

Impact Austin Foundation
Audited Financial Statements
Years ended June 30, 2011 and 2010

Impact Austin Foundation

Audited Financial Statements

Years ended June 30, 2011 and 2010

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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, 2011 and 2010, 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, 2011 and 2010, 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

November 1, 2011

Impact Austin Foundation
Statements of Financial Position
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and equivalents	\$ 515,845	\$ 417,293
Certificates of deposit	400,391	320,000
Contributions receivable, net	349,319	192,390
Accrued interest receivable	1,204	1,008
Total Assets	\$ 1,266,759	\$ 930,691
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 3,119	\$ 906
Accrued liabilities	897	-
Grants payable, net	616,316	559,450
Total liabilities	620,332	560,356
Net Assets		
Temporarily restricted	403,275	235,650
Unrestricted	243,152	134,685
Total net assets	646,427	370,335
Total Liabilities and Net Assets	\$ 1,266,759	\$ 930,691

See the accompanying notes to financial statements.

Impact Austin Foundation

Statement of Activities

Year ended June 30, 2011

	2011		
	Unrestricted	Temporarily Restricted	Total
Revenue and Other Support			
Contributions	\$ 36,266	\$ 891,123	\$ 927,389
Contributed goods and services	1,322		1,322
Investment revenue	5,522		5,522
Net assets released from restrictions:			
Satisfaction of program restrictions	723,498	(723,498)	-
Total revenue and other support	766,608	167,625	934,233
Expenses			
Program services			
High Impact Grants from Women	577,115		577,115
Girls Giving Grants	6,862		6,862
Total program services	583,977		583,977
Supporting services			
Fundraising	11,681		11,681
Management and general	62,483		62,483
Total supporting services	74,164		74,164
Total expenses	658,141		658,141
Change in Net Assets	108,467	167,625	276,092
Net Assets - Beginning of Year	134,685	235,650	370,335
Net Assets - End of Year	\$ 243,152	\$ 403,275	\$ 646,427

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

Impact Austin Foundation

Statements of Cash Flows

Years ended June 30, 2011 and 2010

	2011	2010
Cash Flows from Operating Activities		
Cash from contributions	\$ 765,560	\$ 623,895
Cash paid for grants	(479,910)	(416,549)
Cash paid for operations	(112,033)	(77,577)
Interest and dividends received	5,326	6,600
Net cash provided by operating activities	178,943	136,369
Cash Flows from Investing Activities		
Certificates of deposit purchased	(400,391)	(320,000)
Proceeds from maturing certificates of deposit	320,000	275,000
Net cash (used) by investing activities	(80,391)	(45,000)
Net Increase in Cash and Equivalents	98,552	91,369
Cash and Equivalents - Beginning of Year	417,293	325,924
Cash and Equivalents - End of Year	\$ 515,845	\$ 417,293
Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities:		
Change in net assets	\$ 276,092	\$ (63,395)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Bad debt expense	4,900	18,008
Discounts on contributions receivable	12,502	(544)
Discounts on grants payable	(10,484)	1,200
Changes in operating assets and liabilities:		
Decrease (increase) in contributions receivable	(174,331)	66,980
Decrease (increase) in interest receivable	(196)	3,130
Increase in grants payable	67,350	114,150
Increase (decrease) in accounts payable	3,110	(3,160)
Net Cash Provided by Operating Activities	\$ 178,943	\$ 136,369

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 (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 a promise to give that is, in substance, unconditional. These 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.

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.

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 II contributions receivable are multi-year commitments that were made in fiscal year 2011 to finance investment in the Organization's quality programs and its infrastructure, including a paid leader; final installments are due in fiscal year 2013. Beyond Impact I contributions receivable were multi-year commitments that were made in fiscal year 2008, with final installments due in fiscal year 2011. Beyond Impact contributions receivable are discounted and reflected at the present value of their estimated future cash flows. As of June 30, 2011, the discount rate averages 5%.

Impact Austin Foundation
Notes to Financial Statements

NOTE B – Contributions Receivable - Continued

The Organization’s financial management determines an allowance for uncollectible receivables based upon such factors as past collection experience, type of contribution, and nature of fund-raising activity.

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

	2011		2010
Membership contributions receivable	\$ 156,344	\$	160,640
Beyond Impact I contributions receivable	-		43,000
Beyond Impact II contributions receivable	215,627		-
Total	371,971		203,640
Receivable in less than one year	268,033		203,640
Receivable in one to two years	103,938		-
	371,971		203,640
Less: discounts to net present value	(14,652)		(2,150)
Less: allowance for uncollectible amounts	(8,000)		(9,100)
Contributions receivable, net	\$ 349,319	\$	192,390

Activity in the allowance for uncollectible contributions receivable for the years ended June 30, 2011 and 2010 follows:

	2011		2010
Allowance for uncollectible contributions receivable – Beginning of year	\$ 9,100	\$	9,100
Provision for bad debt expense	4,900		18,008
Contributions receivable written off	(6,000)		(18,008)
Allowance for uncollectible contributions receivable – End of year	\$ 8,000	\$	9,100

Impact Austin Foundation
Notes to Financial Statements

NOTE C – Temporarily Restricted Net Assets

As of June 30, 2011, temporarily restricted net assets consist of unexpended contributions restricted by the donors for the following purposes:

	Amount
High Impact Grants from Women – 2012 Program Year	\$ 202,000
Girls Giving Grants – 2012 Program Year	300
Operations and capacity building in upcoming years	200,975
Total temporarily restricted net assets	\$ 403,275

NOTE D – Grants Payable

Grants authorized but unpaid at year end are reported as liabilities in accordance with ASC 958. Grant multi-year commitments and are discounted at rates averaging 3.46%.

The following is a summary of grants authorized and payable at June 30, 2011:

	Amount
To be paid in less than one year	\$ 445,500
To be paid in one to two years	189,700
Gross grants authorized but unpaid	635,200
Less: discount on long-term grants	(18,884)
Net grants authorized but unpaid	\$ 616,316

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, donating more than 13,000 cumulative hours of service in each of the years ended June 30, 2011 and 2010. These services were not recognized as contributions in the financial statements because the recognition criteria were not met.

For the year ended June 30, 2011, \$1,322 goods contributed for the Organization’s annual meeting and member materials are included as contributions in the 2011 statement of activities.

Impact Austin Foundation

Notes to Financial Statements

NOTE F – Concentrations of Credit Risk

Contributions receivable subject the organization to concentrations of credit risk. 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.

NOTE G – Fair Value Measurements

The Organization utilizes fair value measurements to record certain assets and to determine fair value disclosures. In accordance with FASB ASC Topic 820, "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. Fair value is best determined based upon quoted market prices. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

ASC Topic 820 establishes a three-tier fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value, as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities that the organization has the ability to access.

Level 2 – Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities in active markets, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value estimate.

Impact Austin Foundation

Notes to Financial Statements

NOTE G – Fair Value Measurements - Continued

Following is a description of the valuation methodologies used to measure fair value. There have been no changes in the methodologies used at June 30, 2011 and 2010.

Cash and equivalents and certificates of deposit: The carrying amount is a reasonable estimate of the fair value.

Contributions receivable: For contributions receivable that are due within one year, carrying amount is a reasonable estimate of fair value. For contributions receivable that are due in more than one year, fair value is estimated at the present value of estimated future cash flows, using a discount rate reflective of current interest rates.

Grants payable: Rates reflective of current interest rates for payables with similar terms and remaining maturities are used to estimate the fair value of these liabilities.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE H – Subsequent Events

Management performed an evaluation of subsequent events through November 1, 2011, the date these financial statements were available to be issued.

Additional Information



PATRICIA SCHMIDT, CPA
CERTIFIED PUBLIC ACCOUNTANT

Independent Auditor's Report on Additional Information

To the Board of Directors
of Impact Austin Foundation

My report on the audits of Impact Austin Foundation for the years ended June 30, 2011 and 2010 appears on page 1. Those audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The following schedules of functional expenses for the years ended June 30, 2011 and 2010 are presented for purposes of additional analysis and are not required parts of the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Patricia Schmidt, CPA

Patricia Schmidt, CPA
Certified Public Accountant

November 1, 2011

Impact Austin Foundation

Schedule of Functional Expenses

Year ended June 30, 2011

	2011				Total Expenses
	Program Services		Supporting Services		
	High Impact Grants from Women	Girls Giving Grants	Fund Raising	Management and General	
Awards and grants	\$ 542,000	\$ 5,200	-	-	\$ 547,200
Bank service charges	-	-	-	2,095	2,095
Events and meetings	20,550	890	1,227	-	22,667
Insurance	-	-	-	1,696	1,696
Media Fees	2,960	-	-	-	2,960
Miscellaneous	-	183	60	1,999	2,242
Postage and shipping	523	39	741	592	1,895
President Operations - CEO	16,138	-	1,372	28,413	45,923
Printing and publications	2,601	550	1,209	-	4,360
Professional and other contract services	2,808	-	6,624	20,828	30,260
Salaries and benefits	-	-	-	897	897
Supplies and stationery	19	-	448	1,063	1,530
Bad debt expense - uncollectible contributions receivable	-	-	-	4,900	4,900
Discount on long-term grants payable	(10,484)	-	-	-	(10,484)
Total	\$ 577,115	\$ 6,862	\$ 11,681	\$ 62,483	\$ 658,141

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
Events and meetings	18,216	876	238	800	20,130
Insurance	-	-	-	2,157	2,157
Media Fees	2,330	-	-	-	2,330
Miscellaneous	2,927	-	-	788	3,715
Postage and shipping	2,273	26	331	464	3,094
President Operations - CEO	-	-	-	-	-
Printing and publications	4,197	680	-	-	4,877
Professional and other contract services	15,451	288	-	16,410	32,149
Salaries and benefits	-	-	-	-	-
Supplies and stationery	1,748	112	391	1,182	3,433
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