

Urban College of Boston
Financial Statement Summary
For the period ended June 30, 2023

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 WithumSmith+Brown, P.C., who issued an unmodified opinion on our Statement of Financial Position as of June 30, 2023, and the Statements of Activities and Changes in Net Assets and of Cash Flows for the period then ended.

On August 22, 2022, the College entered into an affiliation agreement with a supporting organization, a previously unrelated non-profit organization. This resulted in the supporting organization becoming the sole member of the College. The affiliation was done to further both organizations' respective charitable purposes, be mutually beneficial and benefit the communities they serve. The College will remain a separate legal entity with its own distinct board and continue to serve as a separate institution of higher education. The College changed its year end from August 31 to June 30 during the current period.

Statement of Financial Condition

Total assets of the College increased to approximately \$7,472,000 from \$3,219,000 at June 30, 2023 and August 31, 2022, respectively. This increase was driven by an increase in grants, cash and student receivables at June 30, 2023. The net assets of the College (total assets less total liabilities) increased to approximately \$5,392,000 from \$2,268,000 at June 30, 2023 and August 31, 2022, respectively, due to the increase in net assets reported in the Statement of Activities and Change in Net Assets. Net assets at June 30, 2023 included funds without donor restrictions in the amount of \$5,213,000 and funds with donor restrictions of \$179,000.

Statement of Activities and Changes in Net Assets

Net tuition revenues in 2023 decreased by 14% to \$1,192,000 from \$1,386,000 in 2022 due to a slower than expected recovery from the COVID-19 pandemic which continued to create uncertainties in the overall economy. The decrease was lower than the decrease in net tuition revenue from the previous year (31%) and the College anticipates significant tuition growth in the future.

The reduction in net tuition revenue was offset by increases in other revenues, as a result of expansion of state and local grants, as well as private grants, including a \$3 million grant from its affiliate. Because of these factors, total revenues increased 14% to approximately \$6,814,000 in 2023 from \$5,985,000 in 2022. As a part of management's efforts to reduce expenses, total operating expenses decreased 25% to \$4,099,000 in 2023 from \$5,537,000 in 2022. 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 \$2,715,000 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 increase in cash for the year in the approximate amount of \$3,794,000 was driven by the increased change in net assets from \$454,000 reported in 2022 to \$2,715,000 in 2023.