

Ms. Foundation For Women, Inc.

Financial Statements

June 30, 2017 and 2016

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, 2017 and 2016, 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, 2017 and 2016, 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

September 26, 2017

Ms. Foundation For Women, Inc.

Statements of Financial Position

	June 30,	
	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 1,135,940	\$ 1,798,647
Pledges, grants and contributions receivable, net	871,947	2,731,865
Accrued interest receivable	36,127	35,494
Prepaid expense and other receivables	120,876	100,577
Investments	37,918,595	35,458,993
Furniture, equipment and leasehold improvements, net	347,700	403,770
Artwork	77,000	77,000
Rent security deposits, restricted cash equivalent	<u>140,429</u>	<u>140,429</u>
	<u>\$ 40,648,614</u>	<u>\$ 40,746,775</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 257,711	\$ 942,758
Grants payable	338,000	305,000
Deferred rent	<u>192,276</u>	<u>195,402</u>
 Total Liabilities	 <u>787,987</u>	 <u>1,443,160</u>
Net Assets		
Unrestricted		
General operations	1,275,738	1,573,977
Board designated	<u>998,246</u>	<u>1,126,557</u>
	2,273,984	2,700,534
 Temporarily restricted	 12,849,497	 12,035,678
Permanently restricted	<u>24,737,146</u>	<u>24,567,403</u>
 Total Net Assets	 <u>39,860,627</u>	 <u>39,303,615</u>
	<u>\$ 40,648,614</u>	<u>\$ 40,746,775</u>

See notes to financial statements

Ms. Foundation For Women, Inc.

Statement of Activities Year Ended June 30, 2017

	Unrestricted		Temporarily Restricted	Permanently Restricted	Total
	General Operations	Board Designated			
PUBLIC SUPPORT AND REVENUE					
Contributions and grants	\$ 926,837	\$ 111,000	\$ 1,025,276	\$ 10,000	\$ 2,073,113
Special events, net of direct donor benefit of \$426,699	779,859	-	-	-	779,859
Investment income, net	6,476	9,075	318,924	-	334,475
In-kind contributions	2,520	-	1,698	-	4,218
Net realized gain on investment transactions	-	20,519	729,518	-	750,037
Other income	28,453	-	-	-	28,453
Subtotal	1,744,145	140,594	2,075,416	10,000	3,970,155
Net assets for program services released from restrictions	4,740,789	(360,000)	(4,380,789)	-	-
Total Public Support and Revenue	6,484,934	(219,406)	(2,305,373)	10,000	3,970,155
EXPENSES					
Program Services					
Grants and capacity building	3,605,369	-	-	-	3,605,369
Advocacy and policy	281,611	-	-	-	281,611
Public education	699,361	-	-	-	699,361
Total Program Services	4,586,341	-	-	-	4,586,341
Supporting Services					
General and administration	1,069,774	-	-	-	1,069,774
Fundraising	1,127,058	-	-	-	1,127,058
Total Supporting Services	2,196,832	-	-	-	2,196,832
Total Expenses	6,783,173	-	-	-	6,783,173
Change in Net Assets Before Change in Unrealized Gain on Investments	(298,239)	(219,406)	(2,305,373)	10,000	(2,813,018)
Change in unrealized gain on investments	-	91,095	3,119,192	159,743	3,370,030
Change in Net Assets	(298,239)	(128,311)	813,819	169,743	557,012
NET ASSETS					
Beginning of year	1,573,977	1,126,557	12,035,678	24,567,403	39,303,615
End of year	\$ 1,275,738	\$ 998,246	\$ 12,849,497	\$ 24,737,146	\$ 39,860,627

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			
PUBLIC SUPPORT AND REVENUE					
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
EXPENSES					
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)
NET ASSETS					
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 Functional Expenses Year Ended June 30, 2017

	Program Services									Supporting Services					
	Grants and Capacity Building									Total Program Services	General and Administration		Fundraising	Total	Total Expenses
	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 Program Services	General and Administration			
Grant awards	\$ 630,000	\$ 500,000	\$ 215,000	\$ 250,311	\$ 108,000	\$ -	\$ 1,703,311	\$ -	\$ -	\$ 1,703,311	\$ -	\$ -	\$ -	\$ 1,703,311	
Convenings	54,708	61,502	47,296	-	15,014	-	178,520	-	-	178,520	-	765	765	179,285	
Personnel costs	318,281	324,254	161,104	-	204,836	-	1,008,475	188,752	392,845	1,590,072	616,834	656,272	1,273,106	2,863,178	
Consultants and outside services	10,000	25,079	45,021	1,981	140,600	74,370	297,051	-	135,159	432,210	12,924	71,151	84,075	516,285	
Legal and auditing services	-	-	-	-	-	-	-	-	-	-	32,625	3,709	36,334	36,334	
Rent and office	111,778	112,185	53,322	2,463	62,315	4	342,067	65,050	117,064	524,181	176,218	293,345	469,563	993,744	
Travel	8,231	8,098	9,229	1,482	2,771	-	29,811	16,920	25,550	72,281	47,557	11,620	59,177	131,458	
Space rental and catering	302	302	227	5,228	1,634	-	7,693	186	631	8,510	1,749	5,875	7,624	16,134	
Mailhouse and acquisition	-	-	-	-	-	-	-	-	-	-	-	91	91	91	
Memberships and subscriptions	3,721	3,274	609	-	2,511	-	10,115	1,060	6,342	17,517	29,940	30,361	60,301	77,818	
Printing and graphic design	612	1,922	235	1,976	317	-	5,062	385	12,677	18,124	161	16,062	16,223	34,347	
Conferences and staff development	3,718	1,039	1,000	-	10,972	-	16,729	9,000	1,072	26,801	24,682	4,158	28,840	55,641	
Insurance	-	-	-	-	-	-	-	-	-	-	62,635	-	62,635	62,635	
Outside events and other charitable expenses	-	2,500	-	-	-	-	2,500	-	7,673	10,173	515	-	515	10,688	
Bad debts	-	-	-	1,137	-	-	1,137	-	-	1,137	-	2,300	2,300	3,437	
Advertising	34	34	21	-	14	-	103	121	37	261	1,866	4,071	5,937	6,198	
Miscellaneous expenses	217	1,915	157	425	81	-	2,795	137	311	3,243	2,466	27,278	29,744	32,987	
Total Expenses Before Depreciation and Amortization	1,141,602	1,042,104	533,221	265,003	549,065	74,374	3,605,369	281,611	699,361	4,586,341	1,010,172	1,127,058	2,137,230	6,723,571	
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	59,602	-	59,602	59,602	
Total Expenses	\$ 1,141,602	\$ 1,042,104	\$ 533,221	\$ 265,003	\$ 549,065	\$ 74,374	\$ 3,605,369	\$ 281,611	\$ 699,361	\$ 4,586,341	\$ 1,069,774	\$ 1,127,058	\$ 2,196,832	\$ 6,783,173	

See notes to financial statements

Ms. Foundation For Women, Inc.

Statement of Functional Expenses Year Ended June 30, 2016

	Program Services										Supporting Services			Total Expenses
	Grants and Capacity Building										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 Program Services				
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
Total Expenses Before 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
Total Expenses	\$ 1,196,201	\$ 1,348,818	\$ 589,831	\$ 226,877	\$ 489,630	\$ 5,089	\$ 3,856,446	\$ 229,814	\$ 951,687	\$ 5,037,947	\$ 1,181,750	\$ 907,373	\$ 2,089,123	\$ 7,127,070

See notes to financial statements

Ms. Foundation For Women, Inc.

Statement of Cash Flows

	Year Ended June 30,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 557,012	\$ (4,717,230)
Adjustments to reconcile change in net assets to net cash from operating activities		
Bad debts	3,437	102,112
Depreciation and amortization	59,602	61,804
Realized gain on sales of investments	(750,037)	(3,585,929)
Unrealized (gain) loss on investments	(3,370,030)	4,312,138
Deferred rent	(3,126)	(3,126)
Change in operating assets and liabilities		
Pledges, grants and contributions receivable	1,856,481	1,546,238
Accrued interest receivable	(633)	(13,387)
Prepaid expenses and other receivables	(20,299)	(25,570)
Accounts payable and accrued expenses	(685,047)	369,851
Grants payable	<u>33,000</u>	<u>(848,500)</u>
Net Cash from Operating Activities	<u>(2,319,640)</u>	<u>(2,801,599)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of furniture, equipment and leasehold improvements	(3,532)	(5,748)
Proceeds from sale of investments	13,851,959	33,620,790
Purchases of investments	<u>(12,191,494)</u>	<u>(32,221,890)</u>
Net Cash from Investing Activities	<u>1,656,933</u>	<u>1,393,152</u>
Net Change in Cash and Cash Equivalents	(662,707)	(1,408,447)
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>1,798,647</u>	<u>3,207,094</u>
End of year	<u>\$ 1,135,940</u>	<u>\$ 1,798,647</u>

See notes to financial statements

Ms. Foundation For Women, Inc.

Notes to Financial Statements
June 30, 2017 and 2016

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, 2017 and 2016

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, 2017 and 2016

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, 2017 and 2016, 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, 2017 and 2016

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, inclusive of all renewal periods, which are reasonably assured, 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 2014.

Ms. Foundation For Women, Inc.

Notes to Financial Statements
June 30, 2017 and 2016

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 September 26, 2017.

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>2017</u>	<u>2016</u>
Restricted for future operations	\$ 980,589	\$ 2,345,715
Temporarily restricted for purpose	<u>199,732</u>	<u>666,211</u>
Total Pledges, Grants and Contributions Receivable	<u>\$ 1,180,321</u>	<u>\$ 3,011,926</u>
Receivable in less than one year	\$ 379,232	\$ 2,192,426
Receivable in one to five years	189,089	202,500
Receivable in five years and thereafter	<u>612,000</u>	<u>617,000</u>
	1,180,321	3,011,926
Less discounts to present value	<u>(308,374)</u>	<u>(280,061)</u>
Net Pledges, Grants and Contributions Receivable	<u>\$ 871,947</u>	<u>\$ 2,731,865</u>

The discount rate used for pledges, grants and contributions receivable outstanding at June 30, 2017 and 2016 was 5.25% and 4.50%.

Ms. Foundation For Women, Inc.

Notes to Financial Statements
June 30, 2017 and 2016

5. Investments and Investment Return

Investments at June 30 categorized by the fair value hierarchy, for those investments subject to categorization within such hierarchy, are as follows:

	<u>2017</u>	<u>2016</u>
Level 1 Investments		
Equity Securities		
Energy	\$ 1,446,719	\$ 1,310,212
Telecommunications services	307,341	653,916
Industrials	3,375,288	3,167,618
Consumer discretionary	3,658,854	2,610,140
Consumer staples	1,822,748	1,274,561
Healthcare	4,031,768	3,676,492
Financials	4,254,188	3,474,709
Materials	926,055	556,953
Utilities	608,226	771,884
Real estate	879,198	597,941
Information technology	<u>4,990,238</u>	<u>4,098,732</u>
Total Equity Securities	<u>26,300,623</u>	<u>22,193,158</u>
U.S. government obligations	1,250,283	1,185,384
Money market	2,825,578	4,693,082
Mutual Funds		
Intermediate government	1,164,811	1,169,542
World stock	286,245	245,793
High yield bond	<u>1,746,210</u>	<u>1,535,459</u>
Total Mutual Funds	<u>3,197,266</u>	<u>2,950,794</u>
Total Level 1 investments	<u>33,573,750</u>	<u>31,022,418</u>
Level 2 Investments		
Corporate bonds	2,920,397	3,058,431
Municipal bonds	<u>1,324,448</u>	<u>1,278,144</u>
Total Level 2 investments	<u>4,244,845</u>	<u>4,336,575</u>
Total Investments at Fair Value	<u>37,818,595</u>	<u>35,358,993</u>
Certificate of deposit	<u>100,000</u>	<u>100,000</u>
Total Investments	<u>\$ 37,918,595</u>	<u>\$ 35,458,993</u>

During the years ended June 30, 2017 and 2016 there were no transfers in or out of Levels 1, 2 or 3 of the fair value hierarchy.

Ms. Foundation For Women, Inc.

Notes to Financial Statements
June 30, 2017 and 2016

5. Investments and Investment Return (continued)

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

	<u>2017</u>	<u>2016</u>
Dividends and interest of securities	\$ 690,237	\$ 592,984
Net realized gain on sale of investments	750,037	3,585,929
Unrealized gain (loss) on investments	3,370,030	(4,312,138)
Investment fees	<u>(355,762)</u>	<u>(361,213)</u>
	<u>\$ 4,454,542</u>	<u>\$ (494,438)</u>

6. Furniture, Equipment and Leasehold Improvements

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

	<u>2017</u>	<u>2016</u>
Furniture and equipment	\$ 605,699	\$ 602,167
Leasehold improvements	<u>1,334,792</u>	<u>1,334,792</u>
	1,940,491	1,936,959
Accumulated depreciation and amortization	<u>(1,592,791)</u>	<u>(1,533,189)</u>
	<u>\$ 347,700</u>	<u>\$ 403,770</u>

7. Temporarily Restricted Net Assets

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

	<u>2017</u>	<u>2016</u>
Economic Justice	\$ 126,084	\$ 375,045
Women's Health	282,886	403,159
Endowment Earnings	7,551,903	5,328,543
General Program	50,000	-
Kellogg Racial Equity	110,864	-
Donor Advised Grantmaking		
The Rabbit Fund	1,649,061	1,576,192
Gloria Fund	33,779	83,750
E.P. Fund	503,013	505,479
Ware Fund	28,189	28,619
Sophia Fund	2,741	1,592
OMA Fund	1,855,812	1,760,708
R. Luxemburg Fund	-	30,149
AWGC	16,178	14,146
General support restricted for future period	<u>638,987</u>	<u>1,928,296</u>
	<u>\$ 12,849,497</u>	<u>\$ 12,035,678</u>

Ms. Foundation For Women, Inc.

Notes to Financial Statements
June 30, 2017 and 2016

7. Temporarily Restricted Net Assets (continued)

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

	<u>2017</u>	<u>2016</u>
Economic Justice	\$ 233,374	\$ 443,159
Women's Health	643,600	724,748
Leadership/Capacity Building	-	94,960
Ending Violence	5,025	392,250
Endowment Earnings	1,400,000	1,300,000
General Program	40,000	-
Kellogg Racial Equity	14,136	-
Public Education	-	116,064
Listening Tour	-	1,000
Advocacy and Policy	17,500	12,500
Donor Advised Grantmaking		
The Rabbit Fund	129,920	129,920
Gloria Fund	39,000	35,000
E.P. Fund	67,500	67,500
Ware Fund	429	436
Sophia Fund	175,000	175,000
OMA Fund	126,864	123,482
R. Luxemburg Fund	33,250	467
AWGC	90,941	94,977
General support designated for June 30	<u>1,364,250</u>	<u>2,167,051</u>
	<u>\$ 4,380,789</u>	<u>\$ 5,878,514</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 3% of employees' salaries. For the fiscal years ended June 30, 2017 and 2016, the amount of the pension expense is \$56,252 and \$44,420.

9. In-Kind Contributions

Ms. Foundation received pro-bono consulting services valued at an estimated \$0 and \$116,064 during the years ended June 30, 2017 and 2016. 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 \$4,218 and \$2,238 during the years ended June 30, 2017 and 2016.

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, 2017 and 2016

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 payable as follows for the years ending June 30:

2018	\$ 605,485
2019	627,370
2020	649,255
2021	649,255
2022	649,255
Thereafter	<u>324,627</u>
	<u>\$ 3,505,247</u>

Rent expense for 2017 and 2016 amounted to \$655,274 and \$676,499.

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>2017</u>	<u>2016</u>
Permanently Restricted Net Assets		
General Endowment Fund	\$ 22,510,029	\$ 22,500,029
Gloria Endowment Fund	1,823,199	1,663,456
Reproductive Justice Endowment Fund	<u>403,918</u>	<u>403,918</u>
	<u>\$ 24,737,146</u>	<u>\$ 24,567,403</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, 2017 and 2016

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:

	2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance at June 30, 2016	\$ 1,011,857	\$ 5,547,470	\$ 24,567,403	\$ 31,126,730
Cash transfers in	132,220	-	10,000	142,220
Interest and dividends	25,706	602,563	-	628,269
Realized gains	20,519	647,402	-	667,921
Investment expenses	(10,179)	(322,326)	-	(332,505)
Unrealized appreciation	91,095	2,749,154	159,743	2,999,992
Approved for expenditure	1,472,679	(1,472,679)	-	-
Drawdowns	<u>(1,592,136)</u>	<u>-</u>	<u>-</u>	<u>(1,592,136)</u>
Balance at June 30, 2017	<u>\$ 1,151,761</u>	<u>\$ 7,751,584</u>	<u>\$ 24,737,146</u>	<u>\$ 33,640,491</u>
Comprised of the following:				
Unrestricted	\$ 363,518	\$ -	\$ -	\$ 363,518
Board designated funds	788,243	-	-	788,243
Unappropriated endowment earnings	-	7,551,903	-	7,551,903
Donor restricted funds for purpose	-	199,681	-	199,681
Donor endowment	<u>-</u>	<u>-</u>	<u>24,737,146</u>	<u>24,737,146</u>
	<u>\$ 1,151,761</u>	<u>\$ 7,751,584</u>	<u>\$ 24,737,146</u>	<u>\$ 33,640,491</u>

Ms. Foundation For Women, Inc.

Notes to Financial Statements
June 30, 2017 and 2016

11. Permanently Restricted Net Assets and Endowments (continued)

	2016			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
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	(1,719,801)	-	-	(1,719,801)
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	-	-	24,567,403	24,567,403
	<u>\$ 1,011,857</u>	<u>\$ 5,547,470</u>	<u>\$ 24,567,403</u>	<u>\$ 31,126,730</u>

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