

**Impact Austin Foundation**

**Audited Financial Statements**

**Years ended June 30, 2007 and 2006**

# **Impact Austin Foundation**

## **Audited Financial Statements**

**Years ended June 30, 2007 and 2006**

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**PATRICIA SCHMIDT, CPA**  
CERTIFIED PUBLIC ACCOUNTANT

## Independent Auditor's Report

Board of Directors  
Impact Austin Foundation

I have audited the accompanying statements of financial position of Impact Austin Foundation (a not-for-profit corporation) as of June 30, 2007 and 2006, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Impact Austin Foundation as of June 30, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Patricia Schmidt, CPA*

Patricia Schmidt, CPA  
Certified Public Accountant

October 22, 2007

**Impact Austin Foundation**  
**Statements of Financial Position**  
**June 30, 2007 and 2006**

	2007	2006
<b>Assets</b>		
Current assets		
Cash and equivalents	\$ 609,328	\$ 515,981
Contributions receivable, net	139,137	150,417
Prepaid expense	947	751
Total current assets	749,412	667,149
<b>Total Assets</b>	<b>\$ 749,412</b>	<b>\$ 667,149</b>
<b>Liabilities and Net Assets</b>		
Liabilities		
Current liabilities		
Accounts payable	\$ 1,114	3,280
Deferred revenue	-	3,875
Grants payable - current portion	374,550	\$ 348,050
Total current liabilities	375,664	355,205
Grants payable - long term portion, net	116,826	48,488
Total liabilities	492,490	403,693
Net Assets		
Temporarily restricted	212,000	227,000
Unrestricted	44,922	36,456
Total net assets	256,922	263,456
<b>Total Liabilities and Net Assets</b>	<b>\$ 749,412</b>	<b>\$ 667,149</b>

See the accompanying notes to financial statements.

# Impact Austin Foundation

## Statement of Activities

Year ended June 30, 2007

	2007		
	Unrestricted	Temporarily Restricted	Total
Revenue and Other Support			
Contributions	\$ 28,673	\$ 419,600	\$ 448,273
Contributed professional services	-		-
Investment revenue	15,527		15,527
Net assets released from restrictions:			
Satisfaction of program restrictions	434,600	(434,600)	-
<b>Total revenue and other support</b>	<b>478,800</b>	<b>(15,000)</b>	<b>463,800</b>
Expenses			
Program services			
High Impact Grants from Women	425,394		425,394
Girls Giving Grants	2,891		2,891
<b>Total program services</b>	<b>428,285</b>		<b>428,285</b>
Supporting services			
Fundraising	2,490		2,490
Management and general	39,559		39,559
<b>Total supporting services</b>	<b>42,049</b>		<b>42,049</b>
<b>Total expenses</b>	<b>470,334</b>		<b>470,334</b>
Change in Net Assets	8,466	(15,000)	(6,534)
Net Assets - Beginning of Year	36,456	227,000	263,456
Net Assets - End of Year	\$ 44,922	\$ 212,000	\$ 256,922

See the accompanying notes to financial statements.

# Impact Austin Foundation

## Statement of Activities

Year Ended June 30, 2006

	2006		
	Unrestricted	Temporarily Restricted	Total
Revenue and Other Support			
Contributions	\$ 38,922	\$ 399,500	\$ 438,422
Contributed professional services	10,025		10,025
Investment revenue	10,926		10,926
Net assets released from restrictions:			
Satisfaction of program restrictions	334,800	(334,800)	-
<b>Total revenue and other support</b>	<b>394,673</b>	<b>64,700</b>	<b>459,373</b>
Expenses			
Program services			
High Impact Grants from Women	332,945		332,945
Girls Giving Grants	3,545		3,545
<b>Total program services</b>	<b>336,490</b>		<b>336,490</b>
Supporting services			
Fundraising	1,511		1,511
Management and general	33,596		33,596
<b>Total supporting services</b>	<b>35,107</b>		<b>35,107</b>
<b>Total expenses</b>	<b>371,597</b>		<b>371,597</b>
Change in Net Assets	23,076	64,700	87,776
Net Assets - Beginning of Year	13,380	162,300	175,680
Net Assets - End of Year	\$ 36,456	\$ 227,000	\$ 263,456

See the accompanying notes to financial statements.

## Impact Austin Foundation

### Statements of Cash Flows

Years ended June 30, 2007 and 2006

	2007	2006
Cash Flows from Operating Activities		
Cash from contributions	\$ 437,077	\$ 376,872
Cash paid for grants	(322,350)	(214,550)
Cash paid for operations	(36,907)	(22,278)
Interest and dividends received	15,527	10,926
Net cash provided by operating activities	93,347	150,970
Net Increase in Cash and Equivalents	93,347	150,970
Cash and Equivalents - Beginning of Year	515,981	365,011
Cash and Equivalents - End of Year	\$ 609,328	\$ 515,981
Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities		
Change in net assets	\$ (6,534)	\$ 87,776
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Bad debt expense	22,477	8,133
Discounts on grants payable	(1,412)	(1,343)
Changes in operating assets and liabilities:		
Increase in contributions receivable	(11,196)	(61,550)
Increase in prepaid expenses	(197)	(751)
Increase in grants payable	96,250	111,550
Increase (decrease) in accounts payable and deferred revenue	(6,041)	7,155
Net Cash Provided by Operating Activities	\$ 93,347	\$ 150,970

See the accompanying notes to financial statements.

# Impact Austin Foundation

## Notes to Financial Statements

### NOTE A – Nature of Activities and Significant Accounting Policies

#### Nature of Activities

Impact Austin Foundation (the Organization) is a women’s philanthropic organization that seeks to transform lives in the Austin, Texas, area through high-impact and lifelong giving. The Organization was formed and began operations in 2003.

#### Program Activities

##### *High Impact Grants from Women*

The Organization’s primary program involves combining annual donations from women to fund grants of \$100,000 or more. The women donors, predominantly from the Austin, Texas, area, become members of the Organization each year by donating \$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 in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, 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.

#### Contributions

Under SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the absence or existence and nature of any donor restrictions.

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. These are reflected as contributions receivable. Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

# Impact Austin Foundation

## Notes to Financial Statements

### NOTE A – Nature of Activities and Significant Accounting Policies - Continued

#### Donated Services

Donated services are recognized as contributions in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, 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 contributed services are recorded at their fair values 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.

#### 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.

#### Cash and Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use to be cash equivalents.

#### 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.

### NOTE B – Contributions Receivable

The Organization receives unconditional promises to give from its membership. Contributions receivable are due by December 31 of the ensuing fiscal year. The Organization uses the allowance method to reflect uncollectible contributions receivable. The allowance is based on past experience and management's analysis of collectibility of specific contributions receivable.

**Impact Austin Foundation**  
**Notes to Financial Statements**

**NOTE B – Contributions Receivable - Continued**

Contributions receivable, net consists of the following:

	2007		2006
Unconditional promises to give	\$ 158,237	\$	166,550
Less: allowance for uncollectible promises to give	(19,100)		(16,133)
Contributions receivable, net	\$ 139,137		150,417

Activity in the allowance for uncollectible promises to give for the year ended June 30, 2007 follows:

	2007		2006
Allowance for uncollectible promises to give – Beginning of year	\$ 16,133	\$	17,000
Provision for bad debt expense	22,477		8,133
Promises to give written off	(19,510)		(9,000)
Allowance for uncollectible promises to give – End of year	\$ 19,100		16,133

**NOTE C – Temporarily Restricted Net Assets**

As of June 30, 2007, temporarily restricted net assets consist of unexpended contributions restricted by the donors for the following purposes:

	Amount
High Impact Grants from Women – 2008 Program Year	\$ 210,000
High Impact Grants from Women – 2009 Program Year	2,000
Total temporarily restricted net assets	\$ 212,000

## Impact Austin Foundation

### Notes to Financial Statements

#### NOTE D – Grants Payable

Grants authorized but unpaid at year end are reported as liabilities in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. Grant amounts to be paid in more than one year are discounted at rates averaging 5.1%.

The following is a summary of grants authorized and payable at June 30, 2007:

		Amount
To be paid in less than one year	\$	374,550
To be paid in one to two years		123,750
Gross grants authorized but unpaid		498,300
Less: discount on long-term grants		(6,924)
Net grants authorized but unpaid	\$	491,376

#### NOTE E – Donated Services

Volunteers donate significant amounts of time to administer the Organization's program services and supporting activities throughout the year. These services are not recognized as contributions in the financial statements since the recognition criteria under SFAS No. 116 were not met.

For the year ended June 30, 2006, donated website services valued at \$10,025, which were utilized for general and administrative purposes, were included as contributions in the 2006 financial statements.

#### NOTE F – Concentrations Risk

Cash and equivalents of \$512,622 as of June 30, 2007 are held in a brokerage account, of which \$213,248 is invested in a money market fund and \$299,374 is invested in fixed income funds. This potentially exposes the Foundation to concentrations of market risk. The brokerage account is covered by the Securities Investor Protection Corporation (SIPC), which insures the investments only in case of brokerage insolvency.

## **Additional Information**



**PATRICIA SCHMIDT, CPA**  
CERTIFIED PUBLIC ACCOUNTANT

## **Independent Auditor's Report on Additional Information**

Board of Directors  
Impact Austin Foundation

The report on my audits of the basic financial statements of Impact Austin Foundation for the years ended June 30, 2007 and 2006 appears on page 1. Those audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The following schedules of functional expenses for the years ended June 30, 2007 and 2006 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Patricia Schmidt, CPA*

Patricia Schmidt, CPA  
Certified Public Accountant

October 22, 2007

# Impact Austin Foundation

## Schedule of Functional Expenses

Year ended June 30, 2007

	2007				Total Expenses
	Program Services		Supporting Services		
	High Impact Grants from Women	Girls Giving Grants	Fund Raising	Manage- ment and General	
Awards and grants	\$ 416,000	\$ 2,600	\$	\$	\$ 418,600
Bank service charges				2,910	2,910
Board development, research materials, and dues	50		170	372	592
Conferences, conventions, and meetings	6,321		1,190	1,209	8,720
Miscellaneous				537	537
Postage and shipping	858		165	771	1,794
Printing and publications	1,915		144	98	2,157
Professional and other contract services	1,516		361	7,642	9,519
Supplies	146		460	1,243	1,849
Youth expense		291		2,290	2,581
Bad debt expense - uncollectible contributions receivable				22,477	22,477
Discount on long-term grants payable	(1,412)				(1,412)
Other				10	10
<b>Total</b>	<b>\$ 425,394</b>	<b>\$ 2,891</b>	<b>\$ 2,490</b>	<b>\$ 39,559</b>	<b>\$ 470,334</b>

# Impact Austin Foundation

## Schedule of Functional Expenses

Year Ended June 30, 2006

	2006				
	Program Services		Supporting Services		Total Expenses
	High Impact Grants from Women	Girls Giving Grants	Fund Raising	Management and General	
Awards and grants	\$ 324,000	\$ 2,100	\$	\$	\$ 326,100
Bank service charges				2,548	2,548
Board development, research materials, and dues				345	345
Conferences, conventions, and meetings	7,462		633	1,790	9,885
Miscellaneous	250		158	535	943
Postage and shipping	570		122		692
Printing and publications	995		88	4,721	5,804
Professional and other contract services				14,275	14,275
Supplies	1,011		510	702	2,223
Youth expense		1,445		366	1,811
Bad debt expense - uncollectible contributions receivable				8,133	8,133
Discount on long-term grants payable	(1,343)				(1,343)
Other				181	181
<b>Total</b>	<b>\$ 332,945</b>	<b>\$ 3,545</b>	<b>\$ 1,511</b>	<b>\$ 33,596</b>	<b>\$ 371,597</b>