THE NEW YORK WOMEN'S FOUNDATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2016 and 2015

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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, 2016 and 2015, 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 auditors' 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, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

EisnerAmper LLP

New York, New York
April 4, 2017

THE NEW YORK WOMEN'S FOUNDATION, INC.

Statements of Financial Position

	December 31, 2016	December 31, 2015
ASSETS		
Cash and cash equivalents	**$ 4,229,078**	$ 5,471,949
Restricted cash	**1,205,375**	969,103
Investments	**8,180,061**	8,135,651
Pledges receivable, net	**2,771,914**	8,098,394
Beneficial interest in charitable lead annuity trust	**952,946**	935,956
Prepaid expenses	**105,248**	92,445
Other assets	**127,728**	102,532
Property and equipment, net	**100,179**	148,795
	$ 17,672,529	$ 23,954,825
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	**$ 351,039**	$ 272,657
Grants payable	**476,800**	139,950
Deferred rent liability	**158,018**	160,730
Funds received in advance	**55,500**	127,000
Total liabilities	**1,041,357**	700,337
Commitments and contingencies (Note G)		
Net assets:		
Unrestricted:		
Undesignated	**2,571,412**	3,808,594
Board-designated endowment	**6,161,103**	6,072,304
Total unrestricted	**8,732,515**	9,880,898
Temporarily restricted	**6,099,062**	11,573,995
Permanently restricted	**1,799,595**	1,799,595
Total net assets	**16,631,172**	23,254,488
	$ 17,672,529	$ 23,954,825

See notes to financial statements.

THE NEW YORK WOMEN'S FOUNDATION, INC.

Statements of Activities

	Year Ended December 31, 2016 Unrestricted	2016 Temporarily Restricted	2016 Permanently Restricted	2016 Total	2015 Unrestricted	2015 Temporarily Restricted	2015 Permanently Restricted	2015 Total
Public support and revenues:								
Public support:								
Contributions	$ 948,141	$ 173,060		$ 1,121,201	$ 5,819,702	$ 5,107,720		$ 10,927,422
Foundation grants	242,574	2,071,015		2,313,589	337,894	5,143,181		5,481,075
Revenue from special events:								
"Celebrating Women" (net of direct benefit to donors of $154,164 in 2016 and $149,497 in 2015)	1,651,894	117,700		1,769,594	1,872,156			1,872,156
A Starlight Dinner (net of direct benefit to donors of $82,241 in 2016 and $85,088 in 2015)	404,953	54,250		459,203	546,450			546,450
Neighborhood Dinner (net of direct benefit to donors of $10,516 in 2016 and $16,175 in 2015)	186,043	1,250		187,293	223,640			223,640
Donated goods and services	134,709			134,709	90,425			90,425
Change in value of beneficial interest in charitable annuity lead annuity trust		47,012		47,012		45,931		45,931
Total public support	3,568,314	2,464,287		6,032,601	8,890,267	10,296,832		19,187,099
Revenues:								
Administrative fee	8,296			8,296	126,936			126,936
Other income	30,000			30,000	40,327			40,327
Interest and dividend income, net	115,678	48,324		164,002	49,268	20,925		70,193
Net realized and unrealized gains (losses) on investments	293,136	121,849		414,985	(332,069)	(138,009)		(470,078)
Total revenues (losses)	447,110	170,173		617,283	(115,538)	(117,084)		(232,622)
Total public support and revenues before net assets released from restrictions	4,015,424	2,634,460		6,649,884	8,774,729	10,179,748		18,954,477
Net assets released from restrictions	8,109,393	(8,109,393)		0	1,598,691	(1,598,691)		0
Total public support and revenues	12,124,817	(5,474,933)		6,649,884	10,373,420	8,581,057		18,954,477
Expenses:								
Program services:								
Grants and awards	7,626,500			7,626,500	6,000,000			6,000,000
Other program-related	2,923,374			2,923,374	2,571,563			2,571,563
	10,549,874			10,549,874	8,571,563			8,571,563
Supporting services:								
General and administrative	740,860			740,860	598,475			598,475
Fund-raising	1,982,466			1,982,466	1,884,711			1,884,711
Total supporting services	2,723,326			2,723,326	2,483,186			2,483,186
Total expenses	13,273,200			13,273,200	11,054,749			11,054,749
Change in net assets	(1,148,383)	(5,474,933)		(6,623,316)	(681,329)	8,581,057		7,899,728
Net assets, beginning of year	9,880,898	11,573,995	$ 1,799,595	23,254,488	10,562,227	2,992,938	$ 1,799,595	15,354,760
Net assets, end of year	$ 8,732,515	$ 6,099,062	$ 1,799,595	$ 16,631,172	$ 9,880,898	$ 11,573,995	$ 1,799,595	$ 23,254,488

See notes to financial statements.

THE NEW YORK WOMEN'S FOUNDATION, INC.

Statements of Functional Expenses

	Year Ended December 31,							
	2016				2015			
	Program Expenses	General and Administrative	Fund-Raising	Total	Program Expenses	General and Administrative	Fund-Raising	Total
Grants and awards	**$ 7,626,500**			**$ 7,626,500**	$ 6,000,000			$ 6,000,000
Salaries and wages	**1,686,642**	**$ 311,354**	**$ 935,771**	**2,933,767**	1,434,788	$ 280,592	$ 861,072	2,576,452
Payroll taxes and employee benefits	**297,211**	**51,571**	**163,135**	**511,917**	270,676	46,337	151,470	468,483
Professional and consulting fees (including in-kind contributions of $134,709 and $90,425 in 2016 and 2015, respectively)	**602,359**	**166,051**	**238,550**	**1,006,960**	499,115	97,625	198,694	795,434
Office supplies and expenses	**23,078**	**5,776**	**10,279**	**39,133**	23,313	15,051	18,036	56,400
Printing and publications	**10,166**	**718**	**8,861**	**19,745**	71,040	937	23,163	95,140
Postage and delivery	**21,474**	**499**	**22,863**	**44,836**	2,762	1,267	33,541	37,570
Travel, meetings and conferences	**48,202**	**3,931**	**28,565**	**80,698**	71,445	8,543	20,498	100,486
Promotion and advertising	**2,107**		**527**	**2,634**	8,000		2,000	10,000
Computer expense	**17,581**	**2,444**	**15,581**	**35,606**	14,860	6,708	32,591	54,159
Occupancy and utilities	**115,845**	**69,509**	**104,260**	**289,614**	112,849	67,664	101,512	282,025
Telephone	**12,166**	**1,825**	**6,286**	**20,277**	7,874	4,724	7,087	19,685
Miscellaneous expense	**208**	**8,878**	**24,378**	**33,464**	6,217	4,192	23,995	34,404
Dues and subscriptions	**35,687**	**5,293**	**29,333**	**70,313**	14,572	8,296	12,766	35,634
Repairs and maintenance	**4,784**	**1,131**	**2,472**	**8,387**	3,031	2,566	2,728	8,325
Event expense			**367,909**	**367,909**	1,080		370,637	371,717
Equipment rental	**8,428**	**1,264**	**4,354**	**14,046**	5,215	3,129	4,693	13,037
Total expenses before depreciation and bad debts expense	**10,512,438**	**630,244**	**1,963,124**	**13,105,806**	8,546,837	547,631	1,864,483	10,958,951
Depreciation and amortization	**37,436**	**5,616**	**19,342**	**62,394**	24,726	13,485	20,228	58,439
Bad debt expense		**105,000**		**105,000**		37,359		37,359
	$10,549,874	**$ 740,860**	**$ 1,982,466**	**$13,273,200**	$ 8,571,563	$ 598,475	$ 1,884,711	$11,054,749

See notes to financial statements.

THE NEW YORK WOMEN'S FOUNDATION, INC.

Statements of Cash Flows

	Year Ended December 31, 2016	Year Ended December 31, 2015
Cash flows from operating activities:		
Change in net assets	**$ (6,623,316)**	$ 7,899,728
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	**62,394**	58,439
Bad debt expense	**105,000**	37,359
Net realized and unrealized (gains) losses on investments	**(414,985)**	470,078
Donated securities	**(85,897)**	(91,171)
Proceeds from donated securities	**85,448**	91,171
Changes in:		
Pledges receivable	**5,221,480**	(7,623,681)
Beneficial interest in charitable annuity lead trust	**(16,990)**	(20,913)
Prepaid expenses	**(12,803)**	19,363
Other assets	**(25,196)**	(175)
Accounts payable and accrued expenses	**78,382**	6,323
Grants payable	**336,850**	(50)
Deferred rent liability	**(2,712)**	4,887
Funds received in advance	**(71,500)**	1,500
Net cash (used in) provided by operating activities	**(1,363,845)**	852,858
Cash flows from investing activities:		
Purchases of investments	**(1,976,709)**	(9,042,137)
Proceeds from sales of investments	**2,347,733**	9,668,236
Purchases of property and equipment	**(13,778)**	(27,001)
Net cash provided by investing activities	**357,246**	599,098
Net change in cash, cash equivalents, and restricted cash	**(1,006,599)**	1,451,956
Cash, cash equivalents, and restricted cash, beginning of year	**6,441,052**	4,989,096
Cash, cash equivalents, and restricted cash, end of year	**$ 5,434,453**	$ 6,441,052
Supplemental disclosure of cash flow information:		
Noncash donated services	**$ 134,709**	$ 90,425

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 (the "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] 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, public support and revenues and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

[4] Cash, cash equivalents, and restricted cash:

The Foundation's policy is to classify all liquid investments with original maturities of three months or less when purchased as cash equivalents. The Foundation has classified amounts that are not available for use in its operations as restricted cash. At December 31, 2016 and 2015, the Foundation had restricted cash accounts for two fiscal sponsorship programs and the New York City Fund for Girls and Young Women of Color Initiative (the "Initiative"), respectively (see Note A[14] and Note C).

[5] Investments:

Investments in equity securities with readily determinable fair values and investments in debt securities are reported at their fair values as determined by management with the assistance of the related investment managers as of each year-end. Investment transactions are recorded on a trade-date basis. Net realized and unrealized gains or losses on investments are determined by comparison of the specific cost at acquisition to the proceeds at the time of disposal. Donated securities are recorded at their fair value at the date of donation. The earnings from dividends and interest are recognized when earned. Investment expenses include the services of bank trustees, investment managers and custodians. The investment advisory fees disclosed in Note B 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 investment transactions. The Foundation's policy is to sell the 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.

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

[6] 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 2016 and 2015, the Foundation recognized as temporarily restricted revenue, the change in present value in the Trust of $47,012 and $45,931, respectively. Actual annuity payments of $30,022 and $25,018 were received during 2016 and 2015, respectively. The estimated fair value of the Trust as of December 31, 2016 and 2015 was $952,946 and $935,956, respectively.

[7] Prepaid expenses:

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

[8] Property and equipment:

Property and equipment are stated at their original costs at dates of acquisition, or, if contributed, at their fair values at the dates of donation. 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, whereas minor costs of repair and maintenance are expensed as incurred. Depreciation of equipment and computer software and furniture and fixtures 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 remaining lease term, or the useful lives of the improvements, whichever is shorter.

Management evaluates the recoverability of the investment in long-lived assets on an on-going basis and recognizes any impairment in the year of determination. Long-lived assets were tested for impairment as of December 31, 2016 and 2015, respectively, and in the opinion of management, there were no impairments. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

[9] 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, in the event that they leave the Foundation. 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; the obligation is recalculated every year. At December 31, 2016 and 2015, this accrued vacation obligation was approximately $68,000 and $85,000, respectively, and was reported as a part of accounts payable and accrued expenses in the accompanying statements of financial position.

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

[10] Deferred rent liability:

For financial reporting purposes, the aggregate minimum rent expense is recognized using the straight-line method over the term of the lease. The accumulative difference between rent expense incurred by the Foundation and the rental amounts actually paid, which is attributable to scheduled rent increases and rent abatement, is reported as deferred rent liability in the accompanying statements of financial position.

[11] Net assets:

(i) 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.

(ii) 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 those resources 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."

(iii) 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.

[12] Revenue recognition:

(i) Contributions, grants and pledges:

Contributions and grants are recorded as revenue upon receipt of cash or other assets, or of unconditional pledges and are considered available for unrestricted use, unless specifically restricted on a temporary or permanent basis 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 and, if received in advance, are recognized in the statements of financial position as funds received in advance. An allowance for uncollectible pledges receivable is provided, using management's estimate of potential defaults.

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

[12] Revenue recognition: (continued)

(ii) 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.

(iii) Donated goods and services:

For recognition of donated goods and services in the Foundation's financial statements, such goods or services must (i) create or enhance non-financial assets and (ii) typically need to be acquired if not provided by donation. Additionally, recognition of donated services must (i) require a specialized skill, and (ii) be provided by individuals possessing these skills. Donated goods and services are recorded as unrestricted support unless the donor has restricted the donated assets for a specific purpose. Donated goods and services are reported as both contributions and offsetting expenses in the accompanying statements of activities (see Note F).

[13] 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 has variance power over funds received and collects a 4% management fee on contributions received for the fiscal-sponsorship projects. Contribution revenue received in conjunction with these programs amounted to $221,465 and $97,067 and amounts expended for these program activities were $159,954 and $133,416 during 2016 and 2015, respectively. These amounts have been included in the accompanying financial statements.

As of December 31, 2016 and 2015, the Foundation's restricted cash balance included $221,465 and $1,118, respectively, of funds maintained on behalf of these programs. Subsequent to year end, $118,844 of the $212,465 balance was reclassed to unrestricted cash.

[14] Functional allocation of expenses:

The expenses of providing the Foundation's various programs and supporting services have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain expenses have been allocated among the programs and supporting services in reasonable ratios determined by management. Indirect costs have been allocated on the basis of time allocation.

[15] 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 year end. All amounts reported as grants payable at each year end are payable within twelve months.

[16] Advertising:

The Foundation expenses the cost of advertising as incurred. Advertising expenses for 2016 and 2015 were $2,634 and $10,000, respectively.

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

[17] 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 ASC Topic 740 has not had, and is not expected to have, a material impact on the Foundation's financial statements.

[18] Recent accounting pronouncement:

In August 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 will amend financial-statement presentations and disclosures, with the goal of assisting not-for-profit organizations in providing more relevant information about their resources (and the changes in those resources) to donors, grantors, creditors, and other users. ASU 2016-14 includes qualitative and quantitative requirements in the following areas: (i) net asset classifications, (ii) investment returns, (iii) expense categorizations, (iv) liquidity and availability of resources, and (v) the presentation of operating cash flows. The new standard is effective for annual reporting periods beginning after December 15, 2017. The Foundation will adopt ASU 2016-14 when it becomes effective.

[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, 2016 through April 4, 2017, the date on which the financial statements were available to be issued.

NOTE B - INVESTMENTS

At each year-end, investments consisted of the following:

	December 31,			
	2016		2015	
	Fair Value	Cost	Fair Value	Cost
U.S. government securities	**$ 560,303**	**$ 674,977**	$ 1,702,455	$ 1,677,658
Common and preferred stocks	**5,622,716**	**5,152,306**	5,130,747	5,048,948
Corporate bonds	**1,997,042**	**1,886,682**	1,302,449	1,306,292
	$ 8,180,061	**$ 7,713,965**	$ 8,135,651	$ 8,032,898

At December 31, 2016, concentrations of the Foundation's investment in excess of 10% of the fair values of its portfolio included approximately (i) 69% invested in common and preferred stocks and (ii) 24% invested in corporate bonds. 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.

NOTE B - INVESTMENTS (CONTINUED)

During each year, investment earnings and losses consisted of the following:

	Year Ended December 31, 2016	Year Ended December 31, 2015
Interest and dividends	**$ 217,348**	$ 150,731
Investment advisory fees	**(53,346)**	(80,538)
	164,002	70,193
Realized gains	**51,642**	1,331,388
Unrealized gains (losses)	**363,343**	(1,801,466)
	414,985	(470,078)
	$ 578,987	$ (399,885)

FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, establishes a three-level valuation hierarchy of fair-value measurements. These valuation techniques are based upon 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 assets and liabilities at the reporting date.

Level 2: Valuations are based on (i) quoted prices for similar investments in active markets, or (ii) quoted prices for those investments, or similar investments, that are not active, or (iii) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date.

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.

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 2016 and 2015, there were no transfers among the fair-value hierarchy levels.

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

NOTE B - INVESTMENTS (CONTINUED)

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

	December 31, 2016			
	Level 1	**Level 2**	**Level 3**	**Total**
U.S. government securities	**$ 560,303**			**$ 560,303**
Common and preferred stock	**5,622,716**			**5,622,716**
Corporate bonds		**$1,997,042**		**1,997,042**
Total investments	**6,183,019**	**1,997,042**		**8,180,061**
Beneficial interest in a charitable lead annuity trust			**$ 952,946**	**952,946**
Total	**$ 6,183,019**	**$1,997,042**	**$ 952,946**	**$ 9,133,007**

	December 31, 2015			
	Level 1	**Level 2**	**Level 3**	**Total**
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

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

	December 31,	
	2016	**2015**
Balance at January 1	**$ 935,956**	$ 915,043
Change in present value discount	**47,012**	45,931
Payments received	**(30,022)**	(25,018)
Balance at December 31	**$ 952,946**	$ 935,956

NOTE B - INVESTMENTS (CONTINUED)

Quantitative information regarding unobservable inputs developed by the Foundation and assumptions used to measure the fair value of the beneficial interest in a charitable lead annuity trust agreement as of December 31, 2016 are as follows:

Type	Fair Value	Valuation Technique	Significant Unobservable Inputs	Range
Charitable lead annuity trust	$ 952,946	Fair value of trust assets	Growth rate / discount rate	5%

NOTE C - PLEDGES RECEIVABLE

At each year-end, pledges receivable consisted of the following:

	December 31, 2016	December 31, 2015
Less than one year	**$ 1,777,123**	$ 6,381,283
One to five years	**1,150,000**	2,000,000
	2,927,123	8,381,283
Reduction of pledges due in excess of one year to present value, at rates ranging from 2% - 5%	**(100,209)**	(282,889)
	2,826,914	8,098,394
Less allowance for doubtful accounts	**(55,000)**	
	$ 2,771,914	$ 8,098,394

During 2015, the Foundation received contributions from two donors that represented approximately 74% of total contributions received and 95% of the pledge balance due. There were no concentrations of revenue during 2016. In addition, the Foundation wrote-off uncollectible pledges receivable of $50,000 and $37,359 as uncollectible in 2016 and 2015, respectively.

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

In 2015, the Novo Foundation awarded two grants to the Foundation totaling four million dollars restricted for the purpose of 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, 2016, the Foundation has received two million dollars from Novo Foundation with a pledge balance of two million dollars remaining, due by 2018. As of December 31, 2016 and 2015, the Foundation's restricted cash balance included $983,910 and $967,985, respectively, of funds maintained on behalf of the Initiative.

NOTE E - PROPERTY AND EQUIPMENT

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

	December 31,	
	2016	**2015**
Equipment and computer software	**$ 250,892**	$ 321,720
Furniture and fixtures	**65,769**	65,769
Leasehold improvements	**71,400**	65,915
	388,061	453,404
Less accumulated depreciation	**(287,882)**	(304,609)
	$ 100,179	$ 148,795

During 2016, the Foundation disposed of fully-depreciated computer equipment that totaled approximately $79,000.

NOTE F - DONATED SERVICES

[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. During 2016 and 2015, the Foundation received donated services for its grant-making programs valued at of $89,550 and $70,300, 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 $45,159 and $20,125 during 2016 and 2015, respectively.

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.

NOTE G - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Minimum future obligations under these lease agreements are as follows:

Year Ending December 31,	Amount
2017	$ 270,686
2018	278,749
2019	287,054
2020	295,608
2021	304,419
Thereafter	129,823
	$ 1,566,339

Rent expense for 2016 and 2015 was $249,056 and $242,162, respectively.

[2] Fund-raising contracts:

The Foundation is obligated under several agreements for fund-raising events to be held subsequent to December 31, 2016.

[3] Other contracts:

In the normal course of its 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-deferred 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 2016 and 2015 were $91,778 and $77,174, respectively.

NOTE I - TEMPORARILY RESTRICTED NET ASSETS

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

	December 31,	
	2016	**2015**
Program:		
Grant-making	**$ 4,051,634**	$ 4,759,412
Celebrating Women Breakfast/Gala	**173,200**	
Other programs	**90,827**	119,323
Accumulated earnings on endowment funds	**761,697**	724,546
Time-restricted	**1,021,704**	5,970,714
Total temporarily restricted net assets	**$ 6,099,062**	$11,573,995

NOTE I - TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)

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

	December 31, 2016	December 31, 2015
Program:		
Grant-making	**$ 2,456,395**	$ 820,142
Other programs	**464,954**	502,666
Appropriations from endowment funds	**133,022**	125,865
Time-restricted	**5,055,022**	150,018
	$ 8,109,393	$ 1,598,691

NOTE J - 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:

As discussed in Note A[11], NYPMIFA is applicable to the Foundation's institutional funds, including its donor-restricted endowment funds. The Board of Directors adheres to NYPMIFA's requirements.

[3] Endowment net assets at each year-end:

	December 31, 2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds		**$ 761,697**	**$ 1,799,595**	**$ 2,561,292**
Board-designated endowment funds	**$ 6,161,103**			**6,161,103**
Total funds	**$ 6,161,103**	**$ 761,697**	**$ 1,799,595**	**$ 8,722,395**

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

Temporarily restricted endowments represents that portion of allocated investment income derived from permanently restricted endowment assets that has not been appropriated by the Board of Directors for expenditure.

NOTE J - ENDOWMENT (CONTINUED)

[4] Changes in endowment net assets at each year-end:

	December 31, 2016			
	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Endowment net assets, beginning of year	**$ 6,072,304**	**$ 724,546**	**$ 1,799,595**	**$ 8,596,445**
Investment returns:				
Investment income, net	**115,678**	**48,324**		**164,002**
Net realized and unrealized appreciation	**293,136**	**121,849**		**414,985**
Total investment returns	**408,814**	**170,173**		**578,987**
Appropriations of endowment assets for expenditures	**(320,015)**	**(133,022)**		**(453,037)**
Endowment net assets, end of year	**$ 6,161,103**	**$ 761,697**	**$ 1,799,595**	**$ 8,722,395**

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

In 2015, the Board approved a transfer of $220,000 from the board-designated endowment to assist with the Foundation's operation.

[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.

NOTE J - ENDOWMENT (CONTINUED)

[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.

[8] Funds with deficiencies:

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or NYPMIFA may require the Foundation to retain as a fund of perpetual duration. 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, 2016 and 2015.

NOTE K - PROGRAM AND SUPPORTING SERVICES EXPENSES

During each year, expenses were allocated among program and supporting services as follows:

	Year Ended December 31,	
	2016	**2015**
Program	**$ 10,549,874**	$ 8,571,563
General and administrative	**794,206**	679,013
Fund-raising	**2,229,387**	2,135,471
	$ 13,573,467	$ 11,386,047

The above expenses are inclusive of expenses that have been reported net of revenue in the accompanying statements of activities. The direct benefit to donors of $246,921 and $250,760 are reported as fund-raising expenses and investment expenses of $53,346 and $80,538 are reported in the above table as general and administrative expenses for the years 2016 and 2015, respectively.

NOTE L - CONCENTRATION OF CREDIT RISK

The Foundation maintains its cash 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.