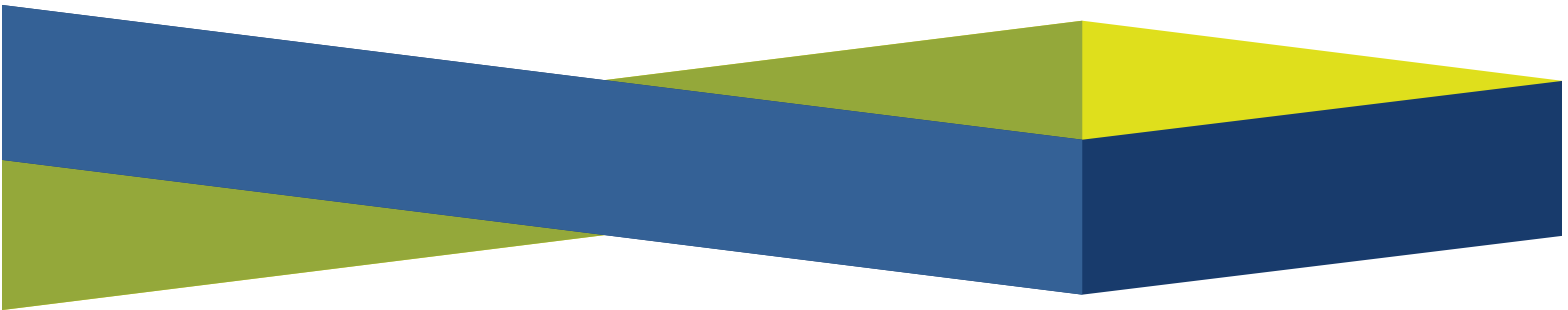


**CENTER FOR WOMEN & ENTERPRISE, INC.**

FINANCIAL STATEMENTS AND REPORTS REQUIRED FOR  
AUDITS IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS AND THE UNIFORM GUIDANCE

DECEMBER 31, 2017



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

**FINANCIAL STATEMENTS AND REPORTS REQUIRED FOR  
AUDITS IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS AND THE UNIFORM GUIDANCE**

**DECEMBER 31, 2017**

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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 statement of financial position as of December 31, 2017, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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 auditor's 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 auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Center for Women & Enterprise, Inc. as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and notes 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 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 Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

## ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2018 on our consideration of Center for Women & Enterprise, Inc.’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of CWE’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Center for Women & Enterprise, Inc.’s internal control over financial reporting and compliance.

*Di Ciccio, Gelman + Company LLP*

Boston, Massachusetts  
June 28, 2018

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

**STATEMENT OF FINANCIAL POSITION**

**December 31, 2017**

**ASSETS**

**Current assets:**

Cash	\$ 9,424
Restricted cash	6,469
Accounts receivable, government grants	260,924
Pledges receivable, current portion	604,947
Microloans receivable, net, current portion	41,001
Prepaid expenses and other current assets	20,821
Total current assets	<u>943,586</u>

**Equipment and improvements, net** 144,952

**Other assets:**

Pledges receivable, net of current portion	192,500
Microloans receivable, net of current portion	73,907
Deposits	37,197

**Total assets** \$ 1,392,142

**LIABILITIES AND NET ASSETS**

**Current liabilities:**

Line of credit	\$ 599,638
Note payable, bank, current portion	21,388
Accounts payable and accrued expenses	252,359
Total current liabilities	<u>873,385</u>

**Long-term liabilities:**

Note payable, bank, net of current portion	15,090
Deferred rent	24,840
Note payable, other	112,500

**Total liabilities** 1,025,815

**Commitments and contingencies**

**Net assets:**

Unrestricted	(310,869)
Temporarily restricted	677,196
Total net assets	<u>366,327</u>

**Total liabilities and net assets** \$ 1,392,142

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

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

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Support and revenue:</b>			
Program revenue:			
Government contracts and grants	\$ 1,170,024	\$ -	\$ 1,170,024
Program services	307,785	-	307,785
Net program revenue	<u>1,477,809</u>	<u>-</u>	<u>1,477,809</u>
Other support and revenue:			
Foundation grants	107,737	303,083	410,820
Corporate gifts and sponsorships	230,258	29,500	259,758
Individual gifts and contributions	128,767	251,113	379,880
Donated goods and services	97,749	-	97,749
Fundraising and special events	293,447	93,500	386,947
Total other support and revenue	<u>857,958</u>	<u>677,196</u>	<u>1,535,154</u>
Net assets released from restriction	<u>612,500</u>	<u>(612,500)</u>	<u>-</u>
Total support and revenue	<u>2,948,267</u>	<u>64,696</u>	<u>3,012,963</u>
<b>Functional expenses:</b>			
Program services	2,391,858	-	2,391,858
Management and general	204,044	-	204,044
Fundraising	412,313	-	412,313
Total functional expenses	<u>3,008,215</u>	<u>-</u>	<u>3,008,215</u>
<b>Change in net assets</b>	<b>(59,948)</b>	<b>64,696</b>	<b>4,748</b>
<b>Net assets, beginning of year</b>	<b>(250,921)</b>	<b>612,500</b>	<b>361,579</b>
<b>Net assets, end of year</b>	<b>\$ (310,869)</b>	<b>\$ 677,196</b>	<b>\$ 366,327</b>

*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, 2017**

	Program Services	Support Services		Total
		Management and General	Fundraising	
<b>Personnel:</b>				
Salaries and wages	\$ 1,178,579	\$ 112,839	\$ 196,359	\$ 1,487,777
Payroll taxes and benefits	213,236	7,764	47,106	268,106
Total personnel	<u>1,391,815</u>	<u>120,603</u>	<u>243,465</u>	<u>1,755,883</u>
<b>Occupancy:</b>				
Rent and utilities	<u>336,762</u>	<u>19,355</u>	<u>19,426</u>	<u>375,543</u>
<b>Other:</b>				
Consultants and professional fees	67,665	2,654	-	70,319
Credit card and bank charges	7,067	2,467	12,603	22,137
Depreciation and amortization	37,083	3,097	-	40,180
Dues and publications	13,751	4,911	530	19,192
Equipment rental and maintenance	32,684	734	-	33,418
Fundraising and special events	-	-	113,059	113,059
General and liability insurance	9,292	1,430	-	10,722
Instructor fees and program consultants	214,503	-	-	214,503
Interest expense	25,709	2,857	-	28,566
Marketing and public relations	13,303	1,228	2,204	16,735
Office supplies and expenses	34,975	9,137	1,927	46,039
Postage	2,261	3,535	-	5,796
Program and course materials	13,088	-	-	13,088
Program events	30,721	-	-	30,721
Provision for doubtful accounts	2,217	-	-	2,217
Software maintenance contracts	50,030	1,972	12,014	64,016
Telecommunications expense	11,807	11,248	-	23,055
Training and development	13,926	1,209	1,759	16,894
Travel, meals, and lodging	83,199	17,607	5,326	106,132
Total other expenses	<u>663,281</u>	<u>64,086</u>	<u>149,422</u>	<u>876,789</u>
<b>Total functional expenses</b>	<u>\$ 2,391,858</u>	<u>\$ 204,044</u>	<u>\$ 412,313</u>	<u>\$ 3,008,215</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, 2017**

**Cash flows from operating activities:**

Change in net assets	\$ 4,748
Adjustments to reconcile the change in net assets to net cash (used in) provided by operating activities:	
Depreciation and amortization	40,180
Provision for doubtful accounts, microloans receivable, net	2,217
Deferred rent	(3,791)
Deferred revenue	(15,000)
Changes in operating assets and liabilities:	
Restricted cash	73,538
Accounts receivable, government grants	(198,426)
Pledges receivable	(273,980)
Microloans receivable, net	(106,886)
Prepaid expenses and other current assets	36,632
Accounts payable and accrued expenses	140,450
Total adjustments	<u>(305,066)</u>
<b>Net cash used in operating activities</b>	<u><b>(300,318)</b></u>

**Cash flows from investing activities:**

Purchases of equipment and improvements	<u>(21,504)</u>
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**Cash flows from financing activities:**

Advances on line of credit, net	208,000
Repayments on term loan	(20,253)
Advance on note payable, other	<u>112,500</u>

<b>Net cash provided by financing activities</b>	<u><b>300,247</b></u>
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<b>Net decrease in cash</b>	(21,575)
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<b>Cash, beginning of year</b>	<u>30,999</u>
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<b>Cash, end of year</b>	<u><u>\$ 9,424</u></u>
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**Supplemental disclosure of cash flow information:**

Cash paid during the year for interest	<u><u>\$ 28,566</u></u>
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*The accompanying notes are an integral part of the financial statements.*

# CENTER FOR WOMEN & ENTERPRISE, INC.

## NOTES TO FINANCIAL STATEMENTS

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

#### Description of Business

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

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

#### Basis of Presentation

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

#### Use of Estimates

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

#### Concentration of Credit Risk

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

#### Restricted Cash

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

#### Accounts Receivable, Government Grants

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

# CENTER FOR WOMEN & ENTERPRISE, INC.

## NOTES TO FINANCIAL STATEMENTS

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

#### **Pledges Receivable**

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

#### **Microloans Receivable, Net**

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

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

# CENTER FOR WOMEN & ENTERPRISE, INC.

## NOTES TO FINANCIAL STATEMENTS

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

#### **Equipment and Improvements, Net**

Equipment and improvements are stated at cost, unless received as a donation, and is reported net of accumulated depreciation and amortization. Major additions and improvements are capitalized, while maintenance and repairs, which do not extend the lives of the respective assets, are expensed as incurred. Equipment is depreciated using the straight-line method over the estimated useful life of the asset. Leasehold improvements are amortized on a straight-line basis over the shorter of the term of the lease or the useful life of the asset. When equipment is retired or otherwise disposed of, the related cost and accumulated depreciation are eliminated from the accounts and any resulting gain or loss is reflected in the statements of activities for the respective period.

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

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

#### **Deferred Rent**

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

##### **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.

# CENTER FOR WOMEN & ENTERPRISE, INC.

## NOTES TO FINANCIAL STATEMENTS

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

#### Net Assets (Continued)

##### Permanently Restricted

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

#### Support and Revenue

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

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

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

#### 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.

# CENTER FOR WOMEN & ENTERPRISE, INC.

## NOTES TO FINANCIAL STATEMENTS

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

#### Income Taxes (Continued)

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

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

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

#### Functional Allocation of Expenses

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

#### Advertising

CWE charges costs of advertising to functional expenses as incurred. Advertising expense amounted to \$3,684 for the year ended December 31, 2017.

### Note 2 - Equipment and Improvements, Net

Equipment and improvements, net consists of the following at December 31, 2017:

Office equipment	\$ 168,446
Software	186,327
Furniture and fixtures	73,949
Leasehold improvements	<u>22,910</u>
	451,632
Less accumulated depreciation	<u>306,680</u>
	<u>\$ 144,952</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 with a borrowing limit of \$600,000. Advances under the line of credit bear interest at the Wall Street Journal prime rate plus 1%, subject to a floor of 5.25%. The applicable interest rate was 5.50% at December 31, 2017. The LOC matures on September 8, 2019. The LOC is secured by substantially all of CWE's assets. CWE is subject to certain financial and administrative covenants under the LOC, the most restrictive of which is that CWE must have no outstanding balance under the LOC for a minimum of 30 consecutive days within a one-year term. At December 31, 2017, CWE was not in compliance with this covenant and received a waiver on the covenant from the bank.

### Note 4 - Note Payable, Bank

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

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

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

### Note 5 - Note Payable, Other

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

# CENTER FOR WOMEN & ENTERPRISE, INC.

## NOTES TO FINANCIAL STATEMENTS

### Note 6 - Restrictions and Limitations on Net Assets

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

Program services	\$ 292,000
Time restricted	278,113
Auction event	93,500
Technology infrastructure	<u>13,583</u>
	<u>\$ 677,196</u>

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

Program services	\$ 282,500
Expiration of time restrictions	258,500
Auction event	51,500
Technology infrastructure	<u>20,000</u>
	<u>\$ 612,500</u>

### Note 7 - Contingencies

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

### Note 8 - Operating Leases

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

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

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

# CENTER FOR WOMEN & ENTERPRISE, INC.

## NOTES TO FINANCIAL STATEMENTS

### **Note 9 - Donated Goods and Services**

The value of donated goods and services are reported in the accompanying financial statements as donated goods and services revenue with offsetting expenses included in program services or offsetting assets included in the statements of financial position, if applicable. For the year ended December 31, 2017 donated goods and services represented \$97,749 of services received from program instructors and consultants.

### **Note 10 - Retirement Savings Plans**

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

### **Note 11 - Related Party Transactions**

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

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

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

### **Note 12 - Subsequent Events**

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

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED DECEMBER 31, 2017**

<b>Federal Grantor/ Pass-Through Grantor / Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Federal Expenditures</b>
<b>Major Federal Programs:</b>		
<b>U.S. Small Business Administration ("SBA")</b>		
Women's Business Ownership Assistance SBAHQ-16-W-0022	59.043	\$ 150,000
Women's Business Ownership Assistance SBAHQ-15-W-0026	59.043	150,000
Women's Business Ownership Assistance SBAHQ-14-W-0001	59.043	112,500
Women's Business Ownership Assistance SBAHQ-17-W-0026	59.043	37,500
Women's Business Ownership Assistance SBAHQ-14-W-0047	59.043	150,000
Women's Business Ownership Assistance SBAHQ-15-W-0030	59.043	150,000
Veteran's Business Outreach Center SBAHQ-16-V-0017/0001	59.044	124,998
Veteran's Business Outreach Center SBAHQ-17-V-0032	59.044	<u>148,428</u>
<b>Total U.S. Small Business Administration Programs</b>		<b><u>1,023,426</u></b>
<b>Total Expenditures of Federal Awards</b>		<b><u>\$ 1,023,426</u></b>

*The accompanying notes are an integral part of this schedule.*

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

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 1 - Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of Center for Women & Enterprise, Inc. (“CWE”) under programs of the federal government for the year ended December 31, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). The Schedule presents only a selected portion of the operations of CWE, therefore it is not intended to and does not present the financial position, changes in net assets or cash flows of CWE.

**Note 2 - Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3 - Indirect Cost Rate**

CWE has not elected to use the ten percent de minimus indirect cost rate allowed under the Uniform Guidance.

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Center for Women and Enterprise, Inc. ("CWE"), a nonprofit organization, which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 28, 2018.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered CWE's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CWE's internal control. Accordingly, we do not express an opinion on the effectiveness of CWE's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in CWE's internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether CWE's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of CWE's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CWE's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Di Cicco, Helman + Company LLP*

Boston, Massachusetts  
June 28, 2018

Independent Auditors' Report on Compliance for Each Major Federal Program and on  
Internal Control over Compliance in Accordance with the Uniform Guidance

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

***Report on Compliance on Each Major Federal Program***

We have audited Center for Women & Enterprise, Inc.'s, ("CWE") compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on CWE's major federal programs for the year ended December 31, 2017. CWE's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to CWE's federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance of each of CWE, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audits to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about CWE's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance of each major federal program. However, our audit does not provide a legal determination of CWE's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, CWE complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

### **Report on Internal Control over Compliance**

Management of CWE is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered CWE's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal programs and to test and report on internal control over compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CWE's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Di Ciccio, Shelman + Company LLP*

Boston, Massachusetts  
June 28, 2018

**CENTER FOR WOMEN & ENTERPRISE, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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**I. Summary of Independent Auditors' Results**

*Financial Statements*

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP: Unmodified

Internal control over financial reporting:

Material weaknesses identified?	Yes	<u>          </u> X <u>          </u>	No
Significant deficiencies identified?	Yes	<u>          </u> X <u>          </u>	None Reported
Noncompliance material to financial statements noted?	Yes	<u>          </u> X <u>          </u>	No

*Federal Awards*

Internal control over major federal programs:

Material weaknesses identified?	Yes	<u>          </u> X <u>          </u>	No
Significant deficiencies identified?	Yes	<u>          </u> X <u>          </u>	None Reported

Type of auditors' report issued on compliance for major federal program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes            X            No

Identification of major federal programs:

CFDA Number	Name of Federal Program
59.043	SBA - Women's Business Ownership Assistance
59.044	SBA - Veteran's Business Outreach Center

Dollar Threshold Used to Distinguish Between Type A and Type B Programs: \$ 750,000

Auditee Qualified as a Low-Risk Auditee? Yes            X            No

**II. Findings Relating to the Financial Statement as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards**

None reported

**III. Federal award findings and questioned costs**

None reported