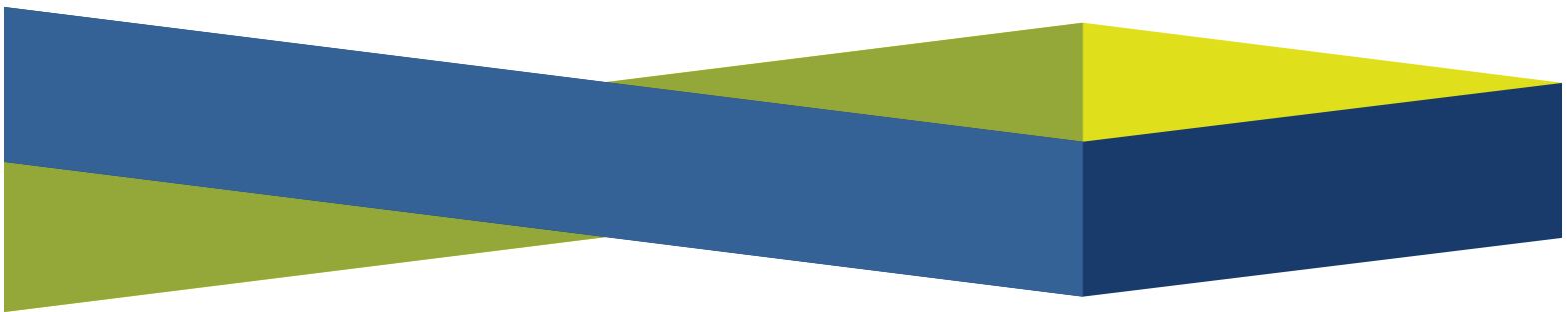


CENTER FOR WOMEN & ENTERPRISE, INC.

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
TOGETHER WITH INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2017 AND 2016



CENTER FOR WOMEN & ENTERPRISE, INC.

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2017 AND 2016

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Independent Auditors' Report

To the Board of Directors
Center for Women & Enterprise, Inc.

Report on Financial Statements

We have audited the accompanying financial statements of Center for Women & Enterprise, Inc., which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Center for Women & Enterprise, Inc. as of December 31, 2017 and 2016, 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.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of program services are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Di Ciccio, Hulman + Company LLP

Boston, Massachusetts
June 28, 2018

CENTER FOR WOMEN & ENTERPRISE, INC.

STATEMENTS OF FINANCIAL POSITION

December 31,	2017	2016
ASSETS		
Current assets:		
Cash	\$ 9,424	30,999
Restricted cash	6,469	80,007
Accounts receivable, government grants	260,924	62,498
Pledges receivable, current portion	604,947	440,217
Microloans receivable, net, current portion	41,001	10,239
Prepaid expenses and other current assets	20,821	57,453
Total current assets	943,586	681,413
Equipment and improvements, net	144,952	163,628
Other assets:		
Pledges receivable, net of current portion	192,500	83,250
Microloans receivable, net of current portion	73,907	-
Deposits	37,197	37,197
Total assets	\$ 1,392,142	\$ 965,488
LIABILITIES AND NET ASSETS		
Current liabilities:		
Line of credit	\$ 599,638	\$ 391,638
Note payable, bank, current portion	21,388	20,297
Accounts payable and accrued expenses	252,359	111,909
Deferred revenue	-	15,000
Total current liabilities	873,385	538,844
Long-term liabilities:		
Note payable, bank, net of current portion	15,090	36,434
Deferred rent	24,840	28,631
Note payable, other	112,500	-
Total liabilities	1,025,815	603,909
Commitments and contingencies		
Net assets:		
Unrestricted	(310,869)	(250,921)
Temporarily restricted	677,196	612,500
Total net assets	366,327	361,579
Total liabilities and net assets	\$ 1,392,142	\$ 965,488

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

CENTER FOR WOMEN & ENTERPRISE, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and revenue:						
Program revenue:						
Government contracts and grants	\$ 1,170,024	\$ -	\$ 1,170,024	\$ 1,005,906	\$ -	\$ 1,005,906
Program services	307,785	-	307,785	295,858	-	295,858
Net program revenue	<u>1,477,809</u>	<u>-</u>	<u>1,477,809</u>	<u>1,301,764</u>	<u>-</u>	<u>1,301,764</u>
Other support and revenue:						
Foundation grants	107,737	303,083	410,820	187,695	305,000	492,695
Corporate gifts and sponsorships	230,258	29,500	259,758	248,941	31,000	279,941
Individual gifts and contributions	128,767	251,113	379,880	235,522	276,500	512,022
Donated goods and services	97,749	-	97,749	93,507	-	93,507
Fundraising and special events	293,447	93,500	386,947	265,975	-	265,975
Total other support and revenue	<u>857,958</u>	<u>677,196</u>	<u>1,535,154</u>	<u>1,031,640</u>	<u>612,500</u>	<u>1,644,140</u>
Net assets released from restriction	<u>612,500</u>	<u>(612,500)</u>	<u>-</u>	<u>501,667</u>	<u>(501,667)</u>	<u>-</u>
Total support and revenue	<u>2,948,267</u>	<u>64,696</u>	<u>3,012,963</u>	<u>2,835,071</u>	<u>110,833</u>	<u>2,945,904</u>
Functional expenses:						
Program services	2,391,858	-	2,391,858	2,194,524	-	2,194,524
Management and general	204,044	-	204,044	254,734	-	254,734
Fundraising	412,313	-	412,313	488,001	-	488,001
Total functional expenses	<u>3,008,215</u>	<u>-</u>	<u>3,008,215</u>	<u>2,937,259</u>	<u>-</u>	<u>2,937,259</u>
Change in net assets	(59,948)	64,696	4,748	(102,188)	110,833	8,645
Net assets, beginning of year	(250,921)	612,500	361,579	(148,733)	501,667	352,934
Net assets, end of year	\$ (310,869)	\$ 677,196	\$ 366,327	\$ (250,921)	\$ 612,500	\$ 361,579

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

CENTER FOR WOMEN & ENTERPRISE, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017				2016			
	Program Services	Support Services		Total	Program Services	Support Services		Total
		Management and General	Fundraising			Management and General	Fundraising	
Personnel:								
Salaries and wages	\$ 1,178,579	\$ 112,839	\$ 196,359	\$ 1,487,777	\$ 1,089,990	\$ 115,288	\$ 231,080	\$ 1,436,358
Payroll taxes and benefits	213,236	7,764	47,106	268,106	178,339	20,538	42,736	241,613
Total personnel	<u>1,391,815</u>	<u>120,603</u>	<u>243,465</u>	<u>1,755,883</u>	<u>1,268,329</u>	<u>135,826</u>	<u>273,816</u>	<u>1,677,971</u>
Occupancy:								
Rent and utilities	<u>336,762</u>	<u>19,355</u>	<u>19,426</u>	<u>375,543</u>	297,432	19,335	19,335	336,102
Other:								
Consultants and professional fees	67,665	2,654	-	70,319	122,434	30,230	2,838	155,502
Credit card and bank charges	7,067	2,467	12,603	22,137	2,464	4,278	3,493	10,235
Depreciation and amortization	37,083	3,097	-	40,180	31,248	3,472	-	34,720
Dues and publications	13,751	4,911	530	19,192	5,938	2,835	330	9,103
Equipment rental and maintenance	32,684	734	-	33,418	28,312	4,849	-	33,161
Fundraising and special events	-	-	113,059	113,059	-	-	179,427	179,427
General and liability insurance	9,292	1,430	-	10,722	6,189	2,718	-	8,907
Instructor fees and program consultants	214,503	-	-	214,503	185,906	-	-	185,906
Interest expense	25,709	2,857	-	28,566	15,571	1,730	-	17,301
Marketing and public relations	13,303	1,228	2,204	16,735	11,583	5,302	322	17,207
Office supplies and expenses	34,975	9,137	1,927	46,039	33,477	10,723	2,430	46,630
Postage	2,261	3,535	-	5,796	2,204	1,059	207	3,470
Program and course materials	13,088	-	-	13,088	23,131	-	-	23,131
Program events	30,721	-	-	30,721	39,653	-	-	39,653
Provision for (recovery of) doubtful accounts	2,217	-	-	2,217	(23,729)	-	-	(23,729)
Software maintenance contracts	50,030	1,972	12,014	64,016	54,202	6,139	1,815	62,156
Telecommunications expense	11,807	11,248	-	23,055	11,297	3,989	-	15,286
Training and development	13,926	1,209	1,759	16,894	3,855	502	1,890	6,247
Travel, meals, and lodging	83,199	17,607	5,326	106,132	75,028	21,747	2,098	98,873
Total other expenses	<u>663,281</u>	<u>64,086</u>	<u>149,422</u>	<u>876,789</u>	<u>628,763</u>	<u>99,573</u>	<u>194,850</u>	<u>923,186</u>
Total functional expenses	<u>\$ 2,391,858</u>	<u>\$ 204,044</u>	<u>\$ 412,313</u>	<u>\$ 3,008,215</u>	<u>\$ 2,194,524</u>	<u>\$ 254,734</u>	<u>\$ 488,001</u>	<u>\$ 2,937,259</u>

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

CENTER FOR WOMEN & ENTERPRISE, INC.

STATEMENTS OF CASH FLOWS

For the years ended December 31,	2017	2016
Cash flows from operating activities:		
Change in net assets	\$ 4,748	\$ 8,645
Adjustments to reconcile the change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	40,180	34,720
Provision for (recovery on) doubtful accounts, microloans receivable, net	2,217	(23,729)
Deferred rent	(3,791)	8,244
Deferred revenue	(15,000)	(107,000)
Changes in operating assets and liabilities:		
Restricted cash	73,538	(38,792)
Accounts receivable, government grants	(198,426)	(9,248)
Pledges receivable	(273,980)	(173,025)
Microloans receivable, net	(106,886)	13,490
Prepaid expenses and other current assets	36,632	(4,833)
Accounts payable and accrued expenses	140,450	42,979
Total adjustments	(305,066)	(257,194)
Net cash used in operating activities	(300,318)	(248,549)
Cash flows from investing activities:		
Purchases of equipment and improvements	(21,504)	(102,583)
Deposits	-	(5,349)
Net cash used in investing activities	(21,504)	(107,932)
Cash flows from financing activities:		
Advances on line of credit, net	208,000	301,638
Repayments on note payable, bank	(20,253)	(19,193)
Advance on note payable, other	112,500	-
Net cash provided by financing activities	300,247	282,445
Net decrease in cash	(21,575)	(74,036)
Cash, beginning of year	30,999	105,035
Cash, end of year	\$ 9,424	\$ 30,999
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 28,566	\$ 17,301

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

CENTER FOR WOMEN & ENTERPRISE, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1 - Nature of Operations and Summary of Significant Accounting Policies

Description of Business

Center for Women & Enterprise, Inc. ("CWE"), a nonprofit organization, was formed on January 1, 1995, under the laws of the Commonwealth of Massachusetts. The mission of CWE is to provide opportunities for women entrepreneurs and women in business to increase professional success, personal growth, and financial independence. CWE achieves this mission by providing education, training, technical assistance, access to markets, and paths to funding to entrepreneurs at every stage of business development. In partnership with the U.S. Small Business Administration, CWE operates the SBA Women Business Centers of Central MA, Eastern MA, New Hampshire, Rhode Island, and Vermont, as well as the Veterans Business Outreach Center of New England.

CWE's constituents are in all phases of business development and industry sectors and range from disadvantaged women, veterans, and active duty members who are starting home-based businesses to fast growth companies seeking equity financing.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentration of Credit Risk

CWE maintains its cash, at various financial institutions, which at times, may exceed federally insured limits. CWE has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risks on its cash accounts.

Restricted Cash

CWE's microloan initiative is a program under which loans are made to qualified low-income entrepreneurs in Rhode Island. Restricted cash represents amounts committed to CWE's microloan initiative that have not been loaned to program participants.

Accounts Receivable, Government Grants

Accounts receivable from government grants reflect amounts invoiced for program services delivered during the fiscal reporting period that are due from the United States Small Business Administration ("SBA") and other local governmental agencies. Collectability of such amounts is evaluated on a periodic basis and amounts are written off when deemed uncollectible. At December 31, 2017 and 2016, CWE considers amounts recorded as accounts receivable, government grants to be fully collectible. Accordingly, no allowance for doubtful accounts was recorded.

CENTER FOR WOMEN & ENTERPRISE, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1 - Nature of Operations and Summary of Significant Accounting Policies (Continued)

Pledges Receivable

Pledges receivable include unconditional promises to give, contributions and grants received from individuals, private industry, foundations, and local government agencies, subject to a discount if applicable. Contributions may be designated by the donor for a specific purpose or given on an unrestricted basis. Amounts are recorded in the appropriate net asset category, at the time a donor makes a promise that is, in substance, unconditional. Amounts collectible beyond one year from the pledge date are reported at their present value. As of December 31, 2017 and 2016 the present value discount on long-term pledge receivables were immaterial to the financial statements and therefore not recorded. Collectability of amounts are evaluated on a periodic basis and written off when deemed uncollectible. As necessary, CWE establishes an allowance for doubtful accounts based on prior experience and an analysis of specific contributions made. At December 31, 2017 and 2016, CWE has determined that an allowance for pledges receivable is not required.

Microloans Receivable, Net

CWE, from funds received from grants and a loan participation program (See Note 5), issues loans under their microloan initiative, a program designed to benefit low-income entrepreneurs in the state of Rhode Island. As part of this initiative, CWE issues loans to qualified applicants. Loans are stated at their principal balance plus miscellaneous fees, net of an allowance for loan losses. The loans are unsecured and require monthly payments with interest rates and maturity dates determined by CWE at the time the loan is entered into and subject to certain restrictions under the loan participation program. Accrual of interest on loans is discontinued when in the judgment of CWE the collectability of principal or interest becomes doubtful. Past due status is based on the contractual terms of the loan. Interest subsequently received on nonaccrual loans is either applied against principal or recorded as income based on CWE's judgment as to the collectability of principal. Interest accruals are resumed on such loans only when they are brought fully current as to principal and interest and when, in the judgment of CWE, the loans are estimated to be fully collectible. In 2017 and 2016, CWE has not accrued interest on any of the outstanding loan balances.

CWE evaluates its microloans receivable for collectability on a continuous basis and, if necessary, establishes an allowance for loan losses based on a number of factors, including current credit conditions and customer payment history. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available. The allowance for loan losses is established through a provision for doubtful accounts charged to functional expenses. Loan losses are charged against the allowance when CWE believes the un-collectability of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance. At December 31, 2017 and 2016 the microloans receivable allowance amounted to \$12,456 and \$10,239, respectively.

CENTER FOR WOMEN & ENTERPRISE, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1 - Nature of Operations and Summary of Significant Accounting Policies (Continued)

Equipment and Improvements, Net

Equipment and improvements are stated at cost, unless received as a donation, and is reported net of accumulated depreciation and amortization. Major additions and improvements are capitalized, while maintenance and repairs, which do not extend the lives of the respective assets, are expensed as incurred.

Equipment is depreciated using the straight-line method over the estimated useful life of the asset. Leasehold improvements are amortized on a straight-line basis over the shorter of the term of the lease or the useful life of the asset. When equipment is retired or otherwise disposed of, the related cost and accumulated depreciation are eliminated from the accounts and any resulting gain or loss is reflected in the statements of activities for the respective period.

Contributed equipment is recorded at estimated fair value at the date of donation. If the donor stipulates how long the assets must be used, the contributions are recorded as temporary restricted support. In the absence of such stipulations, contributions of equipment are recorded as unrestricted support.

CWE evaluates equipment and improvements for impairment annually and will record adjustments necessary to reflect the effect of any impairment. CWE has not recognized any impairment charges on equipment and improvements as of December 31, 2017 and 2016.

Deferred Rent

For leases that contain predetermined fixed escalations of minimum rent, CWE recognizes the related rent expense on a straight-line basis from the date it takes possession of the property to the end of the initial lease term. The Company records any difference between the straight line rent and the rent payable as a deferred rent liability on the Statements of Financial Position.

Net Assets

CWE reports three classes of net assets and the changes in those net assets in its financial statements. These three classes are unrestricted, temporarily restricted and permanently restricted net assets. These classifications are based on the existence or absence of donor-imposed restrictions. The three classifications are defined as follows:

Unrestricted

Unrestricted net assets are neither permanently restricted, nor temporarily restricted by donor-imposed stipulation and are resources over which the Board of Directors has discretionary control.

CENTER FOR WOMEN & ENTERPRISE, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1 - Nature of Operations and Summary of Significant Accounting Policies (Continued)

Net Assets (Continued)

Temporarily Restricted

CWE receives contributions which are designated by donors for specific purposes or for specific time periods. These contributions are recorded as temporarily restricted net assets until they are expended for their designated purposes or the time restriction lapses. When a restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

Permanently Restricted

Permanently restricted net assets are those resources subject to donor-imposed restriction that they be maintained permanently by CWE. As of December 31, 2017 and 2016, there were no permanently restricted net assets.

Support and Revenue

CWE recognizes support and revenue from government contracts and certain grants as the services are performed or the funds are expended. Amounts billed or collected prior to satisfying CWE's revenue recognition policy are reflected as deferred revenue.

Revenue from program services is recognized as services are performed. The majority of program service revenues is derived from certification fees. CWE is the New England Regional Partner Organization for Women's Business Enterprise National Council (WBENC), managing the certification process for all New England women-owned businesses and offering exclusive programs and networking events to local members and corporations. Certification fees are not refundable and businesses must be re-certified annually. When advance payments are received, the revenue associated with the advance payments is deferred, recorded in the statements of financial position as a liability, and recognized as revenue once services have been performed.

Contributions, including unconditional promises to give, are recognized as support in the period received. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Conditional promises to give are not recognized until they become unconditional, which is at the time the conditions on which they depend are substantially met. Contributions of assets other than cash are reported at their estimated fair value. Multi-year pledges are recorded at the present value of future cash flows using a discount rate, adjusted for market conditions, to estimate fair value. Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction, until the restriction lapses or is satisfied, at which time, temporarily restricted net assets are reclassified to unrestricted net assets. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skill, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, and are recorded at their fair market values when the donated services are provided.

CENTER FOR WOMEN & ENTERPRISE, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1 - Nature of Operations and Summary of Significant Accounting Policies (Continued)

Income Taxes

CWE is exempt from income taxes under Internal Revenue Code (IRC) Section 501(c)(3). CWE is not classified as a private foundation. Contributions made to CWE are deductible by donors as provided in IRC Section 170.

GAAP prescribes the threshold a tax position is required to meet before being recognized in the financial statements. The tax-exempt status of an entity is considered a tax position. An additional liability for uncertain tax positions (“UTPs”) is recognized and recorded as a component of current income tax expense for differences between financial and income tax reporting positions which do not meet this threshold. Any interest and penalties related to UTPs are recorded as a component of income tax expense. CWE has reviewed its income tax positions and has not identified any material UTPs, including any tax positions that would jeopardize its tax exempt status, and thus has not recorded a liability at December 31, 2017 or 2016.

CWE’s income tax returns are subject to examination by taxing authorities. CWE is no longer subject to examinations by tax authorities for years prior to 2014. Currently, there are no income tax audits in process.

The Tax Cuts and Jobs Act of 2017 (the “Act”) was signed into law on December 22, 2017. Under the new law, deductions for qualified transportation benefits, except as necessary for ensuring safety of an employee, were eliminated. Therefore, effective January 1, 2018, tax-exempt employers will be subject to the tax on unrelated business income for any qualified transportation benefits provided to employees. CWE is in the process of analyzing this provision of the Act and determining its financial impact.

Functional Allocation of Expenses

The costs incurred for various programs and supporting services have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising

CWE charges costs of advertising to functional expenses as incurred. Advertising expense amounts to \$3,684 and \$6,583 for the years ended December 31, 2017 and 2016, respectively.

Reclassifications

Certain amounts in the 2016 financial statements have been reclassified to conform to the 2017 presentation. These reclassifications had no impact on previously reported net assets or change in net assets.

CENTER FOR WOMEN & ENTERPRISE, INC.

NOTES TO FINANCIAL STATEMENTS

Note 2 - Equipment and Improvements, Net

Equipment and improvements, net consists of the following at December 31:

	<u>2017</u>	<u>2016</u>
Office equipment	\$ 168,446	\$ 163,360
Software	186,327	181,827
Furniture and fixtures	73,949	73,949
Leasehold improvements	<u>22,910</u>	<u>10,992</u>
	451,632	430,128
Less accumulated depreciation	<u>306,680</u>	<u>266,500</u>
	<u>\$ 144,952</u>	<u>\$ 163,628</u>

Note 3 - Line of Credit

CWE has a working capital line of credit (“LOC”) with a bank with a borrowing limit of \$600,000. Advances under the line of credit bear interest at the Wall Street Journal prime rate plus 1%, subject to a floor of 5.25%. The applicable interest rates are 5.50% and 5.25% at December 31, 2017 and 2016, respectively. The LOC matures on September 8, 2019. The LOC is secured by substantially all of CWE's assets. CWE is subject to certain financial and administrative covenants under the LOC, the most restrictive of which is that CWE must have no outstanding balance under the LOC for a minimum of 30 consecutive days within a one-year term. At December 31, 2017, CWE was not in compliance with this covenant and received a waiver on the covenant from the bank.

Note 4 - Note Payable, Bank

On April 4, 2015, CWE entered into a term loan with a bank in the amount of \$100,000. The term loan is payable in 60 monthly installments of \$1,899, including interest at a rate of 5.25%. The term loan matures on August 4, 2019 and is subject to the same collateral and administrative covenant provisions as the LOC (Note 3).

The following is a summary of the principal payments due after December 31, 2017:

2018	\$ 21,388
2019	<u>15,090</u>
	<u>\$ 36,478</u>

CENTER FOR WOMEN & ENTERPRISE, INC.

NOTES TO FINANCIAL STATEMENTS

Note 5 - Note Payable, Other

In connection with its Microloan program, CWE has entered into a loan participation program (“LPP”) with the Rhode Island Commerce Corporation (“RICC”). Pursuant to the LPP, RICC advanced CWE \$150,000, of which \$112,500 is to be used for the issuance of microloans to qualifying applicants and \$37,500 is to be used by CWE for consulting with and advising applicants. The \$37,500 is not subject to repayment under the agreement and has been recorded in support and revenue in the statements of activities and changes in net assets at December 31, 2017. The \$112,500 advanced to CWE is interest free. Under the LPP, CWE may issue microloans that can range in size from \$2,000 to \$25,000 and bear interest at the prime rate plus 2%. The LPP expires on November 10, 2023, at which time the \$112,500, less any applicant loans that were uncollectible, as defined in the agreement, are due to RICC. At December 31, 2017, \$112,500 is included in note payable, other, on the statement of financial position. CWE is subject to certain financial and administrative covenants under the LPP.

Note 6 - Restrictions and Limitations on Net Assets

At December 31, 2017 and 2016, temporarily restricted net assets consist of the following:

	<u>2017</u>	<u>2016</u>
Program services	\$ 292,000	\$ 282,500
Time restricted	278,113	258,500
Auction event	93,500	51,500
Technology infrastructure	<u>13,583</u>	<u>20,000</u>
	<u>\$ 677,196</u>	<u>\$ 612,500</u>

Temporarily restricted net assets were released from donor restrictions during the years ended December 31, 2017 and 2016 by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors as follows:

	<u>2017</u>	<u>2016</u>
Program services	\$ 282,500	\$ 395,000
Expiration of time restriction	258,500	16,667
Auction event	51,500	-
Technology infrastructure	<u>20,000</u>	<u>90,000</u>
	<u>\$ 612,500</u>	<u>\$ 501,667</u>

CENTER FOR WOMEN & ENTERPRISE, INC.

NOTES TO FINANCIAL STATEMENTS

Note 7 - Contingencies

During the years ended December 31, 2017 and 2016, CWE received approximately 34% and 29%, respectively, of its total support and revenue from the SBA. Funding from the SBA is routinely subject to audit. In the opinion of management, the results of such audits will not have a material effect on the financial position of CWE as of December 31, 2017 and 2016, or on the changes in its net assets for the years then ended.

Note 8 - Operating Leases

CWE leases office facilities in Boston and Westborough, Massachusetts, Providence, Rhode Island, Nashua, New Hampshire, Burlington, Vermont and certain office equipment under non-cancelable operating leases expiring through September 2021. The various leases require minimum annual rents plus additional rents for real estate taxes and certain other operating costs, as defined in the leases. Rent expense for the office facilities amounted to approximately \$350,000 and \$317,000 for the years ended December 31, 2017 and 2016, respectively.

Future minimum lease payments under non-cancelable operating leases for the years ending December 31, are as follows:

2018	\$	348,685
2019		279,507
2020		43,178
2021		<u>16,124</u>
	\$	<u>687,494</u>

Note 9 - Donated Goods and Services

The value of donated goods and services are reported in the accompanying financial statements as donated goods and services revenue with offsetting expenses included in program services or offsetting assets included in the statements of financial position, if applicable. For the years ended December 31, 2017 and 2016, donated goods and services are as follows:

	<u>2017</u>	<u>2016</u>
Expenses:		
Program instructors and consultants	\$ 97,749	\$ 61,747
Professional fees	<u>-</u>	<u>31,760</u>
Total donated goods and services revenue	<u>\$ 97,749</u>	<u>\$ 93,507</u>

CENTER FOR WOMEN & ENTERPRISE, INC.

NOTES TO FINANCIAL STATEMENTS

Note 10 - Retirement Savings Plans

CWE sponsors a 401(k) Retirement Savings Plan. Eligible employees may make pre-tax contributions under salary reduction agreements subjects to limits established by the Internal Revenue Code.

Note 11 - Related Party Transactions

During 2017, CWE entered into three short-term notes payable totaling \$150,000, which bore an interest rate of 5.25%, with certain members of the Board of Directors. The principal amounts together with all unpaid accrued interest were due and payable on December 31, 2017. As of December 31, 2017, all of the notes were repaid. Interest expense on the related party notes payable amounted to \$1,554 for the year ended December 31, 2017.

For the years ended December 31, 2017 and 2016, included in support and revenue is approximately \$203,000 and \$199,000, respectively, of donations and pledges from members of the Board of Directors.

At December 31, 2017 and 2016, included in pledges receivable is approximately \$178,000 and \$125,000, respectively, of pledges from members of the Board of Directors.

Note 12 - Subsequent Events

CWE has evaluated subsequent events through June 28, 2018, the date the financial statements were approved and authorized for issuance by management, and determined that there have been no subsequent events that would require recognition in the financial statements or disclosure in the notes to the financial statements.

SUPPLEMENTARY INFORMATION

CENTER FOR WOMEN & ENTERPRISE, INC.

SCHEDULE OF PROGRAM SERVICES

FOR THE YEAR ENDED DECEMBER 31, 2017

	Education Programs						Certifications	Total Program Services
	Eastern Massachusetts	Rhode Island	Central Massachusetts	New Hampshire	Vermont	Total		
Salaries and wages	\$ 189,694	\$ 368,099	\$ 177,784	\$ 133,442	\$ 158,970	\$ 1,027,989	\$ 150,590	\$ 1,178,579
Payroll taxes and benefits	35,012	76,353	26,466	19,537	24,932	182,300	30,936	213,236
Rent and utilities	124,329	78,846	25,563	40,682	36,260	305,680	31,082	336,762
Consultants and professional fees	3,275	20,507	7,730	25,446	7,432	64,390	3,275	67,665
Credit card and bank charges	5	60	1	-	-	66	7,001	7,067
Depreciation and amortization	10,299	8,928	4,464	4,464	4,464	32,619	4,464	37,083
Dues and publications	1,491	4,115	1,425	2,028	3,235	12,294	1,457	13,751
Equipment rental and maintenance	6,877	6,880	6,791	7,921	4,215	32,684	-	32,684
General and liability insurance	1,327	2,657	1,327	1,327	1,327	7,965	1,327	9,292
Instructor fees and program consultants	103,422	69,655	10,244	12,600	14,804	210,725	3,778	214,503
Interest expense	3,673	7,344	3,673	3,673	3,673	22,036	3,673	25,709
Marketing and public relations	3,554	4,091	1,934	1,518	712	11,809	1,494	13,303
Office supplies and expenses	1,373	21,511	2,340	2,872	5,285	33,381	1,594	34,975
Postage	201	1,027	250	736	47	2,261	-	2,261
Program and course materials	3,264	5,163	1,527	1,986	1,148	13,088	-	13,088
Program events	-	3,712	-	-	-	3,712	27,009	30,721
Provision for doubtful accounts	-	2,217	-	-	-	2,217	-	2,217
Software maintenance contracts	7,857	14,264	8,689	8,569	8,651	48,030	2,000	50,030
Telecommunications expense	2,595	3,237	1,917	2,113	1,770	11,632	175	11,807
Training and development	8,595	5,331	-	-	-	13,926	-	13,926
Travel, meals, and lodging	4,799	30,931	4,593	11,407	13,804	65,534	17,665	83,199
Total program service expenses	\$ 511,642	\$ 734,928	\$ 286,718	\$ 280,321	\$ 290,729	\$ 2,104,338	\$ 287,520	\$ 2,391,858

CENTER FOR WOMEN & ENTERPRISE, INC.

SCHEDULE OF PROGRAM SERVICES

FOR THE YEAR ENDED DECEMBER 31, 2016

	Education Programs						Certifications	Total Program Services
	Eastern Massachusetts	Rhode Island	Central Massachusetts	New Hampshire	Vermont	Total		
Salaries and wages	\$ 197,406	\$ 284,319	\$ 174,392	\$ 106,085	\$ 149,999	\$ 912,201	\$ 177,789	\$ 1,089,990
Payroll taxes and benefits	32,891	41,300	28,030	18,162	26,230	146,613	31,726	178,339
Rent and utilities	116,007	68,856	26,146	35,793	11,960	258,762	38,670	297,432
Consultants and professional fees	3,368	64,543	10,168	19,075	21,855	119,009	3,425	122,434
Credit card and bank charges	2,429	35	-	-	-	2,464	-	2,464
Depreciation and amortization	4,464	8,928	4,464	4,464	4,464	26,784	4,464	31,248
Dues and publications	732	2,325	1,127	1,100	654	5,938	-	5,938
Equipment rental and maintenance	6,463	8,850	6,538	6,461	-	28,312	-	28,312
General and liability insurance	2,065	1,031	1,031	1,031	-	5,158	1,031	6,189
Instructor fees and program consultants	100,379	26,935	21,455	18,813	14,574	182,156	3,750	185,906
Interest expense	2,227	4,448	2,224	2,224	2,224	13,347	2,224	15,571
Marketing and public relations	4,560	2,161	2,732	836	1,294	11,583	-	11,583
Office supplies and expenses	1,162	7,334	14,772	3,665	5,013	31,946	1,531	33,477
Postage	1,645	301	256	-	2	2,204	-	2,204
Program and course materials	12,216	4,455	-	-	10	16,681	6,450	23,131
Program events	175	5,074	-	-	-	5,249	34,404	39,653
Recovery of doubtful accounts	-	(23,729)	-	-	-	(23,729)	-	(23,729)
Software maintenance contracts	13,125	14,351	9,042	8,742	8,942	54,202	-	54,202
Telecommunications expense	2,977	2,802	2,431	1,943	1,144	11,297	-	11,297
Training and development	2,565	40	-	-	-	2,605	1,250	3,855
Travel, meals, and lodging	6,967	17,498	4,678	12,901	15,365	57,409	17,619	75,028
Total program service expenses	\$ 513,823	\$ 541,857	\$ 309,486	\$ 241,295	\$ 263,730	\$ 1,870,191	\$ 324,333	\$ 2,194,524