



**FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

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

Contents  
December 31, 2021 and 2020

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## Independent Auditor's Report

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

### **Opinion**

We have audited the financial statements of Center for Women & Enterprise, Inc. (a Massachusetts nonprofit corporation) (the Organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Center for Women & Enterprise, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

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

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Report on Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information shown on pages 15 and 16 is presented for purposes of additional analysis and is 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 audit 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.

*AAFCPA, Inc.*

Boston, Massachusetts  
June 27, 2022

**CENTER FOR WOMEN & ENTERPRISE, INC.**Statements of Financial Position  
December 31, 2021 and 2020

<b>Assets</b>	<b>2021</b>	<b>2020</b>
Current Assets:		
Cash	\$ 333,511	\$ 338,503
Pledges, grants and contracts receivable, net	783,858	986,035
Prepaid expenses	20,676	9,364
Total current assets	1,138,045	1,333,902
Deposits	28,463	50,502
Property and Equipment, net	24,243	57,684
Total assets	<u>\$ 1,190,751</u>	<u>\$ 1,442,088</u>
<b>Liabilities and Net Assets</b>		
Current Liabilities:		
Line of credit	\$ 500,000	\$ 300,000
Current portion of notes payable	-	24,613
Accounts payable and accrued expenses	334,032	358,225
Conditional grant advances	18,000	480,763
Total current liabilities	852,032	1,163,601
Notes Payable, net	-	236,141
Total liabilities	<u>852,032</u>	<u>1,399,742</u>
Net Assets:		
Without donor restrictions	229,219	(117,654)
With donor restrictions	109,500	160,000
Total net assets	<u>338,719</u>	<u>42,346</u>
Total liabilities and net assets	<u>\$ 1,190,751</u>	<u>\$ 1,442,088</u>



**CENTER FOR WOMEN & ENTERPRISE, INC.**Statements of Cash Flows  
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Cash Flows from Operating Activities:</b>		
Changes in net assets	\$ 296,373	\$ 114,784
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	30,997	36,342
Provision for doubtful accounts	15,799	-
Loss on disposal of property and equipment	2,444	-
Deferred rent	-	(3,269)
Changes in operating assets and liabilities:		
Pledges, grants and contracts receivable	186,378	(588,685)
Prepaid expenses	(11,312)	12,336
Microloans receivable	-	2,077
Accounts payable and accrued expenses	(24,193)	51,604
Conditional grant advances	(462,763)	474,763
Net cash provided by operating activities	<u>33,723</u>	<u>99,952</u>
<b>Cash Flows from Investing Activities:</b>		
Deposits	<u>22,039</u>	<u>7,947</u>
<b>Cash Flows from Financing Activities:</b>		
Repayments on note payable	(260,754)	(24,915)
Repayments on line of credit	(300,000)	-
Amounts drawn on line of credit	<u>500,000</u>	<u>-</u>
Net cash used in financing activities	<u>(60,754)</u>	<u>(24,915)</u>
<b>Net Change in Cash</b>	(4,992)	82,984
<b>Cash:</b>		
Beginning of year	<u>338,503</u>	<u>255,519</u>
End of year	<u>\$ 333,511</u>	<u>\$ 338,503</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash paid for interest	<u>\$ 18,139</u>	<u>\$ 27,751</u>

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

Statement of Functional Expenses  
 For the Year Ended December 31, 2021  
 (With Summarized Comparative Totals for the Year Ended December 31, 2020)

	2021				2020	
	Program Services		Total	Supporting Services		Total
	Education Programs	Certifications	Program Services	Management and General	Fundraising	Total
<b>Operating Expenses:</b>						
Personnel:						
Salaries	\$ 1,245,240	\$ 330,616	\$ 1,575,856	\$ 323,009	\$ 321,447	\$ 1,748,170
Payroll taxes and benefits	268,030	70,572	338,602	115,654	87,776	356,600
Total personnel	1,513,270	401,188	1,914,458	438,663	409,223	2,104,770
Occupancy	219,891	23,234	243,125	26,590	11,617	273,639
Other:						
Instructor fees and program consultants	612,305	-	612,305	-	-	612,305
Information technology	245,046	27,126	272,172	21,515	18,614	312,301
Consultants and professional fees	111,451	6,417	117,868	133,632	6,544	258,044
Office supplies	112,320	206	112,526	6,774	3,443	122,743
Fundraising and special events	-	47,289	47,289	-	23,400	70,689
Program events and course materials	43,671	-	43,671	-	-	43,671
Marketing	5,751	-	5,751	36,617	-	42,368
Depreciation and amortization	23,911	3,985	27,896	3,101	-	30,997
Equipment rental and maintenance	22,659	-	22,659	-	-	22,659
Training and development	10,173	200	10,373	8,026	-	18,399
Interest	13,993	2,332	16,325	1,814	-	18,139
Provisions for doubtful accounts	-	-	-	15,799	-	15,799
Insurance	7,578	1,263	8,841	1,552	-	10,393
Credit card and bank charges	423	2,287	2,710	1,994	2,964	7,668
Travel, meals and lodging	659	2,067	2,726	-	597	3,323
Total other	1,209,940	93,172	1,303,112	230,824	55,562	1,589,498
Total operating expenses	\$ 2,943,101	\$ 517,594	\$ 3,460,695	\$ 696,077	\$ 476,402	\$ 4,633,174
						\$ 3,414,471

The accompanying notes are an integral part of these statements.

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

Statement of Functional Expenses  
For the Year Ended December 31, 2020

	Program Services			Total Program Services	Supporting Services		
	Education Programs	Certifications			Management and General	Fundraising	Total
<b>Operating Expenses:</b>							
Personnel:							
Salaries	\$ 927,872	\$ 292,903	\$ 1,220,775	\$ 270,025	\$ 1,748,170		
Payroll taxes and benefits	152,785	38,720	191,505	67,456	356,600		
Total personnel	1,080,657	331,623	1,412,280	337,481	2,104,770		
Occupancy	213,037	23,234	236,271	11,617	273,639		
Other:							
Instructor fees and program consultants	242,034	-	242,034	-	242,034		
Information technology	109,044	2,562	111,606	7,829	221,708		
Consultants and professional fees	108,870	7,437	116,307	13,463	226,263		
Office supplies	58,935	6,755	65,690	7,332	96,480		
Fundraising and special events	-	32,249	32,249	19,078	51,327		
Program events and course materials	33,452	-	33,452	-	33,452		
Marketing	2,862	-	2,862	914	24,942		
Depreciation and amortization	28,033	4,675	32,708	3,634	36,342		
Equipment rental and maintenance	15,337	-	15,337	7,047	22,384		
Training and development	14,486	-	14,486	8,881	23,367		
Interest	21,408	3,568	24,976	2,775	27,751		
Insurance	7,578	1,263	8,841	1,068	9,909		
Credit card and bank charges	452	676	1,128	5,305	9,345		
Travel, meals and lodging	8,781	-	8,781	1,896	10,758		
Total other	651,272	59,185	710,457	273,996	1,036,062		
Total operating expenses	\$ 1,944,966	\$ 414,042	\$ 2,359,008	\$ 654,756	\$ 3,414,471		

The accompanying notes are an integral part of these statements.

## CENTER FOR WOMEN & ENTERPRISE, INC.

Notes to Financial Statements  
December 31, 2021 and 2020

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### 1. OPERATIONS AND NONPROFIT STATUS

Center for Women & Enterprise, Inc. (the Organization) is a nonprofit corporation established on January 1, 1995, in the Commonwealth of Massachusetts. The mission of the Organization is to provide opportunities for women entrepreneurs and women in business to increase professional success, personal growth, and financial independence. The Organization achieves this mission by providing education, training, technical assistance, women's business enterprise certifications, access to markets, and paths to funding to entrepreneurs at every stage of business development. In partnership with the U.S. Small Business Administration (SBA), the Organization 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 (VBOC).

The Organization's constituents are in all phases of business development and industry sectors and range from disadvantaged women, military veterans and active-duty members. The constituents are engaged in activities ranging from home-based business to fast growth companies seeking equity financing.

The Organization is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Organization is also exempt from state income taxes. Contributions made to the Organization are deductible by donors within the requirements of the IRC.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The Organization's financial statements have been prepared in accordance with accounting standards generally accepted in the United States of America (U.S. GAAP). References to U.S. GAAP in these notes are to the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC).

#### Revenue Recognition

##### *Program Income*

Program income is recognized in accordance with FASB's Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgement and changes in judgement.

The Organization generally measures earned revenue based on the amount of consideration the Organization expects to be entitled for the transfer of goods or services to a customer, then recognizes this revenue when or as the Organization satisfies its performance obligations under a contract, except in transactions where U.S. GAAP provides other applicable guidance. The Organization evaluates its revenue contracts with customers (i.e., earned revenue) based on the five-step model under ASU Topic 606: (1) Identify the contract with the customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to separate performance obligations; and (5) Recognize revenue when (or as) each performance obligation is satisfied.

Revenue from program services is recognized as services are performed. The majority of program service revenue is derived from certification fees. The Organization is the New England Regional Partner Organization for the 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.

## CENTER FOR WOMEN & ENTERPRISE, INC.

Notes to Financial Statements  
December 31, 2021 and 2020

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue Recognition (Continued)

##### *Program Income (Continued)*

Revenue from corporate dues is recognized ratably over the membership year the corporate membership contract covers, which coincides with the Organization's calendar year-end, as the performance obligation is satisfied over time. The Organization records the revenue earned monthly.

Revenue from the Organization's annual conference is recognized at the time the conference is held, as the performance obligation is satisfied on the date of the conference.

##### *Government Contracts, Grants and Contributions*

In accordance with ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, the Organization must determine whether a grant or contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of the assets or a right of release of a promise to transfer assets exists (see Note 3). Indicators of a barrier include a measurable performance-related barrier or another measurable barrier, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that the Organization should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

Grants and contributions without donor restrictions are recorded as revenue and net assets without donor restrictions when received or unconditionally committed by the donor. Revenue from donor restricted grants and contributions are recorded as donor restricted revenue and net assets when received or unconditionally committed by the donor. Net assets released from donor restrictions represent transfers made to revenue and net assets without donor restrictions as costs are incurred, time restrictions lapse, or program restrictions have been satisfied. Donor restricted grants received and satisfied in the same period are included in net assets without donor restrictions.

The Organization's Federal cost reimbursable contracts, included in government contracts in the accompanying statements of activities and changes in net assets, are recognized under Topic 958 and treated as conditional and recorded as revenue upon meeting expense criteria and recognized over the period of time expenses are incurred.

Special events revenue is from the Organization's ability to host fundraising events, in which revenues are recognized at the time of the event. Special event income consists of both contributions and sales. The contribution portion of the special event income is recognized as revenue when unconditionally committed or received. The sales portion of the special event income is derived from various components, including registration fees, sponsorships and program ads, in which the transaction price is determined annually. Fees collected in advance of the special events are initially recorded as deferred revenue and are only recognized in the statements of activities and changes in net assets after the special event has occurred and the performance obligation has been met. There was \$18,000 of deferred revenue as of December 31, 2021, which is included in conditional grant advances in the accompanying statement of financial position as of December 31, 2021. There was no deferred revenue as of December 31, 2020.

## CENTER FOR WOMEN & ENTERPRISE, INC.

Notes to Financial Statements  
December 31, 2021 and 2020

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Pledges, Grants and Contracts Receivable and Allowance for Uncollectible Accounts

The Organization records an allowance for uncollectible accounts based on management's analysis of specific accounts and their estimate of amounts that may become uncollectible. Account balances are charged off against the allowance when it is probable the receivable will not be recovered. There was no allowance for uncollectible accounts as of December 31, 2021. For the year ended December 31, 2020, the allowance for uncollectible accounts was \$19,001.

#### Property and Equipment and Depreciation

Property and equipment are recorded at cost, if purchased, or at the estimated market value at the date of gift, if donated. Renewals and betterments are capitalized, while repairs and maintenance are expensed as incurred. Property and equipment are depreciated using the straight-line method over the following estimated useful lives:

Computer software and technology	2 - 5 years
Office and information technology equipment	5 years
Furniture and fixtures	5 years
Leasehold improvements	Lesser of life of lease or 10 years

#### Fair Value Measurements

The Organization follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements*, for qualifying assets and liabilities. Fair value is defined as the price that the Organization would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

The Organization uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Organization. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available. The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.

Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 - Inputs that are unobservable, and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. The Organization values all of its qualifying assets and liabilities using Level 1 inputs.

## CENTER FOR WOMEN & ENTERPRISE, INC.

Notes to Financial Statements  
December 31, 2021 and 2020

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Net Assets

##### *Net Assets Without Donor Restrictions*

Net assets without donor restrictions are those net resources that bear no external restrictions and are generally available for use by the Organization.

##### *Net Assets With Donor Restrictions*

Net assets with donor restrictions represent amounts received or committed with donor restrictions which have not yet been expended for their designated purpose (purpose restricted) or amounts for use in future periods (time restricted).

Net assets with donor restrictions consist of the following at December 31:

	<u>2021</u>	<u>2020</u>
Purpose restricted	\$ 97,000	\$ 17,500
Time restricted	<u>12,500</u>	<u>142,500</u>
	<u>\$ 109,500</u>	<u>\$ 160,000</u>

Net assets released from donor restrictions are as follows:

	<u>2021</u>	<u>2020</u>
Expiration of time restrictions	\$ 142,500	\$ 177,000
Satisfaction of purpose restrictions	<u>17,500</u>	<u>70,500</u>
	<u>\$ 160,000</u>	<u>\$ 247,500</u>

#### Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Expense Allocation

Expenses related directly to a program are recorded as program expenses, while other expenses are allocated based upon management's estimate of the percentage attributable to program services, general and administrative, and fundraising.

Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are salaries, employee benefits, payroll taxes, interest, depreciation, information technology, and insurance, which are allocated based on an estimate of time and level of effort spent on the Organization's program and supporting functions. Occupancy is allocated based on the percentage of square footage used by functional area.

## CENTER FOR WOMEN & ENTERPRISE, INC.

Notes to Financial Statements  
December 31, 2021 and 2020

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Donated Services

The Organization receives donated services from instructors and consultants in support of its programs. The fair value of these services, as determined by the donors, is reflected as donated services in the accompanying statements of activities and changes in net assets and included in instructor fees and program consultants in the accompanying statements of functional expenses. During the years ended December 31, 2021 and 2020, the Organization received \$324,006 and \$82,690, respectively, in donated services.

#### Income Taxes

The Organization accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statements regarding a tax position taken or expected to be taken in a tax return. The Organization has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at December 31, 2021 and 2020. The Organization's information returns are subject to examination by the Federal and state jurisdictions.

#### Subsequent Events

Subsequent events have been evaluated through June 27, 2022, which is the date the financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the financial statements except that disclosed in Note 7.

### 3. CONDITIONAL GRANTS

During 2021, the Organization was awarded multiple conditional commitments from various Federal agencies for 2022, which contain funder-imposed conditions that represent a barrier that must be overcome, as well as a release from obligations. The Organization recognizes related revenue from these government contracts when funder-imposed conditions are substantially met (see Note 2). The funder-imposed conditions for these contracts include the requirement for the Organization to incur qualifying expenses. These commitments are not included in the accompanying financial statements.

Conditional promises to give at December 31, 2021, summarized by agency, are as follows:

Small Business Administration (SBA)	\$ 1,223,569
U.S. Department of Housing and Urban Development (HUD)	\$ 72,411

In 2020, the Organization applied for, and was awarded, a loan of \$343,200 from the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief and Economic Security Act (CARES Act) through a bank. The funds were used to pay certain payroll costs, including benefits, as well as rent and utilities during a covered period, as defined in the CARES Act. The Organization received forgiveness from the lending bank and the SBA for the full amount in November 2020. The Organization recognized \$343,200 of grant revenue in 2020, which is included in government grants and contracts in the accompanying 2020 statement of activities and changes in net assets.

## CENTER FOR WOMEN & ENTERPRISE, INC.

Notes to Financial Statements  
December 31, 2021 and 2020

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### 4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2021</u>	<u>2020</u>
Computer software and technology	\$ 186,327	\$ 191,617
Office and information technology equipment	201,543	203,770
Furniture and fixtures	73,949	73,949
Leasehold improvements	<u>22,910</u>	<u>22,910</u>
	484,729	492,246
Less - accumulated depreciation	<u>460,486</u>	<u>434,562</u>
Property and equipment, net	<u>\$ 24,243</u>	<u>\$ 57,684</u>

### 5. LEASES

The Organization leases office facilities in Boston and Westborough, Massachusetts; Providence, Rhode Island; Nashua, New Hampshire; and Burlington, Vermont; and certain office equipment under non-cancelable operating leases expiring through May 2027. The various leases require minimum annual rent plus additional rent for real estate taxes and other operating costs, as defined in the leases. The Organization recognizes rent expense on a straight-line basis over the term of the lease in accordance with the *Accounting for Leases* standard under U.S. GAAP. Rent expense for the office facilities was \$272,339 and \$265,586 for the years ended December 31, 2021 and 2020, respectively, and is included in occupancy in the accompanying statements of functional expenses.

Remaining future minimum cash lease payments under these lease agreements are as follows:

	<u>Facilities</u>	<u>Equipment</u>
2022	\$ 259,360	\$ 11,868
2023	249,685	11,868
2024	208,190	11,868
2025	110,195	-
2026	<u>79,754</u>	<u>-</u>
	<u>\$ 907,184</u>	<u>\$ 35,604</u>

### 6. RETIREMENT PLAN

The Organization has a defined contribution retirement plan under IRC Section 401(K) covering all eligible employees. Employees become eligible to participate on their date of hire if over the age of 21. Eligible employees may make pre-tax contributions under salary reduction agreements subject to limits established by the IRC. The Organization did not contribute to the plan for the years ended December 31, 2021 and 2020.

## CENTER FOR WOMEN & ENTERPRISE, INC.

Notes to Financial Statements  
December 31, 2021 and 2020

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### 7. LINE OF CREDIT

The Organization entered into an agreement with a bank to secure a working capital line of credit in March 2019 for \$300,000 with a maturity date of March 8, 2021. During 2021, the bank increased the maximum borrowing limit on the line of credit to \$600,000 and extended the maturity date to November 8, 2022. Advances on the line of credit bear interest at the *Wall Street Journal's* prime rate plus 1%, subject to a floor of 5.5% (5.5% at December 31, 2021 and 2020). The line of credit is secured substantially by all of the Organization's assets. The outstanding balance on the line of credit was \$500,000 and \$300,000 as of December 31, 2021 and 2020, respectively. Subsequent to year end, the bank increased the maximum borrowing limit on the line of credit to \$1,100,000 through November 8, 2022.

The Organization has certain financial and administrative covenants with which it must comply. The Organization was in compliance with the financial covenant as of December 31, 2021 and 2020. The Organization was not in compliance with certain administrative covenants as of December 31, 2021 and 2020, and received waivers for both years.

### 8. NOTES PAYABLE

In 2019, the Organization entered into a \$300,000 note payable agreement. The note was amortized over 120 monthly installments and required monthly principal and interest payments of \$3,422 through March 2024, at which time all outstanding principal (approximately \$177,000) and interest were due. The interest was fixed at a rate of 6.50% and the note was cross-collateralized with the line of credit.

During 2021, the Organization was the recipient of an anonymous foundation grant of \$350,000 targeted for debt reduction which is included in grants and contributions in the accompanying 2021 statement of activities and changes in net assets. The Organization utilized \$100,000 to pay down the line of credit (see Note 7). The additional \$250,000 of this grant came as a matching challenge. In August 2021, the Organization exceeded the match challenge and utilized the funds to pay back the note payable in full.

### 9. CONCENTRATIONS

The Organization received approximately 50% and 48% of its total revenue and support from the SBA during 2021 and 2020, respectively. Approximately 64% and 69% of the Organization's pledges, grants and contracts receivable at December 31, 2021 and 2020, respectively, are due from the SBA. Payments to the Organization are subject to audit by the SBA. In the opinion of management, the results of such audits, if any, will not have a material effect on the financial position of the Organization as of December 31, 2021 or 2020, or on the changes in net assets for the years then ended.

### 10. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's financial assets available within one year from the statements of financial position date for general operating expenses are as follows at December 31:

	<u>2021</u>	<u>2020</u>
Cash	\$ 333,511	\$ 338,503
Pledges, grants and contracts receivable, net	<u>783,858</u>	<u>986,035</u>
	1,117,369	1,324,538
Less - funds purpose restricted by donors	<u>(97,000)</u>	<u>(17,500)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,020,369</u>	<u>\$ 1,307,038</u>

## CENTER FOR WOMEN & ENTERPRISE, INC.

Notes to Financial Statements  
December 31, 2021 and 2020

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### 10. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)

The Organization's working capital and cash flows have seasonal variations to the payment schedule associated with government contracts. At December 31, 2021 and 2020, the Organization has approximately three and five months, respectively, of financial assets available within one year to cover operating expenses, net of depreciation and donated services.

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

The Organization operates with Board-approved budgets and anticipates collecting sufficient revenue to cover ongoing expenditures.

### 11. CONTINGENCY

During 2020 and continuing into 2022, COVID-19 was recognized as a global pandemic. The impact of COVID-19 on the Organization's future operations and the demand for its program services will depend upon, among other things, the duration, spread and intensity of the pandemic; related government responses, such as required physical distancing; restrictions on business operations and travel; the pace of recovery of economic activity; and the impact to consumers, all of which are uncertain and impossible to predict. The financial impact to the Organization, if any, cannot be reasonably estimated at this time.

### 12. CONTINUING OPERATIONS

For the years ended December 31, 2021 and 2020, the Organization had total net assets of approximately \$339,000 and \$42,000, respectively. During 2021 and 2020, the Organization's changes in net assets without donor restrictions were \$346,873 and \$217,784, respectively.

The Organization's position as a SBA-resource partner has allowed it to receive additional funding through the CARES Act. The Organization was awarded \$2,100,000 in 2020 and has recognized \$1,178,000 and \$395,000 in 2021 and 2020, respectively. The Organization anticipates it will be able to recognize, as income, the remaining \$527,000 during 2022 to support programming at all five locations which all operate SBA-funded programs.

At the end of 2021, the Organization was the recipient of two grants, \$200,000 each for two specific programs. During 2021, the Organization recognized, as income, \$66,000 of grant income. The Organization anticipates it will be able to recognize, as income, the remaining \$334,000 during 2022 to support programming.

During 2021, the Organization received a debt reduction grant for \$350,000, allowing the Organization pay down all long-term debt (see Note 8). The Organization was able to extend the line of credit through November 2022, as well as increase the line of credit to \$1,100,000 subsequent to year end (see Note 7).

Management anticipates that the revenue generated by the CARES Act and additional grant funding, combined with a budgeted operating surplus in 2022, are expected to generate sufficient changes in net assets without donor restrictions to continue to add to the current balance and build up the overall net asset position of the Organization.

### 13. RECLASSIFICATIONS

Certain amounts in the 2020 financial statements have been reclassified to conform with the 2021 presentation.

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

Schedule of Program Services  
 For the Year Ended December 31, 2021  
 (With Summarized Comparative Totals for the Year Ended December 31, 2020)

	2021										2020	
	Education Programs										Total Program Services	Total Program Services
	Eastern Massachusetts	Rhode Island	Central Massachusetts	New Hampshire	Vermont	Total Education Programs	Certifications	Total Program Services	Total Program Services			
Salaries	\$ 173,703	\$ 353,961	\$ 258,557	\$ 164,336	\$ 294,683	\$ 1,245,240	\$ 330,616	\$ 1,575,856	\$ 1,220,775			
Payroll taxes and benefits	33,467	122,007	32,074	23,683	56,799	268,030	70,572	338,602	191,505			
Occupancy	58,128	79,979	35,725	10,000	36,059	219,891	23,234	243,125	236,271			
Instructor fees and program consultants	108,831	154,599	78,580	110,114	160,181	612,305	-	612,305	242,034			
Information technology	42,559	73,893	42,466	44,204	41,924	245,046	27,126	272,172	111,606			
Consultants and professional fees	29,852	33,395	20,583	11,708	15,913	111,451	6,417	117,868	116,307			
Office supplies	14,123	29,538	26,634	19,617	22,408	112,320	206	112,526	65,690			
Fundraising and special events	-	-	-	-	-	-	47,289	47,289	32,249			
Program events and course materials	14,222	6,949	2,794	19,466	240	43,671	-	43,671	33,452			
Marketing	123	1,200	4,139	239	50	5,751	-	5,751	2,862			
Depreciation and amortization	3,985	7,971	3,985	3,985	3,985	23,911	3,985	27,896	32,708			
Equipment rental and maintenance	5,171	4,389	4,389	4,360	4,350	22,659	-	22,659	15,337			
Training and development	690	1,265	5,000	860	2,358	10,173	200	10,373	14,486			
Interest	2,332	4,665	2,332	2,332	2,332	13,993	2,332	16,325	24,976			
Insurance	1,263	2,526	1,263	1,263	1,263	7,578	1,263	8,841	8,841			
Credit card and bank charges	128	115	163	16	1	423	2,287	2,710	1,128			
Travel, meals and lodging	126	242	199	-	92	659	2,067	2,726	8,781			
	<u>\$ 488,703</u>	<u>\$ 876,694</u>	<u>\$ 518,883</u>	<u>\$ 416,183</u>	<u>\$ 642,638</u>	<u>\$ 2,943,101</u>	<u>\$ 517,594</u>	<u>\$ 3,460,695</u>	<u>\$ 2,359,008</u>			

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

Schedule of Program Services  
For the Year Ended December 31, 2020

**Education Programs**

	Education Programs					Total		
	Eastern Massachusetts	Rhode Island	Central Massachusetts	New Hampshire	Vermont	Education Programs	Certifications	Total Program Services
Salaries	\$ 161,934	\$ 267,344	\$ 192,509	\$ 119,796	\$ 186,289	\$ 927,872	\$ 292,903	\$ 1,220,775
Payroll taxes and benefits	25,635	49,783	21,868	23,689	31,810	152,785	38,720	191,505
Occupancy	55,569	77,897	28,500	15,322	35,749	213,037	23,234	236,271
Instructor fees and program consultants	23,261	83,079	15,817	16,659	103,218	242,034	-	242,034
Information technology	22,165	23,378	21,547	22,066	19,888	109,044	2,562	111,606
Consultants and professional fees	23,606	24,193	16,756	23,737	20,578	108,870	7,437	116,307
Office supplies	23,816	13,085	9,344	4,835	7,855	58,935	6,755	65,690
Fundraising and special events	-	-	-	-	-	-	32,249	32,249
Program events and course materials	2,933	2,008	2,587	12,278	13,646	33,452	-	33,452
Marketing	450	675	250	687	800	2,862	-	2,862
Depreciation and amortization	4,672	9,345	4,672	4,672	4,672	28,033	4,675	32,708
Equipment rental and maintenance	5,069	2,567	2,567	2,567	2,567	15,337	-	15,337
Training and development	3,435	3,585	395	2,895	4,176	14,486	-	14,486
Interest	3,568	7,136	3,568	3,568	3,568	21,408	3,568	24,976
Insurance	1,263	2,526	1,263	1,263	1,263	7,578	1,263	8,841
Credit card and bank charges	34	393	-	-	25	452	676	1,128
Travel, meals and lodging	774	3,443	1,761	1,015	1,788	8,781	-	8,781
	<u>\$ 358,184</u>	<u>\$ 570,437</u>	<u>\$ 323,404</u>	<u>\$ 255,049</u>	<u>\$ 437,892</u>	<u>\$ 1,944,966</u>	<u>\$ 414,042</u>	<u>\$ 2,359,008</u>