



Fiscal Year 2020 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 2020 (“FY20”) financial activities and position of Hult International Business school (HIBS) for the year ended September 30, 2020. These financial statements are prepared in accordance with generally accepted accounting principles (“GAAP”) which follow the accrual basis of accounting. The independent certified auditors gave a clean audit opinion, meaning that the statements fairly present the financial position of HIBS. Fluctuations discussed below compare FY20 and Fiscal Year 2019 (“FY19”).

FY20 Summary

HIBS delivered a positive result of \$15.6M in FY20. Despite the uncertainty caused by Covid-19, HIBS safeguarded the revenue by swiftly transitioning to remote learning in Spring 2020 and not granted discounts. The student satisfaction remained high. In addition, HIBS received grants from the department of education via the Cares Act. Further positive actions included:

- Proactive cost control including salary freeze, travels and events budgets, campus lease renegotiations
- Increased in occupation of the campus housing in Boston

HIBS also invested in high end AV technology to be able to teach synchronously virtually and in person for fall 2021.

Statement of Financial Position

Assets - \$97.9M

- Prepaid expenses increased due to HIBS prepaying for production services for the London campus.
- Restricted deposits decreased due to the School’s letter of credit for US federal aid could be terminated as a result of the improved financial position of HIBS.

Liabilities - \$76.1M

- Deferred revenue decreased due to the lower student intake volume for fall 2020 vs fall 2019.

Positive Net assets - \$21.8M

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 - \$124.4M

- Tuition and fees increased as a result of the number of students and first full year of student housing in Boston
- Change in tuition structure resulting in all fees being paid to HIBS

Expenses - \$108.8M

- Reduction of enrollment and marketing activities in response to Covid-19
- Production cost decrease due to campus closure from March 2020

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. FY20 Comments:

- In footnote 8, ongoing uncertainty related to COVID-19 is disclosed as a significant event subsequent to September 30, 2020.