

SAGE METRO DETROIT
FINANCIAL STATEMENTS
TOGETHER WITH INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

SAGE METRO DETROIT
FINANCIAL STATEMENTS
DECEMBER 31, 2021

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**GREGORY
TERRELL
& COMPANY**

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
SAGE Metro Detroit

Opinion

We have audited the accompanying financial statements of SAGE (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SAGE as of December 31, 2021, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SAGE and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SAGE's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are

considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 SAGE's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SAGE's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited SAGE's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 21, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Gregory Terrell & Company". The signature is written in dark ink and includes a large, sweeping underline that loops back under the text.

GREGORY TERRELL & COMPANY

Certified Public Accountants
Detroit, Michigan

September, 13, 2022

SAGE METRO DETROIT
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	ASSETS	2021	2020
Current Assets			
Cash		\$ 155,892	\$ 137,145
Accounts Receivable		<u>69,000</u>	<u>-</u>
Total Current Assets		<u>\$ 224,892</u>	<u>\$ 137,145</u>
Total Assets		<u><u>\$ 224,892</u></u>	<u><u>\$ 137,145</u></u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts Payable		<u>\$ -</u>	<u>\$ 3,203</u>
Total Current Liabilities		<u>\$ -</u>	<u>\$ 3,203</u>
Total Liabilities		<u>\$ -</u>	<u>\$ 3,203</u>
Net Assets			
Without Donor Restrictions		\$ 224,892	\$ 133,942
With Donor Restrictions		<u>-</u>	<u>-</u>
Total Net Assets		<u>\$ 224,892</u>	<u>\$ 133,942</u>
Total Liabilities and Net Assets		<u><u>\$ 224,892</u></u>	<u><u>\$ 137,145</u></u>

The accompanying notes are an integral part of this statement.

SAGE METRO DETROIT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

SUPPORT AND REVENUE	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	2021 <u>Total</u>	2020 <u>Total</u>
Grants and Contributions	770,133	\$ -	\$ 770,133	\$ 489,904
Other Income	16,841	-	16,841	10,920
In-Kind Contributions	<u>76,358</u>	<u>-</u>	<u>76,358</u>	<u>-</u>
Total Support and Revenue	<u>\$ 863,332</u>	<u>\$ -</u>	<u>\$ 863,332</u>	<u>\$ 500,824</u>
 EXPENSES				
Program Services	\$ 670,167	\$ -	\$ 670,167	\$ 338,765
Management and General	<u>102,215</u>	<u>-</u>	<u>102,215</u>	<u>75,487</u>
Total Expenses	<u>\$ 772,382</u>	<u>\$ -</u>	<u>\$ 772,382</u>	<u>\$ 414,252</u>
CHANGE IN NET ASSETS	\$ 90,950	\$ -	\$ 90,950	\$ 86,572
NET ASSETS , Beginning of Year	<u>133,942</u>	<u>-</u>	<u>133,942</u>	<u>47,370</u>
NET ASSETS , End of Year	<u><u>\$ 224,892</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 224,892</u></u>	<u><u>\$ 133,942</u></u>

The accompanying notes are an integral part of this statement.

SAGE METRO DETROIT
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	<u>Program</u> <u>Services</u>	<u>Management</u> <u>and</u> <u>General</u>	<u>2021</u> <u>Total</u> <u>Expenses</u>	<u>2020</u> <u>Total</u> <u>Expenses</u>
Salaries	\$ 23,446	\$ 5,861	\$ 29,307	\$ -
Payroll Taxes	2,225	556	2,781	-
Contractual Services	330,314	46,800	377,114	196,533
Consulting Services	182,840	21,175	204,015	138,856
In-Kind Program Expense	76,358	-	76,358	-
Program Expense	53,409	-	53,409	57,494
Advertising and Promotion	1,576	339	1,915	13,184
Meetings	-	-	-	2,708
Office Supplies	-	6,330	6,330	2,205
Insurance	-	11,784	11,784	1,391
Legal and Professional Fees	-	8,100	8,100	375
Postage and Delivery	-	-	-	267
Bank Charges and Fees	-	266	266	211
Training	-	-	-	175
Membership Dues	-	-	-	165
Telephone	-	1,003	1,003	617
Miscellaneous	-	-	-	71
Total	<u>\$ 670,167</u>	<u>\$ 102,215</u>	<u>\$ 772,382</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, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 90,950	\$ 86,572
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities:		
Change in Accounts Receivable	(69,000)	-
Change in Accounts Payable	<u>(3,203)</u>	<u>3,203</u>
Net Cash Provided by Operating Activities	<u>\$ 18,747</u>	<u>\$ 89,775</u>
INCREASE IN CASH	<u>\$ 18,747</u>	<u>\$ 89,775</u>
CASH Beginning of Year	<u>137,145</u>	<u>47,370</u>
CASH End of Year	<u><u>\$ 155,892</u></u>	<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, 2021

(1) **ORGANIZATION**

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

Effective January 1, 2021, the Organization adopted Financial Accounting Standards Board ("FASB") Accounting Standards Updated ("ASU") 2016-14 Codification Topic 606, Revenue from Contracts with Customers, as amended, supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or a point in time, and expand disclosures about revenue. Management has assessed the various revenue streams of the Organization and determined that the new standard did not impact the amount or timing of revenue recognized.

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, 2021
(Continued)

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

Revenue Recognition

The Organization recognizes revenue based on the existence or absence of an exchange transaction. The Organization recognizes revenue from exchange transactions when it satisfies a performance obligation by providing a service to a customer or member or by transferring control over a product to a customer or member.

Revenue from non-exchange transactions consist of the following:

- Contributions of cash and promises to give – gifts received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor-stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue and net assets without donor restriction. Conditional promises are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met.

Revenue that has characteristics of both exchange and non-exchange transactions consist of the following:

- Special event revenue – recognized equal to the cost of direct benefits to donors, and contribution revenue for the difference.

Income Tax Status

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

SAGE METRO DETROIT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

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

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, 2021 consisted of the following:

Advertising and Promotion	<u>\$ 1,915</u>
Total	<u>\$ 1,915</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, 2021 was \$155,892

(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.

SAGE METRO DETROIT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

(5) **AVAILABILITY AND LIQUIDITY**

The following represents the Organization's financial assets at December 31, 2021:

Financial Assets at Year End:

Cash	\$ 155,892
Accounts Receivable	<u>69,000</u>
Total Financial Assets	<u>\$ 224,892</u>
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>\$ 224,892</u>

(6) **SUBSEQUENT EVENTS**

Subsequent events have been evaluated through September 13, 2022, 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.

(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.