CREDIT BUILDERS ALLIANCE
AND SUBSIDIARY

WASHINGTON, DC

CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2018

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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

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Credit Builders Alliance (a nonprofit organization) and Subsidiary, which comprise the consolidated statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

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, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position, consolidating statement of activities, and consolidating statement of cash flows are presented for purposes of additional analysis and are not a required part of the 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

Kendall, Prebola and Jones
Certified Public Accountants

Bedford, Pennsylvania
July 1, 2019

CREDIT BUILDERS ALLIANCE AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2018

ASSETS

Current Assets:		
Cash and Cash Equivalents	$	997,916
Accounts and Grants Receivable		226,746
Promises Receivable		180,000
Prepaid Expenses		59,572
Total Current Assets	$	1,464,234
Fixed Assets:		
Fixed Assets, Net of Accumulated Depreciation	$	20,409
Total Fixed Assets	$	20,409
Non-Current Assets:		
Security and Other Deposits	$	8,939
Program Loans Receivable		28,500
Total Non-Current Assets	$	37,439
TOTAL ASSETS	$	1,522,082

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts Payable	$	11,659
Income Taxes payable		621
Accrued Annual Leave		26,656
Payroll Withholdings and Related Liabilities		11,029
Deferred Revenue		260,218
Current Portion Loan Payable		6,805
Total Current Liabilities	$	316,988
Long-Term Liabilities:		
Loan Payable	$	48,317
Less: Current Portion Loan Payable		(6,805)
Deferred Rent Abatement		14,909
Total Long-Term Liabilities	$	56,421
Total Liabilities	$	373,409
Net Assets:		
Without Donor Restrictions	$	659,534
With Donor Restrictions		489,139
Total Net Assets	$	1,148,673
TOTAL LIABILITIES AND NET ASSETS	$	1,522,082

(See Accompanying Notes and Auditor's Report)

CREDIT BUILDERS ALLIANCE AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support:			
Contributions and Grants:			
Grants - Foundations and Corporations	$ 47,230	$ 1,046,567	$ 1,093,797
Grants - Government	287,110	-	287,110
Contributions	2,772	-	2,772
Donated Services and Materials	26,357	-	26,357
Total Contributions and Grants	$ 363,469	$ 1,046,567	$ 1,410,036
Program Service Fee Revenue	438,542	-	438,542
Program Consulting Revenue	227,619	-	227,619
Interest Revenue	3,297	-	3,297
Net Assets Released from Restrictions - Satisfaction of Program Restrictions	784,769	(784,769)	-
Total Revenues, Gains and Other Support	$ 1,817,696	$ 261,798	$ 2,079,494
Expenses:			
Credit Builders Alliance Reporter	$ 268,344	$ -	$ 268,344
Credit Builders Alliance Rent Reporter	97,544	-	97,544
Credit Builders Alliance Access	79,404	-	79,404
Knowledge Transfer	277,405	-	277,405
Credit Builders Alliance Research and Pilots	130,754	-	130,754
Symposium	137,839	-	137,839
Credit Builders Alliance Trainings and Consulting	280,669	-	280,669
CBA Fund Core Services	51,349	-	51,349
General and Administrative	307,854	-	307,854
Fundraising	79,913	-	79,913
Total Expenses	$ 1,711,075	$ -	$ 1,711,075
Changes in Net Assets	$ 106,621	$ 261,798	$ 368,419
Net Assets at Beginning of Year	552,913	227,341	780,254
Net Assets at End of Year	$ 659,534	$ 489,139	$ 1,148,673

(See Accompanying Notes and Auditor's Report)

CREDIT BUILDERS ALLIANCE AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

			Supporting Services			Program Services							
	Total	Total Supporting Services	Fundraising	General and Administrative	Total Program Services	CBA Reporter	CBA Rent Reporter	CBA Access	Knowledge Transfer	CBA Research and Pilots	Symposium	CBA Trainings and Consulting	CBA Fund Core Services
Expenses:													
Salaries and Wages	$ 805,758	$ 147,233	$ 61,095	$ 86,138	$ 658,525	$ 160,231	$ 52,193	$ 22,419	$ 130,484	$ 81,486	$ 35,365	$ 136,285	$ 40,062
Payroll Taxes and Employee Benefits	139,279	21,442	10,054	11,388	117,837	29,255	10,708	5,665	22,806	14,455	7,321	24,998	2,629
Accounting and Legal	64,520	54,215	-	54,215	10,305	-	-	-	2,925	7,380	-	-	-
Board Expenses	7,263	7,263	-	7,263	-	-	-	-	-	-	-	-	-
Conferences and Trainings	8,132	-	-	-	8,132	2,162	-	1,821	3,465	-	-	684	-
Subgrants	99,545	-	-	-	99,545	27,000	-	4,500	39,500	6,380	-	22,165	-
Consulting Fees	105,138	34,092	170	33,922	71,046	1,477	12,886	1,653	21,863	3,127	1,639	28,357	44
Insurance	10,615	2,064	409	1,655	8,551	2,107	455	1,162	1,801	843	424	1,759	-
Occupancy	110,108	16,682	5,559	11,123	93,426	23,942	7,436	10,801	10,613	9,635	4,308	22,529	4,162
Postage and Delivery	933	109	-	109	824	-	-	-	229	-	236	359	-
Printing	10,732	-	-	-	10,732	145	1,068	73	1,561	-	1,885	6,000	-
Promotion	3,857	2,434	55	2,379	1,423	272	87	147	529	116	57	215	-
Supplies	83,707	8,118	-	8,118	75,589	-	389	-	7,712	-	60,909	6,579	-
Telephone and Internet	19,032	7,492	670	6,822	11,540	3,054	1,270	1,328	1,515	886	534	2,412	541
Travel	80,822	12,248	407	11,841	68,574	6,790	7,177	1,607	19,530	1,982	10,657	20,831	-
Website and Technology	56,117	7,484	1,494	5,990	48,633	5,235	3,875	3,496	12,872	3,436	11,781	5,527	2,411
Depreciation and Amortization	36,589	36,589	-	36,589	-	-	-	-	-	-	-	-	-
Bad Debt Expense	29,286	2,207	-	2,207	27,079	6,674	-	16,666	-	-	300	1,939	1,500
Licenses and Fees	38,150	26,603	-	26,603	11,547	-	-	8,066	-	1,028	2,423	30	-
Interest Expense	871	871	-	871	-	-	-	-	-	-	-	-	-
Income Taxes	621	621	-	621	-	-	-	-	-	-	-	-	-
Total Expenses	$ 1,711,075	$ 387,767	$ 79,913	$ 307,854	$ 1,323,308	$ 268,344	$ 97,544	$ 79,404	$ 277,405	$ 130,754	$ 137,839	$ 280,669	$ 51,349

(See Accompanying Notes and Auditor's Report)

CREDIT BUILDERS ALLIANCE AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

Cash Flows from Operating Activities:	
Changes in Net Assets	$ 368,419
Adjustments to Reconcile Changes in Net Assets to Net Cash Flows from Operating Activities:	
Depreciation and Amortization	36,589
Bad Debt Expense	29,286
Accounts and Grants Receivable - (Increase)/Decrease	(224,279)
Promises Receivable - (Increase)/Decrease	(58,147)
Prepaid Expenses - (Increase)/Decrease	(37,752)
Security and Other Deposits - (Increase)/Decrease	(1,316)
Program Loans Receivable - (Increase)/Decrease	(28,500)
Accounts Payable - Increase/(Decrease)	(45,929)
Income Taxes Payable - Increase/(Decrease)	621
Accrued Annual Leave - Increase/(Decrease)	12,832
Payroll Withholdings and Related Liabilities - Increase/(Decrease)	441
Deferred Revenues - Increase/(Decrease)	174,339
Security Deposit Refundable - Increase/(Decrease)	(1,400)
Deferred Rent Abatement - Increase/(Decrease)	(10,366)
Net Cash Flows from Operating Activities	$ 214,838
Cash Flows from Investing Activities:	
Purchase of Fixed Assets	$ (9,329)
Net Cash Flows from Investing Activities	$ (9,329)
Cash Flows from Financing Activities:	
Principal payments on Loan	$ (1,683)
Net Cash Flows from Financing Activities	$ (1,683)
Net Increase in Cash and Cash Equivalents	$ 203,826
Cash and Cash Equivalents, Beginning of Year	794,090
Cash and Cash Equivalents, End of Year	$ 997,916

Supplemental Disclosures:

a) No income taxes were paid during the year ended December 31, 2018.
b) Interest in the amount of $1,093 was paid during the year ended December 31, 2018.

(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 addition to offering ongoing access to online tools and resources, webinars, and learning platforms for and among our powerful network of over 500 member organizations, the following summarizes CBA's five major services:

Basic Programs

1. Core Platform Services: CBA Reporter, CBA Business Reporter and CBA Access

A. 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.

Today, CBA Reporter enables 200 nonprofit lenders to report over 54,356 trade lines every month, totaling $1.79 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.

B. CBA Business Reporter is an add-on service that enables member lenders to report their borrowers' monthly microenterprise or small business loan payments to the commercial credit bureaus Experian Business Information Solutions and Dun & Bradstreet in order to build their business credit profiles.

C. CBA Access enables nonprofits to pull and purchase credit reports and credit scores from the major credit bureaus TransUnion and Experian, and in 2018 expanded this service to include access to reports produced by 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). CBA Access offers qualified members access to 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.

1. ORGANIZATION: (Continued)

Basic Programs (Continued)

1. Core Platform Services: CBA Reporter, CBA Business Reporter and CBA Access (Continued)

C. CBA Access (Continued)

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.

Today, **CBA Access** enables 278 nonprofits engaged in lending and/or financial education to get credentialed to pull approximately 8,943 credit reports from TransUnion and Experian a month. Fewer than a dozen nonprofits are accessing new reports offered by LexisNexis, ChexSystems and Nova Credit, but this number is expected to grow in 2019.

2. CBA Training and Consulting Services

A. CBA's signature ***Credit as an Asset*** training has been offered since 2008 to over 2500 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.

Since 2014, CBA has offered its training via a modified three-part virtual webinar series for those who cannot attend a full-day training in person, and in 2018 CBA expanded these offerings through its new Training Institute e-learning platform. CBA's in-person and virtual trainings can be adapted upon request for members and non-members seeking to enhance their understanding of credit building for a specific sector or target market.

In 2018, CBA also formalized its Credit as an Asset Master Trainer Certification program, offering two train-the-trainer sessions, one in Atlanta, GA, and one in Denver, CO. Through its Master Trainer Certification program, experienced credit building practitioners become credentialed to deliver CBA's nationally recognized Credit as an Asset training to financial coaches, counselors, and other professionals who support low-income and underserved communities in building strong credit profiles. In 2018, 28 professionals were certified, and subsequently offered 50 training sessions that reached 1012 participants.

1. ORGANIZATION: (Continued)

Basic Programs (Continued)

2. CBA Training and Consulting Services (Continued)

B. CBA Consulting

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. CBA brings credit building expertise, industry connections, and credibility to organizations interested in investing in their credit building capacity.

In 2015, CBA formally rolled out its sub-consulting service **Rent Reporting for Credit Building (RRCB)** upon successful completion of a pilot focused on helping affordable housing providers report their residents' rental payments as a credit building strategy, CBA's RRCB consulting service supports mission driven affordable and public housing providers to implement rent reporting for credit building initiatives in order to help their residents build credit histories and offer them a positive incentive for on-time rent payment. Today, CBA is providing consulting services to over a dozen affordable and public housing providers, developers, and coalitions.

3. CBA Research and Pilots

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 2018 in particular, CBA:

- Conducted three convenings with organizations serving returning citizens, highlighting the toolkit it developed in 2017, which provides financial capability and reentry practitioners with tools and resources for helping returning citizens to build strong credit, and strong businesses.
- Established and became the sole member of CBA Fund, a Community Development Financial Institution (CDFI) intermediary dedicated to supporting nonprofit lenders that offer small dollar consumer loans to underserved borrowers. With its first ever Program Related Investment, CBA supported CBA Fund in lending loan capital to four nonprofit lender members using a variety of the Products-in-a-Box (PIAB) toolkits that CBA created in 2017.
- Developing a replication toolkit for the Boston Builds Credit initiative in order to promote the replication of municipal credit building across the country.

1. ORGANIZATION: (Continued)

Basic Programs (Continued)

4. General Knowledge Sharing

As awareness of the importance of credit building has grown in the field over the last decade, CBA's membership and also its reputation, has grown exponentially. While CBA's role remains as a technical service provider, it has also expanded to encompass broader credit building subject matter expertise and thought leadership. Combined with dramatic changes in the credit industry landscape and the emergence of new technology and tools available to nonprofits (and also directly to their underserved clients), two trends have emerged.

First, a growing number of colleague nonprofit networks that unlike our core membership, do not provide direct services, are engaging with their own members on the subject of credit building. Often they turn to CBA for guidance and resources (many contracting CBA to assist with specific initiatives through CBA's training and consulting service). Second, many CBA members have begun to turn to CBA for advice on new marketplace opportunities to connect their clients with credit building products and strategies offered by other nonprofits and for profits (particularly fintechs). Many do not know how to sift through the noise to determine whether (and if so with whom) they might collaborate or recommend directly to augment their own efforts to more effectively and efficiently serve their clients.

As a result of both of these trends, CBA, which has always provided a certain amount of general knowledge sharing with the field, has seen this activity increase significantly. CBA is now invited to attend and present at many more field and industry conferences, and is much more regularly asked to weigh in on different policy level issues within our credit building wheelhouse. In 2018, CBA participated in and presented at over two dozen conferences and other public events. In one instance winning an award from Consumer Action for CBA's work to help low- and moderate-income households build strong credit and other financial assets.

5. 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.

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.

(c) Revenue Recognition:

Contributions

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.

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. 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.

Conditional promises, such as matching grants, are not recognized as revenue until they become unconditional, that is, until all conditions on which they depend are substantially met.

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.

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. Under IRC Section 512(a)(7), certain transportation benefits are subject to unrelated business income tax. As of December 31, 2018, the Organization accrued $446 of income tax expense related to the filing of the 2018 990-T tax return. In addition, $175 of income tax expense due to the District of Columbia has been reflected in the financial statements related to income tax on transportation benefits.

CBA Fund's application for exemption under the provisions of Section 501(c)(3) of the Internal Revenue Code is pending.

(e) Grants:

Grant revenues result primarily from foundation, corporate and U.S. Government grants. These grants are subject to financial and compliance audits by the funding agencies. Such audits could result in a request for reimbursement by the agency for expenditures disallowed under the terms and conditions of the appropriate grantor. No provision for possible adjustment has been made in the accompanying financial statements because, in the opinion of management, such adjustment, if any, would not have a material effect on the financial statements.

(f) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(f) Net Assets: (Continued)

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 in a particular 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:

	December 31, 2018
CBA Research and Pilots	$ 296,683
CBA Trainings and Consulting	101,099
Symposium	55,487
CBA Reporter	35,870
Total Net Assets with Donor Restrictions	$ 489,139

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:

	December 31, 2018
CBA Trainings and Consulting	$ 254,504
CBA Research and Pilots	221,408
Symposium	168,263
CBA Reporter	136,224
CBA Rent Reporter	4,370
Total	$ 784,769

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(g) 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 statement 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 materials has been recorded in the financial statements as follows:

	December 31, 2018
Software Licenses	$ 26,357
Total	$ 26,357

(h) 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.

Direct costs, where identifiable, are allocated in whole to the appropriate functional category. 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. The remaining expenses are specifically allocated to various programs and supporting services whenever possible.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(i) 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.

(j) 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.

(k) Change in Accounting Principles:

The Organization implemented Financial Accounting Standard Board (FASB) ASU No. 2016-14 "Presentation of Financial Statements of Not-for-Profit Entities" in the current year, applying the changes retrospectively. The new standard changes the following aspects of the financial statements:

- The previously reported temporarily and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The format of the statements of activities has been changed to present columns for both activities with donor restrictions and activities without donor restrictions as management believes this better reports changes in the Organization's changes in financial position arising from its activities.
- The financial statements include a disclosure about liquidity and availability of resources.

The changes had no effect on net assets at January 1, 2018.

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.

3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS: (Continued)

Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year. The Organization also has other assets limited to use for donor-restricted purposes and for contractually required obligations which have not been included as a financial asset.

	December 31, 2018
Financial Assets at Year End:	
Cash and Cash Equivalents	$ 997,916
Accounts and Grants Receivable	226,746
Promises Receivable	180,000
Total Financial Assets	$ 1,404,662
Less Amounts Not Available for General Expenditure Within One Year:	$ -
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	$ 1,404,662

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, 2018, 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, 2018, the statute of limitations for tax years 2015 through 2017 remains open with the U.S. federal jurisdiction or the various states and local jurisdictions in which the Organization files tax returns. It is the Organization's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense. As of December 31, 2018, the Organization had no accruals for interest and/or penalties.

5. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents at year end consisted of the following:

	December 31, 2018
Checking Account - Non-Interest Bearing	$ 114,596
Savings Account - Interest Bearing	883,320
Total	$ 997,916

5. CASH AND CASH EQUIVALENTS: (Continued)

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 three 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, 2018, $283,827 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, GRANTS AND PROMISES RECEIVABLE:

Accounts and Grants Receivable

Accounts and grants receivable as of December 31, 2018, consisted of the following:

	December 31, 2018
Federal Grants Receivable	$ 180,103
Consulting Fees	43,468
Program Fees and Reimbursements	8,997
Less: Allowance for Doubtful Accounts	(5,822)
Total	$ 226,746

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. The Organization does not require collateral and believes the credit risk related to the balance of accounts receivable as of December 31, 2018, is minimal.

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. Credit is extended for a period of 60 days with no interest accrual at which time payment is considered delinquent. Trade receivables are written off as uncollectable when collection efforts have been exhausted.

6. ACCOUNTS, GRANTS AND PROMISES RECEIVABLE: (Continued)

Promises Receivable

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. 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. Balances at year end consisted of the following:

	December 31, 2018
CBA Research and Pilots	$ 162,500
Symposium	17,500
Total	$ 180,000

The above promises receivable are due to be received in less than one year.

Concentrations of credit risk with respect to promises receivable are limited due to the large number of contributions comprising the Organization’s contributor base and their dispersion across different industries and donor backgrounds. However, as of December 31, 2018, approximately 56% of the Organization’s contributions receivable ($100,000) was due from a single donor. The Organization does not believe they are at any significant credit risk related to this promise made based on historical collection and the organizational relationship with this donor.

7. PROGRAM LOANS RECEIVABLE:

The Organization entered into a loan agreement with the Dakota Foundation for $50,000 as more fully discussed in note 10. The proceeds of this loan were utilized by the organization by offering zero-interest program-related loans to CBA’s nonprofit lender members. These funds allow 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 in order to access capital needed to fund or secure the loans using CBA’s turnkey "Product-in-a-Box" toolkits. As of December 31, 2018, the Organization has issued three loans for a total of $30,000. Loan repayments are not scheduled to begin until 2021. An allowance for doubtful accounts of $1,500 is reflected in the statement of financial position. The loan receivable is due to be received as follows:

Year Ending December 31,	
2021	$ 16,666
2022	6,667
2023	6,667
Total	$ 30,000

8. FIXED ASSETS:

Fixed assets are recorded at cost. 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 year ended December 31, 2018, was $36,589. Maintenance and repairs are charged to expenses as incurred. Major classifications of fixed assets and their estimated useful lives are as summarized below:

	Depreciable Life	December 31, 2018
Computers and Equipment	3 Years	$ 23,402
Leasehold Improvements	7 Years	6,012
Website	5 Years	130,063
Total		$ 159,477
Accumulated Depreciation and Amortization		(139,068)
Net Fixed Assets		$ 20,409

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. 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, 2018 was $14,909.

10. LOAN PAYABLE:

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.

10. LOAN PAYABLE: (Continued)

Per the terms of this loan, there are no payments required until August 15, 2018, at which time accrued interest in the amount of $875 was paid. During the remaining four years of the loan, principal and interest payments are due quarterly during November, February, May, and August of each year. This loan is scheduled to mature on August 15, 2022, at which time there is a balloon payment of any remaining outstanding principal and unpaid interest, currently scheduled to be in the amount of $24,078. The initial quarterly payment due on November 15, 2018, was $1,901. This loan bears interest at a rate of 1.75%. Future minimum payments of principal and interest are as follows:

Year Ending December 31,	Principal	Interest	Total
2019	$ 6,805	$ 799	$ 7,604
2020	6,924	680	7,604
2021	7,045	558	7,603
2022	27,543	337	27,880
Total	$ 48,317	$ 2,374	$ 50,691

11. 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 expires on January 31, 2020. Monthly rental payments of $7,623 began on December 1, 2012, after a two-month abatement period. There is also a two-month rent abatement during the 2013 year. Monthly rental payments as of December 31, 2018, were $9,103. As a requirement of this lease, a security deposit in the amount of $7,623 was required to be made. As of December 31, 2018, 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
2019	$ 96,480	$ 13,572	$ 110,052
2020	8,040	1,337	9,377
Total	$ 104,520	$ 14,909	$ 119,429

Rental expense related to this lease for the year ended December 31, 2018, was $106,160.

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 expires on July 1, 2020. Monthly rental payments are $658 for the first year of the lease, then increase 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, 2018, was $3,948.

11. COMMITMENTS: (Continued)

Operating Lease - Portland OR (Continued)

As of December 31, 2018, future minimum rental obligations required under this lease are as follows:

Year Ending December 31,	Rent Obligation
2019	$ 8,094
2020	4,146
Total	$ 12,240

12. CONCENTRATIONS:

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 fifty-three percent (53%) of total support was attributed to foundation and corporate support for the year ended December 31, 2018.

13. CONTINGENCIES:

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.

14. RELATED PARTY TRANSACTONS:

Credit Builders Alliance received grants and contributions totaling $37,500 from one organization for which the senior manager of the organization was a board member of Credit Builders Alliance.

15. SUBSEQUENT EVENTS:

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through July 1, 2019, 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.

16. FUNDRAISING EXPENSE:

Expenses for the purpose of fundraising in the amount of $79,913 were incurred during the year ended December 31, 2018.

17. 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 year ended December 31, 2018, was $21,913.

18. EMPLOYEE BENEFITS:

The cost of employee benefits incurred for the year ended December 31, 2018, consisted of the following:

	December 31, 2018
Social Security/Medicare	$ 57,649
Health Insurance	48,703
Retirement	21,913
Workmen's Compensation Insurance	2,925
Unemployment	6,135
Long Term Disability	1,954
Total	$ 139,279

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
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2018

	Credit Builders Alliance	CBA Fund	Eliminations	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 980,055	$ 17,861	$ -	$ 997,916
Accounts and Grants Receivable	200,487	26,259	-	226,746
Promises Receivable	180,000	-	-	180,000
Prepaid Expenses	59,572	-	-	59,572
Total Current Assets	$ 1,420,114	$ 44,120	$ -	$ 1,464,234
Fixed Assets:				
Fixed Assets, Net of Accumulated Depreciation	$ 20,409	$ -	$ -	$ 20,409
Total Fixed Assets	$ 20,409	$ -	$ -	$ 20,409
Non-Current Assets:				
Security and Other Deposits	$ 8,939	$ -	$ -	$ 8,939
Program Loans Receivable	-	28,500	-	28,500
Due from CBA Fund	29,148	-	(29,148)	-
Total Non-Current Assets	$ 38,087	$ 28,500	$ (29,148)	$ 37,439
TOTAL ASSETS	$ 1,478,610	$ 72,620	$ (29,148)	$ 1,522,082
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts Payable	$ 11,550	$ 109	$ -	$ 11,659
Income Taxes payable	621	-	-	621
Accrued Annual Leave	26,656	-	-	26,656
Payroll Withholdings and Related Liabilities	11,029	-	-	11,029
Deferred Revenue	260,218	-	-	260,218
Due to CBA	-	29,148	(29,148)	-
Current Portion Loan Payable	-	6,805	-	6,805
Total Current Liabilities	$ 310,074	$ 36,062	$ (29,148)	$ 316,988
Long-Term Liabilities:				
Loan Payable	$ -	$ 48,317	$ -	$ 48,317
Less: Current Portion Loan Payable	-	(6,805)	-	(6,805)
Deferred Rent Abatement	14,909	-	-	14,909
Total Long-Term Liabilities	$ 14,909	$ 41,512	$ -	$ 56,421
Total Liabilities	$ 324,983	$ 77,574	$ (29,148)	$ 373,409
Net Assets/(Deficit):				
Without Donor Restrictions	$ 664,488	$ (4,954)	$ -	$ 659,534
With Donor Restrictions	489,139	-	-	489,139
Total Net Assets	$ 1,153,627	$ (4,954)	$ -	$ 1,148,673
TOTAL LIABILITIES AND NET ASSETS	$ 1,478,610	$ 72,620	$ (29,148)	$ 1,522,082

(See Accompanying Notes and Auditor's Report)

CREDIT BUILDERS ALLIANCE AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Credit Builders Alliance - December 31, 2108			CBA Fund - December 31, 2018				
	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	$ 44,850	$ 1,046,567	$ 1,091,417	$ 22,380	$ -	$ 22,380	$ (20,000)	$ 1,093,797
Grants - Government	260,851	-	260,851	26,259	-	26,259	-	287,110
Contributions	3,372	-	3,372	-	-	-	(600)	2,772
Donated Services and Materials	26,357	-	26,357	-	-	-	-	26,357
Total Contributions and Grants	$ 335,430	$ 1,046,567	$ 1,381,997	$ 48,639	$ -	$ 48,639	$ (20,600)	$ 1,410,036
Program Service Fee Revenue	438,542	-	438,542	-	-	-	-	438,542
Program Consulting Revenue	227,619	-	227,619	-	-	-	-	227,619
Interest Revenue	3,185	-	3,185	112	-	112	-	3,297
Net Assets Released from Restrictions - Satisfaction of Program Restrictions	784,769	(784,769)	-	-	-	-	-	-
Total Revenues, Gains and Other Support	$ 1,789,545	$ 261,798	$ 2,051,343	$ 48,751	$ -	$ 48,751	$ (20,600)	$ 2,079,494
Expenses:								
Credit Builders Alliance Reporter	$ 268,344	$ -	$ 268,344	$ -	$ -	$ -	$ -	$ 268,344
Credit Builders Alliance Rent Reporter	97,544	-	97,544	-	-	-	-	97,544
Credit Builders Alliance Access	79,404	-	79,404	-	-	-	-	79,404
Knowledge Transfer	277,405	-	277,405	-	-	-	-	277,405
Credit Builders Alliance Research and Pilots	150,754	-	150,754	-	-	-	(20,000)	130,754
Symposium	137,839	-	137,839	-	-	-	-	137,839
Credit Builders Alliance Trainings and Consulting	280,669	-	280,669	-	-	-	-	280,669
CBA Fund Core Services	-	-	-	51,349	-	51,349	-	51,349
General and Administrative	306,277	-	306,277	2,177	-	2,177	(600)	307,854
Fundraising	79,734	-	79,734	179	-	179	-	79,913
Total Expenses	$ 1,677,970	$ -	$ 1,677,970	$ 53,705	$ -	$ 53,705	$ (20,600)	$ 1,711,075
Changes in Net Assets	$ 111,575	$ 261,798	$ 373,373	$ (4,954)	$ -	$ (4,954)	$ -	$ 368,419
Net Assets at Beginning of Year	552,913	227,341	780,254	-	-	-	-	780,254
Net Assets at End of Year	$ 664,488	$ 489,139	$ 1,153,627	$ (4,954)	$ -	$ (4,954)	$ -	$ 1,148,673

(See Accompanying Notes and Auditor's Report)

CREDIT BUILDERS ALLIANCE AND SUBSIDIARY
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Credit Builders Alliance	CBA Fund	Eliminations	Total
Cash Flows from Operating Activities:				
Changes in Net Assets	$ 373,373	$ (4,954)	$ -	$ 368,419
Adjustments to Reconcile Changes in Net Assets to Net Cash Flows from Operating Activities:				
Depreciation and Amortization	36,589	-	-	36,589
Bad Debt Expense	29,286	-	-	29,286
Accounts and Grants Receivable - (Increase)/Decrease	(198,020)	(26,259)	-	(224,279)
Promises Receivable - (Increase)/Decrease	(58,147)	-	-	(58,147)
Prepaid Expenses - (Increase)/Decrease	(37,752)	-	-	(37,752)
Security and Other Deposits - (Increase)/Decrease	(1,316)	-	-	(1,316)
Program Loans Received - (Increase)/Decrease	-	(28,500)	-	(28,500)
Due from CBA Fund - (Increase)/Decrease	(29,148)	-	29,148	-
Accounts Payable - Increase/(Decrease)	(46,038)	109	-	(45,929)
Income Taxes Payable - Increase/(Decrease)	621	-	-	621
Accrued Annual Leave - Increase/(Decrease)	12,832	-	-	12,832
Payroll Withholdings and Related Liabilities - Increase/(Decrease)	441	-	-	441
Deferred Revenues - Increase/(Decrease)	174,339	-	-	174,339
Due to CBA - (Increase)/Decrease	-	29,148	(29,148)	-
Security Deposit Refundable - Increase/(Decrease)	(1,400)	-	-	(1,400)
Deferred Rent Abatement - Increase/(Decrease)	(10,366)	-	-	(10,366)
Net Cash Flows from Operating Activities	$ 245,294	$ (30,456)	$ -	$ 214,838
Cash Flows from Investing Activities:				
Purchase of Fixed Assets	$ (9,329)	$ -	$ -	$ (9,329)
Net Cash Flows from Investing Activities	$ (9,329)	$ -	$ -	$ (9,329)
Cash Flows from Financing Activities:				
Proceeds from Loans	$ -	$ 50,000	$ (50,000)	$ -
Principal payments on Loan	(50,000)	(1,683)	50,000	(1,683)
Net Cash Flows from Financing Activities	$ (50,000)	$ 48,317	$ -	$ (1,683)
Net Increase in Cash and Cash Equivalents	$ 185,965	$ 17,861	$ -	$ 203,826
Cash and Cash Equivalents, Beginning of Year	794,090	-	-	794,090
Cash and Cash Equivalents, End of Year	$ 980,055	$ 17,861	$ -	$ 997,916

Supplemental Disclosures:

a) No income taxes were paid during the year ended December 31, 2018.

b) Interest in the amount of $1,093 was paid during the year ended December 31, 2108.

(See Accompanying Notes and Auditor's Report)