

**Impact Austin Foundation**

**Audited Financial Statements**

**Years ended June 30, 2009 and 2008**



# **Impact Austin Foundation**

## **Audited Financial Statements**

**Years ended June 30, 2009 and 2008**

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PATRICIA SCHMIDT, CPA

CERTIFIED PUBLIC ACCOUNTANT

## Independent Auditor's Report

To the Board of Directors  
of Impact Austin Foundation

I have audited the accompanying statements of financial position of Impact Austin Foundation (a nonprofit corporation) as of June 30, 2009 and 2008, 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, 2009 and 2008, 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 20, 2009

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**Impact Austin Foundation**  
**Statements of Financial Position**  
**June 30**

	2009	2008
<b>Assets</b>		
Cash and equivalents	\$ 325,924	\$ 626,837
Certificates of deposit	275,000	
Contributions receivable, net	276,834	326,253
Accrued interest receivable	4,138	
Prepaid expense		5,888
<b>Total Assets</b>	<b>\$ 881,896</b>	<b>\$ 958,978</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 4,066	\$ 713
Grants payable, net	444,100	483,470
<b>Total liabilities</b>	<b>448,166</b>	<b>484,183</b>
<b>Net Assets</b>		
Temporarily restricted	323,306	383,653
Unrestricted	110,424	91,142
<b>Total net assets</b>	<b>433,730</b>	<b>474,795</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 881,896</b>	<b>\$ 958,978</b>

See the accompanying notes to financial statements.

# Impact Austin Foundation

## Statements of Activities

Years ended June 30

	2009		
	Unrestricted	Temporarily Restricted	Total
Revenue and Other Support			
Contributions	\$ 62,469	\$ 503,103	\$ 565,572
Contributed goods and services	226		226
Investment revenue	16,750		16,750
Net assets released from restrictions:			
Satisfaction of program restrictions	563,450	(563,450)	-
<b>Total revenue and other support</b>	<b>642,895</b>	<b>(60,347)</b>	<b>582,548</b>
Expenses			
Program services			
High Impact Grants from Women	567,505		567,505
Girls Giving Grants	5,792		5,792
<b>Total program services</b>	<b>573,297</b>		<b>573,297</b>
Supporting services			
Fundraising	1,373		1,373
Management and general	48,943		48,943
<b>Total supporting services</b>	<b>50,316</b>		<b>50,316</b>
<b>Total expenses</b>	<b>623,613</b>		<b>623,613</b>
<b>Change in Net Assets</b>	<b>19,282</b>	<b>(60,347)</b>	<b>(41,065)</b>
Net Assets - Beginning of Year	91,142	383,653	474,795
<b>Net Assets - End of Year</b>	<b>\$ 110,424</b>	<b>\$ 323,306</b>	<b>\$ 433,730</b>

See the accompanying notes to financial statements.

2008		
Unrestricted	Temporarily Restricted	Total
\$ 39,826	\$ 712,353	\$ 752,179
7,250		7,250
22,855		22,855
540,700	(540,700)	-
610,631	171,653	782,284
527,492		527,492
6,786		6,786
534,278		534,278
6,586		6,586
23,547		23,547
30,133		30,133
564,411		564,411
46,220	171,653	217,873
44,922	212,000	256,922
\$ 91,142	\$ 383,653	\$ 474,795

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## Impact Austin Foundation

### Statements of Cash Flows

Years ended June 30

	2009	2008
Cash Flows from Operating Activities		
Cash from contributions	\$ 609,991	\$ 565,062
Cash paid for grants	(552,062)	(523,437)
Cash paid for operations	(96,454)	(46,971)
Interest and dividends received	12,612	22,855
Net cash provided (used) by operating activities	(25,913)	17,509
Cash Flows from Investing Activities		
Certificates of deposit purchased	(275,000)	-
Net cash used by investing activities	(275,000)	-
Net (Decrease) Increase in Cash and Equivalents	(300,913)	17,509
Cash and Equivalents - Beginning of Year	626,837	609,328
Cash and Equivalents - End of Year	\$ 325,924	\$ 626,837
Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities		
Change in net assets	\$ (41,065)	\$ 217,873
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Bad debt expense	5,000	
Discounts on contributions receivable	(5,703)	8,397
Discounts on grants payable	(2,507)	(169)
Changes in operating assets and liabilities:		
Decrease (Increase) in contributions receivable	50,122	(195,513)
(Increase) in accrued interest receivable	(4,138)	
Decrease (Increase) in prepaid expenses	5,888	(4,940)
(Decrease) in grants payable	(36,863)	(7,738)
Increase (Decrease) in accounts payable	3,353	(401)
Net Cash Provided (Used) by Operating Activities	\$ (25,913)	\$ 17,509

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. Membership contributions receivable are due by December 31 of the ensuing fiscal year. Beyond Impact contributions receivable are due in fiscal years 2010 and 2011. Beyond Impact contributions receivable that are expected to be collected beyond the upcoming fiscal year are discounted and reflected at the net present value of their estimated future cash flows. The discounts on the receivables are computed using risk-free interest rates applicable to the years in which the promises are received. As of June 30, 2009, discount rates on the contributions receivable were 4.5%.

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 unconditional promises to give:

	2009		2008
Membership contributions receivable	\$ 186,128	\$	203,000
Beyond Impact contributions receivable	102,500		142,750
<b>Total</b>	<b>288,628</b>		<b>134,750</b>
Receivable in less than one year	242,378		243,084
Receivable in one to two years	46,250		102,666
	288,628		345,750
Less: discounts to net present value	(2,694)		(8,397)
Less: allowance for uncollectible amounts	(9,100)		(11,100)
<b>Contributions receivable, net</b>	<b>\$ 276,834</b>	<b>\$</b>	<b>326,253</b>

Activity in the allowance for uncollectible contributions receivable for the year ended June 30, 2009 and 2008 follows:

	2009		2008
Allowance for uncollectible contributions receivable – Beginning of year	\$ 11,100	\$	19,100
Provision for bad debt expense	5,000		-
Contributions receivable written off	(7,000)		(8,000)
<b>Allowance for uncollectible contributions receivable – End of year</b>	<b>\$ 9,100</b>	<b>\$</b>	<b>11,100</b>

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

**NOTE C – Temporarily Restricted Net Assets**

As of June 30, 2009, temporarily restricted net assets consist of unexpended contributions restricted by the donors for the following purposes:

	<b>Amount</b>
High Impact Grants from Women – 2010 Program Year	\$ 223,000
Girls Giving Grants – 2010 Program Year	500
Operations and capacity building in upcoming years	99,806
<b>Total temporarily restricted net assets</b>	<b>\$ 323,306</b>

**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%.

The following is a summary of grants authorized and payable at June 30, 2009:

	<b>Amount</b>
To be paid in less than one year	\$ 213,700
To be paid in one to two years	240,000
Gross grants authorized but unpaid	453,700
Less: discount on long-term grants	(9,600)
<b>Net grants authorized but unpaid</b>	<b>\$ 444,100</b>

## **Impact Austin Foundation**

### **Notes to Financial Statements**

#### **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 were 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, 2008, donated marketing services valued at \$5,000, which were utilized for fund-raising purposes, were included as contributions in the 2008 financial statements.

#### **NOTE F – Concentrations Risk**

Cash and equivalents includes \$215,085 as of June 30, 2009 invested in a money market fund in a brokerage account. The brokerage account is insured by the Securities Investor Protection Corporation (SIPC), which insures cash equivalents up to a maximum of \$100,000 in case of brokerage insolvency. Accordingly, as of June 30, 2009 a minimum of \$115,085 in the brokerage account is uninsured.

## **Additional Information**

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**PATRICIA SCHMIDT, CPA**

CERTIFIED PUBLIC ACCOUNTANT

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

To the Board of Directors  
of Impact Austin Foundation

The report on my audits of the basic financial statements of Impact Austin Foundation for the years ended June 30, 2009 and 2008 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, 2009 and 2008 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 20, 2009

**Impact Austin Foundation**  
**Schedules of Functional Expenses**  
**Years ended June 30**

	2009				
	Program Services		Supporting Services		Total Expenses
	High Impact Grants from Women	Girls Giving Grants	Fund Raising	Management and General	
Awards and grants	\$ 510,000	\$ 5,200	\$	\$	
Bank service charges				4,415	4,415
Board development, research materials, and dues			245	309	554
Impact Austin events	25,943	122	65	2,224	28,354
Miscellaneous	258			100	358
Postage and shipping	699		294	838	1,831
Printing and publications	3,578	295	619	130	4,622
Professional and other contract services	27,300	175	150	34,202	61,827
Supplies and stationery	1,393			1,725	3,118
Travel	841				841
Bad debt expense - uncollectible contributions receivable				5,000	5,000
Discount on long-term grants payable	(2,507)				(2,507)
<b>Total</b>	<b>\$ 567,505</b>	<b>\$ 5,792</b>	<b>\$ 1,373</b>	<b>\$ 48,943</b>	<b>\$ 623,613</b>

2008				
Program Services		Supporting Services		
High Impact Grants from Women	Girls Giving Grants	Fund Raising	Management and General	Total Expenses
\$ 510,000	\$ 5,700	\$	\$	\$ 515,700
			4,003	4,003
70		65	807	942
8,881	268	316	1,901	11,366
			256	256
1,063	16	281	904	2,264
2,124	654	5,437	148	8,363
5,018	141	92	13,645	18,896
505	7	395	1,883	2,790
				-
(169)				(169)
<b>\$ 527,492</b>	<b>\$ 6,786</b>	<b>\$ 6,586</b>	<b>\$ 23,547</b>	<b>\$ 564,411</b>