



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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2023



TABLE OF CONTENTS

INDEPENDENT AUDITOR’S REPORT.....	1
STATEMENTS OF FINANCIAL POSITION.....	3
STATEMENT OF ACTIVITIES	4
STATEMENT OF FUNCTIONAL EXPENSES	5
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8





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

Report on the Audit of the Financial Statements

Opinion

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, 2023, 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, 2023, 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, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 9, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements for which it has been derived.



Armstrong, Vaughan & Associates, P.C.

July 29, 2024



EMPOWER HOUSE (FORMERLY MARTINEZ STREET WOMEN'S CENTER)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023
(with summarized comparative financial information at December 31, 2022)

ASSETS

	<u>2023</u>	<u>2022</u>
<i>Current Assets:</i>		
Cash and Cash Equivalents	\$ 121,189	\$ 296,479
Investments	90,898	78,319
Grants Receivable	225,155	-
Prepaid Insurance	8,799	5,302
<i>Total Current Assets</i>	<u>446,041</u>	<u>380,100</u>
<i>Property and Equipment:</i>		
Land	52,760	52,760
Building and Improvements	254,785	254,785
Furniture, Fixtures, Equipment and Vehicles	53,304	50,224
Accumulated Depreciation	(56,937)	(46,061)
<i>Total Property and Equipment</i>	<u>303,912</u>	<u>311,708</u>
TOTAL ASSETS	<u><u>\$ 749,953</u></u>	<u><u>\$ 691,808</u></u>

LIABILITIES AND NET ASSETS

<i>Current Liabilities:</i>		
Accounts Payable	\$ 19,761	\$ 27,641
Grants Payable	6,724	6,679
Payroll Liabilities	40,839	36,277
Note Payable - Due in one year	6,925	6,643
<i>Total Current Liabilities</i>	<u>74,249</u>	<u>77,240</u>
<i>Long-Term Liabilities:</i>		
Note Payable - Due in more than one year	<u>141,141</u>	<u>148,632</u>
<i>Total Long-Term Liabilities</i>	<u>141,141</u>	<u>148,632</u>
<i>Net Assets:</i>		
Without Donor Restrictions	116,680	212,386
Without Donor Restrictions - Property and Equipment		
Net of related Debt	155,846	156,433
With Donor Restrictions	262,037	97,117
<i>Total Net Assets</i>	<u>534,563</u>	<u>465,936</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 749,953</u></u>	<u><u>\$ 691,808</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, 2023
(with summarized comparative financial information at December 31, 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
SUPPORT AND REVENUE				
<i>Support:</i>				
Grants	\$ 146,451	\$ 862,121	\$ 1,008,572	\$ 964,209
Individual Gifts and Donations	39,651	-	39,651	87,367
Contributions	27,500	-	27,500	30,810
Miscellaneous	18,572	-	18,572	-
In-Kind Equipment and Supplies	1,825	-	1,825	5,362
<i>Total Support</i>	<u>233,999</u>	<u>862,121</u>	<u>1,096,120</u>	<u>1,087,748</u>
<i>Revenue:</i>				
Contractual Income	751,633	-	751,633	363,185
Gain (Loss) on Investments, net of fees	12,087	-	12,087	(19,850)
Interest and Dividends	2,205	-	2,205	1,479
<i>Total Revenue</i>	<u>765,925</u>	<u>-</u>	<u>765,925</u>	<u>344,814</u>
TOTAL SUPPORT AND REVENUE	<u>999,924</u>	<u>862,121</u>	<u>1,862,045</u>	<u>1,432,562</u>
EXPENSES				
Program Services	1,342,616	-	1,342,616	1,252,817
<i>Supporting Services:</i>				
General and Administrative	445,249	-	445,249	111,134
Development	5,553	-	5,553	5,971
TOTAL EXPENSES	<u>1,793,418</u>	<u>-</u>	<u>1,793,418</u>	<u>1,369,922</u>
CHANGE IN NET ASSETS	(793,494)	862,121	68,627	62,640
Net Assets Released from Restriction	697,201	(697,201)	-	-
BEGINNING NET ASSETS	<u>368,819</u>	<u>97,117</u>	<u>465,936</u>	<u>403,296</u>
ENDING NET ASSETS	<u><u>\$ 272,526</u></u>	<u><u>\$ 262,037</u></u>	<u><u>\$ 534,563</u></u>	<u><u>\$ 465,936</u></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, 2023
(with summarized comparative financial information at December 31, 2022)

	2023		
	Program Expenses		
	Empower Youth	Community Health	Total Program Expenses
FUNCTIONAL EXPENSES			
Payroll Expenses	\$ 709,690	\$ 187,949	\$ 897,639
Direct Assistance	-	43,175	43,175
Professional Services	121,484	39,981	161,465
Supplies	31,452	3,483	34,935
Marketing	-	-	-
Occupancy	87,694	5,822	93,516
Audit and Accounting	-	-	-
Transportation	14,106	916	15,022
Bank and Financing Fees	-	-	-
Food Assistance	3,099	1,011	4,110
Employee and Board Appreciation	-	-	-
Incentives	3,711	14,234	17,945
IT and Communication	-	-	-
Professional Development	9,088	158	9,246
Printing and Postage	4,440	1,396	5,836
Equipment	6,668	-	6,668
Insurance	7,624	-	7,624
Miscellaneous Expenses	30,047	4,512	34,559
Depreciation Expense	9,788	1,088	10,876
TOTAL FUNCTIONAL EXPENSES	<u>\$ 1,038,891</u>	<u>\$ 303,725</u>	<u>\$ 1,342,616</u>

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

2023				
Supporting Services				
General and Administrative	Development	Total		2022
\$ 306,903	\$ -	\$ 1,204,542	\$	871,534
-	-	43,175		88,320
26,200	-	187,665		142,162
8,198	-	43,133		52,744
-	5,553	5,553		5,971
8,120	-	101,636		48,567
55,806	-	55,806		14,697
-	-	15,022		18,089
7,340	-	7,340		7,731
-	-	4,110		17,313
5,774	-	5,774		1,521
-	-	17,945		27,540
19,258	-	19,258		4,213
-	-	9,246		12,216
-	-	5,836		4,497
-	-	6,668		5,433
6,716	-	14,340		13,380
934	-	35,493		18,407
-	-	10,876		15,587
<u>\$ 445,249</u>	<u>\$ 5,553</u>	<u>\$ 1,793,418</u>	<u>\$</u>	<u>1,369,922</u>

EMPOWER HOUSE (FORMERLY MARTINEZ STREET WOMEN'S CENTER)
 STATEMENTS OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (with summarized comparative financial information at December 31, 2022)

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 68,627	\$ 62,640
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	10,876	15,587
Unrealized (Gain) Loss on Investment	(12,718)	25,131
(Increase) Decrease in Grants Receivable	(225,155)	-
(Increase) Decrease in Prepaid Insurance	(3,497)	122
Increase (Decrease) in Accounts Payable	(7,880)	22,554
Increase (Decrease) in Grants Payable	45	(20,421)
Increase (Decrease) in Payroll Liabilities	4,562	16,081
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(165,140)</u>	<u>121,694</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Note Payable	<u>(7,209)</u>	<u>(5,852)</u>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(7,209)</u>	<u>(5,852)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Investments	139	-
Reinvestment of Investments	-	(17,526)
Acquisition of Property and Equipment	<u>(3,080)</u>	<u>(12,313)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(2,941)</u>	<u>(29,839)</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 (175,290)	 86,003
 BEGINNING CASH AND CASH EQUIVALENTS	 <u>296,479</u>	 <u>210,476</u>
 ENDING CASH AND CASH EQUIVALENTS	 <u>\$ 121,189</u>	 <u>\$ 296,479</u>
 SUPPLEMENTAL DISCLOSURE:		
Interest Expense Paid	\$ 6,330	\$ 6,586

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, 2023

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 Empower Youth supports positive development for youth ages 11 – 18 through social emotional learning, academic supports, restorative justice, mental health counseling and other wrap-around services. 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, 2023

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, 2023

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, Equipment and Vehicles	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 measurable 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, 2023, 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, 2023, 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, 2023

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 2020 through 2022 are open to examination by the Internal Revenue Service as of December 31, 2023.

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, 2022 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, 2022 are presented only to provide a basis for comparison with the year ended December 31, 2023. The 2022 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, 2022 from which the summarized information was derived.

16. CONCENTRATION OF CREDIT RISK

The Center maintains cash accounts at various financial institutions. Deposits in excess of \$250,000 per institution are not covered by Federal Deposit Insurance. As of December 31, 2023, the Center had no funds in excess of insurance limits.

17. SUBSEQUENT EVENTS

Subsequent events are considered through July 29, 2024, 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, 2023

NOTE B -- INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments at December 31, 2023 in the amount of \$90,898 consisted of equities and taxable fixed income. A roll-forward of earnings and losses for investment funds for the year ended December 31, 2023 is as follows:

Beginning Balance, December 31, 2022	\$	78,319
Realized Gains (Losses)		426
Unrealized Gains (Losses)		12,718
Interest and Dividends		1,791
Investment Fees		(1,057)
Purchase of Investments		(1,299)
Ending Balance, December 31, 2023	\$	<u>90,898</u>

The historical cost and fair market value of the investment account as of December 31, 2023 is as follows:

	Level 1
Cost	\$ 81,170
Fair Value	<u>90,898</u>
Cumulative Gain (Losses)	<u>\$ 9,728</u>

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

Property and equipment activity for the year ended December 31, 2023, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Land*	\$ 52,760	\$ -	\$ -	\$ 52,760
Building and Improvements	254,785	-	-	254,785
Less: Accumulated Depreciation	(22,969)	(6,533)	-	(29,502)
Furniture, Fixtures, Equipment and Vehicles	50,224	3,080	-	53,304
Less: Accumulated Depreciation	(23,092)	(4,343)	-	(27,435)
Net Property and Equipment	<u>\$ 311,708</u>	<u>\$ (7,796)</u>	<u>\$ -</u>	<u>\$ 303,912</u>

*Land is not depreciated.

EMPOWER HOUSE (FORMERLY MARTINEZ STREET WOMEN'S CENTER)
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

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, 2023 the loan balance \$148,066. Interest expense in 2023 was \$6,330.

Remaining payments on the note are scheduled as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 6,925	\$ 6,052	\$ 12,977
2025	7,219	5,758	12,977
2026	7,525	5,452	12,977
2027	7,844	5,133	12,977
2028	8,176	4,801	12,977
2029-2033	46,386	18,499	64,885
2034-2038	57,090	7,795	64,885
2039	6,901	104	7,005
	<u>\$ 148,066</u>	<u>\$ 53,594</u>	<u>\$ 201,660</u>

NOTE E -- NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2023 are as follows:

Direct Assistance - COVID	\$ 5,686
Community Health	16,185
VOCA	12,807
HEB Tournament of Champions	918
EFS National Board PGM Award	3,000
Economic Mobility - MHM	15,393
Alice Kleberg	6,123
Partners for Racial Equity	58,009
SAAF - New Horizons	41,907
SAAF - Tech Building	50,000
SAAF - Capacity Building	19,373
United Way of San Antonio & Bexar County	10,000
Other	22,636
	<u>\$ 262,037</u>

EMPOWER HOUSE (FORMERLY MARTINEZ STREET WOMEN'S CENTER)
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

NOTE E -- NET ASSETS WITH DONOR RESTRICTIONS (CONT.)

The uses of net assets released from restriction for the year ended December 31, 2023 are as follows:

Texas Education Agency	\$ 226,828
SAAF - Access To Care	63,554
Methodist HealthCare Ministries	143,103
EFS National Board PGM Award	22,000
Economic Mobility - MHM	134,968
Alice Kleberg	18,914
Partners for Racial Equity	39,250
SAAF - New Horizons	8,091
SAAF - Capacity Building	5,627
Other	34,866
	<u>\$ 697,201</u>

NOTE F -- CONCENTRATION OF DONATIONS

During 2023, the Center received 23% of its revenue from a substantial contract with United Way covering 5 programs. An additional 20% of its revenue came from the City of San Antonio, 17% from Methodist HealthCare Ministries, 16% from the Texas Education Agency, and 15% from the San Antonio Area Foundation.

NOTE G -- 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 H -- 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 zero out related to this grant are included in these financial statements.

EMPOWER HOUSE (FORMERLY MARTINEZ STREET WOMEN'S CENTER)
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

NOTE I -- LEASE AGREEMENT WITH THE CITY OF SAN ANTONIO

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 rental 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 2023, the Center incurred \$4,747 in utility bills at the Olive Street space. No in-kind revenue or expense has been recorded for the rent, 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 rental extension options without approval vote of the City Council.

NOTE J -- LITIGATION

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

NOTE K -- 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 \$148,393 per month in 2023, given full programmatic expenses. The Center has \$99,332 (approximately 1 month) of financial assets available to meet cash needs in the next year for general expenditures as of December 31, 2023 as shown in the table below.

Current Assets	\$ 446,041
Less Prepaid Insurance	(8,799)
Less Current Liabilities	(74,249)
Less Net Assets with Donor Restrictions	<u>(262,037)</u>
Total Financial Assets Available to Meet	
Cash for General Expenditure Needs	<u><u>\$ 100,956</u></u>

