

Urban College of Boston

Financial Statement Summary

For the year ended August 31, 2019

The financial statements of Urban College of Boston (“the College”) are prepared in accordance with generally accepted accounting principles, commonly known as U.S. GAAP. These statements are audited by an independent certified public accounting firm selected and approved annually by the College’s Board of Trustees. Our audit was conducted by O’Connor & Drew, P.C., who issued an unmodified opinion on our Statement of Financial Position as of August 31, 2019 and the Statements of Activities and Changes in Net Assets and of Cash Flows for the year then ended.

Statement of Financial Condition

Total assets of the College increased 8% from approximately \$1,019,000 to \$1,105,000 at August 31, 2018 and 2109, respectively. This increase was driven primarily by a modest increase in net assets (total revenues less total operating expenses) for fiscal year 2019 and effective management of limited resources.

The net assets of the College (total assets less total liabilities) increased to approximately \$833,000 at August 31, 2019 which was 11% higher than \$753,000 reported at August 31, 2018. Net assets at August 31, 2019 included funds without donor restrictions in the amount of \$452,000 which increased from \$138,000 at August 31, 2018, and included funds with donor restrictions of \$381,000 at August 31, 2019 which decreased from \$615,000 reported at August 31, 2018 due to the release of those restrictions by incurring expenses satisfying the purposes specified by donors during the fiscal year.

Statement of Activities and Changes in Net Assets

Net tuition revenues in FY19 increased 12% over the prior year due to a moderate increase in enrollments offset by a slight increase in financial aid. Gains in tuition revenue were offset by decreases in other revenues driven primarily by a decrease in grant revenues. As a result, total revenues increased to approximately \$3,711,000 from \$3,582,000 (4%), for the years ended August 31, 2019 and 2018, respectively.

Total expenses increased 3% to \$3,632,000 in 2019 from \$3,521,000 in 2018. This increase reflected increased spending in Instructional Services, Student Services and Academic Support which are largely driven by the increase in enrollment. Strict budgetary and cost containment measures enabled the College to decrease Institutional Support expenditures from \$1,468,000 in 2018 to \$1,247,000 in 2019. These efforts enabled the College to realize a moderate increase in net assets of approximately \$80,000 in 2019.

The net assets of the College (total assets less total liabilities) increased to approximately \$883,000 at August 31, 2019 an 11% increase over \$753,000 reported at August 31, 2018.

Statement of Cash Flows

The Statement of Cash Flows identifies the sources and uses of cash by the College during each fiscal year. The net increase in cash for the year was largely driven by the increase in net assets as shown in the Statement of Activities and Changes in Net Assets, together with adjustments to reconcile the increase in net assets to net cash provided by operating activities. These adjustments generally recognize the sources and uses of cash resulting from the change in the balances of various assets and liability amounts. For example, a decrease in receivables is generally considered to be a source of cash while a decrease in a liability is a use of cash. Cash flows from operating activities for the year ended August 31, 2019 included the change in net assets of approximately \$80,000 together with approximately \$157,000 of adjustments to generate the increase in cash for 2019 of \$237,000.