

IMPACT AUSTIN FOUNDATION

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
YEARS ENDED JUNE 30, 2015 AND 2014

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	8-11

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, 2015 and 2014, 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, 2015 and 2014, 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
December 8, 2015

FINANCIAL STATEMENTS

IMPACT AUSTIN FOUNDATION

STATEMENTS OF FINANCIAL POSITION

June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and cash equivalents	\$ 475,673	\$ 698,628
Certificates of deposit	549,639	397,379
Contributions receivable, net	70,850	52,500
Accrued interest receivable	3,389	532
Prepaid expenses	753	300
Total current assets	<u>1,100,304</u>	<u>1,149,339</u>
Long-term contributions receivable, net current portion	-	2,500
Total assets	<u><u>\$ 1,100,304</u></u>	<u><u>\$ 1,151,839</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 6,244	\$ 2,523
Accrued liabilities	2,733	-
Grants payable, net	499,957	509,000
Total current liabilities	<u>508,934</u>	<u>511,523</u>
Long-term grants payable, net current portion	<u>94,932</u>	<u>141,987</u>
Total liabilities	603,866	653,510
Net assets		
Unrestricted net assets	270,127	250,629
Temporarily restricted net assets	226,311	247,700
Permanently restricted net assets	-	-
Total net assets	<u>496,438</u>	<u>498,329</u>
Total liabilities and net assets	<u><u>\$ 1,100,304</u></u>	<u><u>\$ 1,151,839</u></u>

See accompanying Notes to Financial Statements.

IMPACT AUSTIN FOUNDATION

STATEMENTS OF ACTIVITIES

Years Ended June 30, 2015 and 2014

	2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
REVENUES AND OTHER SUPPORT				
Contributions	\$ 174,193	\$ 437,700	\$ -	\$ 611,893
Contributed goods and services	500	-	-	500
Investment Income	7,320	-	-	7,320
Net assets released from donor imposed restrictions	459,089	(459,089)	-	-
Total revenues and other support	641,102	(21,389)	-	619,713
EXPENSES				
Program services				
High Impact Grants from Women	537,517	-	-	537,517
Girls Giving Grants	14,718	-	-	14,718
Total program services	552,235	-	-	552,235
Supporting services				
Fundraising	4,584	-	-	4,584
Management and general	64,785	-	-	64,785
Total support services	69,369	-	-	69,369
Total expenses	621,604	-	-	621,604
INCREASE(decrease) IN NET ASSETS	19,498	(21,389)	-	(1,891)
NET ASSETS - Beginning of year	250,629	247,700	-	498,329
NET ASSETS - End of year	\$ 270,127	\$ 226,311	\$ -	\$ 496,438

See accompanying Notes to Financial Statements.

IMPACT AUSTIN FOUNDATION

STATEMENTS OF ACTIVITIES - continued

Years Ended June 30, 2015 and 2014

	2014			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
REVENUES AND OTHER SUPPORT				
Contributions	\$ 98,350	\$ 479,950	\$ -	\$ 578,300
Contributed goods and services	4,000	-	-	4,000
Investment income	5,277	-	-	5,277
Net assets released from donor imposed restrictions	526,200	(526,200)	-	-
Total revenues and other support	633,827	(46,250)	-	587,577
EXPENSES				
Program services				
High Impact Grants from Women	593,264	-	-	593,264
Girls Giving Grants	2,485	-	-	2,485
Total program services	595,749	-	-	595,749
Supporting services				
Fundraising	5,099	-	-	5,099
Management and general	61,366	-	-	61,366
Total support services	66,465	-	-	66,465
Total expenses	662,214	-	-	662,214
INCREASE(decrease) IN NET ASSETS	(28,387)	(46,250)	-	(74,637)
NET ASSETS - Beginning of year	279,016	293,950	-	572,966
NET ASSETS - End of year	\$ 250,629	\$ 247,700	\$ -	\$ 498,329

See accompanying Notes to Financial Statements.

IMPACT AUSTIN FOUNDATION

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended June 30, 2015 and 2014

	2015				Total
	Program Services		Supporting Services		
	High Impact Grants from Women	Girls Giving Grants	Fund Raising	Management & General	
EXPENSES					
Awards and grants	\$ 450,000	\$ 11,200	\$ -	\$ -	\$ 461,200
Change in discount on long-term grants payable	(98)	-	-	-	(98)
Awards and grants, net	449,902	11,200	-	-	461,102
Executive compensation	39,010	-	4,334	43,344	86,688
Events and meetings	16,037	2,980	-	-	19,017
Accounting	-	-	-	15,450	15,450
Website development costs	10,888	-	-	-	10,888
Advertising and promotion	10,606	-	-	-	10,606
Information technology	9,332	-	-	-	9,332
Office expenses	934	-	-	1,267	2,201
Insurance	-	-	-	2,162	2,162
Bank service charges	-	-	-	1,692	1,692
Printing and publications	808	538	-	-	1,346
Miscellaneous	-	-	250	870	1,120
Bad debt expense - uncollectible contributions receivable	-	-	-	-	-
Total expenses	\$ 537,517	\$ 14,718	\$ 4,584	\$ 64,785	\$ 621,604

See accompanying Notes to Financial Statements.

IMPACT AUSTIN FOUNDATION

STATEMENTS OF FUNCTIONAL EXPENSES - Continued

Years Ended June 30, 2015 and 2014

	2014				
	Program Services		Supporting Services		Total
	High Impact Grants from Women	Girls Giving Grants	Fund Raising	Management & General	
EXPENSES					
Awards and grants	\$ 501,000	\$ -	\$ -	\$ -	\$ 501,000
Change in discount on long-term grants payable	5,547	-	-	-	5,547
Awards and grants, net	506,547	-	-	-	506,547
Executive compensation	35,923	-	3,991	39,914	79,828
Events and meetings	20,295	1,023	-	-	21,318
Accounting	-	-	-	14,400	14,400
Website development costs	9,898	-	-	-	9,898
Advertising and promotion	12,190	43	-	-	12,233
Information technology	5,154	312	-	-	5,466
Office expenses	852	304	-	811	1,967
Insurance	-	-	-	902	902
Bank service charges	-	-	-	1,299	1,299
Printing and publications	2,405	803	-	-	3,208
Miscellaneous	-	-	1,108	1,040	2,148
Bad debt expense - uncollectible contributions receivable	-	-	-	3,000	3,000
Total expenses	\$ 593,264	\$ 2,485	\$ 5,099	\$ 61,366	\$ 662,214

See accompanying Notes to Financial Statements.

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash from contributions	\$ 596,043	\$ 626,020
Cash paid for grants	(517,200)	(505,800)
Cash paid for operations	(154,001)	(151,935)
Interest and dividends received	4,463	4,745
	(70,695)	(26,970)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturity of certificates of deposit	397,379	248,447
Purchase of certificates of deposits	(549,639)	(397,379)
	(152,260)	(148,932)
NET INCREASE (DECREASE) IN CASH	(222,955)	(175,902)
 CASH AND CASH EQUIVALENTS		
Beginning of year	698,628	874,530
End of year	\$ 475,673	\$ 698,628
 RECONCILIATION OF CHANGES IN NET ASSETS TO NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES:		
Change in net assets (decrease)	\$ (1,891)	\$ (74,637)
Adjustments to reconcile change in net assets to net cash provided by (used by) operating activities		
Bad debt expense	-	3,000
Discounts on grants payable	(98)	5,547
Change in operating assets and liabilities:		
Contributions receivable, net	(15,850)	47,720
Accrued interest receivable	(2,857)	(532)
Prepaid expenses	(453)	5
Accounts payable	3,721	(692)
Accrued liabilities	2,733	(2,581)
Grants payable	(56,000)	(4,800)
	(70,695)	(26,970)
Net cash provided by (used by) operating activities	\$ (70,695)	\$ (26,970)

See accompanying Notes to Financial Statements.

IMPACT AUSTIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2015 and 2014

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 2015, the Organization had a membership of 450 women and has provided more than \$5 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 five 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.

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 or 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.

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 2012.

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
Years Ended June 30, 2015 and 2014

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

Certificates of Deposits

Certificates of deposits are recorded at cost, which approximates fair value. The certificates mature through December 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 a three-year term. Candidates for the Board are nominated and elected by the sitting Board.

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 to raise funds for 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 December 8, 2015, 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 its membership. Membership contributions receivable are made annually, and are due by December 31 of the ensuing fiscal year. The Organization also receives contributions under campaigns for its Beyond Impact program which improves the Organization's quality programs and its infrastructure. At June 30, 2015 and 2014, Beyond Impact contributions receivable reflected a multi-year commitment to support the Organization's technology infrastructure; because of the limited nature of the commitment, this receivable has not been discounted.

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

	<u>2015</u>	<u>2014</u>
Membership contributions receivable	\$ 68,350	\$ 48,750
Beyond Impact contributions receivable	2,500	5,000
Other contributions receivable	-	1,250
	<u>\$ 70,850</u>	<u>\$ 55,000</u>
	<u>2015</u>	<u>2014</u>
Receivable in less than one year	\$ 77,100	\$ 58,750
Receivable in one to two years	-	2,500
	<u>77,100</u>	<u>61,250</u>
Less: Allowance for uncollectible accounts	<u>(6,250)</u>	<u>(6,250)</u>
	<u>\$ 70,850</u>	<u>\$ 55,000</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 fundraising activity.

IMPACT AUSTIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2015 and 2014

NOTE 2: CONTRIBUTIONS RECEIVABLE - Continued

Activity in the allowance for uncollectible contributions receivable for the years ended June 30, 2015 and 2014 was as follows:

Allowance for uncollectible contributions		
receivable - beginning of year	\$ 6,250	\$ 5,000
(Decrease) increase in prior estimate	(2,500)	3,000
Contributions receivable written off	(3,750)	(8,000)
Provision for bad debt from current receivables	6,250	6,250
Allowance for uncollectible contributions		
receivable - end of year	<u>\$ 6,250</u>	<u>\$ 6,250</u>

NOTE 3: TEMPORARILY RESTRICTED NET ASSETS

During 2015 and 2014, net assets of **\$459,089** and \$526,200, respectively, were released from accompanying stipulations due to actions of the Organization or though the passage of time. As of June 30, 2015 and 2014, temporarily restricted net assets consisted of unexpended contributions restricted by the donors for the following purposes:

	<u>2015</u>	<u>2014</u>
High Impact Grants from Women	\$ 225,611	\$ 239,750
Girls Giving Grants	700	6,200
Operations and capacity building in upcoming years	-	1,750
Total temporarily restricted net assets	<u>\$ 226,311</u>	<u>\$ 247,700</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 0.64% and 0.36% for 2015 and 2014, respectively.

The following is a summary of grants authorized and payable at June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
To be paid in less than one year	\$ 499,957	\$ 509,000
To be paid in one to two years	95,543	142,500
Gross grants authorized but unpaid	595,500	651,500
Less: Discount on long-term grants	(611)	(513)
Grants payable, net	<u>\$ 594,889</u>	<u>\$ 650,987</u>

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, 2015 and 2014. These services were not recognized as contributions in the financial statements because the recognition criteria were not met.

For the years ended June 30, 2015 and 2014, goods and services in the amount of **\$500** and \$4,000, 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.

IMPACT AUSTIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2015 and 2014

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 may exceed federally insured limits. The Organization does not require collateral against any excess deposits. At June 30, 2015 and 2014 cash and certificates of deposit balances exceeded the insurance coverage by \$254,918 and \$63,495, 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.