



## **Financial Summary**

Sattler College's financial position remains strong. The current operating budget was built to generate margin, and the YTD Budget vs. Actual document shows this to be working. This process provides the necessary monitoring to ensure proper navigation of the College to reach its goals. In addition, Sattler continues to build programs for developing non-tuition revenue streams from donors. As a result, the institution is optimistic it will enhance its revenue streams. The institution's primary funding source Eventide Asset Management continues to strengthen. Eventide manages over \$8 billion in assets.

The 2022-2023 fiscal year, ending on June 30, 2023, showed funds without donor restrictions of \$2.88 million. The FY 2022-23 financial statement audit for the year ending June 30, 2023, was issued under an unmodified opinion by Dave Moja, CPA of the private higher education specialist certified public accounting firm of Moja & Company. No findings were presented, however the College recognizes that the new lease standard had the appearance of a large impact on financial statements, though there were no changes in a practical or management sense.

### Other Key Findings:

Cash grew to over \$2.4 million

Contributions: \$5,803,469

Tuition, Room & Board \$ 602,167

The overall Statement of Financial Position grew to almost \$14 million, thanks in part to organic growth and recognition of a lease under the new lease standard.

Non-lease-related liabilities shrank to \$563,106

Without the change in the lease standard, Change in Net Assets would have been positive by over \$600,000

The Board of Trustees has been recently bolstered with several financial professionals, the impact of COVID is being muted, and new Chief Financial Officer Dr. David Sayers brings a long history of financial management of private colleges. Together with Senior Accountant Bennett Wulf there is competent financial oversight and regular interaction with the President and his Cabinet.



**SATTLER  
COLLEGE**

***Sattler College***

Financial Statements  
With Independent Auditor's Report

June 30, 2023

**David C. Moja, CPA**  
**P.O. Box 531**  
**Reidsville, GA 30453**  
**EIN = 84-5108762**



# Sattler College

## Table of Contents

	<u>Page</u>
Independent Auditor's Report	1
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7
Supplemental Schedule A - Composite Financial Index	14

**Independent Auditor's Report**

To the Board of Trustees  
Sattler College  
Boston, Massachusetts

***Opinion***

We have audited the financial statements of Sattler College, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Sattler College as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sattler College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Sattler College's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

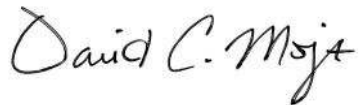
***Auditor's Responsibilities for the Audit of the Financial Statements***

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 auditor's 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 Sattler College '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 Sattler College '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.



Reidsville, GA  
December 11, 2023

**Sattler College**  
Statement of Financial Position  
June 30, 2023

	June 30, 2023
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,439,480
Accounts receivable - net	161,733
Pledges receivable - net	-
Other current assets	116,325
Total Current Assets	2,717,538
Security deposit	1,107,171
Right of Use Asset	9,463,161
Property and equipment, net	650,879
Total assets	\$ 13,938,749
<b>LIABILITIES AND NET ASSETS</b>	
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	\$ 106,268
Due to affiliate	456,838
Other current liabilities	-
Total Current Liabilities	563,106
Deferred rent	-
Lease liability	10,497,530
Total liabilities	11,060,636
<b>NET ASSETS</b>	
Without donor restrictions	
Undesignated	2,878,113
With donor restrictions	
Restricted by purpose/time	-
Total net assets	2,878,113
Total liabilities and net assets	\$ 13,938,749

See notes to financial statements

**Sattler College**  
Statement of Activities  
Year ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Contributions	\$ 4,925,537	\$ -	\$ 4,925,537
Tuition and fees - net	865,785	-	865,785
Donated services and facilities	16,000	-	16,000
Other income	15,008	-	15,008
Net assets released from restrictions	-	-	-
	<u>5,822,330</u>	<u>-</u>	<u>5,822,330</u>
<b>EXPENSES</b>			
Program services	5,444,625	-	5,444,625
Management and general	797,022	-	797,022
Fundraising	9,789	-	9,789
	<u>6,251,436</u>	<u>-</u>	<u>6,251,436</u>
	<u>(429,106)</u>	<u>-</u>	<u>(429,106)</u>
Net assets, beginning of year	<u>3,307,219</u>	<u>-</u>	<u>3,307,219</u>
Net assets, end of year	<u>\$ 2,878,113</u>	<u>\$ -</u>	<u>\$ 2,878,113</u>

See notes to financial statements

## Sattler College

### Statement of Functional Expenses

Year ended June 30, 2023

	Institutional Support			Total
	Program Services	Management and general	Fundraising	
Salaries	\$ 1,572,683	\$ 393,166	\$ -	\$ 1,965,849
Benefits	441,106	106,519	-	547,625
Total salaries and benefits	2,013,789	499,685	-	\$ 2,513,474
Professional fees	188,437	-	-	188,437
Advertising	14,911	-	6,392	21,303
Office expenses	11,233	1,193	-	12,426
Information technology	101,584	10,792	-	112,376
Occupancy	2,631,532	279,572	-	2,911,104
Travel	13,696	4,362	2,181	20,239
Conferences, meetings	-	1,418	-	1,418
Interest	-	-	-	-
Depreciation and amortization	186,706	-	-	186,706
Insurance	11,070	-	-	11,070
Student services	226,851	-	-	226,851
Other expenses	44,816	-	1,216	46,032
<b>TOTALS</b>	<b>\$ 5,444,625</b>	<b>\$ 797,022</b>	<b>\$ 9,789</b>	<b>\$ 6,251,436</b>

See notes to financial statements

# Sattler College

## Statement of Cash Flows

Year ended June 30, 2023

	<u>June 30, 2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ (429,106)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	186,706
Changes in operating assets and liabilities:	
Accounts receivable	10,673
Pledges receivable	-
Other current assets	(70,667)
Right of Use Asset	(9,463,161)
Accounts payable	94,220
Other current liabilities	(6,750)
Lease liability	10,497,530
Due to affiliate	(722,980)
Net cash provided by (used in) operating activities	<u>96,465</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of fixed assets	(21,931)
Purchase of investments	<u>78,086</u>
Net cash used in investing activities	<u>56,155</u>
Net increase (decrease) in cash and cash equivalents	152,620
Cash and cash equivalents, beginning of year	<u>2,286,860</u>
Cash and cash equivalents, end of year	<u><u>2,439,480</u></u>

See notes to financial statements

# Sattler College

## Notes to financial statements

June 30, 2023

### Note 1 – Description of the Organization

Sattler College, Inc. (the "College") is a Massachusetts nonprofit corporation, incorporated in February 2017. The College is organized and shall be operated exclusively for charitable, religious, and educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax laws (the "Internal Revenue Code") to establish and administer a college that shall: a) confer the following degrees:

Bachelor of Science in Human Biology  
Bachelor of Science in Computer Science  
Bachelor of Science in Business  
Bachelor of Arts in Biblical and Religious Studies  
Bachelor of Arts in History

In addition, the College offers any and all courses relating or incidental thereto; and b) promote and advance the precepts and values of the historic Christian faith.

The College commenced its principal operations in September 2018. Tuition and fees, room and board, and program activity fees paid by students are the majority of sources of revenue earned by the College. The College continues to operate with funds from contributions and pledges from one donor who is committed to a six-year funding stream.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Measure of operations – The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the College's ongoing educational services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Cash and cash equivalents – the College's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of two months or less from the date of purchase, except for those amounts that are held in the investment portfolio which are invested for long-term purposes.

Concentrations of credit risk – Financial instruments that potentially subject the College to concentrations of credit risk consist principally of cash and cash equivalents and investments. The College maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The College's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The College has not experienced, nor does it anticipate, any losses with respect to such accounts.

**Sattler College**  
Notes to financial statements  
June 30, 2023

**Note 2 – Summary of Significant Accounting Policies (continued)**

Contributions receivable – 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. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

Property and equipment, net – Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term. The useful lives range from 5 to 10 years. the College's policy is to capitalize renewals and betterments acquired for greater than \$500 and expense normal repairs and maintenance as incurred. the College's management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered.

Investments – Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment return in the statements of activities.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

Contributions – Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions. The College received donated services in the amount of \$16,000 for the year ended June 30, 2023.

**Sattler College**  
Notes to financial statements  
June 30, 2023

**Note 2 – Summary of Significant Accounting Policies (continued)**

In-kind donations – the College received donated services and rent discounts totalling \$xx,xxx for the year ended June 30, 2023. Such amounts, which are based upon information provided by third-party service providers, are recorded at their estimated fair value determined on the date of contribution and are reported as contributions in-kind and supporting services on the accompanying statements of activities and statements of functional expenses.

Several volunteers have made significant contributions of their time in furtherance of the College's mission. These services were not reflected in the accompanying statements of activities because they do not meet the necessary criteria for recognition under US GAAP.

Use of estimates – The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Income taxes – the College is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The College has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The College has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Functional expenses – The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among educational services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries	Time and effort
Benefits	Time and effort
Professional services	Full Time Equivalent
Advertising	Full Time Equivalent
Office expenses	Square Footage
Information technology	Full Time Equivalent
Occupancy	Square Footage
Travel	Time and effort
Conferences, meetings	Full Time Equivalent
Interest	Square Footage
Depreciation	Square Footage
Student services	Full Time Equivalent
Other	Time and effort

**Sattler College**  
Notes to financial statements  
June 30, 2023

**Note 3 – Availability and Liquidity**

The following represents the College's financial assets at June 30, 2023:

Financial assets at year end:	2023
Cash and cash equivalents	\$ 2,439,480
Accounts receivable	161,733
Other current assets	116,325
Total financial assets	2,717,538
Less amounts not available to be used within one year:	
Net assets with donor restrictions	-
Financial assets available to meet general expenditures over the next twelve months	\$ 2,717,538

The College's goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments, including savings accounts that pay interest at market rates.

**Note 4 – Property and Equipment, Net**

Property and equipment, net consisted of the following at June 30, 2023:

	2023
Leasehold improvements	\$ 647,122
Equipment	838,370
Less: accumulated depreciation	(834,613)
Property and equipment, net	\$ 650,879
For the year ended June 30, 2023, depreciation expense totaled	\$ 186,706

**Note 5 – Leases**

The College leases office, classroom, and student housing space under two noncancellable operating leases expiring at various dates through 2029. The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease terms. The two leases require monthly payments totaling \$254,449 per month. Discount rates on these leases range from 1.263 - 3.040% and the weighted average remaining lease terms are 8.42. During the year, one of the leases was amended to extend the lease term and provided an incentive of five months free rent. This incentive decreased the Right of Use Asset with respect that lease by the average monthly rent of \$221,796.

**Sattler College**  
Notes to financial statements  
June 30, 2023

**Note 5 – Leases (continued)**

In the year ended June 30, 2023, the College became party to a Second Amendment of one of the leases. This amendment included a provision for a five month rent abatement during the year. This amendment provided for a four-month extension to the lease term. In accordance with ASC 842, for those five months, the average monthly lease payment was included in Occupancy on the Statement of Functional Expenses and as a reduction to the Right of Use Asset on the Statement of Financial Position. This amount will be amortized against the Operating Lease Liability over the remainder of the lease term. The average monthly rent is \$115,041.

**Note 6 – Due to Affiliate**

As part of a commitment to help establish Sattler College, Anchor-Cross Ministries provided funding for the College's security deposit for a ten-year lease agreement located at the 100 Cambridge Street, Boston, Massachusetts. At the end of the lease agreement, the deposit will be returned to the Anchor-Cross Ministries. For the year ended June 30, 2023, the amount of the security deposit was \$456,838.

**Note 7 – Deferred Rent**

The College received six free months of rent upon exercising its fully executed 10-year term lease agreement for its facility in 2018. Deferred rent for the year ended June 30, 2022 was \$459,164. In accordance with ASC 842, this amount reduced the Right of Use Asset during the year ended June 30, 2023. The deferred rent was based upon an average monthly rent expense of \$79,212 and was calculated based on the total cost of the lease over the total months of occupancy.

**Note 8 – Tuition and Fees**

Tuition and fees are considered earned by the College evenly throughout each semester. The amounts are shown net of scholarships and discounts in the Statement of Activities. For the year ended June 30, 2023 Tuition and fees were as follows:

	<u>2023</u>
Tuition	\$ 2,681,750
Fees	887,480
less: Scholarships and discounts	<u>(2,703,445)</u>
Tuition and fees - net	865,785

**Sattler College**  
Notes to financial statements  
June 30, 2023

**Note 9 – Donated Services and Assets**

The College receives significant in-kind contributions of time and pro bono services from members of the community and volunteers related to program operations, special events, and fund-raising campaigns. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the College. The College recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation.

All donated services and assets were utilized by the College’s programs. There were no donor-imposed restrictions associated with the donated services and assets.

Program	Donated Space	Donated Services	Donated Goods	Total
Education	\$ -	\$ 16,000	\$ -	\$ 16,000
Support services	-	-	-	-
Fundraising	-	-	-	-
<b>TOTALS</b>	<b>\$ -</b>	<b>\$ 16,000</b>	<b>\$ -</b>	<b>\$ 16,000</b>

**Note 10 – Revenue Recognition**

The College recognizes revenue from student tuition and fees during the year in which the related services are provided to students. The performance obligation of delivering educational services is simultaneously received and consumed by the students; therefore, the revenue is recognized ratably over the course of the academic year. Payment for tuition and fees is generally invoiced at the beginning of each term and payment is required no later than the specified add/drop date. All amounts received prior to the commencement of the academic year, including enrollment deposits, are deferred to the applicable period. Scholarships provided to students are recorded as a reduction from the posted tuition rates at the time revenue is recognized.

**Note 11 – Commitments and Contingencies**

The College is subject to certain claims arising out of the ordinary course of business. Although it is not possible to predict the outcome of all claims, management believes they have properly recorded liabilities for any outcomes where the liability can be reasonably measured and has not recorded liabilities for any claims which will not have a material effect on the financial condition of the College.

**Sattler College**

Notes to financial statements

June 30, 2023

**Note 12 – Related Party Transactions**

There were no significant or unusual transactions with related parties in accordance with AU-C section 550 nor were there reportable transactions under SFAS 57 for the year ended June 30, 2022. Transactions with members of management, board members, or their family members included amounts paid for reasonable compensation and/or reimbursed expenses under an accountable reimbursement plan.

**Note 13 – Subsequent Events**

The College has evaluated subsequent events through December 11, 2023, which is the date the financial statements were available to be issued. the College is not aware of any material subsequent events.

# Sattler College

June 30, 2023

## SUPPLEMENTAL SCHEDULE A

### Composite Financial Index

In order to participate in the Student Financial Assistance (SFA) Program, an institution must demonstrate that it is financially responsible. One of the general standards for nonprofit institutions is the composite score standard in 34 CFR 668.172. The composite score combines different measures of fundamental elements of financial health to yield a single measure of an institution's overall financial health.

The College's composite score is calculated as follows:

Primary reserve ratio	1.2000
Equity ratio	0.4956
Net income ratio	<u>-0.1685</u>
 SUM OF ALL RATIOS	 <u>1.5271</u>
 COMPOSITE SCORE	 <u><u>1.5</u></u>

As the composite score is between 1.5 and 3.0, the College is considered financially responsible under this standard.