



CENTER FOR WOMEN & ENTERPRISE, INC.

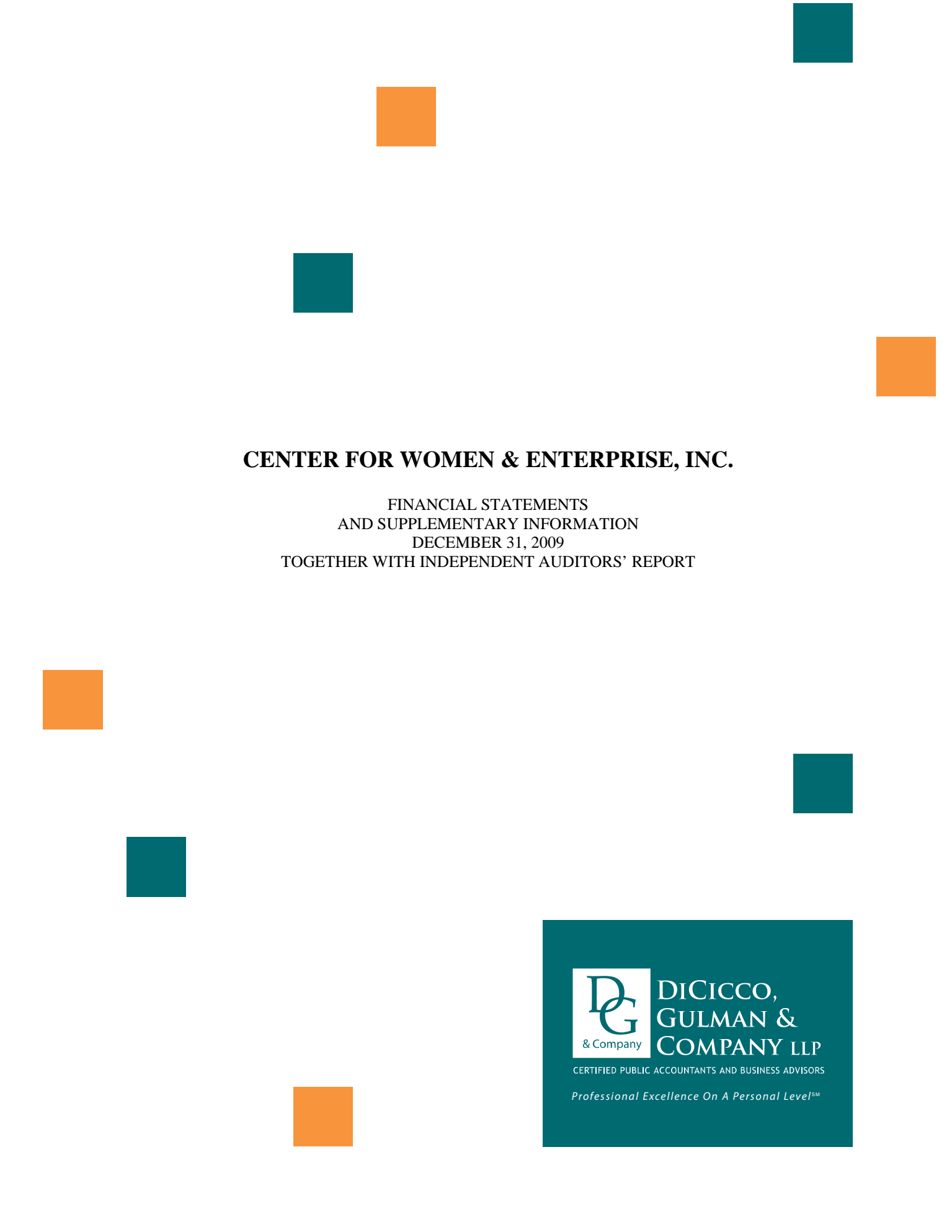
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009
TOGETHER WITH INDEPENDENT AUDITORS' REPORT



**DI CICCO,
GULMAN &
COMPANY LLP**

CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

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CENTER FOR WOMEN & ENTERPRISE, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2009

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Independent Auditors' Report

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

We have audited the accompanying statement of financial position of Center for Women & Enterprise, Inc. (a nonprofit organization) as of December 31, 2009, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2009, and the change in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Di Cicco, Gulman & Company LLP

June 28, 2010

CENTER FOR WOMEN & ENTERPRISE, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2009

ASSETS

Current assets:

Cash and cash equivalents	\$ 123,635
Certificate of deposit	29,238
Accounts receivable, government grants	38,380
Pledges receivable, net of noncurrent portion	82,750
Prepaid expenses	14,770
	<u>288,773</u>

Equipment and improvements, net

27,749

Other assets:

Pledges receivable, net of current portion	10,000
Deposits	23,577
	<u>33,577</u>

Total assets

\$ 350,099

LIABILITIES AND NET ASSETS

Current liabilities:

Line of credit	\$ 308,000
Accounts payable and accrued expenses	113,158
Deferred revenue	19,250
	<u>440,408</u>

Net assets:

Unrestricted	(160,559)
Temporarily restricted	70,250
	<u>(90,309)</u>

Total liabilities and net assets

\$ 350,099

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

CENTER FOR WOMEN & ENTERPRISE, INC.

STATEMENT OF ACTIVITIES

For the year ended December 31, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue:				
Program revenue:				
Government contracts and grants	\$ 541,248	\$ -	\$ -	\$ 541,248
Program services	251,967	-	-	251,967
	<u>793,215</u>	-	-	<u>793,215</u>
Less tuition subsidies	(20,474)	-	-	(20,474)
Net program revenue	<u>772,741</u>	-	-	<u>772,741</u>
Other support and revenue:				
Foundation grants	309,800	-	-	309,800
Corporate gifts and sponsorships	143,456	7,500	-	150,956
Individual gifts and contributions	192,635	30,000	-	222,635
Donated goods and services	34,599	-	-	34,599
Fundraising and special events	184,190	32,750	-	216,940
Interest income	519	-	-	519
Miscellaneous revenue	8,608	-	-	8,608
Total other support and revenue	<u>873,807</u>	<u>70,250</u>	-	<u>944,057</u>
Net assets released from restrictions	105,865	(87,500)	(18,365)	-
Total support and revenue	<u>1,752,413</u>	<u>(17,250)</u>	<u>(18,365)</u>	<u>1,716,798</u>
Functional expenses:				
Program services	815,175	-	-	815,175
Management and general	526,165	-	-	526,165
Fundraising	379,944	-	-	379,944
Total functional expenses	<u>1,721,284</u>	-	-	<u>1,721,284</u>
Change in net assets	<u>31,129</u>	<u>(17,250)</u>	<u>(18,365)</u>	<u>(4,486)</u>
Net assets, previously reported	(104,484)	345,027	37,372	277,915
Prior period adjustment	<u>(87,204)</u>	<u>(257,527)</u>	<u>(19,007)</u>	<u>(363,738)</u>
Net assets, beginning of year				
- as restated	(191,688)	87,500	18,365	(85,823)
Net assets, end of year	<u>\$ (160,559)</u>	<u>\$ 70,250</u>	<u>\$ -</u>	<u>\$ (90,309)</u>

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

CENTER FOR WOMEN & ENTERPRISE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2009

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Personnel:				
Salaries and wages	\$ 292,164	\$ 219,062	\$ 186,730	\$ 697,956
Payroll taxes and benefits	69,649	45,822	29,806	145,277
	<u>361,813</u>	<u>264,884</u>	<u>216,536</u>	<u>843,233</u>
Occupancy:				
Rent and utilities	202,693	41,850	35,858	280,401
Other:				
Consultants and professional fees	35,489	102,918	-	138,407
Credit card and bank charges	-	20,373	-	20,373
Depreciation and amortization	27,079	10,567	6,082	43,728
Dues and publications	4,960	3,006	1,821	9,787
Equipment rental and maintenance	13,806	7,150	578	21,534
Fundraising and special events	-	-	86,675	86,675
General and liability insurance	9,734	8,672	348	18,754
Instructor fees and stipends	66,475	-	-	66,475
Instructor travel	513	-	-	513
Interest expense	-	11,629	-	11,629
Marketing and public relations	24,372	10,353	7,893	42,618
Miscellaneous	877	-	-	877
Office supplies and expenses	8,412	4,631	1,118	14,161
Postage	1,175	444	507	2,126
Program and course materials	1,138	-	-	1,138
Program events	7,131	-	-	7,131
Software maintenance contracts	10,951	7,495	4,767	23,213
Telecommunications expense	30,228	13,791	3,912	47,931
Training and development	-	2,000	-	2,000
Travel and meals	8,329	16,402	1,576	26,307
Uncollected fees and pledges	-	-	12,273	12,273
Total functional expenses	<u>\$ 815,175</u>	<u>\$ 526,165</u>	<u>\$ 379,944</u>	<u>\$ 1,721,284</u>

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

CENTER FOR WOMEN & ENTERPRISE, INC.

STATEMENT OF CASH FLOWS

For the year ended December 31, 2009

Cash flows from operating activities:	
Change in net assets	\$ (4,486)
Adjustments to reconcile the change in net assets to net cash provided by operating activities:	
Depreciation and amortization	43,728
Realized loss on sales of investments	1,688
Change in assets:	
Accounts receivable, government grants	3,467
Pledges receivable	50,499
Prepaid expenses	11,707
Change in liabilities:	
Accounts payable and accrued expenses	(95,275)
Deferred revenue	19,250
	<u>30,578</u>
Net cash provided by operating activities	<u>30,578</u>
Cash flows from investing activities:	
Proceeds from sale of investments	23,312
	<u>23,312</u>
Net cash provided by investing activities	<u>23,312</u>
Cash flows from financing activities:	
Payments on line of credit, net	(45,000)
	<u>(45,000)</u>
Net cash used by financing activities	<u>(45,000)</u>
Net increase in cash and cash equivalents	8,890
Cash and cash equivalents, beginning of year	<u>114,745</u>
Cash and cash equivalents, end of year	<u>\$ 123,635</u>
Supplemental disclosure of cash flow information:	
Cash paid during the year for interest	<u>\$ 11,629</u>

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

CENTER FOR WOMEN & ENTERPRISE, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1 - Nature of Activities and Organization

Center for Women & Enterprise, Inc. (“CWE”), a nonprofit organization, was formed on January 1, 1995, under the laws of the Commonwealth of Massachusetts. CWE's mission is to empower women to become economically self-sufficient and to prosper through business and entrepreneurship. Through its centers in Boston and Worcester, Massachusetts and Providence, Rhode Island, CWE offers multi-week courses, workshops, seminars, one-on-one consulting, loan packaging and a women's business certification program. CWE's clients are in all phases of business development and industry sectors and range from disadvantaged women who are starting home-based businesses to fast growth companies seeking equity financing.

CWE formed Renaissance Community Fund Corporation (“RCF”), a nonprofit supporting organization, in March 2001. Since its inception, there has been no activity in RCF and there are presently no plans to activate the organization.

Note 2 - Summary of Significant Accounting Policies

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.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from these estimates.

Subsequent Events

CWE has evaluated subsequent events through June 28, 2010, 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.

Cash and Cash Equivalents

CWE considers all unrestricted highly liquid investments with an original maturity of three months or less to be cash equivalents. CWE maintains its cash and cash equivalents, including its certificate of deposit (See Note 3), 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 and cash equivalent accounts.

Accounts Receivable Government Grants and Pledges Receivable

Accounts receivable from government grants reflects amounts due for program services delivered during the fiscal reporting period and are due from the Commonwealth of Massachusetts and other local governmental agencies.

CENTER FOR WOMEN & ENTERPRISE, INC.

NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of Significant Accounting Policies (Continued)

Accounts Receivable Government Grants and Pledges Receivable (Continued)

Unconditional promises to give are included in the financial statements as pledges receivable and support of the appropriate net asset category subject to a discount, if applicable, when a donor makes a promise that is, in substance, unconditional.

CWE evaluates its accounts receivable from government grants and pledges receivable for collectability on a periodic basis and establishes an allowance based on prior experience and an analysis of specific promises made. At December 31, 2009, CWE considers its accounts receivable government grants and pledges receivable to be fully collectible. Accordingly, no allowance for doubtful accounts has been recorded.

Equipment and Improvements

Equipment and improvements are recorded at cost, if purchased, or at estimated fair value at the date of gift, if donated. Major additions and improvements are capitalized, while maintenance and repairs, which do not extend the lives of the respective assets, are expensed in the year incurred. Depreciation is computed using the straight-line method over the estimated useful life of the related asset or lease term, if shorter.

Net Assets

Unrestricted

Unrestricted net assets are resources over which the Board of Directors has discretionary control.

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 expires, 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, 2009, there were no permanently restricted net assets.

Support and Revenue

CWE recognizes program revenues primarily associated with its certification program, including revenue received from government contracts and grants, in the period in which the related serviced are performed.

CENTER FOR WOMEN & ENTERPRISE, INC.

NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of Significant Accounting Policies (Continued)

Support and Revenue (Continued)

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or the nature of any donor restrictions. Contributions, including unconditional promises to give, are recognized as support in the period received. Conditional promises to give are not recognized until they become unconditional, that is at the time when the conditions on which they depend are substantially met. Contributions of assets other than cash are reported at their estimated 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 expires, 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, are recorded at their fair market values when the donated services are provided.

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.

Effective January 1, 2009, CWE was required to adopt a new accounting standard which prescribes the threshold a tax position is required to meet before being recognized in the financial statements. For purposes of this standard, 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 filings that remain subject to examination by tax authorities and has not identified any material UTPs and thus has not recorded any additional liability at December 31, 2009. Consequently, the implementation of this new standard did not have a material impact on CWE's financial position, cash flows, or change in net assets.

CWE files tax returns in federal and state jurisdictions. CWE is no longer subject to examinations by tax authorities for years prior to 2006. Currently, there are no tax audits in process.

Functional Expenses

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

CENTER FOR WOMEN & ENTERPRISE, INC.

NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of Significant Accounting Policies (Continued)

Advertising

CWE expenses advertising costs as they are incurred. Advertising costs were approximately \$22,000 for the year ended December 31, 2009.

Note 3 - Certificate of Deposit

CWE's certificate of deposit is recorded at the amount invested. The certificate of deposit matures on July 14, 2010 and bears interest at a rate of .80%.

Note 4 - Pledges receivable

At December 31, 2009, pledges receivable consisted of amounts:

Due in one year	\$ 82,750
Due in two to five years	<u>10,000</u>
	<u>\$ 92,750</u>

Pledges that are receivable more than one year from the statement of financial position date have not been discounted as the impact is immaterial to the financial statements.

Note 5 - Equipment and Improvements, Net

Equipment and improvements, net consist of the following at December 31, 2009:

Equipment	\$ 344,453
Furniture and fixtures	135,314
Leasehold improvements	<u>8,089</u>
	487,856
Less accumulated depreciation	<u>460,107</u>
Equipment and improvements, net	<u>\$ 27,749</u>

Note 6 - Line of Credit

At December 31, 2009, CWE has a line of credit agreement ("Agreement") with a bank which allows for advances up to \$400,000. The Agreement expired on October 30, 2009 and was further extended through May 2010. Advances under the Agreement were due on demand bearing interest at a rate of 3.5% through December 31, 2009. Advances under the Agreement were secured by substantially all of CWE's assets.

CENTER FOR WOMEN & ENTERPRISE, INC.

NOTES TO FINANCIAL STATEMENTS

Note 6 - Line of Credit (Continued)

On March 4, 2010, the amount outstanding under the Agreement was refinanced with proceeds from a \$60,000 term loan and a \$250,000 line of credit with a new lender. The term loan bears interest at a fixed rate of 6.50% and is payable in 60 monthly installments of principal and interest of \$1,174 through maturity on April 4, 2015. Advances under the line of credit bear interest at the prime rate plus 1% with a floor of 5.25% and matures on March 4, 2011. The term loan and the line of credit are secured by substantially all of CWE's assets.

Note 7 - Restrictions and Limitations on Net Assets

Temporarily restricted net assets of \$70,250 consist of time restrictions as of December 31, 2009.

Net assets released from restrictions for the year ended December 31, 2009 were comprised of the following:

Satisfaction of time and/or purpose	\$ 87,500
Donor release of a previous permanent restriction	<u>18,365</u>
	<u>\$ 105,865</u>

Note 8 - Contingencies

During the year ended December 31, 2009, CWE received approximately 22% of its total support and revenue from the United States Small Business Administration ("SBA"). Funding from the SBA is subject to audit by the government agency. In the opinion of management, the results of such audits, if any, will not have a material effect on the financial position of CWE as of December 31, 2009, or on the changes in its net assets for the year then ended.

Periodically, CWE is involved in various claims and legal actions arising in the normal course of operations. In the opinion of Management, based upon current facts and circumstances and on consultation with legal counsel, losses, if any, from these matters are covered by insurance or are immaterial to the financial position of CWE.

Note 9 - Operating Leases

CWE leases office facilities in Boston and Worcester, Massachusetts and Providence, Rhode Island, and certain office equipment under noncancelable operating leases expiring through January 2015.

The net related rent expense was approximately \$258,500 for the year ended December 31, 2009. This amount is reported net of approximately \$7,700 of sublease income.

CENTER FOR WOMEN & ENTERPRISE, INC.

NOTES TO FINANCIAL STATEMENTS

Note 9 - Operating Leases (Continued)

Future minimum lease payments for the years ending December 31 are as follows:

2010	\$ 193,605
2011	139,933
2012	140,464
2013	140,876
2014	145,407
Thereafter	<u>12,152</u>
	<u>\$ 772,437</u>

Note 10 - Donated Services

The value of the following donated services are reported in the accompanying financial statements as in-kind revenue with offsetting expense of \$34,599 for the year ended December 31, 2009.

Program instructors and consultants	\$ 29,267
Professional fees	<u>5,332</u>
Total donated services	<u>\$ 34,599</u>

Note 11 - Retirement Savings Plans

CWE sponsors a 403(b) Retirement Savings Plan funded through life insurance company annuity contracts. Eligible employees may make pre-tax contributions under salary reduction agreements and direct the insurer on how to invest their contributions. Employer contributions are discretionary and CWE incurred no contribution expense for the year ended December 31, 2009.

Note 12 - Prior Period Adjustments

As of January 1, 2009, accounts and pledges receivable, unrestricted net assets and temporarily restricted net asset balances have been restated as follows:

	<u>Previously Reported</u>	<u>Prior Period Adjustment</u>	<u>As Restated</u>
Accounts receivable, government grants and pledges receivable	\$ <u>548,834</u>	\$ <u>363,738</u>	\$ <u>185,096</u>
Unrestricted net assets	\$ (104,484)	\$ (87,204)	\$ (191,688)
Temporarily restricted net assets	345,027	(257,527)	87,500
Permanently restricted net assets	<u>37,372</u>	<u>(19,007)</u>	<u>18,365</u>
	<u>\$ 277,915</u>	<u>\$ (363,738)</u>	<u>\$ (85,823)</u>

CENTER FOR WOMEN & ENTERPRISE, INC.

NOTES TO FINANCIAL STATEMENTS

Note 12 - Prior Period Adjustments (Continued)

The restatement summarized above was made to correct for: (1) accounting for the recognition of revenue from certain government contracts and certain grants; (2) membership dues recognized in advance of the date for which the benefit to the recipient would be received; (3) an overstatement of uncollectable accounts and pledges receivable; and (4) the reclassification of a restricted net asset balance for which there was no permanent restriction.

SUPPLEMENTARY INFORMATION



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Independent Auditors' Report
on Supplementary Information

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

Our report on our audit of the financial statements of Center for Women & Enterprise, Inc. as of and for the year ended December 31, 2009 appears on page one. That audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The information included in the accompanying schedule of program services for the year ended December 31, 2009 contained on page 14 is presented for the purposes of additional analysis and is not required as part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Di Cicco, Gulman & Company LLP

June 28, 2010

CENTER FOR WOMEN & ENTERPRISE, INC.

SCHEDULE OF PROGRAM SERVICES

For the year ended December 31, 2009

	Education Programs			Total	Certifications	Venture Center	Total
	Boston	Providence	Worcester	Education Programs			Program Services
Salaries and wages	\$ 83,085	\$ 82,209	\$ 66,124	\$ 231,418	\$ 60,746	\$ -	\$ 292,164
Payroll taxes and benefits	17,469	24,547	15,167	57,183	12,054	412	69,649
Rent and utilities	90,194	57,020	22,300	169,514	21,579	11,600	202,693
Consultants and professional fees	12,275	1,616	21,098	34,989	500	-	35,489
Depreciation and amortization	8,605	5,870	7,475	21,950	2,873	2,256	27,079
Dues and publications	3,475	540	945	4,960	-	-	4,960
Equipment rental and maintenance	2,068	5,036	6,052	13,156	362	288	13,806
General and liability insurance	657	4,336	4,349	9,342	218	174	9,734
Instructor fees and stipends	28,873	23,300	13,852	66,025	-	450	66,475
Instructor travel	513	-	-	513	-	-	513
Marketing and public relations	8,957	7,319	6,746	23,022	935	415	24,372
Miscellaneous	351	526	-	877	-	-	877
Office supplied and expenses	404	5,336	2,590	8,330	82	-	8,412
Postage	316	65	91	472	678	25	1,175
Program and course materials	708	149	281	1,138	-	-	1,138
Program events	6,685	150	-	6,835	296	-	7,131
Software maintenance contracts	3,193	2,897	2,957	9,047	1,060	844	10,951
Telecommunication expense	8,102	9,974	8,616	26,692	2,006	1,530	30,228
Travel and meals	782	3,166	1,180	5,128	3,201	-	8,329
Total program service expenses	\$ 276,712	\$ 234,056	\$ 179,823	\$ 690,591	\$ 106,590	\$ 17,994	\$ 815,175