

IMPACT AUSTIN FOUNDATION
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
YEARS ENDED JUNE 30, 2019 AND 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Impact Austin Foundation
Austin, Texas

We have audited the accompanying financial statements of Impact Austin Foundation (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Impact Austin Foundation as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Gindler, Chappell, Morrison & Co., P.C.
Austin, Texas
February 1, 2020

FINANCIAL STATEMENTS

IMPACT AUSTIN FOUNDATION

STATEMENTS OF FINANCIAL POSITION

June 30, 2019 and 2018

	2019	2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,079,977	\$ 937,495
Receivables:		
Contributions and pledges, net	92,475	219,400
Total current assets	1,172,452	1,156,895
Long-term assets:		
Cash restricted for future years	1,000	1,000
Pledges receivable, net	13,750	35,000
	14,750	36,000
Other assets:		
Beneficial interest in endowment fund	6,307	5,997
Total assets	\$ 1,193,509	\$ 1,198,892
 LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 7,880	\$ 3,862
Grants payable, net	476,050	428,000
Total current liabilities	483,930	431,862
Long-term grants payable, net current portion	98,250	163,035
Total liabilities	582,180	594,897
Net assets:		
Without donor restrictions	228,085	220,609
With donor restrictions	383,244	383,386
Total net assets	611,329	603,995
Total liabilities and net assets	\$ 1,193,509	\$ 1,198,892

See accompanying Notes to Financial Statements.

IMPACT AUSTIN FOUNDATION

STATEMENTS OF ACTIVITIES

Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Contributions	\$ 218,005	\$ 419,108	\$ 637,113
Contributed goods and services	-	-	-
Investment Income	9,194	-	9,194
Change in beneficial interest	311	-	311
Net assets released from donor imposed restrictions	419,250	(419,250)	-
Total revenues and other support	646,760	(142)	646,618
EXPENSES			
Program services:			
High Impact Grants from Women	525,434	-	525,434
Girls Giving Grants	9,877	-	9,877
Supporting services:			
Management and general	81,861	-	81,861
Fundraising	22,112	-	22,112
Total expenses	639,284	-	639,284
CHANGE IN NET ASSETS (deficit)	7,476	(142)	7,334
NET ASSETS			
Beginning of year	220,609	383,386	603,995
End of year	\$ 228,085	\$ 383,244	\$ 611,329

See accompanying Notes to Financial Statements.

IMPACT AUSTIN FOUNDATION

STATEMENTS OF ACTIVITIES - continued

Year Ended June 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Contributions	\$ 161,045	\$ 399,675	\$ 560,720
Contributed goods and services	500	-	500
Investment Income	9,267	-	9,267
Change in beneficial interest	296	-	296
Net assets released from donor imposed restrictions	428,106	(428,106)	-
Total revenues and other support	599,214	(28,431)	570,783
EXPENSES			
Program services:			
High Impact Grants from Women	554,618	-	554,618
Girls Giving Grants	9,511	-	9,511
Supporting services:			
Management and general	100,299	-	100,299
Fundraising	1,363	-	1,363
Total expenses	665,791	-	665,791
CHANGE IN NET ASSETS (deficit)	(66,577)	(28,431)	(95,008)
NET ASSETS			
Beginning of year	287,186	411,817	699,003
End of year	\$ 220,609	\$ 383,386	\$ 603,995

See accompanying Notes to Financial Statements.

IMPACT AUSTIN FOUNDATION

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended June 30, 2019

	Program Services		Supporting Services			Total
	High Impact Grants from Women	Girls Giving Grants	Management & General	Fund Raising	-	
EXPENSES						
Awards and grants	\$ 400,000	\$ 8,800	\$ -	\$ -	\$ -	\$ 408,800
Change in discount on long-term grants payable	<u>2,465</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,465</u>
	402,465	8,800	-	-	-	411,265
Executive compensation	64,079	-	37,935	19,542	-	121,556
Events and meetings	38,334	604	22	-	-	38,960
Management fees	6,500	-	19,597	2,210	-	28,307
Accounting	-	-	17,450	-	-	17,450
Information technology	6,347	-	-	-	-	6,347
Office expenses	1,315	473	2,820	-	-	4,608
Advertising and promotion	3,713	-	-	-	-	3,713
Website development costs	2,681	-	-	-	-	2,681
Bank service charges	-	-	1,927	-	-	1,927
Insurance	-	-	1,660	-	-	1,660
Miscellaneous	-	-	450	360	-	810
Printing and publications	-	-	-	-	-	-
Total expenses	<u>\$ 525,434</u>	<u>\$ 9,877</u>	<u>\$ 81,861</u>	<u>\$ 22,112</u>	<u>\$ -</u>	<u>\$ 639,284</u>

See accompanying Notes to Financial Statements.

IMPACT AUSTIN FOUNDATION

STATEMENTS OF FUNCTIONAL EXPENSES - continued

Year Ended June 30, 2018

	Program Services		Supporting Services			Total
	High Impact Grants from Women	Girls Giving Grants	Management & General	Fund Raising	Total	
EXPENSES						
Awards and grants	\$ 446,000	\$ 8,200	\$ -	\$ -	\$ -	\$ 454,200
Change in discount on long-term grants payable	(2,269)	-	-	-	-	(2,269)
	443,731	8,200	-	-	-	451,931
Management fees	32,943	-	74,892	1,133	-	108,968
Events and meetings	53,146	988	-	-	-	54,134
Accounting	-	-	15,725	-	-	15,725
Executive compensation	6,602	-	6,602	-	-	13,204
Advertising and promotion	9,433	-	-	-	-	9,433
Information technology	5,083	-	-	-	-	5,083
Website development costs	2,097	-	-	-	-	2,097
Office expenses	1,035	-	685	-	-	1,720
Insurance	-	-	1,518	-	-	1,518
Printing and publications	548	323	-	-	-	871
Miscellaneous	-	-	525	230	-	755
Bank service charges	-	-	352	-	-	352
Total expenses	<u>\$ 554,618</u>	<u>\$ 9,511</u>	<u>\$ 100,299</u>	<u>\$ 1,363</u>	<u>\$ -</u>	<u>\$ 665,791</u>

See accompanying Notes to Financial Statements.

IMPACT AUSTIN FOUNDATION

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2019 and 2018

	2019	2018
CASH FLOWS PROVIDED BY (USED BY) OPERATING ACTIVITIES:		
Cash from contributions	\$ 785,288	\$ 588,525
Cash paid for grants	(428,832)	(432,950)
Cash paid for operations	(223,168)	(214,907)
Interest and dividends received	9,194	9,267
Net cash provided by (used by) operating activities	142,482	(50,065)
CASH FLOWS PROVIDED BY (USED BY) INVESTING ACTIVITIES:		
Net cash provided by investing activities	-	-
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES:		
Net cash provided by investing activities	-	-
NET INCREASE (DECREASE) IN CASH	142,482	(50,065)
CASH AND CASH EQUIVALENTS		
Beginning of year	937,495	987,560
End of year	\$ 1,079,977	\$ 937,495
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES:		
Change in net assets	\$ 7,334	\$ (95,008)
Adjustments to reconcile change in net assets to net cash provided by (used by) operating activities:		
Change in beneficial interest	(311)	(296)
Discounts on grants payable	2,465	(2,269)
Change in operating assets and liabilities:		
Contributions and pledges receivable	148,176	27,100
Other receivable	-	705
Prepaid expenses	-	463
Accounts payable	4,018	(2,010)
Grants payable	(19,200)	21,250
Net cash provided by (used by) operating activities	\$ 142,482	\$ (50,065)

See accompanying Notes to Financial Statements.

**IMPACT AUSTIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2019 and 2018**

NOTE 1: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Impact Austin Foundation (the “Organization”) is a philanthropic organization that is a progressive leader bringing new resources to transform lives in the greater Austin, Texas community and making philanthropy accessible. Through high-impact grant making, the Organization engages, develops and inspires women to effect positive change and lifelong giving. The Organization was formed and began operations in 2003. In fiscal year 2019, the Organization had a membership of 510 women and has provided nearly \$7 million in grants to the community since its inception.

Program Activities

High Impact Grants from Women

The Organization’s primary program involves combining annual donations from women to fund multiple high-impact grants of equal amounts to separate charitable organizations for their programs. The donors, predominantly from the Austin, Texas area, become members of the Organization upon the contribution of \$1,250. Committees of members evaluate grant proposals from Austin area nonprofits and recommend a slate of finalists to the membership. At an annual meeting each June, the membership meets representatives of the finalists and votes for grantees. Through this collective grant-making process, Impact Austin is working to create a seasoned pool of educated, effective women donors in the Austin area.

The Foundation now offers three types of grants: Program, Catalyst, and a new category in 2019 of Social Innovation Grant. Program grants are awarded in the focus areas of community, education, and health & well-being. The Catalyst grant is awarded to help strengthen or grow an organization. During 2019, the Foundation awarded Program grants in each of the three focus areas, as well as one Catalyst grant. Additionally, in 2019 the Foundation allocated a portion of its membership contribution to launch in November 2019 the initial Social Innovation Grant, which funds a collaborative focused on advancing equity for women and girls of color in the Greater Austin Area.

Girls Giving Grants

Girls Giving Grants helps young women (ages 12 to 18) learn the power of collective giving and grant-making by combining individual donations of \$100 and working together to review proposals and select grantees.

Summary of Significant Accounting Policies

Method of Accounting: The Organization uses the accrual basis method of accounting. Using this method of accounting, revenue and other support and the related accounts receivable are reported when funds are considered earned, regardless of when cash is received. Revenue received in advance is reported as deferred revenue. Expenses and the related accounts payable are reported when an obligation is incurred, regardless of when cash is disbursed. All expenses are reported as reductions in unrestricted net assets.

Use of Estimates: The process of preparing financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

IMPACT AUSTIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS - continued
Years Ended June 30, 2019 and 2018

NOTE 1: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Adopted Accounting Pronouncements: In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. The Organization adopted the provisions of this new standard during the year ended June 30 2019. The ASU has been applied retrospectively to 2018.

Financial Instruments and Fair Value Measurements: Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. There are three general valuation techniques that may be used to measure fair value, as described below:

1. Market approach (Level 1) - uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other sources.
2. Cost approach (Level 2) - based on the amount that currently would be required to replace the service capacity of an asset (replacement cost).
3. Income approach (Level 3) - uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

Changes in fair value of financial instruments and unrealized gains or losses on financial instruments are reported in the statement of activities. Investment income and gains and losses on investments are reported as an increase or decrease in unrestricted net assets unless a donor or law temporarily or permanently restricts their use.

Net Assets Classes: The Organization reports the following net assets classes:

Net Assets without Donor Restrictions: These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions. While these resources are reported as unrestricted, an organization manages them in compliance with its exempt purposes, governing board designations, legal requirements, and contractual obligations.

Net Assets with Donor Restrictions: These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the Organization considers all highly liquid instruments with a maturity of 90 day or less from the date of purchase to be cash equivalents.

Contributions: Contributions are recognized when the donor makes an unconditional promise to give to the Organization. These amounts are reflected as contributions receivable. Contributions received are recorded as net assets with or without restriction depending on the existence and nature of any donor restrictions. When a restriction expires or is fulfilled, net assets with restriction are reclassified to net assets without restriction. The time restrictions on contributions receivable expire when the payment is made, unless the donor has otherwise restricted the contribution.

IMPACT AUSTIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS - continued
Years Ended June 30, 2019 and 2018

NOTE 1: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Donated Services: Donated services are recognized as contributions in accordance with ASC 958, if the services received (1) create or enhance non-financial assets or (2) require specialized skills that are provided by individuals possessing those skills and would otherwise be purchased if not provided by donations. The donated services which meet criteria for recognition are recorded at their fair value in the period received.

Income Taxes: The Organization is a Texas nonprofit corporation exempt from federal income tax under Section 501(a) of the Internal Revenue Code and is a 501(c)3 organization. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization believes it is no longer subject to examination by the IRS for years prior to 2016.

Functional Expenses: The costs of providing the program services and supporting services have been summarized on a functional basis in the statement of activities. The expenses are directly identified with the program or supporting service to which they relate and are charged accordingly.

Organization Structure and Governance: The Organization is governed by a volunteer Board of Directors (the "Board"), which is made up of members who serve an initial three-year term, with possible subsequent two-year terms. Candidates for the Board are nominated and elected by the sitting Board.

Administrative Procedures: Under the supervision of the executive committee and Executive Director, volunteer member-led committees manage fundraising campaigns, provide program and administrative support, and help carry out the Organization's mission.

Operational Fundraising Activities: The Organization has an ongoing campaign to raise funds to for various operating expenses.

Reclassifications: Certain reclassification have been made to the 2018 consolidated financial statement presentation to conform to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

Subsequent Events: Management has evaluated subsequent events through the date of the *Independent Auditor's Report*, which is the date the financial statements were available to be issued. There are no significant subsequent events requiring disclosure as of that date.

NOTE 2: CONTRIBUTIONS RECEIVABLE

The Organization receives unconditional promises to give from various sources. Membership contributions receivable are made annually, and are due by December 31 of the ensuing fiscal year. During 2016, the Organization began allowing members to make membership pledges for one or three-year terms, with each year's pledge due by December 31, of the respective year. Other contributions receivable include individual and corporate gifts, as well as grants. The pledges are recorded at the total pledge value, less an estimated allowance for doubtful accounts. Management believes the stated value approximates fair value, therefore no present value discount has been calculated.

IMPACT AUSTIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS - continued
Years Ended June 30, 2019 and 2018

NOTE 2: CONTRIBUTIONS RECEIVABLE - continued

Contributions receivable, net consisted of the following at June 30:

	2019		
	<u>Current</u>	<u>Long-Term</u>	<u>Total</u>
Membership contributions receivable	\$ 103,725	\$ 15,000	\$ 118,725
Less: Allowance for uncollectible amount	<u>(11,250)</u>	<u>(1,250)</u>	<u>(12,500)</u>
Contributions receivable, net	<u>\$ 92,475</u>	<u>\$ 13,750</u>	<u>\$ 106,225</u>
	2018		
	<u>Current</u>	<u>Long-Term</u>	<u>Total</u>
Membership contributions receivable	\$ 238,150	\$ 37,500	\$ 275,650
Less: Allowance for uncollectible amount	<u>(18,750)</u>	<u>(2,500)</u>	<u>(21,250)</u>
Contributions receivable, net	<u>\$ 219,400</u>	<u>\$ 35,000</u>	<u>\$ 254,400</u>

The Organization's financial management determines an allowance for uncollectable receivables based upon such factors as past collection experience, type of contribution, and nature of fund-raising activity.

Activity in the allowance for uncollectible contributions receivable for the years ended June 30, 2019 and 2018 was as follows:

	<u>2019</u>	<u>2018</u>
Allowance for uncollectible contributions receivable - beginning of year	\$ 21,250	\$ 23,750
(Decrease) increase in prior estimate	3,000	5,300
Contributions receivable written off	(23,000)	(22,800)
Provision for bad debt	<u>11,250</u>	<u>15,000</u>
Allowance for uncollectible contributions receivable - end of year	<u>\$ 12,500</u>	<u>\$ 21,250</u>

NOTE 3: ENDOWMENT FUND

During 2016, Impact Austin established The Rebecca Warren Powers Endowment for Impact Austin, an agency endowment fund, at Austin Community Foundation (ACF), a community foundation. The endowment is intended to provide general support to Impact Austin. The endowment consists of the following two funds:

Agency Endowment Fund

The agency endowment Fund is considered a donor advised fund and is considered an asset of Impact Austin. ACF recognizes the fund as an asset, and also records a liability for Impact Austin interest in the assets. Funding for the Agency Endowment Fund is made by contributions from Impact Austin. Contributions are made by a transfer of cash or other assets from Impact Austin to ACF.

IMPACT AUSTIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS - continued
Years Ended June 30, 2019 and 2018

NOTE 3: ENDOWMENT FUND - continued

All contributions are considered irrevocable and shall be used in furtherance of the purpose of the Agency Endowment Fund. Impact Austin is considered the beneficiary of the endowment, and recognizes the fair value of its beneficial interest in the fund. ACF determines annually the amount, if any, available for distribution to the Organization. Available funds are distributed upon request of the Board of Impact Austin. The funds are recorded as contributions when received by the Organization.

Donor Endowment Fund

As part of the endowment fund, donors may also directly contribute to the fund. Donor contributions are made by a transfer of cash or other assets from donors to ACF. The Organization granted variance power to ACF, therefore the endowment is considered an asset of ACF, and the assets are subject to the governing documents of ACF and the policies and procedures of its governing body. Consequently, ACF has the right to substitute another beneficiary in the place of Impact Austin without the approval of the Organization.

All donor contributions, and earnings, to the endowment fund are irrevocable and shall be used in furtherance of the purpose of the endowment fund. Additionally, the donor contributions are considered nonreciprocal contributions to ACF, therefore the value of Impact Austin's beneficial interest is not recorded by Impact Austin. Upon request of the board of directors of the Organization, ACF may, in its sole discretion, distribute the principal of the endowment fund to Impact Austin or another charitable organization strictly for the purpose of constituting an endowment for the benefit of the Organization. ACF determines annually the amount that is available for distribution. Available funds are distributed upon request of the Board of Impact Austin. The funds are recorded as contributions when received by the Organization. At June 30, 2019 and 2018, there were no amounts available to be distributed.

The endowment funds held by ACF had the following activity for the year ended June 30, 2019:

	<u>Agency</u>	<u>Donor</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 5,997	\$ 57,584	\$ 63,581
Contributions:			
Donor direct contributions	-	4,325	4,325
Total contributions	-	4,325	4,325
Net appreciation:			
Interest and dividends	132	1,329	1,461
Realized gains	43	423	466
Unrealized gains	200	2,227	2,427
Administrative and investment expenses	(65)	(655)	(720)
Total net appreciation	310	3,324	3,634
Total	<u>\$ 6,307</u>	<u>\$ 65,233</u>	<u>\$ 71,540</u>

IMPACT AUSTIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS - continued
Years Ended June 30, 2019 and 2018

NOTE 3: ENDOWMENT FUND - continued

The endowment funds held by ACF had the following activity for the year ended June 30, 2018:

	<u>Agency</u>	<u>Donor</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 5,701	\$ 47,632	\$ 53,333
Contributions:			
Donor direct contributions	-	7,530	7,530
Total contributions	-	7,530	7,530
Net appreciation:			
Interest and dividends	116	1,027	1,143
Realized gains	79	667	746
Unrealized gains	167	1,376	1,543
Administrative and investment expenses	(66)	(648)	(714)
Total net appreciation	296	2,422	2,718
Total	<u>\$ 5,997</u>	<u>\$ 57,584</u>	<u>\$ 63,581</u>

NOTE 4: FAIR MARKET VALUE MEASUREMENTS AND INVESTMENT INCOME

Detail of assets recorded at fair value using the designated level inputs are the following at year end:

	<u>Total</u>	<u>Fair Value Measurement</u>		
		<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>June 30, 2019</u>				
Beneficial interest in endowment fund	\$ 6,307	\$ -	\$ 6,307	\$ -
	<u>\$ 6,307</u>	<u>\$ -</u>	<u>\$ 6,307</u>	<u>\$ -</u>
<u>June 30, 2018</u>				
Beneficial interest in endowment fund	\$ 5,997	\$ -	\$ 5,997	\$ -
	<u>\$ 5,997</u>	<u>\$ -</u>	<u>\$ 5,997</u>	<u>\$ -</u>

Components of investment income consist of the following for the years ended June 30:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 9,012	\$ 9,267
Realized gain on investments	182	-
Total	<u>\$ 9,194</u>	<u>\$ 9,267</u>

IMPACT AUSTIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS - continued
Years Ended June 30, 2019 and 2018

NOTE 5: GRANTS PAYABLE

Grants authorized but unpaid at year end are reported as liabilities in accordance with ASC 958. Grants are multi-year commitments and are discounted at 1.38% for 2019 and 2018, respectively. The following is a summary of grants authorized and payable at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
To be paid in less than one year	\$ 476,050	\$ 428,000
To be paid in one to two years	<u>100,000</u>	<u>167,250</u>
Gross grants authorized but unpaid	576,050	595,250
Less: Discount on long-term grants	<u>(1,750)</u>	<u>(4,215)</u>
Grants payable, net	<u><u>\$ 574,300</u></u>	<u><u>\$ 591,035</u></u>

NOTE 6: RELATED PARTY TRANSACTION

Impact Austin Foundation receives contributions and donations from board members of the Organization whom also serve as an executive officer. The related party contributions and donations at June 30, 2019 and 2018, are \$32,864 and \$26,631, respectively. The amount receivable from board members at June 30, 2019 and 2018, are \$8,000 and \$6,000, respectively.

NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS

During 2019 and 2018, net assets of \$419,250 and \$428,106, respectively, were released from accompanying stipulations due to the Organization's action and are considered net assets released from donor imposed restrictions and are reported as transfers from net assets with donor restrictions to net assets without donor restrictions in the financial statements.

The net assets of the endowment and the changes therein were as follows as of June 30, 2019:

	<u>June 30, 2018</u>	<u>Net Appreciation</u>	<u>June 30, 2019</u>
Without restriction - board designated	\$ 997	\$ 50	\$ 1,047
With restriction - permanently restricted	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total	<u><u>\$ 5,997</u></u>	<u><u>\$ 50</u></u>	<u><u>\$ 6,047</u></u>

The net assets of the endowment and the changes therein were as follows as of June 30, 2018:

	<u>June 30, 2017</u>	<u>Net Appreciation</u>	<u>June 30, 2018</u>
Without restriction - board designated	\$ 701	\$ 296	\$ 997
With restriction - permanently restricted	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total	<u><u>\$ 5,701</u></u>	<u><u>\$ 296</u></u>	<u><u>\$ 5,997</u></u>

IMPACT AUSTIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS - continued
Years Ended June 30, 2019 and 2018

NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS - continued

Net assets with donor restrictions are restricted for the following purposes or periods:

	<u>2019</u>	<u>2018</u>
Subject to expenditure for specified purpose:		
High Impact Grants from Women	\$ 378,244	\$ 376,886
Girls Giving Grants	1,000	1,500
Total temporary restrictions	<u>379,244</u>	<u>378,386</u>
Not subject to spending policy or appropriation:		
Permanently restricted to general endowment	<u>5,000</u>	<u>5,000</u>
Total permanent restrictions	<u>5,000</u>	<u>5,000</u>
	<u>\$ 384,244</u>	<u>\$ 383,386</u>

At June 30, 2019, the following assets were with restriction:

	<u>Cash</u>	<u>Receivable</u>	<u>Endowment</u>	<u>Total</u>
Current				
High Impact Grants - Members	\$ 269,019	\$ 92,475	\$ -	361,494
Girls Giving Grants	1,000	-	-	1,000
Total current	<u>270,019</u>	<u>92,475</u>	<u>-</u>	<u>362,494</u>
Long-Term				
High Impact Grants - Members	2,000	13,750	-	15,750
Endowment	-	-	5,000	5,000
Total long-term	<u>2,000</u>	<u>13,750</u>	<u>5,000</u>	<u>20,750</u>
Total	<u>\$ 272,019</u>	<u>\$ 106,225</u>	<u>\$ 5,000</u>	<u>\$ 383,244</u>

At June 30, 2018, the following assets were with restriction:

	<u>Cash</u>	<u>Receivable</u>	<u>Endowment</u>	<u>Total</u>
Current				
High Impact Grants - Members	\$ 121,486	\$ 219,400	\$ -	340,886
Girls Giving Grants	1,500	-	-	1,500
Total current	<u>122,986</u>	<u>219,400</u>	<u>-</u>	<u>342,386</u>
Long-Term				
High Impact Grants - Members	1,000	35,000	-	36,000
Endowment	-	-	5,000	5,000
Total long-term	<u>1,000</u>	<u>35,000</u>	<u>5,000</u>	<u>41,000</u>
Total	<u>\$ 123,986</u>	<u>\$ 254,400</u>	<u>\$ 5,000</u>	<u>\$ 383,386</u>

IMPACT AUSTIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS - continued
Years Ended June 30, 2019 and 2018

NOTE 8: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, consisted of cash and cash equivalents of \$231,908 and \$219,259 at June 30, 2019 and 2018, respectively.

As part of our liquidity management plan, we have a policy to structure financial assets to be available as general expenditures, liabilities, and other obligations come due.

NOTE 9: CONTRIBUTED GOODS AND SERVICES

Volunteers donate significant amounts of time to administer the Organization's program services and supporting activities throughout the year, donating more than 13,000 cumulative hours of service each of the years ended June 30, 2019 and 2018. These services were not recognized as contributions in the financial statements because the recognition criteria were not met.

For the years ended June 30, 2019 and 2018, goods and services in the amount of \$- and \$500, respectively, were contributed for the Organization's annual meeting and member materials and are included as contributions in the statements of activities.

NOTE 10: CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash, certificates of deposit, contributions receivable, and investments. The Organization maintains cash balances with high credit quality financial institutions, which, at times, may exceed federally insured limits. The Organization does not require collateral against any excess deposits. At June 30, 2019 and 2018, cash and certificates of deposit balances exceeded the insurance coverage by \$295,143 and \$442,029, respectively. The Organization continuously monitors its financial instruments, and has not experienced any losses in such accounts. The majority of contributions are received from donors located in the Austin, Texas area. As such, the Organization's ability to generate resources via contributions and collect receivables from donors is dependent upon the economic health of the area.