

Ms. Foundation For Women, Inc.

Financial Statements

June 30, 2019 and 2018

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, 2019 and 2018, 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, 2019 and 2018, 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.

Board of Directors
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Change in Accounting Principle

As discussed in note 2 to the financial statements, during the year ended June 30, 2019, Ms. Foundation For Women, Inc. adopted new accounting guidance resulting in a change in the manner in which it presents net assets and reports certain aspects of its financial statements. Our opinion is not modified with respect to this matter.

PKF O'Connor Davies, LLP

November 4, 2019

Ms. Foundation for Women, Inc.

Statements of Financial Position

	June 30	
	2019	2018
ASSETS		
Cash and cash equivalents	\$ 4,706,207	\$ 2,555,080
Pledges, grants and contributions receivable, net	7,355,569	3,731,444
Accrued interest receivable	41,721	39,226
Prepaid expense and other receivables	65,470	98,071
Investments	37,265,398	38,696,330
Furniture, equipment and leasehold improvements, net	267,583	312,888
Artwork	77,000	77,000
Rent security deposits, restricted cash equivalent	140,429	140,429
	<u>\$ 49,919,377</u>	<u>\$ 45,650,468</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 317,466	\$ 257,543
Grants payable	2,493,000	1,644,000
Deferred rent	164,138	189,149
	<u>2,974,604</u>	<u>2,090,692</u>
Net Assets		
Without Donor Restrictions		
General operations	1,390,693	1,332,070
Board designated	1,020,995	1,001,344
	<u>2,411,688</u>	<u>2,333,414</u>
Total Net Assets Without Donor Restrictions		
With Donor Restrictions		
Time or purpose restricted	19,949,127	16,497,067
Perpetually restricted	24,583,958	24,729,295
	<u>44,533,085</u>	<u>41,226,362</u>
Total Net Assets With Donor Restrictions		
	<u>46,944,773</u>	<u>43,559,776</u>
	<u>\$ 49,919,377</u>	<u>\$ 45,650,468</u>

See notes to financial statements

Ms. Foundation For Women, Inc.

Statement of Activities Year Ended June 30, 2019

	Net Assets Without Donor Restrictions		Net Assets With Donor Restrictions		Total
	General Operations	Board Designated	Time or Purpose Restricted	Perpetually Restricted	
PUBLIC SUPPORT AND REVENUE					
Contributions and grants	\$ 2,105,380	\$ -	\$ 7,552,576	\$ -	\$ 9,657,956
Special events, net of direct donor benefit of \$276,130	679,659	-	(11,275)	-	668,384
Investment income, net	45,050	8,907	423,512	(16,186)	461,283
In-kind contributions	52,782	-	-	-	52,782
Net realized gain on investment transactions	-	71,288	3,155,404	-	3,226,692
Other income	48,152	-	-	-	48,152
Subtotal	2,931,023	80,195	11,120,217	(16,186)	14,115,249
Net assets for program services released from restrictions	5,007,991	-	(5,007,991)	-	-
Total Public Support and Revenue	7,939,014	80,195	6,112,226	(16,186)	14,115,249
EXPENSES					
Program Services					
Grants and capacity building	4,731,235	-	-	-	4,731,235
Advocacy and policy	34,357	-	-	-	34,357
Public education	739,098	-	-	-	739,098
Total Program Services	5,504,690	-	-	-	5,504,690
Supporting Services					
General and administration	1,235,442	-	-	-	1,235,442
Fundraising	1,140,259	-	-	-	1,140,259
Total Supporting Services	2,375,701	-	-	-	2,375,701
Total Expenses	7,880,391	-	-	-	7,880,391
Change in Net Assets Before Change in Unrealized (Loss) on Investments	58,623	80,195	6,112,226	(16,186)	6,234,858
Change in unrealized (loss) on investments	-	(60,544)	(2,660,166)	(129,151)	(2,849,861)
Change in Net Assets	58,623	19,651	3,452,060	(145,337)	3,384,997
NET ASSETS					
Beginning of year	1,332,070	1,001,344	16,497,067	24,729,295	43,559,776
End of year	\$ 1,390,693	\$ 1,020,995	\$ 19,949,127	\$ 24,583,958	\$ 46,944,773

See notes to financial statements

Ms. Foundation For Women, Inc.

Statement of Activities Year Ended June 30, 2018

	Net Assets Without Donor Restrictions		Net Assets With Donor Restrictions		Total
	General Operations	Board Designated	Time or Purpose Restricted	Perpetually Restricted	
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
Subtotal	2,537,872	69,011	8,090,840	(13,291)	10,684,432
Net assets for program services released from restrictions	4,587,992	(67,000)	(4,520,992)	-	-
Total Public Support and Revenue	7,125,864	2,011	3,569,848	(13,291)	10,684,432
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	4,787,006	-	-	-	4,787,006
Supporting Services					
General and administration	1,144,903	-	-	-	1,144,903
Fundraising	1,137,623	-	-	-	1,137,623
Total Supporting Services	2,282,526	-	-	-	2,282,526
Total Expenses	7,069,532	-	-	-	7,069,532
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	-	1,087	77,722	5,440	84,249
Change in Net Assets	56,332	3,098	3,647,570	(7,851)	3,699,149
NET ASSETS					
Beginning of year	1,275,738	998,246	12,849,497	24,737,146	39,860,627
End of year	\$ 1,332,070	\$ 1,001,344	\$ 16,497,067	\$ 24,729,295	\$ 43,559,776

See notes to financial statements

Ms. Foundation For Women, Inc.

Statement of Functional Expenses Year Ended June 30, 2019

	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	Girls Fund Initiative	Donor Advised Grantmaking	Leadership/ Capacity Building	Total Grants and Capacity Building	Advocacy and Policy						Public Education
Grant awards	\$ 705,000	\$ 670,000	\$ 180,000	\$ 300,000	\$ 304,000	\$ 585,000	\$ 2,744,000	\$ -	\$ -	\$ 2,744,000	\$ -	\$ 5,000	\$ 5,000	\$ 2,749,000
Convenings	4,982	18,508	41,065	-	-	20,000	84,555	-	-	84,555	-	48	48	84,603
Personnel costs	261,751	192,310	59,712	95,174	-	507,926	1,116,873	26,950	292,757	1,436,580	584,463	538,407	1,122,870	2,559,450
Consultants and outside services	2,665	2,315	74,522	62,911	1,713	69,658	213,784	110	292,979	506,873	75,238	178,772	254,010	760,883
Legal and auditing services	356	312	132	64	-	225	1,089	16	394	1,499	37,492	1,810	39,302	40,801
Rent and office	122,168	111,883	42,822	14,967	2,575	87,282	381,697	7,076	106,827	495,600	282,255	270,300	552,555	1,048,155
Travel	8,058	3,321	188	332	223	21,318	33,440	95	16,368	49,903	72,603	42,560	115,163	165,066
Space rental and catering	123	116	30	10	5,302	348	5,929	10	9,752	15,691	6,671	506	7,177	22,868
Mailhouse and acquisition	-	-	-	-	-	-	-	-	8,963	8,963	-	29,109	29,109	38,072
Memberships and subscriptions	458	527	167	81	565	50,676	52,474	21	2,884	55,379	35,098	17,270	52,368	107,747
Printing and graphic design	43	43	6	-	-	34	126	5	2,658	2,789	684	7,579	8,263	11,052
Conferences and staff development	8,165	1,249	206	68	-	9,948	19,636	64	2,378	22,078	16,494	4,953	21,447	43,525
Insurance	-	-	-	-	-	-	-	-	-	-	56,956	-	56,956	56,956
Outside events and other charitable expenses	-	-	-	-	400	76,000	76,400	-	-	76,400	3,008	-	3,008	79,408
Uncollectable contributions	-	-	-	-	-	-	-	-	-	-	-	21,750	21,750	21,750
Special event expenses	-	-	-	-	-	-	-	-	-	-	-	276,130	276,130	276,130
Miscellaneous expenses	115	111	25	6	240	735	1,232	10	3,138	4,380	2,175	22,195	24,370	28,750
Total Expenses Before Depreciation and Amortization	1,113,884	1,000,695	398,875	473,613	315,018	1,429,150	4,731,235	34,357	739,098	5,504,690	1,173,137	1,416,389	2,589,526	8,094,216
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	62,305	-	62,305	62,305
Total Functional Expenses	1,113,884	1,000,695	398,875	473,613	315,018	1,429,150	4,731,235	34,357	739,098	5,504,690	1,235,442	1,416,389	2,651,831	8,156,521
Less: cost of direct benefit to donors	-	-	-	-	-	-	-	-	-	-	-	(276,130)	(276,130)	(276,130)
Total Expenses	\$ 1,113,884	\$ 1,000,695	\$ 398,875	\$ 473,613	\$ 315,018	\$ 1,429,150	\$ 4,731,235	\$ 34,357	\$ 739,098	\$ 5,504,690	\$ 1,235,442	\$ 1,140,259	\$ 2,375,701	\$ 7,880,391

See notes to financial statements

Ms. Foundation For Women, Inc.

Statement of Functional Expenses Year Ended June 30, 2018

	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	\$ 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
Uncollectable contributions	-	-	-	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
Special event expenses	-	-	-	-	-	-	-	-	-	-	-	279,275	279,275	279,275
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	1,416,898	2,503,870	7,290,876
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	57,931	-	57,931	57,931
Total Functional 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	1,416,898	2,561,801	7,348,807
Less: cost of direct benefit to donors	-	-	-	-	-	-	-	-	-	-	-	(279,275)	(279,275)	(279,275)
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.

Statements of Cash Flows

	Year Ended June 30	
	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 3,384,997	\$ 3,699,149
Adjustments to reconcile change in net assets to net cash from operating activities		
Uncollectable contributions	21,750	8,795
Depreciation and amortization	62,305	57,931
Realized gain on sales of investments	(3,226,692)	(2,363,940)
Unrealized loss (gain) on investments	2,849,861	(84,249)
Deferred rent	(25,011)	(3,127)
Change in operating assets and liabilities		
Pledges, grants and contributions receivable	(3,645,875)	(2,868,292)
Accrued interest receivable	(2,495)	(3,099)
Prepaid expenses and other receivables	32,601	22,805
Accounts payable and accrued expenses	59,923	(168)
Grants payable	<u>849,000</u>	<u>1,306,000</u>
Net Cash from Operating Activities	<u>360,364</u>	<u>(228,195)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of furniture, equipment and leasehold improvements	(17,000)	(23,119)
Proceeds from sale of investments	24,739,432	17,674,112
Purchases of investments	<u>(22,931,669)</u>	<u>(16,003,658)</u>
Net Cash from Investing Activities	<u>1,790,763</u>	<u>1,647,335</u>
Net Change in Cash and Cash Equivalents	2,151,127	1,419,140
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>2,555,080</u>	<u>1,135,940</u>
End of year	<u>\$ 4,706,207</u>	<u>\$ 2,555,080</u>

See notes to financial statements

Ms. Foundation For Women, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

1. Organization

The Ms. Foundation For Women, Inc.'s ("Ms. Foundation") mission is to build women's collective power in the U.S. to advance equity and justice for all. Ms. Foundation achieves the mission by investing in and strengthening the capacity of women-led movements, to advance meaningful social, cultural and economic change in the lives of all women and girls.

Since 1973, the Ms. Foundation has invested more than \$70 million into building the power of women in social justice fields, serving as a conduit to the philanthropic sector as an intermediary funder investing in women and girls. The vision is to create a just and safe world where power and possibility are not limited by gender, race, class, sexual orientation, gender identity, disability or age. Ms. Foundation believes that equity and inclusion are the cornerstones of a true democracy in which the worth and dignity of every person are valued.

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

Through the core strategies – grantmaking and capacity building, philanthropic advocacy, policy and advocacy, strategic communications, and building connections – Ms. Foundation achieves maximum social impact.

Grantmaking and Capacity Building

The grantmaking and capacity building strategy seeks to leverage the voice, power and expertise of women and girls of color, including transgender women and girls of color, and indigenous women and girls, to transform systemic conditions so that they can live full, secure and healthy lives, and to ensure safety, health and economic opportunity for all. There is an emphasis on supporting organizations led by women and girls of color organizations, and a priority focus on the U.S. South.

The key focus areas are women's safety, health and economic justice ("SHE"), which are central to the theory of change, and address the multiplicity of challenges faced by women and girls of color in particular. In addition, Ms. Foundation is developing a new grantmaking and capacity building initiative to support movement building and advocacy led by and/or centering girls of color. Ms. Foundation is one of seven partner funds in the Global Girls Fund Initiative established by the NoVo Foundation.

Philanthropic Advocacy

Through the philanthropic advocacy, Ms. Foundation builds on the collective power of women and deploys a multi-pronged strategy designed to educate and move the philanthropic field towards increasing funding and resources for organizations led by women of color or at the intersection of gender and racial equity.

Ms. Foundation For Women, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

1. Organization (continued)

Advocacy and Policy

The Ms. Foundation's advocacy and policy work provides thought leadership on structural barriers to equity and justice, and amplifies grassroots voices on social, culture, and legislative policies and practices to improve the lives of women, girls and their communities.

Strategic Communications

The Ms. Foundation aims to create a narrative shift that centers inclusive gender and racial equity in the public discourse. Ms. Foundation develops powerful messaging strategies through public education, digital media, messaging, activism, and thought leadership.

Building Connections

As the oldest women's fund in the country, and with a network of thousands of current and former grantees, donors and allies, the Ms. Foundation plays a critical role in incubating innovation across diverse social movements and sectors in support of gender and racial equity.

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").

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.

Change in Accounting Principle

On July 1, 2018, Ms. Foundation adopted new guidance regarding the presentation of Financial Statements for Not-for-Profit Entities. This guidance requires Ms. Foundation to collapse the three-category (unrestricted, temporarily restricted, and permanently restricted) classification of net assets into two categories: with donor restrictions and without restrictions. In addition, the new guidance requires Ms. Foundation to make certain expanded disclosures relating to (1) the liquidity of financial assets, and (2) expenses by both their natural and functional classification in one location in the financial statements. As a result of implementing this standard prior year amounts for unrestricted net assets are now presented as net assets without donor restrictions. Temporarily restricted net assets and permanently restricted assets are combined as net assets with donor restrictions.

Ms. Foundation For Women, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

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

Net Asset Presentation

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 net assets with and without donor restrictions. Amounts without restrictions are not subject to donor-imposed stipulations and are currently available at the discretion of the Board of Directors for use in the Ms. Foundation's operations. Amounts with donor restrictions are those which are stipulated by donors for specific purposes or restricted by time. Perpetually restricted amounts are donor restricted to provide a permanent endowment for operations.

Net Assets without Donor Restrictions 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 net assets without donor restrictions 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 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 net assets with donor restrictions 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction.

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

Grant Expenses

Contributions made and unconditional promises to give are recognized as expenses in the period made.

Ms. Foundation For Women, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

2. Summary of Significant Accounting Policies (continued)

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. The expenses that are common to several functions include personnel costs which are allocated among the program and supporting services benefited based on estimates of time and effort.

Cash Equivalents

Ms. Foundation considers all 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, 2019 and 2018, 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 follows U.S. GAAP guidance which removed the requirements to categorize within the fair value hierarchy alternative investments where fair value is measured using the Net Asset Value ("NAV") per share as a practical expedient.

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.

Ms. Foundation For Women, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

2. Summary of Significant Accounting Policies (continued)

Investments and Investment Income (continued)

The fair value of alternative investments has been estimated using 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 or decrease in net assets without donor restrictions unless otherwise specified by donors.

Ms. Foundation pools certain investments with and without donor restrictions. Investment income and appreciation (depreciation) 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 2016.

Ms. Foundation For Women, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

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 4, 2019.

3. Concentration of Credit Risk

Financial instruments that potentially subjects Ms. Foundation to concentrations of credit risk consist principally of cash, temporary cash investments, pledges, 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 pledges, 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>2019</u>	<u>2018</u>
Restricted for future operations	\$ 3,915,943	\$ 2,911,247
Restricted for purpose	<u>3,919,132</u>	<u>1,211,403</u>
Total Pledges, Grants and Contributions Receivable	<u>\$ 7,835,075</u>	<u>\$ 4,122,650</u>
Receivable in less than one year	\$ 4,129,207	\$ 1,841,318
Receivable in one to five years	3,254,540	1,716,332
Receivable in five years and thereafter	<u>451,328</u>	<u>565,000</u>
	7,835,075	4,122,650
Discounts to present value	<u>(479,506)</u>	<u>(391,206)</u>
Net Pledges, Grants and Contributions Receivable	<u>\$ 7,355,569</u>	<u>\$ 3,731,444</u>

The discount rate used for pledges, grants and contributions receivable outstanding at June 30, 2019 and 2018 was 6.50% and 6%.

Ms. Foundation For Women, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

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:

	2019	2018
Level 1 Investments		
Equity Securities		
Energy	\$ 1,016,540	\$ 1,648,241
Telecommunications services	511,840	255,441
Industrials	2,630,903	3,922,191
Consumer discretionary	2,727,719	3,495,334
Consumer staples	1,747,133	1,612,962
Healthcare	3,137,584	4,038,851
Financials	3,302,125	4,744,903
Materials	965,891	1,309,321
Utilities	761,206	378,386
Real estate	1,029,853	970,650
Information technology	5,440,173	5,004,158
Total Equity Securities	23,270,967	27,380,438
U.S. government obligations	2,132,698	1,446,172
Money market	1,641,489	1,649,134
Mutual Funds		
World stock	-	1,452
Close-ended fund	1,770	-
High yield bond	4,831,591	3,249,591
Total Mutual Funds	4,833,361	3,251,043
Total Level 1 investments	31,878,515	33,726,787
Level 2 Investments		
Corporate bonds	3,353,378	2,917,176
Municipal bonds	1,113,240	1,071,558
Total Level 2 investments	4,466,618	3,988,734
Alternative investment fund *	820,265	880,809
Total Investments at Fair Value	37,165,398	38,596,330
Certificate of deposit, at cost	100,000	100,000
Total Investments	\$ 37,265,398	\$ 38,696,330

During the years ended June 30, 2019 and 2018 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, 2019 and 2018

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>2019</u>	<u>2018</u>
Dividends and interest of securities	\$ 804,735	\$ 747,796
Net realized gain on sale of investments	3,226,692	2,363,940
Unrealized (loss) gain on investments	(2,849,861)	84,249
Investment fees	<u>(343,452)</u>	<u>(376,649)</u>
	<u>\$ 838,114</u>	<u>\$ 2,819,336</u>

6. Furniture, Equipment and Leasehold Improvements

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

	<u>2019</u>	<u>2018</u>
Furniture and equipment	\$ 645,818	\$ 628,818
Leasehold improvements	<u>1,334,792</u>	<u>1,334,792</u>
	1,980,610	1,963,610
Accumulated depreciation and amortization	<u>(1,713,027)</u>	<u>(1,650,722)</u>
	<u>\$ 267,583</u>	<u>\$ 312,888</u>

Ms. Foundation For Women, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

7. Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30 are available for the following purposes:

	<u>2019</u>	<u>2018</u>
Economic Justice	\$ 461,597	\$ 643,124
Women's Health	424,010	258,616
Endowment Earnings	7,622,823	8,342,263
General Program	550,000	435,849
Girls Fund Initiative	2,924,004	-
Donor Advised Grantmaking		
The Rabbit Fund	1,549,409	1,643,017
Gloria Fund	133,912	162,820
E.P. Fund	417,363	473,273
Ware Fund	27,350	27,767
Sophia Fund	3,708	3,018
OMA Fund	1,728,814	1,855,761
AWGC	2,701	7,672
General support restricted for future periods	<u>4,103,436</u>	<u>2,643,887</u>
	<u>\$ 19,949,127</u>	<u>\$ 16,497,067</u>

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

	<u>2019</u>	<u>2018</u>
Economic Justice	\$ 198,508	\$ 515,978
Women's Health	410,749	657,739
Ending Violence	100,000	150,000
Endowment Earnings	1,495,000	1,450,000
General Program	80,000	320,000
Kellogg Racial Equity	-	110,864
Advocacy and Policy	-	5,000
Girls Fund Initiative	507,874	-
Donor Advised Grantmaking		
The Rabbit Fund	129,920	129,920
Gloria Fund	83,500	35,000
E.P. Fund	67,500	67,500
Ware Fund	417	423
Sophia Fund	175,000	175,000
OMA Fund	156,226	136,864
R. Luxemburg Fund	-	-
AWGC	101,197	116,204
General support designated for the year	<u>1,502,100</u>	<u>650,500</u>
	<u>\$ 5,007,991</u>	<u>\$ 4,520,992</u>

Ms. Foundation For Women, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

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, 2019 and 2018, the amount of the pension expense is \$53,015 and \$54,646.

9. In-Kind Contributions

Ms. Foundation received in-kind special event direct expenses valued at an estimated \$52,782 during the year-ended June 30, 2019 and miscellaneous expenses of \$6,253 during the year ended June 30, 2018.

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:

2020	\$	649,255
2021		649,255
2022		649,255
2023		324,627
		<u>\$ 2,272,392</u>

Rent expense for 2019 and 2018 amounted to \$694,562 and \$662,329.

Ms. Foundation For Women, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

11. Liquidity and Availability

The following represents the approximate amounts of Ms. Foundation's financial assets at June 30, 2019, reduced by the approximate amounts not available for general uses within one year of that date because of contractual or donor-imposed restrictions:

Financial Assets:	
Cash and cash equivalents	\$ 4,706,207
Pledges, grants and contributions receivable, net	7,355,569
Accrued interest receivable	41,721
Investments	<u>37,265,398</u>
Total Financial Assets	49,368,895
Less: donor restrictions related to time or purpose	(19,949,127)
Less: donor restrictions perpetually restricted	(24,583,958)
Less: board designated	(1,020,995)
Add: amount appropriated for 2020	<u>2,105,000</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 5,919,815</u>

Ms. Foundation maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. As part of Ms. Foundation's liquidity management strategy, Ms. Foundation seeks to maintain adequate liquidity to meet its obligations, including planned expenditures as approved by the Board. Ms. Foundation structures its financial assets to be available as its grant payments and other general liabilities come due.

At June 30, 2019, Ms. Foundation has a Board designated fund of \$1,020,995. Ms. Foundation's board designated fund was established by the Board of Directors, with the objective of setting funds aside to be drawn upon in the event of need by Ms. Foundation.

12. Perpetually Restricted Net Assets and Endowments

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

	<u>2019</u>	<u>2018</u>
Perpetually Restricted Net Assets		
General Endowment Fund	\$ 22,510,029	\$ 22,510,029
Gloria Endowment Fund	1,670,011	1,815,348
Reproductive Justice Endowment Fund	<u>403,918</u>	<u>403,918</u>
	<u>\$ 24,583,958</u>	<u>\$ 24,729,295</u>

Ms. Foundation For Women, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

12. Perpetually 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:

5% of the fair value of the endowment as determined by averaging the quarter-end market value of the endowment 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, 2019 and 2018

12. Perpetually Restricted Net Assets and Endowments *(continued)*

The following is a reconciliation of the activity in the endowment for the years ended June 30:

	2019			
	Net Assets Without Donor Restrictions	Time or Purpose Restricted	Perpetually Restricted	Total
Balance at June 30, 2018	\$ 1,257,279	\$ 8,711,296	\$ 24,729,295	\$ 34,697,870
Interest and dividends	16,277	670,566	-	686,843
Realized gains	71,361	2,819,833	-	2,891,194
Investment expenses	(7,365)	(290,151)	(16,186)	(313,702)
Unrealized depreciation	(60,492)	(2,359,033)	(129,151)	(2,548,676)
Approved for expenditure	1,578,917	(1,578,917)	-	-
Drawdowns	(1,495,000)	-	-	(1,495,000)
Balance at June 30, 2019	<u>\$ 1,360,977</u>	<u>\$ 7,973,594</u>	<u>\$ 24,583,958</u>	<u>\$ 33,918,529</u>
Comprised of the following:				
Unrestricted	\$ 632,858	\$ -	\$ -	\$ 632,858
Board designated funds	728,119	-	-	728,119
Unappropriated endowment earnings	-	7,622,823	-	7,622,823
Donor restricted funds for purpose	-	350,771	-	350,771
Donor endowment	-	-	24,583,958	24,583,958
	<u>\$ 1,360,977</u>	<u>\$ 7,973,594</u>	<u>\$ 24,583,958</u>	<u>\$ 33,918,529</u>
	2018			
	Net Assets Without Donor Restrictions	Time or Purpose Restricted	Perpetually 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>

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