

AUSTIN GROUPS FOR THE ELDERLY
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
YEARS ENDED DECEMBER 31, 2020 AND 2019

AUSTIN GROUPS FOR THE ELDERLY
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Austin Groups for the Elderly
Austin, Texas

We have audited the accompanying financial statements of Austin Groups for the Elderly (a nonprofit organization) which comprise the statements of financial position as of December 31, 2020 and 2019, 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.

Auditors' 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 auditors' 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 auditors consider 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Austin Groups for the Elderly as of December 31, 2020 and 2019, 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.

Atchley & Associates, LLP

Austin, Texas
August 9, 2021

AUSTIN GROUPS FOR THE ELDERLY
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
Current assets		
Cash and cash equivalents	\$ 630,209	\$ 52,384
Restricted cash	178,949	220,302
Total cash and cash equivalents	809,158	272,686
Receivables		
Program service fees, net	45,080	305,364
Pledges receivable, current portion	101,075	108,950
Tenant rents	602	321
Prepaid expenses	26,983	21,057
Total current assets	982,898	708,378
Fixed assets		
Land	181,695	181,695
Building and improvements	1,268,775	1,268,775
Furniture and equipment	170,811	170,811
Vehicles	388,853	388,853
Leasehold improvements	87,096	87,096
Construction in progress	2,105,407	1,928,156
Less accumulated depreciation	(1,725,082)	(1,623,103)
Net fixed assets	2,477,555	2,402,283
Pledges receivable, net	170,405	227,512
Other assets	40,372	40,372
Total assets	\$ 3,671,230	\$ 3,378,545
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 30,145	\$ 82,880
Deferred revenues	1,200	-
Passthrough liabilities	-	10,864
Accrued payroll	45,001	39,326
Vacation accrual payable	41,059	28,161
Total current liabilities	117,405	161,231
Security deposits held	5,284	5,876
Total liabilities	122,689	167,107
Net assets		
Net assets without donor restrictions		
Available for current operations	253,936	366,398
Board designations	20,000	20,000
Investment in fixed assets	2,477,555	2,402,283
Total net assets without donor restrictions	2,751,491	2,788,681
Net assets with donor restrictions	797,050	422,757
Total net assets	3,548,541	3,211,438
Total liabilities and net assets	\$ 3,671,230	\$ 3,378,545

The accompanying notes to financial statements are an integral part of these statements.

**AUSTIN GROUPS FOR THE ELDERLY
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Grants and contracts	\$ 26,375	\$ 1,048,137	\$ 1,074,512
Emergency funding	708,013	-	708,013
Program service fees	359,655	-	359,655
Comprehensive major gifts campaign revenue	-	194,168	194,168
Contributions	244,995	-	244,995
Contributed goods and services	40,192	-	40,192
Fundraising event	33,309	-	33,309
Investment return, net	6,390	205	6,595
Other revenue	26,558	-	26,558
Net assets released from donor imposed restrictions	868,217	(868,217)	-
Total revenues and other support	<u>2,313,704</u>	<u>374,293</u>	<u>2,687,997</u>
EXPENSES			
Program services			
Adult day health care	1,247,261	-	1,247,261
AGE building	149,069	-	149,069
Caregiver resource center	507,317	-	507,317
AGE computer lab	53,218	-	53,218
Total program services	<u>1,956,865</u>	<u>-</u>	<u>1,956,865</u>
Supporting services			
Management and general	69,184	-	69,184
Fundraising	51,553	-	51,553
Comprehensive campaign	273,292	-	273,292
Total supporting services	<u>394,029</u>	<u>-</u>	<u>394,029</u>
Total expenses	<u>2,350,894</u>	<u>-</u>	<u>2,350,894</u>
CHANGE IN NET ASSETS	(37,190)	374,293	337,103
NET ASSETS			
Beginning of year	<u>2,788,681</u>	<u>422,757</u>	<u>3,211,438</u>
End of year	<u>\$ 2,751,491</u>	<u>\$ 797,050</u>	<u>\$ 3,548,541</u>

The accompanying notes to financial statements are an integral part of these statements.

**AUSTIN GROUPS FOR THE ELDERLY
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Grants and contracts	\$ -	\$ 877,086	\$ 877,086
Emergency funding	-	-	-
Program service fees	1,062,542	-	1,062,542
Comprehensive major gifts campaign revenue	-	2,579,181	2,579,181
Contributions	221,851	-	221,851
Contributed goods and services	94,526	300	94,826
Fundraising event	47,291	-	47,291
Investment return, net	10,110	1,722	11,832
Other revenue	-	-	-
Net assets released from donor imposed restrictions	3,557,633	(3,557,633)	-
Total revenues and other support	4,993,953	(99,344)	4,894,609
EXPENSES			
Program services			
Adult day health care	1,565,159	-	1,565,159
AGE building	169,126	-	169,126
Caregiver resource center	539,567	-	539,567
AGE computer lab	102,881	-	102,881
Total program services	<u>2,376,733</u>	<u>-</u>	<u>2,376,733</u>
Supporting services			
Management and general	72,234	-	72,234
Fundraising	82,573	-	82,573
Comprehensive campaign	315,814	-	315,814
Total supporting services	<u>470,621</u>	<u>-</u>	<u>470,621</u>
Total expenses	<u>2,847,354</u>	<u>-</u>	<u>2,847,354</u>
CHANGE IN NET ASSETS	2,146,599	(99,344)	2,047,255
NET ASSETS			
Beginning of year	<u>642,082</u>	<u>522,101</u>	<u>1,164,183</u>
End of year	<u>\$ 2,788,681</u>	<u>\$ 422,757</u>	<u>\$ 3,211,438</u>

The accompanying notes to financial statements are an integral part of these statements.

**AUSTIN GROUPS FOR THE ELDERLY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020**

	Program Services					Supporting Services					
	Adult Day Health Care	AGE Building	Caregiver Resource Center	AGE Computer Lab	Management & General	Fund Raising	Comprehensive Campaign	Total			
EXPENSES											
Salaries	\$ 742,863	\$ 33,477	\$ 385,709	\$ 1,304	\$ 35,004	\$ 8,721	\$ 78,297	\$ 1,285,375			
Payroll taxes	56,237	1,960	29,030	105	8,404	45	7,500	103,281			
Employee benefits	63,442	4,727	34,083	253	6,049	4,756	3,787	117,097			
Total personnel costs	862,542	40,164	448,822	1,662	49,457	13,522	89,584	1,505,753			
Activity expenses	6,430	-	1,912	-	-	-	-	8,342			
Advertising	13,090	-	5,693	425	-	-	-	19,208			
Board and employee development	4,130	192	1,662	111	320	2,850	-	9,265			
Comprehensive major gifts campaign expenses	-	-	-	-	-	-	183,708	183,708			
Contributed services	-	-	-	40,192	-	-	-	40,192			
Copier lease and supplies	25,847	1,925	5,801	111	271	2,748	-	36,703			
Depreciation	48,293	42,205	-	1,186	10,295	-	-	101,979			
Dues and subscriptions	2,503	227	969	65	156	2,201	-	6,121			
Facilities rental	59,610	-	-	-	-	-	-	59,610			
Food and food supplies	40,735	-	-	-	-	-	-	40,735			
Fundraising events	-	-	-	-	-	6,370	-	6,370			
General fundraising costs	-	-	-	-	-	7,991	-	7,991			
Insurance	19,998	6,267	7,932	571	1,099	677	-	36,544			
Professional fees	31,374	1,180	3,334	279	1,131	1,625	-	38,923			
Program and office supplies	7,052	239	8,671	33	214	3,179	-	19,388			
Program stipend expenses	-	-	3,200	-	-	-	-	3,200			
Repairs and maintenance	19,699	23,764	3,961	2,233	2,095	1,931	-	53,683			
Technology services	36,740	9,567	11,100	4,103	2,018	3,705	-	67,233			
Utilities	19,495	23,303	3,962	2,247	2,097	1,943	-	53,047			
Vehicle operation and travel	49,723	36	298	-	31	2,811	-	52,899			
Total expenses	\$ 1,247,261	\$ 149,069	\$ 507,317	\$ 53,218	\$ 69,184	\$ 51,553	\$ 273,292	\$ 2,350,894			

The accompanying notes to financial statements are an integral part of these statements.

**AUSTIN GROUPS FOR THE ELDERLY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019**

	Program Services					Supporting Services				Total
	Adult Day Health Care	AGE Building	Caregiver Resource Center	AGE		Management & General	Fund Raising	Comprehensive Campaign		
				Computer Lab	Lab					
\$	790,212	\$ 31,825	\$ 373,631	\$ 2,706	\$ 37,176	\$ 3,159	\$ 131,600	\$ 1,370,309		
Salaries	63,099	2,457	30,323	117	11,750	1,605	10,089	119,440		
Payroll taxes	69,863	3,990	19,296	228	2,275	1,404	3,480	100,536		
Employee benefits	923,174	38,272	423,250	3,051	51,201	6,168	145,169	1,590,285		
Total personnel costs										
Activity expenses	16,637	-	11,057	-	-	8	-	27,702		
Advertising	51,245	33	16,848	462	17	3,151	-	71,756		
Board and employee development	7,410	706	6,085	45	1,381	2,680	-	18,307		
Comprehensive major gifts										
campaign expenses	-	-	-	-	-	-	170,645	170,645		
Contributed services	-	-	-	80,576	-	14,250	-	94,826		
Copier lease and supplies	25,204	1,796	5,403	48	176	4,470	-	37,097		
Depreciation	69,565	60,156	-	1,185	10,295	-	-	141,201		
Dues and subscriptions	1,902	222	703	13	136	1,322	-	4,298		
Facilities rental	58,843	-	-	-	-	-	-	58,843		
Food and food supplies	134,640	-	-	-	-	20	-	134,660		
Fundraising events	-	-	-	-	-	17,934	-	17,934		
General fundraising costs	-	-	-	-	-	9,836	-	9,836		
Insurance	27,272	5,464	2,207	589	619	615	-	36,766		
Professional fees	58,104	1,445	6,151	100	759	739	-	67,298		
Program and office supplies	13,169	694	25,145	92	470	3,803	-	43,373		
Program stipend expenses	-	-	18,150	-	-	-	-	18,150		
Repairs and maintenance	32,990	30,659	5,168	2,922	2,725	2,526	-	76,990		
Technology services	47,324	2,851	12,158	11,221	1,919	5,175	-	80,648		
Utilities	22,611	26,726	4,544	2,577	2,404	2,228	-	61,090		
Vehicle operation and travel	75,069	102	2,698	-	132	7,648	-	85,649		
Total expenses	\$ 1,565,159	\$ 169,126	\$ 539,567	\$ 102,881	\$ 72,234	\$ 82,573	\$ 315,814	\$ 2,847,354		

The accompanying notes to financial statements are an integral part of these statements.

AUSTIN GROUPS FOR THE ELDERLY
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
OPERATING ACTIVITIES		
Change in net assets (decrease)	\$ 337,103	\$ 2,047,255
Adjustments to reconcile change in net assets to net cash provided by (used by) operating activities		
Depreciation	101,979	141,201
Changes in assets and liabilities that provided (used) cash:		
Receivables	324,985	(271,634)
Prepaid expenses	(5,926)	(722)
Accounts payable	(52,735)	52,132
Deferred revenues	1,200	(960)
Passthrough liabilities	(10,864)	(211)
Accrued payroll	5,675	7,016
Vacation accrual payable	12,898	6,007
Security deposits held	(592)	(378)
Net cash provided by (used by) operating activities	<u>713,723</u>	<u>1,979,706</u>
INVESTING ACTIVITIES		
Purchase of fixed assets	(177,251)	(1,960,043)
Net cash provided by (used by) investing activities	<u>(177,251)</u>	<u>(1,960,043)</u>
FINANCING ACTIVITIES	-	-
NET INCREASE (DECREASE) IN CASH	536,472	19,663
CASH AND CASH EQUIVALENTS		
Beginning of year	272,686	253,023
End of year	<u>\$ 809,158</u>	<u>\$ 272,686</u>

The accompanying notes to financial statements are an integral part of these statements.

**AUSTIN GROUPS FOR THE ELDERLY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

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

Description of Organization

Austin Groups for the Elderly (AGE) is a nonprofit corporation under the laws of the State of Texas which began in 1986 from the dreams of Bert Kruger Smith and Willie Kocurek, along with many others. They saw early on that the needs of the elderly population were going to strain the available resources. Believing that collaboration and cooperation were the key to stretching resources to obtain their maximum impact, Bert and Willie developed the idea of sharing space and basic resources amongst small not-for-profits. The providers of services to seniors, elders, and the disabled would not have to worry about a place to be; rather, they could focus their energy and funds on providing services. The AGE Board of Directors remains true to the original goals of the founders: continuing to offer rental space, sharing copy and fax machines, and encouraging AGE to work with other providers in collaboration on delivery of services to the Austin community. Through the years, this approach has allowed organizations such as Hospice Austin, Family Eldercare, Open Door Pre-School, and The Alzheimer's Association to begin in the AGE Building, grow, and move on to their own locations.

Today, AGE continues to foster and support programs and services that promote the wholeness, dignity, and well-being of the elderly and their families.

The mission of AGE is accomplished by the following:

- The **Adult Day Health Care** program is licensed by the Texas Department of Aging & Disabilities and provides a safe, secure, and stimulating environment for disabled individuals as an alternative to early nursing home placement and allows caregivers a respite during the day. A structured exercise program along with supervised activities including field trips, musical therapy, reminiscent therapy, and reality orientation has proven to enhance the client's mental well-being. Nursing care and transportation services are available.
- **AGE Computer Lab** offers beginner, intermediate, and advanced computer classes and seminars taught for and by people 50 years of age and older. Benefits of this computer training include hands-on training in a newly refurbished computer lab, two-to-one student/coach ratio, and a helpful instruction manual is provided.
- Daily management of the **AGE Building**. In 1986, thanks to the generosity of individuals, businesses, and foundations, AGE purchased the former historic Confederate Woman's Home. Founded in 1908 as a home for elderly confederate women, the building currently houses over 20 non-profit agencies serving the elderly, adults with disabilities, at-risk youth, and the arts.
- The **Caregiver Resource Center** is designed to empower caregivers in their critical roles by providing quality training, equipment, and information to caregivers and collaborating with professionals and other organizations to educate the community about the value of caregiving. The Caregiver Resource Center offers immediate and ongoing support to anyone who provides care to an aging person to help in both improve their quality of life and maintain an optimum level of independence.

**AUSTIN GROUPS FOR THE ELDERLY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

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

Description of Organization - Continued

The following are programs under the **Caregiver Resource Center**:

- **Memory Connections** is available to any qualified individual who has been assessed and/or referred by a physician. Most individuals interested in Memory Connections have a diagnosis of Mild Cognitive Impairment (MCI) or another type of early-stage dementia (such as Alzheimer's disease). Prospective participants must be aware of their memory impairments, and they should possess a willingness to engage in cognitive stimulation activities and group discussions about living with the symptoms of dementia.
- **Health Equipment Lending Program (H.E.L.P.)** loans durable medical equipment and incontinence products to elderly and disabled people in Central Texas.
- **Caregiver U** is a collaboration across four counties that provides evidence-based training for unpaid family caregivers.

Sources of revenue and support for AGE consists of contracts with the Texas Department of Human Services and other state and local government agencies, fees charged to private paying Adult Day Health Care clients, dues and fees charged for AGE Computer Lab programs, grants from foundations and other organizations, fundraising events supported by the community, rents charged to building tenants, and charitable donations solicited from the community.

Summary of Significant Accounting Policies

Accounting Estimates: The preparation of 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 could differ from those estimates.

Method of Accounting: AGE uses the accrual basis method of accounting. Using this method of accounting, revenue and support and related receivables are reported when funds are considered earned, regardless of when cash is received. Program service fees received in advance of being earned are reported as deferred revenue. Expenses and related accounts payable are reported when an obligation is incurred, regardless of when cash is disbursed. Payroll costs incurred but not payable as of year-end are reported as accrued payroll. Cash disbursed before an obligation is incurred is reported as prepaid expenses.

Cash and Cash Equivalents: Cash and cash equivalents consist of cash in demand deposit accounts and certificates of deposit with original maturities of less than three months.

Investments and Investment Income: Components of investment income consist of interest income which is reported in the financial statements as revenue without restrictions. Investment income is reported as increases or decreases in net assets without restrictions, unless a donor or law restricts their use.

AUSTIN GROUPS FOR THE ELDERLY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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

Summary of Significant Accounting Policies - Continued

Receivables: Amounts billed as the result of program services, amounts due from tenants, and other amounts due under contractual agreements are considered trade receivables and are not classified as held-for-sale. Interest is not charged on trade receivables, nor is collateral required. The grants and contracts receivables, including the United Way Allocation, are promises to give due within one year. The receivables are valued using an allowance for uncollectible accounts. Periodically, management reviews the collectability of the receivables using such factors as the collection history of the account, the age of the account, and the account's ability to pay. Accounts are considered past due after 30 days of no payments. Accounts determined to be uncollectible are charged against an allowance for uncollectible accounts. At year-end 2020 and 2019, no allowance for uncollectible accounts is considered necessary. The allowance for uncollectible accounts is considered an accounting estimate. The estimate may be adjusted as more current information becomes available and any adjustment could be significant.

Fixed Assets: Fixed assets are capitalized at cost if the value of the item is more than \$5,000 and the estimated useful service life of the item is more than one year. Donations of fixed assets are recorded as support at their estimated fair value at the date of donation. If donors stipulate how long donated assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as support without restrictions. Depreciation expense is computed over the estimated useful service life of the asset (3 to 7 years for furniture, equipment and vehicles, 10 years for improvements, and 30 years for buildings) using the straight-line method of computation. Depreciation expense reported is considered a significant accounting estimate. The estimate may be adjusted as more current information becomes available and any adjustment could be significant.

Maintenance and repairs are charged to expenses as incurred. The building owned by AGE is an older building with increasing maintenance and repair needs. No reserve funds are set aside for future maintenance and repairs.

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. During the year, AGE did not adjust the carrying amount of any fixed assets.

Vacation Accrual Payable: Vacation earned by employees, but not taken at year-end, is reported as vacation accrual payable.

Net Assets Classes: AGE reports the following net assets classes:

Net assets with donor restrictions: Not-for-profit organizations receive contributions and other resources whose use is limited by stipulations that are more specific than the broad limits resulting from the nature and purpose of an organization and its programs. Resources (net assets) with such stipulations that either expire by passage of time or can be fulfilled by actions of an organization are reported as net assets with donor restrictions.

**AUSTIN GROUPS FOR THE ELDERLY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

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

Summary of Significant Accounting Policies - Continued

Net assets without donor restrictions: Resources not included in the above classes are considered net assets without donor restrictions. While these resources are reported as net assets without donor restrictions, an organization manages them in compliance with their exempt purposes, Board of Director designations, legal requirements, and contractual obligations.

Revenue Recognition: Program service fees are recognized as revenue when the fees are earned. Unconditional pledges or promises to give are reported as support when the funding is awarded. Conditional promises to give, such as cost reimbursement contracts, are reported as revenue when the conditions are met. Generally, the conditions to be met are compliance with budget categories or the delivery of a program service. Bequests are recognized as support when legal matters concerning the estate are finalized and the actual amount to be received can be determined with reasonable certainty.

In-Kind Contributions: Donated property and services are recorded at fair market value on the date of the donation as in-kind contributions if all qualifications for reporting have been met.

Income Tax Status: AGE is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The management of AGE 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 tax returns for the years ended December 31, 2017, and after, are open to examination by federal and local authorities.

Functional Expenses: The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

Expenses are directly related to a program or supporting service and are allocated accordingly. Utilities and repairs and maintenance are allocated based on square footage. Depreciation is allocated based on the department the related asset is purchased for. The remaining expenses are based on time and effort.

The comprehensive campaign is presented separately from fundraising based on the program being short term in nature and not intended to support on-going activities, but the future growth and expansion of AGE.

AUSTIN GROUPS FOR THE ELDERLY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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

Subsequent Events: Management of AGE has evaluated subsequent events for disclosure through the date of the Independent Auditors' Report, the date the financials were available to be issued.

NOTE 2: AVAILABILITY AND LIQUIDITY

The following represents AGE's financial assets at December 31, 2020 and 2019:

	2020	2019
Financial assets at year-end:		
Cash and cash equivalents	\$ 630,209	\$ 52,384
Restricted cash	178,949	220,302
Program service fees, net	45,080	305,364
Pledges receivable, net	271,480	336,462
Tenant rents	602	321
Total financial assets	1,126,320	914,833
Less amounts not available to be used within one year:		
Passthrough liabilities	-	(10,864)
Net assets with donor restrictions, not related to on-going programs	(301,185)	(387,798)
Board designations	(20,000)	(20,000)
Total amount not available to be used within one year	(321,185)	(418,662)
Financial assets available to meet cash needs for general expenditures within one year	\$ 805,135	\$ 496,171

AGE receives significant contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures.

AGE manages its liquidity and reserves following these guiding principles: AGE maintains adequate liquid assets to fund near-term operating needs, and maintains sufficient reserves to provide reasonable assurance that long-term obligations will be discharged; the organization has a liquidity policy to maintain current financial assets less current liabilities at a minimum of 30 days operating expenses; AGE has a policy to target a year-end balance of reserves of undesignated net assets without restrictions at 15 to 30 days of expected expenditures. AGE also has a line of credit available if needed.

To achieve these targets, the entity creates a yearly budget with periodic reviews, forecasts future cash flows, monitors its liquidity quarterly, and monitors its reserves annually. During the years ended December 31, 2020 and 2019, the level of liquidity and reserves was managed within the policy requirements.

**AUSTIN GROUPS FOR THE ELDERLY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 3: PLEDGES RECEIVABLE

Pledges receivable at year-end are as follows:

	<u>2020</u>	<u>2019</u>
Receivable in less than one year	\$ 101,075	\$ 108,950
Allowance for uncollectible pledges	-	-
	<u>\$ 101,075</u>	<u>\$ 108,950</u>
Pledges due within one year		
Receivable in one to five years	\$ 184,910	\$ 250,215
Allowance for uncollectible pledges	-	-
Unamortized present value discount	(14,505)	(22,703)
	<u>\$ 170,405</u>	<u>\$ 227,512</u>

Pledges receivable with due dates extending beyond one year are discounted using an approximate 5% discount rate. The annual amortization is reported as contributions with restrictions in the statement of activities. New pledges of \$73,154 and \$20,000 were received in 2020 and 2019, respectively. The allowance for uncollectible pledges and the present value discount are considered accounting estimates.

During the year ended December 31, 2018, AGE received a commitment in the form of a matching contribution up to \$1 million from a Foundation in support of the Thrive Comprehensive Major Gifts Campaign. The commitment will be used as a match incentive for individual donors or foundations between January 1, 2019 to December 31, 2022. The matched commitment will total \$1,000,000. As of December 31, 2020, \$1,000,000 has been collected towards the match.

NOTE 4: COMMITMENTS – OPERATING LEASES

AGE is obligated on leases for program services space and office equipment. The leases are treated as operating leases for accounting purposes; therefore, the lease obligation is not reported in the financial statements. The future minimum lease payments due under the leases are the following:

<u>Years Ending December 31:</u>	
2021	\$ 69,120
2022	32,820
2023	32,820
2024	<u>32,820</u>
	<u>\$ 167,580</u>

Rental expense under operating leases for 2020 and 2019, was \$96,313 and \$94,225, respectively.

**AUSTIN GROUPS FOR THE ELDERLY
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DECEMBER 31, 2020 AND 2019**

NOTE 5: NET ASSETS WITHOUT DONOR RESTRICTIONS – BOARD DESIGNATIONS

Designations are voluntary board of director approved segregations of net assets without restrictions for specific purposes, projects, or investments. Since designations are voluntary, they may be reversed by future board action. A bequest to AGE has been designated by the board of directors for possible investment or other long-term purposes.

NOTE 6: NET ASSETS WITH DONOR RESTRICTIONS

During 2020 and 2019, net assets of \$868,217 and \$3,557,633, respectively, were released from accompanying stipulations due to AGE’s actions or due to the passage of time and are considered net assets released from donor imposed restrictions. These funds are reported as transfers from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

At year end, AGE had net assets with donor restrictions for the following purposes.

Funding Source	Amount		Restrictions Imposed by Funding
	2020	2019	
<u>Contracts and grants</u>			
St. David's Foundation	\$ 295,000	\$ -	Operational
St. David's Emergency Funding	150,000	-	Operational
Moody Foundation	26,667	-	Memory Connections
Montandon Charitable Trust	10,000	13,875	HELP/AADC
Austin Community Foundations	7,500	-	RRADC/AADC
ECG Foundation	2,500	-	HELP
Alice Kleberg Reynolds	-	5,000	Memory Connections
Tutakwa Foundation	-	5,000	HELP
Anderson Foundation	-	2,500	Various
<u>Contributions</u>			
Gift cards	2,326	2,351	Adult Day Health Care Program
Carolyn Rice Bartlett	1,872	6,233	Rebranding
<u>Comprehensive major gifts campaign</u>			
Pledges from HEB	150,000	200,000	
Pledges from individuals	135,985	159,165	
St. David's Planning Grant	15,200	28,633	
Total	<u>\$ 797,050</u>	<u>\$ 422,757</u>	

**AUSTIN GROUPS FOR THE ELDERLY
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NOTE 7: PROGRAM SERVICE FEES

Program service fees reported in the financial statements consisted of the following:

	2020	2019
Adult Day Health Care	\$ 219,944	\$ 908,335
AGE Computer Lab	4,516	8,145
AGE Building		
Tenant rents	132,255	137,098
Fees - copies, postage & vending	2,940	8,964
Total	\$ 359,655	\$ 1,062,542

NOTE 8: CONTRIBUTED GOODS AND SERVICES

Contributed goods are reported in the financial statements as support if the goods are used in conducting programs services. Contributed services are recorded in the financial statements if the contributed services require specialized skills that AGE would otherwise need to purchase. Contributed goods and services reported in the financial statements are accounting estimates. The estimates may be adjusted as more current information becomes available and any adjustment could be significant.

AGE received the following non-cash donations of goods and services that have been reflected in the financial statements:

	2020	2019
Contributed services		
Instructors/coaches	\$ 40,192	\$ 80,276
Media/communication	-	14,250
Software	-	300
	40,192	94,826
Contributed goods		
Gift cards	7,000	-
Total	\$ 47,192	\$ 94,826

AGE recognizes the contributed gift cards in contributions revenue on the statement of activities.

NOTE 9: RELATED PARTY TRANSACTIONS

Certain members of the Board contributed \$7,369 and \$25,071 to AGE during the years ended December 31, 2020 and 2019, respectively. At December 31, 2020 and 2019, there were pledges receivable from board members in the amount of \$20,881 and \$35,665, respectively.

**AUSTIN GROUPS FOR THE ELDERLY
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NOTE 10: LINE OF CREDIT

On August 14, 2018, AGE obtained a \$250,000 line of credit with a bank. The line of credit bears interest at a rate of Wall Street Journal Prime plus .5% and matures on August 14, 2021. At December 31, 2020 and 2019, there were no outstanding draws on this line of credit.

NOTE 11: PAYCHECK PROTECTION PROGRAM

The COVID-19 outbreak and local stay-in-place orders have caused business disruptions throughout the local community. Management does not expect the situation to significantly impact the long-term viability of AGE. AGE applied for a Paycheck Protection Program loan made available through the passing of the Cares Act and received \$307,948 in April 2020. AGE treated these funds as a refundable grant. In November 2020, the entire balance was forgiven and is recognized as revenue in the emergency funding revenue on the statement of activities.