

Sattler College – FY19 Financial Statement Summary

Per Mass. General Laws c.69 § 31B(f), new requirements for private institutions of higher education state that “Each institution shall post on its website a copy of the institution’s annual financial report or statement, required pursuant to section 8F of chapter 12 and a summary of the report, however termed, that is written in terms that are understandable by the general public.” As such, Sattler College provides the following summary report of the College’s Fiscal Year 2019 Financial Statements, and the accompanying Sattler College Financial Statements.

Note from Sattler College management regarding our Fiscal Year 2019 Financial Statements audit:

We have fulfilled our responsibilities, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S GAAP.

Key Results of the Sattler College Financial Statements Audit:

Key Items of Note:

- Sattler improved its balance sheet by more than \$2.6M for the fiscal period ending June 30, 2019. Its cash and equivalents grew by more than \$900K and security deposits increased by 800k for the period.
- Conversely, current liabilities increased by \$300K for the same period.
- The statement of cash flow increased by 600K for the year and reflect an ending cash and equivalents of more than 900k for the year.
- Revenue increased in the fiscal year, as the number of enrolled students increased in the current year. In addition, donor support increased by \$2.3M year over year.
- Expenses increased by \$2.4M when compared to the prior year but remain within the projected growth plans for operations. Program expense remain the focus with an increase of nearly \$2.0m for the period reported or accounting for 80% of operating expenses.

Auditors’ Opinion on Financial Statements:

- Fairly stated in all material respects.
- Considered a “clean” or “unmodified” report. An auditor gives an unmodified opinion if the financial statements present a true and fair view. Additionally, Sattler College had no “audit findings” in their FY19 Financial Statements. With no findings, Sattler College’s audit is significant in the auditors’ assessment of its accuracy.

SATTLER COLLEGE, INC.

Audited Financial Statements
Years Ended June 30, 2019 and 2018

Sattler College, Inc.

Contents

Independent Auditors' Report	1-2
Financial Statements	
Statements of Financial Position	3
Statements of Activities and Net Assets	4
Statements of Functional Expenses	5-7
Statements of Cash Flows	8
Notes to Financial Statements	9-18



STAFFORD, GAUDET & ASSOCIATES, LLC
Certified Public Accountants

Independent Accountants' Report

To the Board of Trustees of
Sattler College, Inc.
Cambridge, MA 02238

We have audited the accompanying financial statements of Sattler College, Inc., (a Massachusetts nonprofit corporation) which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities and net assets, functional expenses, and cash flows for the years 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 the financial statements based on our audits. We conducted our audits 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 from 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 judgement, 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 Sattler College, Inc. as of June 30, 2019 and 2018, and the changes in its net assets, functional expenses and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Stafford, Gaudet & Associates, LLC

STAFFORD, GAUDET & ASSOCIATES, LLC

Chelmsford, MA

February 6, 2020

Sattler College, Inc.
Statements of Financial Position

<i>June 30,</i>	2019	2018
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,248,738	\$ 319,094
Accounts receivable, net of allowance for doubtful accounts of \$12,000	14,450	-
Prepaid expenses	15,990	20,939
Total Current Assets	1,279,178	340,033
Property and Equipment, net	921,687	1,015,995
Other Assets		
Security deposit	1,685,256	813,736
Total Other Assets	1,685,256	813,736
Total Assets	\$ 3,886,121	\$ 2,169,764
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 30,532	\$ 58,307
Accrued expenses	14,210	2,466
Student deposits	7,100	5,250
Total Current Liabilities	51,842	66,023
Due to affiliate	685,256	685,256
Deferred rent	498,268	168,986
Total Liabilities	1,235,366	920,265
Net Assets		
Without donor restriction	2,650,755	1,249,499
With donor restriction	-	-
Total Net Assets	2,650,755	1,249,499
Total Liabilities and Net Assets	\$ 3,886,121	\$ 2,169,764

See accompanying notes and independent auditors' report.

Sattler College, Inc.

Statements of Activities and Net Assets

<i>Years Ended June 30,</i>	2019	2018
Change in Net Assets Without Donor Restrictions		
Support and Revenues		
Support:		
Contributions and pledges	\$ 4,031,145	\$ 1,550,000
Donated goods and services	-	134,807
Total Support	4,031,145	1,684,807
Revenues:		
Room and board	222,550	-
Programs	263	-
Total Revenues	222,813	-
Total Support and Revenues	4,253,958	1,684,807
Expenses		
Program services	2,302,593	338,017
Management and general	550,109	97,291
Total Expenses	2,852,702	435,308
Change in Net Assets Without Donor Restrictions	1,401,256	1,249,499
Net Assets, Beginning of Year	1,249,499	-
Net Assets, End of Year	\$ 2,650,755	\$ 1,249,499

See accompanying notes and independent auditors' report.

Sattler College, Inc.

Statement of Functional Expenses

	2019						
	Year Ended June 30	2019					
	Program Services					Management and General	Total
	Educational	Student Housing	Student Activity	Work Study	Total		
Rent	\$ 864,996	\$ -	\$ -	\$ -	864,996	\$ 85,549	\$ 950,545
Salaries and wages	357,796	-	-	87,942	445,738	232,021	677,759
Student housing	-	520,900	-	-	520,900	-	520,900
Professional services	7,712	-	-	-	7,712	105,267	112,979
Depreciation	59,704	-	-	-	59,704	5,905	65,609
Amortization	53,751	-	-	-	53,751	5,316	59,067
Utilities	51,447	-	-	-	51,447	5,088	56,535
Employee benefit	28,274	-	-	-	28,274	28,019	56,293
External courses	52,260	-	-	-	52,260	-	52,260
Payroll taxes	26,247	-	-	6,777	33,024	17,020	50,044
Dues, licenses and fees	11,343	-	-	2,276	13,619	17,264	30,883
Clubs and activities	-	-	29,623	-	29,623	-	29,623
Travel and meetings	18,691	-	9,356	-	28,047	-	28,047
Software and technology	25,938	-	-	-	25,938	-	25,938
Marketing	-	-	-	-	-	21,523	21,523
Supplies	17,666	-	-	-	17,666	-	17,666
Library	13,516	-	-	-	13,516	-	13,516
Meals and entertainment	5,988	-	6,214	65	12,267	-	12,267
Bad debt	-	12,000	-	-	12,000	-	12,000
Student supplies	9,882	-	-	-	9,882	-	9,882

See accompanying notes and independent auditors' report.

Sattler College, Inc.

Statement of Functional Expenses

	Program Services						Total
	Educational	Student Housing	Student Activity	Work Study	Total	Management and General	
Advertising	-	-	-	-	-	9,265	9,265
Professional development \$	6,655	-	-	-	6,655	\$	6,655
Office supplies	-	-	-	-	-	5,654	5,654
Insurance	-	-	-	737	737	4,701	5,438
Lodging	729	-	4,504	-	5,233	-	5,233
Work study program	-	-	-	4,751	4,751	-	4,751
Computer supplies	-	-	-	-	-	3,050	3,050
Public relations	-	-	-	-	-	3,031	3,031
Equipment rental	2,107	-	-	-	2,107	-	2,107
Studio	1,422	-	-	-	1,422	-	1,422
Repairs and maintenance	1,224	-	-	-	1,224	-	1,224
Postage	-	-	-	-	-	929	929
Printing and copying	-	-	-	-	-	423	423
Gifts	-	-	100	-	100	84	184
Total Expenses	\$ 1,617,348	\$ 532,900	\$ 49,797	\$ 102,548	\$ 2,302,593	\$ 550,109	\$ 2,852,702

Year Ended June 30

2019

Sattler College, Inc.

Statement of Functional Expenses

<i>Year Ended June 30</i>	2018				
	Educational	Student Activity	Total	Management and General	Total
Rent	\$ 154,284	\$ -	\$ 154,284	\$ 14,702	\$ 168,986
Donated goods and services	134,807	-	134,807	-	134,807
Professional services	-	-	-	24,315	24,315
Public relations	-	-	-	21,000	21,000
Marketing	-	-	-	15,656	15,656
Amortization	8,988	-	8,988	857	9,845
Depreciation	7,477	-	7,477	713	8,190
Employee benefit	-	-	-	8,000	8,000
Travel and meetings	5,080	2,712	7,792	-	7,792
Advertising	-	-	-	7,653	7,653
Meals and entertainment	53	7,459	7,512	-	7,512
Clubs and activities	-	7,236	7,236	-	7,236
Lodging	-	4,555	4,555	-	4,555
Utilities	3,510	-	3,510	-	3,510
Dues, licenses and fees	-	-	-	2,503	2,503
Office supplies	-	-	-	1,248	1,248
Software and technology	1,201	-	1,201	-	1,201
Equipment rental	655	-	655	-	655
Printing and copying	-	-	-	406	406
Postage	-	-	-	238	238
Total Expenses	\$ 316,055	\$ 21,962	\$ 338,017	\$ 97,291	\$ 435,308

Sattler College, Inc.

Statements of Cash Flows

<i>Years Ended June 30,</i>	2019	2018
Operating Activities		
Increase in net assets	\$ 1,401,256	\$ 1,249,499
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	124,676	18,034
(Increase) decrease in assets:		
Accounts receivable, net	(14,450)	-
Prepaid expenses	4,949	(20,939)
Security deposit	(871,520)	(813,736)
Increase (decrease) in liabilities:		
Accounts payable	(27,775)	58,307
Accrued expenses	11,744	2,466
Student deposits	1,850	5,250
Deferred rent	329,282	168,986
Net Cash Provided by Operating Activities	960,012	667,867
Investing Activities		
Acquisition of property and equipment	(30,368)	(1,034,029)
Net Cash Used by Investing Activities	(30,368)	(1,034,029)
Financing Activities		
Due to affiliate	-	685,256
Net Cash Provided by Investing Activities	-	685,256
Net Increase in Cash and Cash Equivalents	929,644	319,094
Cash and Cash Equivalents, Beginning of Year	319,094	
Cash and Cash Equivalents, End of Year	\$ 1,248,738	\$ 319,094