

# **The Equity Alliance**

## **Audit Report**

**December 31, 2022**

**Sylvia Johnson**  
**Certified Public Accountant**  
**Sylviajohnsoncpa@gmail.com**

# **The Equity Alliance**

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# **Sylvia Johnson, Certified Public Accountant**

862 Rodney Dr  
Nashville, TN 37205

## **Independent Auditor's Report**

October 10, 2023

To the Board of Directors  
The Equity Alliance

### **Opinion**

I have audited the accompanying financial statements of The Equity Alliance (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of To the Board of Directors

The Equity Alliance as of December 31, 2022, 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.

### **Basis for Opinion**

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

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

**Sylvia Johnson, Certified Public Accountant**

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- Identify and assess the risks of material misstatement of the 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 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 Equity Alliance's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Equity Alliance's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.



Sylvia Johnson  
Certified Public Accountant

**The Equity Alliance**  
**Statement of Financial Position**  
**December 31, 2022**

**ASSETS**

**Current Assets**

**Total Cash and Cash Equivalents** \$ 2,128,068

**Total Accounts Receivable** 60,345

**Total Current Assets** 2,188,413

**Fixed Assets**

**Total Fixed Assets** 2,894

**Accumulated Depreciation** (2,894)

**Total Fixed Assets** -

**TOTAL ASSETS** \$ 2,188,413

**LIABILITIES & EQUITY**

**Liabilities**

**Payroll Liabilities** \$ 984

**Unearned Restricted Revenue- Gilead** 116,667

**Total Liabilities** 117,651

**Equity**

**Unrestricted Assets** 1,954,095

**Restricted Assets** 116,667

**Total Equity** 2,070,762

**TOTAL LIABILITIES & EQUITY** \$ 2,188,413

See Independent Auditor's Report  
The accompanying notes are an integral part of these financial statements.

**The Equity Alliance**  
**Statement of Activities**  
**For the Fiscal Year Ended December 31, 2022**

**CHANGES IN UNRESTRICTED NET ASSETS**

**Revenue and Support**

Grant	\$ 979,270
Sponsorships	116,800
Program Income	31,034
Public and Board Donations	<u>623,597</u>

Total Revenue and Support	<u>1,750,701</u>
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**Expenses**

Program Services	982,213
Fundraising	65,688
Management and General	<u>461,832</u>

Total Expenses	<u>1,509,733</u>
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**Change in Net Assets**

Restricted Assets	(116,666)
Unrestricted Assets	<u>357,634</u>

Total Change in Net Assets	<u>240,968</u>
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Net Asset at Beginning of Year	<u>1,829,794</u>
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Net Assets at End of Year	<u><u>\$ 2,070,762</u></u>
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See Independent Auditor's Report  
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**The Equity Alliance**  
**Statement of Cash Flows**  
**For the Fiscal Year Ended December 31, 2022**

**OPERATING ACTIVITIES**

Net Income	\$ 240,968
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Unearned Revenue allocation	(116,666)
Depreciation	990
Accounts Receivable	(48,500)
P/R Taxes Withheld Payable	(53,821)
Net cash provided by operating activities	<u>22,971</u>

**INVESTING ACTIVITIES**

Net cash provided by investing activities	<u>-</u>
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**FINANCING ACTIVITIES**

Net cash provided by financing activities	<u>-</u>
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Net cash increase for period	22,971
Cash at beginning of period	<u>2,105,097</u>
Cash at end of period	<u><u>\$ 2,128,068</u></u>

See Independent Auditor's Report  
The accompanying notes are an integral part of these financial statements.

**The Equity Alliance**  
**Statement of Functional Expenses**  
**For the Fiscal Year Ended December 31, 2022**

	<b>Program Services</b>	<b>General and Admin</b>	<b>Fundraising</b>	<b>Total</b>
Advertising	108,156			108,156
Bank Service Charges		1,501		1,501
Computer and Software	8,864	11,081	2,216	22,161
Consultant Services	254,896			254,896
Depreciation		990		990
Donations and Sponsorships	19,598			19,598
Dues & Subscriptions		11,432		11,432
Employee Benefits		73,688		73,688
Events	124,819			124,819
Insurance		2,852		2,852
License and Taxes		221		221
Meeting Expense	9,090	1,306		10,396
Merchant Discount Fees			8,498	8,498
Office Expense		4,349		4,349
Other Program Expenses	15,069			15,069
Payroll Processing Fees		653		653
Payroll Tax Expenses	20,651	16,520	4,130	41,301
Printing, Postage, Supplies & Materials	33,660			33,660
Professional Development		10,251		10,251
Professional Services		117,435		117,435
Rent	61,379	6,178		67,557
Salaries and Wages	254,219	203,375	50,844	508,438
Travel & Ent	71,812			71,812
	<u>\$ 982,213</u>	<u>\$ 461,832</u>	<u>\$ 65,688</u>	<u>\$ 1,509,733</u>

See Independent Auditor's Report  
The accompanying notes are an integral part of these financial statements.

**The Equity Alliance**  
**Notes to Financial Statement**  
**For the Period Ending December 31, 2022**

**Note 1 – Nature of Activities and Summary of Significant Accounting Policies**

**Nature of Activities**

The Equity Alliance is a non-profit organization that engages low propensity voters and disenfranchised communities to participate in the democratic process by; educating those communities about the political process; engaging and empowering them to take action and make their voices heard; monitoring legislation to hold elected officials accountable; promoting civic leadership; and creating alliances to present a united front against barriers to vulnerable populations.

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and recommendations of the American Institute of Certified Public Accountants in its industry audit and accounting guide, "Not-for-Profit Organizations."

**Cash and Cash equivalents**

For purposes of the Statement of Financial Position, the company considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. This consists of cash held in checking and savings accounts.

**Fixed Assets**

Fixed assets and other property are recorded at historical cost or at the estimated fair market value as determined by church management. Fixed assets are recorded at cost and depreciated over their estimated useful lives using the straight-line-method.

**Revenue and Expense Recognition**

The primary source of support is from grants and contributions. Funds received are recorded as unrestricted or restricted support depending on the existence or nature of purpose collected or the donor's restriction. When a donor's stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to unrestricted net assets.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

**Income Taxes**

The organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. Therefore, there are no provisions for income taxes.

**Use of Estimates**

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

**Subsequent Events**

Management has evaluated subsequent events through October 10, 2023, the date the financial statements were available to be issued. The subsequent events occurring in the immediate period following the review date that have any material effect on the organization or financial statements have been noted in the related section.

**Note 2 - Fixed Assets**

Furniture and equipment purchased for \$5000 or less are expenses rather than capitalized.

**Note 3 – Temporarily Restricted Net Assets**

Temporarily restricted net assets of \$116,667 are set aside to fund the Liberty Collective Program. The funds will be used over the next year.

**Sylvia Johnson, Certified Public Accountant**

862 Rodney Dr  
Nashville, TN 37205

Oct 10, 2023

To the Boards of Directors  
The Equity Alliance

In planning and performing my audit of the financial statements of The Equity Alliance for the year ended December 31, 2022, in accordance with auditing standards generally accepted in the United States of America, I considered the organization's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, I do not express an opinion on the effectiveness of the organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

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

However, I note certain matters involving internal control and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of internal control that, in my judgement, could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. No reportable condition was noted.

This report is intended solely for the information and use of the Board of Directors, management and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.



Sylvia Johnson, Certified Public Accountant