

## **Sattler College – FY20 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 2020 Financial Statements, and the accompanying Sattler College Financial Statements.

### **Note from Sattler College management regarding our Fiscal Year 2020 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 College presents a continuing improvement to its balance sheet by \$1.6M, despite the ongoing effects of the coronavirus pandemic. Cash flows continue to improve by \$1.4M compared to 2019.
- The statement of Cash Flows shows continued improvement in cash and equivalents at year end with \$2.6m for 2020 compared to \$1.2M in 2019.
- The operating results as of June 30, 2020, reflect an improvement of institutional revenue \$2.1M or nearly 50% year over year. Operational expenditure increased by nearly \$2.0M primarily in Program Services. Management expenditures account for 21% of the colleges operating budget compared to 23% for 2019 and is consistent with expectations.
- The institution is unclear at this point the scope and impact covid pandemic will have on operations for the coming year but will be monitoring operations and enrollment.

### **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 FY20 Financial Statements. With no findings, Sattler College’s audit is significant in the auditors’ assessment of its accuracy.

**SATTLER COLLEGE, INC.**

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**Audited Financial Statements**  
**Years Ended June 30, 2020 and 2019**

# Sattler College, Inc.

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**STAFFORD, GAUDET & ASSOCIATES, LLC**  
Certified Public Accountants

**Independent Auditors' 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, 2020 and 2019, 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, 2020 and 2019, 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.

**Emphasis of Matter****Change in Accounting Principles**

As discussed in Note B to the financial statements, during the year ended June 30, 2020, the Organization adopted ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* and ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)*. As a result, the standards were retroactively applied to the financial statements for the year ending June 30, 2020. Our opinion is not modified with respect to these matters.

*Stafford, Gaudet & Associates, LLC*

STAFFORD, GAUDET & ASSOCIATES, LLC  
Chelmsford, MA  
October 6, 2020

**Sattler College, Inc.**  
**Statements of Financial Position**

<i>June 30,</i>	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,660,009	\$ 1,248,738
Accounts receivable, net of allowance for doubtful accounts of \$15,000	51,749	14,450
Due from employees	51	-
Prepaid expenses	113,767	15,990
Total Current Assets	2,825,576	1,279,178
<b>Property and Equipment, net</b>	<b>1,066,267</b>	<b>921,687</b>
<b>Other Assets</b>		
Security deposit	1,654,748	1,685,256
Total Other Assets	1,654,748	1,685,256
<b>Total Assets</b>	<b>\$ 5,546,591</b>	<b>\$ 3,886,121</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 45,190	\$ 30,532
Accrued expenses	7,946	14,210
Student deposits	11,150	7,100
Total Current Liabilities	64,286	51,842
Due to landlord	54,533	-
Due to affiliate	685,256	685,256
Deferred rent	509,329	498,268
<b>Total Liabilities</b>	<b>1,313,404</b>	<b>1,235,366</b>
<b>Net Assets</b>		
Without donor restriction	4,233,187	2,650,755
With donor restriction	-	-
<b>Total Net Assets</b>	<b>4,233,187</b>	<b>2,650,755</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 5,546,591</b>	<b>\$ 3,886,121</b>

*See accompanying notes and independent auditors' report.*

**Sattler College, Inc.**

**Statements of Activities and Net Assets**

<i>Years Ended June 30,</i>	<b>2020</b>	<b>2019</b>
<b>Change in Net Assets Without Donor Restrictions</b>		
<b>Support and Revenues</b>		
Support:		
Contributions and pledges	\$ 5,803,469	\$ 4,031,145
Total Support	5,803,469	4,031,145
Revenues:		
Tuition and fees	333,720	-
Room and board	249,850	222,550
Programs	18,597	263
Total Revenues	602,167	222,813
Total Support and Revenues	6,405,636	4,253,958
<b>Expenses</b>		
Program services	3,967,782	2,302,593
Management and general	855,422	550,109
Total Expenses	4,823,204	2,852,702
<b>Change in Net Assets Without Donor Restrictions</b>	<b>1,582,432</b>	<b>1,401,256</b>
<b>Net Assets, Beginning of Year</b>	<b>2,650,755</b>	<b>1,249,499</b>
<b>Net Assets, End of Year</b>	<b>\$ 4,233,187</b>	<b>\$ 2,650,755</b>

*See accompanying notes and independent auditors' report.*

# Sattler College, Inc.

## Statement of Functional Expenses

	Program Services						Total	Management and General	Total
	Educational	Student Housing	Student Activity	Work Study	Total	Management and General			
Salaries and wages	\$ 897,924	\$ -	\$ -	\$ 208,988	\$ 1,106,912	\$ 387,554	\$ 1,494,466		
Rent	867,279	-	-	-	867,279	85,775	953,054		
Student housing	-	855,471	-	-	855,471	-	855,471		
Scholarships	277,323	-	-	-	277,323	-	277,323		
Employee benefit	206,621	-	-	-	206,621	-	206,621		
Professional services	70,103	-	-	-	70,103	97,730	167,833		
Payroll taxes	64,221	-	-	16,518	80,739	31,266	112,005		
Utilities	88,117	-	-	-	88,117	8,715	96,832		
Depreciation	77,769	-	-	-	77,769	7,691	85,460		
Marketing	-	-	-	-	-	84,648	84,648		
Clubs and activities	-	-	76,297	-	76,297	-	76,297		
Amortization	53,751	-	-	-	53,751	5,316	59,067		
External courses	47,198	-	-	-	47,198	-	47,198		
Professional developmen	41,057	-	-	-	41,057	-	41,057		
Dues, licenses and fees	19,928	-	-	2,710	22,638	15,839	38,477		
Library	29,504	-	-	-	29,504	-	29,504		
Public relations	-	-	-	-	-	27,039	27,039		
Supplies	21,239	-	-	-	21,239	-	21,239		
Accreditation	21,000	-	-	-	21,000	-	21,000		
Food service	-	-	16,683	-	16,683	-	16,683		
Travel and meetings	15,206	-	-	-	15,206	-	15,206		
Software and technology	15,139	-	-	-	15,139	-	15,139		

Year Ended June 30

2020

See accompanying notes and independent auditors' report.



## Sattler College, Inc.

### Statement of Functional Expenses

2020

Year Ended June 30

	Program Services					Total	Management and General	Total
	Educational	Student Housing	Student Activity	Work Study	Total			
Admissions	-	-	-	-	-	-	14,497	14,497
Meals and entertainment	10,348	-	673	-	11,021	11,021	-	11,021
Office supplies	-	-	-	-	-	-	10,008	10,008
Advertising	-	-	-	-	-	-	7,505	7,505
Printing and copying	-	-	-	-	-	-	6,654	6,654
Bad debt	-	5,600	-	-	5,600	5,600	-	5,600
Student supplies	4,529	-	-	-	4,529	4,529	-	4,529
Insurance	-	-	-	-	-	-	4,497	4,497
Computer supplies	-	-	-	-	-	-	3,495	3,495
Studio	2,549	-	-	-	2,549	2,549	-	2,549
Repair and maintenance	2,289	-	-	-	2,289	2,289	-	2,289
Equipment rental	2,084	-	-	-	2,084	2,084	-	2,084
Health insurance	-	-	1,592	-	1,592	1,592	-	1,592
Postage	-	-	-	-	-	-	1,416	1,416
Lodging	1,370	-	-	-	1,370	1,370	-	1,370
Counseling	-	-	1,120	-	1,120	1,120	-	1,120
Medical	-	-	883	-	883	883	-	883
Gifts	-	-	150	-	150	150	238	388
Work study program	-	-	-	88	88	88	-	88
<b>Total Expenses</b>	<b>\$ 2,781,009</b>	<b>\$ 861,071</b>	<b>\$ 97,398</b>	<b>\$ 228,304</b>	<b>\$ 3,967,782</b>	<b>\$ 855,422</b>	<b>\$ 4,823,204</b>	

See accompanying notes and independent auditors' report.

# Sattler College, Inc.

## Statement of Functional Expenses

	Program Services						2019
	Educational	Student Activity	Student Activity	Work Study	Total	Management and General	
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	16,692	-	-	-	16,692	-	16,692
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

Year Ended June 30	Program Services						2019
	Educational	Student Activity	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
Repair and maintenance	1,224	-	-	-	1,224	-	1,224
Accreditation	974	-	-	-	974	-	974
Postage	-	-	-	-	-	929	929
Printing and copying	-	-	-	-	-	423	423
Gifts	-	-	100	-	100	84	184
<b>Total Expenses</b>	<b>\$ 1,617,348</b>	<b>\$ 532,900</b>	<b>\$ 49,797</b>	<b>\$ 102,548</b>	<b>2,302,593</b>	<b>\$ 550,109</b>	<b>\$ 2,852,702</b>

*See accompanying notes and independent auditors' report.*

# Sattler College, Inc.

## Statements of Cash Flows

<i>Years Ended June 30,</i>	2020	2019
<b>Operating Activities</b>		
Increase in net assets	\$ 1,582,432	\$ 1,401,256
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	144,527	124,676
(Increase) decrease in assets:		
Accounts receivable, net	( 37,299 )	(14,450)
Due from employees	( 51 )	-
Prepaid expenses	( 97,777 )	4,949
Security deposit	30,508	(871,520)
Increase (decrease) in liabilities:		
Accounts payable	14,658	(27,775)
Accrued expenses	( 6,264 )	11,744
Due to landlord	54,533	-
Student deposits	4,050	1,850
Deferred rent	11,061	329,282
<b>Net Cash Provided by Operating Activities</b>	<b>1,700,378</b>	<b>960,012</b>
<b>Investing Activities</b>		
Acquisition of property and equipment	( 289,107 )	( 30,368 )
<b>Net Cash Used by Investing Activities</b>	<b>( 289,107 )</b>	<b>( 30,368 )</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>1,411,271</b>	<b>929,644</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>1,248,738</b>	<b>319,094</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 2,660,009</b>	<b>\$ 1,248,738</b>