EISNERAMPER
ACCOUNTANTS & ADVISORS

THE NEW YORK WOMEN'S FOUNDATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2017 and 2016

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INDEPENDENT AUDITORS' REPORT

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, 2017 and 2016, 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.

Auditor's 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's 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 New York Women's Foundation, Inc. as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

EisnerAmper LLP

EISNERAMPER LLP
New York, New York
March 28, 2018

THE NEW YORK WOMEN'S FOUNDATION, INC.

Statements of Financial Position

	December 31, 2017	December 31, 2016
ASSETS		
Cash and cash equivalents	**$ 12,459,736**	$ 4,229,078
Pledges receivable, net	**1,497,967**	2,771,914
Investments	**9,076,202**	8,180,061
Prepaid expenses	**106,114**	105,248
Other assets	**158,788**	127,728
Restricted cash and cash equivalents	**652,993**	1,205,375
Beneficial interest in charitable lead annuity trust, net	**964,825**	952,946
Software costs, net	**13,950**	22,612
Property and equipment, net	**54,159**	77,567
	$ 24,984,734	$ 17,672,529
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	**$ 387,696**	$ 351,039
Grants payable	**68,000**	476,800
Funds received in advance	**22,500**	55,500
Deferred rent obligation	**147,477**	158,018
Total liabilities	**625,673**	1,041,357
Commitments (Note J)		
Net assets:		
Unrestricted:		
Undesignated	**12,547,954**	2,571,412
Board-designated endowment	**6,630,283**	6,161,103
Total unrestricted	**19,178,237**	8,732,515
Temporarily restricted	**3,381,229**	6,099,062
Permanently restricted	**1,799,595**	1,799,595
Total net assets	**24,359,061**	16,631,172
	$ 24,984,734	$ 17,672,529

See notes to financial statements.

THE NEW YORK WOMEN'S FOUNDATION, INC.

Statements of Activities

	Year Ended December 31,							
	2017				2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public support and revenues:								
Public support:								
Contributions	**$ 16,350,558**	**$ 7,500**		**$ 16,358,058**	$ 948,141	$ 173,060		$ 1,121,201
Foundation grants	**290,258**	**1,451,154**		**1,741,412**	242,574	2,071,015		2,313,589
Revenue from special events:								
"Celebrating Women" (net of direct benefit to donors of $180,300 in 2017 and $154,164 in 2016)	**1,721,152**			**1,721,152**	1,579,972	117,700		1,697,672
Fall Gala/A Starlight Dinner (net of direct benefit to donors of $89,685 in 2017 and $82,241 in 2016)	**337,737**			**337,737**	476,875	54,250		531,125
Neighborhood Dinner (net of direct benefit to donors of $34,352 in 2017 and $10,516 in 2016)	**177,611**			**177,611**	186,043	1,250		187,293
Donated goods and services	**64,600**			**64,600**	134,709			134,709
Change in value of beneficial interest in charitable annuity lead annuity trust		**47,905**		**47,905**		47,012		47,012
Total public support	**18,941,916**	**1,506,559**		**20,448,475**	3,568,314	2,464,287		6,032,601
Revenues:								
Administrative fee	**6,543**			**6,543**	8,296			8,296
Other income	**5,666**			**5,666**	30,000			30,000
Interest and dividend income, net	**121,631**	**43,107**		**164,738**	115,678	48,324		164,002
Net realized and unrealized gains on investments	**690,960**	**287,236**		**978,196**	293,136	121,849		414,985
Total revenues	**824,800**	**330,343**		**1,155,143**	447,110	170,173		617,283
Total public support and revenues before net assets released from restrictions	**19,766,716**	**1,836,902**		**21,603,618**	4,015,424	2,634,460		6,649,884
Net assets released from restrictions	**4,554,735**	**(4,554,735)**		**0**	8,109,393	(8,109,393)		0
Total public support and revenues	**24,321,451**	**(2,717,833)**		**21,603,618**	12,124,817	(5,474,933)		6,649,884
Expenses:								
Program services:								
Grants and awards	**8,000,000**			**8,000,000**	7,626,500			7,626,500
Other program-related	**2,908,873**			**2,908,873**	2,923,374			2,923,374
	10,908,873			**10,908,873**	10,549,874			10,549,874
Supporting services:								
General and administrative	**659,967**			**659,967**	740,860			740,860
Fund-raising	**2,306,889**			**2,306,889**	1,982,466			1,982,466
Total supporting services	**2,966,856**			**2,966,856**	2,723,326			2,723,326
Total expenses	**13,875,729**			**13,875,729**	13,273,200			13,273,200
Change in net assets	**10,445,722**	**(2,717,833)**		**7,727,889**	(1,148,383)	(5,474,933)		(6,623,316)
Net assets, beginning of year	**8,732,515**	**6,099,062**	**$ 1,799,595**	**16,631,172**	9,880,898	11,573,995	$ 1,799,595	23,254,488
Net assets, end of year	**$ 19,178,237**	**$ 3,381,229**	**$ 1,799,595**	**$ 24,359,061**	$ 8,732,515	$ 6,099,062	$ 1,799,595	$ 16,631,172

See notes to financial statements.

THE NEW YORK WOMEN'S FOUNDATION, INC.

Statements of Functional Expenses

	Year Ended December 31,							
	2017				2016			
	Program Expenses	General and Administrative	Fund-Raising	Total	Program Expenses	General and Administrative	Fund-Raising	Total
Grants and awards	$ 8,000,000			$ 8,000,000	$ 7,626,500			$ 7,626,500
Salaries and wages	1,691,307	$ 380,851	$ 906,416	2,978,574	1,686,642	$ 311,354	$ 935,771	2,933,767
Payroll taxes and employee benefits	297,354	70,319	212,111	579,784	297,211	51,571	163,135	511,917
Professional and consulting fees (including in-kind contributions of $64,600 and $90,425 in 2017 and 2016, respectively)	557,195	34,758	716,470	1,308,423	602,359	166,051	486,238	1,254,648
Office supplies and expenses	30,406	14,963	23,652	69,021	23,078	5,776	10,279	39,133
Printing and publications	25,311	1,835	53,465	80,611	10,166	718	47,125	58,009
Postage and delivery	8,246	1,402	32,877	42,525	21,474	499	22,863	44,836
Travel, meetings and conferences	79,790	582	170,152	250,524	48,202	3,931	110,522	162,655
Promotion and advertising	470	67	806	1,343	2,107		527	2,634
Computer expense	23,309	13,642	21,591	58,542	17,581	2,444	15,581	35,606
Occupancy and utilities	127,347	90,962	81,866	300,175	115,845	69,509	104,260	289,614
Telephone	8,467	5,080	7,620	21,167	12,166	1,825	6,286	20,277
Miscellaneous expense	2,404	1,361	28,152	31,917	208	8,878	24,378	33,464
Dues and subscriptions	33,397	19,900	30,228	83,525	35,687	5,293	29,333	70,313
Repairs and maintenance	6,268	3,761	5,642	15,671	4,784	1,131	2,472	8,387
Equipment rental	4,774	2,864	4,296	11,934	8,428	1,264	4,354	14,046
Total expenses before depreciation and bad debts expense	10,896,045	642,347	2,295,344	13,833,736	10,512,438	630,244	1,963,124	13,105,806
Depreciation and amortization	12,828	7,697	11,545	32,070	37,436	5,616	19,342	62,394
Bad debts expense		9,923		9,923		105,000		105,000
Total expense before direct benefit to donors	10,908,873	659,967	2,306,889	13,875,729	10,549,874	740,860	1,982,466	13,273,200
Direct benefit to donors			304,337	304,337			246,921	246,921
Total expenses	$ 10,908,873	$ 659,967	$ 2,611,226	$ 14,180,066	$ 10,549,874	$ 740,860	$ 2,229,387	$ 13,520,121

See notes to financial statements.

THE NEW YORK WOMEN'S FOUNDATION, INC.

Statements of Cash Flows

	Year Ended December 31, 2017	Year Ended December 31, 2016
Cash flows from operating activities:		
Change in net assets	**$ 7,727,889**	$ (6,623,316)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	**32,070**	62,394
Bad debts expense	**9,923**	105,000
Net realized and unrealized gains on investments	**(978,196)**	(414,985)
Donated securities	**(155,128)**	(85,897)
Proceeds from donated securities	**155,128**	85,448
Changes in:		
Pledges receivable, net	**1,264,024**	5,221,480
Prepaid expenses	**(866)**	(12,803)
Other assets	**(31,060)**	(25,196)
Beneficial interest in charitable annuity lead trust, net	**(11,879)**	(16,990)
Accounts payable and accrued expenses	**36,657**	78,382
Grants payable	**(408,800)**	336,850
Funds received in advance	**(33,000)**	(71,500)
Deferred rent obligation	**(10,541)**	(2,712)
Net cash provided by (used in) operating activities	**7,596,221**	(1,363,845)
Cash flows from investing activities:		
Purchases of investments	**(2,847,708)**	(1,976,709)
Proceeds from sales of investments	**2,929,763**	2,347,733
Purchases of property and equipment		(13,778)
Net cash provided by investing activities	**82,055**	357,246
Net change in cash, cash equivalents, and restricted cash	**7,678,276**	(1,006,599)
Cash, cash equivalents, and restricted cash, beginning of year	**5,434,453**	6,441,052
Cash, cash equivalents, and restricted cash, end of year	**$ 13,112,729**	$ 5,434,453
Supplemental disclosure of cash flow information:		
Noncash donated services	**$ 64,600**	$ 134,709

See notes to financial statements.

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 ("U.S. GAAP"), as applicable to not-for-profit organizations.

[3] Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP 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, 2017 and 2016, respectively, the Foundation’s cash balances of $652,993 and $1,205,375 were restricted 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 D).

[5] Investments:

Investments in equity securities and fixed income securities are reported at their fair values at year-end in the statements of financial position, based on quoted market prices.

The Foundation’s investments, in general, are subject to various risks, such as interest-rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes could materially affect the amounts reported in the financial statements.

Investment transactions are recorded on a trade-date basis. Realized gains and losses on investments sold, and unrealized appreciation and depreciation on investments held, are reported on the statements of activities as increases or decreases in unrestricted net assets unless their use is restricted on a temporary or permanent basis through donor stipulation.

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

[5] Investments: (continued)

Realized gains and losses on investments are determined by comparison of the average costs of acquisition to the proceeds received at the time of disposition. Unrealized gains and losses on investments are determined by comparing each investment's cost to the fair value at the end of each year. 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.

Donated securities are recorded at their fair values at the dates of donation. The Foundation's policy is to sell the donated securities immediately, and, accordingly, for purposes of the statements of cash flows, donated securities and the proceeds generated from their sale are included as operating activities.

[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 2017 and 2016, the Foundation recognized as temporarily restricted revenue, the change in present value in the Trust of $47,905 and $47,012, respectively. Actual annuity payments of $36,026 and $30,022 were received during 2017 and 2016, respectively. The estimated fair value of the Trust as of December 31, 2017 and 2016 was $964,825 and $952,946, respectively.

[7] Prepaid expenses:

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

[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 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 furniture and fixtures are provided using the straight-line method over the estimated useful lives of the assets, ranging from three to ten years. Amortization of leasehold improvements is provided using the straight-line method over the remaining lease term, or the useful lives of the improvements, whichever is shorter.

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

[8] Property and equipment: (continued)

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, 2017 and 2016, 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] Software costs:

The costs incurred for the purchase of software and upgrades that result in additional functionality are capitalized in amounts over $10,000. Costs relating to operation and content are expensed as incurred. Capitalized software costs are amortized over a three-year expected life using the straight line method. At each year end, capitalized software costs net of accumulated amortization were $13,950 and $22,612, respectively. During 2017, the Foundation disposed of fully amortized software no longer in use of approximately $44,000.

[10] 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 10 days, in the event that employees 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, 2017 and 2016, this accrued vacation obligation was approximately $92,000 and $68,000, respectively, and was reported as a part of accounts payable and accrued expenses in the accompanying statements of financial position.

[11] Deferred rent obligation:

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 obligation in the accompanying statements of financial position.

[12] 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."

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

[12] Net assets: (continued)

(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.

[13] 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.

(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).

[14] 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% and 8% management fee on contributions received for the fiscal-sponsorship projects. Contribution revenue received in conjunction with these programs amounted to $197,058 and $221,465 and amounts expended for these program activities and reimbursable fees were $345,979 and $159,954 during 2017 and 2016, respectively. These amounts have been included in the accompanying statements of activities.

As of December 31, 2017 and 2016, the Foundation's restricted cash balance included $57,263 and $221,465, respectively, of funds maintained on behalf of these programs.

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

[15] 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 and functional expenses. Accordingly, certain expenses have been allocated among the programs and supporting services, using appropriate measurement methodologies determined by management. Indirect costs have been allocated on the basis of time allocation.

[16] 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.

[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] Upcoming 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 this pronouncement in 2018.

[19] Reclassifications:

Certain amounts in the accompanying prior-year's financial statements have been reclassified to conform to the current-year's presentation.

[20] Subsequent events:

The Foundation evaluated subsequent events through March 28, 2018, 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,			
	2017		2016	
	Fair Value	Cost	Fair Value	Cost
U.S. government securities	**$ 732,157**	**$ 737,410**	$ 560,303	$ 674,977
Common and preferred stocks	**6,505,140**	**5,334,242**	5,622,716	5,152,306
Corporate bonds	**1,838,905**	**1,837,885**	1,997,042	1,886,682
	$ 9,076,202	**$ 7,909,537**	$ 8,180,061	$ 7,713,965

At December 31, 2017, concentrations of the Foundation's investment in excess of 10% of the fair values of its portfolio included approximately (i) 72% invested in common and preferred stocks and (ii) 20% invested in corporate bonds. 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.

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

	Year Ended December 31,	
	2017	2016
Interest and dividends	**$ 218,681**	$ 217,348
Investment advisory fees	**(53,943)**	(53,346)
	164,738	164,002
Realized gains	**277,627**	51,642
Unrealized gains	**700,569**	363,343
	978,196	414,985
	$ 1,142,934	$ 578,987

ASC Topic 820, *Fair Value Measurements*, 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 investments, 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, 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 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.

NOTE B - INVESTMENTS (CONTINUED)

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 2017 and 2016, there were no transfers among the fair-value hierarchy levels.

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, 2017			
	Level 1	Level 2	Level 3	Total
U.S. government securities	$ 732,157			$ 732,157
Common and preferred stock	6,505,140			6,505,140
Corporate bonds		$1,838,905		1,838,905
Total investments	7,237,297	1,838,905		9,076,202
Beneficial interest in a charitable lead annuity trust			$ 964,825	964,825
Total	$ 7,237,297	$1,838,905	$ 964,825	$ 10,041,027

	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

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

	December 31,	
	2017	2016
Balance at January 1	$ 952,946	$ 935,956
Change in present value discount	47,905	47,012
Payments received	(36,026)	(30,022)
Balance at December 31	$ 964,825	$ 952,946

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, 2017 are as follows:

Type	Fair Value	Valuation Technique	Significant Unobservable Inputs	Range
Charitable lead annuity trust	$ 964,825	Discounted future cash flows	Growth rate / discount rate	5%

NOTE C - PLEDGES RECEIVABLE

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

	December 31, 2017	December 31, 2016
Less than one year	**$ 1,327,923**	$ 1,777,123
One to five years	**232,500**	1,150,000
	1,560,423	2,927,123
Reduction of pledges due in excess of one year to present value, at rates ranging from 1.5% - 5.0%	**(7,533)**	(100,209)
	1,552,890	2,826,914
Less allowance for doubtful accounts	**(54,923)**	(55,000)
	$ 1,497,967	$ 2,771,914

During 2017, the Foundation received contributions from a donor that represented approximately 74% of total contributions received. There were no concentrations of revenue during 2016. In addition, the Foundation wrote-off uncollectible pledges receivable of $10,000 and $50,000 against its allowance in 2017 and 2016, 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 a new Initiative 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, 2017, the Foundation has received three million dollars from Novo Foundation with a pledge balance of one million dollars remaining, due by 2018. As of December 31, 2017 and 2016, the Foundation's restricted cash balance included $595,730 and $983,910, 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, 2017	December 31, 2016
Equipment	**$ 145,175**	$ 179,832
Furniture and fixtures	**65,769**	65,769
Leasehold improvements	**71,400**	71,400
	282,344	317,001
Less accumulated depreciation and amortization	**(228,185)**	(239,434)
	$ 54,159	$ 77,567

During 2017, the Foundation disposed of equipment no longer in use of approximately $35,000, resulting in a loss on disposal of approximately $2,100.

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 2017 and 2016, the Foundation received donated services for its grant-making programs valued at $64,600 and $89,550, 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 U.S. GAAP for valuation and recognition in the accompanying financial statements.

[2] Donated legal services:

During 2016, the Foundation received donated legal services with a fair value of $45,159.

NOTE G - 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. During the year, the Foundation increased its discretionary contribution from 5% to 10% (with a threshold of $10,000 for the 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 2017 and 2016 were $156,139 and $91,778, respectively.

NOTE H - TEMPORARILY RESTRICTED NET ASSETS

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

	December 31,	
	2017	**2016**
Program:		
Grant-making	**$ 1,187,467**	$ 4,051,634
Celebrating Women Breakfast/Gala		173,200
Other programs	**60,750**	90,827
Accumulated earnings on endowment funds	**957,187**	761,697
	2,205,404	5,077,358
Restricted for time	**1,175,825**	1,021,704
	$ 3,381,229	$ 6,099,062

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

	December 31,	
	2017	**2016**
Program:		
Grant-making	**$ 3,807,763**	$ 2,456,395
Celebrating Women Breakfast/Gala	**173,200**	
Other programs	**197,135**	464,954
Appropriations from endowment funds	**134,853**	133,022
	4,312,951	3,054,371
Time restrictions satisfied	**241,784**	5,055,022
	$ 4,554,735	$ 8,109,393

NOTE I - 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[12], NYPMIFA is applicable to the Foundation's institutional funds, including its donor-restricted endowment funds. The Board of Directors adheres to NYPMIFA's requirements.

NOTE I - ENDOWMENT (CONTINUED)

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

	December 31, 2017			
	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Donor-restricted endowment funds		**$ 957,187**	**$ 1,799,595**	**$ 2,756,782**
Board-designated endowment funds	**$ 6,630,283**			**6,630,283**
Total funds	**$ 6,630,283**	**$ 957,187**	**$ 1,799,595**	**$ 9,387,065**

	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

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

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

	December 31, 2017			
	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Endowment net assets, beginning of year	**$ 6,161,103**	**$ 761,697**	**$ 1,799,595**	**$ 8,722,395**
Investment returns:				
Investment income, net	**102,617**	**43,107**		**145,724**
Net realized and unrealized appreciation	**690,957**	**287,236**		**978,193**
Total investment returns	**793,574**	**330,343**		**1,123,917**
Appropriations of endowment assets for expenditures	**(324,394)**	**(134,853)**		**(459,247)**
Endowment net assets, end of year	**$ 6,630,283**	**$ 957,187**	**$ 1,799,595**	**$ 9,387,065**

NOTE I - ENDOWMENT (CONTINUED)

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

	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

[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.

[8] Funds with deficiencies:

From time to time, the fair values 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, 2017 and 2016.

NOTE J - COMMITMENTS

[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 non-cancelable operating leases for office equipment.

Minimum future obligations under these lease agreements are as follows:

Year Ending December 31,	Amount
2018	$ 290,318
2019	298,623
2020	307,177
2021	304,419
2022	129,823
	$ 1,330,360

Rent expense for 2017 and 2016 was $258,269 and $249,056, respectively.

[2] Fund-raising contracts:

The Foundation is obligated under several agreements for fund-raising events to be held subsequent to December 31, 2017.

[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 K - 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.