CREDIT BUILDERS ALLIANCE
AND SUBSIDIARY

WASHINGTON, DC

COMPARATIVE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

KENDALL, PREBOLA AND JONES
Certified Public Accountants
PO BOX 259
BEDFORD, PENNSYLVANIA 15522-0259
(814) 623-1880
FAX (814) 623-7548

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Kendall, Prebola and Jones, LLC
Certified Public Accountants

Board of Directors
Credit Builders Alliance and Subsidiary
1701 K Street, NW, Suite 1000
Washington, DC 20006

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the accompanying consolidated financial statements of Credit Builders Alliance (a nonprofit organization) and Subsidiary, which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the and Subsidiary financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Credit Builders Alliance and Subsidiary as of December 31, 2021 and 2020, and the changes in its net assets 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. 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 Credit Builders Alliance and Subsidiary 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

133 MANN STREET, P.O. BOX 259, BEDFORD, PA 15522-0259 / (814) 623-1880

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 therefore 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 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 consolidated financial statements.

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 consolidated 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 consolidated 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 Credit Builders Alliance and Subsidiary'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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Credit Builders Alliance and Subsidiary'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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position, consolidating statements of activities, and consolidating statements of cash flows are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements.

The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Kendall, Prebola and Jones
Certified Public Accountants

Bedford, Pennsylvania
June 28, 2022

CREDIT BUILDERS ALLIANCE AND SUBSIDIARY
COMPARATIVE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 4,052,322	$ 1,789,762
Accounts Receivable	26,746	33,666
Promises Receivable	893,433	157,157
Program Loans Receivable, Net	638,056	206,823
Prepaid Expenses	64,486	37,018
Total Current Assets	$ 5,675,043	$ 2,224,426
Fixed Assets:		
Fixed Assets, Net of Accumulated Depreciation	$ 82,860	$ 34,544
Total Fixed Assets	$ 82,860	$ 34,544
Non-Current Assets:		
Security and Other Deposits	$ 7,623	$ 8,939
Promises Receivable	80,511	158,867
Program Loans Receivable, Net	1,008,292	456,150
Total Non-Current Assets	$ 1,096,426	$ 623,956
TOTAL ASSETS	$ 6,854,329	$ 2,882,926
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable	$ 70,493	$ 28,389
Accrued Annual Leave	51,427	60,543
Payroll Withholdings and Related Liabilities	-	701
Deferred Revenue	498,001	377,147
Current Portion Loan Payable	19,249	14,237
Total Current Liabilities	$ 639,170	$ 481,017
Long-Term Liabilities:		
Loans Payable	$ 98,829	$ 263,066
Less: Current Portion Loans Payable	(19,249)	(14,237)
Deferred Rent Abatement	119,440	53,128
Total Long-Term Liabilities	$ 199,020	$ 301,957
Total Liabilities	$ 838,190	$ 782,974
Net Assets:		
Without Donor Restrictions	$ 2,924,098	$ 1,123,168
With Donor Restrictions	3,092,041	976,784
Total Net Assets	$ 6,016,139	$ 2,099,952
TOTAL LIABILITIES AND NET ASSETS	$ 6,854,329	$ 2,882,926

(See Accompanying Notes and Auditor's Report)

CREDIT BUILDERS ALLIANCE AND SUBSIDIARY
COMPARATIVE CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	December 31, 2021			December 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support:						
Contributions and Grants:						
Grants - Foundations and Corporations	$ 30,667	$ 5,159,044	$ 5,189,711	$ 22,981	$ 2,724,516	$ 2,747,497
Grants and Contributions - Government	700,796	-	700,796	360,385	-	360,385
Contributions	13,092	-	13,092	6,435	-	6,435
Donated Services and Materials	33,115	-	33,115	50,315	-	50,315
Total Contributions and Grants	$ 777,670	$ 5,159,044	$ 5,936,714	$ 440,116	$ 2,724,516	$ 3,164,632
Program Service Fee Revenue	671,341	-	671,341	454,100	-	454,100
Program Consulting Revenue	153,770	-	153,770	125,512	-	125,512
Loan Origination and Interest Fees	25,367	-	25,367	4,650	-	4,650
Interest Revenue	1,356	-	1,356	11,228	-	11,228
Gain on Disposal of Fixed Assets	150	-	150	-	-	-
Net Assets Released from Restrictions - Satisfaction of Program Restrictions	3,043,787	(3,043,787)	-	2,381,492	(2,381,492)	-
Total Revenues, Gains and Other Support	$ 4,673,441	$ 2,115,257	$ 6,788,698	$ 3,417,098	$ 343,024	$ 3,760,122
Expenses:						
Innovations	$ 401,461	$ -	$ 401,461	$ 399,349	$ -	$ 399,349
Bureau Services	211,844	-	211,844	194,644	-	194,644
Training Institute	955,154	-	955,154	587,357	-	587,357
Member and Stakeholder Relations	219,706	-	219,706	186,291	-	186,291
Symposium	73,723	-	73,723	44,600	-	44,600
CBA Fund	590,997	-	590,997	926,364	-	926,364
General and Administrative	395,986	-	395,986	401,766	-	401,766
General Fund Development	23,640	-	23,640	39,218	-	39,218
Total Expenses	$ 2,872,511	$ -	$ 2,872,511	$ 2,779,589	$ -	$ 2,779,589
Changes in Net Assets	$ 1,800,930	$ 2,115,257	$ 3,916,187	$ 637,509	$ 343,024	$ 980,533
Net Assets at Beginning of Year	1,123,168	976,784	2,099,952	485,659	633,760	1,119,419
Net Assets at End of Year	$ 2,924,098	$ 3,092,041	$ 6,016,139	$ 1,123,168	$ 976,784	$ 2,099,952

(See Accompanying Notes and Auditor's Report)

CREDIT BUILDERS ALLIANCE AND SUBSIDIARY
COMPARATIVE CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	December 31, 2021										
			Supporting Services			Program Services					
	Total	Total Supporting Services	Fund Development	General and Administrative	Total Program Services	Innovations	Bureau Services	Training Institute	Member and Stakeholder Relations	Symposium	CBA Fund
Expenses:											
Salaries and Wages	$ 1,476,787	$ 146,111	$ 2,192	$ 143,919	$ 1,330,676	$ 262,722	$ 113,458	$ 549,055	$ 134,126	$ 30,169	$ 241,146
Payroll Taxes and Employee Benefits	269,776	26,101	5,921	20,180	243,675	23,065	34,988	89,416	37,333	8,866	50,007
Accounting and Legal	46,691	46,691	-	46,691	-	-	-	-	-	-	-
Honorarium	-	-	-	-	-	-	-	-	-	-	-
Conferences and Trainings	5,803	-	-	-	5,803	2,000	-	3,154	-	-	649
Subgrants	360,521	-	-	-	360,521	40,000	-	114,000	9,200	-	197,321
Scholarships	15,650	-	-	-	15,650	-	5,300	10,200	150	-	-
Consulting Fees	211,102	69,062	169	68,893	142,040	13,240	19,598	90,137	3,550	4,894	10,621
Insurance	14,216	4,160	595	3,565	10,056	2,319	2,381	2,381	2,380	595	-
Occupancy	211,699	27,376	5,773	21,603	184,323	49,557	18,125	65,868	18,125	4,532	28,116
Postage and Delivery	1,023	908	-	908	115	-	-	115	-	-	-
Printing	3,595	-	-	-	3,595	-	-	3,595	-	-	-
Promotion	4,441	2,714	71	2,643	1,727	285	285	285	285	71	516
Supplies	26,979	16,664	-	16,664	10,315	220	-	3,595	-	6,500	-
Telephone and Internet	32,118	18,399	1,643	16,756	13,719	1,373	2,746	2,746	2,746	686	3,422
Travel	2,552	1,056	-	1,056	1,496	560	-	677	-	-	259
Website and Technology	88,823	23,181	7,276	15,905	65,642	6,120	10,254	17,408	9,853	15,649	6,358
Board Expenses	5,601	3,448	-	3,448	2,153	-	-	940	-	1,213	-
Depreciation and Amortization	20,417	20,417	-	20,417	-	-	-	-	-	-	-
Bad Debt Expense	59,400	-	-	-	59,400	-	4,195	1,490	1,958	-	51,757
Licenses and Fees	11,886	10,532	-	10,532	1,354	-	514	92	-	548	200
Interest	3,431	2,806	-	2,806	625	-	-	-	-	-	625
Total Expenses	$ 2,872,511	$ 419,626	$ 23,640	$ 395,986	$ 2,452,885	$ 401,461	$ 211,844	$ 955,154	$ 219,706	$ 73,723	$ 590,997

(See Accompanying Notes and Auditor's Report)

CREDIT BUILDERS ALLIANCE AND SUBSIDIARY
COMPARATIVE CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	December 31, 2020										
			Supporting Services			Program Services					
	Total	Total Supporting Services	Fund Development	General and Administrative	Total Program Services	Innovations	Bureau Services	Training Institute	Member and Stakeholder Relations	Symposium	CBA Fund
Expenses:											
Salaries and Wages	$ 1,227,909	$ 228,624	$ 20,233	$ 208,391	$ 999,285	$ 247,457	$ 123,151	$ 317,962	$ 119,247	$ 19,407	$ 172,061
Payroll Taxes and Employee Benefits	230,187	40,501	7,292	33,209	189,686	29,230	33,052	58,579	32,704	6,978	29,143
Accounting and Legal	47,634	47,634	-	47,634	-	-	-	-	-	-	-
Honorarium	1,150	-	-	-	1,150	-	-	150	-	1,000	-
Conferences and Trainings	4,242	75	-	75	4,167	540	-	2,878	749	-	-
Subgrants	732,000	-	-	-	732,000	12,500	-	69,500	-	-	650,000
Scholarships	27,095	-	-	-	27,095	2,750	3,715	20,000	630	-	-
Consulting Fees	158,321	20,742	52	20,690	137,579	66,903	-	49,469	-	2,820	18,387
Insurance	14,369	4,273	598	3,675	10,096	2,318	2,392	2,392	2,391	598	5
Occupancy	152,066	19,828	3,723	16,105	132,238	30,263	14,719	48,322	14,126	2,722	22,086
Postage and Delivery	809	301	27	274	508	-	-	508	-	-	-
Printing	2,305	-	-	-	2,305	-	-	2,305	-	-	-
Promotion	1,723	554	227	327	1,169	275	275	275	275	69	-
Supplies	4,928	4,428	24	4,404	500	56	-	126	-	318	-
Telephone and Internet	24,924	10,284	605	9,679	14,640	2,067	2,484	3,349	2,467	571	3,702
Travel	3,816	1,035	1,035	-	2,781	781	-	901	1,099	-	-
Website and Technology	62,174	14,444	5,402	9,042	47,730	4,209	8,768	10,563	8,530	8,863	6,797
Board Expenses	-	-	-	-	-	-	-	-	-	-	-
Depreciation and Amortization	15,356	15,356	-	15,356	-	-	-	-	-	-	-
Bad Debt Expense	32,300	232	-	232	32,068	-	6,052	-	1,673	200	24,143
Licenses and Fees	32,954	29,346	-	29,346	3,608	-	36	78	2,400	1,054	40
Interest	3,327	3,327	-	3,327	-	-	-	-	-	-	-
Total Expenses	$ 2,779,589	$ 440,984	$ 39,218	$ 401,766	$ 2,338,605	$ 399,349	$ 194,644	$ 587,357	$ 186,291	$ 44,600	$ 926,364

(See Accompanying Notes and Auditor's Report)

CREDIT BUILDERS ALLIANCE AND SUBSIDIARY
COMPARATIVE CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Cash Flows from Operating Activities:		
Changes in Net Assets	$ 3,916,187	$ 980,533
Adjustments to Reconcile Changes in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation and Amortization	20,417	15,356
Bad Debt Expense	59,400	32,300
Gain on Disposal of Fixed Assets	(150)	-
Accounts Receivable - (Increase)/Decrease	(723)	6,035
Promises Receivable - (Increase)/Decrease	(657,920)	(284,624)
Prepaid Expenses - (Increase)/Decrease	(27,468)	36,307
Security Deposits - (Increase)/Decrease	1,316	-
Program Loans Receivable - (Increase)/Decrease	(1,035,132)	(482,866)
Accounts Payable - Increase/(Decrease)	42,104	13,529
Accrued Salaries - Increase/(Decrease)	-	(31,174)
Accrued Annual Leave - Increase/(Decrease)	(9,116)	15,797
Payroll Withholdings and Related Liabilities - Increase/(Decrease)	(701)	(4,877)
Deferred Revenues - Increase/(Decrease)	120,854	160,694
Deferred Rent Abatement - Increase/(Decrease)	66,312	51,791
Net Cash Flows from Operating Activities	$ 2,495,380	$ 508,801
Cash Flows from Investing Activities:		
Purchase of Fixed Assets	$ (68,733)	$ (16,811)
Proceeds on Disposal of Fixed Assets	150	-
Net Cash Flows from Investing Activities	$ (68,583)	$ (16,811)
Cash Flows from Financing Activities:		
Proceeds from Loans	$ -	$ 150,000
Principal payments on Loans	(164,237)	(3,447)
Net Cash Flows from Financing Activities	$ (164,237)	$ 146,553
Net Increase in Cash and Cash Equivalents	$ 2,262,560	$ 638,543
Cash and Cash Equivalents, Beginning of Year	1,789,762	1,151,219
Cash and Cash Equivalents, End of Year	$ 4,052,322	$ 1,789,762

Supplemental Disclosures:

a) There was no cash paid for income taxes during the years ended December 31, 2021 and 2020.
b) A total of $5,646 and $355, respectively, of interest was paid during the years ended December 31, 2021 and 2020.

(See Accompanying Notes and Auditor's Report)

1. ORGANIZATION:

Credit Builders Alliance (CBA) was created in 2006 to fill a critical gap in the delivery of nonprofit financial services - the ability for nonprofits to report monthly payments to help financially underserved consumers and entrepreneurs build credit histories. Credit Builders Alliance created CBA Fund in 2018. CBA Fund is a Community Development Financial Institution (CDFI) intermediary dedicated to supporting nonprofit lenders that offer small dollar consumer loans to underserved borrowers. CBA is the sole member of CBA Fund. All transactions of CBA Fund are consolidated with the transactions of the Credit Builders Alliance in the accompanying consolidated financial statements. CBA's mission is to help organizations move people from poverty to prosperity through credit building. We do this by building the capacity of our nonprofit and municipal members to implement strategies necessary to help their clients build credit and enter the financial mainstream. CBA fills a void by being a bridge for credit building activities for non-traditional financial service providers. Our activities fall along a continuum, which allows CBA to meet our members' needs at wherever point they may be in the credit building process. In 2021, CBA continued to grow in the face of a once in a generation Pandemic and the economic fallout that ensued.

Basic Programs

1. Core Platform Services: Member and Stakeholder Relations, Bureau Services, and Training Institute

A. Member and Stakeholder Relations

In 2021 our Member and Stakeholder Relations team supported the onboarding of 50 new members and transitioned 14 members to our new "Ally" category, created for those that want to be a part of our network but either do not offer direct services themselves (and therefore do not need our core services). This team continues to provide more streamlined prospective member outreach and relationship cultivation, member management, and communications and event (all virtual this year!) coordination. As of December 2021, CBA had 574 members and 14 Allies.

B. Bureau Services

i. CBA Reporter is an award-winning, one-of-a-kind service that offers nonprofit and municipal lenders the technical assistance, concrete solutions, and interagency connections they need to effectively and efficiently help their low- and moderate-income clients build credit and long-term financial capability by reporting their low-and moderate-income borrowers' monthly microenterprise, small business, and consumer loan payments to the major consumer credit bureaus Experian, TransUnion, and Equifax. CBA offers a streamlined on-boarding process for guiding lender members through the credit bureau credentialing process in order to report their loans and supports the regular transmission of that loan repayment data. CBA provides ongoing and on-demand technical assistance to member lenders, reviews Metro2 data for accuracy, and monitors their borrowers' eOSCAR™ disputes. In 2021, CBA Reporter enabled 231 nonprofit lenders to report over 68,829 trade lines every month, totaling just over $2 billion in credit extended to their respective borrowers to start a business, meet a household need, and/or simply build positive personal and business credit history.

1. ORGANIZATION: (Continued)

Basic Programs (Continued)

1. Core Platform Services: Member and Stakeholder Relations, Bureau Services, and Training Institute (Continued)

B. Bureau Services (Continued)

ii. CBA Business Reporter is an add-on service that in 2021 enabled 33 member lenders to report 11,933 microenterprise or small business tradelines totaling $573 million to the commercial credit bureaus Experian Business Information Solutions and Dun & Bradstreet in order to build their business credit profiles.

iii. CBA Access enables nonprofits to pull and purchase credit reports and credit scores from the credit bureaus TransUnion, Experian, LexisNexis (for access to non-traditional and alternative credit data), Nova Credit (for access to overseas credit data), and ChexSystems (for those working with the unbanked). In 2021, CBA negotiated an agreement with the third major credit bureau, Equifax, to begin to offer traditional credit reports under our umbrella. This new option is being piloted and will officially launch in 2022. CBA Access offers qualified members access to any of these reports at pooled prices in order to underwrite loans, provide financial counseling and credit coaching, and -- with some contractual restrictions -- track the credit improvement outcomes of clients. Similar to CBA Reporter, CBA implements a streamlined on-boarding process to guide nonprofits through the credit bureau credentialing process in order to access their clients' consumer credit reports. CBA also offers on-demand technical assistance and support to nonprofits around general credit report reviews and codes, credit report score intricacies and other information relevant to members and their clients around credit reports and scores. In 2021, CBA Access enabled 360 nonprofits engaged in lending and/or financial education to get credentialed to pull approximately 100,000 credit reports that year.

C. Training Institute

i. CBA's signature *Credit as an Asset* training has been offered since 2008 to nonprofit lender practitioners, financial coaches and educators, social service providers and others working directly with consumers and entrepreneurs to promote financial stability and inclusion. The training aims to help participants:

- Understand credit building as an essential and viable activity, foundational to the successful implementation of any financial asset building strategy for low-income and underserved individuals and families;
- Explore tools and develop skills in order to design, implement, and measure credit building programs based on client needs and goals as well as organization missions and capacities; and
- Engage with other training participants and learn from CBA's growing credit building community about best practices in credit education, access to responsible financial products, and measuring and communicating client credit outcomes.

1. ORGANIZATION: (Continued)

Basic Programs (Continued)

1. Core Platform Services: Member and Stakeholder Relations, Bureau Services, and Training Institute (Continued)

C. Training Institute (Continued)

In 2021, the Training Institute had a total of 1751 (575 new in 2021) registered users. As of 2021, 90 individuals (20 new in 2020) representing 35 different states, are certified as Master Trainers to deliver *Credit as an Asset* training to other practitioners in their local communities. A total of 225 individuals attended our virtual Credit as an Asset trainings in 2021. Separately, 276 individuals participated in one of our monthly webinars for practitioners. The percentage of CBA members who had staff participate in a webinar in 2021 was 48%.

ii. Under the umbrella of the Training Institute, CBA offers targeted credit building program design, implementation, and measurement consulting to member and nonmember nonprofits and public entities seeking to develop or enhance their credit building efforts based on their respective clients' needs and goals as well as organizational missions and capacities. In 2021 CBA managed 7 consulting contracts to bring its credit building expertise, industry connections, and credibility to organizations interested in investing in their credit building capacity

2. Innovations

CBA incubates a number of emerging and innovative credit building initiatives that advance its theory of change: Building credit is part of the asset building pathway to improved financial stability and mission driven nonprofits are uniquely positioned to help the low-income households they serve build credit *as an asset*. In 2021 in particular, CBA continued or newly catalyzed:

A. Rent Reporting for Credit Building

In 2015, CBA formally rolled out its rent reporting for credit building service upon successful completion of a pilot focused on helping affordable and public housing providers report their residents' rental payments as a credit building strategy. In 2021, with seed funding from Experian, CBA launched a Rent Reporting Technical Assistance Center, which functions as a one-stop shop to locate all information related to rent reporting. This directory of reporting options for landlords is of particular assistance in CA to comply with SB 1157.

1. ORGANIZATION: (Continued)

Basic Programs (Continued)

2. Innovations (Continued)

B. CBA Symposium

In 2014, CBA offered its first ever and incredibly powerful Credit Building Symposium. Due to popular demand the Credit Building Symposium has since become an annual event. The symposium is intended to be a dialogue between nonprofit organizations involved in credit building and those corporate entities whose business practices include credit reporting, credit scoring and/or credit granting. CBA's goal is to broker more discussion between these two connected industries with the intent of continuing to bridge gaps in understanding and strengthening bonds in the credit reporting arena. An overarching theme for the symposium every year is the linkage between the work being done in the credit building field and that of the broader issues of income inequality, poverty reduction, and asset building. The Symposium also offers our members and other credit building industry stakeholders a great opportunity to learn and build relationships. In 2021, CBA's Credit Building Symposium stayed virtual as a result of the Pandemic. The silver lining was well over 250 people were able to register and attend this 3-day event!

C. Other Field Building Efforts

- Selected and conducted kick-off call with six organizations to implement Achieving Credit Strength toolkit and pilot Jump Credit analyzer tool with support from Wells Fargo.

- Launched RFP to select six organizations focused on affordable housing and/or housing counseling to implement Credit Building and pilot Jump Credit analyzer tool with support from JPMorgan Chase Foundation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The significant accounting policies of Credit Builders Alliance and CBA Fund are summarized below:

(a) Basis of Accounting and Presentation:

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting, which presents financial position, activities, functional expenses and cash flows in accordance with accounting principles generally accepted in the United States of America.

(b) Principles of Consolidation:

The accompanying consolidated financial statements include the accounts of Credit Builders Alliance and CBA Fund, collectively referred to as Credit Builders Alliance and Subsidiary. All significant intercompany transactions have been eliminated in consolidation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(c) Revenue Recognition:

Contributions

Credit Builders Alliance and CBA Fund has implemented the accounting and reporting standards surrounding contributions. These standards affect financial statement reporting and disclosures included within the body of the financial statements. The standards promulgate clarity for distinguishing between exchange transactions and those of a non-reciprocal arrangement leading to a contribution, while providing rules and guidance on what constitutes an underlying condition that may be associated with a contribution.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Conditional contributions are determined on the basis of whether or not an underlying agreement includes both a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. If both exist, then the contribution is conditional. Barriers include and are not limited to:

- Measurable performance-related barrier(s) (e.g., specified level of service, specific output, or outcome, matching requirement);
- Extent to which a stipulation limits discretion on conduct of activity (e.g., qualifying expenses, specific protocols); and
- Extent to which a stipulation is related to the purpose of the agreement (excludes administrative or trivial).

Conditional contributions are not recognized as revenue until they become unconditional, that is, until all conditions on which they depend are substantially met. Therefore, any respective advance payments received are recorded as a refundable advance and subsequently recognized as contribution revenue when the underlying conditions are fulfilled.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(c) Revenue Recognition: (Continued)

Contributions (Continued)

Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restriction, if any, on the contribution. An allowance for uncollectible contributions receivable is provided based upon management's judgement, including such factors as prior collection history and type of contribution.

Fees for Service

Fees for service consist of exchange transactions such as CBA Access fees, CBA Reporter fees, training and consulting fees. Such fees are recognized as revenue at the time the services are provided. Payment for such services received in advance is recognized as a deferred revenue until such time as the revenue is earned.

Government Grants

The Organization receives grants from federal governmental agencies for the purpose of providing a social benefit to the general public. Pursuant to the implementation of the accounting standard ASU No. 2018-08, government grants are classified as conditional contributions when the award includes both a barrier that must be overcome for the Organization to be entitled to the assets transferred, and a right of return for the transferred assets exists. Contribution income is recognized based on the total costs incurred. Promises receivable are recorded to the extent unreimbursed expenses have been incurred for the purposes specified by the granting agency. Funds received in advance, and those that are unexpended at year-end, are reflected as a refundable advance.

(d) Corporate Taxes:

The Credit Builders Alliance is exempt from federal and state income taxes (other than on unrelated business income) under the provisions of Section 501(c)(3) of the Internal Revenue Code and similar state income tax laws. Exemption from District of Columbia income taxes was granted to the Organization effective September 11, 2006. Credit Builders Alliance has been classified as other than a private foundation and contributions to the Organization qualify as a charitable tax deduction by the contributor.

CBA Fund is exempt from federal and state income taxes (other than on unrelated business income) under the provisions of Section 501(c)(3) of the Internal Revenue Code and similar state income tax laws. CBA Fund has been classified as other than a private foundation and, accordingly, contributions to the Organization qualify as a charitable tax deduction by the contributor under Section 170(b)(1)(A)(vi).

The Organization did not have any net unrelated business income for the years ended December 31, 2021 or 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(e) Net Assets:

The Organization reports information regarding its financial position and activities according to two classes of net assets. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of restrictions on use that are placed by the donor. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions

Net assets without donor restrictions are resources available to support operations and over which the Board of Directors has discretionary control. The only limits on the use of these net assets are the broad limits resulting from the Organization's purpose, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements that are entered into in the course of its operations.

Net Assets with Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or for a future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature whereby the Organization must continue to use the resources in accordance with the donor's instructions.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service, unless the donor provides more specific directions about the period of its use.

Net assets with donor restrictions were available at year end for the following programs:

	2021	2020
Training Institute	$ 1,484,903	$ 234,612
CBA Fund	915,030	227,455
Revolving Loan Fund	250,511	243,867
Bureau Services	180,799	87,349
Innovations	160,798	158,501
Member and Stakeholder Relations	100,000	-
Symposium	-	25,000
Total Net Assets with Donor Restrictions	$ 3,092,041	$ 976,784

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(e) Net Assets: (Continued)

Net Assets with Donor Restrictions (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes, the passage of time, or by occurrence of other events specified by donors for the following programs:

	2021	2020
CBA Fund	$ 1,762,425	$ 1,272,545
Training Institute	670,509	599,843
Innovations	382,703	311,287
Symposium	146,600	182,000
Bureau Services	81,550	3,250
Fund Development	-	12,567
Total Net Assets Released from Restrictions	$ 3,043,787	$ 2,381,492

(f) Donated Services and Materials:

Donated services and materials are recognized as contributions in accordance with FASB ASC 958, *Accounting for Contributions Received and Contributions Made*, if the services received create or enhance nonfinancial assets or require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Contributed services and promises to give services that do not meet the above criteria are not recognized. The time contributed by the Organization's Board of Directors is uncompensated and is not reflected as donated services. In-kind contributions are recorded in the consolidated statements of activities at estimated fair value and recognized as revenue and expense (or an asset) in the period they are received, except for donated equipment, which is recorded as revenue in the period received, and the asset is depreciated over its estimated useful life.

The estimated value of donated services and materials has been recorded in the financial statements as follows:

	2021	2020
Strategic Consulting	$ 19,540	$ 21,500
Software Licenses	7,720	24,840
Legal Services	5,605	3,600
Membership Dues	250	375
Total	$ 33,115	$ 50,315

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(g) Functional Expense Allocation Policies and Procedures:

The consolidated statement of functional expenses presents an allocation of each expense category between program services, general and administrative, and fundraising activities. Program service costs consist of those expenses incurred to fulfill its mission. General and administrative costs pertain to supporting activities. Fundraising expenses relate to fundraising activities such as generating contributions.

Management has established functional expense allocation policies and procedures based on a reasonable analysis of cost drivers and reasonable allocation estimates based on financial results and industry standards.

Expenses that can be identified with a specific program or support service are charged directly to the program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

- Personnel expenses for salaries, payroll taxes, and employee benefit plans are allocated to various programs and supporting services based on time employees spend on each function.

- Costs of legal and accounting, dues and fees, and other similar expenses are allocated based on the underlying use of these costs by various programs determined by management and evaluated on an ongoing basis.

- Certain staff expenses including travel, meeting expenses, and recruiting are generally charged directly between administrative and program functions based on the underlying purpose and nature of the charge.

- Shared costs (office supplies, telephone, computer services and postage) are allocated based on hours devoted to particular activities by utilizing a full-time employee equivalency calculation.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization. These expenses are charged to programs based on approved indirect cost rates.

(h) 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 the reported amount of assets, liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support and revenues and expenses during the reporting period. Actual results could differ from these estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(i) Fair Value of Certain Financial Instruments:

Some of the Organization's financial instruments are not measured at fair value on a recurring basis but, nevertheless, are recorded at amounts that approximate fair value due to their liquid or short-term nature. Such accounts include cash, accounts receivable, grants receivable, prepaid expenses, accounts payable, deferred revenues, and accrued expenses.

3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial statement date.

The Organization has certain donor-restricted net assets that are considered to be available for general expenditures, because the restrictions on the net assets are expected to be met by conducting the normal activities of the programs in the coming year. Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year.

	2021	2020
Financial Assets at Year End:		
Cash and Cash Equivalents	$ 4,052,322	$ 1,789,762
Accounts Receivable	26,746	33,666
Promises Receivable	973,944	316,024
Program Loans Receivable, Net	1,646,348	662,973
Total Financial Assets	$ 6,699,360	$ 2,802,425
Less Amounts Not Available for General Expenditure Within One Year:		
Non-Current Donor Contributions	$ 80,511	$ 158,867
Non-Current Program Loans Receivable, Net	1,008,292	456,150
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	$ 5,610,557	$ 2,187,408

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as general expenditures, liabilities and other obligations come due.

4. ACCOUNTING FOR UNCERTAIN TAX POSITIONS:

Accounting principles generally accepted in the United States of America provide consistent guidance for the accounting for uncertainty in income taxes recognized in the Organization's financial statements and prescribe a threshold of "more likely than not" for recognition of tax positions taken or expected to be taken in a tax return. The Credit Builders Alliance and CBA Fund performed an evaluation of uncertain tax positions for the year ended December 31, 2021, and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. As of December 31, 2021, the statute of limitations for tax years 2018 through 2020 remains open with the U.S. federal jurisdiction or the various states and local jurisdictions in which the Organizations files tax returns. It is the Organizations' policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense. As of December 31, 2021, the Organizations had no accruals for interest and/or penalties.

5. CASH AND CASH EQUIVALENTS:

The carrying amount of cash and cash equivalents at year end consisted of the following:

	2021	2020
Checking Account - Non-Interest Bearing	$ 1,536,045	$ 104,802
Savings Account - Interest Bearing	2,516,277	1,684,960
Total	$ 4,052,322	$ 1,789,762

For purposes of the cash flow statement and financial statement presentation, cash and cash equivalents are short term, highly liquid investments with maturities of three months or less.

Credit Builders Alliance and CBA Fund maintains its cash and cash equivalents in two separate financial institutions. These accounts are covered under the Federal Deposit Insurance Corporation (FDIC) Program. Federal Deposit Insurance Corporation Insurance coverage is $250,000 per banking institution. Deposits held in non-interest-bearing transaction accounts are aggregated with any interest-bearing deposits and the combined total is insured up to $250,000.

As of December 31, 2021 and 2020, $3,424,662 and $1,242,679, respectively, of the bank balance was deposited in excess of Federal Deposit Insurance Corporation limits. Due to increased cash flows at certain times during the year, the amount of funds deposited in excess of FDIC limits may have been greater than at year end. The Organization has not experienced any losses related to these accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

6. ACCOUNTS AND PROMISES RECEIVABLE:

Accounts Receivable

Accounts receivable as of December 31, 2021 and 2020 consisted of the following:

	2021	2020
Consulting Fees	$ 11,447	$ 7,741
Program Fees	8,078	15,310
Interest	8,012	-
Reimbursable Expenses	1,407	16,428
Less: Allowance for Doubtful Accounts	(2,198)	(5,813)
Total	$ 26,746	$ 33,666

The Organization's accounts receivable consists of unsecured amounts due from program participants and funding sources whose ability to pay is subject to changes in general economic conditions. Because the Organization does not require collateral, it is at credit risk for the balance of the accounts receivable as of December 31, 2021 and 2020.

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Trade receivables related to program service fees (i.e., contract revenue, publication sales, etc.) are recognized as revenue on the accrual basis of accounting at the time the program activity has occurred. Trade receivables are written off as uncollectable when collection efforts have been exhausted.

Promises Receivable

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Conditional promises to give are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. Promises to give represent amounts committed by donors that have not been received by the Organization. The Organization uses the allowance method to determine uncollectible promises to give.

6. ACCOUNTS AND PROMISES RECEIVABLE: (Continued)

Promises Receivable (Continued)

Promises receivable at year end were as follows:

	2021	2020
Training Institute	$ 797,833	$ 47,057
Revolving Loan Fund	165,511	243,867
Innovations	10,000	25,000
General Operating	600	100
Total	$ 973,944	$ 316,024

The above promises receivable are due to be received as follows:

	2021	2020
Less Than One Year	$ 893,433	$ 157,157
One to Five Years	80,511	158,867
Total	$ 973,944	$ 316,024

Promises receivable have been discounted to the net present value of future cash flows using a discount rate of 2.75% as follows:

	2021	2020
Gross Promises Receivable	$ 978,433	$ 327,157
Less: Discount	(4,489)	(11,133)
Net Present Value of Promises Receivable	$ 973,944	$ 316,024

Concentrations of credit risk with respect to promises receivable are limited due to the amount of commitments made by large reputable national foundations and governmental agencies. As of December 31, 2021 and 2020, approximately thirty-nine percent (39%) and seventy-seven percent (77%) of the Organization's contributions receivable ($375,000 and $243,867) was due from a single donor. The Organization does not believe they are at any significant credit risk related to this promise or others made based on historical collections and the Organization's relationships with its donors.

6. ACCOUNTS AND PROMISES RECEIVABLE: (Continued)

Promises Receivable (Continued)

The Organization received the following conditional promises to give that are not recognized as assets in the financial statements:

	2021	2020
Revolving Loan Fund	$ 240,000	$ 240,000
Training Institute	210,967	200,443
Total Conditional Promises	$ 450,967	$ 440,443

7. PROGRAM LOANS RECEIVABLE:

The Organization offered zero-interest to three percent (3%) interest program-related loans to CBA's nonprofit lender members. These funds allow CBA's nonprofit lender members an opportunity to access the lending capital they need to in turn offer small dollar loan products to their clients. As of December 31, 2021, the Organization has issued thirty-five loans for a total of $2,015,000 since the program's commencement in 2018. Loan repayments began in 2020. An allowance for doubtful accounts of $86,650 and $34,893, respectively, is reflected in the statement of financial position for the years ended December 31, 2021 and 2020. The loan receivable is due to be received as follows:

Year Ending December 31,	
2022	$ 638,056
2023	597,369
2024	410,923
Total	$ 1,646,348

8. FIXED ASSETS:

Fixed assets are recorded at cost. Contributed assets are recorded at the fair market value at the date of contribution. If an expenditure in excess of $1,000 or $500 for computers results in an asset having an estimated useful life, which extends substantially beyond the year of acquisition, the expenditure is capitalized at cost and depreciated using the straight-line method over the estimated useful life of the asset. When assets are retired, or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts and other resulting gain or loss is reflected in income for the period. Depreciation and amortization expense for the years ended December 31, 2021 and 2020 was $20,417 and $15,356, respectively. Maintenance and repairs are charged to expenses as incurred.

8. FIXED ASSETS: (Continued)

Major classifications of fixed assets and their estimated useful lives are as summarized below:

	Depreciable Life	2021	2020
Computers and Equipment	3 Years	$ 99,681	$ 43,053
Furniture and Equipment	7 Years	12,105	-
Leasehold Improvements	7 Years	6,012	6,012
Website	5 Years	154,813	154,813
Total		$ 272,611	$ 203,878
Accumulated Depreciation and Amortization		(189,751)	(169,334)
Net Fixed Assets		$ 82,860	$ 34,544

9. DEFERRED RENT ABATEMENT:

Accounting principles generally accepted in the United States of America require that rent expense, pursuant to a non-cancelable lease that includes a rent abatement period and fixed scheduled rent increases, be recorded on a straight-line basis over the term of the lease. The difference between this expense and the required lease payments is reflected as deferred rent abatement in the accompanying statement of financial position.

The Credit Builders Alliance entered into a lease agreement for the rental of office space located at 1701 K Street, NW, Washington, DC, for a period of 88 months, commencing on October 1, 2012, and expiring on January 31, 2020. As a condition of the lease terms, the first two months of year one and the first two months of year two of rent have been abated. This lease was amended to extend the lease through July 31, 2031. This amendment results in an additional 10 months of rental abatement.

On February 5, 2021, Credit Builders Alliance signed a second lease amendment which extended the lease term through July 31, 2032. The lease provides for rental abatement for October 2021, 2022, 2023, 2024, 2025, 2026, and 2027.

Accordingly, future required rent payments have been recorded as a liability to adjust the actual rent paid to conform to the straight-line basis. The balance of the unamortized deferred rent abatement at December 31, 2021 and 2020 was $119,440 and $53,128, respectively.

10. LOANS PAYABLE:

Dakota Foundation

On August 15, 2017, Credit Builders Alliance entered into a loan agreement with the Dakota Foundation for $50,000. This loan is considered to be unsecured. In May 2018, the loan was transferred to CBA Fund. The Organization is to utilize this program-related loan to seed a small dollar loan technical assistance and loan fund which would offer CBA's nonprofit lender members an opportunity to access the resources they need to offer small dollar loan product to their clients. Lenders will access funding from CBA Fund in order to access capital needed to fund or secure the loans. Per the terms of this loan, there were no payments required until August 15, 2018, at which time accrued interest in the amount of $875 was paid. On April 16, 2020, an addendum to this loan agreement was executed. This addendum extended the loan maturity date to April 15, 2023, at which time there is a balloon payment of any remaining outstanding principal and unpaid interest, currently scheduled to be in the amount of $23,974. Quarterly payments of $1,901 began on November 15, 2018. Payments originally due in 2020, beginning on May 15, 2020, are now payable quarterly, beginning January 15, 2021. Principal and interest payments are due quarterly during April, July, October and January of each year. This loan bears interest at a rate of 1.75%. The outstanding balance payable at December 31, 2021 and 2020 was $32,839 and $38,066, respectively. Total interest expense related to this loan for the years ended December 31, 2021 and 2020 was $625 and $237, respectively. Future minimum payments of principal and interest are as follows:

Year Ending December 31,	Principal	Interest	Total
2022	$ 7,077	$ 527	$ 7,604
2023	25,762	217	25,979
Total	$ 32,839	$ 744	$ 33,583

On June 25, 2019, Credit Builders Alliance entered into a loan agreement with the Dakota Foundation for $75,000. The loan proceeds were transferred to CBA Fund on July 5, 2019. This loan is considered to be unsecured. CBA Fund is to utilize this program-related loan to expand the Small Dollar Loan Technical Assistance and Loan Fund started in 2017, which offers CBA's nonprofit lender members an opportunity to access the resources, including this pool of loan capital, they need to offer credit building small dollar consumer loan products to their clients.

On April 16, 2020, an addendum to this loan agreement was executed. This addendum extended the loan maturity date to January 31, 2027. There are no payments required until January 31, 2021, at which time accrued interest in the amount of $1,125 was due. During the remaining six years of the loan, principal and interest payments are due quarterly of each year. This loan is scheduled to mature on January 31, 2027. Quarterly payments of $3,274 began on April 30, 2021. This loan bears interest at a rate of 1.5%. The outstanding balance payable at December 31, 2021 and 2020 was $65,990 and $75,000, respectively. Total interest expense related to this loan for the years ended December 31, 2021 and 2020 was $980 and $557, respectively.

10. LOANS PAYABLE: (Continued)

Dakota Foundation (Continued)

Future minimum payments of principal and interest are as follows:

Year Ending December 31,	Principal	Interest	Total
2022	$ 12,172	$ 923	$ 13,095
2023	12,356	739	13,095
2024	12,543	552	13,095
2025	12,732	363	13,095
2026	12,925	170	13,095
2027	3,262	12	3,274
Total	$ 65,990	$ 2,759	$ 68,749

CBA and CBA Fund Loan

On July 5, 2019, Credit Builders Alliance loaned CBA Fund $75,000. The purpose of this loan was for CBA Fund to offer CBA nonprofit lender members an opportunity to access the resources they need to offer Small Dollar Loan products to their clients. This loan was funded through a program-related investment agreement dated June 25, 2019, with the Dakota Foundation. Per the terms of this loan, there are no payments required until maturity on June 30, 2026. CBA Fund has the option to repay the loan in full at an earlier date with no penalty. This loan bears no interest. This loan is eliminated in the consolidated financial statements.

CBA Receivable	CBA Fund Payable
$ 75,000	$ (75,000)

Economic Injury Disaster Loan

In response to the Coronavirus (COVID-19) pandemic, certain organizations were able to apply for an Economic Injury Disaster Loan (EIDL). This loan program is designed to provide economic relief to organizations that are currently experiencing a temporary loss of revenue. EIDL proceeds can be used to cover a wide array of working capital and normal operating expenses, such as health care benefits, rent, utilities, and fixed debt payments. CBA received an EIDL loan in the amount of $150,000 on May 21, 2020. This loan is for a period of thirty years at an interest rate of 2.75%. Monthly payments of $641 began on May 21, 2021. CBA has granted the Small Business Administration a security interest of CBA's equipment, deposit accounts, receivables, promissory notes and general intangibles. CBA repaid this loan in full on July 17, 2021. Total interest expense related to this loan for the years ended December 31, 2021 and 2020 was $1,826 and $2,533, respectively. The outstanding balance payable at December 31, 2021 and 2020 was $-0- and $150,000, respectively.

11. PAYCHECK PROTECTION PROGRAM:

The Paycheck Protection Program (PPP) was established under the CARES Act on March 27, 2020, and was designed to provide cash-flow assistance to small businesses including certain not-for-profit organizations. This program provides relief as a result of the Coronavirus pandemic with loan funds to pay up to 24 weeks of payroll costs including fringe benefits, rent and utilities commencing on the date of loan origination. The Paycheck Protection Program is a loan program that is guaranteed in its entirety through the Small Business Administration (SBA) and offers a maturity of two years and an interest rate of one percent (1%). The principal amount of the loan may be partially or fully forgiven if the loan funds are utilized in manner consistent with the allowable use of loan proceeds.

Paycheck Protection Program funds are being reported in accordance with FASB ASC 958-605. Due to the forgiveness being conditional on incurring the qualified expenses, the funds were accounted for as a refundable advance and were recognized as contribution revenue as the qualified expenses were incurred. The Organization received a total amount of loan proceeds in the amount of $272,612 on April 22, 2020. As of December 31, 2020, $272,612 has been recognized as contribution income since the conditions upon which the loan proceeds were provided has been substantially met. Loan forgiveness in the amount of $262,612 was granted by the Small Business Administration on December 14, 2020. Loan forgiveness of the remaining balance of $10,000 was granted by the Small Business Administration on May 4, 2021.

The Consolidated Appropriations Act, 2021 package, which was signed into law on December 27, 2020, extended the Paycheck Protection Program to include a second round of funding to certain businesses that received funding under the original PPP. On February 11, 2021, the Organization received an additional paycheck protection program loan in the amount of $269,495. As of December 31, 2021, $269,495 has been recognized as contribution income since the conditions upon which the loan proceeds were provided has been substantially met. This loan was forgiven by the SBA and TD Bank on November 12, 2021.

12. COMMITMENTS:

Operating Lease - Washington, DC

The Credit Builders Alliance entered into a lease agreement on August 27, 2012, for the rental of office space located at 1701 K Street, NW, Washington, DC. The lease term commenced on October 1, 2012, and was scheduled to expire on January 31, 2020. Monthly rental payments of $7,623 began on December 1, 2012, after a two-month abatement period. There was also a two-month rent abatement during the 2013 year. As a requirement of this lease, a security deposit in the amount of $7,623 was required to be made.

Credit Builders Alliance signed an amendment to the lease agreement on August 26, 2019, which extended the lease term for ten years and ten months. This lease amendment commenced on October 1, 2020, and was scheduled to expire July 2031. This amendment also increased the rentable square footage. Monthly rental payments of $16,550 were scheduled to begin on August 1, 2021, after a ten-month abatement period. Rent is scheduled to increase annually. The Organization is responsible for paying their proportionate share of operating costs and real estate taxes. There is an option to renew the lease for one additional period of five years.

12. COMMITMENTS: (Continued)

Operating Lease - Washington, DC (Continued)

On February 5, 2021, Credit Builders Alliance signed a second lease amendment which extended the lease term through July 31, 2032. The lease provides for rental abatement for October 2021, 2022, 2023, 2024, 2025, 2026, and 2027. Total additional amounts abated per the terms of the second lease amendment are $129,315. Rental expense related to this lease for the years ended December 31, 2021 and 2020 was $211,699 and $143,847, respectively. As of December 31, 2021, future minimum rental obligations required under this lease, net of rent abatement are as follows:

Year Ending December 31,	Rent Obligation	Rent Abatement	Net Obligation
2022	$ 187,986	$ 24,876	$ 212,862
2023	193,156	19,706	212,862
2024	198,467	14,395	212,862
2025	203,925	8,937	212,862
2026	209,533	3,329	212,862
Thereafter	1,379,161	(190,683)	1,188,478
Total	$ 2,372,228	$ (119,440)	$ 2,252,788

Operating Lease - Portland OR

The Credit Builders Alliance entered into a lease agreement for the rental of office space located at 2475 SE Ladd Ave., Portland, Oregon. The lease term commenced on July 1, 2018, and expired on July 1, 2020. Monthly rental payments were $658 for the first year of the lease, then increased to $691. As a requirement of this lease, a security deposit in the amount of $1,316 was required to be made. Rental expense related to this lease for the year ending December 31, 2020, was $4,433.

13. CONCENTRATIONS:

Revenues

Based on the nature and purpose of Credit Builders Alliance, significant revenues are received through foundation and corporate grants for the purpose of helping low and moderate income individuals currently served by non-traditional financial and asset building institutions build their credit and access conventional financing. Approximately seventy-six percent (76%) and seventy-three percent (73%), respectively, of total support was attributed to foundation and corporate support for the years ended December 31, 2021 and 2020.

14. CONTINGENCIES:

Program Support

The Organization depends on contributions and grants for a significant portion of its revenue. The ability of the Organization's contributors and grantors to continue giving amounts comparable with prior years may be dependent upon future economic conditions and continued deductibility for income tax purposes of contributions and grants to the Organization. While the Organization's Board of Directors and management believes the Organization has the resources to continue its programs, its ability to do so and the extent to which it continues may be dependent on the above factors.

Governmental Grants

The Organization participates in federal grant programs, which are subject to financial and compliance audits by the granting agencies or their representatives. As such, there exists a contingent liability for potential disallowed claims and questioned costs resulting from such audits. Management does not anticipate any significant adjustments as a result of such an audit.

Pandemic

The Organization has been negatively impacted by the effects of the worldwide coronavirus pandemic. The Organization is closely monitoring its operations and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the full impact to the Organization's financial position is not known.

15. RELATED PARTY TRANSACTIONS:

Contributions

During the years ended December 31, 2021 and 2020, board members and organizations for which board members are affiliated provided donations, sponsorships, and grants in the amount of $792,985 and $53,000, respectively.

Program Fees

During the year ended December 31, 2021, nine organizations for which board members were employed paid CBA a combined total of $15,738 for membership fees, reoccurring fees and consulting fees.

Subgrants

Credit Builders Alliance provided subgrants to two organizations for which CBA Board Members were employed for a total of $61,786 and $71,500, respectively during the years ended December 31, 2021 and 2020.

15. RELATED PARTY TRANSACTIONS: (Continued)

Program Loans

Program loans were provided to three organizations for which CBA Board Members are employed for a total of $185,000 during the year ended December 31, 2020. Program loans were provided to one organization for which a CBA Board Member is employed for a total of $90,000 during the year ended December 31, 2021. Total loan repayments of principal and interest received during the year ended December 31, 2021, was $69,517, which left outstanding loan receivables of $200,294.

Guarantee of Indebtedness

Credit Builders Alliances utilizes two credit cards issued by Capital One and Citibusiness for purchases related to the Organization's activity. The credit cards are issued in the name of the Organization with a total credit limit of $38,000, however the debt is guaranteed by the Executive Director.

16. SUBSEQUENT EVENTS:

Financial Statement Preparation

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through June 28, 2022, the date the financial statements were available to be issued, and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements.

17. FUNDRAISING EXPENSE:

Expenses for the purpose of fundraising in the amount of $23,640 and $39,218, respectively, were incurred during the years ended December 31, 2021 and 2020.

18. RETIREMENT PLAN:

Credit Builders Alliance provides pension benefits for its employees through a defined contribution 403(b) retirement plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Provisions of the plan allow for employees to contribute up to the statutory limits set by the Internal Revenue Code. The Organization contributes on a matching basis up to 3% of an employee's gross salary to the plan. There is no unfunded past service liability. The expense related to this plan for the years ended December 31, 2021 and 2020 was $38,696 and $34,124, respectively.

19. EMPLOYEE BENEFITS:

The cost of employee benefits incurred for the years ended December 31, 2021 and 2020 consisted of the following:

	2021	2020
Social Security/Medicare	$ 110,205	$ 91,375
Health Insurance	96,546	84,499
Retirement	38,696	34,124
Workmen's Compensation Insurance	4,066	3,545
Unemployment	9,591	6,658
Paid Family Leave	5,154	4,344
Long Term Disability	5,518	5,642
Total	$ 269,776	$ 230,187

Flexible Benefits Plan

Credit Builders Alliance adopted a Section 125 Flexible Benefits Plan (Cafeteria Plan). Under this plan, employees are permitted to use pre-tax-benefit dollars through payroll deduction to pay for health, dental and vision insurance premiums, unreimbursed medical expenses and dependent care expenses.

CREDIT BUILDERS ALLIANCE AND SUBSIDIARY
COMPARATIVE CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	December 31, 2021			
	Credit Builders Alliance	CBA Fund	Eliminations	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 2,510,339	$ 1,541,983	$ -	$ 4,052,322
Accounts Receivable	18,734	8,012	-	26,746
Promises Receivable	807,933	85,500	-	893,433
Program Loans Receivable, Net	-	638,056	-	638,056
Prepaid Expenses	63,715	771	-	64,486
Total Current Assets	$ 3,400,721	$ 2,274,322	$ -	$ 5,675,043
Fixed Assets:				
Fixed Assets, Net of Accumulated Depreciation	$ 72,872	$ 9,988	$ -	$ 82,860
Total Fixed Assets	$ 72,872	$ 9,988	$ -	$ 82,860
Non-Current Assets:				
Security and Other Deposits	$ 7,623	$ -	$ -	$ 7,623
Promises Receivable	-	80,511	-	80,511
Program Loans Receivable, Net	75,000	1,008,292	(75,000)	1,008,292
Due from CBA Fund	59,134	-	(59,134)	-
Total Non-Current Assets	$ 141,757	$ 1,088,803	$ (134,134)	$ 1,096,426
TOTAL ASSETS	$ 3,615,350	$ 3,373,113	$ (134,134)	$ 6,854,329
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts Payable	$ 63,093	$ 7,400	$ -	$ 70,493
Accrued Annual Leave	51,427	-	-	51,427
Payroll Withholdings and Related Liabilities	-	-	-	-
Deferred Revenue	325,825	172,176	-	498,001
Due to CBA	-	59,134	(59,134)	-
Current Portion Loan Payable	12,172	7,077	-	19,249
Total Current Liabilities	$ 452,517	$ 245,787	$ (59,134)	$ 639,170
Long-Term Liabilities:				
Loans Payable	$ 65,990	$ 107,839	$ (75,000)	$ 98,829
Less: Current Portion Loans Payable	(12,172)	(7,077)	-	(19,249)
Deferred Rent Abatement	119,440	-	-	119,440
Total Long-Term Liabilities	$ 173,258	$ 100,762	$ (75,000)	$ 199,020
Total Liabilities	$ 625,775	$ 346,549	$ (134,134)	$ 838,190
Net Assets:				
Without Donor Restrictions	$ 1,063,075	$ 1,861,023	$ -	$ 2,924,098
With Donor Restrictions	1,926,500	1,165,541	-	3,092,041
Total Net Assets	$ 2,989,575	$ 3,026,564	$ -	$ 6,016,139
TOTAL LIABILITIES AND NET ASSETS	$ 3,615,350	$ 3,373,113	$ (134,134)	$ 6,854,329

(See Accompanying Notes and Auditor's Report)

CREDIT BUILDERS ALLIANCE AND SUBSIDIARY
COMPARATIVE CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	December 31, 2020			
	Credit Builders Alliance	CBA Fund	Eliminations	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 1,470,372	$ 319,390	$ -	$ 1,789,762
Accounts Receivable	33,666	-	-	33,666
Promises Receivable	72,157	85,000	-	157,157
Program Loans Receivable, Net	-	206,823	-	206,823
Prepaid Expenses	34,724	2,294	-	37,018
Total Current Assets	$ 1,610,919	$ 613,507	$ -	$ 2,224,426
Fixed Assets:				
Fixed Assets, Net of Accumulated Depreciation	$ 22,006	$ 12,538	$ -	$ 34,544
Total Fixed Assets	$ 22,006	$ 12,538	$ -	$ 34,544
Non-Current Assets:				
Security and Other Deposits	$ 8,939	$ -	$ -	$ 8,939
Promises Receivable	-	158,867	-	158,867
Program Loans Receivable, Net	75,000	456,150	(75,000)	456,150
Due from CBA Fund	36,281	-	(36,281)	-
Total Non-Current Assets	$ 120,220	$ 615,017	$ (111,281)	$ 623,956
TOTAL ASSETS	$ 1,753,145	$ 1,241,062	$ (111,281)	$ 2,882,926
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts Payable	$ 28,389	$ -	$ -	$ 28,389
Accrued Annual Leave	60,543	-	-	60,543
Payroll Withholdings and Related Liabilities	701	-	-	701
Deferred Revenue	267,647	109,500	-	377,147
Due to CBA	-	36,281	(36,281)	-
Current Portion Loans Payable	9,010	5,227	-	14,237
Total Current Liabilities	$ 366,290	$ 151,008	$ (36,281)	$ 481,017
Long-Term Liabilities:				
Loans Payable	$ 225,000	$ 113,066	$ (75,000)	$ 263,066
Less: Current Portion Loans Payable	(9,010)	(5,227)	-	(14,237)
Deferred Rent Abatement	53,128	-	-	53,128
Total Long-Term Liabilities	$ 269,118	$ 107,839	$ (75,000)	$ 301,957
Total Liabilities	$ 635,408	$ 258,847	$ (111,281)	$ 782,974
Net Assets:				
Without Donor Restrictions	$ 612,275	$ 510,893	$ -	$ 1,123,168
With Donor Restrictions	505,462	471,322	-	976,784
Total Net Assets	$ 1,117,737	$ 982,215	$ -	$ 2,099,952
TOTAL LIABILITIES AND NET ASSETS	$ 1,753,145	$ 1,241,062	$ (111,281)	$ 2,882,926

(See Accompanying Notes and Auditor's Report)

CREDIT BUILDERS ALLIANCE AND SUBSIDIARY
COMPARATIVE CONSOLIDATING STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	December 31, 2021							
	Credit Builders Alliance			CBA Fund				
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Eliminations	Total
Revenues, Gains and Other Support:								
Contributions and Grants:								
Grants - Foundations and Corporations	$ 30,667	$ 2,702,400	$ 2,733,067	$ -	$ 2,456,644	$ 2,456,644	$ -	$ 5,189,711
Grants and Contributions - Government	514,472	-	514,472	186,324	-	186,324	-	700,796
Contributions	11,890	-	11,890	1,202	-	1,202	-	13,092
Donated Services and Materials	33,073	-	33,073	42	-	42	-	33,115
Total Contributions and Grants	$ 590,102	$ 2,702,400	$ 3,292,502	$ 187,568	$ 2,456,644	$ 2,644,212	$ -	$ 5,936,714
Program Service Fee Revenue	671,341	-	671,341	-	-	-	-	671,341
Program Consulting Revenue	153,770	-	153,770	-	-	-	-	153,770
Loan Origination and Interest Fees	-	-	-	25,367	-	25,367	-	25,367
Interest Revenue	1,121	-	1,121	235	-	235	-	1,356
Gain on Disposal of Fixed Assets	150	-	150	-	-	-	-	150
Net Assets Released from Restrictions - Satisfaction of Program Restrictions	1,281,362	(1,281,362)	-	1,762,425	(1,762,425)	-	-	-
Total Revenues, Gains and Other Support	$ 2,697,846	$ 1,421,038	$ 4,118,884	$ 1,975,595	$ 694,219	$ 2,669,814	$ -	$ 6,788,698
Expenses:								
Innovations	$ 401,461	$ -	$ 401,461	$ -	$ -	$ -	$ -	$ 401,461
Bureau Services	211,844	-	211,844	-	-	-	-	211,844
Training Institute	955,154	-	955,154	-	-	-	-	955,154
Member and Stakeholder Relations	219,706	-	219,706	-	-	-	-	219,706
Symposium	73,723	-	73,723	-	-	-	-	73,723
CBA Fund	-	-	-	590,997	-	590,997	-	590,997
General and Administrative	365,165	-	365,165	30,821	-	30,821	-	395,986
General Fund Development	19,993	-	19,993	3,647	-	3,647	-	23,640
Total Expenses	$ 2,247,046	$ -	$ 2,247,046	$ 625,465	$ -	$ 625,465	$ -	$ 2,872,511
Changes in Net Assets	$ 450,800	$ 1,421,038	$ 1,871,838	$ 1,350,130	$ 694,219	$ 2,044,349	$ -	$ 3,916,187
Net Assets at Beginning of Year	612,275	505,462	1,117,737	510,893	471,322	982,215	-	2,099,952
Net Assets at End of Year	$ 1,063,075	$ 1,926,500	$ 2,989,575	$ 1,861,023	$ 1,165,541	$ 3,026,564	$ -	$ 6,016,139

(See Accompanying Notes and Auditor's Report)

CREDIT BUILDERS ALLIANCE AND SUBSIDIARY
COMPARATIVE CONSOLIDATING STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	December 31, 2020							
	Credit Builders Alliance			CBA Fund				
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Eliminations	Total
Revenues, Gains and Other Support:								
Contributions and Grants:								
Grants - Foundations and Corporations	$ 22,480	$ 1,020,649	$ 1,043,129	$ 150,501	$ 1,703,867	$ 1,854,368	$ (150,000)	$ 2,747,497
Grants and Contributions - Government	330,169	-	330,169	30,216	-	30,216	-	360,385
Contributions	5,585	-	5,585	850	-	850	-	6,435
Donated Services and Materials	50,232	-	50,232	83	-	83	-	50,315
Total Contributions and Grants	$ 408,466	$ 1,020,649	$ 1,429,115	$ 181,650	$ 1,703,867	$ 1,885,517	$ (150,000)	$ 3,164,632
Program Service Fee Revenue	454,100	-	454,100	-	-	-	-	454,100
Program Consulting Revenue	125,512	-	125,512	-	-	-	-	125,512
Loan Origination and Interest Fees	-	-	-	4,650	-	4,650	-	4,650
Interest Revenue	10,658	-	10,658	570	-	570	-	11,228
Gain on Disposal of Fixed Assets	-	-	-	-	-	-	-	-
Net Assets Released from Restrictions - Satisfaction of Program Restrictions	1,108,947	(1,108,947)	-	1,272,545	(1,272,545)	-	-	-
Total Revenues, Gains and Other Support	$ 2,107,683	$ (88,298)	$ 2,019,385	$ 1,459,415	$ 431,322	$ 1,890,737	$ (150,000)	$ 3,760,122
Expenses:								
Innovations	$ 399,349	$ -	$ 399,349	$ -	$ -	$ -	$ -	$ 399,349
Bureau Services	194,644	-	194,644	-	-	-	-	194,644
Training Institute	737,357	-	737,357	-	-	-	(150,000)	587,357
Member and Stakeholder Relations	186,291	-	186,291	-	-	-	-	186,291
Symposium	44,600	-	44,600	-	-	-	-	44,600
CBA Fund	-	-	-	926,364	-	926,364	-	926,364
General and Administrative	367,912	-	367,912	33,854	-	33,854	-	401,766
General Fund Development	38,782	-	38,782	436	-	436	-	39,218
Total Expenses	$ 1,968,935	$ -	$ 1,968,935	$ 960,654	$ -	$ 960,654	$ (150,000)	$ 2,779,589
Changes in Net Assets	$ 138,748	$ (88,298)	$ 50,450	$ 498,761	$ 431,322	$ 930,083	$ -	$ 980,533
Net Assets at Beginning of Year	473,527	593,760	1,067,287	12,132	40,000	52,132	-	1,119,419
Net Assets at End of Year	$ 612,275	$ 505,462	$ 1,117,737	$ 510,893	$ 471,322	$ 982,215	$ -	$ 2,099,952

(See Accompanying Notes and Auditor's Report)

CREDIT BUILDERS ALLIANCE AND SUBSIDIARY
COMPARATIVE CONSOLIDATING STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	December 31, 2021			
	Credit Builders Alliance	CBA Fund	Eliminations	Total
Cash Flows from Operating Activities:				
Changes in Net Assets	$ 1,871,838	$ 2,044,349	$ -	$ 3,916,187
Adjustments to Reconcile Changes in Net Assets to Net Cash Flows from Operating Activities:				
Depreciation and Amortization	17,867	2,550	-	20,417
Bad Debt Expense	7,643	51,757	-	59,400
Gain on Disposal of Fixed Assets	(150)	-	-	(150)
Accounts Receivable - (Increase)/Decrease	7,289	(8,012)	-	(723)
Promises Receivable - (Increase)/Decrease	(735,776)	77,856	-	(657,920)
Prepaid Expenses - (Increase)/Decrease	(28,991)	1,523	-	(27,468)
Security Deposits - (Increase)/Decrease	1,316	-	-	1,316
Program Loans Receivable - (Increase)/Decrease	-	(1,035,132)	-	(1,035,132)
Due from CBA Fund - (Increase)/Decrease	(22,853)	-	22,853	-
Accounts Payable - Increase/(Decrease)	34,704	7,400	-	42,104
Accrued Salaries - Increase/(Decrease)	-	-	-	-
Accrued Annual Leave - Increase/(Decrease)	(9,116)	-	-	(9,116)
Payroll Withholdings and Related Liabilities - Increase/(Decrease)	(701)	-	-	(701)
Deferred Revenues - Increase/(Decrease)	58,178	62,676	-	120,854
Due to CBA - Increase/(Decrease)	-	22,853	(22,853)	-
Deferred Rent Abatement - Increase/(Decrease)	66,312	-	-	66,312
Net Cash Flows from Operating Activities	$ 1,267,560	$ 1,227,820	$ -	$ 2,495,380
Cash Flows from Investing Activities:				
Purchase of Fixed Assets	$ (68,733)	$ -	$ -	$ (68,733)
Proceeds on Disposal of Fixed Assets	150	-	-	150
Net Cash Flows from Investing Activities	$ (68,583)	$ -	$ -	$ (68,583)
Cash Flows from Financing Activities:				
Proceeds from Loans	$ -	$ -	$ -	$ -
Principal Payments on Loan	(159,010)	(5,227)	-	(164,237)
Net Cash Flows from Financing Activities	$ (159,010)	$ (5,227)	$ -	$ (164,237)
Net Increase in Cash and Cash Equivalents	$ 1,039,967	$ 1,222,593	$ -	$ 2,262,560
Cash and Cash Equivalents, Beginning of Year	1,470,372	319,390	-	1,789,762
Cash and Cash Equivalents, End of Year	$ 2,510,339	$ 1,541,983	$ -	$ 4,052,322

Supplemental Disclosures:

a) There was no cash paid for income taxes during the year ended December 31, 2021.
b) A total of $5,646 of interest was paid during the year ended December 31, 2021.

(See Accompanying Notes and Auditor's Report)

CREDIT BUILDERS ALLIANCE AND SUBSIDIARY
COMPARATIVE CONSOLIDATING STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	December 31, 2020			
	Credit Builders Alliance	CBA Fund	Eliminations	Total
Cash Flows from Operating Activities:				
Changes in Net Assets	$ 50,450	$ 930,083	$ -	$ 980,533
Adjustments to Reconcile Changes in Net Assets to Net Cash Flows from Operating Activities:				
Depreciation and Amortization	15,144	212	-	15,356
Bad Debt Expense	8,157	24,143	-	32,300
Gain on Disposal of Fixed Assets	-	-	-	-
Accounts Receivable - (Increase)/Decrease	6,035	-	-	6,035
Promises Receivable - (Increase)/Decrease	(51,257)	(233,367)	-	(284,624)
Prepaid Expenses - (Increase)/Decrease	37,733	(1,426)	-	36,307
Security Deposits - (Increase)/Decrease	-	-	-	-
Program Loans Receivable - (Increase)/Decrease	-	(482,866)	-	(482,866)
Due from CBA Fund - (Increase)/Decrease	35,086	-	(35,086)	-
Accounts Payable - Increase/(Decrease)	13,625	(96)	-	13,529
Accrued Salaries - Increase/(Decrease)	(31,174)	-	-	(31,174)
Accrued Annual Leave - Increase/(Decrease)	15,797	-	-	15,797
Payroll Withholdings and Related Liabilities - Increase/(Decrease)	(4,877)	-	-	(4,877)
Deferred Revenues - Increase/(Decrease)	70,814	89,880	-	160,694
Due to CBA - Increase/(Decrease)	-	(35,086)	35,086	-
Deferred Rent Abatement - Increase/(Decrease)	51,791	-	-	51,791
Net Cash Flows from Operating Activities	$ 217,324	$ 291,477	$ -	$ 508,801
Cash Flows from Investing Activities:				
Purchase of Fixed Assets	$ (4,061)	$ (12,750)	$ -	$ (16,811)
Proceeds on Disposal of Fixed Assets	-	-	-	-
Net Cash Flows from Investing Activities	$ (4,061)	$ (12,750)	$ -	$ (16,811)
Cash Flows from Financing Activities:				
Proceeds from Loans	$ 150,000	$ -	$ -	$ 150,000
Principal Payments on Loan	-	(3,447)	-	(3,447)
Net Cash Flows from Financing Activities	$ 150,000	$ (3,447)	$ -	$ 146,553
Net Increase in Cash and Cash Equivalents	$ 363,263	$ 275,280	$ -	$ 638,543
Cash and Cash Equivalents, Beginning of Year	1,107,109	44,110	-	1,151,219
Cash and Cash Equivalents, End of Year	$ 1,470,372	$ 319,390	$ -	$ 1,789,762

Supplemental Disclosures:

a) There was no cash paid for income taxes during the year ended December 31, 2020.
b) A total of $355 of interest was paid during the year ended December 31, 2020.

(See Accompanying Notes and Auditor's Report)