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INDEPENDENT AUDITORS’ REPORT

Board of Directors
Step Up Women’s Network

We have audited the accompanying financial statements of Step Up Women’s Network (the Organization), which comprise the statement of financial position as of December 31, 2017 and the related statements of activities, 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. 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 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 auditor considers 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 the Organization 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.

Report on Summarized Comparative Information

The financial statements of the Organization as of December 31, 2016 were audited by other auditors whose report dated March 24, 2017 expressed an unmodified opinion. In our opinion, the summarized comparative information presented herein as of, and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Winders, Inc.

Long Beach, California
April 23, 2018
STEP UP WOMEN’S NETWORK

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

ASSETS

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,018,859</td>
</tr>
<tr>
<td>Certificate of deposit</td>
<td>$541,345</td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>$544,573</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>$19,009</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>$738,176</td>
</tr>
<tr>
<td>Deposits and other assets</td>
<td>$30,957</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$2,892,919</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>LIABILITIES AND NET ASSETS</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
</tr>
<tr>
<td>Accrued vacation</td>
</tr>
<tr>
<td>Deferred income</td>
</tr>
<tr>
<td><strong>COMMITMENTS AND CONTINGENCIES</strong> (Note 7)</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
</tr>
<tr>
<td>Unrestricted</td>
</tr>
<tr>
<td>Temporarily restricted</td>
</tr>
<tr>
<td><strong>TOTAL NET ASSETS</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>December 31, 2017</strong></td>
</tr>
<tr>
<td><strong>2017</strong></td>
</tr>
<tr>
<td>$2,892,919</td>
</tr>
<tr>
<td>$2,501,039</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
# STEP UP WOMEN’S NETWORK

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2017

(WITH COMPARATIVE TOTALS FOR 2016)

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

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unrestricted</td>
<td>Temporarily Restricted</td>
</tr>
<tr>
<td>Corporate and foundation contributions</td>
<td>$2,690,877</td>
<td>$206,433</td>
</tr>
<tr>
<td>Individual contributions</td>
<td>552,233</td>
<td>-</td>
</tr>
<tr>
<td>Special events, net of expense of $441,117 and $312,731, respectively</td>
<td>875,769</td>
<td>-</td>
</tr>
<tr>
<td>Interest income</td>
<td>12,860</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>4,131,739</strong></td>
<td><strong>206,433</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programs</td>
<td>3,423,615</td>
<td>-</td>
</tr>
<tr>
<td>Management and administration</td>
<td>485,556</td>
<td>-</td>
</tr>
<tr>
<td>Fund development</td>
<td>312,894</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>4,222,065</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CHANGE IN NET ASSETS</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>(90,326)</td>
<td>206,433</td>
<td>116,107</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET ASSETS AT BEGINNING OF YEAR</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,501,039</td>
<td>-</td>
<td>2,501,039</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET ASSETS AT END OF YEAR</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,410,713</td>
<td>$206,433</td>
<td>$2,617,146</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
## Statement of Functional Expenses

**For the Year Ended December 31, 2017**  
(With Comparative Totals for 2016)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>$2,382,117</td>
<td>$242,441</td>
<td>$225,174</td>
<td>$2,849,732</td>
<td>$1,661,784</td>
<td>$1,661,784</td>
<td>$149,685</td>
<td>$1,811,469</td>
</tr>
<tr>
<td>Health insurance</td>
<td>132,142</td>
<td>7,580</td>
<td>9,963</td>
<td>149,685</td>
<td>82,278</td>
<td>82,278</td>
<td>9,963</td>
<td>92,237</td>
</tr>
<tr>
<td>Payroll taxes and benefits</td>
<td>180,259</td>
<td>15,691</td>
<td>16,240</td>
<td>212,190</td>
<td>128,224</td>
<td>128,224</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total personnel costs</strong></td>
<td><strong>2,694,518</strong></td>
<td><strong>265,712</strong></td>
<td><strong>251,377</strong></td>
<td><strong>3,211,607</strong></td>
<td><strong>1,872,286</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional services</td>
<td>197,616</td>
<td>58,176</td>
<td>44,235</td>
<td>300,027</td>
<td>318,517</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract labor</td>
<td>1,999</td>
<td>-</td>
<td>-</td>
<td>1,999</td>
<td>117,741</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit card fee</td>
<td>25,798</td>
<td>25,798</td>
<td></td>
<td>25,798</td>
<td>17,927</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expendable equipment</td>
<td>19,569</td>
<td>2,640</td>
<td>955</td>
<td>23,164</td>
<td>51,625</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance</td>
<td>9,986</td>
<td>-</td>
<td>-</td>
<td>25,235</td>
<td>40,918</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>License and permit</td>
<td>2,052</td>
<td>795</td>
<td></td>
<td>2,847</td>
<td>7,240</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing/Publicity</td>
<td>11,610</td>
<td>3,514</td>
<td>3,173</td>
<td>18,297</td>
<td>4,088</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meeting expenses</td>
<td>7,723</td>
<td>639</td>
<td>1,871</td>
<td>10,233</td>
<td>7,757</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>12,233</td>
<td>15,065</td>
<td>170</td>
<td>27,468</td>
<td>12,886</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Occupancy</td>
<td>124,982</td>
<td>19,657</td>
<td>-</td>
<td>144,639</td>
<td>103,663</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parking/Mileage</td>
<td>18,635</td>
<td>5,063</td>
<td>268</td>
<td>23,966</td>
<td>18,151</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Postage/Delivery</td>
<td>1,227</td>
<td>3,079</td>
<td>119</td>
<td>4,425</td>
<td>6,290</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Printing</td>
<td>7,023</td>
<td>1,246</td>
<td>1,132</td>
<td>9,401</td>
<td>14,496</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program cost</td>
<td>10,979</td>
<td>58</td>
<td>-</td>
<td>11,037</td>
<td>16,407</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff development</td>
<td>33,567</td>
<td>10,411</td>
<td>924</td>
<td>44,902</td>
<td>164,533</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplies</td>
<td>120,345</td>
<td>15,009</td>
<td>1,752</td>
<td>137,106</td>
<td>113,196</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplies</td>
<td>120,345</td>
<td>15,009</td>
<td>1,752</td>
<td>137,106</td>
<td>113,196</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>557</td>
<td>589</td>
<td>-</td>
<td>1,146</td>
<td>228</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telephone/Internet</td>
<td>49,805</td>
<td>11,926</td>
<td>2,425</td>
<td>64,156</td>
<td>46,837</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation</td>
<td>30,504</td>
<td>164</td>
<td>850</td>
<td>31,518</td>
<td>24,028</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel</td>
<td>58,484</td>
<td>14,009</td>
<td>3,643</td>
<td>76,136</td>
<td>91,224</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>4,938</td>
<td>1,235</td>
<td>-</td>
<td>6,173</td>
<td>9,194</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>-</td>
<td>20,785</td>
<td>-</td>
<td>20,785</td>
<td>23,603</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Expense</strong></td>
<td><strong>$3,423,615</strong></td>
<td><strong>$485,556</strong></td>
<td><strong>$312,894</strong></td>
<td><strong>$4,222,065</strong></td>
<td><strong>$3,082,835</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
## STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net assets</td>
<td>$116,107</td>
<td>$144,045</td>
</tr>
<tr>
<td>Adjustments to reconcile change in</td>
<td></td>
<td></td>
</tr>
<tr>
<td>net assets to net cash from</td>
<td></td>
<td></td>
</tr>
<tr>
<td>operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>$20,785</td>
<td>$23,603</td>
</tr>
<tr>
<td>Changes in operating assets and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>$(422,208)</td>
<td>$(34,497)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>$(1,181)</td>
<td>$(3,622)</td>
</tr>
<tr>
<td>Deposits and other assets</td>
<td>$6,322</td>
<td>$(18,339)</td>
</tr>
<tr>
<td>Accounts payable and accrued</td>
<td>$(2,473)</td>
<td>$119,728</td>
</tr>
<tr>
<td>expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued vacation</td>
<td>$39,899</td>
<td>$4,707</td>
</tr>
<tr>
<td>Deferred income</td>
<td>$(19,750)</td>
<td>$(41,251)</td>
</tr>
<tr>
<td>**Net Cash Provided By (Used In)</td>
<td>$(262,499)</td>
<td>$194,374</td>
</tr>
<tr>
<td>Operating Activities**</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| NET CHANGE IN CASH AND CASH          | (262,499)| 194,374 |
| EQUIVALENTS                           |          |          |

| CASH AND CASH EQUIVALENTS, BEGINNING| 1,281,358| 1,086,984|
| OF YEAR                              |          |          |

| CASH AND CASH EQUIVALENTS, END OF    | $1,018,859| $1,281,358|
| YEAR                                 |          |          |

The accompanying notes are an integral part of these financial statements.
NOTE 1 – Organization and Nature of Business

Step Up Women’s Network (the “Organization”) is a tax-exempt, nonprofit public benefit corporation dedicated to propelling girls from under-resourced communities to fulfill their potential by empowering them to become confident, college-bound, career-focused and ready to join the next generation of professional women. The Organization has offices in California, Georgia, Illinois, New York, and Texas.

NOTE 2 – Significant Accounting Policies

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues, and expenses as of the date and for the period presented. Actual results could differ from those estimates.

Prior-Period Information

The financial statements include certain prior-period summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended December 31, 2016, from which the summarized information was derived.

Reclassifications

Certain prior-period reported amounts have been reclassified to conform to the current year presentation.
NOTE 2 – Significant Accounting Policies (Continued)

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

*Unrestricted* – Net assets that are not subject to donor-imposed restrictions.

*Temporarily Restricted Net Assets* – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization or passage of time. As restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions have been met in the same reporting period are reported as unrestricted support in the statement of activities.

*Permanently Restricted* – Net assets that have been restricted by the donor in perpetuity and cannot be expended by the Organization. Generally, the donors of these assets permit the Organization to use the income earned on these assets for general or specific purposes. The Organization has no permanently restricted net assets at December 31, 2017 and 2016.

Cash and Cash Equivalents

The Organization considers all short-term financial instruments purchased with original maturities of three months or less to be cash equivalents. The Organization maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash.

Certificate of Deposit

The Organization invests cash in excess of its immediate needs in certificates of deposits that generally mature in three to six months and are reported at fair value.
NOTE 2 – Significant Accounting Policies (Continued)

Contributions Receivable

Unconditional promises to give (pledges) are recorded as receivables and contributions, distinguishing between contributions received for each net asset class in accordance with donor-imposed restrictions. An allowance for uncollectible contributions receivable is provided, based on management’s judgment, including such factors as prior collection history, type of donation, nature of fundraising activity and when time requirements are expected to be met. Management believes the remaining outstanding receivables as of December 31, 2017 are collectible in full and, accordingly, no allowance for uncollectible receivables has been provided. Receivables expected to be collected in more than 12 months are recorded at the net present value of the estimated future cash flows, when such discount is determined to be material.

Property, Equipment, and Depreciation

Property and equipment are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. All property is capitalized. Equipment is capitalized if it has a cost of $1,000 or more and a useful life when acquired of more than one year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

- Building and improvements: 39 years
- Equipment: 5-10 years
- Website design: 10 years

Long-Lived Assets

The Organization reviews the carrying value of its long-lived assets for possible impairment whenever events or changes in circumstances indicate that the book value of the assets may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future cash flows is less than the carrying amount of the asset, in which case a write-down is recorded to reduce the related asset to its estimated fair value. No impairment losses were recognized during the years ended December 31, 2017 and 2016.
NOTE 2 – Significant Accounting Policies (Continued)

Deferred Income

During the years ended December 31, 2017 and 2016, the Organization held special events which generated revenues from sponsorships, ticket sales, and donations. Sponsorships and ticket sales received in advance of an event are deferred until the event occurs.

Contributions

Contributions are recorded in unrestricted net assets and are considered to be available for use unless specifically restricted by the donor. Conditional contributions are recognized as revenue and recorded in unrestricted net assets when the conditions on which they depend upon have been substantially met.

Gifts-in-Kind Contributions

Contributions of donated noncash assets including stock are recorded at fair value in the period received. The Organization benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the Organization’s program operations and in its fundraising campaigns. However, the majority of the contributed services do not meet the criteria for recognition in the financial statements. GAAP allows recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills. No donated services met those criteria; therefore, none were included in in-kind contributions in the statement of activities.

Concentration of Risk

The Organization places its cash and cash equivalents and certificate of deposit with high-credit, quality financial institutions. At times, such cash, cash equivalents and certificate of deposit may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant risk.

The Organization received 24% of its revenue from one donor during the year ended December 31, 2017. The balance of contributions receivable from one customer was 43% of total receivables at December 31, 2017 and 2016.
NOTE 2 – Significant Accounting Policies (Continued)

Concentration of Risk (Continued)

The Organization owns the office space in Los Angeles as an investment to sustain future operations.

Functional Allocation of Expenses

The costs of providing the Organization’s programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. Allocations are based on management’s estimate of the benefit derived from costs as they relate to each activity. Rent and depreciation are based on square footage. Other shared costs are based on employee salaries per department.

Income Taxes

The Organization is a nonprofit public benefit corporation organized under the laws of California and, as such, is exempt from federal and state income taxes under Internal Revenue Code (IRC) Section 501(c)(3) and corresponding state provisions. The Organization recognizes the financial statement benefit of tax positions, such as filing status of tax-exempt, only after determining that the relevant tax authority would more likely than not sustain the position following an audit. The Organization is subject to potential income tax audits on open tax years by any taxing jurisdiction in which it operates. The statute of limitations for federal and California state purposes is generally three and four years, respectively.

Recently Issued Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606) (ASU 2014-09), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with the cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2018. The Organization has not yet selected a transition method and is currently evaluating the effect that the standard will have on the financial statements.
NOTE 2 – Significant Accounting Policies (Continued)

Recently Issued Accounting Pronouncements (Continued)

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)* (ASU 2016-02). The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Organization is currently evaluating the impact of the adoption of the new standard on the financial statements.

In August 2016, the FASB released ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*. The update amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes relate to: (a) presentation of classes of net assets, (b) the presentation of underwater endowment funds and related disclosures, (c) recognition of the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) statement of functional expense, (e) disclosure of quantitative and qualitative information regarding liquidity and availability of resources; and a few smaller items. The ASU is effective for fiscal years beginning after December 15, 2017. The Organization is currently evaluating the impact of the adoption of the new standard on the financial statements.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through April 23, 2018, the date the financial statements were available to be issued.

NOTE 3 – Special Events

The Organization held three special events during the years ended December 31, 2017 and 2016, which earned net revenue of $875,769 and $778,510, respectively. For the years ending December 31, 2017 and 2016, merchandise and services with an estimated value of $166,974 and $121,153, respectively, were contributed for special events.
NOTE 4 – Contributions Receivable

Contributions receivable are expected to be collected as follows:

<table>
<thead>
<tr>
<th>Amounts due in:</th>
<th>December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
</tr>
<tr>
<td>One year</td>
<td>$ 482,762</td>
</tr>
<tr>
<td>Two to five years</td>
<td>61,811</td>
</tr>
<tr>
<td></td>
<td>$ 544,573</td>
</tr>
</tbody>
</table>

The Organization is aware of one conditional pledge for $50,000 to be received in 2018 that is dependent on meeting certain program metrics. The Organization will recognize the pledge when the conditions are met.

NOTE 5 – Property and Equipment

Property and equipment consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
</tr>
<tr>
<td>Building and improvements</td>
<td>$ 835,000</td>
</tr>
<tr>
<td>Equipment, furniture, and fixtures</td>
<td>61,387</td>
</tr>
<tr>
<td>Website design</td>
<td>48,470</td>
</tr>
<tr>
<td></td>
<td>944,857</td>
</tr>
<tr>
<td>Less accumulated depreciation and amortization</td>
<td>(206,681)</td>
</tr>
<tr>
<td></td>
<td>$ 738,176</td>
</tr>
</tbody>
</table>

Depreciation and amortization expense totaled $20,785 and $23,603 for the years ended December 31, 2017 and 2016, respectively.
NOTE 6 – Temporarily Restricted Net Assets

At December 31, 2017, temporary restricted net assets were restricted for the following program years:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 Year</td>
<td>$144,622</td>
</tr>
<tr>
<td>2019 – 2021 Years</td>
<td>$61,811</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$206,433</strong></td>
</tr>
</tbody>
</table>

NOTE 7 – Commitments and Contingencies

The Organization leases facilities in New York, Dallas, and Chicago under noncancelable operating leases expiring through September 2020. The following is a schedule by years of future minimum rental payments under noncancelable facility operating leases:

<table>
<thead>
<tr>
<th>Year Ending December 31,</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$84,023</td>
</tr>
<tr>
<td>2019</td>
<td>19,620</td>
</tr>
<tr>
<td>2020</td>
<td>15,105</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$118,748</strong></td>
</tr>
</tbody>
</table>

Total rental expense for facilities was $130,649 and $98,369 during the years ended December 31, 2017 and 2016, respectively.

Litigation

From time to time, the Organization is involved in certain legal proceedings and claims which arise in the normal course of business. Management does not believe that the outcome of these matters will have a material effect on the Organization's statements of financial position or activities.
NOTE 8 – Retirement Plan

Effective June 1, 2014, the Organization established the Step Up Women’s Network 401(k) Plan available to eligible employees of the Organization. No contributions on behalf of the employees are made by the Organization. The Organization had retirement plan administration expenses of $6,808 and $5,000 for the years ended December 31, 2017 and 2016, respectively.