REPORT ON EXAMINATION OF

EMPOWER MISSOURI

AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS
KANSAS CITY

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McBRIDE, LOCK & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Empower Missouri

Opinion

We have audited the accompanying financial statements of Empower Missouri (a nonprofit organization), which comprise the statement of financial position as of June 30, 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 financial statements referred to above present fairly, in all material respects, the financial position of the Empower Missouri as of June 30, 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. 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 the Center for Practical Bioethics, Inc. 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 financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Empower Missouri'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 in 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 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 the Empower Missouri'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 the Empower Missouri'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.

McBride, Lock & associates, LLC

McBride, Lock & Associates, LLC
Kansas City, Missouri
September 26, 2023

Exhibit A

EMPOWER MISSOURI
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

Assets	
CURRENT ASSETS:	
Cash and Cash Equivalents	$ 81,935
Investments - Endowment	337,345
Accounts Receivable	9,798
Grants Receivable	423,935
Prepaid Expenses	3,435
Total Current Assets	$ 856,448
OTHER ASSETS:	
Investments - Endowment	$ 931,602
Operating Lease Right-of-Use Asset	2,042
Total Other Assets	$ 933,644
TOTAL ASSETS	$ 1,790,092
Liabilities	
CURRENT LIABILITIES:	
Accounts Payable	$ 18,458
Payroll Liabilities	2,018
Accrued Vacation	23,088
Operating Lease Right-of-Use Liability	1,632
Line of Credit	15,170
Total Current Liabilities	$ 60,366
LONG-TERM LIABILITIES:	
Operating Lease Right-of-Use Liability	410
Total Liabilities	$ 60,776
Net Assets	
NET ASSETS WITHOUT DONOR RESTRICTIONS	$ 64,374
NET ASSETS WITH DONOR RESTRICTIONS:	
Net assets with temporary restrictions	$ 733,340
Net assets with perpetual restrictions	931,602
Total Net Assets With Donor Restrictions	$ 1,664,942
Total Net Assets	$ 1,729,316
TOTAL LIABILITIES & NET ASSETS	$ 1,790,092

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

EMPOWER MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Revenue	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Contributions	$ 37,363	$ -	$ 37,363
Grants	34,040	379,500	413,540
Fundraising	29,537	-	29,537
Fee-for-Service	9,850	-	9,850
Other Income	31,311	-	31,311
Net Assets Released From Restrictions	690,061	(690,061)	-
Total Revenue	$ 832,162	$ (310,561)	$ 521,601
Expenses			
Program Expenses	$ 767,455	$ -	$ 767,455
Support Services Expenses:			
General and administration	$ 53,967	$ -	$ 53,967
Fundraising	81,099	-	81,099
Total Support Services Expenses	$ 135,066	$ -	$ 135,066
Total Expenses	$ 902,521	$ -	$ 902,521
Change in Net Assets from Operations	$ (70,359)	$ (310,561)	$ (380,920)
Other Revenue (Expense):			
Investment Return, net	$ (2,100)	$ 87,967	$ 85,867
Total Other Revenue (Expenses)	$ (2,100)	$ 87,967	$ 85,867
Change in Net Assets	$ (72,459)	$ (222,594)	$ (295,053)
Net Assets, beginning of the year (restated)	136,833	1,887,536	2,024,369
Net Assets, end of year	$ 64,374	$ 1,664,942	$ 1,729,316

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

Exhibit C

EMPOWER MISSOURI
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

		Support Services		
	Program	General and Administration	Fundraising	Total
Payroll and Benefits	$ 527,618	$ 48,182	$ 63,067	$ 638,867
Advertising	11,864	-	-	11,864
Travel and Meetings	40,729	-	-	40,729
Annual Conference	16,750	-	-	16,750
Donations/Sponsorship	811	-	-	811
Communications	2,743	-	-	2,743
Professional Services	101,083	1,012	1,325	103,420
Office Expenses	16,361	1,494	1,956	19,811
Occupancy	8,968	770	1,009	10,747
Insurance	3,699	338	442	4,479
Human Resources	21,559	1,519	1,989	25,067
Software Fees	8,534	501	655	9,690
Financial Service Fees	995	91	541	1,627
Other Program Expenses	5,741	60	79	5,880
Fundraising Expense	-	-	10,036	10,036
Total Program and Support Expenses	$ 767,455	$ 53,967	$ 81,099	$ 902,521

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

Exhibit D

EMPOWER MISSOURI
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$	(295,053)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized/unrealized (gains) losses on investments		(38,875)
Prior Period Adjustments		1,243
Changes in operating assets and liabilities:		
Accounts Receivable		(8,590)
Grants Receivable		177,621
Prepaid Expenses		117
Operating Lease Right-of-Use Asset		2,042
Accounts Payable		9,189
Payroll Liabilities		1,817
Accrued Vacation		8,975
Operating Lease Right-of-Use Liability		(2,042)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$	(143,556)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net (Purchases)/Maturities of Investments	$	(71,180)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	$	(71,180)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings from/(Payments to) Line of Credit	$	15,170
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	$	15,170
NET INCREASE (DECREASE) IN CASH	$	(199,566)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		281,501
CASH AND CASH EQUIVALENTS, END OF YEAR	$	81,935
SUPPLEMENTAL DISCLOSURES:		
Cash Paid For Interest	$	-

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Empower Missouri (the "Organization") is a citizens membership organization founded in 1901. It is the mission of the Organization to provide the leadership, research, education, and advocacy to improve public policies and programs impacting the health and welfare of all people in Missouri. Empower Missouri is organized as a tax-exempt corporation under the Internal Revenue Code Section 501(c)(3).

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

> Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.
>
> Net assets with donor restrictions - Net assets that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Investments

The Organization has adopted "Accounting for Certain Investments Held by Non-Profit Organizations." Under the standard, investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Investment return is reported in the Statement of Activities and consists of interest and dividend income, and realized and unrealized gains and losses, net of external and direct internal investment expenses.

Receivables

Accounts and grants receivable represent amounts due to the Organization that have not been collected. Based upon management's estimated collections, a provision for doubtful accounts has not been established as management considers all accounts to be collectible.

Property and Equipment

Property and equipment are recorded at cost or, in the case of donated assets, at their estimated fair market value on the date of donation. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. Expenditures for repairs and maintenance are charged to operating expenses as incurred. As of June 30, 2023, no assets met the requirement for capitalization.

Contributed Services

The Organization's policy is to recognize contributed professional services at the fair value of the services received if the services create or enhance nonfinancial assets or require specialized skills and are provided by individuals possessing those skills. The Organization receives a significant amount of donated services from unpaid volunteers who assist in fund-raising and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition have not been satisfied.

Revenue Recognition

Contributions and Grants – Contributions received are 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. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction, depending on the nature of the 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. At June 30, 2023, there are no contributions that have not been recognized in the Statement of Activities because the condition(s) on which they depend have not yet been met.

Fundraising – Sponsorships and attendance fees received in connection with the Organization's Anti-Poverty Advocates Summit and other events are considered to be exchange transactions to the extent of the fair market value of benefits received by attendees and are recognized when the event is held. The amount received in excess of the value of the benefits received, if any, is treated as a contribution.

Fee-for-Service – Revenues from the performance of professional educational and consulting services are recognized when the performance obligation of providing the services are met. These contracts are typically paid on a quarterly basis.

Income Taxes

The Organization is exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code.

As required by FASB ASC No. 740, *Income Taxes,* the Organization evaluated its tax positions and the certainty as to whether those positions will be sustained in the event of an audit by taxing authorities at the federal and state levels. The primary tax positions evaluated are related to the Organization's continued qualification as a tax-exempt organization and whether there is unrelated business income activities conducted that would be taxable. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; no disclosures of uncertain tax positions are required. The Organization is no longer subject to United States federal or state examinations by tax authorities for the years before 2019. During 2023, the Center did not recognize any interest or penalties associated with any positions.

Cash Equivalents

The Center considers unrestricted cash, money market accounts, and highly liquid investments purchased with maturities of less than three months to be cash equivalents.

Advertising

The Organization uses advertising to promote its programs among its audiences. Advertising costs are expensed as incurred. For the fiscal year ended June 30, 2023, advertising expense was $11,864.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Measure of Operations

The statement of activities reports 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 program services and support services. Non-operating activities are limited to resources that generate a return on investment and other activities considered to be of a more unusual or nonrecurring nature.

New Accounting Pronouncements

The Center has adopted the requirements of ASU 2016-02, *Leases*. This guidance requires the rights and obligations of new and existing leases to be recognized as assets and liabilities on the Statement of Financial Position and new disclosures to better inform financial statement users of the amounts, timing and uncertainty of cash flows arising from leases. As a result of this standard, an Operating Lease Right-of-Use Asset and Liability has been recognized on the Statement of Financial Position and additional disclosures required by the standard have been added. The standard has been applied at the period of adoption using a modified retrospective approach, with a cumulative effect adjustment at the beginning of the period of adoption. Beginning Net Assets Without Donor Restrictions at July 1, 2022 have been increased by $1,200 as a result of the adoption of the standard.

NOTE 2 – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between fundraising, general and administration, or the appropriate program based on evaluations of the related benefits. Such allocations are determined by management on an equitable basis. Expenditures have been allocated based on time and effort or specific identification, when available.

NOTE 3 – MAJOR CONCENTRATIONS

The Organization maintains a deposit account at Central Bank of St. Louis. The depositor is insured by the Federal Deposit Insurance Corporation (FDIC) for up to $250,000. As of June 30, 2023, the total carrying amount of deposits totaled $81,935 and the bank balance totaled $1,970. Of the bank balance, no deposits were uninsured.

The Organization maintains investment accounts at Edward Jones and LPL Financial. Each depositor is insured by the Securities Investor Protection Corporation (SIPC) for up to $500,000, including a maximum of $250,000 for cash deposits. As of June 30, 2023, the Organization's total investments were $1,268,947. Of the investment balance, $6,971 were cash deposits. As of June 30, 2023, investments of $761,976 were uninsured.

NOTE 4 – FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board Statement Fair Value Measurements establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy under Fair Value Measurements are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for similar assets or liabilities in inactive markets;

- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023.

Common stocks, exchange-traded funds, and municipal bonds: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the net asset value of shares held by the Organization at fiscal year-end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2023:

	Level 1	Level 2	Level 3
Cash Equivalents	$ 6,971	$ -	$ -
Fixed Income	177,874	-	-
Mutual and Exchange Traded Funds	1,084,102	-	-
Total Investments	$ 1,268,947	$ -	$ -

NOTE 5 – INVESTMENTS

Investments consisted of the following as of June 30, 2023:

Cash Equivalents	$ 6,971
Mutual and Exchange Traded Funds	1,084,102
Fixed Income Funds	177,874
Total Investments	$ 1,268,947

NOTE 6 – GRANTS RECEIVABLE

Collection of grants receivable at June 30, 2023 is expected as follows:

Due in less than one year	$ 290,394
Due in one to five years	133,541
Total Grants Receivable	$ 423,935

NOTE 7 – LINE OF CREDIT

As of June 30, 2023, the Organization had an outstanding balance of $15,170 under a securities line of credit with Central Bank with a due date of July 31, 2023. The total credit limit was $629,036. Borrowings are charged interest at a rate of 9.25% on the average daily balance each month.

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets were restricted for the following purposes as of June 30, 2023:

Subject to expenditure for specified purpose:	
Exemplary Advocates Cohort	$ 60,000
Affordable Housing Coalition	250,495
Criminal Justice Coalition	26,000
Missouri Family Health Council	59,500
Endowments:	
Perpetual in nature, earnings from which are subject to endowment spending policy and appropriation:	
Programs and projects	931,602
Subject to appropriation and expenditure when a specified event occurs:	
Programs and projects	337,345
Total Net Assets With Donor Restrictions	$ 1,664,942

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or other events specified by donors as follows for the year ended June 30, 2023:

Satisfaction of purpose restrictions:	
Exemplary Advocates Cohort	90,000
Affordable Housing Coalition	212,161
Criminal Justice Coalition	232,000
Right Time Initiative	15,000
Fundraising Support	5,400
Missouri Family Health Council	30,500
Restricted-purpose spending rate distributions and appropriations:	
Endowment	105,000
Total Net Assets Released From Restrictions	$ 690,061

NOTE 9 – LIQUIDITY AND AVAILABILITY

The Organization's permanent endowment fund consists of a donor-restricted endowment and funds appropriated subject to the Organization's spending policy. The Organization appropriates for distribution each year for programs and projects from the endowment fund for which a spending policy has been adopted. In accordance with the endowment fund policy, a targeted amount of 5% of the assets of the endowment fund is available for withdraw each fiscal year, with the option for additional amounts with Board approval. Income from donor-restricted funds are restricted for specific purposes, and therefore, not immediately available for general expenditure.

The following reflects the Organization's financial assets as of the Statement of Financial Position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the Statement of Financial Position date.

Total Current Assets	$ 856,448
Less: Prepaid Expenses	(3,435)
Current Financial Assets	$ 853,013
Less Those Unavailable for General Expenditures Within One Year:	
Restricted by donor with purpose restrictions	(733,340)
Financial assets available to meet cash needs for general expenditures within one year	$ 119,673

NOTE 10 – ENDOWMENT FUND

The Organization's endowment fund was created to acquire financial resources for providing general support, and to fund programs and projects that fall within its mission, values, and goals. The donor restrictions are perpetual in nature, whereby the donor has stipulated that the original value of the donation and subsequent gifts to the endowment are required to be maintained in perpetuity. The remaining portion of the donor-restricted endowment fund that is not classified in period restricted net assets is classified as purpose restricted net assets until these amounts are appropriated for expenditure by the Organization in a manner consistent with donor stipulations.

The Board has determined that, absent explicit donor stipulations to the contrary, the Uniform Prudent Management of Institutional Funds Act (2006) (UPMIFA) statutes as adopted in Missouri allows the Organization to appropriate for expenditure or to accumulate so much of an endowment fund as the Organization determines is prudent for the uses, benefits, purposes and duration for which the endowment funds were established, and to make such determinations to appropriate or accumulate fund assets in good faith pursuant to investment and spending policies implemented in the context of the perpetual nature of an endowment which are designed to maintain the value of the fund over time and to permit annual expenditure amounts that are prudent, after considering the following factors: (1) the duration and preservation of the endowment fund; (2) the purposes of the Organization and the fund; (3) general economic conditions; (4) the possible effect of inflation or deflation; (5) the expected total return from income and the appreciation of investments; (6) other resources of the Organization; and (7) the investment and spending policy of the Organization.

The Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization has adopted a policy to not allow any withdrawal from the endowment which would cause the fund to be underwater.

Investment Return Objectives, Risk Parameters and Strategies

The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. The policy for endowment funds states that monies can be invested in cash equivalents, investment trusts, money market accounts, bonds, preferred or common stocks, or mutual funds. The Endowment Fund Committee is required to meet at least twice per year to set a minimum and maximum percentage for equity investments. Endowment assets are invested in a well-diversified asset mix that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the funds, if possible.

Spending Policy

The organization ordinarily appropriated for spending each fiscal year up to 5% of the value of the funds as of the last day of the previous fiscal year, but may allocate more or less, and may approve supplemental allocations. If the requested withdrawal amount is larger than 5% of the market value of the endowment on June 30, approval of the full Board is required.

Endowment net assets consist of $1,268,947 in Net Assets With Donor Restrictions, including $337,345 which is temporarily restricted and $931,602 which is perpetually restricted.

Changes in endowment net assets as of June 30, 2023 are as follows:

	Net Assets With Donor Restrictions		
	Temporary	Perpetual	Total
Endowment net assets, beginning of year	$ 354,378	$ 931,602	$ 1,285,980
Contributions	-	-	-
Investment Income	41,766	-	41,766
Net Appreciation	46,201	-	46,201
Amounts appropriated for expenditure	(105,000)	-	(105,000)
Endowment net assets, end of year	$ 337,345	$ 931,602	$ 1,268,947

NOTE 11 – OPERATING LEASES

In November 2019, the Organization entered into a five-year lease with Great America Leasing Corporation for the use of a copier. The minimum quarterly payment is $410. The lease agreement expires in November 2024. In November 2019, the Organization entered into a three-year lease for office space and two parking spaces. The required monthly payments are $1,300. The lease agreement expired in October 2022. In January 2023, the Organization entered into a one year lease for an apartment in Jefferson City, Missouri. The apartment is to be used by the Organizations remote employees when traveling to Jefferson City for work related meetings and events.

The weighted-average discount rate is based on the discount rate implicit in the lease. The Organization has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The risk-free rate option has been applied to the copier lease.

The Organization has elected the practical expedient to not separate lease and non-lease components for the copier lease. The copier lease contains a variable non-lease component for color copies and black and white copies in excess of 2,000 pages per month.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on a straight-line basis.

The following provides information regarding total lease cost and cash flows from leasing transactions:

Operating lease cost	$ 4,040
Variable lease cost	243
Short-term lease cost	6,342
Total lease cost	$ 10,625
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 2,840
Right-of-use assets obtained in exchange for new operating lease liabilities	n/a
Weighted-average remaining lease term (years) - operating leases	1.25
Weighted-average discount rate - operating leases	1.66%

Future minimum lease payments under noncancelable operating leases with terms greater than one year are as follows:

Year Ending December 31,	Amount
2023	$ 1,640
2024	410
Total lease payments	$ 2,050
Less interest	(8)
Present value of lease liabilities	$ 2,042

NOTE 12 – RETIREMENT PLAN

The Organization participates in a Savings Incentive Match Plan for Employees. The plan includes matching employees' contributions, up to 3% of each employee's compensation. For the fiscal year ended June 30, 2023, $12,206 was contributed by the Organization. All contributions made to the plan are fully vested.

NOTE 13 – REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table reflects changes in receivables arising from contracts with customers:

	Beginning Balance	Increases	Decreases	Ending Balance
Receivables	$ 377	$ 25,250	$ (18,875)	$ 6,752

NOTE 14 – SUBSEQUENT EVENTS

Management has evaluated and noted no subsequent events through September 26, 2023, the date which the financial statements were available for issue.

EMPOWER MISSOURI

FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

EMPOWER MISSOURI

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Empower Missouri

Opinion

We have audited the accompanying financial statements of Empower Missouri (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the fiscal year 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 Empower Missouri as of June 30, 2022, and the changes in its net assets and its cash flows for the fiscal 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Empower Missouri 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 Missouri's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 Empower Missouri'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 Missouri'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.

Fick, Eggemeyer, and Williamson

Fick, Eggemeyer, and Williamson CPAs
Saint Louis, Missouri
August 30, 2022

EMPOWER MISSOURI
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

ASSETS

CURRENT ASSETS		
Cash and cash equivalents	$	281,501
Investments		1,158,892
Accounts receivable		1,208
Grants receivable		601,556
Prepaid expense		3,552
Total current assets		2,046,709
NONCURRENT ASSETS		
None		-
Total noncurrent assets		-
Total assets	$	2,046,709

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	$	9,269
Payroll liabilities		201
Accrued vacation		14,113
Total current liabilities		23,583
NONCURRENT LIABILITIES		
None		-
Total noncurrent liabilities		-
Total liabilities		23,583
NET ASSETS		
Without donor restriction		135,590
With donor restriction		1,887,536
Total net assets		2,023,126
Total liabilities and net assets	$	2,046,709

EMPOWER MISSOURI
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Without Donor restriction	With Donor restriction	Total
SUPPORT AND REVENUE			
Contributions	$ 23,976	$ 10,800	$ 34,776
Grants	10,000	664,469	674,469
Fundraising	23,322	-	23,322
Debt forgiveness	53,768	-	53,768
Other	569	-	569
Total support and revenue	111,635	675,269	786,904
Net assets released from restrictions			
Satisfaction of restrictions	459,807	(459,807)	-
Total	571,442	215,462	786,904
EXPENSES			
Program	608,130	-	608,130
Total program expenses	608,130	-	608,130
Support expenses			
General and administration	23,096	-	23,096
Fundraising	26,333	-	26,333
Total support expenses	49,429	-	49,429
Total expenses	657,559	-	657,559
Changes in net assets from operations	(86,117)	215,462	129,345
INVESTMENT ACTIVITIES			
Interest and dividends	7,933	42,491	50,424
Unrealized gain (loss) on investments	(11,456)	(181,290)	(192,746)
Total investment activities	(3,523)	(138,799)	(142,322)
Changes in net assets	(89,640)	76,663	(12,977)
Net assets - beginning of year	225,230	1,810,873	2,036,103
Net assets - end of year	$ 135,590	$ 1,887,536	$ 2,023,126

EMPOWER MISSOURI
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Program	General and Administration	Fundraising	Total
Salaries	$ 305,214	$ 13,127	$ 9,846	$ 328,187
Payroll taxes	26,183	1,126	845	28,154
Fringe benefits	33,560	1,443	1,083	36,086
Advertising	6,190	-	-	6,190
Travel and meetings	20,557	-	-	20,557
Donations	1,921	-	450	2,371
Communications and thought leadership	14,250	613	460	15,323
Grants	10,000	-	-	10,000
Professional fees	126,919	5,244	3,933	136,096
Office	10,391	447	335	11,173
Occupancy	13,560	583	437	14,580
Insurance	4,125	177	133	4,435
Human resources	21,389	-	662	22,051
Software fees	7,224	311	233	7,768
Financial services	584	25	19	628
Fundraising	-	-	7,897	7,897
Other	6,063	-	-	6,063
Total	$ 608,130	$ 23,096	$ 26,333	$ 657,559

EMPOWER MISSOURI
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$	(12,977)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Debt forgiveness		(53,768)
Unrealized (gain)/loss on investments		192,746
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable		(1,208)
(Increase) decrease in grants receivable		(265,462)
(Increase) decrease in prepaid expense		(237)
Increase (decrease) in accounts payable		(2,848)
Increase (decrease) in payroll liabilities		124
Net cash provided by (used in) operating activities		(143,630)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments		20,068
Net cash provided by (used in) investing activities		20,068
CASH FLOWS FROM FINANCING ACTIVITIES		
None		-
Net cash provided by (used in) financing activities		-
Net increase (decrease) in cash and cash equivalents		(123,562)
Cash and cash equivalents - beginning of year		405,063
Cash and cash equivalents - end of year	$	281,501

See accompanying notes and independent auditors' report

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization
Empower Missouri (the "Organization") is a citizens membership organization founded in 1901. It is the mission of the Organization to provide the leadership, research, education, and advocacy to improve public policies and programs impacting the health and welfare of all people in Missouri. Empower Missouri is organized as a tax-exempt corporation under the Internal Revenue Code Section 501(c)(3).

Basis of Accounting
The financial statements of the Organization have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of Presentation
The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

> Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.
>
> Net assets with donor restrictions - Net assets that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Cash and Cash Equivalents
The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Investments
The Organization has adopted "Accounting for Certain Investments Held by Non-Profit Organizations." Under the standard, investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables
Accounts and grants receivable represent amounts due to the Organization that have not been collected. Based upon management's estimated collections, a provision for doubtful accounts has not been established as management considers all accounts to be collectible.

Property and Equipment
Property and equipment are recorded at cost or, in the case of donated assets, at their estimated fair market value on the date of donation. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. Expenditures for repairs and maintenance are charged to operating expenses as incurred. As of June 30, 2022, no assets met the requirement for capitalization.

Contributed Services
The Organization receives a significant amount of donated services from unpaid volunteers who assist in fund-raising and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition have not been satisfied.

Contributions
Contributions received are 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. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction, depending on the nature of the 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.

Advertising
The Organization uses advertising to promote its programs among its audiences. Advertising costs are expensed as incurred. For the fiscal year ended June 30, 2022, advertising expense was $6,190.

Income Taxes
The Organization is exempt from income taxes pursuant to section 501(c)(3) of the Internal Revenue Service Code. Therefore, no provision is made for taxes on income.

The Organization adopted the provisions of Accounting for Uncertainty in Income Taxes on January 1, 2012. The adoption of that guidance resulted in no change to the financial statements for prior periods. As of June 30, 2022, no amounts have been recognized for uncertain tax positions. Any returns that the Organization would have prepared for fiscal years 2018 and prior are now closed.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates in Financial Statements
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Measure of Operations
The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's program services and support services. Nonoperating activities are limited to resources that generate a return on investment and other activities considered to be of a more unusual or nonrecurring nature.

Accrued Vacation
Employees of the Organization are entitled to paid vacation. Any unused vacation can be carried forward up to the maximum number of hours allowed. Employees can accumulate earned vacation and, upon separation, are paid out any unused vacation pay based on current pay rates. Accordingly, accrued vacation as of June 30, 2022 was $14,113.

Note 2 - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between fundraising, general and administration, or the appropriate program based on evaluations of the related benefits. Such allocations are determined by management on an equitable basis. Expenditures have been allocated based on time and effort or specific identification, when available.

Note 3 - CONCENTRATION OF CREDIT RISK

The Organization maintains a deposit account at Central Bank of St. Louis. The depositor is insured by the Federal Deposit Insurance Corporation (FDIC) for up to $250,000. As of June 30, 2022, the total carrying amount of deposits totaled $62,846 and the bank balance totaled $69,121. Of the bank balance, no deposits were uninsured.

The Organization maintains investment accounts at Edward Jones and LPL Financial. Each depositor is insured by the Securities Investor Protection Corporation (SIPC) for up to $500,000, including a maximum of $250,000 for cash deposits. As of June 30, 2022, the Organization's total investments were $1,377,547. Of the investment balance, $218,655 were cash deposits. As of June 30, 2022, investments of $785,980 were uninsured.

Note 4 - FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board Statement *Fair Value Measurements* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy under *Fair Value Measurements* are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2022.

Common stocks, exchange-traded funds, and municipal bonds: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the net asset value of shares held by the Organization at fiscal year-end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Organization’s assets at fair value as of June 30, 2022:

	Level 1	Level 2	Level 3	Total
Common stocks	$ 43,767	$ -	$ -	$ 43,767
Mutual funds	260,817	-	-	260,817
Municipal bonds	24,086	-	-	24,086
Exchange trade funds	830,222	-	-	830,222
Total fair value	$ 1,158,892	$ -	$ -	$ 1,158,892

Note 5 - NOTE PAYABLE

In February 2021, the Organization received loan proceeds in the amount of $53,768 under the Paycheck Protection Program (“PPP”). The PPP is administered by the Small Business Administration. The loan and accrued interest (1%) are forgivable after eight to twenty-four weeks as long as the Organization used the loan proceeds for eligible purposes, such as payroll, benefits, rent, and utilities. On July 20, 2021, the entire loan balance was forgiven, including accrued interest, and $53,768 was recorded as debt forgiveness on the statement activities. The balance as of June 30, 2022 was $0.

Note 6 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2022 are restricted as follows:

	Purpose	Period
Programs and projects	$ 354,378	$ 931,602
Exemplary Advocates Cohort	150,000	-
Affordable Housing Coalition	412,656	-
Criminal Justice Coalition	26,000	-
Right Time Initiative	7,500	-
Fundraising Support	5,400	-
Total	$ 955,934	$ 931,602

Note 7 - AVAILABILITY AND LIQUIDITY

The following represents the Organization’s financial assets at June 30, 2022:

Financial assets at year-end:	
Cash and cash equivalents	$ 281,501
Investments	1,158,892
Accounts receivable	1,208
Grants receivable	601,556
Total financial assets at year-end	2,043,157
Less amounts not available for general expenditures within one year:	
Net assets with period restrictions in excess of one year	931,602
Net assets with purpose restrictions	955,934
Total amounts not available to meet general expenditures	1,887,536
Financial assets available to meet general expenditures within one year	$ 155,621

Note 8 - DONOR-RESTRICTED ENDOWMENT FUND

The Organization's endowment fund was created to acquire financial resources for providing general support, and to fund programs and projects that fall within its mission, values, and goals. The donor restrictions are perpetual in nature, whereby the donor has stipulated that the original value of the donation and subsequent gifts to the endowment are required to be maintained in perpetuity. The remaining portion of the donor-restricted endowment fund that is not classified in period restricted net assets is classified as purpose restricted net assets until these amounts are appropriated for expenditure by the Organization in a manner consistent with donor stipulations.

Investment Return Objectives, Risk Parameters, and Strategies: The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. The policy for endowment funds states that monies can be invested in cash equivalents, investment trusts, money market accounts, bonds, preferred or common stocks, or mutual funds. The Endowment Fund Committee is required to meet at least twice per year to set a minimum and maximum percentage for equity investments. Endowment assets are invested in a well-diversified asset mix that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the funds, if possible.

Spending Policy: The organization ordinarily appropriated for spending each fiscal year up to 5% of the value of the funds as of the last day of the third month before the year begins, but may allocate more or less, and may approve supplemental allocations.

Endowment net asset composition as of June 30, 2022 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment corpus	$ -	$ 931,602	$ 931,602
Endowment earnings	-	354,378	354,378
Total endowment funds	$ -	$ 1,285,980	$ 1,285,980

Changes in endowment net assets as of June 30, 2022 follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - beginning of year	$ -	$ 1,474,779	$ 1,474,779
Contributions	-	-	-
Investment return, net	-	(138,799)	(138,799)
Released from restrictions	-	(50,000)	(50,000)
Endowment net assets - end of year	$ -	$ 1,285,980	$ 1,285,980

Note 9 - OPERATING LEASES

I. In November 2019, the Organization entered into a five-year lease with Great America Leasing Corporation for the use of a copier. The minimum quarterly payment is $410. The lease agreement expires in November 2025.

II. In November 2019, the Organization entered into a three-year lease with Cosimo Properties LLC for office space and two parking spaces. The required monthly payments are $1,300. The lease agreement expires in October 2022.

Future minimum lease payments are as follows:

For the fiscal year ended June 30,

2023	$	6,840
2024		1,640
2025		410
Total	$	8,890

Expenses for lease payments totaled $16,601 for the fiscal year ended June 30, 2022.

Note 10 - RETIREMENT PLAN

The Organization participates in a Savings Incentive Match Plan for Employees. The plan includes matching employees' contributions, up to 3% of each employee's compensation. For the fiscal year ended June 30, 2022, $5,960 was contributed by the Organization. All contributions made to the plan are fully vested.

Note 11 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 30, 2022, the date which the financial statements were available to be issued, and noted no reportable events.