

The Equity Alliance

Audit Report

June 30, 2021

Sylvia Johnson
Certified Public Accountant
Sylviajohnsoncpa@comcast.net

The Equity Alliance

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Sylvia Johnson, Certified Public Accountant

862 Rodney Dr
Nashville, TN 37205

Independent Auditor's Report

March 14, 2022

To the Board of Directors
The Equity Alliance

I have audited the accompanying statements of financial position of The Equity Alliance (a nonprofit organization) as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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

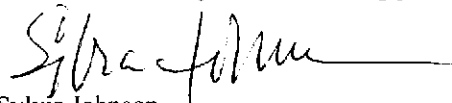
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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, I 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 financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Equity Alliance as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Sylvia Johnson
Certified Public Accountant

The Equity Alliance
Statement of Financial Position
June 30, 2021

ASSETS

Current Assets

Total Cash and Cash Equivalents \$ 1,913,154

Total Accounts Receivable 26,845

Total Current Assets 1,939,999

Fixed Assets

Total Fixed Assets -

Accumulated Depreciation -

Total Fixed Assets -

TOTAL ASSETS \$ 1,939,999

LIABILITIES & EQUITY

Liabilities

Payroll Liabilities \$ 8,411

Unearned Grants Revenue \$ 233,333

Total Liabilities 241,744

Equity

Unrestricted Assets 1,698,255

Total Equity 1,698,255

TOTAL LIABILITIES & EQUITY \$ 1,939,999

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 June 30, 2021

CHANGES IN UNRESTRICTED NET ASSETS

Revenue and Support	
Grants	\$ 846,412
Government Grants	\$ 451,472
Sponsorships	1,252
Sales	12,000
Public and Board Donations	853,642
Uncollectible Revenue	(7,725)
	<u>2,157,053</u>
Expenses	
Program Services	1,011,045
Fundraising	142,118
Management and General	244,586
	<u>1,397,749</u>
Change in Net Assets	
Unrestricted Assets	759,304
Total Change in Net Assets	<u>759,304</u>
Net Asset at Beginning of Year	<u>938,951</u>
Net Assets at End of Year	<u><u>\$ 1,698,255</u></u>

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The Equity Alliance
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2021

OPERATING ACTIVITIES	
Net Income	\$ 759,304
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Accounts Receivables	(18,675)
Payroll Liabilities	1,477
Restricted Funds	(10,000)
Unearned Grants Revenue	<u>233,333</u>
Net cash provided by operating activities	965,439
INVESTING ACTIVITIES	
Net cash provided by investing activities	<u>2,750</u>
FINANCING ACTIVITIES	
Net cash provided by financing activities	<u>-</u>
Net cash increase for period	968,189
Cash at beginning of period	<u>944,965</u>
Cash at end of period	<u><u>\$ 1,913,154</u></u>

See Independent Auditor's Report
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The Equity Alliance
Statement of Functional Expenses
For the Fiscal Year Ended June 30, 2021

	<u>Program Services</u>	<u>General and Admin</u>	<u>Fundraising</u>	<u>Total</u>
Advertising and Marketing	32,058		45,616	77,674
Bank Service Charges		232		232
Community Programs	14,400			14,400
Computer and Software	17,553	4,388		21,941
Consultant Services	197,602			197,602
Content Development/ PR/ Digital Content	30,075	16,950	6,000	53,025
Disaster Rent & Utility Assistance	23,800			23,800
Donations and Sponsorships	2,600			2,600
Dues & Subscriptions		2,170		2,170
Educational Programs	195,126			195,126
Employee Benefits	24,910	12,455	4,152	41,517
Events	41,651			41,651
Insurance		1,761		1,761
License and Taxes		721		721
Meeting Expense		4,126		4,126
Merchant Discount Fees			10,759	10,759
Office Expense		31		31
Other Program Expenses	25,906			25,906
Payroll Processing Fees		1,269		1,269
Payroll Tax Expenses	26,640	13,320	4,440	44,400
Printing, Postage, Supplies & Materials	25,369	2,756	17,212	45,337
Professional Development		1,680		1,680
Professional Services		10,029		10,029
Rent	10,035	6,000		16,035
Salaries and Wages	323,634	161,817	53,939	539,390
Small Furniture & Equip Less than \$5k		4,881		4,881
Telephone				-
Travel & Ent	19,686			19,686
Website Updates				-
	<u>\$ 1,011,045</u>	<u>\$ 244,586</u>	<u>\$ 142,118</u>	<u>\$ 1,397,749</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 June 30, 2021

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 principals 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 March 14, 2022, 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 – Unearned Grant Revenue

Unearned grant revenue of \$233,333 is set aside to fund the Liberty Collective Program. The funds will be used evenly over the next 2 years.

Sylvia Johnson, Certified Public Accountant

862 Rodney Dr
Nashville, TN 37205

March 14, 2022

To the Boards of Directors
The Equity Alliance

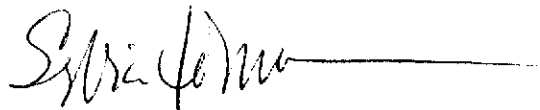
In planning and performing my audit of the financial statements of The Equity Alliance for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, I considered the organization's internal control over financial reporting as a basis for designing 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.

A handwritten signature in black ink, appearing to read 'Sylvia Johnson', followed by a horizontal line.

Sylvia Johnson, Certified Public Accountant