

## **Fiscal Year 2022 Financial Statements Summary Report**

In accordance with “An Act to Support Improved Financial Stability in Higher Education” Massachusetts General Law Chapter 69, Section 31B (f), this supplement to the audited financial statements analyzes the Fiscal Year 2022 (“FY22”) financial activities and position of Hult International Business school (HIBS) for the year ended July 31, 2022. The financial statements are prepared in accordance with generally accepted accounting principles (“GAAP”) and the independent certified auditors gave a clean audit opinion. Fluctuations discussed below compare FY22 and Fiscal Year 2021 (“FY21”).

### **FY22 Summary**

FY22 operated at a deficit of \$2.6M due to investment in future growth post Covid pandemic and invested back in HIBS programs, and adverse economic conditions (inflation and currency):. Increased enrollment and marketing activities to support future intake.

- Invested in top-end technology and coaches to support new undergraduate curriculum.
- Increased in-person student events.
- Foreign exchange losses due GBP depreciation against the USD.
- One-time legal fees related to the investigation of the Hult Prize

These actions contributed to deliver a negative result of \$2.6M.

### **Statement of Financial Position**

#### **Assets - \$109.5M**

- Tuition receivables increased due to the development of flexible payment plans to support the current economic conditions and the development of multi-year post graduate programs.

#### **Liabilities - \$86.1M**

- Deferred revenue decreased due to a decrease in returning undergraduate students.
- Other liabilities increased due to the accrued license fee expense.

#### **Positive net assets - \$23.4M**

HIBS has a strong financial position.

### **Statement of Activities**

The statement of activities is a report on HIBS fiscal year profitability resulting from the operation of its educational mission.

#### **Revenues - \$135.5M**

Revenue increased due to the increase of the level of enrolments resulting in more tuition and accommodation fees as well as discontinuing the discount for remote learning which was introduced as a response to covid-19.

**Expenses - \$138.1M**

- Due to the change in fiscal year, FY22 represents 12 months of expenses vs 10 months in FY21.
- Increase in student campus cost due to increase in- person student events
- Investment in new Undergraduate curriculum.

**Statement of Cash Flows**

HIBS has a satisfactory and strong liquidity position.

**Reference to Financial Statement Footnotes:**

The footnotes contain language on accounting policies as well as other useful information at a more granular level than the face statements allow.