

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

Financial Statements

June 30, 2016 and 2015



## Independent Auditors' Report

### Board of Directors

### Ms. Foundation For Women, Inc.

We have audited the accompanying financial statements of the Ms. Foundation For Women, Inc., which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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 Ms. Foundation For Women, Inc. as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*PKF O'Connor Davies, LLP*

November 28, 2016

PKF O'CONNOR DAVIES, LLP

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## Ms. Foundation For Women, Inc.

### Statements of Financial Position

	June 30,	
	2016	2015
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,798,647	\$ 3,207,094
Pledges, grants and contributions receivable, net	2,731,865	4,380,215
Accrued interest receivable	35,494	22,107
Prepaid expense and other receivables	100,577	75,007
Investments	35,458,993	37,584,102
Furniture, equipment and leasehold improvements, net of accumulated depreciation and amortization	403,770	459,826
Artwork	77,000	77,000
Rent security deposits, restricted cash equivalent	140,429	140,429
	<u>\$ 40,746,775</u>	<u>\$ 45,945,780</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 942,758	\$ 572,907
Grants payable	305,000	1,153,500
Deferred rent	195,402	198,528
	<u>1,443,160</u>	<u>1,924,935</u>
Net Assets		
Unrestricted		
General operations	1,573,977	1,531,835
Board designated	1,126,557	862,474
	<u>2,700,534</u>	<u>2,394,309</u>
Temporarily restricted	12,035,678	16,851,031
Permanently restricted	24,567,403	24,775,505
	<u>39,303,615</u>	<u>44,020,845</u>
	<u>\$ 40,746,775</u>	<u>\$ 45,945,780</u>

See notes to financial statements

## Ms. Foundation For Women, Inc.

### Statement of Activities Year Ended June 30, 2016

	Unrestricted		Temporarily Restricted	Permanently Restricted	Total
	General Operations	Board Designated			
<b>PUBLIC SUPPORT AND REVENUE</b>					
Contributions and grants	\$ 932,107	\$ 263,220	\$ 1,209,502	\$ 5,000	\$ 2,409,829
Special events, net of direct donor benefit of \$349,282	348,057	-	25,510	-	373,567
Investment income, net	7,957	5,006	218,808	-	231,771
In-kind contributions	2,238	-	116,064	-	118,302
Net realized (loss) gain on investment transactions	(244)	67,515	3,518,658	-	3,585,929
Other income	1,580	-	1,000	-	2,580
Subtotal	1,291,695	335,741	5,089,542	5,000	6,721,978
Net assets for program services released from restrictions	5,878,514	-	(5,878,514)	-	-
Total Public Support and Revenue	7,170,209	335,741	(788,972)	5,000	6,721,978
<b>EXPENSES</b>					
Program Services					
Grants and capacity building	3,856,446	-	-	-	3,856,446
Advocacy and policy	229,814	-	-	-	229,814
Public education	951,687	-	-	-	951,687
Total Program Services	5,037,947	-	-	-	5,037,947
Supporting Services					
General and administration	1,181,750	-	-	-	1,181,750
Fundraising	907,373	-	-	-	907,373
Total Supporting Services	2,089,123	-	-	-	2,089,123
Total Expenses	7,127,070	-	-	-	7,127,070
Change in Net Assets Before Change in Unrealized Loss on Investments	43,139	335,741	(788,972)	5,000	(405,092)
Change in unrealized loss on investments	(997)	(71,658)	(4,026,381)	(213,102)	(4,312,138)
Change in Net Assets	42,142	264,083	(4,815,353)	(208,102)	(4,717,230)
<b>NET ASSETS</b>					
Beginning of year	1,531,835	862,474	16,851,031	24,775,505	44,020,845
End of year	\$ 1,573,977	\$ 1,126,557	\$ 12,035,678	\$ 24,567,403	\$ 39,303,615

See notes to financial statements

## Ms. Foundation For Women, Inc.

### Statement of Activities Year Ended June 30, 2015

	Unrestricted		Temporarily Restricted	Permanently Restricted	Total
	General Operations	Board Designated			
<b>PUBLIC SUPPORT AND REVENUE</b>					
Contributions and grants	\$ 2,235,870	\$ -	\$ 4,821,716	\$ 5,000	\$ 7,062,586
Special events, net of direct donor benefit of \$320,770	429,173	-	4,767	-	433,940
Investment income, net	5,170	12,401	412,696	-	430,267
Net realized (loss) gain on investment transactions	(39)	67,652	2,210,766	-	2,278,379
Other income	4,823	-	389	-	5,212
Subtotal	2,674,997	80,053	7,450,334	5,000	10,210,384
Net assets for program services released from restrictions	4,360,430	(400,000)	(3,960,430)	-	-
Total Public Support and Revenue	7,035,427	(319,947)	3,489,904	5,000	10,210,384
<b>EXPENSES</b>					
Program Services					
Grants and capacity building	3,518,099	-	-	-	3,518,099
Advocacy and policy	379,869	-	-	-	379,869
Public education	1,009,881	-	-	-	1,009,881
Total Program Services	4,907,849	-	-	-	4,907,849
Supporting Services					
General and administration	1,192,693	-	-	-	1,192,693
Fundraising	894,706	-	-	-	894,706
Total Supporting Services	2,087,399	-	-	-	2,087,399
Total Expenses	6,995,248	-	-	-	6,995,248
Change in Net Assets before Change in Unrealized Gain (Loss) on Investments	40,179	(319,947)	3,489,904	5,000	3,215,136
Change in unrealized gain (loss) on investments	13	(37,143)	(1,128,970)	(70,040)	(1,236,140)
Change in Net Assets	40,192	(357,090)	2,360,934	(65,040)	1,978,996
<b>NET ASSETS</b>					
Beginning of year	1,491,643	1,219,564	14,490,097	24,840,545	42,041,849
End of year	\$ 1,531,835	\$ 862,474	\$ 16,851,031	\$ 24,775,505	\$ 44,020,845

See notes to financial statements

## Ms. Foundation For Women, Inc.

### Statement of Functional Expenses For the Year Ended June 30, 2016

	Program Services								Supporting Services				Total Expenses	
	Grants and Capacity Building								Total Program Services	General and Administration		Fundraising		Total
	Women's Health	Economic Justice	Ending Violence	Donor Advised Grantmaking	Leadership/ Capacity Building	Grantee Communication	Total Grants and Capacity Building	Advocacy and Policy		Public Education	Administration			
Grant awards	\$ 640,000	\$ 610,000	\$ 220,000	\$ 211,000	\$ 80,500	\$ -	\$ 1,761,500	\$ -	\$ -	\$ 1,761,500	\$ -	\$ -	\$ -	\$ 1,761,500
Convenings	90,777	83,519	45,893	-	-	-	220,189	-	-	220,189	-	-	-	220,189
Personnel costs	316,367	312,498	213,696	-	215,519	1,590	1,059,670	155,881	454,167	1,669,718	595,940	416,213	1,012,153	2,681,871
Consultants and outside services	6,000	218,131	-	1,651	108,295	1,958	336,035	-	251,207	587,242	88,998	60,665	149,663	736,905
Legal and auditing services	-	-	-	-	-	-	-	-	-	-	43,433	398	43,831	43,831
Rent and office	119,466	110,186	85,471	1,728	72,566	1,519	390,936	57,976	140,842	589,754	223,682	200,579	424,261	1,014,015
Travel	13,479	10,609	23,249	6,850	10,742	4	64,933	14,757	56,915	136,605	43,431	17,627	61,058	197,663
Space rental and catering	213	200	142	3,151	118	2	3,826	116	267	4,209	523	754	1,277	5,486
Mailhouse and acquisition	-	-	-	-	-	-	-	-	-	-	-	44,649	44,649	44,649
Memberships and subscriptions	6,369	1,777	636	1,051	883	13	10,729	369	9,004	20,102	29,312	21,042	50,354	70,456
Printing and graphic design	353	333	272	786	195	3	1,942	195	15,112	17,249	677	16,868	17,545	34,794
Conferences and staff development	2,957	1,537	450	180	794	-	5,918	405	23,040	29,363	12,636	1,879	14,515	43,878
Insurance	-	-	-	-	-	-	-	-	-	-	67,892	-	67,892	67,892
Outside events and other charitable expenses	200	-	-	150	-	-	350	100	1,000	1,450	5,600	-	5,600	7,050
Bad debts	-	-	-	-	-	-	-	-	-	-	-	102,112	102,112	102,112
Advertising	20	18	14	-	12	-	64	9	23	96	5,638	6,907	12,545	12,641
Miscellaneous expenses	-	10	8	330	6	-	354	6	110	470	2,184	17,680	19,864	20,334
<b>Total Expenses Before</b>														
Depreciation and Amortization	1,196,201	1,348,818	589,831	226,877	489,630	5,089	3,856,446	229,814	951,687	5,037,947	1,119,946	907,373	2,027,319	7,065,266
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	61,804	-	61,804	61,804
<b>Total Expenses</b>	<b>\$ 1,196,201</b>	<b>\$ 1,348,818</b>	<b>\$ 589,831</b>	<b>\$ 226,877</b>	<b>\$ 489,630</b>	<b>\$ 5,089</b>	<b>\$ 3,856,446</b>	<b>\$ 229,814</b>	<b>\$ 951,687</b>	<b>\$ 5,037,947</b>	<b>\$ 1,181,750</b>	<b>\$ 907,373</b>	<b>\$ 2,089,123</b>	<b>\$ 7,127,070</b>

See notes to financial statements

## Ms. Foundation For Women, Inc.

### Statement of Functional Expenses For the Year Ended June 30, 2015

	Program Services									Supporting Services				Total Expenses	
	Grants and Capacity Building									Total Program Services	General and Administration		Fundraising		Total
	Women's Health	Economic Justice	Ending Violence	Donor Advised Grantmaking	Leadership/ Capacity Building	Grantee Communication	Total Grants and Capacity Building	Advocacy and Policy	Public Education		Total	Total			
Grant awards	\$ 697,500	\$ 499,877	\$ 237,500	\$ 333,200	\$ 18,500	\$ 25,000	\$ 1,811,577	\$ 1,000	\$ -	\$ 1,812,577	\$ -	\$ -	\$ -	\$ 1,812,577	
Convenings	-	110,421	27,297	-	48,403	-	186,121	-	918	187,039	-	-	-	187,039	
Personnel costs	254,598	258,855	147,383	-	216,455	1,798	879,089	243,746	446,592	1,569,427	581,622	479,079	1,060,701	2,630,128	
Consultants and outside services	16,685	103,365	65,832	150	86,420	602	273,054	3,000	350,862	626,916	85,201	99,388	184,589	811,505	
Legal and auditing services	-	-	-	-	-	-	-	-	-	-	85,758	934	86,692	86,692	
Rent and office	88,957	88,933	66,340	1,054	71,263	1,066	317,613	115,914	132,982	566,509	224,454	215,105	439,559	1,006,068	
Travel	9,521	5,572	3,290	1,313	3,539	-	23,235	13,451	65,677	102,363	27,407	21,450	48,857	151,220	
Space rental and catering	229	227	166	1,000	174	4	1,800	296	2,589	4,685	-	-	-	4,685	
Mailhouse and acquisition	-	-	-	-	-	-	-	-	-	-	-	4,111	4,111	4,111	
Memberships and subscriptions	11,783	2,530	786	1,233	3,005	7	19,344	831	2,773	22,948	20,570	24,561	45,131	68,079	
Printing and graphic design	757	747	550	137	577	16	2,784	979	5,040	8,803	2,244	12,166	14,410	23,213	
Conferences and staff development	1,675	177	495	103	542	-	2,992	52	1,275	4,319	21,080	1,984	23,064	27,383	
Insurance	-	-	-	-	-	-	-	-	-	-	50,720	-	50,720	50,720	
Outside events and other charitable expenses	250	-	-	-	-	-	250	600	500	1,350	10,950	150	11,100	12,450	
Bad debts	-	-	-	-	-	-	-	-	-	-	-	21,060	21,060	21,060	
Advertising	-	-	-	-	-	-	-	-	-	-	6,811	-	6,811	6,811	
Miscellaneous expenses	-	240	-	-	-	-	240	-	673	913	3,317	14,718	18,035	18,948	
<b>Total Expenses Before Depreciation and Amortization</b>	<b>1,081,955</b>	<b>1,070,944</b>	<b>549,639</b>	<b>338,190</b>	<b>448,878</b>	<b>28,493</b>	<b>3,518,099</b>	<b>379,869</b>	<b>1,009,881</b>	<b>4,907,849</b>	<b>1,120,134</b>	<b>894,706</b>	<b>2,014,840</b>	<b>6,922,689</b>	
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	72,559	-	72,559	72,559	
<b>Total Expenses</b>	<b>\$ 1,081,955</b>	<b>\$ 1,070,944</b>	<b>\$ 549,639</b>	<b>\$ 338,190</b>	<b>\$ 448,878</b>	<b>\$ 28,493</b>	<b>\$ 3,518,099</b>	<b>\$ 379,869</b>	<b>\$ 1,009,881</b>	<b>\$ 4,907,849</b>	<b>\$ 1,192,693</b>	<b>\$ 894,706</b>	<b>\$ 2,087,399</b>	<b>\$ 6,995,248</b>	

See notes to financial statements

## Ms. Foundation For Women, Inc.

### Statement of Cash Flows

	Year Ended June 30,	
	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (4,717,230)	\$ 1,978,996
Adjustments to reconcile change in net assets to net cash from operating activities		
Bad debts	102,112	21,060
Depreciation and amortization	61,804	72,559
Realized gain on sales of investments	(3,585,929)	(2,278,379)
Unrealized loss on investments	4,312,138	1,236,140
Deferred rent	(3,126)	(3,127)
Change in operating assets and liabilities		
Pledges, grants and contributions receivable	1,546,238	(1,655,059)
Accrued interest receivable	(13,387)	(9,669)
Prepaid expenses and other receivables	(25,570)	(2,076)
Accounts payable and accrued expenses	369,851	228,433
Grants payable	(848,500)	468,500
 Net Cash from Operating Activities	 (2,801,599)	 57,378
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of furniture, equipment and leasehold improvements	(5,748)	(1,883)
Proceeds from sale of investments	33,620,790	14,274,649
Purchases of investments	(32,221,890)	(12,979,915)
 Net Cash from Investing Activities	 1,393,152	 1,292,851
 Net Change in Cash and Cash Equivalents	 (1,408,447)	 1,350,229
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	3,207,094	1,856,865
End of year	\$ 1,798,647	\$ 3,207,094

See notes to financial statements



## Ms. Foundation For Women, Inc.

Notes to Financial Statements  
June 30, 2016 and 2015

### 1. Organization

The Ms. Foundation for Women, Inc. ("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.

The Ms. Foundation has three primary focus areas: health, safety and economic justice and provides leadership on additional emerging issues for women. Through various activities, outlined below, we provide dynamic grassroots organizations with financial resources, strategic planning and leadership development to strengthen their organizational effectiveness. Additionally, Ms. Foundation connects groups to one another and helps to build alliances to expand networks of grassroots advocacy organizations for greater impact and build our movement.

As an activist foundation, the activities that support our work are:

#### ***Grantmaking and Capacity Building:***

***Economic Justice:*** Ms. Foundation is transforming the child care system by organizing parents and providers to promote policies that support affordable, high-quality and flexible care for children and advance working conditions for care providers. Ms. Foundation is also assessing the structural barriers that effect workers in low wage sectors.

***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:*** The Ms. Foundation is focused on raising awareness of and learning more about the issues that threaten the safe living of women across America. The Ms. Foundation is conducting listening circles with women in their communities and will be working with grantee partners to gather information in order to expand our work in this area.

***Strategic Communications:*** Increases the impact of visibility of both our grantees' work and our own, while elevating national issues through a gender and race lens.

***Advocacy and Policy:*** Addresses structural barriers to equality, provides thought-leadership on issues and amplifies the grassroots voices, while providing support to grantees and partners across the country.

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

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

Notes to Financial Statements  
June 30, 2016 and 2015

### **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 ("U.S. GAAP"). 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. Unrestricted amounts are not subject to donor-imposed stipulation and are currently available at the discretion of the Board of Directors for use in the Ms. Foundation's operations. Temporarily restricted amounts are those which are stipulated by donors for specific purposes or restricted by time. As the stipulations are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the accompanying statement of activities as net assets released from restrictions. Permanently restricted amounts are donor restricted to provide a permanent endowment for operations.

#### ***Use of Estimates***

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

#### ***Unrestricted Net Asset Designations***

Board Designated - By action of Ms. Foundation's Board of Directors, 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 these net assets is not restricted; rather, the use of these assets requires a specific action of the Board of Directors.

#### ***Public Support and Revenue***

Unconditional promises to give are recorded as received. Unconditional promises to give due in the next year are reflected as pledges, grants and contributions receivable and are recorded at their net realizable value. Unconditional promises to give that are due in subsequent years 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.

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

Notes to Financial Statements  
June 30, 2016 and 2015

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

#### ***Public Support and Revenue (continued)***

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.

#### ***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, 2016 and 2015, management has concluded that an allowance is not required.

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

Ms. Foundation follows U.S. GAAP 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, 2016 and 2015

### **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 Leasehold Improvements***

Ms. Foundation capitalizes all significant expenditures in excess of \$1,000 for furniture and equipment and leasehold improvements at cost. Depreciation of furniture and equipment are provided for on a straight-line basis over the estimated useful lives of the assets which range from 3 to 15 years. 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, donated in 1994 is carried at fair value at the date of donation. 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 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 2013.

## Ms. Foundation For Women, Inc.

Notes to Financial Statements  
June 30, 2016 and 2015

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

#### *Advertising*

Ms. Foundation recognizes all advertising and related costs as incurred.

#### *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 28, 2016.

### 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>2016</u>	<u>2015</u>
Restricted for future operations	\$ 2,345,715	\$ 3,594,928
Temporarily restricted for purpose	<u>666,211</u>	<u>1,145,824</u>
Total Pledges, Grants and Contributions Receivable	<u>\$ 3,011,926</u>	<u>\$ 4,740,752</u>
Receivable in less than one year	\$ 2,192,426	\$ 2,236,252
Receivable in one to five years	202,500	1,842,500
Receivable in five years and thereafter	<u>617,000</u>	<u>662,000</u>
	3,011,926	4,740,752
Less discounts to present value	<u>(280,061)</u>	<u>(360,537)</u>
Net Pledges, Grants and Contributions Receivable	<u>\$ 2,731,865</u>	<u>\$ 4,380,215</u>

The discount rate used for pledges, grants and contributions receivable outstanding at June 30, 2016 and 2015 was 4.50% and 4.25%.

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

Notes to Financial Statements  
June 30, 2016 and 2015

**5. Investments and Investment Return**

Investments at June 30 categorized by the fair value hierarchy are as follows:

	<u>2016</u>	<u>2015</u>
Equity Securities		
Energy	\$ 1,310,212	\$ 1,526,074
Telecommunications services	653,916	316,757
Industrials	3,167,618	3,984,271
Consumer discretionary	2,610,140	3,537,644
Consumer staples	1,274,561	1,339,313
Healthcare	3,676,492	2,098,019
Financials	3,474,709	3,566,721
Materials	556,953	657,909
Utilities	771,884	799,625
Real estate	597,941	-
Information technology	<u>4,098,732</u>	<u>4,245,751</u>
Total Equity Securities	<u>22,193,158</u>	<u>22,072,084</u>
U.S. government obligations	1,185,384	2,476,238
Money market	4,693,082	995,551
Mutual Funds		
Intermediate term bond	-	11,940,229
Intermediate government	1,169,542	-
World stock	245,793	-
High yield bond	<u>1,535,459</u>	<u>-</u>
Total Mutual Funds	<u>2,950,794</u>	<u>11,940,229</u>
Total Level 1 investments	<u>31,022,418</u>	<u>37,484,102</u>
Corporate bonds	3,058,431	-
Municipal bonds	<u>1,278,144</u>	<u>-</u>
Total Level 2 investments	<u>4,336,575</u>	<u>-</u>
Total Investments at Fair Value	<u>35,358,993</u>	<u>37,484,102</u>
Certificate of deposit	<u>100,000</u>	<u>100,000</u>
Total Investments	<u>\$ 35,458,993</u>	<u>\$ 37,584,102</u>

During the years ended June 30, 2016 and 2015 there were no transfers in or out of Levels 1, 2 or 3 of the fair value hierarchy.

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

	<u>2016</u>	<u>2015</u>
Dividends and interest of securities	\$ 592,984	\$ 641,827
Net realized gain on sale of investments	3,585,929	2,278,379
Unrealized loss on investments	(4,312,138)	(1,236,140)
Investment advisory fees	<u>(361,213)</u>	<u>(211,560)</u>
	<u>\$ (494,438)</u>	<u>\$ 1,472,506</u>

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

Notes to Financial Statements  
June 30, 2016 and 2015

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

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

	<u>2016</u>	<u>2015</u>
Furniture and equipment	\$ 602,167	\$ 596,419
Leasehold improvements	<u>1,334,792</u>	<u>1,334,792</u>
	1,936,959	1,931,211
Accumulated depreciation and amortization	<u>(1,533,189)</u>	<u>(1,471,385)</u>
	<u>\$ 403,770</u>	<u>\$ 459,826</u>

**7. Temporarily Restricted Net Assets**

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

	<u>2016</u>	<u>2015</u>
Economic Justice	\$ 375,045	\$ 607,089
Women's Health	403,159	618,124
Leadership/Capacity Building	-	94,960
Ending Violence	-	256,250
Endowment earnings	5,328,543	6,948,388
Advocacy and Policy	-	12,500
Donor Advised Grantmaking		
The Rabbit Fund	1,576,192	1,702,247
Gloria Fund	83,750	56,391
E.P. Fund	505,479	571,674
Ware Fund	28,619	24,054
Sophia Fund	1,592	2,193
OMA Fund	1,760,708	1,912,404
R. Luxemburg Fund	30,149	31,084
AWGC	14,146	10,662
General support restricted for future period	<u>1,928,296</u>	<u>4,003,011</u>
	<u>\$ 12,035,678</u>	<u>\$ 16,851,031</u>

## Ms. Foundation For Women, Inc.

Notes to Financial Statements  
June 30, 2016 and 2015

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

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

	<u>2016</u>	<u>2015</u>
Economic Justice	\$ 443,159	\$ 387,509
Women's Health	724,748	589,080
Leadership/Capacity Building	94,960	149,791
Ending Violence	392,250	381,448
Endowment earnings	1,300,000	1,230,000
Public Education	116,064	32,500
President Discretionary Grants	-	1,000
Listening Tour	1,000	-
Advocacy and Policy	12,500	12,500
Donor Advised Grantmaking		
The Rabbit Fund	129,920	129,920
Gloria Fund	35,000	124,000
E.P. Fund	67,500	67,500
Ware Fund	436	366
Sophia Fund	175,000	175,738
OMA Fund	123,482	127,163
R. Luxemburg Fund	467	10,599
AWGC	94,977	106,316
General support designated for June 30	<u>2,167,051</u>	<u>435,000</u>
	<u>\$ 5,878,514</u>	<u>\$ 3,960,430</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 are based on three (3) percent of employees' salaries. For the fiscal years ended June 30, 2016 and 2015, the amount of the pension expense is \$44,420 and \$36,272.

### 9. In-Kind Contributions

Ms. Foundation received pro-bono consulting services valued at an estimated \$116,064 and \$0 during the years ended June 30, 2016 and 2015. The services received were related to a communications research project conducted by a public affairs firm, which was intended to focus Ms. Foundation's media efforts and bolster their branding. Such services have been reflected as expenses within consultants and outside services on the statements of functional expenses. Ms. Foundation also received in-kind miscellaneous expenses valued at an estimated \$2,238 and \$0 during the years ended June 30, 2016 and 2015. Such expenses have been reflected as expenses within miscellaneous expenses on the statements of functional expenses

### 10. 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 \$140,429 in the form of a letter of credit to the landlord. Ms. Foundation maintains a separate bank account as collateral for the letter of credit.



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

Notes to Financial Statements  
June 30, 2016 and 2015

**10. 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 statements of financial position reflect 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>	
2017	\$ 605,485
2018	605,485
2019	627,370
2020	649,255
2021	649,255
Thereafter	<u>973,882</u>
	<u>\$ 4,110,732</u>

Rent expense for 2016 and 2015 amounted to \$676,499 and \$690,059.

**11. 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>2016</u>	<u>2015</u>
Permanently Restricted Net Assets		
General Endowment Fund	\$ 22,500,029	\$ 22,494,941
Gloria Endowment Fund	1,663,456	1,876,646
Reproductive Justice Endowment Fund	<u>403,918</u>	<u>403,918</u>
	<u>\$ 24,567,403</u>	<u>\$ 24,775,505</u>

***Interpretation of Relevant Law***

The Board of Directors has interpreted New York Prudent Management of Institutional Funds Act ("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, 2016 and 2015

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

The income from the General Endowment Fund is expendable for operations. The income from the Gloria Endowment Fund is available to support grantmaking activities of the Gloria Fund. The income from the Reproductive Justice Endowment Fund is available to cover expenditures incurred in the area of reproductive health.

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 appropriation from the Endowment Funds:

5% of the fair value of the Endowment Fund as determined by averaging the quarter-end market value of the Endowment Fund for the twenty quarters of the previous five years up to the quarter just ended. The appropriation may be less than or greater than 5%, but in no case greater than 7%. Appropriations 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 years ending June 30:

	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance at June 30, 2015	\$ 1,172,892	\$ 7,143,925	\$ 24,775,505	\$ 33,092,322
Cash transfers in	222,000	5,000	5,000	232,000
Interest and dividends	12,575	527,613	-	540,188
Realized gains	67,515	3,325,117	-	3,392,632
Investment expenses	(7,569)	(334,122)	-	(341,691)
Unrealized depreciation	(71,658)	(3,784,160)	(213,102)	(4,068,920)
Approved for expenditure	1,335,903	(1,335,903)	-	-
Drawdowns	<u>(1,719,801)</u>	<u>-</u>	<u>-</u>	<u>(1,719,801)</u>
Balance at June 30, 2016	<u>\$ 1,011,857</u>	<u>\$ 5,547,470</u>	<u>\$ 24,567,403</u>	<u>\$ 31,126,730</u>
Comprised of the following:				
Unrestricted	\$ 116,523	\$ -	\$ -	\$ 116,523
Board designated funds	895,334	-	-	895,334
Unappropriated endowment earnings	-	5,328,543	-	5,328,543
Donor restricted funds for purpose	-	218,927	-	218,927
Donor endowment	<u>-</u>	<u>-</u>	<u>24,567,403</u>	<u>24,567,403</u>
	<u>\$ 1,011,857</u>	<u>\$ 5,547,470</u>	<u>\$ 24,567,403</u>	<u>\$ 31,126,730</u>

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

Notes to Financial Statements  
June 30, 2016 and 2015

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

	2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Balance at June 30, 2014	\$ 1,089,205	\$ 7,086,187	\$ 24,836,957	\$ 33,012,349
Contributions	-	-	5,000	5,000
Interest and dividends	19,038	593,155	-	612,193
Realized gains	67,652	2,087,863	-	2,155,515
Investment expenses	(6,637)	(204,998)	-	(211,635)
Unrealized depreciation	(37,143)	(1,053,317)	(66,452)	(1,156,912)
Approved for expenditure	1,364,965	(1,364,965)	-	-
Drawdowns	(1,324,188)	-	-	(1,324,188)
Balance at June 30, 2015	<u>\$ 1,172,892</u>	<u>\$ 7,143,925</u>	<u>\$ 24,775,505</u>	<u>\$ 33,092,322</u>
Comprised of the following:				
Unrestricted	\$ 110,420	\$ -	\$ -	\$ 110,420
Board designated funds	1,062,472	-	-	1,062,472
Unappropriated endowment earnings	-	6,948,388	-	6,948,388
Donor restricted funds for purpose	-	195,537	-	195,537
Donor endowment	-	-	24,775,505	24,775,505
	<u>\$ 1,172,892</u>	<u>\$ 7,143,925</u>	<u>\$ 24,775,505</u>	<u>\$ 33,092,322</u>

**12. Claims and Contingencies**

At times, Ms. Foundation is subject to legal proceedings, claims and litigation arising in the normal course of business. While the outcome of such matters is currently not determinable, management does not expect any material adverse effect on Ms. Foundation's financial position, net assets or cash flows.

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