



**CENTER FOR WOMEN & ENTERPRISE, INC.**

FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
TOGETHER WITH INDEPENDENT AUDITORS' REPORT

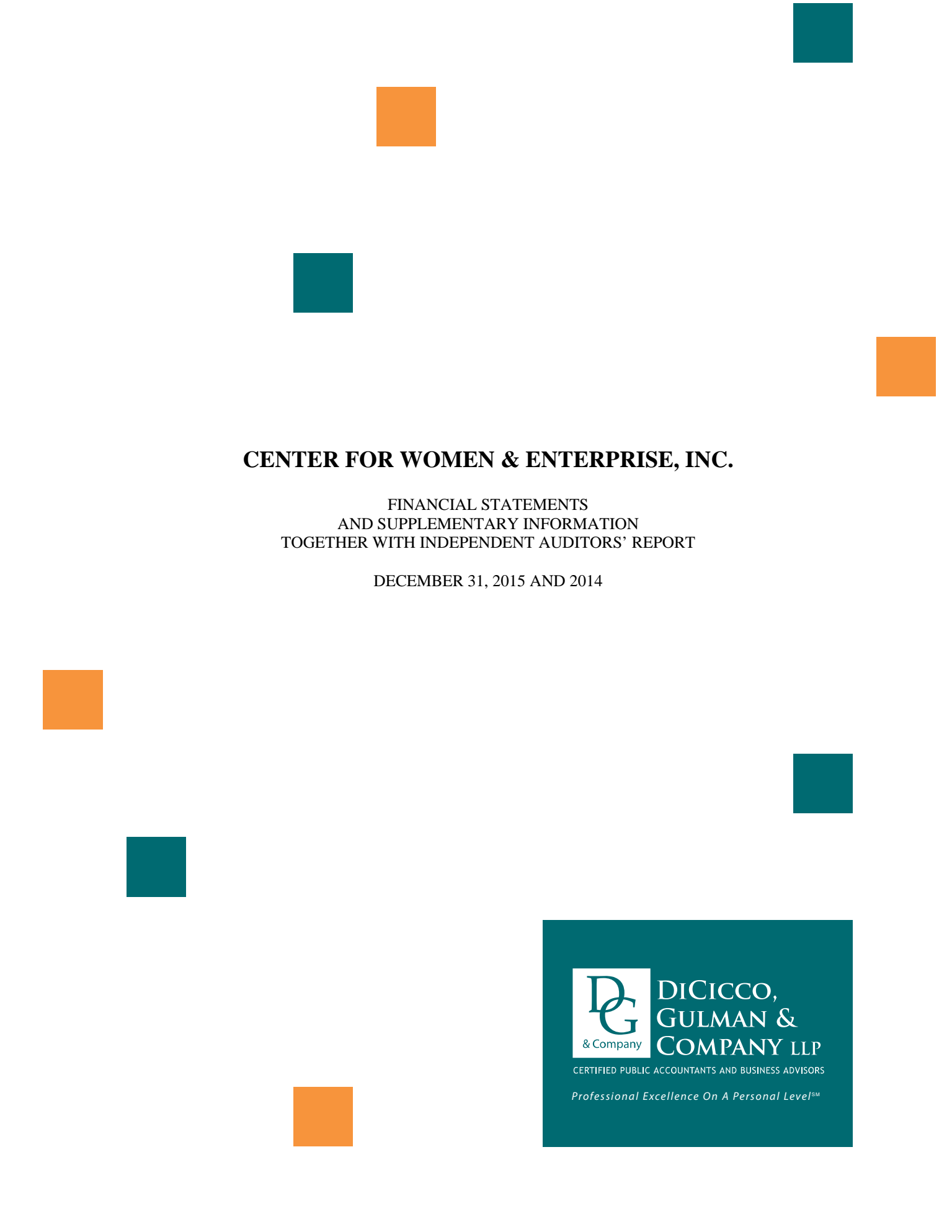
DECEMBER 31, 2015 AND 2014



**DI CICCICO,  
GULMAN &  
COMPANY LLP**

CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

*Professional Excellence On A Personal Level<sup>SM</sup>*



**CENTER FOR WOMEN & ENTERPRISE, INC.**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2015 AND 2014**

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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, 2015 and 2014, and the related statements of activities, 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 entity'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 entity'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, 2015 and 2014, 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 Cicco, Gelman & Company LLP*

July 19, 2016

**CENTER FOR WOMEN & ENTERPRISE, INC.**

**STATEMENTS OF FINANCIAL POSITION**

<b>December 31,</b>	<b>2015</b>	<b>2014</b>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash	\$ 105,035	\$ 91,166
Restricted cash	41,215	50,000
Accounts receivable, government grants	53,250	155,038
Pledges and other receivables, current portion, net	323,268	378,200
Microloans receivable, net	27,174	-
Prepaid expenses and other current assets	52,620	17,214
Total current assets	602,562	691,618
<b>Equipment and improvements, net</b>	<b>95,765</b>	<b>84,387</b>
<b>Other assets:</b>		
Pledges and other receivables, net of current portion	-	2,000
Deposits	31,848	23,577
<b>Total assets</b>	<b>\$ 730,175</b>	<b>\$ 801,582</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Line of credit	\$ 90,000	\$ 260,000
Term loan, current portion	19,261	18,278
Accounts payable and accrued expenses	68,930	113,943
Deferred revenue	122,000	25,869
Total current liabilities	300,191	418,090
<b>Long-term liabilities:</b>		
Term loan, net of current portion	56,663	76,916
Deferred rent	20,387	-
<b>Total liabilities</b>	377,241	495,006
<b>Commitments and contingencies</b>		
<b>Net assets:</b>		
Unrestricted	(148,733)	(280,824)
Temporarily restricted	501,667	587,400
Total net assets	352,934	306,576
<b>Total liabilities and net assets</b>	<b>\$ 730,175</b>	<b>\$ 801,582</b>

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

**CENTER FOR WOMEN & ENTERPRISE, INC.**

**STATEMENTS OF ACTIVITIES**

**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Support and revenue:</b>						
Program revenue:						
Government contracts and grants	\$ 948,895	\$ -	\$ 948,895	\$ 826,564	\$ -	\$ 826,564
Program services	300,854	-	300,854	306,841	-	306,841
	<u>1,249,749</u>	<u>-</u>	<u>1,249,749</u>	<u>1,133,405</u>	<u>-</u>	<u>1,133,405</u>
Less tuition subsidies	(13,764)	-	(13,764)	(31,196)	-	(31,196)
Net program revenue	<u>1,235,985</u>	<u>-</u>	<u>1,235,985</u>	<u>1,102,209</u>	<u>-</u>	<u>1,102,209</u>
Other support and revenue:						
Foundation grants	104,390	545,000	649,390	145,850	409,000	554,850
Corporate gifts and sponsorships	263,468	-	263,468	237,812	49,000	286,812
Individual gifts and contributions	221,483	-	221,483	116,362	84,500	200,862
Donated goods and services	148,431	-	148,431	138,973	-	138,973
Fundraising and special events	235,269	-	235,269	256,525	-	256,525
Total other support and revenue	<u>973,041</u>	<u>545,000</u>	<u>1,518,041</u>	<u>895,522</u>	<u>542,500</u>	<u>1,438,022</u>
Net assets released from restriction	<u>630,733</u>	<u>(630,733)</u>	<u>-</u>	<u>328,902</u>	<u>(328,902)</u>	<u>-</u>
Total support and revenue	<u>2,839,759</u>	<u>(85,733)</u>	<u>2,754,026</u>	<u>2,326,633</u>	<u>213,598</u>	<u>2,540,231</u>
<b>Functional expenses:</b>						
Program services	2,072,542	-	2,072,542	1,822,086	-	1,822,086
Management and general	238,364	-	238,364	185,905	-	185,905
Fundraising	396,762	-	396,762	476,124	-	476,124
Total functional expenses	<u>2,707,668</u>	<u>-</u>	<u>2,707,668</u>	<u>2,484,115</u>	<u>-</u>	<u>2,484,115</u>
<b>Change in net assets</b>	<u>132,091</u>	<u>(85,733)</u>	<u>46,358</u>	<u>(157,482)</u>	<u>213,598</u>	<u>56,116</u>
<b>Net assets, beginning of year</b>	<u>(280,824)</u>	<u>587,400</u>	<u>306,576</u>	<u>(123,342)</u>	<u>373,802</u>	<u>250,460</u>
<b>Net assets, end of year</b>	<u>\$ (148,733)</u>	<u>\$ 501,667</u>	<u>\$ 352,934</u>	<u>\$ (280,824)</u>	<u>\$ 587,400</u>	<u>\$ 306,576</u>

*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, 2015 AND 2014**

	2015				2014			
	Program Services	Support Services		Total	Program Services	Support Services		Total
		Management and General	Fundraising			Management and General	Fundraising	
<b>Personnel:</b>								
Salaries and wages	\$ 992,886	\$ 70,518	\$ 209,351	\$ 1,272,755	\$ 894,027	\$ 74,739	\$ 254,179	\$ 1,222,945
Payroll taxes and benefits	148,425	12,543	37,663	198,631	146,242	15,678	55,477	217,397
Total personnel	<u>1,141,311</u>	<u>83,061</u>	<u>247,014</u>	<u>1,471,386</u>	1,040,269	90,417	309,656	1,440,342
<b>Occupancy:</b>								
Rent and utilities	<u>227,678</u>	<u>37,205</u>	<u>16,414</u>	<u>281,297</u>	210,425	17,989	17,989	246,403
<b>Other:</b>								
Provision for doubtful accounts	33,968	-	-	33,968	-	-	-	-
Consultants and professional fees	74,891	15,698	2,288	92,877	47,346	14,202	10,813	72,361
Credit card and bank charges	554	2,313	2,941	5,808	1,118	3,684	4,997	9,799
Depreciation and amortization	35,071	2,124	-	37,195	37,047	4,116	-	41,163
Dues and publications	5,679	4,769	330	10,778	6,714	2,528	-	9,242
Equipment rental and maintenance	22,927	902	-	23,829	20,635	1,949	-	22,584
Fundraising and special events	-	-	115,345	115,345	-	-	118,385	118,385
General and liability insurance	6,875	628	-	7,503	7,301	1,070	-	8,371
Instructor fees and program consultants	271,658	-	-	271,658	266,351	-	-	266,351
Interest expense	13,552	3,280	-	16,832	20,178	2,243	-	22,421
Marketing and public relations	67,508	15,185	543	83,236	51,744	3,490	5,121	60,355
Office supplies and expenses	23,647	29,209	937	53,793	12,638	12,093	270	25,001
Postage	1,910	615	3,819	6,344	1,314	1,687	4,719	7,720
Program and course materials	27,521	-	-	27,521	14,450	-	-	14,450
Software maintenance contracts	17,341	5,045	240	22,626	26,602	5,227	38	31,867
Telecommunications expense	22,786	8,434	-	31,220	15,832	3,229	-	19,061
Training and development	21,156	6,155	4,518	31,829	4,536	3,544	1,466	9,546
Travel, meals, and lodging	56,509	23,741	2,373	82,623	37,586	18,437	2,670	58,693
Total other expenses	<u>703,553</u>	<u>118,098</u>	<u>133,334</u>	<u>954,985</u>	571,392	77,499	148,479	797,370
<b>Total functional expenses</b>	<u>\$ 2,072,542</u>	<u>\$ 238,364</u>	<u>\$ 396,762</u>	<u>\$ 2,707,668</u>	\$ 1,822,086	\$ 185,905	\$ 476,124	\$ 2,484,115

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

**CENTER FOR WOMEN & ENTERPRISE, INC.**

**STATEMENTS OF CASH FLOWS**

<b>For the years ended December 31,</b>	<b>2015</b>	<b>2014</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	<u>\$ 46,358</u>	<u>\$ 56,116</u>
Adjustments to reconcile the change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	37,195	41,163
Provision for doubtful accounts -pledges and other receivables	27,174	-
Provision for doubtful accounts -mircolloan receivable	6,794	-
Deferred rent	20,387	-
Changes in operating assets and liabilities:		
Restricted cash	8,785	(50,000)
Accounts receivable, government grants	101,788	(111,810)
Pledges and other receivables	29,758	50,592
Microloans receivable	(33,968)	-
Prepaid expenses and other current assets	(35,406)	8,655
Accounts payable and accrued expenses	(45,013)	(19,364)
Deferred revenue	96,131	13,750
Total adjustments	<u>213,625</u>	<u>(67,014)</u>
<b>Net cash provided by (used in) operating activities</b>	<u><b>259,983</b></u>	<u><b>(10,898)</b></u>
<b>Cash flows from investing activities:</b>		
Purchases of equipment and improvements	(48,573)	(21,588)
Deposits	(8,271)	-
<b>Net cash used in operating activities</b>	<u><b>(56,844)</b></u>	<u><b>(21,588)</b></u>
<b>Cash flows from financing activities:</b>		
Repayments on line of credit, net	(170,000)	(55,000)
Proceeds from term loan	-	100,000
Repayments on term loan	(19,270)	(22,774)
<b>Net cash (used in) provided by financing activities</b>	<u><b>(189,270)</b></u>	<u><b>22,226</b></u>
<b>Net increase (decrease) in cash</b>	<b>13,869</b>	<b>(10,260)</b>
<b>Cash, beginning of year</b>	<u><b>91,166</b></u>	<u><b>101,426</b></u>
<b>Cash, end of year</b>	<u><u><b>\$ 105,035</b></u></u>	<u><u><b>\$ 91,166</b></u></u>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid during the year for interest	<u><u><b>\$ 16,832</b></u></u>	<u><u><b>\$ 22,421</b></u></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 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. 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 Westborough (formerly Worcester), Massachusetts, Providence, Rhode Island, and Nashua, New Hampshire, CWE offers multi-week courses, workshops, seminars, one-on-one consulting, loan packaging and a women's business certification program. Subsequent to December 31, 2015, CWE opened a new center and will be offering these services in Vermont.

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.

#### Subsequent Events

CWE has evaluated subsequent events through July 19, 2016, the date the financial statements were approved and authorized for issuance by management, and determined that, except as disclosed herein, there have been no subsequent events that would require recognition in the financial statements or disclosure in the notes to the financial statements.

#### 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 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

Restricted cash represents amounts received for CWE's microloan initiative that has not been utilized. The microloan initiative is a program under which loans are made to qualified low-income women entrepreneurs in Rhode Island.

# CENTER FOR WOMEN & ENTERPRISE, INC.

## NOTES TO FINANCIAL STATEMENTS

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

#### **Accounts Receivable, Government Grants**

Accounts receivable from government grants reflect amounts invoiced for program services delivered during the fiscal reporting period and 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, 2015 and 2014, CWE considers amounts recorded as accounts receivable, government grants to be fully collectible. Accordingly, no allowance for doubtful accounts was recorded.

#### **Pledges and Other Receivables, Net**

Pledges and other receivables 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. Collectability of such amounts are evaluated on a periodic basis and written off when deemed uncollectible. CWE established an allowance for doubtful accounts based on prior experience and an analysis of specific contributions made. At December 31, 2015, the pledges and other receivables allowance amounted to approximately \$27,200.

In addition, pledges and other receivables also include the outstanding balances on loans related to CWE's microloan initiative. During 2015 and 2014, CWE received grants for its microloan initiative, a program designed to benefit low-income women 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 net of the allowance for loan losses. The loans are unsecured and require monthly payments with interest rates and maturity dates determined by CWE. 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. At December 31, 2015, CWE has not accrued interest on any of the outstanding loan balances.

The allowance for loan losses is established as losses are estimated to have occurred 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. 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. At December 31, 2015, the microloans receivable allowance amounted to approximately \$6,800.

# 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 historical cost, 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 restricted support. In the absence of such stipulations, contributions of equipment are recorded as unrestricted support.

CWE evaluates equipment and improvements for impairment whenever events or changes in circumstances indicate that the carrying amount of assets may not be recoverable. Recoverability of these assets is measured by comparison of their carrying amount to the future undiscounted cash flows the assets are expected to generate over their remaining economic lives. If such assets are considered to be impaired, the impairment to be recognized in net assets equals the amount by which the carrying value of the assets exceeds their fair market value determined by either a quoted market price, if any, or a value determined by utilizing a discounted cash flow technique. If such assets are not impaired, but their useful lives have decreased, the remaining net book value is amortized over the revised useful life. CWE has not recognized any impairment charges on equipment and improvements as of December 31, 2015 and 2014.

#### **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 or deferred rent asset 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, 2015 and 2014, 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. Certifications 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 the 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, 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.

Accounting principles generally accepted in the United States of America prescribe 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, 2015 or 2014.

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 2012. Currently, there are no income tax audits in process.

#### Functional Allocation of Expenses

The costs of providing 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 \$21,428 and \$9,363 for the years ended December 31, 2015 and 2014, respectively.

### Note 2 - Equipment and Improvements, Net

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

	<u>2015</u>	<u>2014</u>
Office equipment	\$ 144,037	\$ 106,456
Software	98,567	98,567
Furniture and fixtures	73,949	73,949
Leasehold improvements	<u>10,992</u>	<u>-</u>
	<u>327,545</u>	<u>278,972</u>
Less accumulated depreciation	<u>231,780</u>	<u>194,585</u>
	<u>\$ 95,765</u>	<u>\$ 84,387</u>

# CENTER FOR WOMEN & ENTERPRISE, INC.

## NOTES TO FINANCIAL STATEMENTS

### Note 3 - Line of Credit

CWE has a working capital line of credit (“LOC”) with a bank. On November 12, 2015, CWE renewed its LOC and the borrowing limit was increased from \$400,000 to \$500,000. 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 rate is 5.25% at December 31, 2015 and 2014. Advances on the LOC are payable on demand and the LOC expires in November 2018. 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.

### Note 4 - Term Loan

On April 4, 2014, 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 secured by substantially all of CWE's assets. CWE is subject to certain financial and administrative covenants common to such agreements.

The following is a summary of the principal payments due after December 31, 2015:

2016	\$	19,261
2017		20,297
2018		21,388
2019		<u>14,978</u>
	\$	<u>75,924</u>

### Note 5 - Restrictions and Limitations on Net Assets

At December 31, 2015 and 2014, temporarily restricted net assets consist of the following:

	<u>2015</u>	<u>2014</u>
Auction event	\$ -	\$ 25,000
Program services	395,000	184,000
Technology infrastructure	90,000	-
Time restricted	<u>16,667</u>	<u>378,400</u>
	<u>\$ 501,667</u>	<u>\$ 587,400</u>

**CENTER FOR WOMEN & ENTERPRISE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**Note 5 - Restrictions and Limitations on Net Assets (Continued)**

Temporarily restricted net assets were released from donor restrictions during the years ended December 31, 2015 and 2014 by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors as follows:

	<u>2015</u>	<u>2014</u>
Auction event	\$ 25,000	\$ 18,500
Program services	184,000	-
Expiration of time restriction	<u>421,733</u>	<u>310,402</u>
	<u>\$ 630,733</u>	<u>\$ 328,902</u>

**Note 6 - Contingencies**

During the years ended December 31, 2015 and 2014, CWE received approximately 25% and 23%, respectively, of its total support and revenue from the SBA. Funding from the SBA is routinely subject to audit by the governmental agency. 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, 2015 and 2014, or on the changes in its net assets for the years then ended.

From time to time, CWE may be involved in various legal actions arising in the normal course of operations. In the opinion of management, based upon current facts and circumstances, losses, if any, from these matters are covered by insurance or are immaterial to the financial position of CWE.

**Note 7 - Operating Leases**

CWE leases office facilities in Boston and Westborough (formerly Worcester), Massachusetts, Providence, Rhode Island, Nashua, New Hampshire, and certain office equipment under non-cancelable operating leases expiring through February 2020. During 2015 and 2014 CWE was a tenant-at-will in its Providence, Rhode Island office. In February 2015, CWE moved its Worcester, Massachusetts office to Westborough, Massachusetts.

Subsequent to December 31, 2015, CWE entered into a three month lease for office space in Vermont.

# CENTER FOR WOMEN & ENTERPRISE, INC.

## NOTES TO FINANCIAL STATEMENTS

### Note 7 - Operating Leases (Continued)

Rent expense was approximately \$273,000 and \$217,000 for the years ended December 31, 2015 and 2014, respectively.

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

2016	\$	242,150
2017		252,067
2018		254,430
2019		233,757
2020		<u>21,679</u>
	\$	<u>1,004,083</u>

### Note 8 - 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, 2015 and 2014 donated goods and services are as follows:

	<u>2015</u>	<u>2014</u>
Expenses:		
Program instructors and consultants	\$ 148,431	\$ 134,283
Professional fees	<u>-</u>	<u>4,690</u>
Total donated goods and services revenue	<u>\$ 148,431</u>	<u>\$ 138,973</u>

### Note 9 - Retirement Savings Plans

CWE sponsors a 401(k) Retirement Savings Plan. Eligible employees may make pre-tax contributions under salary reduction agreements. Employer contributions are discretionary and determined by the Board of Directors. For the years ended December 31, 2015 and 2014, CWE did not make any employer contributions to the plan.

### Note 10 - Related Party Transactions

For the years ended December 31, 2015 and 2014, included in support and revenue is approximately \$143,000 and \$94,000, respectively, of donations and pledges from members of the Board of Directors.

At December 31, 2015 and 2014, included in pledges and other receivables is approximately \$57,000 and \$99,000, respectively, of pledges from members of the Board of Directors.

## SUPPLEMENTARY INFORMATION

**CENTER FOR WOMEN & ENTERPRISE, INC.**

**SCHEDULE OF PROGRAM SERVICES**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Education Programs						Certifications	Total Program Services
	Eastern Massachusetts	Rhode Island	Central Massachusetts	New Hampshire	Vermont	Total		
Salaries and wages	\$ 335,521	\$ 175,893	\$ 147,009	\$ 100,640	\$ 43,305	\$ 802,368	\$ 190,518	\$ 992,886
Payroll taxes and benefits	53,042	33,716	15,520	10,887	8,228	121,393	27,032	148,425
Rent and utilities	114,153	50,736	15,865	29,524	-	210,278	17,400	227,678
Provision for doubtful accounts	-	33,968	-	-	-	33,968	-	33,968
Consultants and professional fees	31,362	17,092	13,921	11,781	735	74,891	-	74,891
Credit card and bank charges	544	10	-	-	-	554	-	554
Depreciation and amortization	7,015	7,014	7,014	7,014	-	28,057	7,014	35,071
Dues and publications	2,865	1,225	540	1,049	-	5,679	-	5,679
Equipment rental and maintenance	6,616	6,285	6,598	3,428	-	22,927	-	22,927
General and liability insurance	1,375	1,375	1,375	1,375	-	5,500	1,375	6,875
Instructor fees and program consultants	189,470	67,421	10,486	3,669	-	271,046	612	271,658
Interest expense	2,712	2,710	2,710	2,710	-	10,842	2,710	13,552
Marketing and public relations	5,159	3,090	2,367	467	-	11,083	56,425	67,508
Office supplies and expenses	2,704	10,693	3,506	4,718	-	21,621	2,026	23,647
Postage	1,375	77	48	-	-	1,500	410	1,910
Program and course materials	10,680	7,009	1,380	-	-	19,069	8,452	27,521
Software maintenance contracts	6,345	4,986	5,190	820	-	17,341	-	17,341
Telecommunications expense	5,751	8,308	6,677	2,050	-	22,786	-	22,786
Training and development	712	5,334	4,888	4,888	-	15,822	5,334	21,156
Travel, meals, and lodging	9,941	13,463	4,459	8,237	672	36,772	19,737	56,509
<b>Total program service expenses</b>	<b>\$ 787,342</b>	<b>\$ 450,405</b>	<b>\$ 249,553</b>	<b>\$ 193,257</b>	<b>\$ 52,940</b>	<b>\$ 1,733,497</b>	<b>\$ 339,045</b>	<b>\$ 2,072,542</b>

**CENTER FOR WOMEN & ENTERPRISE, INC.**

**SCHEDULE OF PROGRAM SERVICES**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Education Programs					Certifications	Total Program Services
	Eastern Massachusetts	Rhode Island	Central Massachusetts	Total			
Salaries and wages	\$ 399,113	\$ 195,016	\$ 125,887	-	\$ 720,016	\$ 174,011	\$ 894,027
Payroll taxes and benefits	66,243	40,047	15,564	-	121,854	24,388	146,242
Rent and utilities	129,517	50,977	15,540	-	196,034	14,391	210,425
Consultants and professional fees	40,000	4,976	2,370	-	47,346	-	47,346
Credit card and bank charges	1,093	10	15	-	1,118	-	1,118
Depreciation and amortization	9,262	9,261	9,262	-	27,785	9,262	37,047
Dues and publications	170	6,084	460	-	6,714	-	6,714
Equipment rental and maintenance	5,855	8,594	6,186	-	20,635	-	20,635
General and liability insurance	1,740	1,740	2,081	-	5,561	1,740	7,301
Instructor fees and program consultants	159,628	85,148	21,575		266,351	-	266,351
Interest expense	5,045	5,044	5,044	-	15,133	5,045	20,178
Marketing and public relations	6,576	861	5,555	-	12,992	38,752	51,744
Office supplies and expenses	2,549	5,713	3,260	-	11,522	1,116	12,638
Postage	1,046	-	107	-	1,153	161	1,314
Program and course materials	6,686	5,509	195	-	12,390	2,060	14,450
Software maintenance contracts	8,916	9,593	8,093	-	26,602	-	26,602
Telecommunications expense	5,780	5,729	4,323	-	15,832	-	15,832
Training and development	2,425	901	605	-	3,931	605	4,536
Travel, meals, and lodging	8,869	10,162	3,939	-	22,970	14,616	37,586
<b>Total program service expenses</b>	<b>\$ 860,513</b>	<b>\$ 445,365</b>	<b>\$ 230,061</b>		<b>\$ 1,535,939</b>	<b>\$ 286,147</b>	<b>\$ 1,822,086</b>