



Bay State College

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Bay State 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, Bay State College provides the following summary report of the College’s Fiscal Year 2020 Financial Statements, and the accompanying Bay State College Financial Statements.

Note from Bay State 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 Bay State College Financial Statements Audit:

Key Items of Note:

- Bay State College presents an improving balance sheet, despite the ongoing effects of the coronavirus pandemic and is trending towards significantly reducing the deficit in 2021. Bay State College’s parent company, Ambow Education, continues to support the College with financial infusions as needed.
- The operating results reflect our efforts to reduce operating deficit by 50% in 2021 and achieve a balanced operation for 2022. Our deficit reduction from \$4,128,670 in 2020 to preliminary 2021 deficit of \$ 1,692,011 illustrates our financial plan success. We are well on our way to achieving our balanced budget operational goal.
- The 2021 financial plan of Bay State College is to stabilize the downward trend of declining enrollment and appropriate operating expenses. Operating expenses have been reduced by \$2.4m compared to 2019 year over year without impacting the quality of student programming.
- Like many other institutions in higher education, the College faces similar challenges in the post-COVID environment, declining enrollment, and limited financial resources. This is not something new to small colleges nor is it new to Bay State College. However, the College ended its long-term dormitory lease to alleviate capital expenses.
- The College received funding from the CARES Act PPP Loan in the amount of \$1.5 million with a portion distributed to students and a portion utilized by the College to offset COVID-19 expenses. The College did not lay-off or furlough any employee during the COVID shutdown.

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, Bay State College had no “audit findings” in their FY20 Financial Statements. With no findings, Bay State College’s audit is significant in the auditors’ assessment of its accuracy.