

**EMPOWER THE VILLAGE, INC.**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 & 2021**

EMPOWER THE VILLAGE, INC.  
FINANCIAL STATEMENTS INDEX

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# CLYNE & EAGAN ASSOCIATES

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Empower The Village, Inc.:

We have audited the accompanying financial statements of Empower The Village, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Empower The Village, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audits 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 Empower The Village, 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 The Village, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance, and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Empower The Village, Inc.'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 The Village, Inc.'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.



CLYNE EAGAN & ASSOCIATES, P.A.

November 1, 2023  
Cedar Knolls, NJ

**EMPOWER THE VILLAGE, INC**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2022 AND 2021**

	December 31,	
	2022	2021
<b>ASSETS</b>		
Cash and cash equivalents	198,837	156,056
Accounts receivable, net	36,067	19,659
	<b>\$ 234,904</b>	<b>\$ 175,715</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued expenses	21,040	8,500
Total liabilities	<b>\$ 21,040</b>	<b>\$ 8,500</b>
Net assets without donor restrictions	213,864	167,215
	<b>\$ 234,904</b>	<b>\$ 175,715</b>

SEE NOTES TO FINANCIAL STATEMENTS

**EMPOWER THE VILLAGE, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	December 31,	
	2022	2021
<b>OPERATING ACTIVITIES</b>		
Revenues and Other Support without donor restriction:		
Program service revenue, net	188,250	280,081
Fundraising service revenue, net	245,562	92,842
Total revenue and other support, without donor restriction	433,812	372,923
Revenues and Other Support with donor restriction:		
Contributions and grants	53,500	100,000
Total revenue and other support, with donor restriction	53,500	100,000
Other Revenue:		
Interest income	7	-
Total revenue	487,319	472,923
Costs and Expenses:		
Program Services:		
Program contractors	33,681	106,722
Program expenses	216,764	149,170
Total program services	250,445	255,892
Supporting services:		
Fundraising	44,112	7,298
General administration	146,113	70,529
Total supporting activities	190,225	77,827
Total expenses	440,670	333,719
Net increase in net assets	46,649	139,204
Net assets without donor restrictions - beginning of year	167,215	28,011
Net assets without donor restrictions - end of year	\$ 213,864	\$ 167,215

SEE NOTES TO FINANCIAL STATEMENTS

**EMPOWER THE VILLAGE, INC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	December 31,	
	2022	2021
Cash flow from operating activities:		
Net increase in net assets	\$ 46,649	\$ 139,204
Adjustments to reconcile change in net assets to net cash from operating activities:		
Decrease/(Increase) in assets:		
Accounts receivable	(16,408)	(9,999)
Decrease in liabilities:		
Accounts payable	12,540	8,500
Net cash from operating activities	42,781	137,705
Net increase in cash	42,781	137,705
Cash, beginning of year	156,056	18,351
Cash, end of year	\$ 198,837	\$ 156,056

SEE NOTES TO FINANCIAL STATEMENTS

**EMPOWER THE VILLAGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

NOTE 1-- Description of the Organization

Empower The Village, Inc. ("ETV"), a data-driven 501(c)(3) non-profit organization established in 2018, develops, guides and implements breakthrough, scalable strategies that empower Black people, businesses and community organizations to realize their full potential. ETV's overarching mission is to restore prosperity, peace, and power to the Black community through strategic intervention and collective action in partnership with The Village (individuals and businesses within the community).

Black America represents approximately 14% of the US population [~1 out of 7 Americans]. Despite progress in many areas that ebbs and flows from one generation to the next, Black Americans continue to face serious challenges and setbacks to its health, wealth, peace and power. ETV is focusing their efforts on the Economic Prosperity and Health & Wellness aspects in the near term and are fine-tuning their footprint to emphasize national reach for certain program areas and more regional geography for others.

NOTE 2-- Summary of Significant Accounting Policies

A summary of the significant accounting policies followed by ETV in the preparation of the accompanying financial statements is set forth below:

Accounting Principles

ETV follows accounting standards established by the Financial Accounting Standards Board (the "FASB") to ensure consistent reporting of financial position, activities, and cash flows. References to accounting principles generally accepted in the United States ("GAAP") in these notes are to the FASB Accounting Standards Codification™, sometimes referred to as the "Codification" or "ASC".

In August 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. ASU 2016-14 requires significant changes to the financial reporting model of organizations that follow the not-for-profit reporting model. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return.



**EMPOWER THE VILLAGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

NOTE 2-- Summary of Significant Accounting Policies (continued)

Basis of Presentation

ASU 2016-14 provides that ETV 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 ETV. These net assets may be used at the discretion of ETV's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of ETV or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated 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 statements of activities.

ETV did not have any donor restricted net assets as of December 31, 2022 and 2021.

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating activities. Operating activities consist of those items attributable to ETV's ongoing scalable strategies that empower Black people, businesses, and community organizations to realize their full potential.

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 and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of support and expenses during the reporting period. Actual results could differ from those estimates.

**EMPOWER THE VILLAGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

NOTE 2-- Summary of Significant Accounting Policies (continued)

Cash

For purposes of the statement of cash flows, ETV considers all accounts with original maturities of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable is comprised of promises to give from individual and corporate donor pledges. ETV monitors outstanding accounts receivable for collectability and determines whether an account balance should be written off.

Contributions and Grants

All contributions and grants are considered to be without donor restrictions unless specifically restricted by the donor or grantor. Contributions are recognized at the date the donor makes a promise to give to ETV that is, in substance, unconditional. Donor restricted contributions are reported as an increase 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. Contributions without donor restrictions are reported as an increase to net assets without donor restrictions in the statement of activities. All revenue is generated through donor contributions, sale of merchandise and tickets for events.

Donated Services and In-Kind Support

ETV may receive services, equipment and material without payment or compensation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by ETV. Materials and other noncash donations are recorded at cost or estimated fair value determined at the date of donation. During the year ended December 31, 2022, ETV recorded donated services at \$20,909 from Katten Muchin Roseman LLP for legal services, ELIFT Creations for web development services, Anderson Insights for strategic planning services, and from Small Business Pro University for Village Empowerment Network. During the year ended December 31, 2021, ETV recorded donated services at \$68,328, which included website development services from ELIFT Creations and legal services from Katten Muchin Roseman LLP. Revenue for donated services is recognized when the services are provided.

**EMPOWER THE VILLAGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

NOTE 3-- Fundraising Events

In 2022, ETV hosted a program focused on supporting African American artists as entrepreneurs and celebrating emancipation and empowerment during the Juneteenth holiday weekend. A portion of the proceeds were used to support further programming. In addition, ETV hosted its inaugural Power Swing Classic Golf Outing in August which further bolstered Economic Prosperity programming. ETV also leveraged the national "Giving Tuesday" holiday at the end of the calendar year. Additionally, Board and Advisory Council Members have an annual financial contribution commitment.

In 2023, ETV is on track to host the Juneteenth and Power Swing Classic events again and will supplement fundraising efforts this year by also hosting its inaugural Empowerment Expo and an inaugural Power Walk event.

NOTE 4-- Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

Expenses directly or indirectly related to ETV's purpose of restoring prosperity, peace, and power to the Black community through strategic intervention and collective action in partnership with the community, are reported as expenses of those functional activities.

All program expenses are tracked by each individual program and all funds associated with restricted contributions related to specific programs are separately noted. Restrictions on funds are released when the funds are exhausted.

**EMPOWER THE VILLAGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

NOTE 4-- Functional Expenses (continued)

December 31, 2022

	Program Services	Fundraising	General Administration	Total
Contractors	\$ 33,681	\$ -	\$ -	\$ 33,681
Program expenses	68,974	-	-	68,974
Fundraising Events: Fees	8,229	11,646	-	19,875
Advertising Expense	-	-	10,152	10,152
Banking/Admin Fees	-	-	104	104
Payroll Fees	-	-	864	864
Employer payroll taxes	-	-	18,313	18,313
Retirement fees	-	-	1,946	1,946
401(k) Match	-	-	3,546	3,546
Employee wages	108,851	-	64,649	173,500
Memberships & Subscriptions	-	-	4,035	4,035
Equipment & Supplies	111	-	7,330	7,441
Office expense	-	-	663	663
Venue	9,190	29,592	-	38,782
Rent	-	544	7,370	7,914
Auto & travel expenses	-	-	7,424	7,424
Professional Fees	16,009	-	15,575	31,584
Entertainment/Food	-	2141	2,460	4,601
Technology/Tech Support	5,400	-	881	6,281
Taxes	-	-	798	798
Miscellaneous Expenses	-	189	3	192
<b>Totals</b>	<b>\$ 250,445</b>	<b>44,112</b>	<b>146,113</b>	<b>\$ 440,670</b>

**EMPOWER THE VILLAGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

NOTE 4-- Functional Expenses (continued)

December 31, 2021

	Program Services	Fundraising	General Administration	Total
Contractors	\$ 106,722	\$ -	\$ 2,290	\$ 109,012
Program expenses	73,143	-	-	73,143
Fundraising Events: Fees	7,699	705	-	8,404
Advertising Expense	-	-	9,902	9,902
Banking/Admin Fees	-	402	15	417
Memberships & Subscriptions	-	-	5,807	5,807
Equipment & Supplies	-	-	5,103	5,103
Office expense	-	-	13,509	13,509
Venue	-	6,100	-	6,100
Rent	-	-	170	170
Auto & travel expenses	-	-	4,859	4,859
Professional Fees	62,828	-	19,525	82,353
Entertainment/Food	-	91	764	855
Technology/Tech Support	5,500	-	5,199	10,699
Taxes	-	-	1,928	1,928
Miscellaneous Expenses	-	-	1,458	1,458
Totals	\$ 255,892	7,298	70,529	\$ 333,719

**EMPOWER THE VILLAGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

NOTE 5-- Availability and Liquidity

The following represents ETV's financial assets at December 31, 2022:

Financial assets at year end:	
Cash and cash equivalents	\$ 198,837
Accounts receivable	<u>36,067</u>
Financial assets available to meet general expenditures over the next 12 months	\$ <u>234,904</u>

ETV's goal is generally to maintain financial assets to meet a minimum of twelve months of operating expenses.

NOTE 6-- Concentrations

ETV maintains its cash in depository accounts at high quality financial institutions which, at times, may exceed federally insured limits. The Federal Deposit Insurance Corporation ("FDIC") insures depository accounts up to \$250,000. ETV has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on cash.

ETV has two major donors who provided approximately 17% of total revenues for the year ended December 31, 2022. ETV had four major donors who provided approximately 47% of total revenues for the year then ended December 31, 2021.

ETV depends heavily on contributions and grants for its revenue. The ability of ETV's contributors and grantors to continue giving amounts comparable with prior years may be dependent upon current and future economic conditions and the continued deductibility for income tax purposes of contributions and grants to ETV. While ETV's Board of Directors believes that economic conditions such as tax deductibility are stable enough for ETV to continue its programs, its ability to do so and the extent to which it continues may be dependent on the above factors.

NOTE 7-- Income Tax Status

ETV is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, except for a tax on net unrelated business income, if any. ETV did not have any unrelated business income for the years ended December 31, 2022 and 2021, and paid no federal or state taxes.

ETV utilizes the recognition and measurement guidance in FASB ASC 740 to assess their status as not-for-profit entity, as well as other tax positions. FASB ASC 740 prescribes a comprehensive model for how an entity should measure,

**EMPOWER THE VILLAGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

NOTE 7-- Income Tax Status (Continued)

recognize, present, and disclose in its financial statements uncertain tax positions that it has taken or expects to take on a tax return, and prescribes recognition of benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. Management believes it has no material uncertain tax positions or any related penalties and interest to accrue for the years ended December 31, 2022 and 2021.

ETV's federal and state income tax returns are subject to possible examination by the applicable taxing authorities until the expiration of the related statutes of limitations on those tax returns. In general, federal income tax returns have a three year statute of limitations, and the state income tax returns have a four year statute of limitations. ETV 's income tax filing are current.

NOTE 8--Retirement Plan Benefits

ETV established a 401(k) retirement plan in January 2022 covering all employees on payroll, subject to certain age and service qualifications. The plan has an automatic enrollment feature with a voluntary elective contribution of 3%; however, enrollment can be declined.

The Plan provides for employer match contributions which is 100% of the participant's first 3% of compensation plus 50% of the next 2% of the participant's compensation. In 2022, the employer match contributions amounted to \$3,546.

NOTE 9-- Subsequent Events

ETV evaluates events and transactions subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through November 1, 2023 the date financial statements were available to be issued.