

SAGE METRO DETROIT

FINANCIAL STATEMENTS

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED DECEMBER 31, 2020

SAGE METRO DETROIT
FINANCIAL STATEMENTS
DECEMBER 31, 2020

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**GREGORY
TERRELL
& COMPANY**

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
SAGE Metro Detroit

We have audited the accompanying financial statements of SAGE Metro Detroit (the "Organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year 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 audit. We conducted our audit 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 of 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SAGE Metro Detroit as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Gregory Terrell & Company". The signature is written in a cursive style and is positioned above a large, empty oval shape.

GREGORY TERRELL & COMPANY
Certified Public Accountants
Detroit, Michigan

August 31, 2021

SAGE METRO DETROIT
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

ASSETS

Current Assets

Cash	\$ 137,145
Total Current Assets	<u>\$ 137,145</u>
Total Assets	<u>\$ 137,145</u>

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	\$ 3,203
Total Current Liabilities	<u>\$ 3,203</u>
Total Liabilities	<u>\$ 3,203</u>

Net Assets

Without Donor Restrictions	\$ 133,942
With Donor Restrictions	<u>-</u>
Total Net Assets	<u>\$ 133,942</u>
Total Liabilities and Net Assets	<u>\$ 137,145</u>

The accompanying notes are an integral part of this statement.

SAGE METRO DETROIT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

SUPPORT AND REVENUE	Without Donor Restrictions	With Donor Restrictions	Total
Grants and Contributions	\$ 489,904	\$ -	\$ 489,904
Other Income	10,920	-	10,920
Total Support and Revenue	\$ 500,824	\$ -	\$ 500,824
EXPENSES			
Program Services	\$ 338,765	\$ -	\$ 338,765
Management and General	75,487	-	75,487
Total Expenses	\$ 414,252	\$ -	\$ 414,252
CHANGE IN NET ASSETS	\$ 86,572	\$ -	\$ 86,572
NET ASSETS , Beginning of Year	47,370	-	47,370
NET ASSETS , End of Year	\$ 133,942	\$ -	\$ 133,942

The accompanying notes are an integral part of this statement.

SAGE METRO DETROIT
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Program Services</u>	<u>Management and General</u>	<u>Total Expenses</u>
Contractual Services	\$ 149,733	\$ 46,800	\$ 196,533
Consulting Services	117,681	21,175	138,856
Program Expense	57,494	-	57,494
Advetising and Promotion	10,899	2,285	13,184
Meetings	2,408	300	2,708
Office Supplies	-	2,205	2,205
Insurance	-	1,391	1,391
Legal Fees	375	-	375
Postage and Delivery	-	267	267
Bank Charges and Fees	-	211	211
Training	175	-	175
Membership Dues	-	165	165
Telephone	-	617	617
Miscellaneous	-	71	71
Total	<u>\$ 338,765</u>	<u>\$ 75,487</u>	<u>\$ 414,252</u>

The accompanying notes are an integral part of this statement.

SAGE METRO DETROIT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 86,572
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities:	
Change in Accounts Payable	<u>3,203</u>
Net Cash Provided by Operating Activities	<u>\$ 89,775</u>
 INCREASE IN CASH	 \$ 89,775
 CASH Beginning of Year	 <u>47,370</u>
 CASH End of Year	 <u><u>\$ 137,145</u></u>

The accompanying notes are an integral part of this statement.

SAGE METRO DETROIT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

(1) **ORGANIZATION**

Gay Elders of Metro Detroit doing business as SAGE Metro Detroit (the “Organization”), is a local affiliate of the national Services and Advocacy for GLBT Elders (SAGE), the country’s largest and oldest organization dedicated to improving the lives of lesbian, gay, bisexual, transgender, queer (LGBTQ+) older adults.

(2) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting.

Principles of Reporting

The Organization adopted FASB issued ASU 2020-08, Not-for Profit Entities (Topic 958) – Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made. The update was issued to clarify and improve the scope and accounting for contributions received and contributions made, to assist organizations in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and determining whether a contribution is conditional.

Public Support and Revenue

Revenues are recorded as net assets without donor restrictions and net assets with donor restrictions support, depending on the existence and/or nature of any donor restrictions. Revenues are reported as increases in net assets without donor restrictions unless use of the related assets are limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets without donor restrictions.

SAGE METRO DETROIT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020
(Continued)

(2) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Net Assets Presentation

Net assets without donor restrictions are net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions are net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions by the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Advertising and Promotion

Advertising and promotion costs are expensed as incurred. The Organization uses advertising and promotions to promote its services to events held within the community. Advertising and Promotion expense for the year ended December 31, 2020 consisted of the following:

Advertising and Promotion	<u>\$ 13,184</u>
Total	<u><u>\$ 13,184</u></u>

(3) **CONCENTRATION OF CREDIT RISK**

Financial instruments which are potentially subject to concentrations of credit risk consist of cash.

The Organization maintains its cash balances with one bank. The Organization's bank insures cash balances up to \$250,000 with the Federal Deposit Insurance Corporation (FDIC). The carrying amount of cash and bank balance at December 31, 2020 was \$134,928

SAGE METRO DETROIT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020
(Continued)

(4) **ALLOCATION OF EXPENSES**

In the Statement of Functional Expenses, directly identifiable expenses are charged to program and supporting services based on specific identification. Indirect expenses have been allocated between various program and supporting services on the basis of periodic expense studies.

(5) **AVAILABILITY AND LIQUIDITY**

The following represents the Organization's financial assets at December 31, 2020:

Financial Assets at Year End:

Cash	\$ 137,145
Total Financial Assets	\$ 137,145
Less Amounts not available to be used within one year:	
Net Assets with Donor Restrictions	<u>-</u>
Financial Assets available to meet general expenditures over the next twelve months	<u>\$ 137,145</u>

(6) **SUBSEQUENT EVENTS**

Subsequent events have been evaluated through August 31, 2021, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

SAGE METRO DETROIT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020
(Continued)

(7) **COVID-19 PANDEMIC**

The COVID-19 pandemic whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The Organization is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Organization's customers, contractors, and vendors all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Organization's financial position and changes in net assets and cash flow is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.