CREDIT BUILDERS ALLIANCE
AND SUBSIDIARY

WASHINGTON, DC

COMPARATIVE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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I N D E X

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, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the 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, 2022 and 2021, and the changes in their net assets and their 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.

Emphasis of Matter

As discussed in note 3 to the financial statements, the Credit Builders Alliance and Subsidiary has changed its method of accounting for leasing transactions as of January 1, 2022 due to the adoption of Financial Accounting Standards Board's Accounting Standards Update ("ASU") No. 2016-02, *Leases* (Topic 842), as amended. Our opinion is not modified with respect to this matter.

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.

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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.

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
March 31, 2023

CREDIT BUILDERS ALLIANCE AND SUBSIDIARY
COMPARATIVE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 6,701,041	$ 4,052,322
Accounts Receivable	62,965	26,746
Promises Receivable	1,251,511	893,433
Program Loans Receivable, Net	752,400	638,056
Prepaid Expenses	106,773	64,486
Total Current Assets	$ 8,874,690	$ 5,675,043
Fixed Assets:		
Fixed Assets, Net of Accumulated Depreciation	$ 81,361	$ 82,860
Total Fixed Assets	$ 81,361	$ 82,860
Non-Current Assets:		
Security Deposits	$ 7,623	$ 7,623
Promises Receivable	-	80,511
Program Loans Receivable, Net	641,592	1,008,292
Operating Lease - Right of Use Asset	2,292,414	-
Total Non-Current Assets	$ 2,941,629	$ 1,096,426
TOTAL ASSETS	$ 11,897,680	$ 6,854,329
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable	$ 45,165	$ 70,493
Accrued Annual Leave	56,021	51,427
Payroll Withholdings and Related Liabilities	2,200	-
Deferred Revenue	358,969	498,001
Loans Payable, Current Portion	38,118	19,249
Operating Lease Liability, Current Portion	172,715	-
Total Current Liabilities	$ 673,188	$ 639,170
Long-Term Liabilities:		
Loans Payable, Net of Current Portion	$ 291,461	$ 79,580
Operating Lease Liability, Net of Current Portion	2,286,871	-
Deferred Rent Abatement	-	119,440
Total Long-Term Liabilities	$ 2,578,332	$ 199,020
Total Liabilities	$ 3,251,520	$ 838,190
Net Assets:		
Without Donor Restrictions	$ 3,529,049	$ 2,924,098
With Donor Restrictions	5,117,111	3,092,041
Total Net Assets	$ 8,646,160	$ 6,016,139
TOTAL LIABILITIES AND NET ASSETS	$ 11,897,680	$ 6,854,329

(See Accompanying Notes and Auditor's Report)

CREDIT BUILDERS ALLIANCE AND SUBSIDIARY
COMPARATIVE CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	December 31, 2022			December 31, 2021		
	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	$ 277,553	$ 5,131,689	$ 5,409,242	$ 30,667	$ 5,159,044	$ 5,189,711
Grants and Contributions - Government	460,396	-	460,396	700,796	-	700,796
Contributions	9,751	-	9,751	13,092	-	13,092
Donated Services and Materials	34,834	-	34,834	33,115	-	33,115
Total Contributions and Grants	$ 782,534	$ 5,131,689	$ 5,914,223	$ 777,670	$ 5,159,044	$ 5,936,714
Program Service Fee Revenue	768,143	-	768,143	671,341	-	671,341
Program Consulting Revenue	110,708	-	110,708	153,770	-	153,770
Loan Origination and Interest Fees	35,490	-	35,490	25,367	-	25,367
Interest Revenue	33,041	-	33,041	1,356	-	1,356
Gain on Disposal of Fixed Assets	-	-	-	150	-	150
Other Revenue	13,282	-	13,282	-	-	-
Net Assets Released from Restrictions - Satisfaction of Program Restrictions	3,106,619	(3,106,619)	-	3,043,787	(3,043,787)	-
Total Revenues, Gains and Other Support	$ 4,849,817	$ 2,025,070	$ 6,874,887	$ 4,673,441	$ 2,115,257	$ 6,788,698
Expenses:						
Innovations	$ 468,738	$ -	$ 468,738	$ 401,461	$ -	$ 401,461
Bureau Services	80,351	-	80,351	211,844	-	211,844
Training Institute	1,158,594	-	1,158,594	955,154	-	955,154
Member and Stakeholder Relations	786,461	-	786,461	219,706	-	219,706
Symposium	191,995	-	191,995	73,723	-	73,723
CBA Fund	901,339	-	901,339	590,997	-	590,997
General and Administrative	629,495	-	629,495	395,986	-	395,986
General Fund Development	27,893	-	27,893	23,640	-	23,640
Total Expenses	$ 4,244,866	$ -	$ 4,244,866	$ 2,872,511	$ -	$ 2,872,511
Changes in Net Assets	$ 604,951	$ 2,025,070	$ 2,630,021	$ 1,800,930	$ 2,115,257	$ 3,916,187
Net Assets at Beginning of Year	2,924,098	3,092,041	6,016,139	1,123,168	976,784	2,099,952
Net Assets at End of Year	$ 3,529,049	$ 5,117,111	$ 8,646,160	$ 2,924,098	$ 3,092,041	$ 6,016,139

(See Accompanying Notes and Auditor's Report)

CREDIT BUILDERS ALLIANCE AND SUBSIDIARY
COMPARATIVE CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	December 31, 2022										
			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	$ 1,989,466	$ 213,088	$ 13,705	$ 199,383	$ 1,776,378	$ 331,159	$ 44,047	$ 518,564	$ 551,428	$ 23,106	$ 308,074
Payroll Taxes and Employee Benefits	346,071	34,002	2,204	31,798	312,069	54,735	7,085	81,364	83,270	3,716	81,899
Accounting and Legal	103,152	75,987	4,491	71,496	27,165	-	-	15,646	-	-	11,519
Conferences and Trainings	12,283	5,500	-	5,500	6,783	-	-	5,783	1,000	-	-
Subgrants	814,854	-	-	-	814,854	37,050	-	281,250	61,768	-	434,786
Scholarships	24,137	-	-	-	24,137	2,225	3,036	3,300	15,576	-	-
Consulting Fees	292,049	81,723	-	81,723	210,326	4,423	-	114,126	37,041	29,821	24,915
Insurance	15,687	7,517	341	7,176	8,170	1,194	1,322	3,991	1,322	341	-
Occupancy	232,721	84,194	4,481	79,713	148,527	30,768	9,294	74,163	14,944	2,323	17,035
Postage and Delivery	4,664	4,664	-	4,664	-	-	-	-	-	-	-
Printing	3,844	-	-	-	3,844	-	-	1,583	-	2,261	-
Promotion	9,232	8,203	37	8,166	1,029	147	147	551	147	37	-
Supplies	139,706	19,824	-	19,824	119,882	-	-	4,913	-	114,969	-
Telephone and Internet	18,539	4,291	304	3,987	14,248	968	1,084	5,117	1,239	271	5,569
Travel	73,374	37,719	-	37,719	35,655	-	-	25,498	339	9,818	-
Website and Technology	100,496	36,202	2,330	33,872	64,294	6,059	9,013	20,996	10,716	3,556	13,954
Board Expenses	4,121	3,773	-	3,773	348	-	-	-	-	348	-
Depreciation and Amortization	29,138	27,967	-	27,967	1,171	-	-	-	-	-	1,171
Bad Debt Expense	12,994	-	-	-	12,994	-	5,323	-	7,671	-	-
Licenses and Fees	14,538	11,351	-	11,351	3,187	10	-	1,749	-	1,428	-
Interest	3,800	1,383	-	1,383	2,417	-	-	-	-	-	2,417
Total Expenses	$ 4,244,866	$ 657,388	$ 27,893	$ 629,495	$ 3,587,478	$ 468,738	$ 80,351	$ 1,158,594	$ 786,461	$ 191,995	$ 901,339

(See Accompanying Notes and Auditor's Report)

CREDIT BUILDERS ALLIANCE AND SUBSIDIARY
COMPARATIVE CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	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	-	-	-	-	-	-	-
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 CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Cash Flows from Operating Activities:		
Changes in Net Assets	$ 2,630,021	$ 3,916,187
Adjustments to Reconcile Changes in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation and Amortization	29,138	20,417
Bad Debt Expense	12,994	59,400
Gain on Disposal of Fixed Assets	-	(150)
Amortization of Right of Use Asset	197,383	-
Reduction of Lease Obligation for Operating Leases	(149,651)	-
Accounts Receivable - (Increase)/Decrease	(49,213)	(723)
Promises Receivable - (Increase)/Decrease	(277,567)	(657,920)
Prepaid Expenses - (Increase)/Decrease	(42,287)	(27,468)
Security Deposits - (Increase)/Decrease	-	1,316
Program Loans Receivable - (Increase)/Decrease	252,356	(1,035,132)
Accounts Payable - Increase/(Decrease)	(25,327)	42,104
Accrued Annual Leave - Increase/(Decrease)	4,594	(9,116)
Payroll Withholdings and Related Liabilities - Increase/(Decrease)	2,200	(701)
Deferred Revenues - Increase/(Decrease)	(139,032)	120,854
Deferred Rent Abatement - Increase/(Decrease)	-	66,312
Net Cash Flows from Operating Activities	$ 2,445,609	$ 2,495,380
Cash Flows from Investing Activities:		
Purchase of Fixed Assets	$ (27,640)	$ (68,733)
Proceeds on Disposal of Fixed Assets	-	150
Net Cash Flows from Investing Activities	$ (27,640)	$ (68,583)
Cash Flows from Financing Activities:		
Proceeds from Loans	$ 250,000	$ -
Principal payments on Loans	(19,250)	(164,237)
Net Cash Flows from Financing Activities	$ 230,750	$ (164,237)
Net Increase in Cash and Cash Equivalents	$ 2,648,719	$ 2,262,560
Cash and Cash Equivalents, Beginning of Year	4,052,322	1,789,762
Cash and Cash Equivalents, End of Year	$ 6,701,041	$ 4,052,322

Supplemental Disclosures:

a) There was no cash paid for income taxes during the years ended December 31, 2022 and 2021.
b) A total of $3,867 and $5,646, respectively, of interest was paid during the years ended December 31, 2022 and 2021.

Non-Cash Disclosures:

a) Non-cash activities include the recording of an Operating Lease Right-of-Use Asset for $2,482,722 and an Operating Lease Liability of $2,609,237 during the year ended December 31, 2022.

(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, Credit 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, Credit 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, Credit 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.

Exchange Transactions

The Organizations have adopted the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, "Revenue for Contracts with Customers," and a series of amendments which together hereinafter are referred to as "ASC Topic 606." This standard outlines a single comprehensive model for entities to use in accounting for revenues arising from contracts with customers (donors). Central to the revenue recognition framework is a five-step revenue recognition model that requires reporting entities to:

1. Identify the contract;
2. Identify the performance obligations of the contract;
3. Determine the transaction price of the contract;
4. Allocate the transaction price to the performance obligations, and;
5. Recognize revenue.

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 Organizations receive grants from federal governmental agencies for the purpose of providing a social benefit to the general public. Government grants are classified as conditional contributions when the award includes both a barrier that must be overcome for the Organizations 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(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, 2022 or 2021.

(e) Net Assets:

The Organizations report information regarding their 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 Organizations 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 Organizations' purposes, the environment in which it operates, the purposes specified in their 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 Organizations must continue to use the resources in accordance with the donor's instructions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(e) Net Assets: (Continued)

Net Assets with Donor Restrictions (Continued)

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:

	2022	2021
Member and Stakeholder Relations	$ 3,023,408	$ 100,000
CBA Fund	823,610	915,030
Training Institute	583,836	1,484,903
Innovations	437,304	160,798
Bureau Services	248,953	180,799
Revolving Loan Fund	-	250,511
Total Net Assets with Donor Restrictions	$ 5,117,111	$ 3,092,041

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:

	2022	2021
CBA Fund	$ 920,170	$ 1,762,425
Training Institute	901,067	670,509
Member and Stakeholder Relations	437,842	-
Symposium	212,200	146,600
Innovations	198,494	382,703
Bureau Services	181,846	81,550
Revolving Loan Fund	255,000	-
Total Net Assets Released from Restrictions	$ 3,106,619	$ 3,043,787

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(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 Organizations' 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:

	2022	2021
Software Licenses	$ 28,834	$ 7,720
Strategic Consulting	6,000	19,540
Legal Services	-	5,605
Membership Dues	-	250
Total	$ 34,834	$ 33,115

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(g) Functional Expense Allocation Policies and Procedures: (Continued)

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.

(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.

(i) Fair Value of Certain Financial Instruments:

Some of the Organizations' 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.

(j) Leases:

The Organizations calculate operating lease liabilities with a risk-free discount rate, using a comparable period with the lease term. All lease and non-lease components are combined for all leases. Lease payments for leases with a term of 12 months or less are expensed on a straight-line basis over the term of the lease with no lease asset or liability recognized.

3. CHANGE IN ACCOUNTING PRINCIPLES:

Effective January 1, 2022, the Organizations adopted the Financial Accounting Standard Board's Accounting Standards Codification (ASC) 842, *Leases*. The Organizations determine if an arrangement contains a lease at inception based on whether the Organizations have the right to control the asset during the contract period and other facts and circumstances. The Organizations elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed it to carry forward the historical lease classification.

The adoption of FASB ASC 842 resulted in the recognition of right-of-use-assets, net of prepaid lease payments, deferred rent abatement and lease incentives, in the amount of $2,482,722 and operating lease liabilities of $2,609,237 as of January 1, 2022. Results for periods beginning prior to January 1, 2022, continue to be reported in accordance with historical accounting treatment. The adoption of FASB ASC 842 did not have a material impact on the Organizations' statement of activities.

4. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The following reflects the Organizations' 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 Organizations have 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.

	2022	2021
Financial Assets at Year End:		
Cash and Cash Equivalents	$ 6,701,041	$ 4,052,322
Accounts Receivable	62,965	26,746
Promises Receivable	1,251,511	973,944
Program Loans Receivable, Net	1,393,992	1,646,348
Total Financial Assets	$ 9,409,509	$ 6,699,360
Less Amounts Not Available for General Expenditure Within One Year:		
Non-Current Donor Contributions	$ -	$ 80,511
Non-Current Program Loans Receivable, Net	641,592	1,008,292
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	$ 8,767,917	$ 5,610,557

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

5. 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 Organizations' 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, 2022, 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, 2022, the statute of limitations for tax years 2019 through 2021 remains open with the U.S. federal jurisdiction or the various states and local jurisdictions in which the Organizations file 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, 2022, the Organizations had no accruals for interest and/or penalties.

6. CASH AND CASH EQUIVALENTS:

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

	2022	2021
Checking Account - Non-Interest Bearing	$ 909,659	$ 1,536,045
Savings Account - Interest Bearing	5,791,382	2,516,277
Total	$ 6,701,041	$ 4,052,322

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, 2022 and 2021, $6,201,041 and $3,424,662, 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 Organizations have 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.

7. ACCOUNTS AND PROMISES RECEIVABLE:

Accounts Receivable

Accounts receivable as of December 31, 2022 and 2021 consisted of the following:

	2022	2021
Consulting Fees	$ 24,800	$ 11,447
Program Fees	27,728	8,078
Interest	8,640	8,012
Reimbursable Expenses	8,170	1,407
Less: Allowance for Doubtful Accounts	(6,373)	(2,198)
Total	$ 62,965	$ 26,746

The Organizations' 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 Organizations do not require collateral, it is at credit risk for the balance of the accounts receivable as of December 31, 2022 and 2021.

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.

7. ACCOUNTS AND PROMISES RECEIVABLE: (Continued)

Promises Receivable (Continued)

Promises receivable at year end were as follows:

	2022	2021
Member and Stakeholder Relations	$ 1,000,000	$ -
Training Institute	166,511	797,833
Revolving Loan Fund	85,000	165,511
Innovations	-	10,000
General Operating	-	600
Total	$ 1,251,511	$ 973,944

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

	2022	2021
Less Than One Year	$ 1,251,511	$ 893,433
One to Five Years	-	80,511
Total	$ 1,251,511	$ 973,944

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

	2022	2021
Gross Promises Receivable	$ 1,251,511	$ 978,433
Less: Discount	-	(4,489)
Net Present Value of Promises Receivable	$ 1,251,511	$ 973,944

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, 2022 and 2021, approximately eighty percent (80%) and thirty-nine percent (39%) of the Organizations' contributions receivable ($1,000,000 and $375,000) was due from a single donor. The Organizations do not believe they are at any significant credit risk related to this promise or others made based on historical collections and the Organizations' relationships with its donors.

7. ACCOUNTS AND PROMISES RECEIVABLE: (Continued)

Promises Receivable (Continued)

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

	2022	2021
Training Institute	$ 169,485	$ 210,967
Revolving Loan Fund	-	240,000
Total Conditional Promises	$ 169,485	$ 450,967

8. PROGRAM LOANS RECEIVABLE:

CBA Fund 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, 2022, the Organization has issued fifty loans for a total of $2,446,000 since the program's commencement in 2018. Loan repayments began in 2020. An allowance for doubtful accounts of $73,368 and $86,650, respectively, is reflected in the statement of financial position for the years ended December 31, 2022 and 2021. The loan receivable, net of an allowance for doubtful accounts is due to be received as follows:

Year Ending December 31,	Principal Receivable	Allowance for Doubtful Accounts	Loans Receivable, Net
2023	$ 792,000	$ (39,600)	$ 752,400
2024	622,754	(31,138)	591,616
2025	52,606	(2,630)	49,976
Total	$ 1,467,360	$ (73,368)	$ 1,393,992

9. 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 has been provided on the straight-line method over the estimated useful lives of the assets. Leasehold improvements have been amortized over the remaining term of the rental lease agreement. Depreciation and amortization expense for the years ended December 31, 2022 and 2021 was $29,138 and $20,417, respectively. Maintenance and repairs are charged to expenses as incurred.

9. FIXED ASSETS: (Continued)

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

	Depreciable Life	2022	2021
Computers and Equipment	3 Years	$ 81,101	$ 99,681
Furniture and Equipment	7 Years	19,332	12,105
Leasehold Improvements	7 Years	6,012	6,012
Website	5 Years	154,813	154,813
Total		$ 261,258	$ 272,611
Accumulated Depreciation and Amortization		(179,897)	(189,751)
Net Fixed Assets		$ 81,361	$ 82,860

10. DEFERRED RENT ABATEMENT (Prior to the Adoption of FASB ASC 842):

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 was $119,440. After the adoption of ASC 842, the deferred rent abatement balance was $-0- at January 1, 2022.

11. 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, 2022 and 2021 was $25,762 and $32,839, respectively. Total interest expense related to this loan for the years ended December 31, 2022 and 2021 was $495 and $625, respectively. Future minimum payments of principal and interest are as follows:

Year Ending December 31,	Principal	Interest	Total
2023	$ 25,762	$ 217	$ 25,979
Total	$ 25,762	$ 217	$ 25,979

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, 2022 and 2021 was $53,817 and $65,990, respectively. Total interest expense related to this loan for the years ended December 31, 2022 and 2021 was $888 and $980, respectively.

11. LOANS PAYABLE: (Continued)

Dakota Foundation (Continued)

Future minimum payments of principal and interest are as follows:

Year Ending December 31,	Principal	Interest	Total
2023	$ 12,356	$ 739	$ 13,095
2024	12,543	552	13,095
2025	12,732	363	13,095
2026	12,924	171	13,095
2027	3,262	12	3,274
Total	$ 53,817	$ 1,837	$ 55,654

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 was designed to provide economic relief to organizations that were experiencing a temporary loss of revenue. EIDL proceeds could 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 was for a period of thirty years at an interest rate of 2.75%. Monthly payments of $641 began on May 21, 2021. CBA granted the Small Business Administration a security interest of CBA's equipment, deposit accounts, receivables, promissory notes and general intangibles. Total interest expense related to this loan for the year ended December 31, 2021 was $1,826. CBA repaid this loan in full on July 17, 2021.

11. LOANS PAYABLE: (Continued)

Opportunity Finance Network

On July 6, 2022, CBA Fund entered into credit agreement with the Opportunity Finance Network (Lender) for $250,000, to act as an administrative agent for the lender. The purpose of these funds were to extend loans in support of low to moderate-income households and financially underserved geographic markets. This loan is considered to be unsecured. This loan is scheduled to mature on July 6, 2027, at which time there is a balloon payment of any remaining outstanding principal and unpaid interest, currently scheduled to be in the amount of $250,083. Quarterly interest only payments of $1,167 began on September 30, 2022, and increased to $1,250 on December 31, 2022, and will continue through June 30, 2027. Interest payments are due quarterly during March, June, September, and December. This loan bears interest at a rate of 2.00%. CBA Fund may make prepayments on this loan; however, a prepayment administrative fee will be charged. There are multiple financial loan covenants. The outstanding balance payable at December 31, 2022, was $250,000. Total interest expense related to this loan for the year ended December 31, 2022, was $2,417. Future minimum payments of principal and interest are as follows:

Year Ending December 31,	Principal	Interest	Total
2023	$ -	$ 5,000	$ 5,000
2024	-	5,000	5,000
2025	-	5,000	5,000
2026	-	5,000	5,000
2027	250,000	2,588	252,588
Total	$ 250,000	$ 22,588	$ 272,588

12. 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.

12. PAYCHECK PROTECTION PROGRAM: (Continued)

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.

13. COMMITMENTS (Prior to the Adoption of FASB ASC 842):

Operating Lease - Washington, DC

The Credit Builders Alliance entered into an operating 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 was an option to renew the lease for one additional period of five years.

On February 5, 2021, Credit Builders Alliance signed a second lease amendment which extended the lease term through July 31, 2032. The lease provided 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 year ended December 31, 2021, was $211,699.

As of December 31, 2021, future minimum rental obligations required under this lease, net of rent abatement was 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

14. LEASING ACTIVITIES (After the Adoption of FASB ASC 842):

Operating Lease - Washington, DC

The Credit Builders Alliance entered into an operating 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 is currently scheduled to expire on July 31, 2032. As a requirement of this lease, a security deposit in the amount of $7,623 was required to be made. The Organization is responsible for paying their proportionate share of operating costs and real estate taxes.

On August 17th, 2022, Credit Builders Alliance signed a lease amendment which resulted in additional office space being rented. Per the amended lease agreement, Credit Builders Alliance will occupy the additional 1,179 square feet on January 1, 2023. The new monthly required lease payments for the combined 5,073 square feet of office space is $20,926 per month and will increase annually on January 1 of each year. As part of this amendment, the landlord has provided a moving allowance of $7,074. Credit Builders Alliance will also receive a monthly abatement of $4,863 per month for January through August of 2023 for a total abatement of $38,907.

The following summarizes the line items in the statements of financial position that include amounts for operating leases as of December 31:

	2022
Operating Lease Right-of-Use Asset	$ 2,292,414
Operating Lease Liability, Current	$ 172,715
Operating Lease Liability, Non-Current	2,286,871
Total Operating Lease Liability	$ 2,459,586

The weighted average discount rate is 1.65% and the weighted average remaining lease term is 9.58 years.

Variable payments are not determinable at the lease commencement date and are not included in the measurement of the lease asset and liability. The components of operating lease expenses that are included in the statement of activities for the year ended December 31, 2022, were as follows:

	2022
Operating Lease Cost	$ 228,644
Variable Lease Cost	4,077
Total	$ 232,721

14. LEASING ACTIVITIES (After the Adoption of FASB ASC 842): (Continued)

Operating Lease - Washington, DC (Continued)

The maturities of operating lease liabilities as of December 31, 2022, were as follows:

Year Ending December 31,	
2023	$ 212,207
2024	258,013
2025	265,115
2026	272,420
2027	279,928
Thereafter	1,385,927
Total Lease Payments	$ 2,673,610
Less: Interest	(214,024)
Present Value of Lease Liability	$ 2,459,586

15. 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-nine percent (79%) and seventy-six percent (76%), respectively, of total support was attributed to foundation and corporate support for the years ended December 31, 2022 and 2021.

16. CONTINGENCIES:

Program Support

The Organizations depend on contributions and grants for a significant portion of its revenue. The ability of the Organizations' 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 Organizations. While the Organizations' Board of Directors and management believes the Organizations have 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 Organizations participate 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.

17. RELATED PARTY TRANSACTIONS:

Contributions

During the years ended December 31, 2022 and 2021, board members and organizations for which board members are affiliated provided donations, sponsorships, and grants in the amount of $372,583 and $792,985, respectively.

Program Fees

During the year ended December 31, 2022, thirteen organizations for which board members were employed paid CBA a combined total of $25,913 for membership fees, reoccurring fees and consulting 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 four organizations for which CBA Board Members were employed for a total of $264,800 and $61,786, respectively, during the years ended December 31, 2022 and 2021.

Program Loans

As of December 31, 2022, there are program loans receivable from three organizations for which CBA Board Members are employed for a total receivable of $209,556. Only one new loan was issued to an organization for which a Board Member is affiliated for a total of $77,000 during the year ended December 31, 2022. Total loan repayments of principal and interest received during the year ended December 31, 2022, was $112,319.

As of December 31, 2021, there were program loans receivable from two organizations for which CBA Board Members are employed for a total receivable of $200,294. Only one new loan was issued to an organization for which a Board Member is affiliated 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.

Guarantee of Indebtedness

Credit Builders Alliances utilizes one credit card issued by Capital One for purchases related to the Organization's activity. The credit card is issued in the name of the Organization with a total credit limit of $30,000, however the debt is guaranteed by the Executive Director.

18. SUBSEQUENT EVENTS:

Financial Statement Preparation

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through March 31, 2023, 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.

19. FUNDRAISING EXPENSE:

Expenses for the purpose of fundraising in the amount of $27,893 and $23,640, respectively, were incurred during the years ended December 31, 2022 and 2021.

20. 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, 2022 and 2021 was $37,650 and $38,696, respectively.

21. EMPLOYEE BENEFITS:

The cost of employee benefits incurred for the years ended December 31, 2022 and 2021 consisted of the following:

	2022	2021
Social Security/Medicare	$ 147,253	$ 110,205
Health Insurance	141,197	96,546
Retirement	37,650	38,696
Workmen's Compensation Insurance	3,181	4,066
Unemployment	11,486	9,591
Paid Family Leave	5,003	5,154
Long Term Disability	301	5,518
Total	$ 346,071	$ 269,776

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, 2022 AND 2021

	December 31, 2022			
	Credit Builders Alliance	CBA Fund	Eliminations	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 4,342,646	$ 2,358,395	$ -	$ 6,701,041
Accounts Receivable	54,325	8,640	-	62,965
Promises Receivable	1,166,511	85,000	-	1,251,511
Program Loans Receivable, Net	-	752,400	-	752,400
Prepaid Expenses	98,885	7,888	-	106,773
Total Current Assets	$ 5,662,367	$ 3,212,323	$ -	$ 8,874,690
Fixed Assets:				
Fixed Assets, Net of Accumulated Depreciation	$ 73,923	$ 7,438	$ -	$ 81,361
Total Fixed Assets	$ 73,923	$ 7,438	$ -	$ 81,361
Non-Current Assets:				
Security Deposits	$ 7,623	$ -	$ -	$ 7,623
Promises Receivable	-	-	-	-
Program Loans Receivable, Net	75,000	641,592	(75,000)	641,592
Due from CBA Fund	87,146	-	(87,146)	-
Operating Lease - Right of Use Asset	2,292,414	-	-	2,292,414
Total Non-Current Assets	$ 2,462,183	$ 641,592	$ (162,146)	$ 2,941,629
TOTAL ASSETS	$ 8,198,473	$ 3,861,353	$ (162,146)	$ 11,897,680
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts Payable	$ 45,069	$ 96	$ -	$ 45,165
Accrued Annual Leave	56,021	-	-	56,021
Payroll Withholdings and Related Liabilities	2,200	-	-	2,200
Deferred Revenue	358,969	-	-	358,969
Due to CBA	-	87,146	(87,146)	-
Loans Payable, Current Portion	12,356	25,762	-	38,118
Operating Lease Liability, Current Portion	172,715	-	-	172,715
Total Current Liabilities	$ 647,330	$ 113,004	$ (87,146)	$ 673,188
Long-Term Liabilities:				
Loans Payable, Net of Current Portion	$ 41,461	$ 325,000	$ (75,000)	$ 291,461
Operating Lease Liability, Net of Current Portion	2,286,871	-	-	2,286,871
Deferred Rent Abatement	-	-	-	-
Total Long-Term Liabilities	$ 2,328,332	$ 325,000	$ (75,000)	$ 2,578,332
Total Liabilities	$ 2,975,662	$ 438,004	$ (162,146)	$ 3,251,520
Net Assets:				
Without Donor Restrictions	$ 929,310	$ 2,599,739	$ -	$ 3,529,049
With Donor Restrictions	4,293,501	823,610	-	5,117,111
Total Net Assets	$ 5,222,811	$ 3,423,349	$ -	$ 8,646,160
TOTAL LIABILITIES AND NET ASSETS	$ 8,198,473	$ 3,861,353	$ (162,146)	$ 11,897,680

(See Accompanying Notes and Auditor's Report)

CREDIT BUILDERS ALLIANCE AND SUBSIDIARY
COMPARATIVE CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	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 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)	-
Operating Lease - Right of Use Asset	-	-	-	-
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)	-
Loans Payable, Current Portion	12,172	7,077	-	19,249
Operating Lease Liability, Current Portion	-	-	-	-
Total Current Liabilities	$ 452,517	$ 245,787	$ (59,134)	$ 639,170
Long-Term Liabilities:				
Loans Payable, Net of Current Portion	$ 53,818	$ 100,762	$ (75,000)	$ 79,580
Operating Lease Liability, Net of Current Portion	-	-	-	-
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 ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	December 31, 2022							
	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	$ 112,553	$ 4,298,450	$ 4,411,003	$ 240,000	$ 833,239	$ 1,073,239	$ (75,000)	$ 5,409,242
Grants and Contributions - Government	247,720	-	247,720	212,676	-	212,676	-	460,396
Contributions	9,426	-	9,426	325	-	325	-	9,751
Donated Services and Materials	34,834	-	34,834	-	-	-	-	34,834
Total Contributions and Grants	$ 404,533	$ 4,298,450	$ 4,702,983	$ 453,001	$ 833,239	$ 1,286,240	$ (75,000)	$ 5,914,223
Program Service Fee Revenue	768,143	-	768,143	-	-	-	-	768,143
Program Consulting Revenue	110,708	-	110,708	-	-	-	-	110,708
Loan Origination and Interest Fees	-	-	-	35,490	-	35,490	-	35,490
Interest Revenue	24,663	-	24,663	8,378	-	8,378	-	33,041
Gain on Disposal of Fixed Assets	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	13,282	-	13,282	-	13,282
Net Assets Released from Restrictions - Satisfaction of Program Restrictions	1,931,449	(1,931,449)	-	1,175,170	(1,175,170)	-	-	-
Total Revenues, Gains and Other Support	$ 3,239,496	$ 2,367,001	$ 5,606,497	$ 1,685,321	$ (341,931)	$ 1,343,390	$ (75,000)	$ 6,874,887
Expenses:								
Innovations	$ 468,738	$ -	$ 468,738	$ -	$ -	$ -	$ -	$ 468,738
Bureau Services	80,351	-	80,351	-	-	-	-	80,351
Training Institute	1,233,594	-	1,233,594	-	-	-	(75,000)	1,158,594
Member and Stakeholder Relations	786,461	-	786,461	-	-	-	-	786,461
Symposium	191,995	-	191,995	-	-	-	-	191,995
CBA Fund	-	-	-	901,339	-	901,339	-	901,339
General and Administrative	584,229	-	584,229	45,266	-	45,266	-	629,495
General Fund Development	27,893	-	27,893	-	-	-	-	27,893
Total Expenses	$ 3,373,261	$ -	$ 3,373,261	$ 946,605	$ -	$ 946,605	$ (75,000)	$ 4,244,866
Changes in Net Assets	$ (133,765)	$ 2,367,001	$ 2,233,236	$ 738,716	$ (341,931)	$ 396,785	$ -	$ 2,630,021
Net Assets at Beginning of Year	1,063,075	1,926,500	2,989,575	1,861,023	1,165,541	3,026,564	-	6,016,139
Net Assets at End of Year	$ 929,310	$ 4,293,501	$ 5,222,811	$ 2,599,739	$ 823,610	$ 3,423,349	$ -	$ 8,646,160

(See Accompanying Notes and Auditor's Report)

Schedule 2

CREDIT BUILDERS ALLIANCE AND SUBSIDIARY
COMPARATIVE CONSOLIDATING STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	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
Other Revenue	-	-	-	-	-	-	-	-
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 CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	December 31, 2022			
	Credit Builders Alliance	CBA Fund	Eliminations	Total
Cash Flows from Operating Activities:				
Changes in Net Assets	$ 2,233,236	$ 396,785	$ -	$ 2,630,021
Adjustments to Reconcile Changes in Net Assets to Net Cash Flows from Operating Activities:				
Depreciation and Amortization	26,588	2,550	-	29,138
Bad Debt Expense	12,994	-	-	12,994
Gain on Disposal of Fixed Assets	-	-	-	-
Amortization of Right of Use Asset	197,383	-	-	197,383
Reduction of Lease Obligation for Operating Leases	(149,651)	-	-	(149,651)
Accounts Receivable - (Increase)/Decrease	(48,585)	(628)	-	(49,213)
Promises Receivable - (Increase)/Decrease	(358,578)	81,011	-	(277,567)
Prepaid Expenses - (Increase)/Decrease	(35,170)	(7,117)	-	(42,287)
Security Deposits - (Increase)/Decrease	-	-	-	-
Program Loans Receivable - (Increase)/Decrease	-	252,356	-	252,356
Due from CBA Fund - (Increase)/Decrease	(28,012)	-	28,012	-
Accounts Payable - Increase/(Decrease)	(18,023)	(7,304)	-	(25,327)
Accrued Annual Leave - Increase/(Decrease)	4,594	-	-	4,594
Payroll Withholdings and Related Liabilities - Increase/(Decrease)	2,200	-	-	2,200
Deferred Revenues - Increase/(Decrease)	33,144	(172,176)	-	(139,032)
Due to CBA - Increase/(Decrease)	-	28,012	(28,012)	-
Deferred Rent Abatement - Increase/(Decrease)	-	-	-	-
Net Cash Flows from Operating Activities	$ 1,872,120	$ 573,489	$ -	$ 2,445,609
Cash Flows from Investing Activities:				
Purchase of Fixed Assets	$ (27,640)	$ -	$ -	$ (27,640)
Proceeds on Disposal of Fixed Assets	-	-	-	-
Net Cash Flows from Investing Activities	$ (27,640)	$ -	$ -	$ (27,640)
Cash Flows from Financing Activities:				
Proceeds from Loans	$ -	$ 250,000	$ -	$ 250,000
Principal Payments on Loan	(12,173)	(7,077)	-	(19,250)
Net Cash Flows from Financing Activities	$ (12,173)	$ 242,923	$ -	$ 230,750
Net Increase in Cash and Cash Equivalents	$ 1,832,307	$ 816,412	$ -	$ 2,648,719
Cash and Cash Equivalents, Beginning of Year	2,510,339	1,541,983	-	4,052,322
Cash and Cash Equivalents, End of Year	$ 4,342,646	$ 2,358,395	$ -	$ 6,701,041

Supplemental Disclosures:

a) There was no cash paid for income taxes during the year ended December 31, 2022.
b) A total of $3,867 of interest was paid during the year ended December 31, 2022.

Non-Cash Disclosures:

a) Non-cash activities include the recording of an Operating Lease Right-of-Use Asset for $2,482,722 and an Operating Lease Liability of $2,609,237 during the year ended December 31, 2022.

(See Accompanying Notes and Auditor's Report)

CREDIT BUILDERS ALLIANCE AND SUBSIDIARY
COMPARATIVE CONSOLIDATING STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	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)
Amortization of Right of Use Asset	-	-	-	-
Reduction of Lease Obligation for Operating Leases	-	-	-	-
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 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)