

Ms. Foundation For Women, Inc.

Financial Statements

June 30, 2018 and 2017

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, 2018 and 2017, 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, 2018 and 2017, 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 15, 2018

Ms. Foundation For Women, Inc.

Statements of Financial Position

	June 30,	
	2018	2017
ASSETS		
Cash and cash equivalents	\$ 2,555,080	\$ 1,135,940
Pledges, grants and contributions receivable, net	3,731,444	871,947
Accrued interest receivable	39,226	36,127
Prepaid expense and other receivables	98,071	120,876
Investments	38,696,330	37,918,595
Furniture, equipment and leasehold improvements, net	312,888	347,700
Artwork	77,000	77,000
Rent security deposits, restricted cash equivalent	140,429	140,429
	<u>\$ 45,650,468</u>	<u>\$ 40,648,614</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 257,543	\$ 257,711
Grants payable	1,644,000	338,000
Deferred rent	189,149	192,276
	<u>2,090,692</u>	<u>787,987</u>
Net Assets		
Unrestricted		
General operations	1,332,070	1,275,738
Board designated	1,001,344	998,246
	<u>2,333,414</u>	<u>2,273,984</u>
Temporarily restricted	16,497,067	12,849,497
Permanently restricted	24,729,295	24,737,146
	<u>43,559,776</u>	<u>39,860,627</u>
	<u>\$ 45,650,468</u>	<u>\$ 40,648,614</u>

See notes to financial statements

Ms. Foundation For Women, Inc.

Statement of Activities Year Ended June 30, 2018

	Unrestricted		Temporarily Restricted	Permanently Restricted	Total
	General Operations	Board Designated			
PUBLIC SUPPORT AND REVENUE					
Contributions and grants	\$ 1,920,932	\$ 6,745	\$ 5,418,103	\$ -	\$ 7,345,780
Special events, net of direct donor benefit of \$279,275	584,289	-	6,600	-	590,889
Investment income, net	19,975	7,937	356,526	(13,291)	371,147
In-kind contributions	6,253	-	-	-	6,253
Net realized gain on investment transactions	-	54,329	2,309,611	-	2,363,940
Other income	6,423	-	-	-	6,423
	<u>2,537,872</u>	<u>69,011</u>	<u>8,090,840</u>	<u>(13,291)</u>	<u>10,684,432</u>
Subtotal					
Net assets for program services released from restrictions	<u>4,587,992</u>	<u>(67,000)</u>	<u>(4,520,992)</u>	<u>-</u>	<u>-</u>
Total Public Support and Revenue	<u>7,125,864</u>	<u>2,011</u>	<u>3,569,848</u>	<u>(13,291)</u>	<u>10,684,432</u>
EXPENSES					
Program Services					
Grants and capacity building	3,791,431	-	-	-	3,791,431
Advocacy and policy	189,953	-	-	-	189,953
Public education	805,622	-	-	-	805,622
Total Program Services	<u>4,787,006</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,787,006</u>
Supporting Services					
General and administration	1,144,903	-	-	-	1,144,903
Fundraising	1,137,623	-	-	-	1,137,623
Total Supporting Services	<u>2,282,526</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,282,526</u>
Total Expenses	<u>7,069,532</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,069,532</u>
Change in Net Assets Before Change in Unrealized Gain on Investments	56,332	2,011	3,569,848	(13,291)	3,614,900
Change in unrealized gain on investments	<u>-</u>	<u>1,087</u>	<u>77,722</u>	<u>5,440</u>	<u>84,249</u>
Change in Net Assets	56,332	3,098	3,647,570	(7,851)	3,699,149
NET ASSETS					
Beginning of year	<u>1,275,738</u>	<u>998,246</u>	<u>12,849,497</u>	<u>24,737,146</u>	<u>39,860,627</u>
End of year	<u>\$ 1,332,070</u>	<u>\$ 1,001,344</u>	<u>\$ 16,497,067</u>	<u>\$ 24,729,295</u>	<u>\$ 43,559,776</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 Functional Expenses Year Ended June 30, 2018

	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
Grant awards	\$ 625,000	\$ 620,000	\$ 220,000	\$ 244,000	\$ 317,500	\$ -	\$ 2,026,500	\$ -	\$ 40,000	\$ 2,066,500	\$ -	\$ -	\$ -	\$ 2,066,500
Convenings	8,018	35,572	850	-	1,152	-	45,592	-	-	45,592	-	213	213	45,805
Personnel costs	307,727	284,572	66,867	-	324,264	-	983,430	126,044	375,553	1,485,027	660,903	600,303	1,261,206	2,746,233
Consultants and outside services	7,345	89,266	132,171	4,000	57,185	19,934	309,901	547	204,968	515,416	5,802	121,380	127,182	642,598
Legal and auditing services	355	340	57	-	256	-	1,008	144	2,191	3,343	36,617	2,030	38,647	41,990
Rent and office	119,530	115,297	24,719	4,447	90,486	39	354,518	46,187	108,366	509,071	234,209	300,261	534,470	1,043,541
Travel	13,984	5,192	4,512	331	6,544	79	30,642	5,761	29,349	65,752	52,787	13,408	66,195	131,947
Space rental and catering	183	176	29	6,355	1,816	-	8,559	716	2,030	11,305	2,194	727	2,921	14,226
Mailhouse and acquisition	-	-	-	649	-	-	649	-	-	649	-	5,981	5,981	6,630
Memberships and subscriptions	794	3,307	127	200	2,864	-	7,292	342	6,599	14,233	28,506	23,094	51,600	65,833
Printing and graphic design	572	1,482	91	270	572	-	2,987	264	11,343	14,594	1,234	33,295	34,529	49,123
Conferences and staff development	1,281	404	1	25	9,879	-	11,590	9,502	14,703	35,795	2,834	2,756	5,590	41,385
Insurance	-	-	-	-	-	-	-	-	-	-	56,219	-	56,219	56,219
Outside events and other charitable expenses	-	-	-	-	2,500	-	2,500	-	7,733	10,233	750	-	750	10,983
Bad debts	-	-	-	1,536	-	-	1,536	-	-	1,536	-	7,259	7,259	8,795
Advertising	603	927	96	-	964	-	2,590	245	2,052	4,887	1,344	1,547	2,891	7,778
Miscellaneous expenses	494	473	79	166	925	-	2,137	201	735	3,073	3,573	25,369	28,942	32,015
Total Expenses Before Depreciation and Amortization	1,085,886	1,157,008	449,599	261,979	816,907	20,052	3,791,431	189,953	805,622	4,787,006	1,086,972	1,137,623	2,224,595	7,011,601
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	57,931	-	57,931	57,931
Total Expenses	\$ 1,085,886	\$ 1,157,008	\$ 449,599	\$ 261,979	\$ 816,907	\$ 20,052	\$ 3,791,431	\$ 189,953	\$ 805,622	\$ 4,787,006	\$ 1,144,903	\$ 1,137,623	\$ 2,282,526	\$ 7,069,532

See notes to financial statements

Ms. Foundation For Women, Inc.

Statement of Functional Expenses Year Ended June 30, 2017

	Program Services							Supporting Services					Total Expenses	
	Grants and Capacity Building							Advocacy and Policy	Public Education	Total Program Services	General and Administration			Total
	Women's Health	Economic Justice	Ending Violence	Donor Advised Grantmaking	Leadership/ Capacity Building	Grantee Communication	Total Grants and Capacity Building							
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.

Statements of Cash Flows

	Year Ended June 30,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 3,699,149	\$ 557,012
Adjustments to reconcile change in net assets to net cash from operating activities		
Bad debts	8,795	3,437
Depreciation and amortization	57,931	59,602
Realized gain on sales of investments	(2,363,940)	(750,037)
Unrealized gain on investments	(84,249)	(3,370,030)
Deferred rent	(3,127)	(3,126)
Change in operating assets and liabilities		
Pledges, grants and contributions receivable	(2,868,292)	1,856,481
Accrued interest receivable	(3,099)	(633)
Prepaid expenses and other receivables	22,805	(20,299)
Accounts payable and accrued expenses	(168)	(685,047)
Grants payable	<u>1,306,000</u>	<u>33,000</u>
Net Cash from Operating Activities	<u>(228,195)</u>	<u>(2,319,640)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of furniture, equipment and leasehold improvements	(23,119)	(3,532)
Proceeds from sale of investments	17,674,112	13,851,959
Purchases of investments	<u>(16,003,658)</u>	<u>(12,191,494)</u>
Net Cash from Investing Activities	<u>1,647,335</u>	<u>1,656,933</u>
Net Change in Cash and Cash Equivalents	1,419,140	(662,707)
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>1,135,940</u>	<u>1,798,647</u>
End of year	<u>\$ 2,555,080</u>	<u>\$ 1,135,940</u>

See notes to financial statements

Ms. Foundation For Women, Inc.

Notes to Financial Statements
June 30, 2018 and 2017

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, 2018 and 2017

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, 2018 and 2017

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, 2018 and 2017, 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, 2018 and 2017

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.

The fair value of alternative investments has been estimated using Net Asset Value (“NAV”) as reported by the management of the respective alternative investment fund. U.S. GAAP guidance provides for the use of NAV as a “Practical Expedient” for estimating fair value of alternative investments. NAV reported by each alternative investment fund is used as a practical expedient to estimate the fair value of Ms. Foundation’s interest.

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 2015.

Ms. Foundation For Women, Inc.

Notes to Financial Statements
June 30, 2018 and 2017

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 15, 2018.

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 investments. 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>2018</u>	<u>2017</u>
Restricted for future operations	\$ 2,911,247	\$ 980,589
Temporarily restricted for purpose	<u>1,211,403</u>	<u>199,732</u>
Total Pledges, Grants and Contributions Receivable	<u>\$ 4,122,650</u>	<u>\$ 1,180,321</u>
Receivable in less than one year	\$ 1,841,318	\$ 379,232
Receivable in one to five years	1,716,332	189,089
Receivable in five years and thereafter	<u>565,000</u>	<u>612,000</u>
	4,122,650	1,180,321
Discounts to present value	<u>(391,206)</u>	<u>(308,374)</u>
Net Pledges, Grants and Contributions Receivable	<u>\$ 3,731,444</u>	<u>\$ 871,947</u>

The discount rate used for pledges, grants and contributions receivable outstanding at June 30, 2018 and 2017 was 6% and 5.25%.

Ms. Foundation For Women, Inc.

Notes to Financial Statements
June 30, 2018 and 2017

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:

	2018	2017
Level 1 Investments		
Equity Securities		
Energy	\$ 1,648,241	\$ 1,446,719
Telecommunications services	255,441	307,341
Industrials	3,922,191	3,375,288
Consumer discretionary	3,495,334	3,658,854
Consumer staples	1,612,962	1,822,748
Healthcare	4,038,851	4,031,768
Financials	4,744,903	4,254,188
Materials	1,309,321	926,055
Utilities	378,386	608,226
Real estate	970,650	879,198
Information technology	5,004,158	4,990,238
Total Equity Securities	27,380,438	26,300,623
U.S. government obligations	1,446,172	1,250,283
Money market	1,649,134	2,825,578
Mutual Funds		
Intermediate government	-	1,164,811
World stock	1,452	286,245
High yield bond	3,249,591	1,746,210
Total Mutual Funds	3,251,043	3,197,266
Total Level 1 investments	33,726,787	33,573,750
Level 2 Investments		
Corporate bonds	2,917,176	2,920,397
Municipal bonds	1,071,558	1,324,448
Total Level 2 investments	3,988,734	4,244,845
Total Investments at Fair Value	37,715,521	37,818,595
Certificate of deposit	100,000	100,000
Alternative investment fund *	880,809	-
Total Investments	\$ 38,696,330	\$ 37,918,595

During the years ended June 30, 2018 and 2017 there were no transfers in or out of Levels 1, 2 or 3 of the fair value hierarchy.

* Ms. Foundation has an investment in one alternative investment fund ("Fund") whose investment policy is to invest in a diversified portfolio of stocks of high quality, non-U.S. companies that are selected with regard for both financial and sustainability criteria. The Fund generally invests in stocks with equity capitalization (including all classes) greater than \$1 billion (United States Dollar). The Fund primarily invests in stocks domiciled and traded in countries represented in the Morgan Stanley Capital International (MSCI) Emerging Markets Index. Ms. Foundation's redemption frequency in the Fund is monthly and the redemption notice period is 10 business days. Ms. Foundation has no unfunded commitment in the Fund.

Ms. Foundation For Women, Inc.

Notes to Financial Statements
June 30, 2018 and 2017

5. Investments and Investment Return (continued)

Alternative investments consist of non-traditional, not readily marketable investments, some of which may be structured as offshore limited partnerships, venture capital funds, hedge funds, private equity funds and common trust funds. The underlying investments of such funds, whether invested in stock or other securities, are generally not currently traded in a public market and typically are subject to restrictions on resale. Values determined by investment managers and general partners of underlying securities that are thinly traded or not traded in an active market may be based on historical cost, appraisals, a review of the investees' financial results, financial condition and prospects, together with comparisons to similar companies for which quoted market prices are available or other estimates that require varying degrees of judgment.

Because of the inherent uncertainty of valuations, the estimated fair values may differ significantly from the values that would have been used had a ready market for such investments existed or had such investments been liquidated, and those differences could be material.

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

	<u>2018</u>	<u>2017</u>
Dividends and interest of securities	\$ 747,796	\$ 690,237
Net realized gain on sale of investments	2,363,940	750,037
Unrealized gain on investments	84,249	3,370,030
Investment fees	<u>(376,649)</u>	<u>(355,762)</u>
	<u>\$ 2,819,336</u>	<u>\$ 4,454,542</u>

6. Furniture, Equipment and Leasehold Improvements

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

	<u>2018</u>	<u>2017</u>
Furniture and equipment	\$ 628,818	\$ 605,699
Leasehold improvements	<u>1,334,792</u>	<u>1,334,792</u>
	1,963,610	1,940,491
Accumulated depreciation and amortization	<u>(1,650,722)</u>	<u>(1,592,791)</u>
	<u>\$ 312,888</u>	<u>\$ 347,700</u>

Ms. Foundation For Women, Inc.

Notes to Financial Statements
June 30, 2018 and 2017

7. Temporarily Restricted Net Assets

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

	<u>2018</u>	<u>2017</u>
Economic Justice	\$ 643,124	\$ 126,084
Women's Health	258,616	282,886
Endowment Earnings	8,342,263	7,551,903
General Program	435,849	50,000
Kellogg Racial Equity	-	110,864
Donor Advised Grantmaking		
The Rabbit Fund	1,643,017	1,649,061
Gloria Fund	162,820	33,779
E.P. Fund	473,273	503,013
Ware Fund	27,767	28,189
Sophia Fund	3,018	2,741
OMA Fund	1,855,761	1,855,812
AWGC	7,672	16,178
General support restricted for future period	<u>2,643,887</u>	<u>638,987</u>
	<u>\$ 16,497,067</u>	<u>\$ 12,849,497</u>

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

	<u>2018</u>	<u>2017</u>
Economic Justice	\$ 515,978	\$ 233,374
Women's Health	657,739	643,600
Ending Violence	150,000	5,025
Endowment Earnings	1,450,000	1,400,000
General Program	320,000	40,000
Kellogg Racial Equity	110,864	14,136
Advocacy and Policy	5,000	17,500
Donor Advised Grantmaking		
The Rabbit Fund	129,920	129,920
Gloria Fund	35,000	39,000
E.P. Fund	67,500	67,500
Ware Fund	423	429
Sophia Fund	175,000	175,000
OMA Fund	136,864	126,864
R. Luxemburg Fund	-	33,250
AWGC	116,204	90,941
General support designated for June 30	<u>650,500</u>	<u>1,364,250</u>
	<u>\$ 4,520,992</u>	<u>\$ 4,380,789</u>

Ms. Foundation For Women, Inc.

Notes to Financial Statements
June 30, 2018 and 2017

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, 2018 and 2017, the amount of the pension expense is \$54,646 and \$56,252.

9. In-Kind Contributions

Ms. Foundation received in-kind miscellaneous expenses valued at an estimated \$6,253 and \$4,218 during the years ended June 30, 2018 and 2017.

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.

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:

2019	\$ 627,370
2020	649,255
2021	649,255
2022	649,255
2023	<u>324,627</u>
	<u>\$ 2,899,762</u>

Rent expense for 2018 and 2017 amounted to \$662,329 and \$655,274.

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>2018</u>	<u>2017</u>
Permanently Restricted Net Assets		
General Endowment Fund	\$ 22,510,029	\$ 22,510,029
Gloria Endowment Fund	1,815,348	1,823,199
Reproductive Justice Endowment Fund	<u>403,918</u>	<u>403,918</u>
	<u>\$ 24,729,295</u>	<u>\$ 24,737,146</u>

Ms. Foundation For Women, Inc.

Notes to Financial Statements
June 30, 2018 and 2017

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

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.

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.

Ms. Foundation For Women, Inc.

Notes to Financial Statements
June 30, 2018 and 2017

11. Permanently Restricted Net Assets and Endowments (continued)

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

	2018			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance at June 30, 2017	\$ 1,151,761	\$ 7,751,584	\$ 24,737,146	\$ 33,640,491
Cash transfers in	6,745	-	-	6,745
Interest and dividends	16,638	642,110	-	658,748
Realized gains	54,330	2,058,523	-	2,112,853
Investment expenses	(8,703)	(322,705)	(13,291)	(344,699)
Unrealized appreciation	1,085	67,207	5,440	73,732
Approved for expenditure	1,485,423	(1,485,423)	-	-
Drawdowns	(1,450,000)	-	-	(1,450,000)
Balance at June 30, 2018	<u>\$ 1,257,279</u>	<u>\$ 8,711,296</u>	<u>\$ 24,729,295</u>	<u>\$ 34,697,870</u>
Comprised of the following:				
Unrestricted	\$ 548,941	\$ -	\$ -	\$ 548,941
Board designated funds	708,338	-	-	708,338
Unappropriated endowment earnings	-	8,342,263	-	8,342,263
Donor restricted funds for purpose	-	369,033	-	369,033
Donor endowment	-	-	24,729,295	24,729,295
	<u>\$ 1,257,279</u>	<u>\$ 8,711,296</u>	<u>\$ 24,729,295</u>	<u>\$ 34,697,870</u>
	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	(1,592,136)	-	-	(1,592,136)
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	-	-	24,737,146	24,737,146
	<u>\$ 1,151,761</u>	<u>\$ 7,751,584</u>	<u>\$ 24,737,146</u>	<u>\$ 33,640,491</u>

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