

Urban College of Boston
Financial Statement Summary
For the year ended August 31, 2022

The financial statements of Urban College of Boston (“the College”) are prepared in accordance with generally accepted accounting principles. 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, 2021, 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 22% to approximately \$3,219,000 from \$2,648,000 at August 31, 2022 and 2021, respectively. This increase was driven by an increase in grants and student receivables at August 31, 2022. The net assets of the College (total assets less total liabilities) increased to approximately \$2,267,000 from \$2,224,000 at August 31, 2022 and 2021, respectively, due to the increase in net assets reported in the Statement of Activities and Change in Net Assets. Net assets at August 31, 2021 included funds without donor restrictions in the amount of \$2,553,000 and funds with donor restrictions of \$125,000.

Statement of Activities and Changes in Net Assets

Net tuition revenues in fiscal year 2022 decreased by 31% to \$1,386,000 from \$2,022,000 in 2021 due to a continued decrease in enrollment because of the COVID-19 pandemic which continued to create uncertainties in the overall economy. The reduction in net tuition revenue was offset by increases in other revenues, largely driven by expansion of federal and private grants and increases in contributions.

At the start of the pandemic, the College implemented remote learning. Management took steps, such as reducing discretionary expenses and receiving loans offered through the federal and state government stimulus program, to mitigate the negative effects on operations. The federal government provided to the College Higher Education Emergency Relief Funds (“HEERF”) under the CARES Act, Coronavirus Response and Relief Supplemental Appropriations Act (“CRRSAA”), American Rescue Plan Act (“ARPA”) and funds for Minority Serving Institutions. The HEERF consisted of a student aid portion and an institutional portion, and each Act requires a minimum amount to be spent on student aid. The student aid portion is required to be distributed to students as emergency grants for their expenses related to the disruption of campus operations due to coronavirus.

Under these Acts, the College was awarded approximately \$5,808,000 in HEERF and Minority Serving Institution funds of which \$2,951,000 was recognized in 2022. These awards are included in federal, state and local grants in the Statement of Activities and Changes in Net Assets. As a result of these factors, total revenues decreased to approximately \$5,985,000 in 2022 from \$7,026,000 in 2021.

As a part of management’s efforts to reduce expenses, total operating expenses decreased 10% to \$5,531,000 in 2022 from \$6,107,000 in 2021. Budgetary and cost containment measures, along with the change to remote learning and reduced enrollments, enabled the College to reduce expenses

aligned with certain student services and other reductions in discretionary expenditures. These efforts enabled the college to realize an increase in net assets of \$454,000 for the year.

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 decrease in cash for the year in the approximate amount of \$343,000 was largely driven by a reduction in the change in net assets from \$1,359,000 reported in 2021 to \$454,000 in 2022.