

# **The Equity Alliance**

## **Audit Report**

**June 30, 2020**

**Sylvia Johnson  
Certified Public Accountant  
Sylviajohnsoncpa@comcast.net**

# **The Equity Alliance**

## **Table of Contents**

<b>Independent Auditors' Report</b>	<b>1</b>
<b>Statement of Financial Position</b>	<b>2</b>
<b>Statement of Activities</b>	<b>3</b>
<b>Statement of Cash Flows</b>	<b>4</b>
<b>Statement of Functional Expenses</b>	<b>5</b>
<b>Notes to Financial Statements</b>	<b>6-7</b>
<b>Internal Control Letter</b>	<b>8</b>

**Sylvia Johnson, Certified Public Accountant**

862 Rodney Dr  
Nashville, TN 37205

**Independent Auditor's Report**

June 15, 2021

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, 2020, 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, 2020, 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, 2020**

**ASSETS**

**Current Assets**

<b>Total Cash and Cash Equivalents</b>	\$ 944,965
<b>Total Accounts Receivable</b>	8,171

<b>Total Current Assets</b>	<u>953,136</u>
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**Fixed Assets**

<b>Total Fixed Assets</b>	2,894
<b>Accumulated Depreciation</b>	<u>(145)</u>

<b>Total Fixed Assets</b>	<u>2,749</u>
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<b>TOTAL ASSETS</b>	<u><u>\$ 955,885</u></u>
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**LIABILITIES & EQUITY**

**Liabilities**

<b>Payroll Liabilities</b>	\$ 6,934
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<b>Total Liabilities</b>	<u>6,934</u>
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**Equity**

<b>Unrestricted Assets</b>	938,951
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<b>Restricted Assets</b>	<u>10,000</u>
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<b>Total Equity</b>	<u>948,951</u>
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<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>\$ 955,885</u></u>
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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, 2020**

**CHANGES IN UNRESTRICTED NET ASSETS**

**Revenue and Support**

Grant	\$ 798,743
Sponsorships	6,661
Sales	6,725
Public and Board Donations	<u>289,887</u>

<b>Total Revenue and Support</b>	<u>1,102,016</u>
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**Expenses**

Program Services	220,302
Fundraising	58,449
Management and General	<u>33,212</u>

<b>Total Expenses</b>	<u>311,963</u>
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**Change in Net Assets**

Restricted Assets	
Unrestricted Assets	<u>790,053</u>

<b>Total Change in Net Assets</b>	<u>790,053</u>
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<b>Net Asset at Beginning of Year</b>	<u>158,898</u>
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<b>Net Assets at End of Year</b>	<u>\$ 948,951</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 June 30, 2020**

**OPERATING ACTIVITIES**

Net Income	\$ 790,053
Adjustments to reconcile Net Income to Net Cash provided by operations:	<u>(1,090)</u>
Net cash provided by operating activities	788,963

**INVESTING ACTIVITIES**

Net cash provided by investing activities	<u>(2,894)</u>
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**FINANCING ACTIVITIES**

Net cash provided by financing activities	<u>-</u>
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Net cash increase for period	786,069
Cash at beginning of period	<u>158,896</u>
Cash at end of period	<u>\$ 944,965</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 June 30, 2020**

	<b>Program Services</b>	<b>General and Admin</b>	<b>Fundraising</b>	<b>Total</b>
Advertising			11,462	11,462
Bank Service Charges		84		84
Computer and Software	3,419	3,419		6,838
Consultant Services	52,818		4,000	56,818
Depreciation		145		145
Disaster Rent & Utility Assistance	22,011			22,011
Donations	395			395
Dues & Subscriptions		328		328
Employee Benefits	3,132	894	447	4,473
Events			26,791	26,791
Juneteenth	10,327			10,327
License and Taxes		240		240
Meeting Expense	1,334			1,334
Merchant Discount Fees			3,086	3,086
Office Expense		1,014		1,014
Other Program Expenses	14,202			14,202
Payroll Tax Expenses	7,663	2,189	1,095	10,947
Printing, Supplies & Materials	4,700			4,700
Professional Services	16,630			16,630
Program services	1,200			1,200
Rent		1,650		1,650
Salaries and Wages	80,968	23,121	11,568	115,657
Telephone				-
Travel & Ent	1,503			1,503
Website Updates		128		128
	<u>\$ 220,302</u>	<u>\$ 33,212</u>	<u>\$ 58,449</u>	<u>\$ 311,963</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, 2020**

**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 June 15, 2021, 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 June 2020 for \$2,894. Depreciation expense for this fiscal year is \$145.

**Note 3 – Temporarily Restricted Net Assets**

Temporarily restricted net assets of \$10,000 are set aside to cover future shared expenses with partnering organization.

**Sylvia Johnson, Certified Public Accountant**

862 Rodney Dr  
Nashville, TN 37205

June 15, 2021

To the Boards of Directors  
The Equity Alliance

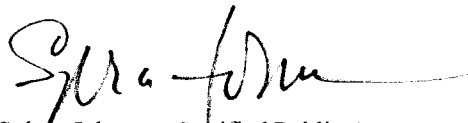
In planning and performing my audit of the financial statements of The Equity Alliance for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, I considered the organization's internal control over financial reporting as a basis for designing 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', with a long horizontal flourish extending to the right.

Sylvia Johnson, Certified Public Accountant