

**SERVICES AND ADVOCACY FOR GAY, LESBIAN, BISEXUAL, AND
TRANSGENDER ELDERS, INC.**

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024



CPAs | CONSULTANTS | WEALTH ADVISORS

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**SERVICES AND ADVOCACY FOR GAY, LESBIAN, BISEXUAL, AND
TRANSGENDER ELDERS, INC.
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YEARS ENDED JUNE 30, 2025 AND 2024**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Services and Advocacy for Gay, Lesbian, Bisexual, and
Transgender Elders, Inc.
New York, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Services and Advocacy for Gay, Lesbian, Bisexual, and Transgender Elders, Inc. (SAGE), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of SAGE as of June 30, 2025 and 2024, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' 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 audits. 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 the financial statements are available to be issued.

Auditors' 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 auditors' 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 GAAS 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 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 GAAS, 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.



CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
March 10, 2026

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**SERVICES AND ADVOCACY FOR GAY, LESBIAN, BISEXUAL, AND
TRANSGENDER ELDERS, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024**

| ASSETS | 2025 | 2024 |
|---|---------------|---------------|
| CURRENT ASSETS | | |
| Cash and Cash Equivalents | \$ 3,126,197 | \$ 3,480,987 |
| Investments | 5,823,495 | 6,170,129 |
| Contributions Receivable, Net | 2,628,379 | 2,244,710 |
| Grants and Contracts Receivable | 5,550,853 | 5,707,271 |
| Other Receivables | 348,964 | 411,712 |
| Prepaid Expenses and Other Assets | 405,230 | 378,119 |
| Total Current Assets | 17,883,118 | 18,392,928 |
| NONCURRENT ASSETS | | |
| Security Deposits | 26,379 | 28,341 |
| Contributions Receivable, Net | 664,387 | 394,542 |
| Deferred Compensation Assets | 576,908 | 467,804 |
| Right-of-Use Assets | 1,028,206 | 1,096,708 |
| Property and Equipment, Net | 10,962,257 | 11,730,919 |
| Total Noncurrent Assets | 13,258,137 | 13,718,314 |
| Total Assets | \$ 31,141,255 | \$ 32,111,242 |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts Payable and Accrued Expenses | \$ 2,024,377 | \$ 1,874,188 |
| Loans Payable | 299,731 | 290,323 |
| Deferred Revenue | 375,871 | 838,457 |
| Lease Liability, Current | 55,292 | 55,204 |
| Total Current Liabilities | 2,755,271 | 3,058,172 |
| NONCURRENT LIABILITIES | | |
| Loans Payable, Net | 5,421,070 | 5,672,063 |
| HTFC Loan Payable | 1,000,000 | 1,000,000 |
| Deferred Compensation | 576,908 | 467,804 |
| Lease Liability, Net of Current | 1,017,493 | 1,072,785 |
| Total Noncurrent Assets | 8,015,471 | 8,212,652 |
| Total Liabilities | 10,770,742 | 11,270,824 |
| NET ASSETS | | |
| Without Donor Restrictions | | |
| Operating | 3,858,781 | 4,560,487 |
| Net Investment in Property and Equipment | 5,241,456 | 5,768,533 |
| Board-Designated | 5,846,690 | 6,638,712 |
| Total Net Assets Without Donor Restrictions | 14,946,927 | 16,967,732 |
| With Donor Restrictions | 5,423,586 | 3,872,686 |
| Total Net Assets | 20,370,513 | 20,840,418 |
| Total Liabilities and Net Assets | \$ 31,141,255 | \$ 32,111,242 |

See accompanying Notes to Financial Statements.

**SERVICES AND ADVOCACY FOR GAY, LESBIAN, BISEXUAL, AND
TRANSGENDER ELDERS, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|---------------|
| PUBLIC SUPPORT AND REVENUE | | | |
| Government Grants and Contracts | \$ 7,545,074 | \$ - | \$ 7,545,074 |
| Contributions | 5,378,654 | 4,785,223 | 10,163,877 |
| Bequests | 1,847,083 | - | 1,847,083 |
| Donated Materials, Facilities, and Services | 565,725 | - | 565,725 |
| Special Events, Net | 1,511,082 | - | 1,511,082 |
| Program Income and Service Fees | 744,867 | - | 744,867 |
| Investment Income | 778,994 | - | 778,994 |
| Other | 35,044 | - | 35,044 |
| Net Assets Released from Restrictions | 3,234,323 | (3,234,323) | - |
| Total Public Support and Revenue | 21,640,846 | 1,550,900 | 23,191,746 |
| EXPENSES | | | |
| Program Services | | | |
| Direct Services | 17,261,712 | - | 17,261,712 |
| Public Outreach | 2,081,197 | - | 2,081,197 |
| Total Program Services | 19,342,909 | - | 19,342,909 |
| Supporting Services | | | |
| Management and General | 1,208,047 | - | 1,208,047 |
| Fundraising | 3,110,695 | - | 3,110,695 |
| Total Supporting Services | 4,318,742 | - | 4,318,742 |
| Total Expenses | 23,661,651 | - | 23,661,651 |
| CHANGE IN NET ASSETS | (2,020,805) | 1,550,900 | (469,905) |
| Net Assets - Beginning of Year | 16,967,732 | 3,872,686 | 20,840,418 |
| NET ASSETS - END OF YEAR | \$ 14,946,927 | \$ 5,423,586 | \$ 20,370,513 |

See accompanying Notes to Financial Statements.

**SERVICES AND ADVOCACY FOR GAY, LESBIAN, BISEXUAL, AND
TRANSGENDER ELDERS, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|---------------|
| PUBLIC SUPPORT AND REVENUE | | | |
| Government Grants and Contracts | \$ 7,225,575 | \$ - | \$ 7,225,575 |
| Contributions | 5,128,648 | 2,356,021 | 7,484,669 |
| Bequests | 556,687 | - | 556,687 |
| Donated Materials, Facilities, and Services | 595,361 | - | 595,361 |
| Special Events, Net | 1,507,844 | - | 1,507,844 |
| Program Income and Service Fees | 859,670 | - | 859,670 |
| Investment Income | 1,030,947 | - | 1,030,947 |
| Other | 146,650 | - | 146,650 |
| Net Assets Released from Restrictions | 3,516,435 | (3,516,435) | - |
| Total Public Support and Revenue | 20,567,817 | (1,160,414) | 19,407,403 |
| EXPENSES | | | |
| Program Services | | | |
| Direct Services | 16,778,918 | - | 16,778,918 |
| Public Outreach | 2,044,603 | - | 2,044,603 |
| Total Program Services | 18,823,521 | - | 18,823,521 |
| Supporting Services | | | |
| Management and General | 1,890,567 | - | 1,890,567 |
| Fundraising | 3,202,298 | - | 3,202,298 |
| Total Supporting Services | 5,092,865 | - | 5,092,865 |
| Total Expenses | 23,916,386 | - | 23,916,386 |
| CHANGE IN NET ASSETS | (3,348,569) | (1,160,414) | (4,508,983) |
| Net Assets - Beginning of Year | 20,316,301 | 5,033,100 | 25,349,401 |
| NET ASSETS - END OF YEAR | \$ 16,967,732 | \$ 3,872,686 | \$ 20,840,418 |

See accompanying Notes to Financial Statements.

**SERVICES AND ADVOCACY FOR GAY, LESBIAN, BISEXUAL, AND
TRANSGENDER ELDERS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025**

| | Program Services | | | Supporting Services | | | Total |
|--|------------------|-----------------|------------------------|------------------------|--------------|---------------------------|---------------|
| | Direct Services | Public Outreach | Total Program Services | Management and General | Fundraising | Total Supporting Services | |
| Salaries | \$ 8,360,387 | \$ 1,199,514 | \$ 9,559,901 | \$ 677,269 | \$ 1,484,773 | \$ 2,162,042 | \$ 11,721,943 |
| Payroll Taxes and Employee Benefits | 2,117,964 | 303,877 | 2,421,841 | 171,575 | 376,142 | 547,717 | 2,969,558 |
| Total Personnel | 10,478,351 | 1,503,391 | 11,981,742 | 848,844 | 1,860,915 | 2,709,759 | 14,691,501 |
| Advertising | 144,828 | 58,023 | 202,851 | 2,398 | 26,357 | 28,755 | 231,606 |
| Bad Debt Expense | - | - | - | 62,137 | - | 62,137 | 62,137 |
| Consulting and Contractor Expenses | 2,079,293 | 328,090 | 2,407,383 | 58,090 | 263,550 | 321,640 | 2,729,023 |
| Contributions | 60,524 | 6,486 | 67,010 | 710 | 4,590 | 5,300 | 72,310 |
| Depreciation | 731,008 | 19,265 | 750,273 | 13,405 | 23,937 | 37,342 | 787,615 |
| Donated In-Kind | 520,221 | 13,710 | 533,931 | 9,540 | 17,034 | 26,574 | 560,505 |
| Dues and Subscriptions | 14,160 | 5,664 | 19,824 | 1,593 | 2,057 | 3,650 | 23,474 |
| Equipment Maintenance | 90,071 | 2,374 | 92,445 | 1,652 | 2,949 | 4,601 | 97,046 |
| Facility Repairs and Maintenance | 244,060 | 6,432 | 250,492 | 4,475 | 7,992 | 12,467 | 262,959 |
| Finance and Bank Charges | 332,867 | 8,772 | 341,639 | 6,104 | 10,900 | 17,004 | 358,643 |
| Food and Entertainment | 4,470 | 3,394 | 7,864 | 730 | 492,997 | 493,727 | 501,591 |
| Individual, Respite, Supplemental and Other Programs | 801,997 | 270 | 802,267 | - | - | - | 802,267 |
| Insurance | 92,599 | 2,440 | 95,039 | 1,698 | 3,032 | 4,730 | 99,769 |
| Occupancy | 569,505 | 15,009 | 584,514 | 10,443 | 18,648 | 29,091 | 613,605 |
| Other | 78,454 | 2,922 | 81,376 | 1,629 | 16,916 | 18,545 | 99,921 |
| Postage, Freight, and Courier | 7,825 | 292 | 8,117 | 209 | 190,138 | 190,347 | 198,464 |
| Printing | 9,232 | 357 | 9,589 | - | 107,702 | 107,702 | 117,291 |
| Professional Fees | 257,745 | 14,176 | 271,921 | 68,280 | 7,599 | 75,879 | 347,800 |
| Software | 327,237 | 8,624 | 335,861 | 6,001 | 10,715 | 16,716 | 352,577 |
| Staff Training | 2,339 | 13,318 | 15,657 | 30,393 | 56 | 30,449 | 46,106 |
| Supplies and Decorations | 240,603 | 1,957 | 242,560 | 1,346 | 2,403 | 3,749 | 246,309 |
| Telephone, Fax, and Internet | 38,149 | 1,005 | 39,154 | 700 | 1,249 | 1,949 | 41,103 |
| Transportation, Meals, and Incidentals | 120,381 | 58,715 | 179,096 | 10,195 | 35,257 | 45,452 | 224,548 |
| Workshops and Conferences | 15,793 | 6,511 | 22,304 | 67,475 | 3,702 | 71,177 | 93,481 |
| Total Other | 6,783,361 | 577,806 | 7,361,167 | 359,203 | 1,249,780 | 1,608,983 | 8,970,150 |
| Total Expenses | \$ 17,261,712 | \$ 2,081,197 | \$ 19,342,909 | \$ 1,208,047 | \$ 3,110,695 | \$ 4,318,742 | \$ 23,661,651 |

See accompanying Notes to Financial Statements.

**SERVICES AND ADVOCACY FOR GAY, LESBIAN, BISEXUAL, AND
TRANSGENDER ELDERS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024**

| | Program Services | | | Supporting Services | | | Total |
|---|------------------|-----------------|------------------------|------------------------|--------------|---------------------------|---------------|
| | Direct Services | Public Outreach | Total Program Services | Management and General | Fundraising | Total Supporting Services | |
| Salaries | \$ 7,670,635 | \$ 1,082,741 | \$ 8,753,376 | \$ 958,652 | \$ 1,568,734 | \$ 2,527,386 | \$ 11,280,762 |
| Payroll Taxes and Employee Benefits | 1,864,321 | 263,156 | 2,127,477 | 232,998 | 381,275 | 614,273 | 2,741,750 |
| Total Personnel | 9,534,956 | 1,345,897 | 10,880,853 | 1,191,650 | 1,950,009 | 3,141,659 | 14,022,512 |
| Advertising | 106,560 | 61,665 | 168,225 | 81,297 | 30,038 | 111,335 | 279,560 |
| Bad Debt Expense | - | - | - | 60,251 | - | 60,251 | 60,251 |
| Consulting and Contractor Expenses | 2,195,394 | 442,612 | 2,638,006 | 265,457 | 420,824 | 686,281 | 3,324,287 |
| Contributions | 112,786 | 1,891 | 114,677 | 3,558 | 4,186 | 7,744 | 122,421 |
| Depreciation | 734,186 | 20,507 | 754,693 | 15,361 | 29,383 | 44,744 | 799,437 |
| Donated In-Kind | 544,930 | 15,221 | 560,151 | 11,401 | 21,809 | 33,210 | 593,361 |
| Dues and Subscriptions | 15,182 | 2,011 | 17,193 | 2,050 | 2,686 | 4,736 | 21,929 |
| Equipment Maintenance | 89,319 | 2,495 | 91,814 | 1,868 | 3,575 | 5,443 | 97,257 |
| Facility Repairs and Maintenance | 327,981 | 9,161 | 337,142 | 6,863 | 13,126 | 19,989 | 357,131 |
| Finance and Bank Charges | 300,378 | 8,390 | 308,768 | 6,285 | 12,022 | 18,307 | 327,075 |
| Food and Entertainment | 14,004 | 2,768 | 16,772 | 16,561 | 288,163 | 304,724 | 321,496 |
| Individual, Respite, Supplemental and Other Programs | 911,878 | - | 911,878 | - | 626 | 626 | 912,504 |
| Insurance | 94,609 | 2,643 | 97,252 | 1,979 | 3,786 | 5,765 | 103,017 |
| Occupancy | 531,865 | 14,856 | 546,721 | 11,127 | 21,286 | 32,413 | 579,134 |
| Other | 16,211 | 1,231 | 17,442 | 1,972 | 8,934 | 10,906 | 28,348 |
| Postage, Freight, and Courier | 7,852 | 627 | 8,479 | 923 | 70,368 | 71,291 | 79,770 |
| Printing | 4,085 | 7,410 | 11,495 | 33 | 215,198 | 215,231 | 226,726 |
| Professional Fees | 146,343 | 12,727 | 159,070 | 70,788 | 5,070 | 75,858 | 234,928 |
| Software | 399,258 | 11,152 | 410,410 | 8,354 | 15,979 | 24,333 | 434,743 |
| Staff Training | 44,397 | 10,331 | 54,728 | 5,876 | 3,035 | 8,911 | 63,639 |
| Supplies and Decorations | 330,953 | 2,350 | 333,303 | 6,798 | 4,629 | 11,427 | 344,730 |
| Telephone, Fax, and Internet | 44,277 | 1,237 | 45,514 | 926 | 1,772 | 2,698 | 48,212 |
| Transportation, Meals, and Incidentals | 224,523 | 62,280 | 286,803 | 24,357 | 71,843 | 96,200 | 383,003 |
| Workshops and Conferences | 46,991 | 5,141 | 52,132 | 94,832 | 3,951 | 98,783 | 150,915 |
| Total Other | 7,243,962 | 698,706 | 7,942,668 | 698,917 | 1,252,289 | 1,951,206 | 9,893,874 |
| Total Expenses | \$ 16,778,918 | \$ 2,044,603 | \$ 18,823,521 | \$ 1,890,567 | \$ 3,202,298 | \$ 5,092,865 | \$ 23,916,386 |

See accompanying Notes to Financial Statements.

**SERVICES AND ADVOCACY FOR GAY, LESBIAN, BISEXUAL, AND
TRANSGENDER ELDERS, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024**

| | 2025 | 2024 |
|--|--------------|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in Net Assets | \$ (469,905) | \$ (4,508,983) |
| Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities: | | |
| Depreciation and Amortization | 787,615 | 799,437 |
| Noncash Bond Issuance Cost Amortization Expense | 15,294 | 15,294 |
| Bad Debt | 62,137 | 60,251 |
| Unrealized and Realized Gain on Investments | (573,148) | (650,526) |
| Changes in Operating Assets and Liabilities: | | |
| Increase (Decrease) in Assets: | | |
| Contributions Receivable | (715,651) | 684,325 |
| Grants and Contracts Receivable | 156,418 | 1,363,248 |
| Other Receivables | 62,748 | (148,056) |
| Prepaid Expenses and Other Assets | (27,111) | (169,908) |
| Right-of-Use Asset | 68,502 | 49,853 |
| Security Deposits | 1,962 | - |
| Increase (Decrease) in Liabilities: | | |
| Accounts Payable and Accrued Expenses | 150,189 | 254,767 |
| Deferred Revenue | (462,586) | 494,515 |
| Lease Liability | (55,204) | (35,996) |
| Net Cash Used by Operating Activities | (998,740) | (1,791,779) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of Investments | (2,131,278) | (326,351) |
| Proceeds from Sales of Investments | 3,051,060 | 589,196 |
| Purchases of Property and Equipment | (18,953) | (61,146) |
| Net Cash Provided by Investing Activities | 900,829 | 201,699 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from Loans Payable | - | 50,000 |
| Principal Payments on Loans | (256,879) | (246,136) |
| Net Cash Used by Financing Activities | (256,879) | (196,136) |
| DECREASE IN CASH AND CASH EQUIVALENTS | (354,790) | (1,786,216) |
| Cash and Cash Equivalents - Beginning of Year | 3,480,987 | 5,267,203 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | \$ 3,126,197 | \$ 3,480,987 |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION | | |
| Cash Paid During the Year for Interest | \$ 219,637 | \$ 209,578 |

See accompanying Notes to Financial Statements.

**SERVICES AND ADVOCACY FOR GAY, LESBIAN, BISEXUAL, AND
TRANSGENDER ELDERS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Services and Advocacy for Gay, Lesbian, Bisexual, and Transgender Elders, Inc. (SAGE) is the country's largest and oldest organization dedicated to improving the lives of LGBT older adults. Founded in 1978 and headquartered in New York City, SAGE is a national organization that offers supportive services and resources for LGBT older adults and their caregivers, advocates for public policy changes that address the needs of LGBT older people and provides training for LGBT organizations and agencies providing services to older adults, largely through SAGECare and its National Resource Center on LGBT Aging. With staff concentrated in New York City and in various parts of the country, SAGE has partners across the country and the globe.

SAGE is a nonprofit organization incorporated under the laws of the state of New York and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC).

Basis of Presentation

SAGE's financial statements have been prepared on the accrual basis of accounting. SAGE adheres to accounting principles generally accepted in the United States of America (U.S. GAAP).

Net Assets

SAGE maintains its net assets under the following classes:

Net Assets Without Donor Restrictions – These represent the portion of net assets of SAGE that are not restricted by donor-imposed stipulations. Contributions are considered available for use unless specifically restricted by the donor.

Net Assets With Donor Restrictions – These consist of net assets resulting from contributions and other inflows of assets whose use by SAGE is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of SAGE pursuant to those stipulations and donor-restricted endowment funds. When stipulations end or are fulfilled or endowment earnings are appropriated, net assets with donor restrictions are reported in the statements of activities as net assets released from restrictions.

SAGE maintains board-designated funds which are included with net assets without donor restrictions. The funds are as follows:

- *Working Capital Reserve* – The working capital reserve is intended to provide cash needed to ensure SAGE is able to maintain a minimum cash on hand target in its operating account. This reserve offsets short-term negative cash flow.
- *Operating Reserve* – The operating reserve is intended to be an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses.

**SERVICES AND ADVOCACY FOR GAY, LESBIAN, BISEXUAL, AND
TRANSGENDER ELDERS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Net Assets (Continued)

- *Building and Capital Asset Reserve* – The building and capital asset reserve is intended to provide a ready source of funds for repair or acquisition of buildings, leasehold improvements and furniture, fixtures and equipment necessary for the effective operation of SAGE and its programs.
- *Strategic Plan and Opportunity Reserve* – The strategic plan and opportunity reserve is intended to provide funds to meet initiatives under the strategic plan or targets of opportunity or need that furthers the mission of SAGE. The strategic plan and opportunity reserve is also intended as a source of internal funds for organizational capacity building such as staff development, research and development, or investment in infrastructure that will build long-term capacity and enhance revenue.
- *Board-Designated Endowment* – The board designated endowment fund is established by the Board and is expended at the discretion of the board.
- *Loan Reserve* – The loan reserve is intended to set aside \$25,000 per year for 40 years in order to be able to repay the HTFC Loan at maturity.
- *Special Initiatives Reserve* – The board designated reserves held for specific activities, based on board-approved budgets.
- *Diverse Elders Coalition Reserve* – The board designated reserves for the cash portion of the fiscally sponsored organization.

As of June 30, 2025 and 2024, the balances in board-designated funds are as follows:

| | <u>2025</u> | <u>2024</u> |
|--|---------------------|---------------------|
| Working Capital Reserve | \$ 1,877,700 | \$ 1,808,164 |
| Operating Reserve | 282,291 | 3,380,808 |
| Building and Capital Asset Reserve | 490,045 | 355,580 |
| Strategic Plan and Opportunity Reserve | 99,528 | 69,160 |
| Board-Designated Endowment | 900,000 | 900,000 |
| Loan Reserve | 150,000 | 125,000 |
| Special Initiatives Reserve | 514,577 | - |
| Diverse Elders Coalition Reserve | 1,532,549 | - |
| Total | <u>\$ 5,846,690</u> | <u>\$ 6,638,712</u> |

Cash and Cash Equivalents

SAGE considers all highly liquid investments purchased with maturities of three months or less upon acquisition to be cash equivalents.

**SERVICES AND ADVOCACY FOR GAY, LESBIAN, BISEXUAL, AND
TRANSGENDER ELDERS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Investments

Investments are stated at fair value. Realized and unrealized gains and losses are recognized as changes in net assets in the period in which they occur, and interest and dividends are recognized as revenue in the period earned.

Fair Value Measurements

Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 4.

Contributions and Contributions Receivable

Contributions are recorded as increases in net assets without donor restrictions and net assets with donor restrictions depending on the existence and/or nature of any donor restrictions.

Contributions are accounted under Financial Accounting Standards Board's (FASB) *Accounting Standards Update* (ASU) 2018-08. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. When material, the discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. As of June 30, 2025 and 2024 the discount on long term promises was \$60,613 and \$30,458, respectively. Conditional promises to give are not included as support until the conditions are substantially met.

SAGE's management evaluates the need for an allowance for doubtful accounts applicable to its contributions receivable. Management's estimate is based on a combination of factors such as creditworthiness of donors, a review of individual accounts outstanding, the aged basis of the receivables, current economic conditions for each such years and historical experience. As of June 30, 2025 and 2024, SAGE determined that an allowance of \$64,267 and \$46,453, respectively was necessary for its contributions receivable.

As of both June 30, 2025 and 2024, SAGE has been awarded conditional contributions from individual and corporate donors in the aggregate amount of approximately \$53,373 and \$327,739, respectively. Such contributions have not been recognized in the accompanying financial statements as they are for future periods and will be recognized when barriers are overcome. If such barriers are not overcome, SAGE is not entitled to the funds allotted under the agreements and may be required to return funds already remitted.

**SERVICES AND ADVOCACY FOR GAY, LESBIAN, BISEXUAL, AND
TRANSGENDER ELDERS, INC.
NOTES TO FINANCIAL STATEMENTS
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**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Government Grants and Contracts

Government grants are nonexchange transactions and accounted for under ASU 2018-08. Government grants and contracts are recognized as revenue when barriers within the contract are overcome, and there is no right of return. Government grants amounted to \$7,545,074 and \$7,225,575 for the years ended June 30, 2025 and 2024, respectively and are included in the statement of activities.

To the extent amounts received exceed amounts spent, SAGE records a refundable advance as a liability. As of June 30, 2025 and 2024, SAGE received advances from government agencies in the aggregate amounts of \$322,498 and \$510,718, respectively. Such advances have not been recognized in the accompanying financial statements as they are for future periods and will be recognized/recouped when contract barriers are overcome. Such barriers include expending these funds in accordance with their agreements. If such services are not provided, the governmental entities are not obligated to expend the funds allotted under the grants and SAGE may be required to return the funds already remitted. There are occasions when funding source reimbursements for prior years are adjusted in the current period.

As of both June 30, 2025 and 2024, SAGE has been awarded conditional grants and contracts from government agencies in the aggregate amount of approximately \$8,300,000 and \$6,100,000, respectively. Such grants have not been recognized in the accompanying financial statements as they are for future periods and will be recognized when contract barriers are overcome. Such barriers include expending these funds in accordance with their agreements. If such services are not provided, the governmental entities are not obligated to expend the funds allotted under the grants and contracts and SAGE may be required to return the funds already remitted.

Property and Equipment

Property and equipment purchases above \$5,000 that SAGE retains title to and with a useful life of at least one year are capitalized at cost, or if donated, at the estimated fair value at the time of donation. Property and equipment is depreciated on a straight-line basis over the estimated useful life of the asset. Leasehold improvements are amortized on a straight-line basis over the lesser of the estimated useful life of the asset or the life of the lease as follows:

| | |
|---------------------------|----------|
| Building and Improvements | 30 Years |
| Leasehold Improvements | 10 Years |
| Furniture and Equipment | 5 Years |
| Software | 5 Years |

Bequests

Legacies and bequests are recognized as revenue when SAGE is notified that actual or potential disputes are resolved and funds are forthcoming. Accordingly, bequests are accrued when the will has been passed-through probate, and legal counsel has confirmed amounts held on behalf of SAGE.

**SERVICES AND ADVOCACY FOR GAY, LESBIAN, BISEXUAL, AND
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**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Program Income and Service Fees

Program income and service fees are recognized and recorded when the performance obligations of providing the services are met in an amount that reflects the consideration SAGE expects to be entitled to receive in exchange for the services. The contracts have one single performance obligation, and all services are recognized at a point in time. Amounts received in advance are deferred to the applicable period. SAGE records the fees collected that relate to programs and/or events that will occur in future periods as deferred revenue and will be recognized in the period earned.

Advertising and Marketing

Advertising and promotion costs are charged to operations when the advertising first takes place. Advertising expense for the years ended June 30, 2025 and 2024 amounted to \$231,607 and \$279,560, respectively.

Leases

SAGE leases office space and determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets and lease liabilities on the statements of financial position.

ROU assets represent SAGE's right to use an underlying asset for the lease term and lease liabilities represent SAGE's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that SAGE will exercise the option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. SAGE has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and the leases are not included as lease liabilities or ROU assets on the statements of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the leases. Therefore, SAGE has elected to use a discount rate comparable to their line of credit rate for computing the present value of lease liabilities.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, wages, benefits and payroll taxes, which are allocated on the basis of estimates of time and effort. Occupancy, utilities, information technology, depreciation and amortization, and interest expense, are allocated based on square footage and full-time equivalent estimates.

**SERVICES AND ADVOCACY FOR GAY, LESBIAN, BISEXUAL, AND
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires SAGE's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through March 10, 2026, the date the financial statements were available for issuance.

NOTE 2 LIQUIDITY AND AVAILABILITY OF RESOURCES

SAGE regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, SAGE considers all expenditures related to its ongoing programs and supporting services to be general expenditures.

As more fully described in Note 1, SAGE has board-designated funds which are not available for general use. Additionally, as further described in Note 12, SAGE has access to a line of credit which can be used for general operations.

Financial assets available for general expenditure within one year from the statement of financial position date, without donor or other restrictions limiting their use, were as follows as of June 30, 2025 and 2024:

| | <u>2025</u> | <u>2024</u> |
|--|---------------------|---------------------|
| Cash and Cash Equivalents | \$ 3,126,197 | \$ 3,480,987 |
| Investments | 5,823,495 | 6,170,129 |
| Contributions Receivable, Net | 2,628,379 | 2,244,710 |
| Grants and Contracts Receivable, Net | 5,550,853 | 5,707,271 |
| Other Receivables | 348,964 | 411,712 |
| Total | <u>17,477,888</u> | <u>18,014,809</u> |
| Less: Board-Designated Net Assets | (5,846,690) | (6,638,712) |
| Less: Donor-Restricted Net Assets | <u>(5,423,586)</u> | <u>(3,872,686)</u> |
| Financial Assets Available for General Expenditures Within One Year | <u>\$ 6,207,612</u> | <u>\$ 7,503,411</u> |

**SERVICES AND ADVOCACY FOR GAY, LESBIAN, BISEXUAL, AND
TRANSGENDER ELDERS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 3 INVESTMENTS

Investments consist of the following as of June 30, 2025 and 2024:

| | 2025 | 2024 |
|-------------------------|--------------|--------------|
| Fixed Income | \$ 1,352 | \$ 3,062 |
| Equities | 5,821,774 | 5,195,057 |
| Certificates of Deposit | 369 | 972,010 |
| Total | \$ 5,823,495 | \$ 6,170,129 |

Investment return consisted of the following for the years ended June 30, 2025 and 2024:

| | 2025 | 2024 |
|------------------------------|------------|--------------|
| Interest and Dividends | \$ 205,846 | \$ 380,421 |
| Unrealized and Realized Gain | 573,148 | 650,526 |
| Total | \$ 778,994 | \$ 1,030,947 |

Investments are subject to market volatility that could substantially change their carrying value in the near term.

NOTE 4 FAIR VALUE MEASUREMENTS

In determining fair value, SAGE utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value.

The fair value hierarchy defines three levels as follows:

Level 1 – Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2 – Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3 – Valuations based on unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Investments in U.S. government and agency securities and mutual funds are valued using market prices in active markets (Level 1). Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

Certificates of deposit are valued based on estimates using current market rates offered for deposits with similar remaining maturities (Level 2).

**SERVICES AND ADVOCACY FOR GAY, LESBIAN, BISEXUAL, AND
TRANSGENDER ELDERS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables set forth by level, within the fair value hierarchy, SAGE's investments at fair value as of June 30, 2025 and 2024:

| | 2025 | | | Total |
|------------------------------|--------------|------------|---------|--------------|
| | Level 1 | Level 2 | Level 3 | |
| Investments | | | | |
| Fixed Income | \$ 1,352 | \$ - | \$ - | \$ 1,352 |
| Certificates of Deposit | - | 369 | - | 369 |
| Equities | 5,821,774 | - | - | 5,821,774 |
| Deferred Compensation Assets | | | | |
| Mutual Funds | 576,908 | - | - | 576,908 |
| Total | \$ 6,400,034 | \$ 369 | \$ - | \$ 6,400,403 |
| | | | | |
| | 2024 | | | Total |
| | Level 1 | Level 2 | Level 3 | |
| Investments | | | | |
| Fixed Income | \$ 3,062 | \$ - | \$ - | \$ 3,062 |
| Certificates of Deposit | - | 972,010 | - | 972,010 |
| Equities | 5,195,057 | - | - | 5,195,057 |
| Deferred Compensation Assets | | | | |
| Mutual Funds | 467,804 | - | - | 467,804 |
| Total | \$ 5,665,923 | \$ 972,010 | \$ - | \$ 6,637,933 |

NOTE 5 CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable consist of the following as of June 30, 2025 and 2024:

| | 2025 | 2024 |
|---------------------------------------|--------------|--------------|
| Within One Year | \$ 2,692,646 | \$ 2,291,163 |
| One to Five Years | 725,000 | 425,000 |
| Total | 3,417,646 | 2,716,163 |
| Less: Allowance for Doubtful Accounts | (64,267) | (46,453) |
| Less: Discount on Long Term Promises | (60,613) | (30,458) |
| Total | \$ 3,292,766 | \$ 2,639,252 |

**SERVICES AND ADVOCACY FOR GAY, LESBIAN, BISEXUAL, AND
TRANSGENDER ELDERS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 6 PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following as of June 30, 2025 and 2024:

| | <u>2025</u> | <u>2024</u> | <u>Estimated Useful Lives</u> |
|--|-----------------------------|-----------------------------|-----------------------------------|
| Building and Improvements | \$ 15,153,616 | \$ 15,153,616 | 30 Years |
| Leasehold Improvements | 398,885 | 398,885 | 10 Years |
| Furniture and Equipment | 1,373,366 | 1,365,151 | 5 Years |
| Software | <u>1,200</u> | <u>1,200</u> | 5 Years |
| Total | 16,927,067 | 16,918,852 | |
| Less: Accumulated Depreciation and Amortization | <u>(5,964,810)</u> | <u>(5,187,933)</u> | |
| Total Property and Equipment, Net | <u><u>\$ 10,962,257</u></u> | <u><u>\$ 11,730,919</u></u> | |

For the years ended June 30, 2025 and 2024, depreciation and amortization expense amounted to \$787,615 and \$799,437, respectively.

NOTE 7 LOANS PAYABLE, NET

In February 2017, in connection with the purchase of office space in New York, New York, SAGE entered into a bond purchase and continuing covenants agreement in the amount of \$7,799,000. The issued bonds were purchased by a bank and the proceeds were loaned to SAGE. The loan bears interest at a fixed rate of 3.57% and matures on February 1, 2047. The loan is secured by a mortgage on the purchased property. The loan has certain covenants, including a debt service coverage ratio and a reporting requirement. SAGE was in compliance with the debt service coverage ratio but was not in compliance with the reporting requirement for the year ending June 30, 2024. SAGE obtained a waiver for the reporting requirement from the bank for the year ending June 30, 2024. For the year ending June 30, 2025 SAGE was in compliance with both the debt service coverage ratio and the reporting requirement.

In August 2023, SAGE entered into an unsecured nonconvertible note for \$50,000 with an annual interest rate of 2% that matures in August 2025.

The loans payable amounted to the following as of June 30, 2025 and 2024:

| | <u>2025</u> | <u>2024</u> |
|--------------------------------|----------------------------|----------------------------|
| Loans Payable | \$ 5,976,970 | \$ 6,233,848 |
| Less: Deferred Financing Costs | <u>(256,169)</u> | <u>(271,462)</u> |
| Total | <u><u>\$ 5,720,801</u></u> | <u><u>\$ 5,962,386</u></u> |

**SERVICES AND ADVOCACY FOR GAY, LESBIAN, BISEXUAL, AND
TRANSGENDER ELDERS, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 7 LOANS PAYABLE, NET (CONTINUED)

Future annual principal payments are as follows:

| Year Ending June 30, | Amount |
|----------------------|--------------|
| 2026 | \$ 315,026 |
| 2027 | 274,779 |
| 2028 | 284,369 |
| 2029 | 295,357 |
| 2030 | 306,221 |
| Thereafter | 4,501,217 |
| Total | \$ 5,976,969 |

Interest expense, including amortization of deferred financing costs, amount to \$234,931 and \$224,872 for the years ended June 30, 2025 and 2024, respectively.

NOTE 8 HTFC LOAN PAYABLE

In October 2019, The New York State Housing Trust Fund Corporation (HTFC) offered Ingersoll Senior Partners LLC a 40-year loan in the amount of \$1,000,000 with 0% interest to fund permanent financing for the hard and soft costs of the buildout of the community facility space (Project) to be used by SAGE as a senior center at Ingersoll Senior Residences. SAGE has set up a board-designated fund for which it will contribute \$25,000 per year for 40 years in order to be able to repay the loan at maturity.

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following for the years ended June 30, 2025 and 2024:

| | 2025 | 2024 |
|-----------------------|--------------|--------------|
| Housing | \$ 301,746 | \$ 1,237,617 |
| DEC | 2,047,301 | 2,030,349 |
| Advocacy | 347,488 | 257,969 |
| Programs and Services | 2,694,201 | 346,751 |
| Capacity Building | 32,850 | - |
| Total | \$ 5,423,586 | \$ 3,872,686 |

**SERVICES AND ADVOCACY FOR GAY, LESBIAN, BISEXUAL, AND
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets released from purpose or time restrictions during the years ended June 30, 2025 and 2024 consisted of the following:

| | <u>2025</u> | <u>2024</u> |
|-----------------------|---------------------|---------------------|
| Housing | \$ 435,067 | \$ 503,705 |
| DEC | 660,589 | 683,617 |
| Advocacy | 310,481 | 342,091 |
| Programs and Services | 1,705,438 | 1,698,027 |
| Capacity Building | 122,748 | - |
| Time | - | 288,995 |
| Total | <u>\$ 3,234,323</u> | <u>\$ 3,516,435</u> |

NOTE 10 DONATED GOODS AND SERVICES

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. SAGE values donated goods and services at the price it would cost to purchase similar goods and services. These donated goods and services were utilized during the years ended June 30, 2025 and 2024, primarily for operations and consulting services. There were no donor restrictions associated with these donated goods and services.

The following is a summary of the donated contributions received by SAGE during the years ended June 30, 2025 and 2024. The donated contributions have been recorded as revenue and are also included as an expense in the statements of activities. The expenses are distributed among all applicable programs.

| | <u>2025</u> | <u>2024</u> |
|------------------------|-------------------|-------------------|
| Rent | \$ 300,000 | \$ 300,000 |
| Legal Services | 226,054 | 201,202 |
| Special Event Services | 3,700 | 33,506 |
| Advertising | 30,349 | 30,765 |
| Other Donated Items | 5,622 | 29,888 |
| Total | <u>\$ 565,725</u> | <u>\$ 595,361</u> |

**SERVICES AND ADVOCACY FOR GAY, LESBIAN, BISEXUAL, AND
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NOTE 11 RETIREMENT PLANS

SAGE participates in the 401(k) plan of its professional employer organization. The plan covers all SAGE employees. Employees may contribute to the plan up to the amount allowed by the IRC. SAGE may make matching contributions of up to 5% of the employees' total compensation. During the years ended June 30, 2025 and 2024, SAGE contributed such matching contributions amounting to \$425,379 and \$285,995, respectively.

SAGE has a 457(b) deferred compensation plan covering key management employees. The plan's assets and liabilities are reflected on the accompanying statements of financial position as deferred compensation assets and deferred compensation liability.

NOTE 12 COMMITMENTS AND CONTINGENCIES

Funding Source Audits

Pursuant to SAGE's contractual relationships with funding sources, outside governmental agencies have the right to examine its books and records relating to these contracts. The accompanying financial statements make no provision for possible disallowances. Although such possible disallowances could be substantial in amount, in the opinion of management, any actual disallowances would be immaterial.

Line of Credit

SAGE has a revolving line of credit with a bank in the amount of \$1,000,000. The line expires in March 2026, is unsecured, and bears interest at a rate equal to the Secured Overnight Financing Rate (SOFR) plus 8.612%.

Other Contingencies

From time to time, there may be various claims arising in the normal conduct of SAGE's business. Management and legal counsel believe the ultimate resolution of these claims will not have a material impact on the financial position and changes in net assets of SAGE.

Income Tax

SAGE believes it has no uncertain income tax positions as of June 30, 2025 and 2024, in accordance with FASB ASC Topic 740, *Income Taxes*, which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

**SERVICES AND ADVOCACY FOR GAY, LESBIAN, BISEXUAL, AND
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JUNE 30, 2025 AND 2024**

NOTE 13 BOARD-DESIGNATED NET ASSETS

SAGE’s governing board has designated a portion of its net assets without donor restrictions for quasi-endowment, operating reserve and other purposes. U.S. GAAP provides guidance on the net asset classifications of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The guidance requires disclosure about an organization’s endowment funds, whether or not the organization is subject to UPMIFA. The quasi-endowment funds will be invested for long-term appreciation but remain available and may be spent at the discretion of the board with a board resolution. The operating reserve funds will be invested for a shorter term and can be drawn down at the discretion of management to meet cash needs. Board-designated net assets as of June 30, 2025 and 2024 amounted to \$5,846,690 and \$6,638,712, respectively.

Changes in board-designated funds for the years ended June 30, 2025 and 2024 are as follows:

| | <u>2025</u> | <u>2024</u> |
|--|---------------------|---------------------|
| Appropriated and Transferred to Board-Designated | \$ 1,339,434 | \$ 460,258 |
| Other Changes: | | |
| Distribution from Board-Designated Funds | | |
| Pursuant to Distribution Policy | <u>(2,131,456)</u> | <u>(2,318,949)</u> |
| Change in Board-Designated | <u>(792,022)</u> | <u>(1,858,691)</u> |
| Board Designated - Beginning of Year | <u>6,638,712</u> | <u>8,497,403</u> |
| Board-Designated - End of Year | <u>\$ 5,846,690</u> | <u>\$ 6,638,712</u> |

Board-designated funds as of June 30, 2025 and 2024 are included in cash and investments in the accompanying statements of financial position.

NOTE 14 CONCENTRATIONS

As of June 30, 2025 and 2024, SAGE receives approximately 33% and 37%, respectively, of its public support and revenue from government grants and contracts, primarily through the City of New York. A significant reduction in the level of government support could have an adverse effect on SAGE’s programs and activities. As of June 30, 2025 and 2024, these awards account for approximately 60% and 65% of total receivables, respectively.

Cash and cash equivalents that potentially subject SAGE to a concentration of credit risk include cash accounts at one bank that exceeded the Federal Deposit Insurance Corporation (FDIC) insurance limits by approximately \$1.69 million and \$1 million as of June 30, 2025 and 2024, respectively.

**SERVICES AND ADVOCACY FOR GAY, LESBIAN, BISEXUAL, AND
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NOTE 15 RELATED-PARTY TRANSACTIONS

In November 2017, SAGE formed SAGE Crotona, LLC (SAGE Crotona) to act as the developer and social service provider for a planned housing development. SAGE is the sole member of SAGE Crotona.

SAGE Crotona entered into a Development Agreement and an Operating Agreement in which SAGE Crotona and another organization formed HELP Crotona Park Managing Member LLC (Managing Member LLC) to manage the development of a seven-story mixed use building including a community center (the Project), eligible for IRC Section 42 federal low-income housing tax credits. The Project's beneficial owner is an unrelated third-party, HELP Crotona Park LLC (the Owner). Managing Member LLC has a 0.005% interest in the Owner. SAGE Crotona owns 15% of Managing Member LLC and, accordingly, has not consolidated the operations of Managing Member LLC into its financial statements. The project was completed on February 1, 2021, and the community center was leased to SAGE Crotona for 15 years pursuant to a lease agreement executed on November 15, 2017. At the end of the 15-year lease term, SAGE Crotona will have the option to renew the lease or purchase the community center space.

NOTE 16 LEASES

SAGE leases office space under long-term, noncancelable lease agreements. The lease expires in 2036. In the normal course of business, it is expected that the lease will be renewed or replaced by similar leases. The facility lease provides for increases in future minimum annual rental payments based on defined increases in the lease.

The following table provides quantitative information concerning SAGE's lease activity, as of June 30, 2025 and 2024:

| | | |
|--|-------------------|-------------------|
| Lease Costs: | 2025 | 2024 |
| Operating Lease Costs | <u>\$ 152,394</u> | <u>\$ 161,936</u> |
| Total Lease Costs | <u>\$ 152,394</u> | <u>\$ 161,936</u> |
| Other Information: | | |
| Cash Paid for Amounts Included in the Measurement of Operating Lease Liabilities | \$ 139,096 | \$ 144,770 |
| Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities | \$ - | \$ 24,022 |
| Weighted-Average Remaining Lease Term | 10.7 Years | 11.6 Years |
| Weighted-Average Discount Rate | 7.70% | 7.70% |

**SERVICES AND ADVOCACY FOR GAY, LESBIAN, BISEXUAL, AND
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NOTE 16 LEASES (CONTINUED)

SAGE classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2025 is as follows:

| <u>Year Ending June 30.</u> | <u>Amount</u> |
|------------------------------------|----------------------------|
| 2026 | \$ 135,128 |
| 2027 | 137,832 |
| 2028 | 140,588 |
| 2029 | 143,400 |
| 2030 | 146,264 |
| Thereafter | <u>885,472</u> |
| Total Lease Payments | 1,588,684 |
| Less: Interest | <u>(515,899)</u> |
| Present Value of Lease Liabilities | <u><u>\$ 1,072,785</u></u> |



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