



**SAGE Annual Financial Report**  
**January - December 2016**

SAGE continues to maintain a healthy financial position and once again achieved positive net revenues in 2016. As detailed in Table 1 below, SAGE’s net assets grew by approximately \$1,600 in 2016. Expenses increased in 2016 as a result of accepting additional scholars, but the increase was more than offset by higher revenue so that SAGE’s net cash flow increased relative to 2015.

SAGE’s liabilities all take the form of funds that are committed to future years of scholars’ studies. In 2016, total liabilities<sup>1</sup> increased by approximately \$3,000 as a result of additional scholarships given to students beginning their studies in the fall of 2016. The increase in liabilities from new students outweighed reductions in liabilities caused by the graduation of existing scholars and the progression of others towards the end of their studies. Despite the increase, total liabilities at the end of the year remained below total assets in hand, which indicates that SAGE is in a good position to meet all of its commitments to current scholars.

*Table 1: Balance Sheet*

	<b>1-Jan-16</b>	<b>31-Dec-16</b>	<b>Change</b>
<b>Assets by account</b>			
WF Checking Account	\$6,164.82	\$5,134.25	-\$1,030.57
ING Savings Account	\$23,709.10	\$26,820.74	\$3,111.64
PayPal Account	\$485.20	\$48.25	-\$436.95
Total Assets	\$30,359.12	\$32,003.24	\$1,644.12
<b>Assets by restriction type</b>			
Unrestricted Assets	\$24,965.54	\$27,964.99	\$2,999.45
Restricted Assets	\$5,393.58	\$4,038.25	-\$1,355.33
Total Assets	\$30,359.12	\$32,003.24	\$1,644.12
<b>Liabilities</b>			
Remaining Scholar Funds Committed	\$30,144.93		
<b>Cash Flow</b>			
Revenues	\$18,422.87		
Expenses	\$16,341.80		
Net Cash Flow	\$2,081.07		

*Note: All assets are cash assets*

Table 1 also shows changes in unrestricted and restricted asset types that occurred during 2016. Restricted funds are classified as those that have been received from a donor, but will be put

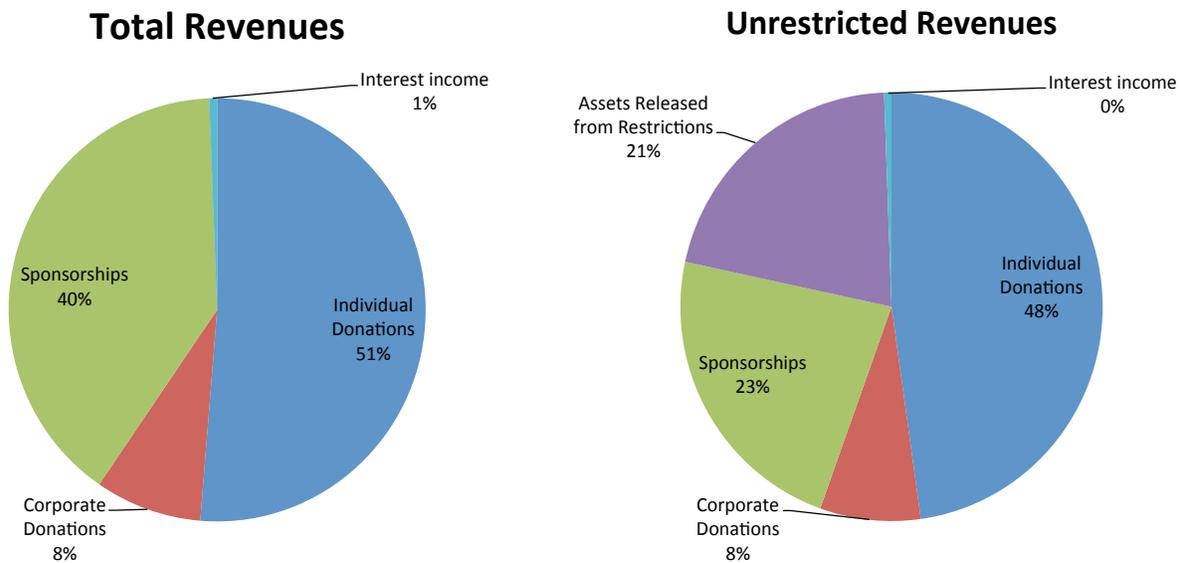
<sup>1</sup> Total liabilities include all future tuition payments for currently existing scholars. This amount is calculated using current tuition costs and assumes that all students will complete their degrees on schedule.

towards future years tuition payments for a specific scholarship recipient. Unrestricted funds carry no such obligation and are available to be put towards any of SAGE’s expenses. The portion of SAGE’s assets that are restricted decreased from 17.8% in 2015 to 12.6% in 2016. Conversely, unrestricted revenues grew from 82.2% in 2015 to 87.4% in 2016. With nearly 90% of SAGE’s assets in the unrestricted category, there is ample financial flexibility for the organization while still ensuring funds are secured for future years.

Figure 1 shows a graphical breakdown of SAGE’s revenues. Total revenues are displayed on the left, showing all new donations (both restricted and unrestricted) received in 2016. The diagram on the right shows only unrestricted revenues. This removes all monies received for future years of sponsorships, but includes the restricted funds paid in previous years that were released from restrictions to pay scholar funds for 2016. This amount is shown as “assets released from restrictions”.

SAGE receives its revenue from three primary sources – individual donations, sponsorships and corporate donations.<sup>2</sup> The largest of these are sponsorships and individual donations, which make up approximately 40% and 50% of total revenue, respectively. After several years of increases, the share of revenue from sponsorships declined in 2016 (40% in 2016 compared to 50% in 2015) primarily because of a single large individual donation of \$6,600. SAGE’s revenue stream continues to exhibit a healthy diversification across the different sources, which gives the organization greater stability since it is not reliant on a single stream for fundraising.

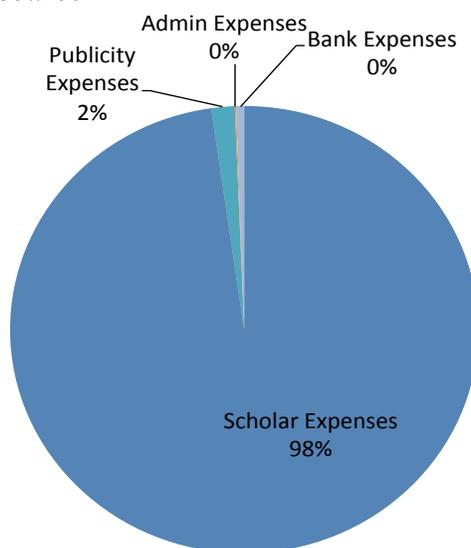
Figure 1: 2016 Revenues by Source



<sup>2</sup> SAGE made an accounting change in 2016 related to sponsorship funds received from the Guyanese company Shoe Source. In past years, funds from Shoe Source were not reflected in SAGE’s revenues since they bypassed SAGE and were deposited directly into student accounts at the University of Guyana. Starting with this report, funds from Shoe Source will be reflected as corporate donations and sponsorship funds in the cash flow analysis.

SAGE’s expenses for 2016 are shown in Figure 2. Consistent with its history, SAGE continues to maintain low overhead costs with approximately 98% of expenses going directly to scholars’ tuition, housing or other educational costs. The remaining 2% of expenses went to postage, banking fees and other administrative costs.

Figure 2: 2016 Expenses by Source



The long-run trends in SAGE’s financial position is shown in Table 2, which lists annual revenues and expenses broken out by sub-category for the past seven years. Compared to past years, both gross and net revenue are above average and show that SAGE is in a stable financial position.

Table 2: SAGE Annual Revenues and Expenses, 2010-2016

	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>							
Individual	\$10,733.46	\$6,385.60	\$5,232.66	\$6,132.64	\$10,798.56	\$5,748.22	\$9,450.22
Corporate	\$604.79	\$2,707.24	\$1,293.40	\$770.62	\$5,199.36	\$1,214.68	\$1,524.21
Sponsorships	\$0.00	\$0.00	\$3,900.00	\$4,340.00	\$6,538.00	\$7,095.21	\$7,336.80
Interest	\$141.29	\$152.56	\$108.47	\$93.23	\$102.19	\$110.28	\$111.64
<b>Total Revenue</b>	<b>\$11,479.54</b>	<b>\$9,245.40</b>	<b>\$10,534.53</b>	<b>\$11,336.49</b>	<b>\$22,638.11</b>	<b>\$14,168.39</b>	<b>\$18,422.87</b>
<b>Expenses</b>							
Scholar	\$3,768.63	\$6,526.10	\$7,743.75	\$12,910.66	\$17,141.79	\$9,847.00	\$15,974.00
Bank Fees	\$21.00	\$40.00	\$30.00	\$120.00	\$129.00	\$48.05	\$90.00
Postage Fees	\$2.82	\$160.50	\$68.74	\$194.30	\$127.97	\$45.00	\$0.00
Programming	\$59.12	\$0.00	\$85.00	\$0.00	\$120.00	\$0.00	\$14.80
Fundraising	\$706.81	\$0.00	\$146.28	\$313.00	\$0.00	\$215.02	\$0.00
Publicity	\$0.00	\$0.00	\$0.00	\$268.00	\$177.00	\$0.00	\$263.00
<b>Total Expense</b>	<b>\$4,558.38</b>	<b>\$6,726.60</b>	<b>\$8,073.77</b>	<b>\$13,805.96</b>	<b>\$17,695.76</b>	<b>\$10,155.07</b>	<b>\$16,341.80</b>
<b>Net Revenue</b>	<b>\$6,921.16</b>	<b>\$2,518.80</b>	<b>\$2,460.76</b>	<b>\$2,469.47</b>	<b>\$4,942.35</b>	<b>\$4,013.32</b>	<b>\$2,081.07</b>

After sharp reductions in both scholar expenditures and revenues in 2015, both figures rebounded in 2016. The revenue increase was primarily driven by an increase in individual donations, while the increase in expenses was driven entirely by higher scholar expenses as other expense categories continue to be relatively low. Net revenue for 2016 is slightly below bottom-line numbers for 2014 and 2015, but remains comfortably positive and shows further stabilization in SAGE's financial position after the organization posted negative net revenue in 2013. The amount of money raised through sponsorships continues to grow and corporate donations also increased in 2016 relative to 2015. This growth was achieved despite the temporary loss of SAGE's California tax-exempt status in the spring that prevented donations from being accepted for approximately two months.

For 2017, SAGE is looking to continue the strong financial performance exhibited from 2014-2016. Major areas of focus for 2017 include improving operational efficiency, incorporating new board members and exploring additional opportunities for partnerships with other organizations. SAGE also expects to complete the transition of its state of incorporation from California to the District of Columbia sometime during the summer of 2017.

This concludes the financial report of the Scholarship for Advanced Guyanese Education for the fiscal year of January through December of 2016. This report was prepared by the SAGE Finance committee from the books and records of the corporation without audit.