



THE NEW YORK WOMEN'S FOUNDATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2015 and 2014

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The New York Women's Foundation, Inc.
New York, New York

Report on the Financial Statements

We have audited the accompanying financial statements of The New York Women's Foundation, Inc. (the "Foundation"), which comprise the statements of financial position as of December 31, 2015 and 2014, 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 audits 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 auditor judgments, 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 auditors consider 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 New York Women's Foundation, Inc. as of December 31, 2015 and 2014, 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.



New York, New York
March 31, 2016

THE NEW YORK WOMEN'S FOUNDATION, INC.

Statements of Financial Position

	December 31,	
	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and cash equivalents	\$ 5,471,949	\$ 4,952,560
Restricted cash	969,103	36,536
Pledges receivable, net	8,098,394	512,072
Investments	8,135,651	9,231,828
Beneficial interest in a charitable lead annuity trust, net	935,956	915,043
Prepaid expenses	92,445	111,808
Property and equipment, net	148,795	180,233
Other assets	<u>102,532</u>	<u>102,357</u>
	<u>\$ 23,954,825</u>	<u>\$ 16,042,437</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 272,657	\$ 266,334
Grants payable	139,950	140,000
Deferred rent liability	160,730	155,843
Deferred contribution revenue	<u>127,000</u>	<u>125,500</u>
Total liabilities	<u>700,337</u>	<u>687,677</u>
Commitments and contingencies (Note G)		
Net assets:		
Unrestricted:		
Current	3,808,594	3,684,267
Board-designated endowment	<u>6,072,304</u>	<u>6,877,960</u>
Total unrestricted	9,880,898	10,562,227
Temporarily restricted	11,573,995	2,992,938
Permanently restricted	<u>1,799,595</u>	<u>1,799,595</u>
Total net assets	<u>23,254,488</u>	<u>15,354,760</u>
	<u>\$ 23,954,825</u>	<u>\$ 16,042,437</u>

See notes to financial statements.

THE NEW YORK WOMEN'S FOUNDATION, INC.

Statements of Activities

	Year Ended December 31,							
	2015			2014				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public support and revenues:								
Public support:								
Contributions	\$ 5,819,702	\$ 5,107,720		\$ 10,927,422	\$ 1,000,559	\$ 65,886		\$ 1,066,445
Foundation grants	337,894	5,143,181		5,481,075	257,056	587,000		844,056
Revenue from special events:								
"Celebrating Women" (net of direct benefit to donors of \$149,497 in 2015 and \$152,489 in 2014)	1,872,156			1,872,156	2,028,657			2,028,657
A Starlight Dinner (net of direct benefit to donors of \$85,088 in 2015 and \$90,194 in 2014)	546,450			546,450	727,317			727,317
Neighborhood Dinner (net of direct benefit to donors of \$16,175 in 2015 and \$24,500 in 2014)	223,640			223,640	183,845			183,845
Donated goods and services	90,425			90,425	110,041			110,041
Change in value of charitable lead annuity trust		45,931		45,931		44,708		44,708
Total public support	<u>8,890,267</u>	<u>10,296,832</u>		<u>19,187,099</u>	<u>4,307,475</u>	<u>697,594</u>		<u>5,005,069</u>
Revenues:								
Administrative fee	126,936			126,936				
Other income	40,327			40,327				
Interest and dividend income, net	49,268	20,925		70,193	34,978	14,944		49,922
Net realized and unrealized (losses) gains on investments	(332,069)	(138,009)		(470,078)	387,592	160,275		547,867
Total (losses) revenues	<u>(115,538)</u>	<u>(117,084)</u>		<u>(232,622)</u>	<u>422,570</u>	<u>175,219</u>		<u>597,789</u>
Total public support and revenues	<u>8,774,729</u>	<u>10,179,748</u>		<u>18,954,477</u>	<u>4,730,045</u>	<u>872,813</u>		<u>5,602,858</u>
Net assets released from restrictions	1,598,691	(1,598,691)		0	3,894,453	(3,894,453)		0
	<u>10,373,420</u>	<u>8,581,057</u>		<u>18,954,477</u>	<u>8,624,498</u>	<u>(3,021,640)</u>		<u>5,602,858</u>
Expenses:								
Program services:								
Grants and awards	6,000,000			6,000,000	5,288,600			5,288,600
Other program-related	2,571,563			2,571,563	2,331,827			2,331,827
	<u>8,571,563</u>			<u>8,571,563</u>	<u>7,620,427</u>			<u>7,620,427</u>
Supporting services:								
General and administrative	598,475			598,475	515,303			515,303
Fund-raising	1,884,711			1,884,711	1,628,610			1,628,610
Total supporting services	<u>2,483,186</u>			<u>2,483,186</u>	<u>2,143,913</u>			<u>2,143,913</u>
Total expenses	<u>11,054,749</u>			<u>11,054,749</u>	<u>9,764,340</u>			<u>9,764,340</u>
Change in net assets	(681,329)	8,581,057		7,899,728	(1,139,842)	(3,021,640)		(4,161,482)
Net assets - January 1	10,562,227	2,992,938	\$ 1,799,595	15,354,760	11,702,069	6,014,578	\$ 1,799,595	19,516,242
Net assets - December 31	\$ 9,880,898	\$ 11,573,995	\$ 1,799,595	\$ 23,254,488	\$ 10,562,227	\$ 2,992,938	\$ 1,799,595	\$ 15,354,760

See notes to financial statements.

THE NEW YORK WOMEN'S FOUNDATION, INC.

Statements of Functional Expenses

Year Ended December 31,

	2015				2014			
	Program Expenses	General and Administrative	Fund-Raising	Total	Program Expenses	General and Administrative	Fund-Raising	Total
Grants and awards	\$ 6,000,000			\$ 6,000,000	\$ 5,288,600			\$ 5,288,600
Salaries and wages	1,434,788	\$ 280,592	\$ 861,072	2,576,452	1,093,657	\$ 274,617	\$ 748,147	2,116,421
Payroll taxes and employee benefits	270,676	46,337	151,470	468,483	189,012	42,585	133,492	365,089
Professional and consulting fees (including in-kind contributions of \$90,425 and \$108,220 in 2015 and 2014, respectively)	499,115	97,625	198,694	795,434	760,400	71,601	156,189	988,190
Office supplies and expenses	23,313	15,051	18,036	56,400	23,731	12,765	15,941	52,437
Printing and publications	71,040	937	23,163	95,140	19,501	830	10,322	30,653
Postage and delivery	2,762	1,267	33,541	37,570	1,015	785	32,357	34,157
Travel, meetings and conferences	71,445	8,543	20,498	100,486	27,344	5,414	19,908	52,666
Promotion and advertising	8,000		2,000	10,000	6,960		1,490	8,450
Computer expense	14,860	6,708	32,591	54,159	23,824	6,026	21,950	51,800
Occupancy and utilities	112,849	67,664	101,512	282,025	121,338	57,871	93,026	272,235
Telephone	7,874	4,724	7,087	19,685	8,038	3,662	6,162	17,862
Miscellaneous expense	6,217	4,192	23,995	34,404	4,865	8,416	28,625	41,906
Dues and subscriptions	14,572	8,296	12,766	35,634	20,264	3,966	7,692	31,922
Repairs and maintenance	3,031	2,566	2,728	8,325	2,212	4,506	1,696	8,414
Event expense (including in-kind contribution of \$1,821 in 2014)	1,080		370,637	371,717	892		329,553	330,445
Equipment rental	5,215	3,129	4,693	13,037	6,386	2,909	4,896	14,191
Total expenses before depreciation and bad debts expense	8,546,837	547,631	1,864,483	10,958,951	7,598,039	495,953	1,611,446	9,705,438
Depreciation	24,726	13,485	20,228	58,439	22,388	10,200	17,164	49,752
Bad debts expense		37,359		37,359		9,150		9,150
	<u>\$ 8,571,563</u>	<u>\$ 598,475</u>	<u>\$ 1,884,711</u>	<u>\$11,054,749</u>	<u>\$ 7,620,427</u>	<u>\$ 515,303</u>	<u>\$ 1,628,610</u>	<u>\$ 9,764,340</u>

See notes to financial statements.

THE NEW YORK WOMEN'S FOUNDATION, INC.

Statements of Cash Flows

	Year Ended December 31,	
	2015	2014
Cash flows from operating activities:		
Change in net assets	\$ 7,899,728	\$ (4,161,482)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized losses (gains) on investments	470,078	(547,867)
Depreciation	58,439	49,752
Bad debts	37,359	9,150
Donated securities	(91,171)	(210,972)
Proceeds from donated securities	91,171	210,972
Changes in:		
Pledges receivable	(7,623,681)	2,578,350
Beneficial interest charitable annuity lead trust	(20,913)	(23,860)
Prepaid expenses	19,363	(9,402)
Other assets	(175)	(2,070)
Accounts payable and accrued expenses	6,323	84,996
Grants payable	(50)	(2,222,500)
Deferred rent liability	4,887	12,267
Deferred contribution revenue	1,500	(55,000)
	<u>852,858</u>	<u>(4,287,666)</u>
Net cash provided by (used in) operating activities		
Cash flows from investing activities:		
Purchases of investments	(9,042,137)	(3,643,988)
Proceeds from sales of investments	9,668,236	4,054,549
Purchases of property and equipment	(27,001)	(31,313)
	<u>599,098</u>	<u>379,248</u>
Net cash provided by investing activities		
Net change in cash and cash equivalents	1,451,956	(3,908,418)
Cash and cash equivalents - January 1	<u>4,989,096</u>	<u>8,897,514</u>
Cash and cash equivalents – December 31	<u>\$ 6,441,052</u>	<u>\$ 4,989,096</u>
Supplemental data:		
Noncash donation of goods and services	<u>\$ 90,425</u>	<u>\$ 110,041</u>

THE NEW YORK WOMEN'S FOUNDATION, INC.

Notes to Financial Statements December 31, 2015 and 2014

NOTE A - THE FOUNDATION AND ITS SIGNIFICANT ACCOUNTING POLICIES

[1] The Foundation:

The New York Women's Foundation, Inc. (the "Foundation"), formed in 1987 and incorporated in New York, is a cross-cultural alliance of women catalyzing partnerships and leveraging human and financial capital to achieve sustained economic security and justice for women and girls in New York City. The Foundation strategically funds organizations and programs that move women and families toward long-term economic security, health and stability through individual transformation and systemic change. The Foundation responds directly to community needs and is often one of the first institutions to support women-led, community-based nonprofits. The Foundation supports organizations and programs that apply gender, racial, economic and social-justice lenses to their work and express an understanding and willingness to work toward eradicating the root causes of poverty. Additionally, the Foundation mobilizes hearts, minds and resources to create an equitable and just future for women, families and communities in New York City.

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation under Section 509(a) of the Code. It is also exempt from state and local taxes under comparable laws.

[2] Basis of accounting:

The accompanying financial statements of the Foundation have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations.

[3] Functional allocation of expenses:

Expenses are classified according to the programs for which they were incurred and are summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services in reasonable ratios determined by management.

[4] Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

[5] Cash and cash equivalents:

The Foundation's policy is to classify all liquid investments with original maturities of three months or less as cash equivalents. Cash equivalents also include investments in money-market funds.

[6] Investments:

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the accompanying statements of financial position, with realized and unrealized gains and losses included in the accompanying statements of activities.

Investment transactions are recorded on a trade-date basis. Realized gains or losses on investments are determined by comparison of the average cost of acquisition to proceeds at the time of disposition. The earnings from dividends and interest are recognized when earned.

THE NEW YORK WOMEN'S FOUNDATION, INC.

Notes to Financial Statements December 31, 2015 and 2014

NOTE A - THE FOUNDATION AND ITS SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[6] Investments: (continued)

Donated securities are recorded at their fair values, as determined by the proceeds received on the date of sale or by the net asset value as determined by the fund manager. The Foundation's policy is to sell donated securities immediately, and, accordingly, for purposes of the statement of cash flows, donated securities and the proceeds generated from their sale are included as operating activities.

Investment expenses include the services of bank trustees, investment managers and custodians. The investment advisory fees disclosed in Note D are those specific fees charged by the Foundation's various investment managers in each year; however, they do not include those fees that are embedded in various other investment accounts and transactions.

[7] Revenue recognition:

a. Contributions:

Contributions are recorded as revenue upon receipt of cash or unconditional pledges and are considered available for unrestricted use, unless specifically restricted by the donor. Contributions to be received over periods longer than a single year are discounted at an interest rate commensurate with the risk involved. Conditional contributions are recorded when the specified conditions have been met.

b. Deferred contribution revenue:

Cash received as payment for conditional pledges are recorded as deferred contribution revenue until the condition has been satisfied. Conditions relating to the balance recorded in deferred contributions have been met subsequent to year-end.

c. Administrative management fees:

Administrative fees include management fees charged by the Foundation for financial administration of fiscal sponsorship programs and on grants received to cover administrative overhead costs. These amounts have been included in the accompanying statements of activities.

[8] Property and equipment:

Property and equipment are stated at their costs at dates of acquisition or at their fair values at the dates of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, ranging from three to ten years. Leasehold improvements are amortized over the useful lives of the assets or over the term of the lease.

The Foundation capitalizes furniture and equipment with a cost of \$2,000 or more, website development costs in amounts over \$10,000, and software and leasehold improvements with a cost of \$5,000 or more.

[9] Prepaid expenses:

Amounts expended in relation to each following year's "Celebrating Women" breakfast are reported in the accompanying financial statements as prepaid expenses.

THE NEW YORK WOMEN'S FOUNDATION, INC.

Notes to Financial Statements December 31, 2015 and 2014

NOTE A - THE FOUNDATION AND ITS SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[10] Advertising:

The Foundation expenses the cost of advertising as incurred. Advertising expense for 2015 and 2014 was \$10,000 and \$8,450, respectively.

[11] Income taxes:

The Foundation is subject to the provisions of the Financial Accounting Standards Board's (the "FASB") Accounting Standards Codification ("ASC") Topic 740, *Income Taxes*, as it relates to accounting and reporting for uncertainty in income taxes. Because of the Foundation's general tax-exempt status, management believes that ASC Topic 740 has not had, and is not expected to have, a material impact on the Foundation's financial statements.

[12] Fair-value measurement:

The Foundation reports a fair-value measurement of all applicable financial assets and liabilities, including investments, pledges, receivable and short-term payables.

[13] Beneficial interest in a charitable lead annuity trust:

Contribution revenue for charitable lead annuity trusts is recognized upon the establishment of the agreement, at the fair value of the estimated future receipts, discounted for the estimated time period necessary to complete the agreement. Gains or losses resulting from changes in actuarial assumptions and accretions of the discount are recorded as increases or decreases in the respective net-asset class in the accompanying statements of activities.

On December 31, 2013, the Foundation became the beneficiary of an irrevocable charitable lead annuity trust (the "Trust"). Under the Trust agreement, the Foundation is entitled to receive annual annuity payments for fifteen years. The funds in the Trust are managed by an unrelated trustee. The original donated value of the Trust was \$1,500,000 and is included at its fair market value, adjusted for present value, in the accompanying statements of financial position. During 2015 and 2014, the Foundation recognized contribution revenue from the Trust agreement of \$45,931 and \$44,708, respectively, using a discount rate of 5%. Actual annuity payments of \$25,017 and \$20,848 were received during 2015 and 2014, respectively. The estimated fair value of the Trust as of December 31, 2015 and 2014 was \$935,956 and \$915,043, respectively.

[14] Accrued vacation:

Based on their tenure, the Foundation's employees are entitled to be paid for unused vacation time, for a period of up to 20 days, if they leave the Foundation's employ. Accordingly, at each year-end, the Foundation must recognize a liability for the amount that would be incurred if employees with such unused vacation time were to leave. At December 31, 2015 and 2014, this accrued vacation obligation was approximately \$85,000 and \$70,000, respectively.

[15] Deferred rent payable:

The difference between rent expense incurred by the Foundation on an accrual basis and the rent amounts paid in cash, as well as the unamortized portion of rent concessions, is reported as deferred rent payable in the accompanying statements of financial position.

THE NEW YORK WOMEN'S FOUNDATION, INC.

Notes to Financial Statements December 31, 2015 and 2014

NOTE A - THE FOUNDATION AND ITS SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[16] Net assets:

a. *Unrestricted:*

Unrestricted net assets represent those resources that are not subject to donor restrictions and are available for current operations. The Foundation's board-designated endowment fund, which is an investment fund functioning as an endowment but subject to other uses at the discretion of the Board of Directors, is presented as unrestricted, as there are no donor restrictions on the use of these assets.

b. *Temporarily restricted:*

Temporarily restricted net assets represent those resources that are subject to the requirements of the New York Prudent Management of Funds Act ("NYPMIFA") and the use of which has been restricted by donors or state law to specific purposes and/or the passage of time. When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and are reported in the accompanying statements of activities as "net assets released from restrictions."

c. *Permanently restricted:*

Permanently restricted net assets represent those resources with donor-imposed restrictions which stipulate that the related resources be maintained in perpetuity, but which permit the Foundation to expend part or all of the income and capital appreciation derived from the donated assets for either specified or unspecified purposes. Under the terms of NYPMIFA, those earnings are initially classified as temporarily restricted in the accompanying financial statements, pending appropriation by the Board of Directors.

[17] Grants and awards:

Grants and awards are recognized as expenses in the accompanying financial statements at the time of approval. Grants and awards approved but not yet paid are recognized as grants payable at each fiscal year-end. All amounts reported as grants payable at each fiscal year-end are payable within 12 months.

[18] Fiscal-sponsorship programs:

During 2014, the Foundation established a fiscal-sponsorship program for two unincorporated not-for-profit associations whose work is consistent with the Foundation's mission and exempt purpose. The Foundation charged a small administrative management fee based on contributions received for the fiscal-sponsorship projects. Contribution revenue received in conjunction with these programs during 2015 and 2014 amounted to \$97,067 and \$55,869 and amounts expended for these program activities were \$133,416 and \$19,333. These amounts have been included in the accompanying financial statements.

As of December 31, 2015 and 2014, the Foundation's cash and cash equivalents balance includes \$1,118 and \$36,536 of funds maintained on behalf of these programs.

THE NEW YORK WOMEN'S FOUNDATION, INC.

Notes to Financial Statements December 31, 2015 and 2014

NOTE A - THE FOUNDATION AND ITS SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[19] Subsequent events:

The Foundation considers the accounting treatments, and the related disclosures in the current year's financial statements that may be required, as the result of all events or transactions that occur after December 31, 2015 through March 31, 2016, the date of the financial statements were available to be issued.

NOTE B - PLEDGES RECEIVABLE

At each year-end, pledges receivable were estimated to be due as follows:

	December 31,	
	2015	2014
Less than one year	\$ 6,381,283	\$ 489,635
One to five years	<u>2,000,000</u>	<u>25,000</u>
	8,381,283	514,635
Reduction of pledges due in excess of one year to present value, at a discount rate of 5%	<u>(282,889)</u>	<u>(2,563)</u>
	<u>\$ 8,098,394</u>	<u>\$ 512,072</u>

The Foundation received contributions from two donors amounting to 74% of total contributions received and 95% of the pledge balance due.

Based on the history of donors, management expects substantially all of the pledge receivable to be fully collectible; and accordingly no allowance for doubtful amounts has been established.

NOTE C - NEW YORK CITY FUND FOR GIRLS AND YOUNG WOMEN OF COLOR INITIATIVE

In 2015 Novo Foundation awarded two grants to the Foundation totaling four million dollars restricted for the purpose of the New York City Fund for Girls and Young Women of Color Initiative (the "Initiative"), a new program of the Foundation. The Foundation will provide grants of at least \$500,000 annually to Organizations that advance life outcomes for girls and young women of color in New York City.

As of December 31, 2015, the Foundation has received one million dollars from Novo Foundation with a pledge balance of three million dollars remaining and due by 2018.

THE NEW YORK WOMEN'S FOUNDATION, INC.

Notes to Financial Statements December 31, 2015 and 2014

NOTE D - INVESTMENTS

At each year-end, the fair values and costs of the investments were as follows:

	December 31,			
	2015		2014	
	Fair Value	Cost	Fair Value	Cost
U.S. government securities	\$ 1,702,455	\$ 1,677,658	\$ 1,723,914	\$ 1,716,564
Common and preferred stocks	5,130,747	5,048,948	6,787,020	4,916,633
Corporate bonds	<u>1,302,449</u>	<u>1,306,292</u>	<u>720,894</u>	<u>694,412</u>
	<u>\$ 8,135,651</u>	<u>\$ 8,032,898</u>	<u>\$ 9,231,828</u>	<u>\$ 7,327,609</u>

At December 31, 2015, concentrations of the Foundation's investment in excess of 10% of the fair values of its portfolio included approximately (i) 63% invested in common and preferred stocks, (ii) 21% invested in U.S. government securities, and (iii) 16% invested in corporate bonds.

During each year, investment earnings consisted of the following:

	Year Ended December 31,	
	2015	2014
Interest and dividends	\$ 150,731	\$ 152,800
Investment advisory fees	<u>(80,538)</u>	<u>(102,878)</u>
	<u>70,193</u>	<u>49,922</u>
Realized gains	1,331,388	963,062
Unrealized losses	<u>(1,801,466)</u>	<u>(415,195)</u>
	<u>(470,078)</u>	<u>547,867</u>
Investment (losses) earnings	<u>\$ (399,885)</u>	<u>\$ 597,789</u>

FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, establishes a three-level valuation hierarchy of fair-value measurements. These valuation techniques are based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair-value hierarchy:

- Level 1: Valuations are based on observable inputs that reflect quoted market prices in active markets for identical investments, at the reporting date.
- Level 2: Valuations are based on (i) quoted prices for those investments or similar investments in active markets, or (ii) quoted prices for those investments, or similar investments, in markets that are not active, or (iii) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date. Level 2 assets include those investments, or similar investments, that are redeemable at or near the statement of financial position date and for which a model was derived for valuation.

THE NEW YORK WOMEN'S FOUNDATION, INC.

Notes to Financial Statements December 31, 2015 and 2014

NOTE D - INVESTMENTS (CONTINUED)

Level 3: Valuations are based on pricing inputs that are unobservable and include situations where (i) there is little, if any, market activity for the investments, or (ii) the investments cannot be independently valued, or (iii) the investments cannot be immediately redeemed at or near year-end.

The availability of market data is monitored to assess the appropriate classification of financial instruments within the fair-value hierarchy. Changes in economic conditions or valuation techniques may require the transfer of financial instruments from one level to another. In such instances, the transfer is reported at the beginning of the reporting period. During 2015 and 2014, there were no transfers between the fair-value hierarchy levels.

The Foundation's asset classified as Level 3 consists of a beneficial interest in a charitable lead annuity trust receivable. The Trust is reported at its estimated fair value using discounted cash flow.

The following tables summarize the fair values of the Foundation's assets at each year-end, in accordance with the ASC Topic 820 fair-value levels:

	December 31, 2015			Total
	Level 1	Level 2	Level 3	
U.S. government securities	\$ 1,702,455			\$ 1,702,455
Common and preferred stock	5,130,747			5,130,747
Corporate bonds		\$ 1,302,449		1,302,449
Total investments	6,833,202	1,302,449		8,135,651
Beneficial interest in a charitable lead annuity trust			\$ 935,956	935,956
Total	\$ 6,833,202	\$ 1,302,449	\$ 935,956	\$ 9,071,607

	December 31, 2014			Total
	Level 1	Level 2	Level 3	
U.S. government securities	\$ 1,723,914			\$ 1,723,914
Common and preferred stock	6,787,020			6,787,020
Corporate bonds		\$ 720,894		720,894
Total investments	8,510,934	720,894		9,231,828
Beneficial interest in a charitable lead annuity trust			\$ 915,043	915,043
Total	\$ 8,510,934	\$ 720,894	\$ 915,043	\$ 10,146,871

The following table summarizes the change in fair values of the Foundation's Level 3 assets during each year:

	December 31,	
	2015	2014
Balance at January 1	\$ 915,043	\$ 891,183
Discounts	45,931	44,708
Payments received	(25,018)	(20,848)
Balance at December 31	\$ 935,956	\$ 915,043

THE NEW YORK WOMEN'S FOUNDATION, INC.

Notes to Financial Statements December 31, 2015 and 2014

NOTE E - PROPERTY AND EQUIPMENT

At each year-end, property and equipment consisted of the following:

	December 31,	
	2015	2014
Equipment and computer software	\$ 321,720	\$ 294,719
Furniture and fixtures	65,769	65,769
Leasehold improvements	<u>65,915</u>	<u>65,915</u>
	453,404	426,403
Less accumulated depreciation	<u>(304,609)</u>	<u>(246,170)</u>
	<u>\$ 148,795</u>	<u>\$ 180,233</u>

Depreciation expense was \$58,439 and \$49,752 during 2015 and 2014, respectively.

NOTE F - DONATED FACILITIES, SERVICES AND GOODS

[1] Volunteer services:

A substantial number of volunteers have donated significant amounts of their time to the Foundation to attend meetings, participate in training and make site visits in connection with the Foundation's grant-making activities. These contributed services have been valued at the standard market rates that would have been incurred by the Foundation to obtain them, and because they meet the following criteria prescribed by generally accepted accounting principles, they have been reported as both revenue and expense in the accompanying statements of activities:

- the services received either create or enhance nonfinancial assets, or
- the services received require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by contribution.

During 2015 and 2014, the Foundation received donated services for its grant-making programs in the amounts of \$70,300 and \$89,300, respectively.

The Foundation uses volunteers to assist with other support services related to the Foundation's program activities. These volunteer services do not satisfy the criteria under generally accepted accounting principles for valuation and recognition in the accompanying financial statements.

[2] Donated legal services:

The Foundation received donated legal services with a fair value of approximately \$20,125 and \$19,000 during 2015 and 2014, respectively.

[3] Donated goods:

The Foundation received contributed office supplies with a fair value of approximately \$1,800 during 2014. Revenues for such contributed goods have been recognized with an equivalent offset to expenses.

THE NEW YORK WOMEN'S FOUNDATION, INC.

Notes to Financial Statements December 31, 2015 and 2014

NOTE G – COMMITMENTS AND CONTINGENCIES

[1] Lease obligations:

The Foundation entered into an operating lease agreement for office space, beginning on January 1, 2012 and expiring in May 2022. The lease agreement provides for scheduled rent increases and escalations over the lease term, as well as five months of rent abatement.

The Foundation is also obligated under other various noncancelable operating leases for office equipment.

Minimum future obligations under these lease agreements are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2016	\$ 279,689
2017	270,686
2018	278,749
2019	287,054
2020	295,608
Thereafter	<u>434,242</u>
	<u>\$ 1,846,028</u>

Rent expense for 2015 and 2014 was \$242,162 and \$237,565, respectively.

[2] Fund-raising contracts:

The Foundation is obligated under several agreements for fund-raising events to be held subsequent to December 31, 2015.

[3] Other contracts:

In the normal course of business, the Foundation enters into various contracts for professional and other services, which are typically renewable on a year-to-year basis.

NOTE H - RETIREMENT PLAN

The Foundation has a Section 403(b) tax-sheltered annuity retirement plan. The plan covers all employees who have been employed by the Foundation for a minimum of one year. Employee contributions are voluntary and are determined on an individual basis, limited to the maximum amount allowable under federal tax regulations.

The Foundation contributes a discretionary percentage of an employee's gross salary for each eligible participant. Contributions for 2015 and 2014 were \$77,174 and \$58,405, respectively.

THE NEW YORK WOMEN'S FOUNDATION, INC.

Notes to Financial Statements December 31, 2015 and 2014

NOTE I - TEMPORARILY RESTRICTED NET ASSETS

At each year-end, temporarily restricted net assets were available for the following purposes and periods:

	<u>December 31,</u>	
	<u>2015</u>	<u>2014</u>
Program:		
Grant-making	\$ 4,759,412	\$ 555,720
Other programs	119,323	394,922
Accumulated earnings on endowment funds	724,546	967,495
Time-restricted	<u>5,970,714</u>	<u>1,074,801</u>
Total temporarily restricted net assets	<u>\$11,573,995</u>	<u>\$ 2,992,938</u>

Net assets released from restrictions during each year consisted of the following:

	<u>Year Ended</u> <u>December 31,</u>	
	<u>2015</u>	<u>2014</u>
Program:		
Grant-making	\$ 820,142	\$ 1,045,603
Other programs	502,666	488,750
Appropriations from endowment funds	125,865	120,684
Time-restricted	<u>150,018</u>	<u>2,239,416</u>
	<u>\$ 1,598,691</u>	<u>\$ 3,894,453</u>

NOTE J - CONCENTRATION OF CREDIT RISK

The Foundation maintains its cash and investments in high-credit-quality financial institutions in amounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts, and management believes that the Foundation is not exposed to any significant risk of loss due to the failure of the financial institutions.

NOTE K - ENDOWMENT

[1] The endowment:

The endowment consists of five individual funds established for a variety of purposes, consisting of both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowment.

[2] Interpretation of relevant law:

NYPMIFA is applicable to the Foundation's funds, including its donor-restricted endowment funds. The Board of Directors will continue to adhere to NYPMIFA's requirements.

Due to unfavorable market fluctuations, from time to time the fair value of assets associated with individual donor-restricted endowment funds may decline below the historical dollar value of the donor's original permanently restricted contribution. Under the terms of NYPMIFA, the Foundation has no responsibility to restore such decreases in value. There were no such deficiencies as of December 31, 2015 and 2014.

THE NEW YORK WOMEN'S FOUNDATION, INC.

**Notes to Financial Statements
December 31, 2015 and 2014**

NOTE K - ENDOWMENT (CONTINUED)

[3] Endowment net asset composition by type of fund:

	December 31, 2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-restricted endowment funds		\$ 724,546	\$ 1,799,595	\$ 2,524,141
Board-designated endowment funds	<u>\$ 6,072,304</u>			<u>6,072,304</u>
Total funds	<u>\$ 6,072,304</u>	<u>\$ 724,546</u>	<u>\$ 1,799,595</u>	<u>\$ 8,596,445</u>

	December 31, 2014			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-restricted endowment funds		\$ 967,495	\$ 1,799,595	\$ 2,767,090
Board-designated endowment funds	<u>\$ 6,877,960</u>			<u>6,877,960</u>
Total funds	<u>\$ 6,877,960</u>	<u>\$ 967,495</u>	<u>\$ 1,799,595</u>	<u>\$ 9,645,050</u>

[4] Changes in endowment net assets:

	December 31, 2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets, beginning of year	<u>\$ 6,877,960</u>	<u>\$ 967,495</u>	<u>\$ 1,799,595</u>	<u>\$ 9,645,050</u>
Investment returns:				
Investment income	49,268	20,925		70,193
Net (realized and unrealized)	<u>(332,069)</u>	<u>(138,009)</u>		<u>(470,078)</u>
Total investment returns	<u>(282,801)</u>	<u>(117,084)</u>		<u>(399,885)</u>
Appropriations of endowment assets for expenditures	<u>(302,855)</u>	<u>(125,865)</u>		<u>(428,720)</u>
Transfers	<u>(220,000)</u>			<u>(220,000)</u>
Endowment net assets, end of year	<u>\$ 6,072,304</u>	<u>\$ 724,546</u>	<u>\$ 1,799,595</u>	<u>\$ 8,596,445</u>

THE NEW YORK WOMEN'S FOUNDATION, INC.

Notes to Financial Statements December 31, 2015 and 2014

[4] Changes in endowment net assets (continued):

	December 31, 2014			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets, beginning of year	<u>\$ 6,746,737</u>	<u>\$ 912,960</u>	<u>\$ 1,799,595</u>	<u>\$ 9,459,292</u>
Investment returns:				
Investment income	34,978	14,944		49,922
Net appreciation (realized and unrealized)	<u>387,592</u>	<u>160,275</u>		<u>547,867</u>
Total investment returns	<u>422,570</u>	<u>175,219</u>		<u>597,789</u>
Appropriations of endowment assets for expenditures	<u>(291,347)</u>	<u>(120,684)</u>		<u>(412,031)</u>
Endowment net assets, end of year	<u>\$ 6,877,960</u>	<u>\$ 967,495</u>	<u>\$ 1,799,595</u>	<u>\$ 9,645,050</u>

[5] Return objectives and risk parameters:

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce investment earnings for operating activities.

[6] Strategies employed for achieving objectives:

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total-return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

[7] Spending policy and investment objectives:

The Foundation has a spending policy of appropriating, for distribution each year 5% of its endowment fund's average fair value (as calculated over the prior 12 quarters through the calendar year-end proceeding the year in which the distribution is planned). This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment returns.