

**Ms. Foundation For Women, Inc.**

Financial Statements

June 30, 2012 and 2011

**Independent Auditors' Report****Board of Directors  
Ms. Foundation For Women, Inc.**

We have audited the accompanying statements of financial position of the Ms. Foundation For Women, Inc. as of June 30, 2012 and 2011, and the related statements of activities, functional expense and cash flows for the years then ended. These financial statements are the responsibility of the Ms. Foundation for Women, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ms. Foundation For Women, Inc.'s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ms. Foundation For Women, Inc. as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*O'Connor Davies, LLP*

Harrison, New York  
November 6, 2012

**Ms. Foundation For Women, Inc.**

Statements of Financial Position

	June 30,	
	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,009,067	\$ 5,911,063
Pledges, grants and contributions receivable	2,436,401	2,601,614
Accrued interest receivable	18,781	1,454
Prepaid expense and other receivables	388,752	94,275
Investments	31,722,558	32,919,275
Furniture, equipment and leasehold improvements, net of accumulated depreciation and amortization	765,299	864,028
Art work	77,000	77,000
Rent security deposits	<u>140,477</u>	<u>234,239</u>
	<u>\$ 38,558,335</u>	<u>\$ 42,702,948</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 598,205	\$ 377,884
Grants payable	1,111,000	1,105,000
Deferred rent	<u>142,253</u>	<u>101,609</u>
Total Liabilities	1,851,458	1,584,493
<b>NET ASSETS</b>		
Unrestricted		
General Operations	2,468,162	2,721,043
Board Designated	<u>1,261,160</u>	<u>1,257,720</u>
	3,729,322	3,978,763
Temporarily restricted	8,790,717	12,677,176
Permanently restricted	<u>24,186,838</u>	<u>24,462,516</u>
Total Net Assets	<u>36,706,877</u>	<u>41,118,455</u>
	<u>\$ 38,558,335</u>	<u>\$ 42,702,948</u>

**Ms. Foundation For Women, Inc.**

Statement of Activities  
Year Ended June 30, 2012

	Unrestricted		Temporarily Restricted	Permanently Restricted	Total
	General	Board Designated			
<b>PUBLIC SUPPORT AND REVENUE</b>					
Contributions and grants	\$ 1,142,756	\$ -	\$ 2,936,468	\$ -	\$ 4,079,224
Special events, net of direct donor benefit of \$276,811	519,221	-	-	-	519,221
Investment income, net	9,861	27,879	741,102	-	778,842
Net realized gain on investment transactions	2,567	7,058	172,328	-	181,953
Other income	38	-	-	-	38
<b>Total Public Support and Revenue</b>	<b>1,674,443</b>	<b>34,937</b>	<b>3,849,898</b>	<b>-</b>	<b>5,559,278</b>
Net assets for program services released from restrictions	7,136,513	-	(6,911,682)	(224,831)	-
<b>Total Support, Revenue and Other</b>	<b>8,810,956</b>	<b>34,937</b>	<b>(3,061,784)</b>	<b>(224,831)</b>	<b>5,559,278</b>
<b>EXPENSES</b>					
Program Services					
Grants and Capacity Building	5,237,842	-	-	-	5,237,842
Advocacy and Policy	51,871	-	-	-	51,871
Public Education	850,656	-	-	-	850,656
<b>Total Program Services</b>	<b>6,140,369</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,140,369</b>
Supporting Services					
General and administration	1,453,417	-	-	-	1,453,417
Fundraising	1,469,613	-	-	-	1,469,613
<b>Total Supporting Services</b>	<b>2,923,030</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,923,030</b>
<b>Total Expenses</b>	<b>9,063,399</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,063,399</b>
Change in Net Assets Before Change in Unrealized Loss on Investments	(252,443)	34,937	(3,061,784)	(224,831)	(3,504,121)
Change in Unrealized Loss on Investments	(438)	(31,497)	(824,675)	(50,847)	(907,457)
<b>Change in Net Assets</b>	<b>(252,881)</b>	<b>3,440</b>	<b>(3,886,459)</b>	<b>(275,678)</b>	<b>(4,411,578)</b>
<b>NET ASSETS</b>					
Beginning of year	2,721,043	1,257,720	12,677,176	24,462,516	41,118,455
End of year	\$ 2,468,162	\$ 1,261,160	\$ 8,790,717	\$ 24,186,838	\$ 36,706,877

**Ms. Foundation For Women, Inc.**

Statement of Activities  
Year Ended June 30, 2011

	Unrestricted		Temporarily Restricted	Permanently Restricted	Total
	General	Board Designated			
<b>PUBLIC SUPPORT AND REVENUE</b>					
Contributions and grants	\$ 1,445,005	\$ 200,598	\$ 6,128,181	\$ 10,092	\$ 7,783,876
Special events, net of direct donor benefit of \$201,360	499,300	-	-	-	499,300
Investment income	17,155	16,566	842,886	-	876,607
Net realized gain on investment transactions	981	24,939	1,160,869	-	1,186,789
Other income	5,014	-	-	-	5,014
<b>Total Public Support and Revenue</b>	<b>1,967,455</b>	<b>242,103</b>	<b>8,131,936</b>	<b>10,092</b>	<b>10,351,586</b>
Net assets for program services released from restrictions and designations	6,163,775	(71,490)	(6,092,285)	-	-
<b>Total Support, Revenue and Other</b>	<b>8,131,230</b>	<b>170,613</b>	<b>2,039,651</b>	<b>10,092</b>	<b>10,351,586</b>
<b>EXPENSES</b>					
Program Services					
Grants and Capacity Building	4,811,071	-	-	-	4,811,071
Advocacy and Policy	-	-	-	-	-
Public Education	801,549	-	-	-	801,549
<b>Total Program Services</b>	<b>5,612,620</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,612,620</b>
Supporting Services					
General and administration	1,925,550	-	-	-	1,925,550
Fundraising	1,138,630	-	-	-	1,138,630
<b>Total Supporting Services</b>	<b>3,064,180</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,064,180</b>
<b>Total Expenses</b>	<b>8,676,800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,676,800</b>
Change in Net Assets before Change in Unrealized Gain on Investments	(545,570)	170,613	2,039,651	10,092	1,674,786
Change in Unrealized Gain on Investments	590,431	56,558	1,689,198	157,883	2,494,070
Change in Net Assets	44,861	227,171	3,728,849	167,975	4,168,856
<b>NET ASSETS</b>					
Beginning of year	2,676,182	1,030,549	8,948,327	24,294,541	36,949,599
End of year	\$ 2,721,043	\$ 1,257,720	\$ 12,677,176	\$ 24,462,516	\$ 41,118,455

**Ms. Foundation For Women, Inc.**

Statement of Functional Expenses  
For the Year Ended June 30, 2012

	Program Services										Supporting Services				Total Expenses
	Grants and Capacity Building										Total Program Services	General and Administration		Fundraising	
Women's Health	Economic Justice	Ending Violence	Building Democracy	Donor Advised Grantmaking	Leadership/ Capacity Building	Grantee Communication	Total Grants and Capacity Building	Advocacy and Policy	Public Education						
Grant awards	\$ 1,024,194	\$ 666,500	\$ 801,800	\$ 36,550	\$ 259,188	\$ 84,800	\$ -	\$ 2,873,032	\$ -	\$ -	\$ 2,873,032	\$ -	\$ -	\$ -	\$2,873,032
Convenings	-	-	-	-	-	179,221	-	179,221	-	-	179,221	-	-	-	179,221
Personnel costs	207,697	451,611	258,492	-	19,536	146,793	114,757	1,198,886	28,443	431,951	1,659,280	875,252	792,793	1,668,045	3,327,325
Consultants and outside services	3,672	5,129	3,675	-	369	391,480	219,210	623,535	16,185	212,527	852,247	93,785	120,468	214,253	1,066,500
Legal and auditing services	-	-	-	-	-	-	-	-	-	-	-	41,069	-	41,069	41,069
Rent and office	57,113	86,357	61,427	-	6,104	42,431	23,940	277,372	6,764	142,362	426,498	187,861	223,981	411,842	838,340
Travel	3,594	5,005	7,527	-	101	8,120	1,213	25,560	351	3,683	29,594	17,498	20,711	38,209	67,803
Space rental and catering	1,002	2,532	984	-	749	1,895	397	7,559	54	1,558	9,171	11,103	3,631	14,734	23,905
Mailhouse and acquisition	-	-	-	-	-	-	-	-	-	-	-	-	128,846	128,846	128,846
Memberships and subscriptions	1,005	286	169	-	682	1,741	77	3,960	13	37,975	41,948	21,046	111,564	132,610	174,558
Printing and graphic design	784	92	102	-	1,523	1,266	22	3,789	4	5,006	8,799	197	4,548	4,745	13,544
Conferences and staff development	733	1,855	4,949	-	-	2,305	18	9,860	3	1,385	11,248	3,050	151	3,201	14,449
Insurance	-	-	-	-	-	-	-	-	-	-	-	41,952	-	41,952	41,952
Outside events and other charitable	-	-	-	-	673	1,700	-	2,373	-	450	2,823	-	1,825	1,825	4,648
Bad debts	-	-	-	25,000	-	-	-	25,000	-	-	25,000	-	46,250	46,250	71,250
Miscellaneous advertising	323	656	382	-	4,222	245	174	6,002	29	13,273	19,304	1,511	1,602	3,113	22,417
Miscellaneous expenses	324	557	263	-	10	420	119	1,693	25	486	2,204	5,532	13,243	18,775	20,979
Total Expenses Before Depreciation and Amortization	<u>1,300,441</u>	<u>1,220,580</u>	<u>1,139,770</u>	<u>61,550</u>	<u>293,157</u>	<u>862,417</u>	<u>359,927</u>	<u>5,237,842</u>	<u>51,871</u>	<u>850,656</u>	<u>6,140,369</u>	<u>1,299,856</u>	<u>1,469,613</u>	<u>2,769,469</u>	<u>8,909,838</u>
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-	153,561	-	153,561	153,561
Total Expenses	<u>\$ 1,300,441</u>	<u>\$ 1,220,580</u>	<u>\$ 1,139,770</u>	<u>\$ 61,550</u>	<u>\$ 293,157</u>	<u>\$ 862,417</u>	<u>\$ 359,927</u>	<u>\$ 5,237,842</u>	<u>\$ 51,871</u>	<u>\$ 850,656</u>	<u>\$ 6,140,369</u>	<u>\$ 1,453,417</u>	<u>\$ 1,469,613</u>	<u>\$ 2,923,030</u>	<u>\$ 9,063,399</u>

**Ms. Foundation For Women, Inc.**  
Statement of Functional Expenses  
For the Year Ended June 30, 2011

	Program Services									Supporting Services				Total Expenses	
	Grants and Capacity Building									Total Program Services	General and Administration		Total		
	Women's Health	Economic Justice	Ending Violence	Building Democracy	Donor Advised Grantmaking	Leadership/ Capacity Building	Grantee Communication	Total Grants and Capacity Building	Advocacy and Policy		Public Education			Fundraising	
Grant awards	\$ 1,095,586	\$ 559,000	\$ 1,064,500	\$ 408,000	\$ 344,500	\$ -	\$ -	\$ 3,471,586	\$ -	\$ 15,000	\$ 3,486,586	\$ -	\$ -	\$ -	\$ 3,486,586
Convenings	-	-	-	-	-	122,367	-	122,367	-	-	122,367	-	-	-	122,367
Personnel costs	149,722	229,535	146,303	87,519	11,711	150,239	-	775,029	-	384,622	1,159,651	983,896	663,864	1,647,760	2,807,411
Consultants and outside services	-	-	-	-	-	188,663	-	188,663	-	237,361	426,024	283,995	166,711	450,706	876,730
Legal and auditing services	-	-	-	-	-	-	-	-	-	-	-	128,704	-	128,704	128,704
Rent and office	54,450	51,924	37,058	8,618	3,945	56,038	-	212,033	-	139,752	351,785	248,584	185,596	434,180	785,965
Travel	12,121	5,171	8,653	1,875	1	-	-	27,821	-	2,611	30,432	24,927	29,098	54,025	84,457
Space rental and catering	263	583	327	556	-	-	-	1,729	-	-	1,729	11,516	16,088	27,604	29,333
Memberships and subscriptions	868	-	279	35	-	-	-	1,182	-	1,768	2,950	16,095	10,829	26,924	29,874
Printing and graphic design	145	315	333	7	1,598	-	-	2,398	-	3,128	5,526	4,002	40,418	44,420	49,946
Conferences and staff development	2,639	-	2,724	2,074	-	-	-	7,437	-	450	7,887	4,559	1,093	5,652	13,539
Insurance	-	-	-	-	-	-	-	-	-	-	-	42,220	-	42,220	42,220
Outside events and other charitable	-	200	-	-	-	500	-	700	-	-	700	2,950	700	3,650	4,350
Miscellaneous advertising	-	-	-	-	-	-	-	-	-	16,830	16,830	5,230	250	5,480	22,310
Miscellaneous expenses	59	20	20	27	-	-	-	126	-	27	153	7,966	23,983	31,949	32,102
Total Expenses Before Depreciation and Amortization	1,315,853	846,748	1,260,197	508,711	361,755	517,807	-	4,811,071	-	801,549	5,612,620	1,764,644	1,138,630	2,903,274	8,515,894
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-	160,906	-	160,906	160,906
Total Expenses	\$ 1,315,853	\$ 846,748	\$ 1,260,197	\$ 508,711	\$ 361,755	\$ 517,807	\$ -	\$ 4,811,071	\$ -	\$ 801,549	\$ 5,612,620	\$ 1,925,550	\$ 1,138,630	\$ 3,064,180	\$ 8,676,800

**Ms. Foundation For Women, Inc.**

Statement of Cash Flows

	June 30,	
	<u>2012</u>	<u>2011</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (4,411,578)	\$ 4,168,856
Adjustments to reconcile change in net assets to net cash from operating activities		
Bad debts	71,250	-
Depreciation and amortization	153,561	160,906
Realized gain on sales of investments	(181,953)	(1,186,789)
Unrealized loss (gain) of investments	907,457	(2,494,070)
Deferred rent	40,644	40,643
Change in operating assets and liabilities		
Pledges, grants and contributions receivable	93,963	487,233
Accrued interest receivable	(17,327)	5,862
Prepaid expenses and other receivables	(200,715)	9,731
Accounts payable and accrued expenses	220,321	(86,030)
Grants payable	<u>6,000</u>	<u>(1,129,500)</u>
Net Cash from Operating Activities	<u>(3,318,377)</u>	<u>(23,158)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of furniture, equipment and leasehold improvements	(56,221)	(12,367)
Proceeds from sale of equipment	1,389	-
Proceeds from sale of investments	11,434,248	11,173,085
Purchases of investments	<u>(10,963,035)</u>	<u>(12,900,934)</u>
Net Cash from Investing Activities	<u>416,381</u>	<u>(1,740,216)</u>
Net Change in Cash and cash equivalents	(2,901,996)	(1,763,374)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>5,911,063</u>	<u>7,674,437</u>
End of year	<u>\$ 3,009,067</u>	<u>\$ 5,911,063</u>



## Ms. Foundation For Women, Inc.

Notes to Financial Statements  
June 30, 2012 and 2011

### 1. Organization

The Ms. Foundation for Women (“Ms. Foundation”) fights to eliminate barriers to equality. Since 1973, we have worked to secure the same opportunities for all women in the U.S. through our support of trailblazing women’s organizations nationwide representing those most impacted by injustice – especially low-income women, women of color and immigrant women.

Ms. Foundation focuses on the three primary program areas listed below and provide leadership on additional emerging issues for women:

**Economic Justice:** Ms. Foundation is transforming the child care system by organizing parents and workers to promote policies that support affordable, high-quality and flexible care for children and advance working conditions for care providers.

**Reproductive Health:** Ms. Foundation is expanding the base of reproductive health advocates to increase the participation of those most marginalized, yet also most impacted by lack of access.

**Safety:** Ms. Foundation is building a movement to prevent child sexual abuse, reforming policies and changing cultural attitudes.

As an activist foundation, the following activities support its mission:

**Grantmaking and Capacity Building:** Provides dynamic grassroots organizations with financial resources, strategic planning and leadership development to strengthen their organizational effectiveness. In addition, Ms. Foundation connects groups to one other and helps build alliances to expand networks of grassroots advocacy organizations for greater impact.

**Strategic Communications:** Increases the impact and visibility of both our grantees’ work and our own.

**Advocacy and Policy:** Addresses structural barriers to equality, provides thought-leadership on cutting-edge issues and amplifies grassroots voices.

The Ms. Foundation also administers several donor-advised funds that are consistent with its mission and focus.

### 2. Summary of Significant Accounting Policies

#### **Basis of Presentation**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Ms. Foundation and changes therein are classified and reported as unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**Ms. Foundation For Women, Inc.**

Notes to Financial Statements  
June 30, 2012 and 2011

**2. Summary of Significant Accounting Policies (continued)**

***Unrestricted Net Asset Designations***

Board Designated - By action of Ms. Foundation's Board of Directors and past management practice, certain funds have been designated for specific uses. These designations are reflected as a separate component of unrestricted net assets in the accompanying financial statements. The use of the net assets is not restricted; rather, the use of these assets requires a specific action of the Board of Directors or senior management.

***Use of Estimates***

The preparation of financial statements 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. Accordingly actual results could differ from those estimates.

***Public Support and Revenue***

Unconditional promises to give are recorded as received. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give that are due in subsequent years are reflected as long-term promises to give and are discounted to the present value of their net realizable value, using discount rates applicable to the years in which the promises are received. The discount is amortized to contribution income over the discount period.

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at the fair value in the period received.

## **Ms. Foundation For Women, Inc.**

Notes to Financial Statements  
June 30, 2012 and 2011

### **2. Summary of Significant Accounting Policies (*continued*)**

#### ***Endowment Funds***

On September 17, 2010, New York State adopted its version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). New York State's version of UPMIFA is known as NYPMIFA. NYPMIFA includes provisions that differ from previous law, including the elimination of the historic dollar value rule with respect to endowment spending, establishment of new standards governing the expenditure and modification of restrictions on endowment funds, and revision of the prudence standard for the management and investment of endowment funds. In accordance with the adoption of NYPMIFA, Ms. Foundation reviewed all of its endowment funds and determined that a net asset reclassification was not necessary.

#### ***Grant Expenses***

Contributions made and unconditional promises to give are recognized as expenses in the period made at their fair value.

#### ***Allocation of Expenses***

Ms. Foundation allocates its expenses on a functional basis among its various program and supporting services. Expenses which can be identified with a specific program or supporting activity are allocated directly to that activity. Other expenses that are common to several functions are allocated among the program and supporting services benefited.

#### ***Cash Equivalents***

Ms. Foundation considers all unrestricted highly liquid debt instruments with maturities of three months or less, at the time of purchase, to be cash equivalents, except those deemed held for investment purposes.

#### ***Allowance for Uncollectible Receivables***

An allowance for uncollectible receivables is estimated based on a combination of write-off history, aging analysis and any specific known troubled accounts. At June 30, 2012 and 2011, management has concluded that an allowance is not required.

#### ***Fair Value Measurements***

Ms. Foundation follows FASB guidance on "Fair Value Measurements" which establishes a fair value hierarchy organized into three levels based upon the "input" assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

The fair values by input level of Ms. Foundation's investments are included in Note 5 to the financial statements.

## **Ms. Foundation For Women, Inc.**

Notes to Financial Statements  
June 30, 2012 and 2011

### **2. Summary of Significant Accounting Policies (*continued*)**

#### ***Investments and Investment Income***

Investments in debt and equity securities are carried at Fair Value.

Certificates of Deposit are valued at cost plus accrued interest which approximates fair value.

Income from investments, including both realized and unrealized gains and losses, are treated as an increase in unrestricted net assets unless otherwise specified by donors.

Ms. Foundation pools certain unrestricted, temporarily restricted, and permanently restricted investments. Investment income and appreciation are allocated quarterly based on the percentage of each fund's net asset balance to the total, adjusted for additions to and withdrawals from the investment pool.

#### ***Furniture, Equipment and Leaseholds***

Ms. Foundation capitalizes all significant expenditures for furniture and equipment and leasehold improvements. These assets are recorded at cost. Depreciation of furniture and equipment are provided for on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized over the lesser of the term of the related lease or the estimated useful lives of the assets.

#### ***Artwork***

Artwork, which consists of several paintings, was donated in 1994 and is carried at the fair value. These items are not held as part of a collection and if disposed of, the proceeds can be used for general operations.

#### ***Income Taxes***

Ms. Foundation for Women, Inc. is a charitable organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and has been classified as other than a private foundation.

#### ***Accounting for Uncertainty in Income Taxes***

Ms. Foundation recognizes the effect of tax positions only when they are more likely than not to be sustained. Management is not aware of any violation of its tax status as an organization exempt from income taxes, nor of any exposure to unrelated business income tax. The Ms. Foundation is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to 2009.

## Ms. Foundation For Women, Inc.

Notes to Financial Statements  
June 30, 2012 and 2011

### 2. Summary of Significant Accounting Policies (*continued*)

#### *Reclassifications*

Certain amounts in the 2011 financial statements have been reclassified to conform with presentation in the June 30, 2012 financial statements.

#### *Subsequent Events Evaluation by Management*

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is November 6, 2012.

### 3. Concentration of Credit Risk

Financial instruments that potentially subjects Ms. Foundation to concentrations of credit risk consist principally of cash, temporary cash investments, pledge, grants and contributions receivable and investment securities. At times, cash balances held at financial institutions were in excess of federally insured limits. Ms. Foundation believes that no significant concentration of credit risk exists with respect to pledge, grants and contributions receivable. Concentration of credit risk with respect to investments is reduced by diversification, professional management, and limited exposure to any single investment.

### 4. Pledges, Grants and Contributions Receivable

Ms. Foundation had pledges, grants and contributions receivable representing the following at June 30:

	<u>2012</u>	<u>2011</u>
Restricted for future operations	\$ 1,560,030	\$ 1,681,974
Temporarily restricted for purpose	938,300	676,561
Permanently restricted	<u>3,500</u>	<u>336,836</u>
 Total Pledges Receivable	 <u>\$ 2,501,830</u>	 <u>\$ 2,695,371</u>
 Receivable in less than one year	 \$ 1,600,830	 \$ 1,688,369
Receivable in one to five years	901,000	1,007,002
Less discounts to present value	<u>(65,429)</u>	<u>(93,757)</u>
 Net Pledges Receivable	 <u>\$ 2,436,401</u>	 <u>\$ 2,601,614</u>

The discount rate used for pledges, grants and contributions receivable outstanding through June 30, 2012 and 2011 was 4.25%.

**Ms. Foundation For Women, Inc.**

Notes to Financial Statements  
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**5. Investments and Investment Return**

Investments at June 30 are as follows:

	<u>2012</u>	<u>2011</u>
Equity securities		
Energy	\$ 2,086,302	\$ 2,170,520
Materials	657,322	582,393
Industrials	2,471,908	2,774,912
Consumer discretionary	1,377,143	1,434,357
Consumer staples	2,206,188	1,983,128
Healthcare	1,669,643	2,769,628
Financials	2,572,298	2,334,037
Information technology	<u>2,854,947</u>	<u>3,931,306</u>
Total Equity Securities	15,895,751	17,980,281
U.S. Government obligations	3,133,475	3,176,330
Money market	518,996	295,364
Mutual funds		
Intermediate term bond	<u>12,074,336</u>	<u>11,366,302</u>
Total Investments at Fair Value, valued using Level 1 inputs	31,622,558	32,818,277
Certificate of deposit	100,000	100,998
Total Investments	<u>\$ 31,722,558</u>	<u>\$ 32,919,275</u>

During the year ended June 30, 2012 there were no transfers in or out of Levels 1, 2 or 3 of the fair value hierarchy.

Investment return for the year ended June 30 is as follows:

	<u>2012</u>	<u>2011</u>
Dividends and interest on securities	\$ 971,548	\$ 1,056,685
Net realized gain on sale of investments	181,953	1,186,789
Unrealized (loss) gain on investments	(907,457)	2,494,070
Investment advisory fees	<u>(192,706)</u>	<u>(180,078)</u>
	<u>\$ 53,338</u>	<u>\$ 4,557,466</u>

**Ms. Foundation For Women, Inc.**

Notes to Financial Statements  
June 30, 2012 and 2011

**6. Furniture, Equipment and Leasehold improvements**

Furniture, equipment and leasehold improvements consist of the following at June 30:

	<u>2012</u>	<u>2011</u>
Furniture and equipment	\$ 571,310	\$ 516,942
Leasehold improvements	<u>1,329,989</u>	<u>1,329,989</u>
	1,901,299	1,846,931
Accumulated depreciation and amortization	<u>(1,136,000)</u>	<u>(982,903)</u>
	<u>\$ 765,299</u>	<u>\$ 864,028</u>

**7. Temporarily Restricted Net Assets**

Temporarily restricted net assets at June 30 are available for the following purposes:

	<u>2012</u>	<u>2011</u>
Economic Justice	\$ 263,249	\$ 296,077
Leading the Way Fund	43,540	886,884
Women's Health	321,252	756,056
Leadership/Capacity Building	173,930	31,003
Ending Violence	332,144	1,617,343
Building Democracy	-	25,000
Endowment	1,244,667	2,322,976
Public education	175,000	-
Advocacy and Policy	13,134	-
Donor Advised Grantmaking		
The Rabbit Fund	2,175,522	2,213,338
Gloria Fund	135,020	167,806
E.P. Fund	778,898	964,329
Ware Fund	23,140	21,992
Sophia Fund	111,705	102,219
OMA Fund	1,661,321	1,753,858
AWGC	1,686	3,440
General Support restricted for future period	<u>1,336,509</u>	<u>1,514,855</u>
	<u>\$ 8,790,717</u>	<u>\$ 12,677,176</u>

## Ms. Foundation For Women, Inc.

Notes to Financial Statements  
June 30, 2012 and 2011

### 7. Temporarily Restricted Net Assets (continued)

The amounts released from restrictions during the year ended June 30 are as follows:

	<u>2012</u>	<u>2011</u>
Economic Justice	\$ 492,827	\$ 313,678
Leading the Way Fund	993,343	-
Women's Health	1,446,356	1,708,201
Leadership/Capacity Building	57,076	1,424
Ending Violence	1,442,928	1,610,909
Building Democracy	31,188	349,084
Endowment	1,106,346	1,200,000
Public education	30,000	-
Advocacy and Policy	11,789	-
Donor Advised Grantmaking		
The Rabbit Fund	32,979	33,752
Gloria Fund	100,000	46,500
E.P. Fund	182,728	14,706
Sophia Fund	164,328	161,318
Ware Fund	352	335
OMA Fund	103,885	116,451
AWGC	63,886	79,927
General Support designated for June 30	<u>651,671</u>	<u>456,000</u>
	<u>\$ 6,911,682</u>	<u>\$ 6,092,285</u>

### 8. Pension Plan

Ms. Foundation sponsors a tax deferred annuity plan that covers employees who have completed one year of service. Contributions to the plan were based on three (3) percent of employees' salaries. For the fiscal year ended June 30, 2012 and 2011, the amount of the pension expense is \$51,597 and \$47,083.

### 9. Lease Commitments

Ms. Foundation leases its office facility under an operating lease that expires on December 31, 2022. The lease agreement provides for, among other matters, a security deposit of \$324,048 in the form of a letter of credit to the landlord. The security deposit was reduced to \$234,048 as of the rent commencement date and was reduced to \$140,429 on December 1, 2011, the third anniversary of the rent commencement date.

Ms. Foundation maintains a separate bank account as collateral for the letter of credit. As of June 30, 2012 and 2011, the account had a balance of \$140,477 and \$234,239, respectively.



**Ms. Foundation For Women, Inc.**

Notes to Financial Statements  
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**9. Lease Commitments (continued)**

The office facility lease has annual rent that increases over the period of the lease. For financial statement purposes, rent payments are being accounted for on a straight-line basis. Accordingly, the accompanying statement of financial position reflects a liability for deferred rent for the difference of the expense charged over the amounts payable pursuant to the lease terms.

The future minimum lease payments under the lease, exclusive of electricity and certain escalation costs are as follows:

<u>Year ending June 30:</u>	
2013	\$ 561,715
2014	583,600
2015	605,485
2016	605,485
2017	605,485
Thereafter	<u>3,505,247</u>
	<u>\$ 6,467,017</u>

Rent expense for 2012 and 2011 amounted to \$645,777 and \$661,242.

**10. Permanently Restricted Net Assets and Endowments**

As of June 30, permanently restricted net assets, inclusive of pledge receivables, which are restricted to investments in perpetuity, consisted of the following:

	<u>2012</u>	<u>2011</u>
Permanently Restricted Net Assets		
General Endowment Fund	\$ 22,493,529	\$ 22,718,360
Gloria Endowment Fund	<u>1,693,309</u>	<u>1,744,156</u>
	<u>\$ 24,186,838</u>	<u>\$ 24,462,516</u>

During 2012, a donor re-designated its prior contribution to the endowment fund to unrestricted operations resulting in the release of \$224,831, which represented the amount of the gift net of present value.

**Interpretation of Relevant Law**

The Board of Directors has interpreted NYPMIFA as allowing Ms. Foundation to appropriate for expenditures or accumulate so much of the donor-restricted endowment fund as Ms. Foundation determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donors as expressed in their gift instruments. The assets in the endowment funds shall be donor-restricted assets until appropriated for expenditure by the Board of Directors. Unless authorized by the Board of Directors, the appropriations from the endowment fund should not deplete the historical dollar value of the endowment fund.

**Ms. Foundation For Women, Inc.**

Notes to Financial Statements  
June 30, 2012 and 2011

**10. Permanently Restricted Net Assets and Endowments (continued)**

The income from the general endowment is expendable for operations. The income from the Gloria endowment fund is available to support grantmaking activities of the Gloria fund.

Ms. Foundation utilizes a total return investment approach with its asset allocation diversified over multiple asset classes. Target allocation percentages are established for various asset classes and are modified over time. Performance is measured against a composite benchmark of investment indices reflecting the target asset allocation.

Ms. Foundation utilizes the following spending methodology to determine its annual draw down from the Endowment Funds:

– 5% of the fair market value of the Endowment Fund as measured on quarterly basis throughout the fiscal year. Drawdowns are limited to income and proceeds from realized gains on investments.

The following is a reconciliation of the activity in the Endowment Funds for the year ending June 30:

	2012			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Balance at June 30, 2011	\$ 1,127,962	\$ 2,512,773	\$ 24,150,764	\$ 27,791,499
Contributions	-	1,500	-	1,500
Cash transferred in	-	93,654	-	93,654
Plege collections	-	-	83,333	83,333
Interests and dividends	32,835	823,378	-	856,213
Realized gains	4,058	175,259	-	179,317
Investment expenses	(3,187)	(155,405)	-	(158,592)
Unrealized appreciation	(31,497)	(747,979)	(50,847)	(830,323)
Approved for expenditure	1,300,352	(1,300,352)	-	-
Drawdowns	<u>(1,245,610)</u>	<u>-</u>	<u>-</u>	<u>(1,245,610)</u>
Balance at June 30, 2012	<u>\$ 1,184,913</u>	<u>\$ 1,402,828</u>	<u>\$ 24,183,250</u>	<u>\$ 26,770,991</u>
Comprised of the following:				
Donor endowment	\$ 20,884	\$ 1,244,667	\$ 24,183,250	\$ 25,448,801
Donor restricted funds for purpose	102,872	158,161	-	261,033
Board designated funds	<u>1,061,157</u>	<u>-</u>	<u>-</u>	<u>1,061,157</u>
	<u>\$ 1,184,913</u>	<u>\$ 1,402,828</u>	<u>\$ 24,183,250</u>	<u>\$ 26,770,991</u>

**Ms. Foundation For Women, Inc.**

Notes to Financial Statements  
June 30, 2012 and 2011

**10. Permanently Restricted Net Assets and Endowments (continued)**

	2011			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Balance at June 30, 2010	\$ 48,337	\$ 159,862	\$ 23,909,548	\$ 24,117,747
Contributions	200,598	2,500	-	203,098
Cash transferred in	265,186	-	-	265,186
Pledge collections	-	-	83,333	83,333
Interests and dividends	19,835	980,588	-	1,000,423
Realized gains	24,939	1,124,446	-	1,149,385
Investment expenses	(3,271)	(139,391)	-	(142,662)
Unrealized appreciation	503,325	1,808,251	157,883	2,469,459
Approved for expenditure	1,423,483	(1,423,483)	-	-
Drawdowns	<u>(1,354,470)</u>	<u>-</u>	<u>-</u>	<u>(1,354,470)</u>
Balance at June 30, 2011	<u>\$ 1,127,962</u>	<u>\$ 2,512,773</u>	<u>\$ 24,150,764</u>	<u>\$ 27,791,499</u>
Comprised of the following:				
Donor endowment	\$ 33,086	\$ 2,322,976	\$ 24,150,764	\$ 26,506,826
Donor restricted funds for purpose	35,927	189,797	-	225,724
Board designated funds	<u>1,058,949</u>	<u>-</u>	<u>-</u>	<u>1,058,949</u>
	<u>\$ 1,127,962</u>	<u>\$ 2,512,773</u>	<u>\$ 24,150,764</u>	<u>\$ 27,791,499</u>

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