



Financial Statements
March 31, 2015 and 2014

The Women's Foundation of Minnesota

The Women's Foundation of Minnesota

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March 31, 2015 and 2014

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Independent Auditor's Report

The Board of Directors
The Women's Foundation of Minnesota
Minneapolis, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of The Women's Foundation of Minnesota which comprise the statements of financial position as of March 31, 2015 and 2014, and the related statements of activities 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 Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 Women's Foundation of Minnesota as of March 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.

Eide Bailly LLP

Minneapolis, Minnesota
July 28, 2015

	2015	2014
Assets		
Current Assets		
Cash and cash equivalents	\$ 3,871,125	\$ 3,816,612
Promises to give, net	375,569	359,903
Prepaid expenses	56,784	54,847
Total current assets	<u>4,303,478</u>	<u>4,231,362</u>
Property and Equipment, Net of Accumulated Depreciation	<u>206,315</u>	<u>236,997</u>
Other Assets		
Endowment		
Investments	19,144,597	17,822,443
Promises to give, net	151,130	175,308
Other	20,000	-
Program related investments	600,000	600,000
Due to (from) operations	(174,880)	(27,289)
PRI interest receivable	10,938	9,438
Beneficial interest in trust	41,308	39,546
Total endowment	<u>19,793,093</u>	<u>18,619,446</u>
Security deposit	7,450	7,300
Long-term promises to give, net	<u>279,317</u>	<u>436,754</u>
Total other assets	<u>20,079,860</u>	<u>19,063,500</u>
Total assets	<u>\$ 24,589,653</u>	<u>\$ 23,531,859</u>

See Notes to Financial Statements

The Women's Foundation of Minnesota
 Statements of Financial Position
 March 31, 2015 and 2014

	2015	2014
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 10,476	\$ 17,697
Gift annuities payable	4,900	6,660
Accrued expenses	121,322	96,868
Grants payable	540,000	220,000
Total current liabilities	676,698	341,225
Long-Term Gift Annuities Payable	62,975	62,969
Total liabilities	739,673	404,194
Net Assets		
Unrestricted		
Undesignated	209,848	(107,745)
Board designated operating reserve	240,000	240,000
Board designated endowment	753,839	689,495
	1,203,687	821,750
Temporarily restricted	8,537,376	8,271,160
Permanently restricted	14,108,917	14,034,755
Total net assets	23,849,980	23,127,665
Total liabilities and net assets	\$ 24,589,653	\$ 23,531,859

The Women's Foundation of Minnesota
Statements of Activities
Year Ended March 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public Support and Revenue				
Grants and contributions	\$ 538,362	\$ 1,999,605	\$ 72,400	\$ 2,610,367
Special events, net	215,967	-	-	215,967
Other income	6,629	-	-	6,629
Endowment investment income applied toward authorized spending rate	-	1,532,959	-	1,532,959
Subtotal	760,958	3,532,564	72,400	4,365,922
Net assets released from restrictions	3,374,296	(3,374,296)	-	-
Total public support and revenue	4,135,254	158,268	72,400	4,365,922
Expenses				
Grantmaking, research, public policy and philanthropy	3,138,252	-	-	3,138,252
Administrative	592,450	-	-	592,450
Fundraising	83,956	-	-	83,956
Total expenses	3,814,658	-	-	3,814,658
Excess of Operating Revenue over Expenses	320,596	158,268	72,400	551,264
Net Asset Transfers	142	(142)	-	-
Net Investment Return in Excess of Authorized Spending Rate	61,199	108,090	1,762	171,051
Change in Net Assets	381,937	266,216	74,162	722,315
Net Assets, Beginning of Year	821,750	8,271,160	14,034,755	23,127,665
Net Assets, End of Year	<u>\$ 1,203,687</u>	<u>\$ 8,537,376</u>	<u>\$ 14,108,917</u>	<u>\$ 23,849,980</u>

The Women's Foundation of Minnesota
Statements of Activities
Year Ended March 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public Support and Revenue				
Grants and contributions	\$ 488,464	\$ 3,764,543	\$ 8,000	\$ 4,261,007
Special events, net	159,081	-	-	159,081
Other income	1,941	-	-	1,941
Endowment investment income applied toward authorized spending rate	74	1,081,685	-	1,081,759
Subtotal	649,560	4,846,228	8,000	5,503,788
Net assets released from restrictions	2,780,809	(2,780,809)	-	-
Total public support and revenue	3,430,369	2,065,419	8,000	5,503,788
Expenses				
Grantmaking, research, public policy and philanthropy	2,877,527	-	-	2,877,527
Administrative	503,886	-	-	503,886
Fundraising	25,348	-	-	25,348
Total expenses	3,406,761	-	-	3,406,761
Excess of Operating Revenue over Expenses	23,608	2,065,419	8,000	2,097,027
Net Asset Transfers	1,125	(1,125)	-	-
Net Investment Return in Excess of Authorized Spending Rate	79,104	1,073,314	3,364	1,155,782
Change in Net Assets	103,837	3,137,608	11,364	3,252,809
Net Assets, Beginning of Year	717,913	5,133,552	14,023,391	19,874,856
Net Assets, End of Year	<u>\$ 821,750</u>	<u>\$ 8,271,160</u>	<u>\$ 14,034,755</u>	<u>\$ 23,127,665</u>

The Women's Foundation of Minnesota
Statements of Cash Flows
Years Ended March 31, 2015 and 2014

	2015	2014
Cash Flows from Operating Activities		
Change in net assets	\$ 722,315	\$ 3,252,809
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation	51,409	44,355
Loss on disposal of property and equipment	-	2,766
Realized and unrealized gain on sale of investments	(1,403,119)	(1,928,923)
Contributions restricted to endowment	(999,451)	(83,755)
Changes in operating assets and liabilities		
PRI interest receivable and other	(21,500)	(3,000)
Due to (from) operations	147,590	49,789
Security deposit	(150)	(7,300)
Promises to give	141,771	484,570
Prepaid expenses	(1,937)	(4,752)
Accounts payable	(7,221)	(26,379)
Gift annuities payable	(1,754)	(3,140)
Accrued expenses	24,455	33,922
Grants payable	320,000	(165,000)
Net Cash from (used for) Operating Activities	(1,027,592)	1,645,962
Cash Flows from Investing Activities		
Purchase of property and equipment	(20,727)	(111,164)
Purchase of investments	(679,203)	(17,085,122)
Proceeds on sale of investments	758,406	17,786,075
Net Cash from Investing Activities	58,476	589,789
Cash Flows from Financing Activities		
Collections of contributions restricted to endowment	1,023,629	105,987
Net Cash from Financing Activities	1,023,629	105,987
Net Change in Cash and Cash Equivalents	54,513	2,341,738
Cash and Cash Equivalents, Beginning of Year	3,816,612	1,474,874
Cash and Cash Equivalents, End of Year	\$ 3,871,125	\$ 3,816,612

Note 1 - Nature of Foundation and Significant Accounting Policies

The Women's Foundation of Minnesota (the Foundation), a statewide community foundation founded in 1983 and incorporated on December 16, 1988, invests in social change to achieve equality for all women and girls in Minnesota. The Foundation funds innovative social change programs, conducts and reports research, advocates public policy, builds women's philanthropy and educates the public about the successes and challenges of Minnesota's women and girls.

The Foundation pursues its mission through an integrated and comprehensive agenda in three programmatic areas focused on increasing resources to programs in Minnesota that advance the economic, political and social equality of all women and girls.

Grantmaking

The Foundation has three competitive grantmaking funds: Social Change Fund, girlsBEST (girls Building Economic Success Together) Fund, and MN Girls Are Not For Sale Fund.

1. Social Change Fund: Through this fund, the Foundation awards grants and provides technical assistance to nonprofits across the state working to achieve equality for women in four cornerstones areas: Economic Opportunity, Safety & Security, Health & Reproductive Rights, and Political Power.
2. girlsBEST (girls Building Economic Success Together) Fund: Through girlsBEST, the Foundation awards grants to statewide programs that prepare girls for future economic well-being in four program tracks: Academics; Entrepreneurship; Employment Development & High-paying/High-skill Careers; and Public Education & Advocacy.
3. MN Girls Are Not For Sale Fund: MN Girls Are Not For Sale is a five year, \$5 million campaign of The Women's Foundation of Minnesota to galvanize resources to end the sex trafficking of Minnesota girls. During the year ended March 2015, the Foundation awarded \$390,000 in competitive grants to 11 organizations through MN Girls Are Not For Sale. Grantees are driving legislative action to change state laws to recognize girls under age 18 who've been sex-trafficked are victims of a crime, not the criminals; pursue sustainable housing for sex-trafficked girls to ensure that advocates can create and sustain holistic shelters for survivors; and develop a statewide, county multi-jurisdictional model for intervention and services.

Research, Education and Public Policy

In this programmatic area, the Foundation moves Minnesota forward by educating and influencing leaders, institutions and communities to invest in economic, political and social equality for all of the state's women and girls. To date (2000 – March 2015), the Foundation has published six research reports on the status of women and girls in the state. In 2009, the Foundation entered into a partnership with the University of Minnesota – Humphrey Institute's Center on Women and Public Policy for Status of Women & Girls in Minnesota, an ongoing collaborative research project. Annually, data specific to Minnesota women and girls is gathered and analyzed in economics, safety and security, health and reproductive rights, and political power and leadership. The project expands the available data on women and girls, provides ongoing trend analysis, raises public awareness and improves policy responses to the needs of women and girls in Minnesota. In March 2012, the Foundation released GENDER EQUALITY Explorer, a public, free, web-based research tool that pulls data from the U.S. Census Bureau's American Community Survey. Users can create tables, maps and reports to illustrate, analyze and understand the status of women and girls in their community.

Building Women's Philanthropy

In this programmatic area, the Foundation develops and pursues strategies to engage diverse, new generations of donors to practice social change philanthropy for women and girls. Annually, the Foundation sponsors charitable giving workshops for donors and provides information and assistance for donors interested in opening a donor advised fund or starting a giving circle. These vehicles help women leverage their economic power to build a more equitable world for all Minnesota's women and girls.

Cash and Cash Equivalents

The Foundation considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to capital expenditures, permanent endowment, or other long-term purposes of the Foundation are excluded from this definition.

Promises to Give

Unconditional promises to give expected to be collected within one year are reported at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. The adjustment to net present value for contributions and pledges receivable was \$4,634 and \$9,140 at March 31, 2015 and 2014, respectively. Management determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At March 31, 2015 and 2014, the allowance was \$1,397.

Property and Equipment

Property and equipment additions over \$500 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from three to seven years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Beneficial Interest in Charitable Trust

The Foundation receives contributions of property in which the donor may retain a life interest. The assets are invested and administered by an unrelated trustee and distributions are made to the beneficiaries during the term of the agreement. These funds are invested in debt and equity securities, and the Foundation records its interest in these trusts at fair value based on the estimated future cash receipts discounted at the applicable Federal rate of return; this rate was determined to be 4.4% at March 31, 2015. Initial recognition and subsequent adjustments to the assets carrying value are recognized as contribution revenue and changes in value of split interest agreements, respectively, and are classified as permanently restricted, temporarily restricted or unrestricted, depending on donor-stipulated purpose and time restrictions, if any. The value of these trusts was \$41,308 and \$39,546 for the years ended March 31, 2015 and 2014, respectively.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair value in the statement of financial position. Investments include money market funds also at fair value. Donated investments are reflected in the financial statements at their fair value on the date of donation. Investment income and realized and unrealized gains/losses are reported as changes in net assets in the reporting period in which the income and gains/losses are recognized.

Charitable Gift Annuities

The Foundation has established a gift annuity program whereby donors may contribute assets to the Foundation in exchange for the right to receive a fixed dollar annual return during their lifetime. A portion of the transfer is considered to be a charitable contribution. The difference between the amount provided for the gift annuity and the present value of the liability for future payments is recognized as unrestricted contributions at the date of the gift, unless the donor has established restrictions on the contribution component. The Foundation uses published mortality tables adopted by the United States Internal Revenue Service. The annuity table is revalued annually based upon computed present values. Resulting gains (losses) are recorded as revenue in the appropriate net asset class. During the years ended March 31, 2015 and 2014, there were no contributions received under this program.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets available for use in general operations. Unrestricted Board designated net assets consist of net assets designated by the Board of Directors for operating reserve and quasi-endowment.

Temporarily Restricted Net Assets – Net assets subject to donor restrictions that may or will be met by expenditures or actions of the Foundation and/or the passage of time, and certain income earned on permanently restricted net assets that has not yet been appropriated for expenditure by the Foundation's Board of Directors.

The Foundation reports support that is restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the same month in which the support is received. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restriction.

Permanently Restricted Net Assets – Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by action of the Foundation. The restrictions stipulate that resources be maintained permanently but permit the Foundation to expend the income generated in accordance with the provisions of the agreements.

Revenue and Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Donated Materials and In-Kind Contributions

The Foundation receives donated services from a variety of unpaid volunteers assisting The Women's Foundation of Minnesota in providing crucial programmatic and professional services. However, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. The Foundation records donated professional services at the respective fair values of the services received. No significant contributions of such goods were received during the years ended March 31, 2015 and 2014.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Foundation is organized as a Minnesota nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Section 509(a)(1). The Foundation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Foundation is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Foundation has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Foundation believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Foundation would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

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 and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Financial Instruments and Credit Risk

The Foundation manages deposit concentration risk by placing cash and money market accounts with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Foundation has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from foundations and individuals supportive of the Foundation's mission. Investments are made by diversified investment managers whose performance is monitored by management and the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the Board of Directors believe that the investment policies and guidelines are prudent for the long-term welfare of the Foundation.

Subsequent Events

The Foundation has evaluated subsequent events through July 28, 2015, the date the financial statements were available to be issued.

Note 2 - Fair Value Measurements and Disclosures

Certain assets and liabilities are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation can access at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
- Level 3 – Unobservable inputs for the asset or liability. In these situations, the Foundation develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Foundation's assessment of the quality, risk or liquidity profile of the asset or liability.

As of March 31, 2015 and 2014, the limited liability company assets are valued at the Net Asset Value (NAV) per share, or its equivalent, based on the fair value of the underlying assets and liabilities. Assets and liabilities for which observable market quotations from independent pricing services and broker/dealers are readily available are valued at such market quotations. Assets and liabilities that are not publicly traded or whose market prices are not readily available are valued at fair value as determined in good faith by the fund manager using the following methods: discounted cash flow models and comparisons of financial ratios of peer companies that are public and other unobservable factors. When an external event such as a purchase transaction, public offering or subsequent equity sales occurs, the manager considers the pricing indicated by the external event to corroborate and/or assist in the valuation. These are considered to be Level 2 measurements.

The fair values of beneficial interests in charitable trust is determined by management using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the underlying assets, and is based on the fair values of trust investments as reported by the trustees. The fair value of the Foundation's beneficial interest in assets held by the trustee is based on the fair value of fund investments as reported by the trustee. These are considered to be Level 3 measurements.

The following table presents assets measured at fair value on a recurring basis at March 31, 2015:

	Quoted Prices in Active Markets (Level 1)	Other Observable (Level 2)	Unobservable Inputs (Level 3)	Total
Beneficial interests in charitable trust	\$ -	\$ -	\$ 41,308	\$ 41,308
Endowment investments				
Commonfund Institutional Multi-Strategy Equity Fund, LLC	\$ -	\$ 14,001,360	\$ -	\$ 14,001,360
Commonfund Institutional Multi-Strategy Bond Fund, LLC	-	5,143,237	-	5,143,237
	<u>\$ -</u>	<u>\$ 19,144,597</u>	<u>\$ -</u>	<u>\$ 19,144,597</u>

The following table presents assets measured at fair value on a recurring basis at March 31, 2014:

	Quoted Prices in Active Markets (Level 1)	Other Observable (Level 2)	Unobservable Inputs (Level 3)	Total
Beneficial interests in charitable trust	\$ -	\$ -	\$ 39,546	\$ 39,546
Endowment investments				
Commonfund Institutional Multi-Strategy Equity Fund, LLC	\$ -	\$ 12,818,097	\$ -	\$ 12,818,097
Commonfund Institutional Multi-Strategy Bond Fund, LLC	-	5,004,346	-	5,004,346
	<u>\$ -</u>	<u>\$ 17,822,443</u>	<u>\$ -</u>	<u>\$ 17,822,443</u>

Below is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended March 31, 2015 and 2014:

	2015	2014
Balance, beginning of year	\$ 39,546	\$ 36,182
Unrealized gains	1,762	3,364
Balance, end of year	<u>\$ 41,308</u>	<u>\$ 39,546</u>

Investments in certain entities that calculate the NAV per share are as follows at March 31, 2015:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
CFI Multi-Strategy Equity Fund	\$ 14,001,360	\$ -	Monthly *	30 days
CFI Multi-Strategy Bond Fund	<u>5,143,237</u>	<u>-</u>	Monthly *	30 days
	<u>\$ 19,144,597</u>	<u>\$ -</u>		

Investments in certain entities that calculate the NAV per share are as follows at March 31, 2014:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
CFI Multi-Strategy Equity Fund	\$ 12,818,097	\$ -	Monthly *	30 days
CFI Multi-Strategy Bond Fund	<u>5,004,346</u>	<u>-</u>	Monthly *	30 days
	<u>\$ 17,822,443</u>	<u>\$ -</u>		

*The funds allow monthly redemption; however, in an effort to streamline operations, these transactions with Commonfund occur on a quarterly basis for internal purposes. As funds are received, they are recorded according to program and fund restriction. The total amount due to or from investments is tracked until a redemption or deposit from investments is initiated. This amount is netted against the investment draw used to fund operations.

CFI Multi-Strategy Equity Fund – The investment objective of the Multi-Strategy Equity Fund is to offer an investment program that will provide the strategy and manager diversification that an endowment would normally require for its public equity allocation. The fund is designed to add value over long time periods, above the return of the U.S. equity market as measured by the S&P 500 Index with similar risk characteristics.

CFI Multi-Strategy Bond Fund – The investment objective of the Multi-Strategy Bond Fund is to offer an actively managed, multi-manager investment program that will provide broad exposure to global debt markets. The fund is designed to add value above the return of the broad U.S. bond market over a full market cycle, as measured by the Barclays Capital U.S. Aggregate Bond Index with similar risk characteristics.

Note 3 - Net Investment Return

The summary of investment gains in excess of the spending rate for the years ended March 31, 2015 and 2014 is as follows:

	2015	2014
Interest and dividends	\$ 357,719	\$ 372,920
Net realized and unrealized gain	1,403,119	1,928,923
Less investment management and custodial fees	(56,828)	(64,302)
Authorized spending rate	(1,532,959)	(1,081,759)
	\$ 171,051	\$ 1,155,782

Note 4 - Promises to Give

Unconditional promises to give are estimated to be collected as follows at March 31, 2015 and 2014:

	2015	2014
Within one year	\$ 375,569	\$ 359,903
In one to five years	436,478	622,310
Subtotal promises to give	812,047	982,213
Less: Allowance for doubtful pledges	(1,397)	(1,108)
Less: Present value discount	(4,634)	(9,140)
Total promises to give	\$ 806,016	\$ 971,965
Current portion of promises to give	\$ 375,569	\$ 359,903
Long-term portion of promises to give	430,447	612,062
Total promises to give	\$ 806,016	\$ 971,965

At March 31, 2015 and 2014, five donors accounted for 82% and 67% of total promises to give, respectively. Three grantors accounted for approximately 52% and 51% of total grants at March 31, 2015 and 2014, respectively.

Note 5 - Property and Equipment

Property and equipment consist of the following for the years ended March 31, 2015 and 2014:

	2015	2014
Furnitures and fixtures	\$ 419,872	\$ 399,145
Leasehold improvements	30,903	30,903
	450,775	430,048
Less accumulated depreciation	(244,460)	(193,051)
	\$ 206,315	\$ 236,997

Depreciation expense for the years ended March 31, 2015 and 2014 was \$51,409 and \$44,355, respectively.

Note 6 - Board Designated Net Assets

The Board of the Foundation has designated certain assets of the Foundation to function as an endowment to maintain the grant-making capacity of the Foundation with a balance of \$753,839 and \$689,495 at March 31, 2015 and 2014, respectively. In addition, the Board has designated certain assets of the organization to function as various operating reserves. Total funds designated for this purpose were \$240,000 as of March 31, 2015 and 2014.

Note 7 - Leases

The Foundation leases office space under various operating leases expiring at various dates through January 2024.

Future minimum lease payments are as follows:

Years Ending March 31,	Amount
2016	\$ 40,636
2017	42,246
2018	43,864
2019	45,474
2020	47,091
Thereafter	195,353
	\$ 414,664

Rent expense for the years ended March 31, 2015 and 2014, was \$142,752 and 75,522, respectively.

Note 8 - Endowment

The Foundation's endowment (the endowment) includes both donor-restricted endowment funds and funds designated by the Foundation Board to function as endowments to provide annual funding for specific activities and general operations. The endowment also includes certain unrestricted net assets designated for quasi-endowment by the Board of Directors. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees of the Foundation has interpreted the Minnesota Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At March 31, 2015, there were no such donor stipulations. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts donated to the endowment (including promises to give net of discount and allowance for doubtful accounts and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. The remaining portion of the donor-restricted endowment is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

As of March 31, 2015 and 2014, the Foundation had the following endowment net assets composition by type of fund:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
March 31, 2015				
Donor-restricted endowment funds	\$ -	\$ 4,930,337	\$ 14,108,917	\$ 19,039,254
Board designated endowment funds	<u>753,839</u>	<u>-</u>	<u>-</u>	<u>753,839</u>
	<u>\$ 753,839</u>	<u>\$ 4,930,337</u>	<u>\$ 14,108,917</u>	<u>\$ 19,793,093</u>
March 31, 2014				
Donor-restricted endowment funds	\$ -	\$ 3,895,196	\$ 14,034,755	\$ 17,929,951
Board designated endowment funds	<u>689,495</u>	<u>-</u>	<u>-</u>	<u>689,495</u>
	<u>\$ 689,495</u>	<u>\$ 3,895,196</u>	<u>\$ 14,034,755</u>	<u>\$ 18,619,446</u>

Investment and Spending Policies

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. Endowment assets include those assets of donor restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that maintain the principal plus the consumer price index and to re-invest excess earnings that are equal to or exceed the various benchmarks that are representative of the asset allocation models. Investment risks are considered within the context of all managed assets and the need to meet specific objectives as determined by the Finance Committee. Volatility and risk will be controlled through asset allocation strategies and the selection of Investment Managers of mutual funds.

To satisfy its long-term objectives, the Foundation relies on a balanced asset allocation model in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Foundation has a policy that reflects a commitment to endowment growth by balancing the re-investment of annual earnings with the operating needs of the Foundation. Accordingly, over the long-term, the Foundation expects the current policy to allow its endowment to grow at a rate of return that equals or exceeds the various benchmarks that are representative of the asset allocation model identified. 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, changes in inflation, and investment return.

The Women's Foundation of Minnesota
Notes to Financial Statements
March 31, 2015 and 2014

Changes in endowment net assets for the years ended March 31, 2015 and 2014 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Year ended March 31, 2015				
Endowment net assets, beginning of year	\$ 689,495	\$ 3,895,196	\$ 14,034,755	\$ 18,619,446
Investment return	64,344	1,641,049	1,762	1,707,155
Contributions	-	927,051	72,400	999,451
Distributions				
Donor advised fund grants	(286,553)	-	-	(286,553)
Appropriations	(1,179,000)	-	-	(1,179,000)
Donor advised fund administrative fees	(67,406)	-	-	(67,406)
Net assets released pursuant to spending- rate policy	<u>1,532,959</u>	<u>(1,532,959)</u>	<u>-</u>	<u>-</u>
Endowment net assets, end of year	<u>\$ 753,839</u>	<u>\$ 4,930,337</u>	<u>\$ 14,108,917</u>	<u>\$ 19,793,093</u>
Year ended March 31, 2014				
Endowment net assets, beginning of year	\$ 608,632	\$ 2,744,720	\$ 14,023,391	\$ 17,376,743
Investment return	80,936	2,155,000	3,364	2,239,300
Contributions	-	75,755	8,000	83,755
Distributions				
Donor advised fund grants	(269,061)	-	-	(269,061)
Appropriations	(756,000)	-	-	(756,000)
Donor advised fund administrative fees	(55,041)	-	-	(55,041)
Net assets transferred	-	(250)	-	(250)
Net assets released pursuant to spending- rate policy	<u>1,080,029</u>	<u>(1,080,029)</u>	<u>-</u>	<u>-</u>
Endowment net assets, end of year	<u>\$ 689,495</u>	<u>\$ 3,895,196</u>	<u>\$ 14,034,755</u>	<u>\$ 18,619,446</u>

Note 9 - Restricted Net Assets

Temporarily Restricted

Temporarily restricted net assets at March 31, 2015 and 2014, consist of the following:

	<u>2015</u>	<u>2014</u>
Endowment - general	\$ 1,286,747	\$ 1,213,604
Endowment - donor advised funds	3,643,590	2,681,593
Operations - general	2,687,089	3,489,113
Operations - donor advised funds	<u>919,950</u>	<u>886,850</u>
	<u>\$ 8,537,376</u>	<u>\$ 8,271,160</u>

Temporarily restricted net assets released from restriction for the years ended March 31, 2015 and 2014, consist of the following:

	<u>2015</u>	<u>2014</u>
General endowment funds released	\$ 1,179,000	\$ 755,927
Donor advised endowment funds released	353,959	324,102
General operating funds released	1,725,165	1,514,780
Donor advised operating funds released	<u>116,172</u>	<u>186,000</u>
	<u>\$ 3,374,296</u>	<u>\$ 2,780,809</u>

Permanently Restricted

Permanently restricted net assets are subject to donor imposed restrictions that they be maintained permanently by the Foundation. Permanently restricted net assets consisted of the following at March 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
General endowment	\$ 10,057,162	\$ 10,004,762
Permanent fund for girls	2,321,750	2,321,750
Entrepreneurial activities for girls	250,000	250,000
Other special endowment funds	20,000	20,000
Donor advised endowment funds	<u>1,460,005</u>	<u>1,438,243</u>
	<u>\$ 14,108,917</u>	<u>\$ 14,034,755</u>

Note 10 - Pension Expense

The Foundation sponsors a 401(k) plan that covers substantially all employees. Pension plan expense was \$62,243 and \$44,963 for the years ended March 31, 2015 and 2014, respectively.

Note 11 - Special Events

Net special event revenue for The Stir consisted of the following for the years ended March 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Revenue	\$ 198,550	\$ 164,640
Contributions	<u>98,331</u>	<u>76,651</u>
Gross special event revenue	296,881	241,291
Direct expenses	<u>80,914</u>	<u>82,210</u>
Net special event revenue	<u><u>\$ 215,967</u></u>	<u><u>\$ 159,081</u></u>