



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

***FINANCIAL STATEMENTS***

***FOR THE YEAR ENDED***

***DECEMBER 31, 2021***



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Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Empower House (formerly Martinez Street Women's Center)  
San Antonio, Texas

We have audited the accompanying financial statements of Empower House (formerly Martinez Street Women's Center), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Empower House (formerly Martinez Street Women's Center) as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of Empower House (formerly Martinez Street Women's Center) 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 Empower House (formerly Martinez Street Women's Center)'s ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.


In performing an audit in accordance with GAAS, 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 Empower House (formerly Martinez Street Women's Center)'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 Empower House (formerly Martinez Street Women's Center)'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.

## ***Report on Summarized Comparative Information***

We have previously audited Empower House (formerly Martinez Street Women's Center)'s December 31, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 16, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements for which it has been derived.



Armstrong, Vaughan & Associates, P.C.

August 8, 2022



EMPOWER HOUSE (FORMERLY MARTINEZ STREET WOMEN'S CENTER)  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2021  
(with summarized comparative financial information at December 31, 2020)

**ASSETS**

	<u>2021</u>	<u>2020</u>
<i>Current Assets:</i>		
Cash and Cash Equivalents	\$ 210,476	\$ 315,864
Investments	85,923	76,489
Grants Receivable	-	34,887
Prepaid Insurance	5,424	931
<i>Total Current Assets</i>	<u>301,823</u>	<u>428,171</u>
<i>Property and Equipment:</i>		
Land	52,760	52,760
Building and Improvements	254,785	254,785
Furniture, Fixtures and Equipment	37,911	34,741
Accumulated Depreciation	(30,473)	(17,327)
<i>Total Property and Equipment</i>	<u>314,983</u>	<u>324,959</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 616,806</u></u>	<u><u>\$ 753,130</u></u>

**LIABILITIES AND NET ASSETS**

<i>Current Liabilities:</i>		
Accounts Payable	\$ 5,087	\$ 12,152
Grants Payable	27,100	-
Payroll Liabilities	20,196	17,451
Accrued Vacation	-	13,245
Property Tax Payable	-	3,048
Interest Payable	-	582
Note Payable - Due in one year	5,852	6,114
<i>Total Current Liabilities</i>	<u>58,235</u>	<u>52,592</u>
<i>Long-Term Liabilities:</i>		
Note Payable - Due in more than one year	155,275	161,648
<i>Total Long-Term Liabilities</i>	<u>155,275</u>	<u>161,648</u>
<i>Net Assets:</i>		
Without Donor Restrictions	193,063	341,806
Without Donor Restrictions - Property and Equipment		
Net of related Debt	153,856	157,197
With Donor Restrictions	56,377	39,887
<i>Total Net Assets</i>	<u>403,296</u>	<u>538,890</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 616,806</u></u>	<u><u>\$ 753,130</u></u>

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



EMPOWER HOUSE (FORMERLY MARTINEZ STREET WOMEN'S CENTER)  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(with summarized comparative financial information at December 31, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
<b>SUPPORT AND REVENUE</b>				
<i>Support:</i>				
Grants	\$ 298,863	\$ 42,500	\$ 341,363	\$ 593,577
Paycheck Protection Program Grant	76,700	-	76,700	110,000
Individual Gifts and Donations	33,144	-	33,144	79,672
Contributions	28,714	-	28,714	51,838
Fundraising Events (Net)	33,448	-	33,448	7,395
In-Kind Equipment and Supplies	11,715	-	11,715	20,824
<i>Total Support</i>	<u>482,584</u>	<u>42,500</u>	<u>525,084</u>	<u>863,306</u>
<i>Revenue:</i>				
Contractual Income	330,551	-	330,551	391,076
Gain (Loss) on Investments, net of fees	6,271	-	6,271	9,641
Interest and Dividends	2,829	-	2,829	1,486
<i>Total Revenue</i>	<u>339,651</u>	<u>-</u>	<u>339,651</u>	<u>402,203</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>822,235</u>	<u>42,500</u>	<u>864,735</u>	<u>1,265,509</u>
<b>EXPENSES</b>				
Program Services	796,953	-	796,953	895,245
<i>Supporting Services:</i>				
General and Administrative	193,527	-	193,527	151,863
Development	9,849	-	9,849	21,836
<b>TOTAL EXPENSES</b>	<u>1,000,329</u>	<u>-</u>	<u>1,000,329</u>	<u>1,068,944</u>
<b>CHANGE IN NET ASSETS</b>	(178,094)	42,500	(135,594)	196,565
Net Assets Released from Restriction	26,010	(26,010)	-	-
<b>BEGINNING NET ASSETS</b>	<u>499,003</u>	<u>39,887</u>	<u>538,890</u>	<u>342,325</u>
<b>ENDING NET ASSETS</b>	<u>\$ 346,919</u>	<u>\$ 56,377</u>	<u>\$ 403,296</u>	<u>\$ 538,890</u>

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

EMPOWER HOUSE (FORMERLY MARTINEZ STREET WOMEN'S CENTER)  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(with summarized comparative financial information at December 31, 2020)

	<b>2021</b>		
	<b>Program Expenses</b>		
	<b>Girl Zone/ Youth Development</b>	<b>Community Health</b>	<b>Total Program Expenses</b>
<b>FUNCTIONAL EXPENSES</b>			
Payroll Expenses	\$ 318,167	\$ 272,152	\$ 590,319
Direct Assistance	-	61,344	61,344
Professional Services	21,534	24,065	45,599
Supplies	16,189	14,218	30,407
In-Kind Supplies	-	-	-
Marketing	-	-	-
Occupancy	18,003	6,074	24,077
Audit and Accounting	-	-	-
Transportation	6,345	3,198	9,543
Bank and Financing Fees	-	-	-
Food Assistance	3,502	45	3,547
Employee and Board Appreciation	-	-	-
Incentives	210	7,766	7,976
IT and Communication	-	-	-
Repairs and Maintenance	-	-	-
Professional Development	1,837	10,876	12,713
Printing and Postage	1,581	2,709	4,290
Equipment	-	-	-
Stipends	-	-	-
Insurance	-	-	-
Miscellaneous Expenses	3,297	3,841	7,138
Depreciation Expense	-	-	-
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 390,665</b>	<b>\$ 406,288</b>	<b>\$ 796,953</b>

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

**2021**

General and Administrative	Development	Total	2020
\$ 42,382	\$ -	\$ <b>632,701</b>	\$ 694,984
-	-	<b>61,344</b>	143,693
43,228	-	<b>88,827</b>	58,451
1,405	-	<b>31,812</b>	38,392
-	-	-	3,175
-	9,849	<b>9,849</b>	21,836
33,586	-	<b>57,663</b>	20,178
33,003	-	<b>33,003</b>	11,982
-	-	<b>9,543</b>	10,013
8,301	-	<b>8,301</b>	9,692
-	-	<b>3,547</b>	8,131
4,391	-	<b>4,391</b>	7,323
-	-	<b>7,976</b>	6,989
3,805	-	<b>3,805</b>	5,702
-	-	-	4,225
-	-	<b>12,713</b>	3,163
-	-	<b>4,290</b>	2,703
-	-	-	2,469
-	-	-	2,000
10,280	-	<b>10,280</b>	1,513
-	-	<b>7,138</b>	705
13,146	-	<b>13,146</b>	11,625
<u>\$ 193,527</u>	<u>\$ 9,849</u>	<u>\$ <b>1,000,329</b></u>	<u>\$ 1,068,944</u>

EMPOWER HOUSE (FORMERLY MARTINEZ STREET WOMEN'S CENTER)  
 STATEMENTS OF CASH FLOWS  
 FOR THE YEAR ENDED DECEMBER 31, 2021  
 (with summarized comparative financial information at December 31, 2020)

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (135,594)	\$ 196,565
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	13,146	11,625
Unrealized (Gain) Loss on Investment	(7,050)	(9,949)
(Increase) Decrease in Grants Receivable	34,887	(20,297)
(Increase) Decrease in Prepaid Insurance	(4,493)	(931)
Increase (Decrease) in Accounts Payable	7,065	1,190
Increase (Decrease) in Grants Payable	(27,100)	-
Increase (Decrease) in Payroll Liabilities	(2,745)	2,162
Increase (Decrease) in Accrued Vacation	13,245	(8,345)
Increase (Decrease) in Interest Payable	582	(582)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>(108,057)</u>	<u>171,438</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal Payments on Note Payable	6,635	5,866
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<u>6,635</u>	<u>5,866</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Investments	-	(2,514)
Purchase of Investments	(796)	2,240
Acquisition of Property and Equipment	(3,170)	(30,371)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>(3,966)</u>	<u>(30,645)</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 (105,388)	 146,659
 BEGINNING CASH AND CASH EQUIVALENTS	 <u>315,864</u>	 <u>169,205</u>
 ENDING CASH AND CASH EQUIVALENTS	 <u>\$ 210,476</u>	 <u>\$ 315,864</u>
 <b>SUPPLEMENTAL DISCLOSURE:</b>		
Interest Expense Paid	\$ 7,424	\$ 7,693

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

EMPOWER HOUSE (FORMERLY MARTINEZ STREET WOMEN'S CENTER)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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

1. NATURE OF ACTIVITIES

The Empower House (formerly 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. Empower House (formerly 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.

EMPOWER HOUSE (FORMERLY MARTINEZ STREET WOMEN'S CENTER)  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
DECEMBER 31, 2021

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.

EMPOWER HOUSE (FORMERLY MARTINEZ STREET WOMEN'S CENTER)  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
DECEMBER 31, 2021

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

8. 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.

9. 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

10. 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, 2021, 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.

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, 2021, the Center has not recorded any contract liability.

11. 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.

EMPOWER HOUSE (FORMERLY MARTINEZ STREET WOMEN'S CENTER)  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
DECEMBER 31, 2021

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

12. 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 2018 through 2020 are open to examination by the Internal Revenue Service as of December 31, 2021.

13. 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.

14. RECLASSIFICATION

Certain amounts from the December 31, 2020 financial statements have been reclassified to enhance comparability to current year amounts. These reclassification had no impact on the change in net assets.

15. COMPARATIVE TOTALS

The financial statement for the year ended December 31, 2020 are presented only to provide a basis for comparison with the year ended December 31, 2021. The 2020 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, 2020 from which the summarized information was derived.

16. SUBSEQUENT EVENTS

Subsequent events are considered through August 8, 2022, which is the date the financial statements were available to be issued.



EMPOWER HOUSE (FORMERLY MARTINEZ STREET WOMEN'S CENTER)  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
DECEMBER 31, 2021

NOTE B -- INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments at December 31, 2021 in the amount of \$85,923 consisted of equities and taxable fixed income. A roll-forward of earnings and losses for investment funds for the year ended December 31, 2021 is as follows:

Beginning Balance, December 31, 2020	\$	76,489
Realized Gains (Losses)		256
Unrealized Gains (Losses)		7,050
Investment Fees		(1,035)
Purchase of Investments		3,163
Ending Balance, December 31, 2021	\$	<u>85,923</u>

The historical cost and fair market value of the investment account as of December 31, 2021 is as follows:

	Level 1
Cost	\$ 63,781
Fair Value	85,923
Cumulative Gain (Losses)	<u>\$ 22,142</u>

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

Property and equipment activity for the year ended December 31, 2021, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Land*	\$ 52,760	\$ -	\$ -	\$ 52,760
Building and Improvements	254,785	-	-	254,785
Less: Accumulated Depreciation	(9,903)	(6,533)	-	(16,436)
Furniture Fixtures and Equipment	34,741	3,170	-	37,911
Less: Accumulated Depreciation	(7,424)	(6,613)	-	(14,037)
Net Property and Equipment	<u>\$ 324,959</u>	<u>\$ (9,976)</u>	<u>\$ -</u>	<u>\$ 314,983</u>

\*Land is not depreciated.

EMPOWER HOUSE (FORMERLY MARTINEZ STREET WOMEN'S CENTER)  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
DECEMBER 31, 2021

NOTE D -- 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, 2021 the loan balance \$161,127. Interest expense in 2021 was \$7,424.

Remaining payments on the note are scheduled as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	5,852	6,044	11,896
2023	6,643	6,334	12,977
2024	6,925	6,052	12,977
2025	7,219	5,758	12,977
2026	7,525	5,452	12,977
2027-2031	42,689	22,196	64,885
2032-2036	52,541	12,345	64,886
2037-2039	31,733	1,791	33,524
	<u>\$ 161,127</u>	<u>\$ 65,972</u>	<u>\$ 227,099</u>

NOTE E -- NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2021 are as follows:

Direct Assistance - COVID	\$ 17,377
Community Health	17,500
Whole Woman Whole World	21,500
	<u>\$ 56,377</u>

The uses of net assets released from restriction for the year ended December 31, 2021 are as follows:

Direct Assistance - COVID	\$ 22,510
Whole Woman Whole World	3,500
	<u>\$ 26,010</u>

EMPOWER HOUSE (FORMERLY MARTINEZ STREET WOMEN'S CENTER)  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
DECEMBER 31, 2021

NOTE F -- 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, 2021.

	<u>Brunch</u>
Revenues	\$ 45,698
Expenses	<u>(12,250)</u>
Special Events, Net	<u>\$ 33,448</u>

NOTE G -- CONCENTRATION OF DONATIONS

During 2021, the Center received 27.1% of its revenue from a substantial contract with United Way covering 3 programs. An additional 15.6% of its revenue came from a single contributor.

NOTE H -- 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 I -- 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 \$46,307 related to this grant are included in these financial statements.

NOTE J -- 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 2021, the Center incurred \$4,747 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 2021, the Center entered into a 36-month extension with the City to begin May 1, 2021. 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.

EMPOWER HOUSE (FORMERLY MARTINEZ STREET WOMEN'S CENTER)  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
DECEMBER 31, 2021

NOTE K -- PAYCHECK PROTECTION PROGRAM

The Center received forgivable a loan through the Small Business Association's Paycheck Protection Program for \$76,700 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, 2021 and all of the revenue was recognized in 2021.

NOTE L -- LITIGATION

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

NOTE M -- 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 \$82,265 per month in 2021, given full programmatic expenses. The Center has \$181,787 (2.2 months) of financial assets available to meet cash needs in the next year for general expenditures as of December 31, 2021 as shown in the table below.

Current Assets	\$ 301,823
Less Prepaid Insurance	(5,424)
Less Current Liabilities	(58,235)
Less Net Assets with Donor Restrictions	<u>(56,377)</u>
Total Financial Assets Available to Meet	
Cash for General Expenditure Needs	<u><u>\$ 181,787</u></u>

