restrictions that may be met either by the actions of CredAbility or the passage of time. CredAbility does not have any permanently restricted net assets as of December 31, 2010 and 2009. Board designated net assets are restricted by the Board for future expansion of operations and deferred compensation arrangements.

The financial statements of CredAbility are prepared on the accrual basis of accounting.

CredAbility receives voluntary contributions and grants from creditors. Debt management clients of CredAbility are assessed fees as allowed by state regulations. Clients provided pre-filing counseling and pre-discharge bankruptcy education are assessed fees unless waived. Contributions are considered to be earned and are recorded as revenue when the related creditor payment is disbursed. Unconditional promises to give are recognized as revenues or gains in the period received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Donor-restricted contributions are reported as increases in temporarily restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

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.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization on property and equipment is calculated on the straight-line method over the estimated useful lives of the assets as follows: furniture and fixtures, 5 to 7 years, and computer equipment, 3 to 5 years. Leasehold improvements are amortized on the straight-line basis over the lesser of the estimated useful lives of the assets or the remaining lease terms.

Internally Developed Software

Internal and external costs incurred to develop internal-use computer software during the application development stage are capitalized. Amortization is not taken until the software is placed in service.

Investments

Investments are measured at fair value in the accompanying statement of financial position. Realized and unrealized gains and losses are recognized as changes in net assets in the periods in which they occur, and investment income is recognized as revenue in the period earned.

Income Taxes

CredAbility is exempt from income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is recorded in the accompanying financial statements.

Donated Materials and Services

Donated materials are recorded as contributions at their estimated fair values at the date of donation. Contributions of services are recognized in the financial statements if the services enhance or create non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. CredAbility received contributed materials and services during 2010 and 2009 including donated legal services, billboard advertising and services, credit reports, and bankruptcy counseling bonds. These donated services and bonds are recorded in these financial statements at their estimated fair value.

Marketing and Advertising Cost

Marketing and advertising costs are expensed as incurred. Marketing and advertising expense for the years ended December 31, 2010 and 2009 was \$3,586,013 and \$1,697,005, respectively, which includes donated billboard advertising and services of \$328,904 and \$631,894, respectively.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Supporting services includes general and administrative and resource development costs.

Statements of Cash Flows and Concentrations of Credit Risk

For purposes of the statements of cash flows, CredAbility considers all bank accounts, other than restricted clients' trust fund accounts, to be cash equivalents. Short term investments are not considered to be cash equivalents even though certain of the investments have maturities of three months or less. The balances in CredAbility's bank accounts, other than restricted clients' trust fund accounts, as reflected in the bank's records, are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2010, uninsured bank balances did not exceed the FDIC limit.

Unearned Revenue

Unearned revenue represents grant receipts for services that will be performed in subsequent periods. Revenue is recognized as the services are performed.

Recent Accounting Pronouncements

In June 2009, the FASB issued, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification (ASC) as the sole source of authoritative generally accepted accounting principles. The codification is not intended to change generally accepted accounting principles (GAAP) but rather is expected to simplify accounting research by reorganizing current GAAP into topics. Pursuant to the provisions of this statement, CredAbility has updated references to GAAP in its financial statements issued for the period ended December 31, 2010. There was no impact on CredAbility's financial statements as a result of the adoption.

CredAbility adopted the provisions of ASC, Accounting for Uncertainty in Income Taxes, on January 1, 2009. The standard provides guidance on when tax positions are recognized in an entity's financial statements and how the values of these positions were determined. There was no impact on CredAbility's financial statements as a result of the adoption.

In May 2009, the FASB issued, *Subsequent Events*. The objective of this standard is to establish general standards of accounting for and disclosure of events that occur after the balance sheet date but before the financial statements are issued or are available to be issued. CredAbility adopted this standard effective December 31, 2009.

CredAbility adopted the provisions of ASC, *Not-for-Profit Entities: Mergers and Acquisitions* effective January, 2010.

Fair Value Presentation

Effective January 1, 2008, CredAbility adopted the FASB's *Fair Value Measurements* and disclosure guidance, which provides a framework for measuring fair value under generally accepted accounting principles. This standard applies to all financial instruments that are being measured and reported on a fair value basis.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

Fair Value Presentation (Continued)

As defined in this standard, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, CredAbility uses various methods including market, income, and cost approaches. Based on these approaches, CredAbility often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. CredAbility utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, CredAbility is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Valuations for assets and liabilities traded in active markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 - Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 - Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities

For the fiscal year ended December 31, 2010 and, 2009, the application of valuation techniques applied to similar assets and liabilities have been consistent. The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

NOTE 2. CLIENTS' TRUST FUND FOR CREDITOR PAYMENTS

Client debt payments are received by CredAbility and are disbursed to creditors in accordance with plans arranged by CredAbility. The balances of the trust fund held for distribution to creditors are as follows at December 31, 2010 and 2009:

	2010	2009
Treasury reserves	\$ 255,780	\$ 255,780
Demand deposit account	1,060,457	1,174,045
Net balance of clients' trust fund for creditor payments	<u>\$ 1,316,237</u>	<u>\$ 1,429,825</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2. CLIENTS' TRUST FUND FOR CREDITOR PAYMENTS (Continued)

Activity in the clients' trust fund for the years ended December 31, 2010 and 2009 was as follows:

	2010	2009
Balance, beginning of year	\$ 1,429,825	\$ 1,102,111
Remittances from clients	124,609,824	119,831,154
Disbursements	(124,723,412)	(119,503,440)
Balance, end of year	\$ 1,316,237	\$ 1,429,825

NOTE 3. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment stated at cost as of December 31, 2010 and 2009:

	2010	2009
Furniture and fixtures	\$ 1,473,193	\$ 1,489,391
Computer equipment and software	8,102,100	6,230,128
Leasehold improvements	2,601,942	2,452,874
	12,177,235	10,172,393
Less, accumulated depreciation and amortization	(8,053,133)	(6,211,915)
	4,124,102	3,960,478
Software development in progress	1,041,173	186,192
Property and equipment, net	\$ 5,165,275	\$ 4,146,670

Depreciation and amortization expense for the years ended December 31, 2010 and 2009 was \$1,880,579 and \$1,682,250, respectively.

NOTE 4. INVESTMENTS

Investments, measured at fair value on a recurring basis, consist of the following at December 31, 2010 and 2009:

	2010	Fair Value Measurements at December 31, 2010		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money markets	\$ 4,624,115	\$ 4,624,115	\$ -	\$ -
Government Funds	750,447	750,447	-	-
	\$ 5,374,562	\$ 5,374,562	\$ -	\$ -

NOTES TO FINANCIAL STATEMENTS

NOTE 4. INVESTMENTS (Continued)

	Fair Value Measurements at December 31, 2009			
	2009	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market mutual funds	\$ 4,623,076	\$ 4,623,076	\$ -	\$ -
Commercial Paper	750,306	-	750,306	-
	\$ 5,373,382	\$ 4,623,076	\$ 750,306	\$ -

NOTE 5. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2010 and 2009 totaled \$1,520,430 and \$1,918,115 respectively, and were available to fund the following programs:

Purpose restrictions:	2010	2009
Education	\$ 598,019	\$ 270,528
Organization capacity expansion	518,385	838,122
Financial literacy counseling	43,876	41,150
Hispanic outreach programs	335,150	585,500
Housing counseling and seminars	25,000	182,815
Total purpose restricted net assets	1,520,430	1,918,115
Total temporarily restricted net assets	\$ 1,520,430	\$ 1,918,115

Temporarily restricted net assets consist of cash equivalents at December 31, 2010 and 2009.

Net assets were released from donor restrictions by incurring expenditures satisfying the restricted purposes or by the occurrence of events specified by donors as follows during the years ended December 31, 2010 and 2009:

Purpose restrictions:	2010	2009
Organization capacity expansion	\$ 541,904	\$ 2,312,783
Education seminars	675,796	510,797
Financial literacy counseling	188,624	297,791
Hispanic outreach programs	250,350	447,500
Housing counseling and seminars	9,642,503	2,235,821
Total purpose restrictions released	11,299,177	5,804,692
Total restrictions released	\$ 11,299,177	\$ 5,804,692

NOTES TO FINANCIAL STATEMENTS

NOTE 6. OPERATING LEASES

CredAbility leases office space and equipment under non-cancelable operating lease agreements. Future minimum lease payments required under the operating leases are as follows:

Year ending December 31:

2011	\$	2,319,418
2012		1,993,618
2013		1,880,597
2014		1,691,291
2015		1,221,902
Thereafter		4,424,490
		\$ 13,531,316

Rental expenses under all operating leases for the years ended December 31, 2010 and 2009 were \$2,734,975 and \$2,617,850, respectively.

NOTE 7. DONATED MATERIALS AND SERVICES

The value of donated materials and services included in the financial statements and the corresponding expenses are as follows for the years ended December 31, 2010 and 2009:

Donated:	2010	2009
Advertising and billboards	\$ 328,904	\$ 631,894
Legal services	35,335	35,811
Credit reports	1,518,060	2,017,479
Donated rent	13,701	5,468
Software development	134,761	65,808
Fundraising	130,270	80,336
Miscellaneous	2,814	35,443
	\$ 2,163,845	\$ 2,872,239

NOTE 8. RETIREMENT PLANS

CredAbility has a 403(b) tax sheltered annuity plan that covers all employees who have met certain age and length of service requirements. CredAbility provides a matching contribution of not greater than 5% of the participant's annual compensation. For the years ended December 31, 2010 and 2009, CredAbility contributed \$ 454,091 and \$405,689, respectively to the plan.

CredAbility also has a 401(a) defined contribution plan for its eligible employees. The defined contribution plan is an employee noncontributory defined contribution plan that covers employees who are at least age twenty-one and have completed one year of service. Employer contributions to the Plan are made on behalf of participating employees each year in an amount determined by the Board of Directors of CredAbility. Employer contributions to the Plan for the years ended December 31, 2010 and 2009 were \$811,136 and \$758,042, respectively.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. RELATED PARTY TRANSACTIONS

CredAbility is an affiliate of the National Foundation for Credit Counseling. Affiliates are assessed membership dues determined by a formula based on the percentage of anticipated gross revenue for the year. Membership fees paid to the national organization during the years ended December 31, 2010 and 2009 were \$49,974 and \$73,838, respectively.

NOTE 10. COMMITMENTS AND CONTINGENCIES

Grants and contracts often require the fulfillment of certain conditions as set forth in the instrument or agreement. Failure to fulfill the conditions could result in an obligation to return funds to the grantors. Although the return of funds is a possibility, management of CredAbility deems the contingency to be unlikely. The grants and contracts are subject to audit by the grantors. They have the authority to determine liabilities or limit or suspend participation in the various sponsored programs.

NOTE 11. DEFERRED COMPENSATION

CredAbility has non-qualified deferred compensation arrangements with a select group of management whereby an obligation has been recorded and funds set aside for future payout under these arrangements. Expense of \$0 and \$136,000 related to those arrangements was recorded in 2010 and 2009, respectively.

NOTE 12. RECLASSIFICATIONS

Certain prior year amounts have been reclassified to conform to the 2010 presentation in the financial statements. These reclassifications had no effect on the Organization's reported total assets, liabilities, net assets or decrease in net assets for the period involved.

NOTE 13. SUBSEQUENT EVENTS

On May 28, 2009, the FASB issued new guidance related to subsequent events. Under this guidance, entities are required to evaluate events and transactions that occur after the balance sheet date but before the date the financial statements are issued, or available to be issued. This guidance also requires entities to disclose the date through which subsequent events have been evaluated. Management has evaluated events occurring through April 6, 2011, the date the financials were available to be issued.

SINGLE AUDIT SECTION

CONSUMER CREDIT COUNSELING SERVICE OF GREATER ATLANTA, INC.
d/b/a CREDABILITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

<u>Programs</u>	<u>CFDA No.</u>	<u>Expenditures</u>
MAJOR PROGRAMS		
National Foreclosure Mitigation Counseling	--	\$ 10,207,337
U.S. DEPT. OF HOUSING & URBAN DEVELOPMENT Office of Housing – Federal Housing Commissioner: Housing Counseling Assistance Program	14.169	<u>3,800,815</u>
TOTAL MAJOR PROGRAMS		14,008,152
NON MAJOR PROGRAMS		
U.S. DEPT. OF HOUSING & URBAN DEVELOPMENT City of Atlanta: Community Development Block Grant	14.218	1,546
City of West Palm Beach: Community Development Block Grant	14.218	35,098
Palm Beach County: Community Development Block Grant	14.218	17,000
City of Orlando: Community Development Block Grant	14.218	4,229
Sarasota County: ARRA - Community Services Block Grant	93.710*	27,760
City of Port St. Lucie Neighborhood Stabilization Program	14.215	6,066
MS Home Corporation Neighborhood Stabilization Program	14.215	6,909
U.S. DEPARTMENT OF LABOR Georgia Department of Labor: ARRA - WIA Dislocated Worker Program	17.260*	85,365
U.S. DEPARTMENT OF EDUCATION School District of Hillsborough County: Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)	84.334	<u>7,800</u>
TOTAL NON MAJOR PROGRAMS		<u>191,773</u>
TOTAL FEDERAL AWARDS		<u>\$ 14,199,925</u>

*ARRA Recovery Act

The accompanying note is an integral part of this schedule.

CONSUMER CREDIT COUNSELING SERVICE OF GREATER ATLANTA, INC.
d/b/a CREDABILITY
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2010

NOTE 1. The accompanying schedule of expenditures of federal awards includes the federal grant activity of Consumer Credit Counseling Service of Greater Atlanta, Inc., d/b/a CredAbility and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

**INDEPENDENT AUDITOR'S 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***

**To the Board of Directors
Consumer Credit Counseling Service of Greater Atlanta, Inc. (CredAbility)**

We have audited the financial statements of the Consumer Credit Counseling Service of Greater Atlanta, Inc. (CredAbility) (a nonprofit organization) as of and for the year ended December 31, 2010, and have issued our report thereon dated April 6, 2011. We conducted our audit in accordance with 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered CredAbility's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CredAbility's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of CredAbility's internal control over financial reporting.

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 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CredAbility's financial statements are free of 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*.

This report is intended solely for the information and use of the Board of Directors, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Atlanta, Georgia
April 6, 2011

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH *OMB CIRCULAR A-133***

To the Board of Directors
Consumer Credit Counseling Service of Greater Atlanta, Inc. (CredAbility)

Compliance

We have audited Consumer Credit Counseling Service of Greater Atlanta, Inc.'s (CredAbility's) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of CredAbility's major federal programs for the year ended December 31, 2010. CredAbility's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of CredAbility's management. Our responsibility is to express an opinion on CredAbility's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about CredAbility's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of CredAbility's compliance with those requirements.

In our opinion, CredAbility complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each its major federal program for the year ended December 31, 2010.

Internal Control Over Compliance

Management of CredAbility is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered CredAbility's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CredAbility's 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 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.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Atlanta, Georgia
April 6, 2011

**CONSUMER CREDIT COUNSELING SERVICE
OF GREATER ATLANTA, INC. d/b/a CREDABILITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2010**

SECTION I - SUMMARY OF AUDITOR'S RESULTS:

Financial Statements:

Type of auditors' report issued	<u>Unqualified</u>	
	<u>Yes</u>	<u>No</u>
Internal control over financial reporting:		
Material weaknesses identified?	_____	<u>X</u>
Significant deficiencies identified not considered to be material weaknesses?	_____	<u>None Reported</u>
Noncompliance material to the financial statements noted?	_____	<u>X</u>

Federal Awards:

Internal controls over major programs:		
Material weaknesses identified?	_____	<u>X</u>
Significant deficiencies identified not considered to be material weaknesses?	_____	<u>None Reported</u>
Type of auditors' report issued on Compliance for major programs	<u>Unqualified</u>	
Audit findings required to be reported in accordance with OMB Circular A-133, Section 510(a)	<u>No</u>	

Identification of major programs:

National Foreclosure Mitigation Counseling
Housing Counseling Assistance Program/National Foundation for Credit Counseling

Dollar threshold used to distinguish between type A and type B programs	\$ 425,998	
	<u>Yes</u>	<u>No</u>
Auditee qualified as low-risk auditee?	<u>X</u>	_____
Financial statement findings?	_____	<u>X</u>
Findings and questioned costs for Federal awards?	_____	<u>X</u>

**CONSUMER CREDIT COUNSELING SERVICE
OF GREATER ATLANTA, INC. d/b/a CREDABILITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2010**

Section II – Financial Statement Findings

None

Section III - Findings and Questioned Costs for Federal Awards

None