

**IMPACT AUSTIN FOUNDATION**  
FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT  
YEARS ENDED JUNE 30, 2016 AND 2015

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## **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, 2016 and 2015, 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, 2016 and 2015, 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

November 9, 2016

**FINANCIAL STATEMENTS**

**IMPACT AUSTIN FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**

June 30, 2016 and 2015

	<b>2016</b>	<b>2015</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 497,903	\$ 475,673
Certificates of deposit	402,928	549,639
Investments	4,707	-
Receivables:		
Contributions and pledges, net	88,425	70,850
Accrued interest receivable	2,038	3,389
Other	429	-
Prepaid expenses	-	753
Total current assets	996,430	1,100,304
Long-term assets:		
Cash restricted for future years	2,500	-
Pledges receivable, net	137,500	-
	140,000	-
Other assets:		
Beneficial interest in endowment fund	5,175	-
	\$ 1,141,605	\$ 1,100,304
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable	\$ 4,502	\$ 6,244
Accrued liabilities	1,684	2,733
Grants payable, net	350,543	499,957
Total current liabilities	356,729	508,934
Long-term grants payable, net current portion	170,008	94,932
Total liabilities	526,737	603,866
Net assets:		
Unrestricted net assets	277,776	270,127
Temporarily restricted net assets	332,092	226,311
Permanently restricted net assets	5,000	-
Total net assets	614,868	496,438
<b>Total liabilities and net assets</b>	<b>\$ 1,141,605</b>	<b>\$ 1,100,304</b>

See accompanying Notes to Financial Statements.

**IMPACT AUSTIN FOUNDATION**

**STATEMENTS OF ACTIVITIES**

Years Ended June 30, 2016 and 2015

**2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>REVENUES AND OTHER SUPPORT</b>				
Contributions	\$ 158,435	\$ 540,550	\$ -	\$ 698,985
Contributed goods and services	1,000	-	-	1,000
Investment Income	7,340	-	-	7,340
Change in beneficial interest	175	-	-	175
Net assets released from donor imposed restrictions	434,769	(434,769)	-	-
<b>Total revenues and other support</b>	<u>601,719</u>	<u>105,781</u>	<u>-</u>	<u>707,500</u>
<b>EXPENSES</b>				
Program services:				
High Impact Grants from Women	506,932	-	-	506,932
Girls Giving Grants	8,762	-	-	8,762
<b>Total program services</b>	<u>515,694</u>	<u>-</u>	<u>-</u>	<u>515,694</u>
Supporting services:				
Fundraising	5,076	-	-	5,076
Management and general	68,300	-	-	68,300
<b>Total support services</b>	<u>73,376</u>	<u>-</u>	<u>-</u>	<u>73,376</u>
<b>Total expenses</b>	<u>589,070</u>	<u>-</u>	<u>-</u>	<u>589,070</u>
<b>INCREASE(decrease) IN NET ASSETS</b>	12,649	105,781	-	118,430
<b>Reclass of Net Assets</b>	(5,000)	-	5,000	-
<b>NET ASSETS - Beginning of year</b>	<u>270,127</u>	<u>226,311</u>	<u>-</u>	<u>496,438</u>
<b>NET ASSETS - End of year</b>	<u>\$ 277,776</u>	<u>\$ 332,092</u>	<u>\$ 5,000</u>	<u>\$ 614,868</u>

See accompanying Notes to Financial Statements.

**IMPACT AUSTIN FOUNDATION**  
**STATEMENTS OF ACTIVITIES - continued**  
Years Ended June 30, 2016 and 2015

	<b>2015</b>			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
<b>REVENUES AND OTHER SUPPORT</b>				
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)	-	-
<b>Total revenues and other support</b>	<b>641,102</b>	<b>(21,389)</b>	<b>-</b>	<b>619,713</b>
<b>EXPENSES</b>				
Program services				
High Impact Grants from Women	537,517	-	-	537,517
Girls Giving Grants	14,718	-	-	14,718
<b>Total program services</b>	<b>552,235</b>	<b>-</b>	<b>-</b>	<b>552,235</b>
Supporting services				
Fundraising	4,584	-	-	4,584
Management and general	64,785	-	-	64,785
<b>Total support services</b>	<b>69,369</b>	<b>-</b>	<b>-</b>	<b>69,369</b>
<b>Total expenses</b>	<b>621,604</b>	<b>-</b>	<b>-</b>	<b>621,604</b>
<b>INCREASE(decrease) IN NET ASSETS</b>	<b>19,498</b>	<b>(21,389)</b>	<b>-</b>	<b>(1,891)</b>
<b>NET ASSETS - Beginning of year</b>	<b>250,629</b>	<b>247,700</b>	<b>-</b>	<b>498,329</b>
<b>NET ASSETS - End of year</b>	<b>\$ 270,127</b>	<b>\$ 226,311</b>	<b>\$ -</b>	<b>\$ 496,438</b>

See accompanying Notes to Financial Statements.

## IMPACT AUSTIN FOUNDATION

### STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended June 30, 2016 and 2015

	<b>2016</b>				
	Program Services		Supporting Services		Total
	High Impact Grants from Women	Girls Giving Grants	Fund Raising	Management & General	
<b>EXPENSES</b>					
Awards and grants	\$ 426,000	\$ 7,000	\$ -	\$ -	433,000
Change in discount on long-term grants payable	(381)	-	-	-	(381)
	425,619	7,000	-	-	432,619
Executive compensation	38,772	-	4,308	43,080	86,160
Events and meetings	18,026	1,007	-	-	19,033
Accounting	-	-	-	15,500	15,500
Advertising and promotion	14,777	43	-	-	14,820
Information technology	6,450	-	-	-	6,450
Management fees	-	-	-	3,725	3,725
Office expenses	1,482	30	42	1,047	2,601
Miscellaneous	660	-	726	789	2,175
Insurance	-	-	-	2,046	2,046
Printing and publications	971	682	-	-	1,653
Bank service charges	-	-	-	863	863
Bad debt expense	-	-	-	1,250	1,250
Website development costs	175	-	-	-	175
<b>Total expenses</b>	<b>\$ 506,932</b>	<b>\$ 8,762</b>	<b>\$ 5,076</b>	<b>\$ 68,300</b>	<b>\$ 589,070</b>

See accompanying Notes to Financial Statements.



**IMPACT AUSTIN FOUNDATION**

STATEMENTS OF FUNCTIONAL EXPENSES - Continued

Years Ended June 30, 2016 and 2015

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

See accompanying Notes to Financial Statements.

**IMPACT AUSTIN FOUNDATION**

**STATEMENTS OF CASH FLOWS**

Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash from contributions	\$ 530,727	\$ 596,043
Cash paid for grants	(506,957)	(517,200)
Cash paid for operations	(156,239)	(154,001)
Interest and dividends received	8,711	4,463
Net cash used by operating activities	<u>(123,758)</u>	<u>(70,695)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from maturity of certificates of deposit	398,667	397,379
Purchase of certificates of deposits	(251,956)	(549,639)
Proceeds from sale of investments	4,277	-
Investment in beneficial interest	(5,000)	-
Net cash provided by (used by) investing activities	<u>145,988</u>	<u>(152,260)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	22,230	(222,955)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>475,673</u>	<u>698,628</u>
<b>End of year</b>	<u>\$ 497,903</u>	<u>\$ 475,673</u>
<b>RECONCILIATION OF CHANGES IN NET ASSETS TO NET CASH USED BY OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 118,430	\$ (1,891)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Bad debt expense	1,250	-
Change in beneficial interest	(175)	-
Realized and unrealized (gains) losses	20	-
Contributions for long-term purposes	(2,500)	-
Contributions received as investments	(9,004)	-
Discounts on grants payable	(381)	(98)
Change in operating assets and liabilities:		
Contributions and pledges receivable	(156,325)	(15,850)
Accrued interest receivable	1,351	(2,857)
Other receivable	(429)	-
Prepaid expenses	753	(453)
Accounts payable	(1,742)	3,721
Accrued liabilities	(1,049)	2,733
Grants payable	(73,957)	(56,000)
Net cash used by operating activities	<u>\$ (123,758)</u>	<u>\$ (70,695)</u>

See accompanying Notes to Financial Statements.

**IMPACT AUSTIN FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**Years Ended June 30, 2016 and 2015**

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

Nature of Activities

Impact Austin Foundation (the “Foundation”) 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 Foundation was formed and began operations in 2003. In fiscal year 2016, the Foundation had a membership of 426 women and has provided more than \$5.5 million in grants to the community since its inception.

Program Activities

***High Impact Grants from Women***

The Foundation’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 Foundation 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 Foundation 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 Foundation 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 Foundation 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, 2016 and 2015**

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**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 May 2017.

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 Foundation. 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.

**IMPACT AUSTIN FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Years Ended June 30, 2016 and 2015**

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

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 Foundation 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 Foundation 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 Foundation believes it is no longer subject to examination by the IRS for years prior to 2013.

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 Foundation 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.

In June 2011, the Board hired an Executive Director to manage the daily operations of the Foundation. The Board has adopted a conflict of interest policy, which is signed by all Board members and committee members. In addition, the Board has adopted a fiscal management policy, by-laws and a fraud prevention policy. The fraud prevention policy requires background checks on members serving in a fiduciary role.

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 Foundation’s mission.

Operational Fundraising Activities

The Foundation 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.

**IMPACT AUSTIN FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Years Ended June 30, 2016 and 2015**

**NOTE 2: CONTRIBUTIONS RECEIVABLE**

The Foundation 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 Foundation 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. Beyond Impact contributions are contributions under various campaigns for its Beyond Impact program which improves the Foundation's quality programs and its infrastructure. During fiscal year 2015, Beyond Impact contributions receivable reflected commitments to support the Foundation's technology infrastructure. 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.

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

	<b>2016</b>			<b>2015</b>
	<u>Current</u>	<u>Long-Term</u>	<u>Total</u>	
Membership contributions receivable	\$ 84,925	\$ 152,500	\$ 237,425	\$ 74,600
Beyond Impact contributions receivable	-	-	-	2,500
Other contributions receivable	11,000	-	11,000	-
	<u>95,925</u>	<u>152,500</u>	<u>248,425</u>	<u>77,100</u>
Less: Allowance for uncollectible amount	(7,500)	(15,000)	(22,500)	(6,250)
Contributions receivable, net	<u>\$ 88,425</u>	<u>\$ 137,500</u>	<u>\$ 225,925</u>	<u>\$ 70,850</u>

The Foundation'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, 2016 and 2015 was as follows:

	<u><b>2016</b></u>	<u><b>2015</b></u>
Allowance for uncollectible contributions receivable - beginning of year	\$ 6,250	\$ 6,250
(Decrease) increase in prior estimate	1,250	(2,500)
Contributions receivable written off	(7,500)	(3,750)
Provision for bad debt	<u>22,500</u>	<u>6,250</u>
Allowance for uncollectible contributions receivable - end of year	<u>\$ 22,500</u>	<u>\$ 6,250</u>

**IMPACT AUSTIN FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Years Ended June 30, 2016 and 2015**

**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:

	Total	Fair Value Measurement		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>June 30, 2016</b>				
Common stock	\$ 4,707	\$ 4,707	\$ -	\$ -
Beneficial interest in endowment fund	5,175	-	5,175	-
	<u>\$ 9,882</u>	<u>\$ 4,707</u>	<u>\$ 5,175</u>	<u>\$ -</u>

There were no assets recorded at fair market value held at June 30, 2015.

Components of investment income consist of the following for the years ended December 31:

	2016	2015
Interest and dividends	\$ 7,360	\$ 7,335
Realized loss on investments	(59)	(15)
Unrealized gain on investments	39	-
Total	<u>\$ 7,340</u>	<u>\$ 7,320</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 Foundation. 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 Foundation. Available funds are distributed upon request of the Board of Impact Austin. The funds are recorded as contributions when received by the Foundation. At June 30, 2016, there were no amounts available to be distributed.

**IMPACT AUSTIN FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Years Ended June 30, 2016 and 2015**

**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 Foundation, 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 Foundation. 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 Foundation.

The endowment fund held by ACF had the following activity for the year ended June 30, 2016:

	<u>Agency</u>	<u>Donor</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ -	\$ -
Contributions:			
Transfers from Impact Austin	5,000	-	5,000
Donor direct contributions	-	32,950	32,950
Total contributions	<u>5,000</u>	<u>32,950</u>	<u>37,950</u>
Net appreciation:			
Interest and dividends	27	84	111
Realized gains	4	10	14
Unrealized gains	159	386	545
Administrative and investment expenses	<u>(15)</u>	<u>(51)</u>	<u>(66)</u>
Total net appreciation	<u>175</u>	<u>429</u>	<u>604</u>
Total	<u>\$ 5,175</u>	<u>\$ 33,379</u>	<u>\$ 38,554</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 0.58% and 0.64% for 2016 and 2015, respectively. The following is a summary of grants authorized and payable at June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
To be paid in less than one year	\$ 350,543	\$ 499,957
To be paid in one to two years	171,000	95,543
Gross grants authorized but unpaid	<u>521,543</u>	<u>595,500</u>
Less: Discount on long-term grants	<u>(992)</u>	<u>(611)</u>
Grants payable, net	<u>\$ 520,551</u>	<u>\$ 594,889</u>



**IMPACT AUSTIN FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Years Ended June 30, 2016 and 2015**

**NOTE 6: NET ASSETS**

During 2016, the Foundation transferred \$5,000 to an endowment fund held by Austin Community Foundation. The assets transferred are considered permanently restricted net assets. The net appreciation from the endowment is considered designated net assets, which is a component of unrestricted net assets. The net assets of the endowment and the changes therein were as follows as of June 30, 2016:

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

During 2016 and 2015, net assets of \$434,769 and \$459,089, respectively, were released from accompanying stipulations due to actions of the Foundation or though the passage of time. As of June 30, 2016 and 2015, temporarily restricted net assets consisted of unexpended contributions restricted by the donors for the following purposes:

	<u>2016</u>	<u>2015</u>
High Impact Grants from Women	\$ 317,592	\$ 225,611
Girls Giving Grants	4,500	700
Operations and capacity building in upcoming years	<u>10,000</u>	<u>-</u>
Total temporarily restricted net assets	<u>\$ 332,092</u>	<u>\$ 226,311</u>

At June 30, 2016, the following assets were temporarily restricted:

	<u>Cash</u>	<u>Receivable</u>	<u>Total</u>
Current:			
High impact grants - members	\$ 68,167	\$ 77,425	\$ 145,592
High impact grants - scholarships	32,000	-	32,000
Girls Giving Grants	4,500	-	4,500
Operations and capacity building	<u>-</u>	<u>10,000</u>	<u>10,000</u>
Total current	104,667	87,425	192,092
Long-Term:			
High impact grants - members	<u>2,500</u>	<u>137,500</u>	<u>140,000</u>
Total	<u>\$ 107,167</u>	<u>\$ 224,925</u>	<u>\$ 332,092</u>

**IMPACT AUSTIN FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Years Ended June 30, 2016 and 2015**

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**NOTE 6: NET ASSETS - continued**

At June 30, 2015, the following assets were temporarily restricted:

	<u>Cash</u>	<u>Receivable</u>	<u>Total</u>
Current:			
High impact grants - members	\$ 111,261	\$ 55,350	\$ 166,611
High impact grants - scholarships	59,000	-	59,000
Girls Giving Grants	700	-	700
Total current	<u>170,961</u>	<u>55,350</u>	<u>226,311</u>
Total	<u>\$ 170,961</u>	<u>\$ 55,350</u>	<u>\$ 226,311</u>

**NOTE 7: CONTRIBUTED GOODS AND SERVICES**

Volunteers donate significant amounts of time to administer the Foundation'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, 2016 and 2015. These services were not recognized as contributions in the financial statements because the recognition criteria were not met.

For the years ended June 30, 2016 and 2015, goods and services in the amount of \$1,000 and \$500, respectively, were contributed for the Foundation's annual meeting and member materials and are included as contributions in the statements of activities.

**NOTE 8: CONCENTRATIONS OF CREDIT RISK**

Financial instruments that potentially subject the Foundation to significant concentrations of credit risk consist of cash, certificates of deposit, contributions receivable, and investments. The Foundation maintains cash balances with high credit quality financial institutions, which, at times, may exceed federally insured limits. The Foundation does not require collateral against any excess deposits. At June 30, 2016 and 2015, cash and certificates of deposit balances exceeded the insurance coverage by \$358,294 and 254,918, respectively. The Foundation 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 Foundation's ability to generate resources via contributions and collect receivables from donors is dependent upon the economic health of the area.