



*MARTINEZ STREET WOMEN'S CENTER
(A NONPROFIT ORGANIZATION)*

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2020



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Martinez Street Women's Center
San Antonio, Texas

We have audited the accompanying financial statements of Martinez Street Women's Center, which comprise the statement of financial position as of December 31, 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Martinez Street Women's Center as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

The financial statements of Martinez Street Women's Center's for the year ended December 31, 2019, were audited by another auditor who expressed an unmodified opinion on those statements on June 26, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Armstrong, Vaughan & Associates, P.C.

Armstrong, Vaughan & Associates, P.C.

July 16, 2021



MARTINEZ STREET WOMEN'S CENTER
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

(with summarized comparative financial information at December 31, 2019)

ASSETS

	2020	2019*
<i>Current Assets:</i>		
Cash and Cash Equivalents	\$ 315,864	\$ 169,205
Investments	76,489	66,848
Grants Receivable	34,887	14,590
Prepaid Insurance	931	-
<i>Total Current Assets</i>	428,171	250,643
 <i>Property and Equipment:</i>		
Land	52,760	52,760
Building and Improvements	254,785	254,785
Furniture, Fixtures and Equipment	34,741	22,060
Accumulated Depreciation	(17,327)	(23,392)
<i>Total Property and Equipment</i>	324,959	306,213
TOTAL ASSETS	\$ 753,130	\$ 556,856

LIABILITIES AND NET ASSETS

<i>Current Liabilities:</i>		
Accounts Payable	\$ 12,152	\$ 13,342
Payroll Liabilities	17,451	19,613
Accrued Vacation	13,245	4,900
Property Tax Payable	3,048	3,048
Interest Payable	582	-
Note Payable - Due in one year	6,114	5,865
<i>Total Current Liabilities</i>	52,592	46,768
 <i>Long-Term Liabilities:</i>		
Note Payable - Due in more than one year	161,648	167,763
<i>Total Long-Term Liabilities</i>	161,648	167,763
 <i>Net Assets:</i>		
Without Donor Restrictions	341,806	79,150
Without Donor Restrictions - Property and Equipment		
Net of related Debt	157,197	132,585
With Donor Restrictions	39,887	130,590
<i>Total Net Assets</i>	538,890	342,325
TOTAL LIABILITIES AND NET ASSETS	\$ 753,130	\$ 556,856

* Note that 2019 was restated.

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

MARTINEZ STREET WOMEN'S CENTER
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020
(with summarized comparative financial information at December 31, 2019)

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019* Total
SUPPORT AND REVENUE				
<i>Support:</i>				
Grants	\$ 399,362	\$ 194,215	\$ 593,577	\$ 462,699
Paycheck Protection Program Grant	110,000	-	110,000	-
Individual Gifts and Donations	79,672	-	79,672	-
Contributions	51,838	-	51,838	110,676
Fundraising Events (Net)	7,395	-	7,395	11,607
In-Kind Equipment and Supplies	20,824	-	20,824	-
<i>Total Support</i>	<u>669,091</u>	<u>194,215</u>	<u>863,306</u>	<u>584,982</u>
<i>Revenue:</i>				
Contractual Income	391,076	-	391,076	149,215
Gain (Loss) on Investments, net of fees	9,641	-	9,641	15,224
Interest and Dividends	1,486	-	1,486	1,951
<i>Total Revenue</i>	<u>402,203</u>	<u>-</u>	<u>402,203</u>	<u>166,390</u>
TOTAL SUPPORT AND REVENUE	<u>1,071,294</u>	<u>194,215</u>	<u>1,265,509</u>	<u>751,372</u>
EXPENSES				
Program Services	895,245	-	895,245	599,508
<i>Supporting Services:</i>				
General and Administrative	151,863	-	151,863	149,336
Development	21,836	-	21,836	3,109
TOTAL EXPENSES	<u>1,068,944</u>	<u>-</u>	<u>1,068,944</u>	<u>751,953</u>
CHANGE IN NET ASSETS	2,350	194,215	196,565	(581)
Net Assets Released from Restriction	284,918	(284,918)	-	-
BEGINNING NET ASSETS	<u>211,735</u>	<u>130,590</u>	<u>342,325</u>	<u>342,906</u>
ENDING NET ASSETS	<u>\$ 499,003</u>	<u>\$ 39,887</u>	<u>\$ 538,890</u>	<u>\$ 342,325</u>

* Note that 2019 was restated.

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

MARTINEZ STREET WOMEN'S CENTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
(with summarized comparative financial information at December 31, 2019)

FUNCTIONAL EXPENSES	2020		
	Program Expenses		
	Girl Zone	Community Health	Total Program Expenses
Payroll Expenses	\$ 301,267	\$ 312,857	\$ 614,124
Direct Assistance	-	143,693	143,693
Professional Services	10,758	30,345	41,103
Supplies	12,836	12,274	25,110
In-Kind Supplies	3,175	-	3,175
Marketing	-	-	-
Occupancy	9,933	6,224	16,157
Audit and Accounting	-	-	-
Transportation	5,974	4,039	10,013
Bank and Financing Fees	-	-	-
Food Assistance	6,096	2,035	8,131
Employee and Board Appreciation	-	-	-
Incentives	490	6,499	6,989
IT and Communication	-	-	-
Repairs and Maintenance	4,225	-	4,225
Professional Development	1,326	1,837	3,163
Printing and Postage	1,838	865	2,703
Equipment	2,469	-	2,469
Stipends	2,000	-	2,000
Insurance	-	-	-
Miscellaneous Expenses	565	-	565
Depreciation Expense	11,625	-	11,625
TOTAL FUNCTIONAL EXPENSES	<u>\$ 374,577</u>	<u>\$ 520,668</u>	<u>\$ 895,245</u>

* Note that 2019 was restated.

2020

General and Administrative	Development	Total	2019*
\$ 80,860	\$ -	\$ 694,984	\$ 539,288
-	-	143,693	8,133
17,348	-	58,451	55,746
13,282	-	38,392	34,343
-	-	3,175	-
-	21,836	21,836	1,623
4,021	-	20,178	37,002
11,982	-	11,982	4,116
-	-	10,013	35,732
9,692	-	9,692	-
-	-	8,131	-
7,323	-	7,323	-
-	-	6,989	-
5,702	-	5,702	4,619
-	-	4,225	-
-	-	3,163	16,471
-	-	2,703	4,162
-	-	2,469	-
-	-	2,000	-
1,513	-	1,513	5,253
140	-	705	-
-	-	11,625	5,465
<u>\$ 151,863</u>	<u>\$ 21,836</u>	<u>\$ 1,068,944</u>	<u>\$ 751,953</u>

MARTINEZ STREET WOMEN'S CENTER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020
(with summarized comparative financial information at December 31, 2019)

	2020	2019*
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 196,565	\$ (581)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	11,625	5,465
Unrealized (Gain) Loss on Investment	(9,949)	(11,131)
(Increase) Decrease in Grants Receivable	(20,297)	8,879
(Increase) Decrease in Prepaid Insurance	(931)	-
Increase (Decrease) in Accounts Payable	1,190	9,232
Increase (Decrease) in Payroll Liabilities	2,162	1,758
Increase (Decrease) in Accrued Vacation	(8,345)	5,902
Increase (Decrease) in Interest Payable	(582)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	171,438	19,524
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Note Payable	5,866	-
Proceeds from Note Payable	-	176,000
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	5,866	176,000
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Investments	(2,514)	50,057
Purchase of Investments	2,240	(41,469)
Acquisition of Property and Equipment	(30,371)	(298,957)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(30,645)	(290,369)
 NET INCREASE IN CASH AND CASH EQUIVALENTS	146,659	(94,845)
 BEGINNING CASH AND CASH EQUIVALENTS	169,205	264,050
 ENDING CASH AND CASH EQUIVALENTS	\$ 315,864	\$ 169,205

* Note that 2019 was restated.

SUPPLEMENTAL DISCLOSURE:

Interest Expense Paid	\$ 7,693	\$ 1,230
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The accompanying notes are an integral part of these financial statements.

MARTINEZ STREET WOMEN'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. NATURE OF ACTIVITIES

The Martinez Street Women's Center (the Center) is a nonprofit corporation based in San Antonio, Texas founded in 1999. The Center is a resource for providing information, leadership development, civic activities involvement, and Latina voter awareness for girls, women, and families in the active pursuit of their own physical, emotional, and social well-being. The mission of the Center is to provide transformative community health services, youth development programs and advocacy opportunities that empower women and girls of color. Martinez Street Women's Center envisions a world where all women and girls are empowered to transform themselves, their families and their communities.

The Center transforms communities through women and girls by providing access to vital health services, quality education and advocacy. The Center has two major programs: The Girl Zone program that enhances academic potential, nurtures high self-esteem and supports the healthy development of girls ages 8 through 18 and the Community Health Program which strengthens families by increasing access to preventative health services and enhancing the knowledge and awareness of health issues in our community. In addition, the Center has a radio station, 101.5 KMSW FM which has BIQPOC produced programs, locally produced content, news programs with a critical perspective of justice and music to inspire their current movements.

2. BASIS OF PRESENTATION

The accompanying financial statements of the Center have been prepared on the accrual basis of accounting in accordance with U. S. generally accepted accounting principles. Net assets, support and revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in the general operations and not subject to donor restrictions. Assets restricted solely through the actions of the Board of Directors are reported as net assets without donor restrictions, board-designated. The Center has no board-designated net assets without donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that will be met by actions of the Center and/or the passage of time. When a restriction expires, 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. Net assets with donor restrictions that are received and expended in the same year are recorded as net assets without donor restrictions.

3. 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.

MARTINEZ STREET WOMEN'S CENTER
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2020

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all monies in checking, savings and money market accounts.

5. FAIR VALUE MEASUREMENT

The Center has adopted the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*. FASB ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

FASB ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximized the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Center. Unobservable inputs are inputs that reflect the Center's assumptions about the assumptions that market participants would use in pricing the assets or liability on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the reliability of input as follow:

Level 1 – Valuations are based on quoted prices in active markets for identical assets or liabilities that the Center has the ability to access. Valuation adjustments are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily available in an active market, valuation of these products does not entail a significant degree of judgement.

Level 2 – Valuations are based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.

Level 3 – Valuations are based on inputs that are observable and significant to the overall fair value measurement.

6. INVESTMENTS

Unless donor or law restricts the income or loss, investment income or loss (realized and unrealized gains and losses on investment, interest and dividends) is included in the increase in net assets without donor restrictions. Investment revenue is shown net of any investment fees.

7. INVESTMENT RISKS

Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the near term could materially affect the amounts reported in the accompanying financial statements.

MARTINEZ STREET WOMEN'S CENTER
 NOTES TO FINANCIAL STATEMENTS (CONT.)
 DECEMBER 31, 2020

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

8. GRANTS RECEIVABLE

Grants receivable consist of grants that have not yet been received. An estimate for uncollectible amounts has not been established by management as of December 31, 2020, as management considers all accounts to be collectible. As of December 31, 2020, grants receivable was \$34,887.

9. PREPAID INSURANCE

Prepaid Insurance represents expenses paid in advance of the actual services received. The expense will be recognized in the period for which the services were paid has elapsed.

10. PROPERTY AND EQUIPMENT

Property and equipment is stated at cost at date of acquisition or fair value at date of donation in the case of gifts. The Center capitalized property and equipment valued at or greater than \$500 with useful lives greater than one year. Depreciation on the property and equipment is calculated using the straight-line method. The estimated useful lives of the assets for the purposes of depreciation are as follows:

<u>Property and Equipment</u>	<u>Useful Life (Years)</u>
Building and Improvements	39
Furniture, Fixtures and Equipment	5

11. ACCRUED VACATION

Employees of Martinez Street Women's Center are entitled to paid time off (PTO). The hours can be used as the days are earned. For exempt employees a maximum of 40 PTO hours are allowed for carryover into the following year. For non-exempt employees a maximum of 12 hours may be carried over into the following year. Upon termination, the unused PTO hours will be paid as part of the employee's final paycheck. As of December 31, 2020, accrued vacation is \$13,245.

12. REVENUE RECOGNITION

Contributions and grants are recognized as revenue when a gift or promise to give that is unconditional is received. Conditional promises to give are those with a measureable performance or other barrier and a right of return and are not recognized until the conditions on which they depend have been met. As of December 31, 2020, there are no conditional promises to give. Special event revenue is recognized when the event occurs.

Program fees and contract income are recorded as revenues when the performance obligations are satisfied and when the promised goods or services are transferred to customers in an amount that reflects the consideration to which the Center expects to be entitled in exchange for those goods or services.

MARTINEZ STREET WOMEN'S CENTER
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2020

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

12. REVENUE RECOGNITION (CONT.)

In accordance with GAAP, revenue is recorded when earned rather than when received. Revenues received in advance of when the performance obligations are met are recorded as contract liability. As of December 31, 2020, the Center has not recorded any contract liability.

13. FUNCTIONAL EXPENSE ALLOCATION

The costs of providing the Center's various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. Costs are directly applied to the related program or supporting service category when identifiable and possible. The expenses that are allocated include salaries which are allocated on the basis of estimates of time and effort.

14. INCOME TAX STATUS

The Center is exempt from federal and state income taxes under Internal Revenue Code Section 501(a)(9).

The most significant tax positions of the Center is its assertion that it is exempt from income taxes and its determination of whether any amounts are subject to unrelated business income tax (UBIT). All significant tax positions have been considered by management. It has been determined that it is more likely than not that all tax positions would be sustained upon examination by taxing authorities. The Center's tax years for 2017 through 2019 are open to examination by the Internal Revenue Service as of December 31, 2020.

15. CONTRIBUTED SERVICES

The Center receives a substantial amount of services donated by its volunteers in carrying out the Center's mission. No amounts have been reflected in the financial statements for those services since they do not enhance the nonfinancial assets or require specialized skills.

16. RECLASSIFICATION

Certain amounts from the December 31, 2019 financial statements have been reclassified to enhance comparability to current year amounts. These reclassification had no impact on the change in net assets.

MARTINEZ STREET WOMEN'S CENTER
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2020

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

17. COMPARATIVE TOTALS

The financial statement for the year ended December 31, 2019 are presented only to provide a basis for comparison with the year ended December 31, 2020. The 2019 financial statements are not intended to present all information necessary for the fair presentation in accordance with U.S. Generally Accepted Accounting Principles. Accordingly, such information should be used in conjunction with the Center's financial statements for the year ended December 31, 2019 from which the summarized information was derived.

18. SUBSEQUENT EVENTS

Subsequent events are considered through July 16, 2021, which is the date the financial statements were available to be issued.

NOTE B -- UNINSURED DEPOSITS

Financial instruments that potentially subject the Center to concentrations of credit risk consist principally of investments. The Center places all of its investment with RBC Wealth Management. In addition, the Center maintains money market accounts.

The Center's cash and cash equivalents are held in a various financial institutions, and cash balances of up to \$250,000 are secured by the Federal Deposit Insurance Corporation (FDIC) at each financial institution. As of December 31, 2020, cash balances exceeded FDIC limits by \$50,595.

NOTE C -- INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments at December 31, 2020 in the amount of \$76,489 consisted of equities and taxable fixed income. A roll-forward of earnings and losses for investment funds for the year ended December 31, 2020 is as follows:

Beginning Balance, December 31, 2019	\$	66,848
Realized Gains (Losses)		390
Unrealized Gains (Losses)		9,949
Investment Fees		(698)
Ending Balance, December 31, 2020	\$	<u>76,489</u>

The historical cost and fair market value of the investment account as of December 31, 2020 is as follows:

		<u>Level 1</u>
Cost	\$	61,397
Fair Value		76,489
Cumulative Gain (Losses)	\$	<u>15,092</u>

MARTINEZ STREET WOMEN'S CENTER
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2020

NOTE D -- CHANGES IN PROPERTY AND EQUIPMENT AND ACCUMULATED DEPRECIATION

Property and equipment activity for the year ended December 31, 2020, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Land*	\$ 52,760	\$ -	\$ -	\$ 52,760
Building and Improvements	254,785	-	-	254,785
Less: Accumulated Depreciation	(3,370)	(6,533)	-	(9,903)
Furniture Fixtures and Equipment	22,060	30,371	(17,690)	34,741
Less: Accumulated Depreciation	(20,022)	(5,092)	17,690	(7,424)
Net Property and Equipment	<u>\$ 306,213</u>	<u>\$ 18,746</u>	<u>\$ -</u>	<u>\$ 324,959</u>

*Land is not depreciated.

NOTE E -- NOTE PAYABLE

On June 21, 2019, the Center executed an interest-bearing (real estate lien) note in the amount of \$176,000 to secure the purchase of real property located in San Antonio, Texas. The principle balance and any accrued and unpaid interest is due and payable by the making of 240 monthly payments of \$1,081 beginning August 2019. The note bears interest at the rate of 4.16% and accrues on a monthly basis. The note is collateralized against the acquired real property at 200 Donaldson St., San Antonio, Texas. This property has been renovated and is now the main establishment for the Center's program activity. As of December 31, 2020 the loan balance \$167,762. Interest expense in 2020 was 7,693 and as of December 31, 2020, the Center has an accrued interest payable of \$582.

Remaining payments on the note are scheduled as follows:

Year Ending December 31	Principal	Interest	Total
2021	\$ 6,114	\$ 6,863	\$ 12,977
2022	6,373	6,604	12,977
2023	6,643	6,334	12,977
2024	6,925	6,052	12,977
2025	7,219	5,758	12,977
2026-2030	40,952	23,933	64,885
2031-2035	50,403	14,482	64,885
2036-2039	43,133	3,369	46,502
	<u>\$ 167,762</u>	<u>\$ 73,395</u>	<u>\$ 241,157</u>

MARTINEZ STREET WOMEN'S CENTER
 NOTES TO FINANCIAL STATEMENTS (CONT.)
 DECEMBER 31, 2020

NOTE F -- NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2020 are as follows:

Direct Assistance - COVID	\$ 39,887
	\$ 39,887

The uses of net assets released from restriction for the year ended December 31, 2020 are as follows:

Girl Zone	\$ 118,983
Community Health Program	90,935
Direct Assistance - COVID	75,000
	\$ 284,918

NOTE G – PRIOR PERIOD ADJUSTMENT

In the prior period, cash was understated resulting in an incorrect net assets balance at year end. A prior period adjustment was made in the current year to correct the beginning assets. The effect on the beginning net assets is as follows:

Beginning Net Assets, Previously Recorded	\$ 307,878
Understated Cash	34,447
Beginning Net Assets, Restated	\$ 342,325

NOTE H -- SPECIAL EVENTS

Special event fundraisers are reported net of direct costs. The following is a summary of special events hosted during the year ended December 31, 2020.

	Brunch
Revenues	\$ 10,000
Expenses	(2,605)
Special Events, Net	\$ 7,395

NOTE I -- CONCENTRATION OF DONATIONS

During 2020, the Center received 15.8% of its revenue from a substantial contract with United Way covering 3 programs. An additional 11.9% of its revenue came from a grant from a single contributor

MARTINEZ STREET WOMEN'S CENTER
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2020

NOTE J -- EMPLOYEE BENEFITS

Full-time employees are eligible for benefits after a 90-day probationary period. The Center pays 65% of group medical insurance for its full-time employees. Employees are eligible to enroll for coverage as of the first of the month following the date of hire for full-time employees.

NOTE K -- LOCAL GOVERNMENT CONTRACT

The Center's accounting system follows operation guidelines in accounting for the City of San Antonio for contract for services. Revenue and expenses of \$61,456 related to this grant are included in these financial statements.

NOTE L -- LEASE

Beginning in September 2016, the Center has rented commercial space at 801 North Olive Street, San Antonio, Texas from the City of San Antonio (the City) for its long-term use as one of their main headquarters. Under the lease agreement, the Center will pay no direct rent, but has agreed to provide needed services to the community, as well as, to be responsible for interior maintenance of the building and the payment of quarterly utility costs over and above the 2013 quarterly baseline amounts. The City has determined that the 2013 quarterly average for utilities is \$705.

The Center is also required to maintain certain levels of insurance and to list the City as additionally insured. In 2020, the Center incurred \$4,289 in utility bills at the Olive Street space. No in-kind revenue or expense has been recorded for the lease, as both parties consider this a mutual transaction based on the agreement.

In March 2020, the Center entered into a 24-month extension with the City to begin May 1, 2020. It is important to note there are no other provisions in the current lease extension agreement allowing for additional lease extension options without approval vote of the City Council.

NOTE M -- PAYCHECK PROTECTION PROGRAM

The Center received forgivable a loan through the Small Business Association's Paycheck Protection Program for \$110,000 to be used on payroll, rent and utilities. Management elected to treat the program as a conditional grant and recognized the revenue as the conditions were met. The loan has been forgiven in full as of December 31, 2020 and all of the revenue was recognized in 2020.

NOTE N -- LITIGATION

The Center's management is not aware of any pending or threatened litigation.

MARTINEZ STREET WOMEN'S CENTER
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2020

NOTE O -- LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The Center has a goal to maintain financial assets on hand to meet at least 3 months of normal operating expenses (excluding in-kind and depreciation) which were approximately \$87,845 per month in 2020, given full programmatic expenses. The Center has \$334,761 (3.8 months) of financial assets available to meet cash needs in the next year for general expenditures as of December 31, 2020 as shown in the table below.

Current Assets	\$ 428,171
Less Prepaid Insurance	(931)
Less Current Liabilities	(52,592)
Less Net Assets with Donor Restrictions	<u>(39,887)</u>
Total Financial Assets Available to Meet	
Cash for General Expenditure Needs	<u><u>\$ 334,761</u></u>

NOTE P -- SUBSEQUENT EVENTS

In February of 2021, the Center was approved for a second loan through the Small Business Association's Paycheck Protection Program for \$76,700. This loan has a maturity of five years and an interest rate of 1%. Loan payments were deferred for ten months. The Center intends to use the funds for payroll costs (at least 60%), interest on mortgages, rents and utilities as required for the loan to be fully forgiven.

