



**SAGE Annual Financial Report**  
**January - December 2021**

The 2021 fiscal year was a return to stability for SAGE after a difficult year of poor financial performance in 2020. In 2021, the organization returned to positive cash flow and made significant progress in reducing expenses. Table 1 shows that SAGE’s total assets decreased by approximately \$2,600, while net cash flow came in at just under \$1,000 after hitting a historic low in 2020.

*Table 1: Balance Sheet*

	<u>1-Jan-21</u>	<u>31-Dec-21</u>	<u>Change</u>
<b>Assets by account</b>			
WF Checking	\$4,239.21	\$3,584.90	-\$654.31
CapitalOne360 Savings	\$4,128.11	\$1,631.51	-\$2,496.60
PayPal	\$152.00	\$200.00	\$48.00
Investment Accounts	\$6,259.04	\$8,946.81	\$2,687.77
UG Surplus Account <sup>1</sup>	\$802.72	\$993.00	\$190.28
Accounts Receivable <sup>2</sup>	\$3,000.00	\$613.53	-\$2,386.47
<b>Total Assets</b>	<b>\$18,581.08</b>	<b>\$15,969.75</b>	<b>-\$2,611.33</b>
<b>Assets by restriction type</b>			
Unrestricted Assets	\$13,585.36	\$12,752.92	-\$832.44
Restricted Assets	\$4,995.72	\$3,216.83	-\$1,778.89
<b>Total Assets</b>	<b>\$18,581.08</b>	<b>\$15,969.75</b>	<b>-\$2,611.33</b>
<b>Liabilities</b>			
Remaining Scholar Funds Committed	\$12,155		
<b>Cash Flow</b>			
Revenue	\$15,869.42		
Expenses	-\$14,876.59		
<b>Net Cash Flow</b>	<b>\$992.83</b>		

<sup>1</sup> SAGE began holding some funds in a surplus balancing account at UG in 2017 to settle small differences between invoices and delivered funds as well as small additional funding requests from scholars. SAGE made a strategic decision to begin sending additional funds to students directly in 2021 instead of through UG, so all funds in the surplus account were put toward scholars’ 2021-2022 tuition.

<sup>2</sup> Accounts Receivable reflect expected sponsor donations that are not made until the following fiscal year as well as donations made prior to the end of the current fiscal year, but not deposited into one of SAGE’s accounts until the following fiscal year. Upon depositing in the subsequent fiscal year, the account receivable is deducted from SAGE’s assets, but added to SAGE’s cash flow as revenue.

All of SAGE's liabilities take the form of funds that are committed to future years of scholars' studies. In 2021, total liabilities<sup>3</sup> decreased by approximately \$9,500 relative to 2020 as several SAGE scholars began their final year of study and thus SAGE paid their final tuition bill in 2021, including two pursuing medical degrees. This is a second consecutive year in which SAGE has reduced its liabilities, after two years of increases in 2018 and 2019. This reversal reflects a continuation of more conservative scholar selection to better control costs.

Table 1 also shows changes in unrestricted and restricted asset types in 2021. Restricted funds are classified as those that have been received from a donor but that are reserved for future 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 26.9% in 2020 to 20.1% in 2021, which is in line with SAGE's historical average. This reflects SAGE's efforts to maintain sufficient financial flexibility in the near term while ensuring funding for future years.

SAGE began investing some of its funds in 2019 with the goal of creating a long-term sustainable source of funds to help cover yearly operating expenses. SAGE uses surplus cash to invest in a broad portfolio of financial assets per a board-approved investment policy that became effective in October 2018. SAGE began investing in December 2019 into common stocks, index funds, treasury bills, and bonds. The performance goal for the endowment is to attain an average annual real total return (net of investment management fees) of at least 5 percent.

Table 2 shows the assets held by SAGE at the end of fiscal year 2021 along with the performance for each investment. SAGE did not make any additional investments in 2021, so Table 2 reflects the annual performance of SAGE's holdings at the beginning of the fiscal year. These investments earned income of \$82.88 throughout the year in the form of dividends, which were reinvested into the securities that produced them. The total increase in value for the portfolio of \$2,687.77 during 2021 represents a gain of 42.9% for the year, which is well above SAGE's target of 5%. These gains were driven primarily by modest investments in cryptocurrencies, which increased in value by approximately 190% in 2021. SAGE's total investment portfolio performance is a gain of 71% relative to the cost basis of its investments.

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<sup>3</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.

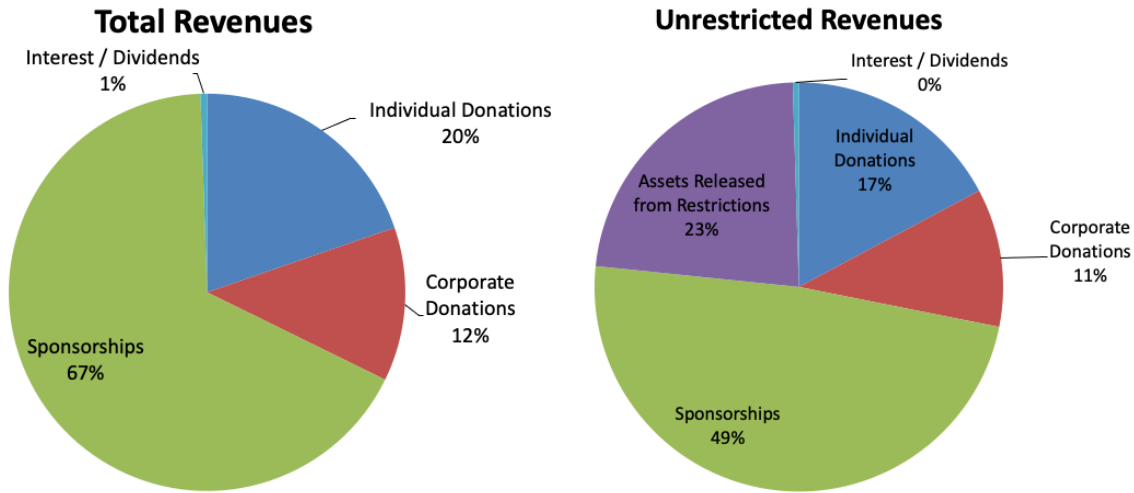
Table 2: SAGE Investment Portfolio

Asset Name	Ticker	Cost Basis	Value 1/1/21	Value 12/31/21	Change 2021	Income Earned 2021	Total Unrealized Gain/Loss
Fidelity Money Market	SPAXX	\$278.85	\$278.85	\$278.85	\$0.00	\$0.00	\$0.00
Fidelity Municipal Bond Index	FMBIX	\$511.19	\$509.26	\$515.71	\$6.45	\$0.00	\$4.52
Fidelity Long-Term Treasury	FNBGX	\$528.22	\$501.88	\$477.49	-\$24.39	\$13.21	-\$50.73
Fidelity Emerging Markets Index	FPADX	\$521.27	\$606.17	\$587.74	-\$18.43	\$12.32	\$66.47
Fidelity Small Cap Index	FSSNX	\$533.05	\$642.69	\$737.26	\$94.57	\$27.87	\$204.21
Fidelity 500 Index	FXAIX	\$515.01	\$581.73	\$748.73	\$167.00	\$9.07	\$233.72
Liveperson	LPSN	\$77.87	\$124.46	\$71.44	-\$53.02	\$0.00	-\$6.43
Best Buy	BBY	\$158.97	\$200.57	\$209.29	\$8.72	\$5.37	\$50.32
Discovery	DISCA	\$103.56	\$120.36	\$94.16	-\$26.20	\$0.00	-\$9.40
M&T Bank	MTB	\$175.67	\$129.97	\$161.56	\$31.59	\$4.64	-\$14.11
Cisco	CSCO	\$119.21	\$134.25	\$195.55	\$61.30	\$4.46	\$76.34
Cambria Tail Risk ETF	TAIL	\$615.88	\$576.40	\$502.04	-\$74.36	\$2.47	-\$113.84
Invesco Aerospace Defense ETF	PPA	\$488.07	\$552.16	\$591.22	\$39.06	\$3.47	\$103.15
Chainlink	LINK	\$97.01	\$442.91	\$768.89	\$325.98	\$0.00	\$671.88
EOS	EOS	\$97.01	\$69.01	\$80.42	\$11.41	\$0.00	-\$16.59
Ethereum	ETH	\$97.01	\$439.93	\$2,168.73	\$1,728.80	\$0.00	\$2,071.72
Stellar	XLM	\$97.01	\$217.35	\$459.54	\$242.19	\$0.00	\$362.53
Tezos	XTZ	\$97.01	\$131.09	\$298.19	\$167.10	\$0.00	\$201.18
<b>Total</b>		<b>\$5,111.87</b>	<b>\$6,259.04</b>	<b>\$8,946.81</b>	<b>\$2,687.77</b>	<b>\$82.88</b>	<b>\$3,834.94</b>

Figure 1 shows a graphical breakdown of SAGE’s 2021 revenue. Total revenue is displayed on the left, showing all new donations (both restricted and unrestricted). Unrestricted revenue is shown on the right. This removes all monies earmarked for future years of sponsorships, but includes the restricted funds paid in previous years that were released from restrictions to pay scholar funds for 2021. The amount of released funds is labeled “assets released from restrictions”.

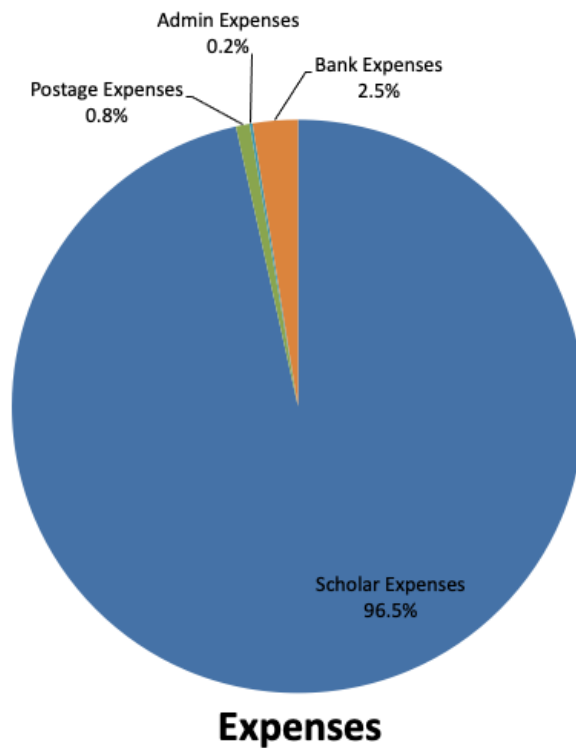
SAGE earns revenue from three primary sources – individual donations, sponsorships, and corporate donations. The largest of these for 2021 was sponsorships, which made up 67% of SAGE’s total revenue. This is an increase of approximately 27 percentage points compared to 2020 and is above average. Corporate donations as a share of total revenue increased from 7% in 2020 to 12% in 2021, which remains below average relative to SAGE’s history.

Figure 1: 2021 Revenue by Source



A breakdown of SAGE’s expenses for 2021 is shown in Figure 2. Consistent with its history, SAGE continues to maintain low overhead costs with approximately 97% of expenses going directly to scholars’ tuition, housing, or other educational costs. The remaining expenses consisted of banking fees,<sup>4</sup> postage expenses, and other administrative costs.

Figure 2: 2021 SAGE Expenses by Source



<sup>4</sup> Beginning in 2018, SAGE explicitly recognizes transaction fees associated with online donations through the SAGE website as bank expenses.

A detailed breakdown of SAGE’s cash flow is shown in Table 3, which shows annual revenues and expenses by sub-category for the past five years. Table 3 shows a positive cash flow of approximately \$1,000 for 2021, which was driven by exclusively by a significant decrease in scholar expenses relative to past years.

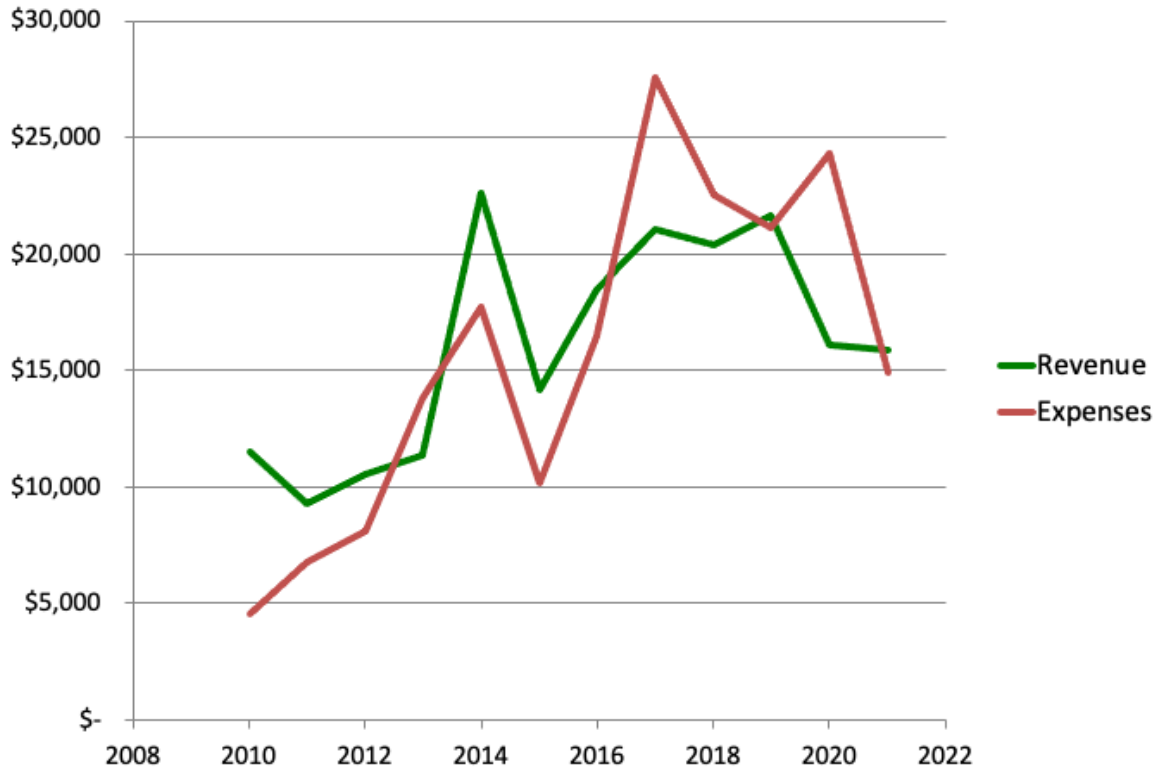
Table 3: SAGE Annual Revenues and Expenses, 2017-2021

	2017 <sup>5</sup>	2018	2019	2020	2021
<b>Revenue</b>					
Individual	\$6,409	\$7,685	\$1,175	\$8,352	\$3,131
Corporate	\$3,572	\$4,837	\$2,645	\$1,206	\$1,987
Sponsorships	\$10,969	\$7,810	\$17,789	\$6,454	\$10,665
Interest/Dividends	\$113	\$86	\$51	\$98	\$86
<b>Total Revenue</b>	<b>\$21,062</b>	<b>\$20,418</b>	<b>\$21,660</b>	<b>\$16,110</b>	<b>\$15,869</b>
<b>Expenses</b>					
Scholar	\$25,863	\$21,686	\$20,380	\$23,490	\$14,358
Bank Fees	\$681	\$341	\$465	\$365	\$378
Postage Fees	\$155	\$0	\$0	\$0	\$115
Admin	\$670	\$360	\$144	\$355	\$25
Fundraising	\$0	\$0	\$0	\$0	\$0
Publicity	\$193	\$120	\$120	\$100	\$0
<b>Total Expense</b>	<b>\$27,562</b>	<b>\$22,508</b>	<b>\$21,109</b>	<b>\$24,309</b>	<b>\$14,876</b>
<b>Net Cash Flow</b>	<b>-\$6,500</b>	<b>-\$2,090</b>	<b>\$551</b>	<b>-\$8,200</b>	<b>\$993</b>

Revenue from sponsorships rebounded in 2021 relative to past years as did the amount of corporate donations, although corporate donations remained low relative to 2017-2019 levels. Individual donations declined significantly from 2020 and more than offset the increases in the other categories. SAGE’s expenses declined significantly in 2021, which drove the return to positive net cash flow. SAGE’s expenses for 2021 are the lowest since 2015 and reflect a concerted effort to control costs as a response to poor financial performance over the past several years. Figure 3 shows these trends in the context of SAGE’s full operating history.

<sup>5</sup> During the preparation of the 2019 report, an error was discovered in the reported revenue and expense amounts for 2017. These errors have been corrected in the data shown here.

Figure 3: Revenue and Expenses Trends, 2010-2021



The renewed discipline on the expense side displayed in 2021 was a top priority for SAGE and sets the organization up well for future financial performance. SAGE continues to pursue long-run strategic initiatives for the organization, which may result in fundamental changes in operations moving forward.

This concludes the financial report of the Scholarship for Advanced Guyanese Education for the fiscal year of January through December of 2021. This report was prepared by the SAGE Finance Committee from the books and records of the corporation without audit.