

Impact Austin Foundation

Audited Financial Statements

Years ended June 30, 2010 and 2009

Impact Austin Foundation

Audited Financial Statements

Years ended June 30, 2010 and 2009

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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, 2010 and 2009, 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, 2010 and 2009, 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 11, 2010

Impact Austin Foundation
Statements of Financial Position
As of June 30

	2010	2009
Assets		
Cash and equivalents	\$ 417,293	\$ 325,924
Certificates of deposit	320,000	275,000
Contributions receivable, net	192,390	276,834
Accrued interest receivable	1,008	4,138
Total Assets	\$ 930,691	\$ 881,896
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 906	\$ 4,066
Grants payable, net	559,450	444,100
Total liabilities	560,356	448,166
Net Assets		
Temporarily restricted	235,650	323,306
Unrestricted	134,685	110,424
Total net assets	370,335	433,730
Total Liabilities and Net Assets	\$ 930,691	\$ 881,896

See the accompanying notes to financial statements.

Impact Austin Foundation

Statement of Activities

Year ended June 30, 2010

	2010		
	Unrestricted	Temporarily Restricted	Total
Revenue and Other Support			
Contributions	\$ 46,915	\$ 510,544	\$ 557,459
Contributed goods and services	2,352		2,352
Investment revenue	3,470		3,470
Net assets released from restrictions:			
Satisfaction of program restrictions	598,200	(598,200)	-
Total revenue and other support	650,937	(87,656)	563,281
Expenses			
Program services			
High Impact Grants from Women	573,342		573,342
Girls Giving Grants	7,682		7,682
Total program services	581,024		581,024
Supporting services			
Fundraising	960		960
Management and general	44,692		44,692
Total supporting services	45,652		45,652
Total expenses	626,676		626,676
Change in Net Assets	24,261	(87,656)	(63,395)
Net Assets - Beginning of Year	110,424	323,306	433,730
Net Assets - End of Year	\$ 134,685	\$ 235,650	\$ 370,335

See the accompanying notes to financial statements.

Impact Austin Foundation

Statement of Activities

Year Ended June 30, 2009

	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)	-
Total revenue and other support	642,895	(60,347)	582,548
Expenses			
Program services			
High Impact Grants from Women	567,505		567,505
Girls Giving Grants	5,792		5,792
Total program services	573,297		573,297
Supporting services			
Fundraising	1,373		1,373
Management and general	48,943		48,943
Total supporting services	50,316		50,316
Total expenses	623,613		623,613
Change in Net Assets	19,282	(60,347)	(41,065)
Net Assets - Beginning of Year	91,142	383,653	474,795
Net Assets - End of Year	\$ 110,424	\$ 323,306	\$ 433,730

See the accompanying notes to financial statements.

Impact Austin Foundation

Statements of Cash Flows

Years ended June 30

	2010	2009
Cash Flows from Operating Activities		
Cash from contributions	\$ 623,895	\$ 609,991
Cash paid for grants	(416,549)	(552,062)
Cash paid for operations	(77,577)	(96,454)
Interest and dividends received	6,600	12,612
Net cash provided (used) by operating activities	136,369	(25,913)
Cash Flows from Investing Activities		
Certificates of deposit purchased	(320,000)	(275,000)
Proceeds from maturing certificates of deposit	275,000	
Net cash (used) by investing activities	(45,000)	(275,000)
Net Increase (Decrease) in Cash and Equivalents	91,369	(300,913)
Cash and Equivalents - Beginning of Year	325,924	626,837
Cash and Equivalents - End of Year	\$ 417,293	\$ 325,924
Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities:		
Change in net assets	\$ (63,395)	\$ (41,065)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Bad debt expense	18,008	5,000
Discounts on contributions receivable	(544)	(5,703)
Discounts on grants payable	1,200	(2,507)
Changes in operating assets and liabilities:		
Decrease in contributions receivable	66,980	50,122
Decrease (increase) in interest receivable	3,130	(4,138)
Decrease in prepaid expenses	-	5,888
Increase (decrease) in grants payable	114,150	(36,863)
Increase (decrease) in accounts payable	(3,160)	3,353
Net Cash Provided (Used) by Operating Activities	\$ 136,369	\$ (25,913)

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 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.

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 Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under ASC 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.

Contributions

Under ASC 958, 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 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 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.

Financial Instruments

The Organization's financial instruments consist of certificates of deposit, accounts receivable, accounts payable and grants payable. The carrying amounts of financial instruments approximate fair value.

NOTE B – 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 contributions receivable are multi-year commitments that were made in fiscal year 2008, with the final installments due in fiscal year 2011. Beyond Impact contributions receivable are discounted and reflected at the net present value of their estimated future cash flows. The discount is computed using a risk-free interest rate of 4.5%, which was the rate applicable to the year in which the promises were received.

Impact Austin Foundation
Notes to Financial Statements

NOTE B – Contributions Receivable - Continued

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.

Contributions receivable, net consists of the following unconditional promises to give:

	2010	2009
Membership contributions receivable	\$ 160,640	\$ 186,128
Beyond Impact contributions receivable	43,000	102,500
Total	203,640	288,628
Receivable in less than one year	203,640	242,378
Receivable in one to two years	-	46,250
	203,640	288,628
Less: discounts to net present value	(2,150)	(2,694)
Less: allowance for uncollectible amounts	(9,100)	(9,100)
Contributions receivable, net	\$ 192,390	\$ 276,834

Activity in the allowance for uncollectible contributions receivable for the years ended June 30, 2010 and 2009 follows:

	2010	2009
Allowance for uncollectible contributions receivable – Beginning of year	\$ 9,100	\$ 11,100
Provision for bad debt expense	18,008	5,000
Contributions receivable written off	(18,008)	(7,000)
Allowance for uncollectible contributions receivable – End of year	\$ 9,100	\$ 9,100

Impact Austin Foundation
Notes to Financial Statements

NOTE C – Temporarily Restricted Net Assets

As of June 30, 2010, temporarily restricted net assets consist of unexpended contributions restricted by the donors for the following purposes:

	Amount
High Impact Grants from Women – 2011 Program Year	\$ 194,000
Girls Giving Grants – 2011 Program Year	800
Operations and capacity building in upcoming years	40,850
Total temporarily restricted net assets	\$ 235,650

NOTE D – Grants Payable

Grants authorized but unpaid at year end are reported as liabilities in accordance with ASC 958. Grant amounts to be paid in more than one year are discounted at rates averaging 4%.

The following is a summary of grants authorized and payable at June 30, 2010:

	Amount
To be paid in less than one year	\$ 357,850
To be paid in one to two years	210,000
Gross grants authorized but unpaid	567,850
Less: discount on long-term grants	(8,400)
Net grants authorized but unpaid	\$ 559,450

NOTE E – Contributed Goods and 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 because the recognition criteria were not met.

For the year ended June 30, 2010, \$2,352 goods contributed for the Organization’s annual meeting and member materials are included as contributions in the 2010 statement of activities.

Impact Austin Foundation

Notes to Financial Statements

NOTE F – Concentrations Risk

The Organization is subject to concentrations of credit risk through cash and certificates of deposit. Cash and certificates of deposit are maintained at a high-quality financial institution. Credit exposure is limited to amounts in excess of FDIC insurance limits. At June 30, 2010, cash and certificates of deposit exceeded FDIC coverage by approximately \$334,000. The Organization has not incurred losses as a result of these concentrations.

Additional Information



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, 2010 and 2009 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, 2010 and 2009 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 11, 2010

Impact Austin Foundation

Schedule of Functional Expenses

Year ended June 30, 2010

	2010				Total Expenses
	Program Services		Supporting Services		
	High Impact Grants from Women	Girls Giving Grants	Fund Raising	Manage- ment and General	
Awards and grants	\$ 525,000	5,700			\$ 530,700
Bank service charges				4,884	4,884
Board development, research materials, and dues				788	788
Events	18,216	876	238	800	20,130
Miscellaneous	2,927				2,927
Postage and shipping	1,745	26	331	464	2,566
Printing and publications	4,197	680			4,877
Professional and other contract services	17,781	288		18,567	36,636
Supplies and stationery	1,748	112	391	1,182	3,433
Travel	528				528
Bad debt expense - uncollectible contributions receivable				18,007	18,007
Discount on long-term grants payable	1,200				1,200
Total	\$ 573,342	\$ 7,682	\$ 960	\$ 44,692	\$ 626,676

Impact Austin Foundation

Statement of Functional Expenses

Year Ended June 30, 2009

	2009				Total Expenses
	Program Services		Supporting Services		
	High Impact Grants from Women	Girls Giving Grants	Fund Raising	Management and General	
Awards and grants	\$ 510,000	\$ 5,200	\$	\$	\$ 515,200
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 & stationery	1,393			1,725	3,118
Bad debt expense - uncollectible contributions receivable	841				841
Discount on long-term grants payable				5,000	5,000
Other	(2,507)				(2,507)
Total	\$ 567,505	\$ 5,792	\$ 1,373	\$ 48,943	\$ 623,613