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Certified Public Accountants
and Consultants

June 3, 2022

To the Board of Directors
Attn: Ms. Adrienne L. Kelly
Operations Director
3000 Aerial Center Parkway
Suite 160
Morrisville, NC 27560

Greetings:

Please find enclosed the following *final* documents relating to our audit of Democracy NC (the "Organization") for the year ended December 31, 2021:

1. Audited Financial Statements

2. Report to Board of Directors – AU-C 260

This report relates to communications required under AU-C 260, *The Auditor's Communication With Those Charged with Governance*. This statement applies to all nonpublic entities and requires auditors to communicate matters that are significant and relevant to those charged with governance and oversight the financial reporting process.

3. Report to Board of Directors – AU-C 265

This report relates to communications required under AU-C 265, *Communicating Internal Control Related Matters Identified in an Audit*. This statement establishes standards and provides guidance on the auditor's responsibilities for identifying, evaluating, and communicating matters related to an entity's internal control over financial reporting identified in an audit of the financial statements.

4. Corrected misstatements (audit adjustments)

Professional standards require us to communicate all known and likely misstatements identified during an audit, other than those that are trivial, and communicate them to the appropriate level of management. An audit adjustment is defined as a proposed correction of the financial statements that may not have been detected except through our auditing procedures. There were no corrected misstatements (audit adjustments) for the year ended December 31, 2021.

5. Uncorrected misstatements (passed audit adjustments)

A passed audit adjustment is an observation detected through our auditing procedures that is not corrected (reported as an audit adjustment) due to its immateriality in relation to the financial statements as a whole. There were no uncorrected misstatements (passed audit adjustments) for the year ended December 31, 2021.

7. Trial balance (Grouping Schedule Report)

This report, which supports balances in the December 31, 2021 audited financial statements.

Payment arrangements

In accordance with our payment arrangement, we will provide a copy of our final invoice for remaining audit fees and out of pocket expenses in a separate communication.

We truly appreciate the courtesy and professionalism exhibited by the management and staff of Democracy North Carolina throughout this engagement.

If you have any questions, please contact me at (919) 544-0555, extension 103 or Zachary Giles at extension 110.

Sincerely,

A handwritten signature in black ink that reads "Shawana Hudson Spann, CPA, MSA". The signature is written in a cursive, flowing style.

Shawana Hudson Spann, CPA, MSA
Member

Enclosures

Democracy North Carolina
Durham, North Carolina

Audited Financial Statements

Years Ended December 31, 2021 and 2020

**THOMAS
& GIBBS**
CPAs, PLLC
Certified Public Accountants
and Consultants

DEMOCRACY NORTH CAROLINA
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Report of Independent Auditors

To the Board of Directors
Democracy North Carolina
Durham, North Carolina

Opinion

We have audited the accompanying financial statements of Democracy North Carolina (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Democracy North Carolina as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Democracy North Carolina and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Democracy North Carolina'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

Our 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 our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance

with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 Democracy North Carolina'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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Democracy North Carolina's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

James S. Gibbs CA, PLLC

Durham, North Carolina

May 6, 2022

DEMOCRACY NORTH CAROLINA
STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents (note 3)	\$ 3,859,499	\$ 2,852,274
Restricted cash and cash equivalents (note 14)	26,251	28,296
Grants receivable (note 4)	1,085,014	950,000
Promises to give (note 5)	132,981	226,245
Sales tax receivable	4,212	25,924
Other assets	44,735	32,721
Total current assets	<u>5,152,692</u>	<u>4,115,460</u>
Non-current assets:		
Property and equipment, net (note 6)	14,927	221,153
Beneficial interest in assets held in the Foundation of the Carolinas (note 7)	<u>377,732</u>	<u>345,887</u>
Total non-current assets	<u>392,659</u>	<u>567,040</u>
Total assets	<u>\$ 5,545,351</u>	<u>\$ 4,682,500</u>
Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ 34,266	\$ 21,683
Credit cards payable	11,984	20,214
Deferred rent	4,316	3,802
Accrued vacation payable (note 9)	59,642	56,360
Retirement payable	70,029	71,259
Security deposits	129	2,109
Total current liabilities	<u>180,366</u>	<u>175,427</u>
Total liabilities	<u>180,366</u>	<u>175,427</u>
Net assets:		
Without donor restrictions:		
Undesignated	2,850,893	2,935,633
Board designated (note 10)	<u>835,897</u>	<u>345,887</u>
Total without donor restrictions	<u>3,686,790</u>	<u>3,281,520</u>
With donor restrictions (note 11)	<u>1,678,195</u>	<u>1,225,553</u>
Total net assets	<u>5,364,985</u>	<u>4,507,073</u>
Total liabilities and net assets	<u>\$ 5,545,351</u>	<u>\$ 4,682,500</u>

The accompanying notes are an integral part of the financial statements.

DEMOCRACY NORTH CAROLINA
STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities:			
Support and revenue			
Contributions from grants	\$ 1,027,189	\$ 1,647,514	\$ 2,674,703
Contributions from individuals	627,122	15,981	643,103
Research and honoraria income	150	-	150
Net assets released from restrictions (note 12)	1,210,853	(1,210,853)	-
Total support and revenue	2,865,314	452,642	3,317,956
Expenses			
Program services			
Communications	437,520	-	437,520
Organizing	1,230,026	-	1,230,026
Advocacy	574,914	-	574,914
Total program services	2,242,460	-	2,242,460
Supporting services			
Management and general	552,862	-	552,862
Fundraising	283,817	-	283,817
Total supporting services	836,679	-	836,679
Total functional expenses	3,079,139	-	3,079,139
Change in net assets from operating activities	(213,825)	452,642	238,817
Non-operating Activities:			
Change in beneficial interest in assets held in the Foundation of the Carolinas	31,845	-	31,845
Net investment income	5,913	-	5,913
Insurance recoveries	4,861	-	4,861
Gain on disposal of property and equipment	576,476	-	576,476
Change in net assets from non-operating activities	619,095	-	619,095
Change in net assets	405,270	452,642	857,912
Net assets, beginning of year	3,281,520	1,225,553	4,507,073
Net assets, end of year	\$ 3,686,790	\$ 1,678,195	\$ 5,364,985

The accompanying notes are an integral part of the financial statements.

DEMOCRACY NORTH CAROLINA
STATEMENT OF ACTIVITIES
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities:			
Support and revenue			
Contributions from grants	\$ 3,373,528	\$ 745,000	\$ 4,118,528
Contributions from individuals	1,409,226	223,745	1,632,971
In-kind contribution	5,420	-	5,420
Research and honoraria income	1,407	-	1,407
Net assets released from restrictions (note 12)	1,292,010	(1,292,010)	-
Total support and revenue	<u>6,081,591</u>	<u>(323,265)</u>	<u>5,758,326</u>
Expenses			
Program services			
Communications	626,823	-	626,823
Organizing	2,089,854	-	2,089,854
Advocacy	1,082,892	-	1,082,892
Total program services	<u>3,799,569</u>	<u>-</u>	<u>3,799,569</u>
Supporting services			
Management and general	522,984	-	522,984
Fundraising	350,638	-	350,638
Total supporting services	<u>873,622</u>	<u>-</u>	<u>873,622</u>
Total functional expenses	<u>4,673,191</u>	<u>-</u>	<u>4,673,191</u>
Change in net assets from operating activities	1,408,400	(323,265)	1,085,135
Non-operating Activities:			
Gain on forgiveness of SBA Paycheck Paycheck Program Loan	253,989	-	253,989
Loss on disposal of property and equipment	(494)	-	(494)
Bad debt expense	(16,784)	-	(16,784)
Change in beneficial interest in assets held by the Foundation of the Carolinas	30,758	-	30,758
Net investment income	6,083	-	6,083
Change in net assets from non-operating activities	<u>273,552</u>	<u>-</u>	<u>273,552</u>
Change in net assets	1,681,952	(323,265)	1,358,687
Net assets, beginning of year	<u>1,599,568</u>	<u>1,548,818</u>	<u>3,148,386</u>
Net assets, end of year	<u>\$ 3,281,520</u>	<u>\$ 1,225,553</u>	<u>\$ 4,507,073</u>

The accompanying notes are an integral part of the financial statements.

DEMOCRACY NORTH CAROLINA
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2021

	Program Services			Supporting Services		Total
	Communications	Organizing	Advocacy	Management and General	Fundraising	
Salaries	\$ 243,735	\$ 612,066	\$ 358,305	\$ 295,573	\$ 123,283	\$ 1,632,962
Employee benefits	39,501	110,716	61,993	66,222	22,096	300,528
Payroll taxes	20,303	50,188	29,535	22,386	11,256	133,668
Professional development	5,778	6,082	8,166	12,247	3,139	35,412
Consultants/Contractors	12,887	18,117	22,773	44,104	44,807	142,688
Meals and catering	36	4,453	199	123	421	5,232
Meetings and events	-	753	565	-	-	1,318
Outreach grant and coalitions	-	291,250	50,000	-	-	341,250
Communications	1,751	1,320	-	-	695	3,766
Facilities	22,589	78,110	20,345	27,899	16,454	165,397
Technology	25,384	23,689	10,850	6,524	18,572	85,019
Supplies	450	2,076	253	2,311	12	5,102
Printing, publications, social media	39,037	14,851	316	76	15,710	69,990
Postage and shipping	19,103	4,970	115	516	12,669	37,373
Travel expenses	768	5,781	4,427	1,364	375	12,715
Professional services	3,512	1,915	4,828	52,783	5,903	68,941
Insurance	680	1,282	575	2,010	499	5,046
Banking and processing fees	743	1,799	749	5,319	7,805	16,415
Dues and subscriptions	688	-	312	1,430	95	2,525
Depreciation expense	-	-	-	8,930	-	8,930
Miscellaneous expenses	575	608	608	3,045	26	4,862
Total functional expenses	\$ 437,520	\$ 1,230,026	\$ 574,914	\$ 552,862	\$ 283,817	\$ 3,079,139

The accompanying notes are an integral part of the financial statements.

DEMOCRACY NORTH CAROLINA
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2020

	Program Services			Supporting Services		Total
	Communications	Organizing	Advocacy	Management and General	Fundraising	
Salaries	\$ 176,473	\$ 730,644	\$ 385,223	\$ 271,657	\$ 206,783	\$ 1,770,780
Employee benefits	37,742	141,926	73,753	64,673	35,970	354,064
Payroll taxes	14,581	62,035	31,003	20,941	16,180	144,740
Professional development	3,957	10,034	9,968	15,393	5,640	44,992
Consultants/Contractors	77,557	137,305	62,939	13,644	9,942	301,387
Meals and catering	70	6,595	3,581	1,078	6,333	17,657
Meetings and events	-	3,230	13,126	-	-	16,356
Outreach grant and coalitions	-	307,027	388,850	-	-	695,877
Communications	110,811	1,789	419	-	7,489	120,508
Facilities	17,252	86,591	28,713	24,037	11,340	167,933
Technology	17,961	26,151	9,904	8,718	14,381	77,115
Supplies	2,540	9,863	6,594	16,702	3,941	39,640
Printing, publications, social media	82,305	232,896	44,785	611	17,714	378,311
Postage and shipping	78,645	291,074	14,155	1,302	3,228	388,404
Travel expenses	6,358	40,186	7,714	2,748	2,019	59,025
Professional services	200	580	1,742	55,423	461	58,406
Insurance	-	-	-	5,897	-	5,897
Banking and processing fees	65	20	-	5,307	8,838	14,230
Dues and subscriptions	141	100	-	2,188	147	2,576
Depreciation expense	-	-	-	11,834	-	11,834
Miscellaneous expenses	165	1,808	423	831	232	3,459
Total functional expenses	\$ 626,823	\$ 2,089,854	\$ 1,082,892	\$ 522,984	\$ 350,638	\$ 4,673,191

The accompanying notes are an integral part of the financial statements.

DEMOCRACY NORTH CAROLINA
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Change in net assets	\$ 857,912	\$ 1,358,687
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	8,930	11,834
Loss on uncollectible promises to give	-	16,784
Donated securities	(77,285)	(42,280)
Proceeds from sale of donated securities	43,717	41,606
Loss on disposal of property and equipment	(576,476)	494
Gain on forgiveness of SBA Paycheck Protection Loan	-	(253,989)
Change in beneficial interest in assets held in the Foundation for the Carolinas	(31,845)	(30,758)
Realized and unrealized (gain) loss on investments	33,568	674
Changes in operating assets and liabilities:		
(Increases) decreases in assets:		
Accounts receivable	-	1,035
Grants receivable	(135,014)	343,472
Promises to give	93,264	(197,532)
Sales tax receivable	21,712	(22,168)
Prepaid expenses	(12,014)	(4,090)
Increases (decreases) in liabilities:		
Accounts payable	12,583	(14,768)
Accrued expenses	(4,948)	21,481
Deferred rent	514	3,802
Payroll liabilities	(1,230)	30,858
Security deposits	(1,980)	990
Net cash provided (used) by operating activities	231,408	1,266,132
Cash flows from investing activities		
Purchase of property and equipment	(12,369)	(12,448)
Redemption of certificates of deposit	-	24,763
Proceeds from the disposal of property and equipment	786,141	-
Net cash provided (used) by investing activities	773,772	12,315
Cash flows from financing activities		
Proceeds from SBA Paycheck Protection Program loan	-	253,989
Net cash provided (used) by financing activities	-	253,989
Net increase in cash and cash equivalents and restricted cash	1,005,180	1,532,436
Cash and cash equivalents and restricted cash, beginning of year	2,880,570	1,348,134
Cash and cash equivalents and restricted cash, end of year	\$ 3,885,750	\$ 2,880,570
Composition of cash and cash equivalents		
Cash and cash equivalents	\$ 3,859,499	\$ 2,852,274
Restricted cash and cash equivalents	26,251	28,296
	\$ 3,885,750	\$ 2,880,570

The accompanying notes are an integral part of the financial statements.

DEMOCRACY NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

Note 1 – Organization

Democracy North Carolina (the “Organization”) is a 501(c)(3) not-for-profit corporation organized under the laws of the state of North Carolina. The Organization is organized for charitable and educational purposes to promote public discussion about the vitality of democracy in North Carolina; increase voter education; increase voter registration and civic participation within the state; examine the influence of private money on public policy and elections; and evaluate the relative importance of various governmental reforms, including public financing of elections.

The Organization’s programs involves a variety of distinct but integrated activities, including:

Organizing - statewide and in local communities from the halls of the legislature to city halls and local boards of elections – to bring together diverse groups of people to focus on shared advocacy and civic engagement goals.

Communications – developing and delivering external resources, including traditional media, public relations, and digital communications, to build public awareness of and favorability toward the Organization’s external goals and increase the Organization’s exposure to targeted audiences, including the public, media, and other intermediaries.

Advocacy - through local and statewide networks of informed citizens who are willing to pursue and defend meaningful pro-democracy policies and take a more active role in government. Frequent training for citizens, including Democracy Summer, a paid internship for outstanding college students.

Note 2 – Summary of significant accounting policies

Basis of accounting - The Organization uses the accrual basis of accounting; therefore, revenues are recognized when earned and expenses are recognized when incurred. This basis of accounting conforms to accounting principles generally accepted in the United States of America.

Basis of presentation - Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in Accounting Standards Codification (ASC) Topic 958- 205, Not-for-Profit Entities – Presentation of Financial Statements. Under ASC Topic 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets are defined as follows:

Net assets without donor restrictions – Net assets without donor restrictions include resources, which are available for use in carrying out the supporting activities of the Organization and are not subject to donor-imposed stipulations.

DEMOCRACY NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

Note 2 – Summary of significant accounting policies (continued)

Net assets with donor restrictions – Net assets with donor restrictions include resources that have been donated to the Organization and that are subject to restrictions as defined by the donor. These restrictions are met either by the actions of the Organization and/or the passage of time. When a restriction expires as a result of the action of the Organization and/or passage of time, 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. The Organization had net assets with donor restrictions of \$1,678,195 and \$1,225,553, as of December 31, 2021 and 2020, respectively.

Revenue recognition - The Organization follows ASC Topic 985-605, Revenue Recognition. In accordance with ASC 985-605, unconditional contributions are recognized when pledged and 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. Gifts of cash and other assets are reported with donor restricted support if they are designated for future periods or restricted by the donor for a specific purpose.

Conditional promises to give, which is defined as those promises to give that contain a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. If a condition related to a donor restricted contribution is fulfilled in the same period in which the contribution is received, the Organization reports the support as unrestricted. As of June 30, 2021 and 2020, the Organization has \$50,000 and \$0, respectively, of grants and promises to give that have not been recognized in the accompanying statements of activities because the conditions on which they depend have not yet been met.

When a restriction expires, that is, when a stipulated time restriction ends or a 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. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restricted support. In the event that monies both with and without donor restrictions are available for use for activities that comply with donor restrictions, the Organization will use funds having donor restrictions first.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restrictions upon acquisition of the assets and the assets are placed in service.

Contributed Services – A substantial number of unpaid volunteers have made significant contributions of their time to develop the Organization’s programs. The value of this contributed time is not reflected in the financial statements as it is not susceptible to objective measurement or valuation.

Liquidity – Assets are presented in the accompanying statement of financial position according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

DEMOCRACY NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

Note 2 – Summary of significant accounting policies (continued)

Advertising – The Organization uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2021 and 2020 was \$3,766 and \$120,508, respectively.

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.

Property and equipment – Property and equipment is carried at cost and adjusted for impairments of value. The Organization capitalizes all expenditures greater than \$1,000 for property and equipment at cost, and donated assets are recorded at fair market value at the date of the donation. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, which has been estimated at three to thirty-nine years.

Expenditures for repairs and maintenance are charged to expense as incurred. The costs of major renewals and betterments are capitalized and depreciated over their estimated useful lives. Upon disposition, the cost and related accumulated depreciation accounts are relieved of the amount for each asset, and any related gain or loss is included in operations.

Income taxes - The Organization is exempt from federal income taxes under Sections 501(c)(3) of the Internal Revenue Code. The State of North Carolina has granted a similar exemption. Therefore, no income taxes are reflected in these financial statements.

Uncertain tax positions – Income from certain activities not directly related to the Organization’s tax-exempt purposes may be subject to taxation as unrelated business income. Management has evaluated all other tax positions that could have a significant effect on the financial statements and determined that the Organization had no uncertain income tax positions at December 31, 2021 and 2020. The Organization is not classified as a private foundation.

Concentrations of revenue sources - The Organization is funded primarily through grants. Any significant decrease in its level of grant revenue could pose a risk to the Organization’s financial position.

Expense allocation – Expenses are summarized on a functional basis in the statements of activities and statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to functional and supporting services based on their relative use by each function. A formula for percent of usage is based on the number of staff members in each functional area. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

DEMOCRACY NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

Note 2 – Summary of significant accounting policies (continued)

Investments - Investments in marketable securities with readily determinable fair values and all investments are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Concentrations of credit risk - The Organization maintains cash in several commercial banks located in North Carolina. Balances on deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution. Balances exceeding FDIC limits are uninsured. As of December 31, 2021 and 2020, the Organization had deposits of \$3,150,119 and \$2,077,766, respectively, exceeding insured limits.

Grants and promises to give – Grants and promises to give that are expected to be collected within one year are recorded at net realizable value. Grants and 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 Organization provides an allowance for doubtful accounts equal to the estimated losses that are expected to be incurred in collection. The allowance is based on historical collection experience and a review by management of the current status of existing receivables. As of December 31, 2021 and 2020, management estimated an allowance for uncollectible promises to give of \$5,000.

Measure of operations – The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization’s ongoing activities. Non-operating activities are limited to resources that generate return from investments, beneficial interest, financing costs and other activities considered to be of a more unusual or non-recurring nature.

New accounting pronouncements – ASU 2018-08, (Topic 958): *Not-for-Profit Entities – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* is effective for years beginning after December 15, 2019. The ASU is intended to clarify issues that have been faced when characterizing grants and similar contracts with government agencies and others as reciprocal transactions or nonreciprocal transactions. The new standard is also intended to help with difficulties in distinguishing between conditional and unconditional contributions for reporting purposes. The new standard was implemented by the Organization on January 1, 2020.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606), the core principle of which is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. This standard also includes expanded disclosure requirements that result in an entity providing the users of financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue. The Organization adopted this standard during the year ended December 31, 2020. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue since it currently has no revenue streams that fall under the guidance, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis.

DEMOCRACY NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

Note 2 – Summary of significant accounting policies (continued)

Pending accounting pronouncements – In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires that lessees recognize right-of-use assets and lease liabilities for all leases not considered short-term leases. The ASU was originally effective for the Organization for the year ending December 31, 2020. In June 2020, the FASB issued ASU No. 2020-05 which extends the implementation date to years beginning after December 15, 2021. Early adoption is permitted. The adoption of this standard is expected to result in the Organization recognizing right-of-use assets and lease liabilities for the main and current regional office leases, among others.

In September 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires enhanced presentation and disclosures related to contributed nonfinancial assets. The ASU is to be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021 with early adoption permitted. The Organization is still evaluating the impact of this ASU on the financial statements.

Reclassifications - Certain reclassifications have been made to the 2020 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications. The reclassifications primarily provide enhanced disclosure of restrictions on cash in the statements of financial position and isolate in-kind nonfinancial contributions within the statements of activities.

Note 3 – Cash and cash equivalents

For the purposes of reporting cash flows, cash and cash equivalents includes cash on hand, money market accounts, highly liquid investments with original maturities of three months or less, and amounts on deposit with banks. Due to the short nature of cash equivalents, the amount approximates fair value.

The Organization had the following cash and cash equivalents balances available for operations as of December 31:

	2021	2020
Non-interest bearing checking accounts	\$ 117,022	\$ 97,788
Interest bearing checking accounts	3,768,728	2,782,781
Total	<u>\$ 3,885,750</u>	<u>\$ 2,880,569</u>

DEMOCRACY NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
 Years Ended December 31, 2021 and 2020

Note 4 – Grants receivable

The Organization’s grants are characterized as contribution revenue and are reported at fair value at the date of donation. Management evaluates the collectability of its grants receivable and records an allowance, as necessary.

At December 31, 2021 and 2020, the amount to be received in subsequent years is summarized as follows:

	2021	2020
Less than one year	\$ 300,000	\$ 950,000
One to three years	800,000	-
	\$ 1,100,000	\$ 950,000
Less: Present value discount	(14,986)	-
Net grants receivable	\$ 1,085,014	\$ 950,000

Grants receivable with due dates extending beyond one year are discounted using Treasury bill rates for similar term investments. The discount applied to grants receivable outstanding as of December 31, 2021 was 0.95%. There was no discount on grants receivable as of December 31, 2020. Amortization of the discount is reported in the statement of activities as an offset to contribution revenue. Grants receivable consist of the following:

	2021	2020
Entity 1	\$ 1,050,000	\$ 525,000
Entity 2	-	100,000
Entity 3	50,000	-
Entity 4	-	75,000
Entity 5	-	25,000
Entity 6	-	200,000
Entity 7	-	25,000
Less: Discount	(14,986)	-
	\$ 1,085,014	\$ 950,000

Note 5 – Promises to give

Promises to give represent unconditional promises to give and are recognized as support when the donor makes the pledge. Pledges are recorded at net realizable value. Management evaluates payment history and market conditions to estimate allowances for doubtful promises to give. As of December 31, 2021 and 2020, management estimated an allowance for uncollectible promises to give of \$5,000.

DEMOCRACY NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

Note 5 – Promises to give (continued)

Payments on promises to give at December 31, 2021 and 2020 are expected to be received in the following years:

	<u>2021</u>	<u>2020</u>
Promises to give in less than one year	\$ 55,500	\$ 107,400
Promises to give in one to three years	83,000	125,000
Less: discount to present value	(519)	(1,155)
Less: allowance for uncollectible promises to give	<u>(5,000)</u>	<u>(5,000)</u>
Total	<u>\$ 132,981</u>	<u>\$ 226,245</u>

Promises to give with due dates extending beyond one year are discounted using Treasury bill rates for similar term investments as of the date of the initial pledge. The discount rates applied to promises to give outstanding as of December 31, 2021 and December 31, 2020 ranged from 0.07% to 0.54%. Amortization of the discount is reported in the statement of activities as an offset to contribution revenue.

Note 6 – Property and equipment, net

Property and equipment consist of the following at December 31:

	<u>2021</u>	<u>2020</u>
Land	\$ -	\$ 82,396
Building and improvements	-	217,126
Equipment	49,074	42,796
Vehicles	<u>10,971</u>	<u>10,971</u>
	60,045	353,289
Less accumulated depreciation	<u>(45,118)</u>	<u>(132,136)</u>
Property and equipment, net	<u>\$ 14,927</u>	<u>\$ 221,153</u>

The Organization recognized depreciation expense of \$8,930 and \$11,834 for the years ended December 31, 2021 and 2020, respectively.

DEMOCRACY NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

Note 7 – Beneficial interest in assets held in the Foundation for the Carolinas

During 2015, the Organization established two quasi-endowed funds with unrestricted funds with the Foundation for the Carolinas (“Foundation”) and named itself as the beneficiary. These funds were set aside by the Board of Directors to create a cash reserve fund. The Organization granted variance power to the Foundation, which allows the Foundation to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified beneficiary, if, in the sole judgment of the Foundation’s Board of Directors, such restriction becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the area served by the Foundation. The money is invested in a quasi-endowed agency fund and, therefore, the value fluctuates with changes in the value of the respective funds. The balance is presented as board designated net assets without donor restrictions in the statements of financial position.

The following table provides a summary of changes in fair value for the year ended December 31, 2021:

	<u>2021</u>	<u>2020</u>
Beneficial interest, beginning	\$ 345,887	\$ 315,129
Change in value of trust	<u>31,845</u>	<u>30,758</u>
Beneficial interest, end of year	<u>\$ 377,732</u>	<u>\$ 345,887</u>

Note 8 – Fair value measurements

U.S. GAAP defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The framework establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available.

The defined levels within the hierarchy based on the reliability of inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;

Level 2 - Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets; and

Level 3 - Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer, or broker-traded transactions.

DEMOCRACY NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
 Years Ended December 31, 2021 and 2020

Note 8 – Fair value measurements (continued)

The Organization’s financial instruments carried at fair value on a recurring basis by the fair value hierarchy levels are shown below.

December 31, 2021			
Quoted Prices in Active Markets for identical assets Level (1)	Level (2)	Level (3)	Total
\$ -	\$ -	\$ 377,732	377,732

December 31, 2020			
Quoted Prices in Active Markets for identical assets Level (1)	Level (2)	Level (3)	Total
\$ -	\$ -	\$ 345,887	\$ 345,887

The Organization uses appropriate valuation techniques based on the available inputs. When available, the Organization measures fair value using Level 1 inputs as they generally provide the most reliable evidence of fair value. Level 2 and Level 3 inputs are only used when Level 1 inputs were not available. The market approach was used for all assets classified as Level 1 and Level 2. The fair value of the beneficial interest in assets held by the Foundation for the Carolinas, classified as Level 3, is measured based on the fair values of the underlying assets, which consist primarily of fixed income, equity securities, alternative investments and cash for which the Organization relies on fair value measurement calculations performed and provided by the Foundation for the Carolinas. Inputs include the credit risk of the issuer, maturity, current yield, and other terms and conditions of each instrument.

Note 9 – Accrued vacation payable

For the year ended December 31, 2020, the Organization had a paid-time-off (PTO) policy in which employees were allowed to carry over 10 days of accrued leave into the subsequent year. Beginning January 1, 2021, the Organization’s policy was revised to allow 15 days of accrued leave to be carried over into the subsequent year. Accrued PTO was \$59,642 and \$56,360 as of December 31, 2021 and 2020, respectively.

Note 10- Board designated net assets

As of December 31, 2021 and 2020, the Board of Directors designated \$835,897 and \$345,887, respectively, of net assets without donor restrictions to support the mission of the Organization. Since that amount is from an internal designation and is not subject donor restrictions, it is classified and reported as net assets without donor restrictions.

DEMOCRACY NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

Note 11 - Net assets with donor restrictions

Donor-restricted assets include gifts of cash and other assets for which donor-imposed purpose or time restrictions have not yet been met, and for which the ultimate purpose of the proceeds is not permanently restricted. As of December 31, 2021 and 2020, donor-restricted assets consisted of the following:

	<u>2021</u>	<u>2020</u>
<u>Subject to purpose restrictions</u>		
MVP Program	\$ -	\$ 300,000
Election Protection	-	49,308
Carolina Youth Partnership	250,000	-
Capacity Building	10,200	-
<u>Subject to passage of time</u>		
2021 program activities	-	752,400
2022 program activities	555,500	50,000
2023 program activities	430,500	25,000
2024 program activities	431,995	48,845
	<u>\$ 1,678,195</u>	<u>\$ 1,225,553</u>

Note 12 – Net assets released from restrictions

The following are releases from donor restricted net assets for the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
<u>Subject to purpose restrictions</u>		
MVP Program	\$ 300,000	\$ 241,000
Election Protection	49,308	97,692
Capacity Building	2,300	-
<u>Subject to passage of time</u>		
Entity 1	225,000	600,000
Entity 2	-	100,000
Entity 3	100,000	100,000
Entity 4	50,000	-
Entity 5	50,000	-
Entity 6	-	125,000
Entity 7	75,000	
Entity 8	25,000	
Entity 9	200,000	-
Entity 10	25,000	-
Promises to give	109,245	28,318
	<u>\$ 1,210,853</u>	<u>\$ 1,292,010</u>

DEMOCRACY NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

Note 13 – Retirement plan

The Organization provides retirement benefits for its employees, through a simplified employee pension – individual retirement account (SEP-IRA) and a 403(b)(7) plan. When the financial health of the Organization permits, amounts will be contributed to the employees’ individual retirement account and employees are able to contribute to their 403(b) accounts. For the years ended December 31, 2021 and 2020, contributions made by the Organization into the SEP-IRA plan totaled \$72,174 and \$70,916, respectively.

Note 14 – Restricted cash - health reimbursement account

The Organization provides a health reimbursement account for employees that covers co-pays and deductibles. The insurance company that provides the Organization’s health insurance mandates a minimum balance of \$25,000 in the bank account that issues the reimbursements. The account is monitored by management to ensure compliance. As of December 31, 2021 and 2020, the Organization held restricted cash for the health reimbursement account of \$26,251 and \$28,296, respectively, and was in full compliance.

Note 15 – Leases

On February 6, 2020, the Organization entered into a rental agreement for its primary office space. The rental agreement is payable in monthly installments \$10,298 for the first year and contains an annual escalation clause until the lease ends, on June 30, 2023.

Additionally, the Organization leases space for its regional offices. The lease agreements require monthly lease payments between \$325-\$900 through June 2022.

Rent expense under these agreements totaled \$161,062 and \$158,023 for the years ended December 31, 2021 and 2020, respectively.

Future minimum rental commitments under the leases are as follows:

	<u>Annual rent</u>
2022	\$ 132,875
2023	65,585
	<u>\$ 198,460</u>

DEMOCRACY NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

Note 16 – Liquidity

The Organization’s financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	2021	2020
Cash and cash equivalents	\$ 3,885,750	\$ 2,880,570
Grants receivable	1,085,014	950,000
Promises to give	132,981	226,245
Sales tax receivable	4,212	25,924
Prepaid expenses	44,735	32,721
Less:		
Restricted cash	(26,251)	(28,296)
With Donor restrictions	(1,678,195)	(1,225,553)
Restrictions expected to be met before 12/31	815,700	1,101,708
	\$ 4,263,946	\$ 3,963,319

The Organization’s financial assets have been reduced by amounts not available for general use because of donor imposed or other restrictions within one year of the statement of financial position date. 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.

The Board of Directors of the Organization adopted a formal operating reserve policy in 2017, the purpose of which is to build and maintain an adequate level of net assets without donor restrictions to support the Organization’s day-to-day operations in the event of unforeseen shortfalls. The objective is to fund the operating reserve from surplus unrestricted operating funds to be equal to five months of cash operating expenses. The Organization does not intend to spend from operating reserves, though if additional liquidity is needed, these amounts could be made available, if necessary.

Note 17 – Contingencies

On January 30, 2020, the World Health Organization declared the coronavirus “COVID-19” outbreak a “Public Health Emergency of International Concern” and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of COVID-19 include restrictions on travel, quarantines, or “stay-at-home” restrictions in certain areas and forced closures for certain types of public places and businesses. COVID-19 and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets globally, including the geographical areas in which the Organization operates. While it is unknown how long these conditions will last and what the complete financial impact will be, the Organization is closely monitoring the impact of the COVID-19 pandemic on all aspects of the business and are unable at this time to predict the continued impact that COVID-19 will have on their business, financial position, and operating results in future periods due to numerous uncertainties.

DEMOCRACY NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

Note 17 – Contingencies (continued)

The Organization receives grant funds. Such funds are subject to final approval by the grantor agencies and deficiencies, if any, are the responsibility of the Organization.

Note 18 – SBA Paycheck Protection Program loan

On April 20, 2020, the Organization received a conditional contribution in the amount of \$253,989 under the Small Business Administration's (SBA) Paycheck Protection Program ("PPP"). Established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), the PPP provides for loans to qualifying businesses in amounts up to 2.5 times the business's average monthly payroll expenses. PPP loans and accrued interest are forgivable after a "covered period" (eight or 24 weeks) as long as the recipient maintains its payroll levels and uses the contribution for eligible purposes, including payroll, benefits, rent, and utilities. The forgiveness amount is to be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period. The Organization expended PPP conditional contribution proceeds for purposes consistent with the PPP and recorded forgiveness income in the amount of \$253,989 for the year ended December 31, 2020.

Note 19 – Related parties

The Organization obtains certain communications services from a company owned by the spouse of the Finance Director. During the years ended December 31, 2021 and 2020, expenses incurred with the company were \$80 and \$4,806, respectively.

The Organization received contributions from members of the Board of Directors totaling \$48,245 and \$47,866 for the years ending December 31, 2021 and 2020, respectively.

Note 20 – Subsequent events

We have evaluated subsequent events through May 6, 2022, the date the financial statements were available to be issued.



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To the Board of Directors
Democracy NC
Raleigh, North Carolina

We have audited the financial statements of the Democracy NC, (the “Organization”) for the year ended December 31, 2021, and have issued our report thereon dated May 6, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 14, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Our responsibilities under generally accepted auditing standards (GAAS)

As stated in our engagement letter dated January 14, 2022, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. In planning and performing our audit, we considered the Organization’s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period. Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management’s estimate of useful lives concerning fixed assets based on the Organization’s experience with related assets and industry norms.
- Management's allocation of expenses by function is based on employee headcount (FTEs) by department.
- Management’s imputed rate to discount promises to give based the treasury rate on the date of the pledge.

- The fair market valuation estimate of the beneficial interests held in the Foundation of the Carolinas is based on valuations provided to Democracy NC by the Foundation for the Carolinas.

We evaluated the key factors and assumptions used to develop the estimates above and determined that they are reasonable in relation to the financial statements taken as a whole. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Corrected misstatements – audit adjustments

Professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Organization's financial reporting process (that is, cause future financial statements to be materially misstated).

There were no corrected misstatements (audit adjustments) for the year ended December 31, 2021.

Uncorrected misstatements – passed audit adjustments

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

There were no uncorrected misstatement (passed adjustment) for the year ended December 31, 2021.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 6, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Organization’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to be of service to Democracy NC.

* * * * *

This information is intended solely for the use of the Board of Directors of Democracy NC and is not intended to be, and should not be, used by anyone other than these specified parties.

Thomas & Gibbs CAAs, PLLC

Durham, North Carolina
May 6, 2022



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and Consultants

To the Board of Directors
Democracy NC
Raleigh, North Carolina

In planning and performing our audit of the financial statements of Democracy NC (the "Organization") as of and for the year ended December 31, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Despite these limitations, we did not identify any deficiencies in internal controls that we consider to be material weaknesses during our audit. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, audit committee, and others within the Organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Thomas & Gibbs CPAs, PLLC

Durham, North Carolina
May 6, 2022

Client: **NC-01491.0 - Democracy North Carolina**
 Engagement: **AUD 2021 - Democracy NC**
 Period Ending: **12/31/2021**
 Trial Balance: **3000.00 - TB**
 Workpaper: **3600.00 - Financial Statement Grouping Report**

Account	Description	1st PP-FINAL 12/31/2020	UNADJ 12/31/2021	FINAL 12/31/2021	\$Var	%Var
					6,000.00	10.00%
Group : [4100]	Cash and Cash Equivalents					
Subgroup : [4100.00]	Cash and Cash Equivalents-Unrestricted					
1010	SunTrust Checking 8371	22,347.00	64,525.00	64,525.00	42,178.00	188.74%
1020	SunTrust Money Mkt II 1537	1,662,861.00	1,827,973.00	1,827,973.00	165,112.00	0.00%
1030	Self-Help Local CU 7401	343,432.00	344,134.00	344,134.00	0.00	0.00%
1040	Self-Help Federal CU 0035	217,776.00	218,221.00	218,221.00	0.00	0.00%
1410	HRA--SunTrust Money Market 4314	28,296.00	26,251.00	26,251.00	0.00	0.00%
1455	Undeposited Funds	47,146.00	26,246.00	26,246.00	(20,900.00)	(44.33%)
1504	BB&T ICS Sweep Account	115,100.00	1,344,969.00	1,344,969.00	1,229,869.00	1,068.52%
1505	Wells Fargo Reserve III	443,611.00	0.00	0.00	(443,611.00)	(100.00%)
Subtotal [4100.00]	Cash and Cash Equivalents-Unrestric	2,880,569.00	3,852,319.00	3,852,319.00	971,750.00	33.73%
Subgroup : None						
1435	Suntrust Brokerage	0.00	33,432.00	33,432.00	33,432.00	0.00%
Subtotal : None		0.00	33,432.00	33,432.00	33,432.00	0.00%
Total [4100]	Cash and Cash Equivalents	2,880,569.00	3,885,751.00	3,885,751.00	1,005,182.00	34.90%
Group : [4150]	Investments					
Subgroup : [4150.40]	Long-Term Investments					
1501	Unrealized Gain/Loss Asset	74,788.00	106,634.00	106,634.00	31,846.00	42.58%
1502	Fdn for Carolinas Reserve I	137,833.00	137,833.00	137,833.00	0.00	0.00%
1503	Fdn for Carolinas Reserve II	133,265.00	133,265.00	133,265.00	0.00	0.00%
Subtotal [4150.40]	Long-Term Investments	345,886.00	377,732.00	377,732.00	31,846.00	0.00%
Total [4150]	Investments	345,886.00	377,732.00	377,732.00	31,846.00	0.00%
Group : [4200]	Receivables					
Subgroup : [4200.02]	Grant receivable					
1210	Unrstrd & Purp Rest'd Grant Rec	400,000.00	250,000.00	250,000.00	(150,000.00)	(37.50%)
1220.20	Time Restricted Grants Due 2020	0.00	3,400.00	3,400.00	0.00	0.00%
1220.21	Time Restricted Grants Due 2021	550,000.00	0.00	0.00	(550,000.00)	(100.00%)
1220.22	Time-Restricted Grants Due 2022	0.00	50,000.00	50,000.00	50,000.00	0.00%
1220.23	Time-Restricted Grants Due 2023	0.00	400,000.00	400,000.00	400,000.00	0.00%
1220.24	Time-Restricted Grants Due 2024	0.00	400,000.00	400,000.00	400,000.00	0.00%
Subtotal [4200.02]	Grant receivable	950,000.00	1,103,400.00	1,103,400.00	153,400.00	16.15%
Subgroup : [4200.03]	Pledge Recievable					
1229TG	Discount on grants receivable	(1,155.00)	(14,986.00)	(14,986.00)	(13,831.00)	1,197.49%
1251.20	Leadership Circle Pldg Due 2020	1,500.00	1,500.00	1,500.00	0.00	0.00%

1251.21	Leadership Circle Pldg Due 2021	102,500.00	0.00	0.00	(102,500.00)	(100.00%)
1251.22	Leadership Circle Pldg Due 2022	50,000.00	55,500.00	55,500.00	0.00	11.00%
1251.23	Leadership Circle Pldg Due 2023	25,000.00	30,500.00	30,500.00	0.00	22.00%
1251.24	Leadership Circle Pldg Due 2024	50,000.00	52,500.00	52,500.00	0.00	0.00%
1258.20	Other Pledges Due 2020	3,400.00	0.00	0.00	0.00	(100.00%)
1259	Allowance for Doubtful Pledges	(5,000.00)	(5,000.00)	(5,000.00)	0.00	0.00%
1260TG	Discount on pledge receivable	0.00	(519.00)	(519.00)	0.00	0.00%
Subtotal [4200.03]	Pledge Recievable	226,245.00	119,495.00	119,495.00	(106,750.00)	(47.18%)
Subgroup : [4200.35] Sales Tax Receivable						
1430	Sales Tax Receivable	757.00	0.00	0.00	0.00	(100.00%)
1432	Sales Tax Paid	25,167.00	4,212.00	4,212.00	(20,955.00)	(83.26%)
Subtotal [4200.35]	Sales Tax Receivable	25,924.00	4,212.00	4,212.00	(21,712.00)	(83.75%)
Total [4200]	Receivables	1,202,169.00	1,227,107.00	1,227,107.00	24,938.00	0.00%
Group : [4400] Other Assets						
Subgroup : [4400.00] Prepaid Expenses						
1415	Prepaid expenses	10,799.00	11,865.00	11,865.00	0.00	0.00%
1417	Prepaid Services	10,491.00	21,438.00	21,438.00	10,947.00	104.35%
Subtotal [4400.00]	Prepaid Expenses	21,290.00	33,303.00	33,303.00	12,013.00	56.43%
Subgroup : [4400.01] Deposits						
1710	Security deposits paid	11,431.00	11,431.00	11,431.00	0.00	0.00%
Subtotal [4400.01]	Deposits	11,431.00	11,431.00	11,431.00	0.00	0.00%
Total [4400]	Other Assets	32,721.00	44,734.00	44,734.00	12,013.00	36.71%
Group : [4600] Property, Plant and Equipment						
Subgroup : [4600.05] Buildings and Improvements						
1620	Buildings	202,604.00	0.00	0.00	(202,604.00)	(100.00%)
1625	Building Improvements (5-Yr)	5,079.00	0.00	0.00	0.00	(100.00%)
1627	Building Improvements (39-Yr)	9,444.00	0.00	0.00	(9,444.00)	(100.00%)
Subtotal [4600.05]	Buildings and Improvements	217,127.00	0.00	0.00	(217,127.00)	(100.00%)
Subgroup : [4600.20] Equipment						
1650	Office Equipment	42,796.00	49,074.00	49,074.00	6,278.00	14.67%
Subtotal [4600.20]	Equipment	42,796.00	49,074.00	49,074.00	6,278.00	14.67%
Subgroup : [4600.35] Vehicles						
1640	Vehicles	10,971.00	10,971.00	10,971.00	0.00	0.00%
Subtotal [4600.35]	Vehicles	10,971.00	10,971.00	10,971.00	0.00	0.00%
Subgroup : [4600.60] Accumulated Depreciation						
1699	Accumulated Depreciation	(132,136.00)	(45,118.00)	(45,118.00)	87,018.00	(65.85%)
Subtotal [4600.60]	Accumulated Depreciation	(132,136.00)	(45,118.00)	(45,118.00)	87,018.00	(65.85%)

Subgroup : [4600.04] Land

1610	Land	82,396.00	0.00	0.00	(82,396.00)	(100.00%)
Subtotal [4600.04]	Land	82,396.00	0.00	0.00	(82,396.00)	(100.00%)
Total [4600]	Property, Plant and Equipment	221,154.00	14,927.00	14,927.00	(206,227.00)	(93.25%)

Group : [5100] Accounts Payable

Subgroup : [5100.00] Accounts Payable

2000	Accounts Payable	(21,683.00)	(34,266.00)	(34,266.00)	(12,583.00)	58.03%
Subtotal [5100.00]	Accounts Payable	(21,683.00)	(34,266.00)	(34,266.00)	(12,583.00)	58.03%

Subgroup : [5100.01] Credit Card Payable

2200	SunTrust Bank Credit Card	453,872.00	581,571.00	581,571.00	127,699.00	28.14%
2205	Leigh B. - 5685	(32,583.00)	(39,021.00)	(39,021.00)	(6,438.00)	19.76%
2207	Shelby S. - 4363	(3,128.00)	(3,696.00)	(3,696.00)	0.00	18.16%
2210	Jenn F. - 8399	(713.00)	(713.00)	(713.00)	0.00	0.00%
2215	Becky C. - 2573	(1,465.00)	(1,465.00)	(1,465.00)	0.00	0.00%
2216	Hannah H. - 4488	0.00	(375.00)	(375.00)	0.00	0.00%
2220	Artie (Mel) H. - 3142	(8,817.00)	(8,817.00)	(8,817.00)	0.00	0.00%
2222	Wanda P. - 4702	0.00	(1,409.00)	(1,409.00)	0.00	0.00%
2225	Sunny F. - 3514	(1,214.00)	(1,913.00)	(1,913.00)	0.00	57.58%
2230	Tomas L. - 3647	(48,120.00)	(61,567.00)	(61,567.00)	(13,447.00)	27.94%
2235	Adrienne K. - 3779	(59,466.00)	(98,927.00)	(98,927.00)	(39,461.00)	66.36%
2240	Isela G. - 3250	(3,347.00)	(3,347.00)	(3,347.00)	0.00	0.00%
2243	Hannah J. - 4538	0.00	(3,686.00)	(3,686.00)	0.00	0.00%
2245	Linda S. - 3474	(12,577.00)	(13,344.00)	(13,344.00)	0.00	0.00%
2246	JP - 4546	0.00	(760.00)	(760.00)	0.00	0.00%
2247	May R. - 4181	(4,274.00)	(4,424.00)	(4,424.00)	0.00	0.00%
2250	Cheryl E. - 3516	(9,264.00)	(11,414.00)	(11,414.00)	0.00	23.21%
2252	Savannah G. - 4587	0.00	(551.00)	(551.00)	0.00	0.00%
2255	Val A. - 4100	(8,048.00)	(8,048.00)	(8,048.00)	0.00	0.00%
2257	Manuel M.D. - 4264	(2,392.00)	(3,695.00)	(3,695.00)	0.00	54.47%
2259	Joselle T. - 4405	0.00	(4,605.00)	(4,605.00)	0.00	0.00%
2260	Marques T. - 4498	(18,861.00)	(21,222.00)	(21,222.00)	0.00	12.52%
2261	Carol M. - 4595	0.00	(447.00)	(447.00)	0.00	0.00%
2262	Julia H. - 4652	0.00	(1,215.00)	(1,215.00)	0.00	0.00%
2265	Darlene A. - 4514	(15,401.00)	(15,401.00)	(15,401.00)	0.00	0.00%
2270	Sailor - 5222	(110,693.00)	(112,654.00)	(112,654.00)	0.00	0.00%
2275	Juliana D. - 3878	(32,845.00)	(38,428.00)	(38,428.00)	0.00	17.00%
2280	Taylor M. - 4041	(11,297.00)	(18,694.00)	(18,694.00)	(7,397.00)	65.48%
2282	Irving A. - 4223	(807.00)	(807.00)	(807.00)	0.00	0.00%
2283	Alissa E. - 4231	(3,406.00)	(6,501.00)	(6,501.00)	0.00	90.87%
2285	Lamar G. - 5586	(42,089.00)	(43,081.00)	(43,081.00)	0.00	0.00%
2290	Kamaria L. - 4074	(21,780.00)	(34,044.00)	(34,044.00)	(12,264.00)	56.31%
2291	Adrienne W. - 4173	(1,243.00)	(1,243.00)	(1,243.00)	0.00	0.00%
2292	Desmera G. - 4124	(1,808.00)	(3,355.00)	(3,355.00)	0.00	85.56%
2295	Rachel S. - 4082	(8,635.00)	(10,370.00)	(10,370.00)	0.00	20.09%

2296	Edward P. - 4249	(4,991.00)	(6,560.00)	(6,560.00)	0.00	31.44%
2297	Caroline F. - 4199	(4,822.00)	(7,758.00)	(7,758.00)	0.00	60.89%
Subtotal [5100.01]	Credit Card Payable	(20,214.00)	(11,986.00)	(11,986.00)	8,228.00	(40.70%)
Subgroup : [5100.05] Security Deposits						
2325	Direct Deposit Liabilities	(1,980.00)	0.00	0.00	0.00	(100.00%)
2400	Security deposits - office rent	(129.00)	(129.00)	(129.00)	0.00	0.00%
2410	Deffered Rent	(3,802.00)	(4,316.00)	(4,316.00)	0.00	13.52%
Subtotal [5100.05]	Security Deposits	(5,911.00)	(4,445.00)	(4,445.00)	0.00	(24.80%)
Total [5100]	Accounts Payable	(47,808.00)	(50,697.00)	(50,697.00)	0.00	0.00%
Group : [5200] Accrued Liabilities						
Subgroup : [5200.05] Accrued Payroll Expense						
1462	Employee Share Health Benefits	337.00	0.00	0.00	0.00	(100.00%)
2320	Accrued Vacation Payable	(56,360.00)	(59,642.00)	(59,642.00)	0.00	0.00%
2331	403b7 payable	(70,916.00)	(70,029.00)	(70,029.00)	0.00	0.00%
2337	SUTA	(680.00)	0.00	0.00	0.00	(100.00%)
Subtotal [5200.05]	Accrued Payroll Expense	(127,619.00)	(129,671.00)	(129,671.00)	0.00	0.00%
Total [5200]	Accrued Liabilities	(127,619.00)	(129,671.00)	(129,671.00)	0.00	0.00%
Group : [6100] Net Assets						
Subgroup : [6100.00] Net Assets - Unrestricted Donor Funds						
3000	Unrest Net Assets - Beg of Year	(1,284,439.00)	(2,935,632.00)	(2,935,632.00)	(1,651,193.00)	128.55%
Subtotal [6100.00]	Net Assets - Unrestricted Donor Fund	(1,284,439.00)	(2,935,632.00)	(2,935,632.00)	(1,651,193.00)	128.55%
Subgroup : [6100.05] Net Assets - Board Designated Reserve Fund						
3030	Board-Designated-Begin of Year	(315,129.00)	(345,887.00)	(345,887.00)	(30,758.00)	0.00%
Subtotal [6100.05]	Net Assets - Board Designated Reser	(315,129.00)	(345,887.00)	(345,887.00)	(30,758.00)	0.00%
Subgroup : [6100.10] Net Assets - Restricted Donor Funds						
3020	Increase/Decrease in URNA	(608,692.00)	458,392.00	458,392.00	1,067,084.00	(175.31%)
3500	Restrd Net Assets - Beg of Year	(1,548,818.00)	(1,225,553.00)	(1,225,553.00)	323,265.00	(20.87%)
3521	Increase in NA w/ Time Restrns	(537,500.00)	(1,300,000.00)	(1,300,000.00)	(762,500.00)	141.86%
3522	Increase in NA w/ Purp Restrns	(1,343,500.00)	(332,500.00)	(332,500.00)	1,011,000.00	(75.25%)
3531	Release of Time Restrns	1,470,500.00	752,500.00	752,500.00	(718,000.00)	(48.83%)
3532	Release of Purpose Restrns	1,019,192.00	421,608.00	421,608.00	(597,584.00)	(58.63%)
Subtotal [6100.10]	Net Assets - Restricted Donor Funds	(1,548,818.00)	(1,225,553.00)	(1,225,553.00)	323,265.00	(20.87%)
Total [6100]	Net Assets	(3,148,386.00)	(4,507,072.00)	(4,507,072.00)	(1,358,686.00)	43.16%
Group : [7100] Pledges and Contributions						
Subgroup : [7100.00] Contributios from Grants						
4010	Institutional Grants	(4,118,528.00)	(2,666,514.00)	(2,666,514.00)	1,452,014.00	(35.26%)
Subtotal [7100.00]	Contributios from Grants	(4,118,528.00)	(2,666,514.00)	(2,666,514.00)	1,452,014.00	(35.26%)

Subgroup : [7100.20] Individual Contributions

4020	Donor-Advised Fund Gifts	(966,196.00)	(249,725.00)	(249,725.00)	716,471.00	(74.15%)
4030	Individual Donations	(595,025.00)	(308,053.00)	(308,053.00)	286,972.00	(48.23%)
4040	Corporate Donations	(29,470.00)	(8,040.00)	(8,040.00)	21,430.00	(72.72%)
4340	Stock Gifts	(42,280.00)	(77,285.00)	(77,285.00)	(35,005.00)	82.79%
4350	In-kind Gifts--Tangible	(5,420.00)	0.00	0.00	0.00	(100.00%)
Subtotal [7100.20]	Individual Contributions	(1,638,391.00)	(643,103.00)	(643,103.00)	995,288.00	(60.75%)

Total [7100]	Pledges and Contributions	(5,756,919.00)	(3,309,617.00)	(3,309,617.00)	2,447,302.00	(42.51%)
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Group : [7160] Realized and Unrealized Gains and Losses on Investments

Subgroup : [7160.00] Gains on Disposition

7970	(Gain)Loss on Fixed Assets Disp	494.00	(576,476.00)	(576,476.00)	(576,970.00)	(116,795.55%)
Subtotal [7160.00]	Gains on Disposition	494.00	(576,476.00)	(576,476.00)	(576,970.00)	(116,795.55%)

Subgroup : [7160.15] Unrealized Gains on Investments

9801	Unrealized Gain/Loss	(33,188.00)	(36,421.00)	(36,421.00)	0.00	0.00%
9802	Realized Gain/Loss	674.00	136.00	136.00	0.00	(79.82%)
Subtotal [7160.15]	Unrealized Gains on Investments	(32,514.00)	(36,285.00)	(36,285.00)	0.00	11.60%

Total [7160]	Realized and Unrealized Gains and Losses	(32,020.00)	(612,761.00)	(612,761.00)	(580,741.00)	1,813.68%
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Group : [7170] Other Unrestricted Revenue

Subgroup : [7170.25] Interest Income

4200	Interest Earned	(4,326.00)	(1,474.00)	(1,474.00)	0.00	(65.93%)
Subtotal [7170.25]	Interest Income	(4,326.00)	(1,474.00)	(1,474.00)	0.00	(65.93%)

Subgroup : [7170.01] Reimbursements

4400	Other Income	(255,396.00)	(8,864.00)	(8,864.00)	246,532.00	(96.53%)
9810	Insurance recoveries	0.00	(4,861.00)	(4,861.00)	0.00	0.00%
Subtotal [7170.01]	Reimbursements	(255,396.00)	(13,725.00)	(13,725.00)	241,671.00	(94.63%)

Total [7170]	Other Unrestricted Revenue	(259,722.00)	(15,199.00)	(15,199.00)	244,523.00	(94.15%)
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Group : [7200] Expenses

Subgroup : [7200.00] Salaries

5010	Salaries & Wages Full-Time EE	1,770,779.00	1,632,962.00	1,632,962.00	(137,817.00)	0.00%
Subtotal [7200.00]	Salaries	1,770,779.00	1,632,962.00	1,632,962.00	(137,817.00)	0.00%

Subgroup : [7200.01] Benefits

5030	Covid Allowance	0.00	60,525.00	60,525.00	60,525.00	0.00%
5110	Health Benefits Medical	121,200.00	128,447.00	128,447.00	7,247.00	0.00%
5115	Health Benefits Dent/Visn/Life	21,173.00	17,790.00	17,790.00	0.00	(15.98%)
5120	HRA deductibles	25,916.00	22,120.00	22,120.00	0.00	(14.65%)
5130	Retirement Contribution SEP-IRA	70,916.00	72,174.00	72,174.00	0.00	0.00%
Subtotal [7200.01]	Benefits	239,205.00	301,056.00	301,056.00	61,851.00	25.86%

Subgroup : [7200.02] Payroll Taxes

5200	Payroll Taxes	614.00	(373.00)	(373.00)	0.00	(160.75%)
5210	Medicare	26,794.00	24,422.00	24,422.00	0.00	0.00%
5220	Social Security	114,567.00	104,423.00	104,423.00	(10,144.00)	0.00%
5230	SUTA	2,766.00	5,196.00	5,196.00	0.00	87.85%
Subtotal [7200.02]	Payroll Taxes	144,741.00	133,668.00	133,668.00	(11,073.00)	0.00%

Subgroup : [7200.03] Professional development

5320	Staff Meetings/Retreats	13,121.00	12,689.00	12,689.00	0.00	0.00%
5330	Staff Training/Development	30,436.00	20,431.00	20,431.00	(10,005.00)	(32.87%)
5340	Meals, Snacks	134.00	38.00	38.00	0.00	(71.64%)
5350	Board Meetings	1,300.00	2,255.00	2,255.00	0.00	73.46%
Subtotal [7200.03]	Professional development	44,991.00	35,413.00	35,413.00	(9,578.00)	(21.29%)

Subgroup : [7200.04] Consultants/Contractors

6000	Consultants/Contractors	132,894.00	0.00	0.00	(132,894.00)	(100.00%)
6100	Information Technology	40,100.00	35,790.00	35,790.00	0.00	(10.75%)
6200	Web Site	7,499.00	4,065.00	4,065.00	0.00	(45.79%)
6300	Design	71,476.00	2,759.00	2,759.00	(68,717.00)	(96.14%)
6350	Language Translate/Interpret	1,136.00	1,210.00	1,210.00	0.00	0.00%
6400	Organizers--Seasonal/Temp	9,143.00	0.00	0.00	(9,143.00)	(100.00%)
6450	Other Consultants	39,140.00	98,865.00	98,865.00	59,725.00	152.59%
Subtotal [7200.04]	Consultants/Contractors	301,388.00	142,689.00	142,689.00	(158,699.00)	(52.66%)

Subgroup : [7200.05] Program expenses

6500	Program Expenses	28,344.00	0.00	0.00	(28,344.00)	(100.00%)
6520	Speaking Engagements/Present	400.00	211.00	211.00	0.00	(47.25%)
6530	Trailing/Skill Development	525.00	100.00	100.00	0.00	(80.95%)
Subtotal [7200.05]	Program expenses	29,269.00	311.00	311.00	(28,958.00)	(98.94%)

Subgroup : [7200.050] Meals and catering

6512	Meals/Snacks for Coalition Mtngs	786.00	704.00	704.00	0.00	(10.43%)
6522	Meals/Snacks for Speaking Engag	484.00	557.00	557.00	0.00	15.08%
6532	Meals/Snacks for Trainings	4,257.00	3,055.00	3,055.00	0.00	(28.24%)
6550	Volunteer Meals and Snacks	2,144.00	917.00	917.00	0.00	(57.23%)
Subtotal [7200.050]	Meals and catering	7,671.00	5,233.00	5,233.00	0.00	(31.78%)

Subgroup : [7200.051] Meetings and Events

6510	Coalition/Partner Meetings	400.00	1,007.00	1,007.00	0.00	151.75%
Subtotal [7200.051]	Meetings and Events	400.00	1,007.00	1,007.00	0.00	151.75%

Subgroup : [7200.06] Outreach grant and coalitions

6600	Engagement Grants to Partners	695,877.00	341,250.00	341,250.00	(354,627.00)	(50.96%)
Subtotal [7200.06]	Outreach grant and coalitions	695,877.00	341,250.00	341,250.00	(354,627.00)	(50.96%)

Subgroup : [7200.07] Communications

6700	Communications	54,009.00	86.00	86.00	(53,923.00)	(99.84%)
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6720	Web Hosting; Domain Names	2,122.00	1,961.00	1,961.00	0.00	0.00%
6730	Social Media Advertising/Fees	63,552.00	1,719.00	1,719.00	(61,833.00)	(97.30%)
6740	Program Ads/Sponsorships	825.00	0.00	0.00	0.00	(100.00%)
Subtotal [7200.07]	Communications	120,508.00	3,766.00	3,766.00	(116,742.00)	(96.87%)

Subgroup : [7200.08] Facilities

7000	Facilities	114,858.00	0.00	0.00	(114,858.00)	(100.00%)
7010	Rent Expense-Regional Offices	42,003.00	34,494.00	34,494.00	(7,509.00)	(17.88%)
7015	Rent Expense-Main Office	116,020.00	126,568.00	126,568.00	10,548.00	0.00%
7020	Building Repairs & Maintenance	5,822.00	2,954.00	2,954.00	0.00	(49.26%)
7030	Cleaning service	880.00	0.00	0.00	0.00	(100.00%)
7040	Utilities--electricity/heat/air	2,193.00	287.00	287.00	0.00	(86.91%)
7050	Utilities-water	1,015.00	587.00	587.00	0.00	(42.17%)
7060	Storage space rental	0.00	507.00	507.00	0.00	0.00%
Subtotal [7200.08]	Facilities	282,791.00	165,397.00	165,397.00	(117,394.00)	(41.51%)

Subgroup : [7200.09] Technology

7100	Technology	282.00	0.00	0.00	0.00	(100.00%)
7110	Telephone	16,353.00	12,540.00	12,540.00	0.00	(23.32%)
7115	Internet	6,645.00	6,593.00	6,593.00	0.00	0.00%
7120	Cell phones	13,744.00	8,871.00	8,871.00	0.00	(35.46%)
7130	Equipment and Hardware	3,762.00	2,870.00	2,870.00	0.00	(23.71%)
7140	Software	36,328.00	54,145.00	54,145.00	17,817.00	49.04%
Subtotal [7200.09]	Technology	77,114.00	85,019.00	85,019.00	7,905.00	10.25%

Subgroup : [7200.10] Supplies

7200	Supplies	39,641.00	5,095.00	5,095.00	(34,546.00)	(87.15%)
Subtotal [7200.10]	Supplies	39,641.00	5,095.00	5,095.00	(34,546.00)	(87.15%)

Subgroup : [7200.11] Printing, Publication, Social Media

7300	Printing	32.00	93.00	93.00	0.00	190.63%
7310	Inhouse printing	1,111.00	195.00	195.00	0.00	(82.45%)
7330	Outsource Printing	300,240.00	47,007.00	47,007.00	(253,233.00)	(84.34%)
7350	Promotional Tshirts, buttons...	76,928.00	22,697.00	22,697.00	(54,231.00)	(70.50%)
Subtotal [7200.11]	Printing, Publication, Social Media	378,311.00	69,992.00	69,992.00	(308,319.00)	(81.50%)

Subgroup : [7200.12] Postage

7400	Postage and Delivery	388,405.00	37,373.00	37,373.00	(351,032.00)	(90.38%)
Subtotal [7200.12]	Postage	388,405.00	37,373.00	37,373.00	(351,032.00)	(90.38%)

Subgroup : [7200.13] Travel

7600	Travel - Other	334.00	203.00	203.00	0.00	(39.22%)
7610	Ground Transportation	72.00	1,028.00	1,028.00	0.00	1,327.78%
7620	Airfare / Amtrak	128.00	0.00	0.00	0.00	(100.00%)
7630	Rental Car	807.00	0.00	0.00	0.00	(100.00%)
7640	Mileage and Parking	47,317.00	7,187.00	7,187.00	(40,130.00)	(84.81%)
7650	Meals	2,256.00	702.00	702.00	0.00	(68.88%)

7660	Hotels/Lodging	4,760.00	2,221.00	2,221.00	0.00	(53.34%)
7670	Company cars	1,641.00	1,374.00	1,374.00	0.00	(16.27%)
Subtotal [7200.13]	Travel	57,315.00	12,715.00	12,715.00	(44,600.00)	(77.82%)
Subgroup : [7200.14] Professional services						
7710	Accounting	1,393.00	20,385.00	20,385.00	18,992.00	1,363.39%
7720	Audit	13,417.00	11,150.00	11,150.00	0.00	(16.90%)
7760	Legal	42,077.00	19,424.00	19,424.00	(22,653.00)	(53.84%)
7770	Background Checks	511.00	712.00	712.00	0.00	39.33%
7780	Job Posting Services	680.00	6,211.00	6,211.00	0.00	813.38%
7790	Other Fees	328.00	11,060.00	11,060.00	10,732.00	3,271.95%
Subtotal [7200.14]	Professional services	58,406.00	68,942.00	68,942.00	10,536.00	18.04%
Subgroup : [7200.140] Insurance						
7730	Company Insurances	3,707.00	1,661.00	1,661.00	0.00	(55.19%)
7740	Umbrella Insurance	297.00	302.00	302.00	0.00	0.00%
7750	Workers Compensation	1,893.00	3,084.00	3,084.00	0.00	62.92%
Subtotal [7200.140]	Insurance	5,897.00	5,047.00	5,047.00	0.00	(14.41%)
Subgroup : [7200.15] Banking and Processing fees						
7800	Banking and Processing Fees	176.00	130.00	130.00	0.00	(26.14%)
7810	Quickbooks payroll subscription - Other	650.00	1,100.00	1,100.00	0.00	69.23%
7811	payroll fees	1,704.00	4,473.00	4,473.00	0.00	162.50%
7820	Suntrust	934.00	404.00	404.00	0.00	(56.75%)
7850	Fdn for the Carolinas	2,430.00	2,965.00	2,965.00	0.00	22.02%
7890	Fundraising Processing Fees	8,336.00	7,343.00	7,343.00	0.00	(11.91%)
Subtotal [7200.15]	Banking and Processing fees	14,230.00	16,415.00	16,415.00	0.00	15.35%
Subgroup : [7200.150] Dues and Subscriptions						
5310	Dues, Subscriptions, Books	2,577.00	2,525.00	2,525.00	0.00	0.00%
Subtotal [7200.150]	Dues and Subscriptions	2,577.00	2,525.00	2,525.00	0.00	0.00%
Subgroup : [7200.16] Depreciation						
7980	Depreciation Expense	11,834.00	8,930.00	8,930.00	0.00	(24.54%)
Subtotal [7200.16]	Depreciation	11,834.00	8,930.00	8,930.00	0.00	(24.54%)
Subgroup : [7200.17] Miscellaneous						
7900	Miscellaneous	38.00	59.00	59.00	0.00	55.26%
7920	Gifts	1,803.00	4,802.00	4,802.00	0.00	166.33%
7960	Bad Debt Expense	16,784.00	0.00	0.00	(16,784.00)	(100.00%)
Subtotal [7200.17]	Miscellaneous	18,625.00	4,861.00	4,861.00	(13,764.00)	(73.90%)
Total [7200]	Expenses	4,689,975.00	3,079,666.00	3,079,666.00	(1,610,309.00)	(34.34%)
	NET (INCOME) LOSS	(1,358,686.00)	(857,911.00)	(857,911.00)	500,775.00	(36.86%)

Sum of Account Groups	0.00	4,900.00	4,900.00	0.00	0.00%
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