

**IMPACT AUSTIN FOUNDATION**

FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT  
YEARS ENDED JUNE 30, 2013 AND 2012

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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, 2013 and 2012, 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 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 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, 2013 and 2012, 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  
October 22, 2013

FINANCIAL STATEMENTS

# IMPACT AUSTIN FOUNDATION

## STATEMENTS OF FINANCIAL POSITION

June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 874,530	\$ 601,966
Certificates of deposit	248,447	405,687
Contributions receivable, net	105,720	354,727
Accrued interest receivable	-	152
Prepaid expenses	305	7,272
Total current assets	<u>1,229,002</u>	<u>1,369,804</u>
<b>Total assets</b>	<u><u>\$ 1,229,002</u></u>	<u><u>\$ 1,369,804</u></u>
 <b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	3,215	1,215
Accrued liabilities	2,581	2,712
Grants payable, net	504,800	565,150
Total current liabilities	<u>510,596</u>	<u>569,077</u>
 Long-term grants payable, net current portion	<u>145,440</u>	<u>139,584</u>
 Total liabilities	656,036	708,661
 Net assets		
Unrestricted net assets	279,016	141,816
Temporarily restricted net assets	293,950	519,327
Permanently restricted net assets	-	-
Total net assets	<u>572,966</u>	<u>661,143</u>
 <b>Total liabilities and net assets</b>	<u><u>\$ 1,229,002</u></u>	<u><u>\$ 1,369,804</u></u>

See accompanying Notes to Financial Statements.

# IMPACT AUSTIN FOUNDATION

## STATEMENTS OF ACTIVITIES

Years Ended June 30, 2013 AND 2012

	2013			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
<b>REVENUES AND OTHER SUPPORT</b>				
Contributions	\$ 84,515	\$ 529,800	\$ -	\$ 614,315
Contributed goods and services	4,431	-	-	4,431
Investment Income	7,609	-	-	7,609
Net assets released from donor imposed restrictions	755,177	(755,177)	-	-
<b>Total revenues and other support</b>	<b>851,732</b>	<b>(225,377)</b>	<b>-</b>	<b>626,355</b>
<b>EXPENSES</b>				
Program services				
High Impact Grants from Women	630,260	-	-	630,260
Girls Giving Grants	7,210	-	-	7,210
<b>Total program services</b>	<b>637,470</b>	<b>-</b>	<b>-</b>	<b>637,470</b>
Supporting services				
Fundraising	4,909	-	-	4,909
Management and general	72,153	-	-	72,153
<b>Total support services</b>	<b>77,062</b>	<b>-</b>	<b>-</b>	<b>77,062</b>
<b>Total expenses</b>	<b>714,532</b>	<b>-</b>	<b>-</b>	<b>714,532</b>
<b>INCREASE(decrease) IN NET ASSETS</b>	<b>137,200</b>	<b>(225,377)</b>	<b>-</b>	<b>(88,177)</b>
<b>NET ASSETS - Beginning of year</b>	<b>141,816</b>	<b>519,327</b>	<b>-</b>	<b>661,143</b>
<b>NET ASSETS - End of year</b>	<b>\$ 279,016</b>	<b>\$ 293,950</b>	<b>\$ -</b>	<b>\$ 572,966</b>

See accompanying Notes to Financial Statements.

# IMPACT AUSTIN FOUNDATION

STATEMENTS OF ACTIVITIES - continued

Years Ended June 30, 2013 and 2012

	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUES AND OTHER SUPPORT</b>				
Contributions	\$ 93,088	\$ 603,300	\$ -	\$ 696,388
Contributed goods and services	6,888	-	-	6,888
Investment income	6,195	-	-	6,195
Net assets released from donor imposed restrictions	635,592	(635,592)	-	-
<b>Total revenues and other support</b>	<b>741,763</b>	<b>(32,292)</b>	<b>-</b>	<b>709,471</b>
<b>EXPENSES</b>				
Program services				
High Impact Grants from Women	614,194	-	-	614,194
Girls Giving Grants	7,006	-	-	7,006
<b>Total program services</b>	<b>621,200</b>	<b>-</b>	<b>-</b>	<b>621,200</b>
Supporting services				
Fundraising	4,463	-	-	4,463
Management and general	69,092	-	-	69,092
<b>Total support services</b>	<b>73,555</b>	<b>-</b>	<b>-</b>	<b>73,555</b>
<b>Total expenses</b>	<b>694,755</b>	<b>-</b>	<b>-</b>	<b>694,755</b>
<b>INCREASE(decrease) IN NET ASSETS</b>	47,008	(32,292)	-	14,716
<b>NET ASSETS</b>				
Beginning of year	94,808	551,619	-	646,427
<b>End of year</b>	<b>\$ 141,816</b>	<b>\$ 519,327</b>	<b>\$ -</b>	<b>\$ 661,143</b>

See accompanying Notes to Financial Statements.

# IMPACT AUSTIN FOUNDATION

## STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended June 30, 2013 and 2012

	2013				Total
	Program Services		Supporting Services		
	High Impact Grants from Women	Girls Giving Grants	Fund Raising	Management & General	
<b>EXPENSES</b>					
Awards and grants	\$ 505,000	\$ 5,900	\$ -	\$ -	\$ 510,900
Discount on long-term grants payable	(244)	-	-	-	(244)
	504,756	5,900	-	-	510,656
Bank service charges	-	-	-	743	743
Events and meetings	63,068	544	-	-	63,612
Insurance	-	-	-	2,409	2,409
Media Fees	1,764	43	-	-	1,807
Miscellaneous	-	-	599	388	987
Postage and shipping	251	-	228	413	892
President Operations - CEO	6,180	-	-	952	7,132
Printing and publications	1,938	405	-	-	2,343
Professional and other contract services	7,212	312	-	22,350	29,874
Salaries and benefits	36,738	-	4,082	40,820	81,640
Supplies and stationery	603	6	-	262	871
Technology	7,750	-	-	-	7,750
Bad debt expense - uncollectible contributions receivable	-	-	-	3,816	3,816
	-	-	-	3,816	3,816
<b>Total expenses</b>	<b>\$ 630,260</b>	<b>\$ 7,210</b>	<b>\$ 4,909</b>	<b>\$ 72,153</b>	<b>\$ 714,532</b>

See accompanying Notes to Financial Statements.



## IMPACT AUSTIN FOUNDATION

### STATEMENTS OF FUNCTIONAL EXPENSES - Continued

YEARS ENDED June 30, 2013 AND 2012

	2012				Total
	Program Services		Supporting Services		
	High Impact Grants from Women	Girls Giving Grants	Fund Raising	Management & General	
<b>EXPENSES</b>					
Awards and grants	\$ 518,000	\$ 5,700	\$ -	\$ -	\$ 523,700
Discount on long-term grants payable	13,068	-	-	-	13,068
	531,068	5,700	-	-	536,768
Bank service charges	-	-	-	1,101	1,101
Events and meetings	22,878	767	-	-	23,645
Insurance	-	-	-	2,635	2,635
Media Fees	1,730	-	-	-	1,730
Miscellaneous	479	381	135	253	1,248
Postage and shipping	342	-	34	208	584
President Operations - CEO	5,575	-	-	944	6,519
Printing and publications	4,073	114	-	-	4,187
Professional and other contract services	9,680	-	-	19,035	28,715
Salaries and benefits	38,286	-	4,254	42,540	85,080
Supplies and stationery	83	44	40	761	928
Bad debt expense - uncollectible contributions receivable	-	-	-	1,615	1,615
	-	-	-	1,615	1,615
<b>Total expenses</b>	<b>\$ 614,194</b>	<b>\$ 7,006</b>	<b>\$ 4,463</b>	<b>\$ 69,092</b>	<b>\$ 694,755</b>

See accompanying Notes to Financial Statements.

# IMPACT AUSTIN FOUNDATION

## STATEMENTS OF CASH FLOWS

Years Ended June 30, 2013 and 2012

	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash from contributions	\$ 859,507	\$ 689,366
Cash paid for grants	(565,150)	(448,350)
Cash paid for operations	(186,794)	(156,846)
Interest and dividends received	7,761	7,247
	<b>115,324</b>	<b>91,417</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of certificates of deposits	(248,447)	(405,687)
Proceeds from maturity of certificates of deposit	405,687	400,391
	<b>157,240</b>	<b>(5,296)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>272,564</b>	<b>86,121</b>
 <b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<b>601,966</b>	<b>515,845</b>
<b>End of year</b>	<b>\$ 874,530</b>	<b>\$ 601,966</b>
 <b>RECONCILIATION OF CHANGES OF NET ASSETS TO NET CASH</b>		
PROVIDED BY OPERATING ACTIVITIES:		
Change in net assets (decrease)	\$ (88,177)	\$ 14,716
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Bad debt expense	3,816	1,615
Discount on contributions receivable	-	(14,683)
Discounts on grants payable	(244)	13,068
Change in operating assets and liabilities:		
Contributions receivable	245,191	(5,408)
Accrued interest receivable	152	1,052
Prepaid Expenses	6,967	(7,272)
Accounts payable	2,000	(1,904)
Accrued liabilities	(131)	1,815
Grants Payable	(54,250)	88,418
	<b>115,324</b>	<b>91,417</b>
Net cash provided by operating activities	<b>115,324</b>	<b>91,417</b>

See accompanying Notes to Financial Statements.

**IMPACT AUSTIN FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**Years Ended June 30, 2013 and 2012**

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**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 2013, the Organization had a membership of over 500 women and has provided more than \$4.1 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 individual grants of \$100,000 or more to five separate charitable organizations. The donors, predominantly from the Austin, Texas area, become members of the Organization upon the contribution of \$1,000. 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.

***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.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*. Under ASC Topic 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

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.

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.

Certificates of Deposits

Certificates of deposits are recorded at cost, which approximates fair value. The certificates mature through December 2013.

Contributions

Contributions are recognized when the donor makes an unconditional promise to give to the Organization. These amounts are reflected as contributions receivable.

Under ASC Topic 958, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the absence of existence and nature of any donor restrictions. When a restriction expires or is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets. The time restrictions on contributions receivable expire when the payment is made, unless the donor has otherwise restricted the contribution.

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.

**IMPACT AUSTIN FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**Years Ended June 30, 2013 and 2012**

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

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.

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 2009.

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 Board of Directors (the "Board"), which is made up of members who serve a three-year term. Candidates for the Board are nominated by the members, and chosen by the sitting Board. In June 2011, the Board hired an Executive Director to manage the daily operations of the Organization. The Board has adopted a conflict of interest policy, which is signed by all Board members and committee members. In addition, the Board has adopted a fiscal management policy, by-laws and a fraud prevention policy. The fraud prevention policy requires background checks on members serving in a fiduciary role.

Administrative Procedures

Under the supervision of the 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 called Beyond Impact to raise funds to pay the salary of the Executive Director as well as cover various operating expenses.

Reclassifications

Certain reclassifications have been made to the prior year amounts in order to conform to the current year presentation.

Subsequent Events

Management has evaluated subsequent events through October 22, 2013 which 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 its membership. Membership contributions receivable are made annually, and are due by December 31 of the ensuing fiscal year. Beyond Impact I contributions receivable were multi-year commitments that were made in fiscal year 2008, with final installments paid in fiscal year 2011. Beyond Impact II contributions receivable are multi-year commitments that were made in fiscal year 2011 to finance investment in the Organization's quality programs and its infrastructure, including a paid leader; final installments are due in fiscal year 2013. Beyond Impact contributions receivable were discounted using a rate of 5% to reflect the present value of their estimated future cash flows.

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

	<u>2013</u>	<u>2012</u>
Membership contributions receivable	\$ 78,500	\$ 226,605
Beyond Impact II contributions receivable	10,950	123,822
Other contributions receivable	<u>16,270</u>	<u>4,300</u>
Contributions receivable, net	<u><u>\$ 105,720</u></u>	<u><u>\$ 354,727</u></u>

**IMPACT AUSTIN FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**Years Ended June 30, 2013 and 2012**

**NOTE 2: CONTRIBUTIONS RECEIVABLE - Continued**

	<u>2013</u>	<u>2012</u>
Receivable in less than one year	\$ 110,720	\$ 369,244
Less: Allowance for uncollectible amount	<u>(5,000)</u>	<u>(14,517)</u>
Contributions receivable, net	<u><u>\$ 105,720</u></u>	<u><u>\$ 354,727</u></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, 2013 and 2012 were as follows:

	<u>2013</u>	<u>2012</u>
Allowance for uncollectible contributions receivable - beginning of year	\$ 14,517	\$ 8,000
Provision for bad debt expense	(2,417)	13,902
Contributions receivable written off	<u>(7,100)</u>	<u>(7,385)</u>
Allowance for uncollectible contributions receivable - end of year	<u><u>\$ 5,000</u></u>	<u><u>\$ 14,517</u></u>

**NOTE 3: TEMPORARILY RESTRICTED NET ASSETS**

During 2013 and 2012, net assets of **\$755,177** and \$635,592, respectively, were released from accompanying stipulations due to actions of the Organization or through the passage of time. As of June 30, 2013 and 2012, temporarily restricted net assets consisted of unexpended contributions restricted by the donors for the following purposes:

	<u>2013</u>	<u>2012</u>
High Impact Grants from Women	\$ 282,000	\$ 392,605
Girls Giving Grants	1,000	2,900
Operations and capacity building in upcoming years	<u>10,950</u>	<u>123,822</u>
Total temporarily restricted net assets	<u><u>\$ 293,950</u></u>	<u><u>\$ 519,327</u></u>

**NOTE 4: 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 4% for 2013 and 2012.

The following is a summary of grants authorized and payable at June 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
To be paid in less than one year	<u>\$ 504,800</u>	<u>\$ 565,150</u>
To be paid in one to two years	<u>151,500</u>	<u>145,400</u>
Gross grants authorized but unpaid	656,300	710,550
Less: Discount on long-term grants	<u>(6,060)</u>	<u>(5,816)</u>
Grants payable, net	<u><u>\$ 650,240</u></u>	<u><u>\$ 704,734</u></u>

**IMPACT AUSTIN FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**Years Ended June 30, 2013 and 2012**

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**NOTE 5: 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, 2013 and 2012. These services were not recognized as contributions in the financial statements because the recognition criteria were not met.

For the years ended June 30, 2013 and 2012, goods and services in the amount of **\$4,431** and \$6,888, respectively, were contributed for the Organization's annual meeting and member materials and are included as contributions in the statements of activities for the years then ended.

**NOTE 6: CONCENTRATIONS OF CREDIT RISK**

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash, certificates of deposit, and contributions receivable. 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. 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.