

January 22, 2019

To the Audit Committee and Board of Directors of  
Impact Austin Foundation  
Austin, Texas

Communication with Those Charged with Governance

We have audited the financial statements of Impact Austin Foundation for the year ended June 30, 2018, and have issued our report thereon dated January 22, 2019. Professional standards require that we provide those charged with governance with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our audit engagement letter dated July 25, 2018. Professional standards also require that we communicate to those charged with governance the following information related to our audit.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Impact Austin Foundation are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2018. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements was:

- Management's estimates relating of the collectability of pledges is based on the historical collection rate of pledges and an analysis of pledges outstanding.
- Management's estimate of the allocation of costs reported in the financial statements is based on their estimate of the activity benefiting from the costs.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements was:

- The description of the Organization and summary of significant accounting policies in Note 1 to the financial statements.
- The disclosure of net assets in Note 6 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated January 22, 2019.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### *Other matters*

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the board of directors and management of Impact Austin Foundation and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Gindler, Chappell, Morrison & Co., P.C.*

Gindler, Chappell, Morrison & Co., P.C.

**IMPACT AUSTIN FOUNDATION**

FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT

YEARS ENDED JUNE 30, 2018 AND 2017

**TABLE OF CONTENTS**

INDEPENDENT AUDITOR'S REPORT ..... 1

FINANCIAL STATEMENTS

    Statements of Financial Position.....2

    Statements of Activities .....3 - 4

    Statements of Functional Expenses .....5 - 6

    Statements of Cash Flows .....7

    Notes to Financial Statements.....8 - 16

## 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, 2018 and 2017, 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, 2018 and 2017, 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  
January 22, 2019

## **FINANCIAL STATEMENTS**

# IMPACT AUSTIN FOUNDATION

## STATEMENTS OF FINANCIAL POSITION

June 30, 2018 and 2017

	2018	2017
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 937,495	\$ 987,560
Receivables:		
Contributions and pledges, net	219,400	163,350
Other	-	705
Prepaid expenses	-	463
Total current assets	1,156,895	1,152,078
Long-term assets:		
Cash restricted for future years	1,000	1,000
Pledges receivable, net	35,000	118,150
	36,000	119,150
Other assets:		
Beneficial interest in endowment fund	5,997	5,701
	\$ 1,198,892	\$ 1,276,929
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable	\$ 3,862	\$ 5,872
Grants payable, net	428,000	432,950
Total current liabilities	431,862	438,822
Long-term grants payable, net current portion	163,035	139,104
Total liabilities	594,897	577,926
Net assets:		
Unrestricted net assets	220,609	287,186
Temporarily restricted net assets	378,386	406,817
Permanently restricted net assets	5,000	5,000
Total net assets	603,995	699,003
<b>Total liabilities and net assets</b>	<b>\$ 1,198,892</b>	<b>\$ 1,276,929</b>

See accompanying Notes to Financial Statements.

**IMPACT AUSTIN FOUNDATION**

STATEMENTS OF ACTIVITIES

Years Ended June 30, 2018 and 2017

	<b>2018</b>			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>REVENUES AND OTHER SUPPORT</b>				
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)	-	-
<b>Total revenues and other support</b>	<u>599,214</u>	<u>(28,431)</u>	<u>-</u>	<u>570,783</u>
<b>EXPENSES</b>				
Program services:				
High Impact Grants from Women	554,618	-	-	554,618
Girls Giving Grants	9,511	-	-	9,511
<b>Total program services</b>	<u>564,129</u>	<u>-</u>	<u>-</u>	<u>564,129</u>
Supporting services:				
Fundraising	1,363	-	-	1,363
Management and general	100,299	-	-	100,299
<b>Total support services</b>	<u>101,662</u>	<u>-</u>	<u>-</u>	<u>101,662</u>
<b>Total expenses</b>	<u>665,791</u>	<u>-</u>	<u>-</u>	<u>665,791</u>
<b>INCREASE(decrease) IN NET ASSETS</b>	(66,577)	(28,431)	-	(95,008)
<b>Reclass of Net Assets</b>	-	-	-	-
<b>NET ASSETS - Beginning of year</b>	<u>287,186</u>	<u>406,817</u>	<u>5,000</u>	<u>699,003</u>
<b>NET ASSETS - End of year</b>	<u>\$ 220,609</u>	<u>\$ 378,386</u>	<u>\$ 5,000</u>	<u>\$ 603,995</u>

See accompanying Notes to Financial Statements.



# IMPACT AUSTIN FOUNDATION

## STATEMENTS OF ACTIVITIES - continued

Years Ended June 30, 2018 and 2017

	2017			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
<b>REVENUES AND OTHER SUPPORT</b>				
Contributions	\$ 93,110	\$ 527,996	\$ -	\$ 621,106
Contributed goods and services	1,648	-	-	1,648
Investment income	7,773	-	-	7,773
Change in beneficial interest	526			526
Net assets released from donor imposed restrictions	453,271	(453,271)	-	-
<b>Total revenues and other support</b>	<b>556,328</b>	<b>74,725</b>	<b>-</b>	<b>631,053</b>
<b>EXPENSES</b>				
Program services				
High Impact Grants from Women	477,541	-	-	477,541
Girls Giving Grants	8,107	-	-	8,107
<b>Total program services</b>	<b>485,648</b>	<b>-</b>	<b>-</b>	<b>485,648</b>
Supporting services				
Fundraising	4,724	-	-	4,724
Management and general	56,546	-	-	56,546
<b>Total support services</b>	<b>61,270</b>	<b>-</b>	<b>-</b>	<b>61,270</b>
<b>Total expenses</b>	<b>546,918</b>	<b>-</b>	<b>-</b>	<b>546,918</b>
<b>INCREASE(decrease) IN NET ASSETS</b>	9,410	74,725	-	84,135
<b>NET ASSETS - Beginning of year</b>	<b>277,776</b>	<b>332,092</b>	<b>5,000</b>	<b>614,868</b>
<b>NET ASSETS - End of year</b>	<b>\$ 287,186</b>	<b>\$ 406,817</b>	<b>\$ 5,000</b>	<b>\$ 699,003</b>

See accompanying Notes to Financial Statements.

## IMPACT AUSTIN FOUNDATION

### STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended June 30, 2018 and 2017

EXPENSES	2018				
	Program Services		Supporting Services		
	High Impact Grants from Women	Girls Giving Grants	Fund Raising	Management & General	Total
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	-	1,133	74,892	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	-	-	230	525	755
Bank service charges	-	-	-	352	352
<b>Total expenses</b>	<b>\$ 554,618</b>	<b>\$ 9,511</b>	<b>\$ 1,363</b>	<b>\$ 100,299</b>	<b>\$ 665,791</b>

See accompanying Notes to Financial Statements.

## IMPACT AUSTIN FOUNDATION

### STATEMENTS OF FUNCTIONAL EXPENSES - continued

Years Ended June 30, 2018 and 2017

	2017				
	Program Services		Supporting Services		Total
	High Impact Grants from Women	Girls Giving Grants	Fund Raising	Management & General	
<b>EXPENSES</b>					
Awards and grants	\$ 403,000	\$ 6,800	\$ -	\$ -	\$ 409,800
Change in discount on long-term grants payable	(954)	-	-	-	(954)
	402,046	6,800	-	-	408,846
Management fees	6,955	-	773	7,728	15,456
Events and meetings	16,659	766	-	-	17,425
Accounting	-	-	-	15,500	15,500
Executive compensation	27,142	-	3,016	30,157	60,315
Advertising and promotion	15,572	43	-	-	15,615
Information technology	6,122	-	-	-	6,122
Website development costs	412	-	-	-	412
Office expenses	1,373	-	-	958	2,331
Insurance	-	-	-	1,049	1,049
Printing and publications	1,210	498	-	-	1,708
Miscellaneous	50	-	935	790	1,775
Bank service charges	-	-	-	364	364
<b>Total expenses</b>	<b>\$ 477,541</b>	<b>\$ 8,107</b>	<b>\$ 4,724</b>	<b>\$ 56,546</b>	<b>\$ 546,918</b>

See accompanying Notes to Financial Statements.

# IMPACT AUSTIN FOUNDATION

## STATEMENTS OF CASH FLOWS

Years Ended June 30, 2018 and 2017

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash from contributions	\$ 588,525	\$ 563,170
Cash paid for grants	(432,950)	(357,343)
Cash paid for operations	(214,907)	(137,201)
Interest and dividends received	9,267	9,788
Net cash provided by (used by) operating activities	(50,065)	78,414
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from maturity of certificates of deposit	-	404,267
Purchase of certificates of deposits	-	(1,339)
Proceeds from sale of investments	-	8,315
Net cash provided by investing activities	-	411,243
<b>NET INCREASE IN CASH</b>	(50,065)	489,657
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	987,560	497,903
<b>End of year</b>	\$ 937,495	\$ 987,560
<b>ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (95,008)	\$ 84,135
Adjustments to reconcile change in net assets to net cash provided by (used by) operating activities:		
Change in beneficial interest	(296)	(526)
Realized and unrealized (gains) losses	-	(23)
Contributions for long-term purposes	-	1,500
Contributions received as investments	-	(3,585)
Discounts on grants payable	(2,269)	(954)
Change in operating assets and liabilities:		
Contributions and pledges receivable	27,100	(55,575)
Accrued interest receivable	-	2,038
Other receivable	705	(276)
Prepaid expenses	463	(463)
Accounts payable	(2,010)	1,370
Accrued liabilities	-	(1,684)
Grants payable	21,250	52,457
Net cash provided by (used by) operating activities	\$ (50,065)	\$ 78,414

See accompanying Notes to Financial Statements.

**IMPACT AUSTIN FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
Years Ended June 30, 2018 and 2017**

---

**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 2017, the Organization had a membership of 446 women and has provided more than \$6 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 equal amounts to four separate charitable organizations for their programs, as well as a single Catalyst Grant to strengthen or grow a nonprofit organization in order to improve its future performance, impact and sustainability. 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.

***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.

**IMPACT AUSTIN FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Years Ended June 30, 2018 and 2017**

---

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

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.

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.

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, 2018 and 2017**

---

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

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 2015.

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.

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, 2018 and 2017**

**NOTE 2: CONTRIBUTIONS RECEIVABLE - continued**

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

	<b>2018</b>		
	<u>Current</u>	<u>Long-Term</u>	<u>Total</u>
Membership contributions receivable	\$ 238,150	\$ 37,500	\$ 275,650
Other contributions receivable	-	-	-
	<u>238,150</u>	<u>37,500</u>	<u>275,650</u>
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>

  

	<b>2017</b>		
	<u>Current</u>	<u>Long-Term</u>	<u>Total</u>
Membership contributions receivable	\$ 180,850	\$ 124,400	\$ 305,250
Other contributions receivable	705	-	705
	<u>181,555</u>	<u>124,400</u>	<u>305,955</u>
Less: Allowance for uncollectible amount	<u>(17,500)</u>	<u>(6,250)</u>	<u>(23,750)</u>
Contributions receivable, net	<u>\$ 164,055</u>	<u>\$ 118,150</u>	<u>\$ 282,205</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, 2018 and 2017 was as follows:

	<u><b>2018</b></u>	<u><b>2017</b></u>
Allowance for uncollectible contributions receivable - beginning of year	\$ 23,750	\$ 22,500
(Decrease) increase in prior estimate	5,300	(13,450)
Contributions receivable written off	(22,800)	(9,050)
Provision for bad debt	<u>15,000</u>	<u>23,750</u>
Allowance for uncollectible contributions receivable - end of year	<u>\$ 21,250</u>	<u>\$ 23,750</u>



**IMPACT AUSTIN FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Years Ended June 30, 2018 and 2017**

**NOTE 3: 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>
<b><u>June 30, 2018</u></b>				
Beneficial interest in endowment fund	\$ 5,997	\$ -	\$ 5,997	\$ -
	<u>\$ 5,997</u>	<u>\$ -</u>	<u>\$ 5,997</u>	<u>\$ -</u>
<b><u>June 30, 2017</u></b>				
Beneficial interest in endowment fund	\$ 5,701	\$ -	\$ 5,701	\$ -
	<u>\$ 5,701</u>	<u>\$ -</u>	<u>\$ 5,701</u>	<u>\$ -</u>

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

	<u>2018</u>	<u>2017</u>
Interest and dividends	\$ 9,267	\$ 7,750
Realized gain on investments	-	23
Total	<u>\$ 9,267</u>	<u>\$ 7,773</u>

**NOTE 4: 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 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. 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.

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. At June 30, 2018 and 2017, there were no amounts available to be distributed.

**IMPACT AUSTIN FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Years Ended June 30, 2018 and 2017**

---

**NOTE 4: ENDOWMENT FUND - continued**

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. 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.

The endowment fund 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:			
Transfers from Impact Austin	-	-	-
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
Proceeds from sales	-	-	-
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>

**IMPACT AUSTIN FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Years Ended June 30, 2018 and 2017**

**NOTE 4: ENDOWMENT FUND - continued**

The endowment fund held by ACF had the following activity for the year ended June 30, 2017:

	<u>Agency</u>	<u>Donor</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 5,175	\$ 33,379	\$ 38,554
Contributions:			
Transfers from Impact Austin	-	-	-
Donor direct contributions	-	10,262	10,262
Total contributions	-	10,262	10,262
Net appreciation:			
Interest and dividends	114	871	985
Realized gains	258	2,040	2,298
Unrealized gains	217	1,544	1,761
proceeds from sales	-	17	17
Administrative and investment expenses	(63)	(481)	(544)
Total net appreciation	526	3,991	4,517
Total	<u>\$ 5,701</u>	<u>\$ 47,632</u>	<u>\$ 53,333</u>

**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 2018 and 2017, respectively. The following is a summary of grants authorized and payable at June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
To be paid in less than one year	\$ 428,000	\$ 432,950
To be paid in one to two years	167,250	141,050
Gross grants authorized but unpaid	595,250	574,000
Less: Discount on long-term grants	(4,215)	(1,946)
Grants payable, net	<u>\$ 591,035</u>	<u>\$ 572,054</u>

**NOTE 6: RELATED PARTY TRANSACTION**

Impact Austin Foundation receives contributions and donations from board members of the Organization. The related party contributions and donations at June 30, 2018 and 2017, are \$26,631 and \$14,746, respectively. The amount receivable from board members at June 30, 2018 and 2017, are \$6,000 and \$15,000, respectively.

**IMPACT AUSTIN FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Years Ended June 30, 2018 and 2017**

---

**NOTE 7: NET ASSETS**

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

	<u>Designated</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 701	\$ 5,000	\$ 5,701
Net appreciation	296	-	296
Endowment net assets, end of year	<u>\$ 997</u>	<u>\$ 5,000</u>	<u>\$ 5,997</u>

The net assets of the endowment and the changes therein were as follows as of June 30, 2017:

	<u>Designated</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 175	\$ 5,000	\$ 5,175
Net appreciation	526	-	526
Endowment net assets, end of year	<u>\$ 701</u>	<u>\$ 5,000</u>	<u>\$ 5,701</u>

During 2018 and 2017, net assets of \$428,106 and \$453,271, respectively, were released from accompanying stipulations due to actions of the Organization or through the passage of time. As of June 30, 2018 and 2017, temporarily restricted net assets consisted of the following unexpended contributions restricted by donors:

	<u>2018</u>	<u>2017</u>
High Impact Grants from Women	\$ 376,886	\$ 400,717
Girls Giving Grants	1,500	3,600
Event sponsorship	-	500
Total temporarily restricted net assets	<u>\$ 378,386</u>	<u>\$ 404,817</u>

At June 30, 2018, the following assets were temporarily restricted:

	<u>Cash</u>	<u>Receivable</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>342,386</u>
Long-Term:			
High impact grants - members	<u>1,000</u>	<u>35,000</u>	<u>36,000</u>
Total	<u>\$ 123,986</u>	<u>\$ 254,400</u>	<u>\$ 378,386</u>

**IMPACT AUSTIN FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Years Ended June 30, 2018 and 2017**

---

**NOTE 7: NET ASSETS - continued**

At June 30, 2017, the following assets were temporarily restricted:

	<u>Cash</u>	<u>Receivable</u>	<u>Total</u>
Current:			
High impact grants - members	\$ 120,217	\$ 163,350	\$ 283,567
Girls Giving Grants	3,600	-	3,600
Event sponsorship	-	500	500
Total current	<u>123,817</u>	<u>163,850</u>	<u>287,667</u>
Long-Term:			
High impact grants - members	<u>1,000</u>	<u>118,150</u>	<u>119,150</u>
Total	<u>\$ 124,817</u>	<u>\$ 282,000</u>	<u>\$ 406,817</u>

**NOTE 8: 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, 2018 and 2017. These services were not recognized as contributions in the financial statements because the recognition criteria were not met.

For the years ended June 30, 2018 and 2017, goods and services in the amount of \$500 and \$1,648, respectively, were contributed for the Organization's annual meeting and member materials and are included as contributions in the statements of activities.

**NOTE 9: 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, 2018 and 2017, cash and certificates of deposit balances exceeded the insurance coverage by \$442,029 and \$556,872, 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.