



TRUSTEES OF ANATOLIA COLLEGE

Consolidated Financial Statements

June 30, 2022 and 2021

(With Independent Auditors' Report Thereon)



KPMG LLP
Two Financial Center
60 South Street
Boston, MA 02111

Independent Auditors' Report

The Board of Trustees
The Trustees of Anatolia College:

Opinion

We have audited the consolidated financial statements of The Trustees of Anatolia College and its subsidiaries (the College), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the College as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Information Included with the Consolidated Financial Statements

Management is responsible for the other information included with the consolidated financial statements. The other information comprises the supplementary schedule D but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary schedules A, B and C are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

Boston, Massachusetts
October 31, 2022

THE TRUSTEES OF ANATOLIA COLLEGE

Consolidated Statements of Financial Position

June 30, 2022 and 2021

(Amounts in 000)

Assets	Note	2022	2021
Cash and cash equivalents	1(d)	\$ 10,022	9,626
Tuition and other receivables, net of provision of \$664 in 2022 and \$936 in 2021		1,004	1,297
Contributions receivable, net of provision of \$35 in 2022 and \$82 in 2021	3	6,180	7,260
Investments, at fair value	1(m), 4, 5	43,330	56,350
Funds held in trust by others, at fair value	1(f)	5,268	6,386
Land, buildings, and equipment, net	6	30,155	25,494
Pinewood license valuation		744	850
Other assets		2,409	1,238
Total assets		\$ 99,112	108,501
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued expenses		\$ 4,543	3,998
Bank loan payable	7	2,309	2,612
Deferred tuition revenues and student deposits	1(i)	4,801	6,261
Accrual for employee retirement obligations	8 (a,c)	3,857	4,429
Total liabilities		15,510	17,300
Net assets:			
Without donor restrictions		33,507	30,325
Cumulative adjustment from foreign currency translation	1(e)	(4,154)	(1,282)
Total without donor restrictions		29,353	29,043
With donor restrictions		54,249	62,158
Total net assets	9	83,602	91,201
Total liabilities and net assets		\$ 99,112	108,501

See accompanying notes to consolidated financial statements.

THE TRUSTEES OF ANATOLIA COLLEGE

Consolidated Statements of Activities

June 30, 2022 and 2021

(Amounts in 000)

	Note	2022			2021		
		Without donor restriction	With donor restriction	Total	Without donor restriction	With donor restriction	Total
Revenues:							
Student service revenue:							
Tuition and fees, net (includes scholarships, grants and other aid of \$3,207 and \$3,488 for 2022 and 2021, respectively)		\$ 23,688	—	23,688	20,227	—	20,227
Auxiliary operations, net (includes scholarships, grants and other aid of \$236 and \$222 for 2022 and 2021, respectively)		7,699	—	7,699	3,616	—	3,616
Student service revenue, net	1(c)	31,387	—	31,387	23,843	—	23,843
Contributions							
Spending for restricted purpose	4, 5(e)	210	1,154	1,364	149	2,520	2,669
Investment return net of spending for restricted purpose	4	146	1,283	1,429	139	1,426	1,565
Income on funds held in trust by others		(842)	(4,789)	(5,631)	1,501	8,770	10,271
Change in value of funds held in trust by others	1(f)	—	261	261	—	194	194
Other sources		—	(1,117)	(1,117)	—	1,249	1,249
Pinewood license valuation		422	(15)	407	385	(16)	369
Grants (Greece and U.S.)		(106)	—	(106)	48	—	48
		46	36	82	124	29	153
Total		31,263	(3,187)	28,076	26,189	14,172	40,361
Net assets released from restrictions	10	4,013	(4,013)	—	2,977	(2,977)	—
Total revenues		35,276	(7,200)	28,076	29,166	11,195	40,361
Expenses:							
Academic activities							
Instruction		16,198	—	16,198	14,662	—	14,662
Libraries		625	—	625	520	—	520
Student services		573	—	573	437	—	437
Auxiliary activities		6,981	—	6,981	3,316	—	3,316
Expenditures under programs funded by grants (Greece and U.S.)		46	—	46	40	—	40
Supporting activities							
General administration		5,534	—	5,534	5,731	—	5,731
Institutional support		1,979	—	1,979	1,572	—	1,572
Total expenses	14	31,936	—	31,936	26,278	—	26,278
Change in net assets, before transfers		3,340	(7,200)	(3,860)	2,888	11,195	14,083
Transfer for land purchase and other		(158)	158	—	(248)	248	—
Change in net assets		3,182	(7,042)	(3,860)	2,640	11,443	14,083
Net assets as of beginning of year		29,043	62,158	91,201	25,376	50,298	75,674
Foreign currency translation adjustment	1(e)	(2,872)	(867)	(3,739)	1,027	417	1,444
Net assets as of end of year		\$ 29,353	54,249	83,602	29,043	62,158	91,201

See accompanying notes to consolidated financial statements.

THE TRUSTEES OF ANATOLIA COLLEGE

Consolidated Statements of Cash Flows

Years ended June 30, 2022 and 2021

(Amounts in 000)

	2022	2021
Cash flows from operating activities:		
Change in net assets adjusted for foreign currency translation	\$ (7,599)	15,528
Adjustment of noncash items to convert change in noncash net assets to net cash and cash equivalents provided by operating activities:		
Foreign currency translation adjustment	3,739	(1,444)
Pinewood license valuation	106	(48)
Contributions restricted for long-term purposes	(61)	(406)
Depreciation	1,104	1,261
Net realized and unrealized losses (gains) on investments	4,910	(11,273)
Change in operating assets and liabilities:		
Change in value of funds held in trust by others	1,117	(1,249)
Changes in tuition and other and contributions receivable, net	461	1,482
Change in other assets	(1,320)	94
Change in accounts payable and accrued expenses	208	(322)
Change in deferred tuition revenues and student deposits	(678)	1,482
Change in accrual for employee retirement obligations	(18)	14
Net cash and cash equivalents provided by operating activities	1,969	5,119
Cash flows from investing activities:		
Purchases of investments	(12,606)	(18,813)
Sales of investments	20,600	17,092
Purchases of fixed assets	(8,129)	(4,761)
Net cash and cash equivalents used in investing activities	(135)	(6,482)
Cash flows from financing activities:		
Contributions restricted for long-term purposes	61	406
Proceeds from borrowing under line of credit	23	1,125
Net cash and cash equivalents provided by financing activities	84	1,531
Increase in cash and cash equivalents	1,918	168
Effect of exchange rate changes on cash and cash equivalents	(1,522)	437
Cash and cash equivalents as of beginning of year	9,626	9,021
Cash and cash equivalents as of end of year	\$ 10,022	9,626
Supplemental schedule of noncash investing and financing activities:		
Change in accounts payable and accrued expenses for buildings and equipment	\$ 817	102

See accompanying notes to consolidated financial statements.

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Notes to Consolidated Financial Statements

June 30, 2022 and 2021

(Amounts in 000)

(1) Organization and Summary of Significant Accounting Policies

The Trustees of Anatolia College (the College) is an independent, nonprofit, educational institution incorporated in Massachusetts, USA; the College was originally founded in 1894 and operated in Turkey in its early years. By invitation from the Greek government, the College campus relocated to Thessaloniki, Greece in 1924. The College consists of a 1,300-student high school (Anatolia College), a 550-student four-year U.S. accredited college (American College of Thessaloniki), which is also validated in the European Union by the Open University in the U.K. and a 580-student elementary school (Anatolia Educational Group). The College's goals are to offer the best of Greek and American education, to provide a strong program in English language and literature, to encourage extracurricular activities both intellectual and athletic, and to strive to reach out to bright, deserving children in the regions and islands of Greece, and bring them to the College on scholarship.

On March 31, 2019, the College entered into an affiliation agreement with Pinewood Schools of Thessaloniki (Pinewood). This affiliation is considered an acquisition according to U.S. GAAP.

About 49% of the College's consolidated assets, principally in the form of investments, and funds held in trust by others are invested in Boston, Massachusetts, USA. The operating assets are located in Thessaloniki, and consist primarily of, the 89-acre Anatolia campus (land, 29 buildings, and equipment), and cash in interest-bearing U.S. dollar and Euro accounts, net of related operating liabilities.

(a) Basis of Consolidated Financial Statement Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis in accordance with U.S. generally accepted accounting principles (GAAP). The consolidated financial statements include the College and its subsidiaries. All intercompany transactions and accounts have been eliminated.

(b) Net Asset Classes

The accompanying financial statements present information regarding the College's financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Without donor restrictions: net assets are not subject to donor stipulations restricting their use but may be designated for specific purposes by the College or may be limited by contractual agreements with outside parties.

With donor restrictions: net assets are subject to donor stipulations that expire with the passage of time, can be fulfilled by actions pursuant to the stipulations, or which may be perpetual.

Revenues are reported as increases in net assets without donor restrictions unless their use is limited by donor imposed restrictions or by law, in which case they are reported as increases in net assets with donor restrictions. Expirations of donor imposed restrictions are reflected in the statement of activities as net assets released from restrictions. Net realized gains (losses) from the sale or other disposition of investments and the change in unrealized appreciation (depreciation) of investments are reported as revenue in net assets without donor restrictions, unless use of these gains is restricted by

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(Amounts in 000)

donor-imposed stipulations or by law. Expenses are reported as decreases in net assets without donor restrictions.

(c) Student Service Revenue

The statements of activities report the change in net assets from operating and nonoperating activities. Operating revenues consist of those items attributable to the College's academic programs and auxiliary enterprises. Total student service revenue consists of charges for tuition and fees, housing, dining and transportation. Such revenue is presented at transaction prices, which are determined based on standard published rates for the services provided, less any scholarships and aid awarded by the College to qualifying students. Scholarships, grants and other aid awarded for tuition and fees amounted to \$3,207 and \$3,488 at June 30, 2022 and 2021, respectively.

(d) Cash Equivalents

The College considers all highly liquid interest-bearing investments with maturities of three months or less, except for those managed for long-term investment purposes, to be cash equivalents.

(e) Foreign Currency Translation

The College's accounting records in Greece are maintained in Euros. The foreign currency equivalents used to translate into U.S. Dollars as of and for the years ended June 30 are as follows:

	Euro to one U.S. Dollar		
	2022	2021	2020
Revenues and expenses at the average rate for the fiscal years ended	0.89:1	0.84:1	0.90:1
Assets, liabilities, and net assets at the current rate as of June 30	0.96:1	0.84:1	0.89:1

An analysis of the unrestricted cumulative adjustments from foreign currency translation for the year ended June 30, 2022 is as follows (amounts in 000):

Balance as of June 30, 2021	\$	(1,282)
Translation adjustment for fiscal 2022		(2,872)
Balance as of June 30, 2022	\$	(4,154)

(f) Funds Held in Trust by Others

The College is a beneficiary of certain irrevocable perpetual trusts which are managed by third party investment managers. Based on the agreements of the perpetual trusts, the College is entitled to receive all or a specified percentage of the annual net income earned from the assets of the trusts, the use of which is restricted principally for scholarships. Perpetual trusts are reported as funds held in trust by others at the estimated fair value of the College's share of the underlying assets. The value of

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(Amounts in 000)

these trusts (\$5,268 and \$6,386 as of June 30, 2022 and 2021, respectively), which are invested in mutual funds, common trusts and equity and fixed income securities, has been reflected as funds held in trust by others for the benefit of the College in net assets with donor restrictions in the accompanying consolidated statements of financial position. Income distributed from such trusts is reflected as income on funds held in trust by others and the change in the value of funds held in trust by others is reflected as with donor restrictions in the consolidated statements of activities \$1,117 and \$1,249 for fiscal year 2022 and 2021, respectively.

(g) Split Interest Agreements

The College is also a beneficiary of certain charitable remainder trusts held by others (\$97 and \$116 as of June 30, 2022 and 2021, respectively, which are included in contributions receivable). At the dates the trusts were established, receivables and contribution revenues were recognized at the present value of the estimated future benefits to be received when the trust assets are distributed. The receivables are adjusted during the term of the trusts for changes in the value of assets, accretion of the discount, and other changes in the estimates of future benefits and are reported in the consolidated statements of activities.

(h) Land, Buildings and Equipment

Land, buildings, and equipment are recorded at cost or, in the case of contributed property, at estimated fair value as of the date of the contribution. Depreciation of fixed assets, other than land and construction in progress, is computed on a straight-line basis over the estimated useful lives of the assets. Buildings and improvements are depreciated over fifty years and equipment over three to five years, beginning in the month acquired or constructed and placed in operation.

(i) Deferred Tuition Revenues and Fees

Cash received for student tuition and fees relating to the subsequent fiscal year are reported as deferred revenues.

(j) Tax Status

The College is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (the Code) of the United States of America, and is generally exempt from Federal and State income taxes pursuant to Section 501(a) of the Code and applicable State Laws.

The College is also exempt from income taxes in Greece under the provisions of Legislative Decree 1286/1949, as amended. In July 2013, the Greek Parliament adopted Law 4172/2013 according to which all public and private nonprofit legal entities, incorporated domestically or abroad, including all kinds of associations and institutions are subject to income tax, with the exception of revenues incurred in pursuit of the fulfillment of their missions, which are not subject to the tax.

The College assessed its uncertain tax positions and determined that there were no such positions that have a material effect on the consolidated financial statements.

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(Amounts in 000)

(k) Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and judgments that affect the reported amounts of consolidated assets and consolidated liabilities and disclosures of contingencies as of the date of the consolidated financial statements and the reported amounts of consolidated revenues and consolidated expenses recognized during the reporting period. Actual results could differ from those estimates.

(l) Allocations

The statement of activities presents operating expenses by functional classification. Note 14 displays a matrix of operating expenses by both natural and functional categories. Operation and maintenance and depreciation expenses are allocated based on square footage. Other expenses, such as Information Technology expenses, are allocated based on estimates of time and costs of specific functional purpose. Fund-raising costs for the years ended June 30, 2022 and 2021 were \$483 and \$420, respectively, and are included in general administration expense in the consolidated statements of activities.

(m) Investments

Investments are reported at fair value. If an active market with quoted prices for an investment exists, the College reports the fair value as the market price of an identical security. Shares in mutual funds are based on share values reported by the funds as of the last business day of the College's fiscal year.

The net realized and unrealized gains and losses resulting from the change in the fair value of investments have been included in the consolidated statements of activities.

The College's investments are allocated between two investment portfolios: a self-managed portfolio and one portfolio managed by an unaffiliated advisor. The College held no Greek investments as of June 30, 2022 and 2021, except for properties in Greece held for investment purposes.

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Notes to Consolidated Financial Statements

June 30, 2022 and 2021

(Amounts in 000)

The profile of the holdings of these portfolios at June 30, 2022 and 2021 is as follows (amounts in 000):

<u>Investment advisor</u>	<u>Types of investments</u>	<u>2022</u>	
		<u>Cost</u>	<u>Fair value</u>
College advised	Cash and Short-term interest bearing	\$ 1,351	1,351
	Land in Greece	505	624
	Apartment for sale in Greece	—	—
	Other	335	881
Outside advisor	Domestic equities	21,373	18,803
	International equities	8,626	7,836
	Fixed income	7,741	6,926
	Alternative investments	4,077	6,909
		<u>\$ 44,008</u>	<u>43,330</u>

<u>Investment advisor</u>	<u>Types of investments</u>	<u>2021</u>	
		<u>Cost</u>	<u>Fair value</u>
College advised	Cash and Short-term interest bearing	\$ 4,071	4,071
	Land in Greece	505	713
	Apartment for sale in Greece	210	221
	Other	335	881
Outside advisor	Domestic equities	18,508	22,764
	International equities	8,547	11,360
	Fixed income	12,747	12,778
	Alternative investments	2,306	3,562
		<u>\$ 47,229</u>	<u>56,350</u>

(n) Fair Value of Financial Instruments

The College discloses fair value information about all financial instruments, whether or not recognized in the consolidated statements of financial position, for which it is practicable to estimate fair value. Cash and cash equivalents, accounts and contribution receivable, and accounts payable are carried at net realizable value, which approximates fair value. The fair values of all other financial assets and liabilities are disclosed in the accompanying notes.

(o) Reclassification

Certain reclassifications have been made to comparative prior year numbers to conform to the current year financial statement presentation.

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Notes to Consolidated Financial Statements

June 30, 2022 and 2021

(Amounts in 000)

(2) Financial Assets and Liquidity

As of June 30, 2022 and 2021, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capitalized construction costs not financed with debt, were as follows (amounts in 000):

	2022	2021
Financial assets:		
Cash and cash equivalents	\$ 10,022	9,626
Tuition and other receivables, net	1,004	1,297
Contributions receivable due within a year	845	1,072
Investments available for spending within a year	5,854	5,755
Endowment spending for restricted purposes	1,429	1,565
Total financial assets available within one year	19,154	19,315
Liquidity resources:		
Available bank lines of credit	1,867	2,373
Total financial assets and liquidity resources available within one year	\$ 21,021	21,688

The College's cash flow has seasonal variations attributable to the timing of tuition billing and to inflows from contributions. Investments that are available and can be liquidated within a year are included above. To manage liquidity, the College maintain lines of credit with Greek Banks.

(3) Contributions Receivable

Contributions receivable as of June 30, primarily restricted to scholarships and to construction projects, are scheduled to be collected as follows (amounts in 000):

	2022	2021
Less than one year	\$ 5,303	5,848
One to five years	815	1,378
Greater than five years	97	116
Less allowance for uncollectible contributions	(35)	(82)
Contributions receivable, net	\$ 6,180	7,260

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Notes to Consolidated Financial Statements

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(Amounts in 000)

(4) Investments

The investment activity for the years ended June 30 was as follows (amounts in 000):

	<u>2022</u>	<u>2021</u>
Investments, at fair value, as of beginning of year	\$ 56,350	43,121
Contribution and pledge receipts	694	2,675
Interest and dividends, net of custody fees	708	563
Net realized and unrealized (losses) gains	(4,910)	11,273
Withdrawals for Boston operations and various campus operations expenses	(2,050)	(1,562)
Repayment to Endowment for Leonidia property purchase	248	248
Transfer to Greece for construction purposes	(7,800)	—
Other additions	90	32
Investments, at fair value, as of end of year	<u>\$ 43,330</u>	<u>56,350</u>

Investment earnings consisted of the following for the years ended June 30 (amounts in 000):

	<u>2022</u>		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Interest and dividends, net of custody fees	\$ (146)	854	708
Net realized gains	563	3,865	4,428
Net unrealized losses	(1,113)	(8,225)	(9,338)
Total return on investments	(696)	(3,506)	(4,202)
Spending for restricted purposes	(146)	(1,283)	(1,429)
Investment return less spending for restricted purposes	<u>\$ (842)</u>	<u>(4,789)</u>	<u>(5,631)</u>

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Notes to Consolidated Financial Statements

June 30, 2022 and 2021

(Amounts in 000)

	2021		
	Without donor restrictions	With donor restrictions	Total
Interest and dividends, net of custody fees	\$ (158)	721	563
Net realized gains	151	989	1,140
Net unrealized gains	1,647	8,486	10,133
Total return on investments	1,640	10,196	11,836
Spending for restricted purposes	(139)	(1,426)	(1,565)
Investment return less spending for restricted purposes	\$ 1,501	8,770	10,271

Fair value represents the price that would be received upon the sale of an asset or paid upon the transfer of a liability in an orderly transaction between market participants as of the measurement date.

U.S. Generally Accepted Accounting Principles (GAAP) establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three levels:

- Level 1 – quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities;
- Level 2 – observable prices that are based on inputs not quoted in active markets, but corroborated by market data; and
- Level 3 – unobservable inputs are used when little or no market data is available.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In determining fair value, the College utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. Levels are determined based on the aforementioned hierarchy, except for investments measured using net asset value as a practical expedient to estimate fair value.

Investments consist of directly held equity and fixed income securities, registered mutual funds, exchange traded funds, commingled funds, limited partnerships, and funds held in trust by others. Investments are reported at estimated fair value.

If an investment is held directly by the College and an active market with quoted prices exists, the market price of an identical security is used as the reported fair value. Some of the College's investments are in shares or units of institutional commingled funds and limited partnerships invested in equity, fixed income, natural resources, private equity, or real estate strategies. Private equity funds employ buyout, growth, venture capital, and distressed security strategies. Real estate and natural resources funds generally hold interests in private real estate, oil and gas partnerships, and mineral holdings.

The College's interests in commingled investment funds are generally reported at the NAV reported by the fund managers and determined to be reasonable by the College. NAV is used as a practical expedient to

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June 30, 2022 and 2021

(Amounts in 000)

estimate the fair value of the College's interest therein, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. As of June 30, 2022 and 2021, the College had no plans or intentions to sell investments at amounts different from NAV.

Although the College's alternative fund managers generally adhere to fair value accounting in determining NAV, because of inherent uncertainties in valuation assumptions, the estimated fair values for alternative investments may differ significantly from values that would have been used had a ready market existed, and the differences could be material. Such valuations are determined by fund managers and generally consider variables such as operating results, earnings of the underlying holdings, projected cash flows, recent sales prices, and other pertinent information.

The following is a summary of investments classified based on the fair value hierarchy classification as of June 30 (amounts in 000):

2022				
	Level 1	Level 3	Investments valued at NAV	Total
Investments:				
Cash equivalents	\$ 1,351	—	—	1,351
Domestic equities	18,803	—	—	18,803
International equities	7,836	—	—	7,836
Fixed income	6,926	—	—	6,926
Private equity funds	—	—	6,909	6,909
Other	—	881	—	881
Land in Greece	—	624	—	624
Total investments	\$ <u>34,916</u>	<u>1,505</u>	<u>6,909</u>	<u>43,330</u>

2021				
	Level 1	Level 3	Investments valued at NAV	Total
Investments:				
Cash equivalents	\$ 4,071	—	—	4,071
Domestic equities	22,764	—	—	22,764
International equities	11,360	—	—	11,360
Fixed income	12,778	—	—	12,778
Private equity funds	—	—	3,562	3,562
Other	—	1,102	—	1,102
Land in Greece	—	713	—	713
Total investments	\$ <u>50,973</u>	<u>1,815</u>	<u>3,562</u>	<u>56,350</u>

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The College is the beneficiary of various irrevocable perpetual trust funds that are managed by trustees other than the College. Because the College is only entitled to the income from these trusts, management has not included the underlying investments in the leveling tables above. Although these trust funds invest principally in marketable securities, the College does not own the securities but holds an ownership interest in each trust. Accordingly, these investments would be considered Level 3 investments.

The following table presents the College's activity for the fiscal years ended June 30, 2022 and 2021 for investments classified as Level 3 (amounts in 000):

	2022		
	Land in Greece	Other	Total
Fair value as of July 1, 2021	\$ 713	1,102	1,815
Change in fair value	—	—	—
Sale of investment property	—	(221)	(221)
Exchange rate difference	(89)	—	(89)
Total	<u>\$ 624</u>	<u>881</u>	<u>1,505</u>

	2021		
	Land in Greece	Other	Total
Fair value as of July 1, 2020	\$ 622	643	1,265
Change in fair value	185	446	631
Transfer of investment property to Land	(131)	—	(131)
Exchange rate difference	37	13	50
Total	<u>\$ 713</u>	<u>1,102</u>	<u>1,815</u>

Level 3 investments include land in Greece of \$624 the market value of which is adjusted annually and the appraised amount of retained life estate which is appraised every 3 years and value is adjusted accordingly. Level 3 investments also include the appraised amount of retained life estate of \$881.

Alternative investments are redeemable with the fund at NAV under the original terms of the partnership agreement and/or subscription agreements and operations of the underlying funds. All alternative

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investment fund redemptions require written notice prior to the redemption period. As of June 30, 2022 the long-term investments' fair values are classified below by redemption period (amounts in 000):

	<u>Investment fair values</u>
Investments redemption (or sale) period:	
Daily (College Advised)	\$ 1,351
Daily (Outside Advisor)	33,565
No restrictions (Investment Properties in Greece)	624
Locked up*	<u>7,790</u>
Total as of June 30, 2022	<u>\$ 43,330</u>

* The investments categorized as locked up are comprised of investments in alternative investment vehicles with an outside advisor (private equity funds), and a home gifted to the College in 2015.

Commitments:

Private equity, which includes funds focused on natural resources, and real estate investments are generally made through private limited partnerships. Under the terms of the partnership agreements, the College makes a commitment of a specific amount of capital to a partnership and is obligated to remit committed funding periodically when capital calls are exercised by the General Partner as the partnership executes on its investment strategy. Private equity, natural resources, and real estate funds are typically structured with investment periods of 3 to 7 years. Subsequent to the expiration of the investment period, a fund is usually prohibited from calling capital for new investments. The aggregate amount of unfunded commitments associated with private limited partnerships as of June 30, 2022 and 2021 was \$1,925 and \$1,289 respectively. The timing and amount of capital calls expected to be exercised in any particular future year is uncertain.

(5) Endowment

The College's endowment consists of approximately 90 individual funds established for a variety of purposes including both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

(a) *Relevant Law*

Being a Massachusetts corporation, the College follows the principles of the Uniform Prudent Management of Institutional Funds Act (UPMIFA).

Under UPMIFA, the Board of Trustees has discretion to determine appropriate expenditures of donor-restricted endowment funds in accordance with a robust set of guidelines about what constitutes

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prudent spending. UPMIFA permits the College to appropriate for expenditure or accumulate so much of an endowment fund as the College determines to be prudent for the use, benefits, purposes and duration for which the endowment fund is established. Seven criteria are used to guide the College to its yearly expenditure decisions: 1) duration and preservation of the endowment fund; 2) the purposes of the College and the endowment fund; 3) general economic conditions; 4) effect of inflation or deflation; 5) the expected total return from income and the appreciation of investments; 6) other resources of the College; and, 7) the investment policy of the College.

Although UPMIFA offers short-term spending flexibility, the explicit consideration of the preservation of funds among factors for prudent spending suggests that a donor-restricted endowment fund is still perpetual in nature. Under UPMIFA, the Board is permitted to determine and continue a prudent payout amount, even if the market value of the fund is below historic-dollar value. There is an expectation that, over time, the donor restricted amount will remain intact. This perspective is aligned with the accounting standards definition that donor restricted funds are those that must be held in perpetuity even though the historic-dollar-value may be dipped into on a temporary basis.

In accordance with appropriate accounting standards, the College classifies as net assets with donor restrictions as (a) the original value of gifts donated to a donor restricted endowment, (b) the original value of subsequent gifts to a donor restricted endowment, and (c) accumulations to a donor restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Endowment composition by type of fund consists of the following at June 30, 2022 (amounts in 000):

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor-restricted endowment funds:			
Scholarships	\$ —	24,140	24,140
Libraries	—	4,482	4,482
Instruction	—	3,254	3,254
General	—	7,874	7,874
	<u>—</u>	<u>39,750</u>	<u>39,750</u>
Board-designated endowment funds*	<u>214</u>	<u>—</u>	<u>214</u>
Total endowment	<u>\$ 214</u>	<u>39,750</u>	<u>39,964</u>

* Refer to note 6 regarding the internal loan made to the College for the purchase of Leonideia land and for the construction of new buildings.

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Changes in endowment for the year ended June 30, 2022 are as follows (amounts in 000):

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment, June 30, 2021	\$ 5,578	44,332	49,910
Investment return:			
Interest, dividends, and net realized gains	566	4,719	5,285
Net unrealized gains	<u>(984)</u>	<u>(8,228)</u>	<u>(9,212)</u>
Total investment return	(418)	(3,509)	(3,927)
Contributions	—	60	60
Borrowings from endowment	(4,800)	—	(4,800)
Repayment of borrowings	—	150	150
Spending for restricted purposes	<u>(146)</u>	<u>(1,283)</u>	<u>(1,429)</u>
Endowment, June 30, 2022	\$ <u>214</u>	<u>39,750</u>	<u>39,964</u>

Endowment composition by type of fund consists of the following at June 30, 2021 (amounts in 000):

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor-restricted endowment funds:			
Scholarships	\$ —	26,785	26,785
Libraries	—	5,023	5,023
Instruction	—	3,555	3,555
General	<u>—</u>	<u>8,969</u>	<u>8,969</u>
	—	44,332	44,332
Board-designated endowment funds*	<u>5,578</u>	—	<u>5,578</u>
Total endowment	\$ <u>5,578</u>	<u>44,332</u>	<u>49,910</u>

* Refer to note 6 regarding the internal loan made to the College for the purchase of Leonideia land.

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Changes in endowment for the year ended June 30, 2021 are as follows (amounts in 000):

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment, June 30, 2020	\$ 4,497	35,010	39,507
Investment return:			
Interest, dividends, and net realized gains	205	1,711	1,916
Net unrealized gains	<u>1,015</u>	<u>8,486</u>	<u>9,501</u>
Total investment return	1,220	10,197	11,417
Contributions	—	407	407
Repayment of borrowings	—	144	144
Spending for restricted purposes	<u>(139)</u>	<u>(1,426)</u>	<u>(1,565)</u>
Endowment, June 30, 2021	<u>\$ 5,578</u>	<u>44,332</u>	<u>49,910</u>

(b) Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below their original contributed value. There were no material deficiencies as of June 30, 2022 or in 2021.

(c) Return Objectives and Risk Parameters

The College has adopted investment and spending policies for endowment assets, which attempt to provide a managed stream of funding to programs supported by its endowment while seeking to maintain the Real (inflation adjusted) value of the endowment assets. Endowment assets include those assets of donor-restricted funds that the College must hold in perpetuity or for a donor-specified period as well as board-designated funds. The primary investment objective of the management of the endowment fund is to maintain and grow the fund's value by generating average annual returns that meet or exceed the average annual spending rates. To manage this goal, the Board of Trustees and the Investment Committee employ a mixture of internal and external investment advice. Until 2009, the College historically had internally managed its endowment investments. At this time, management of most of the portfolio is delegated to one external management firm. At June 30, 2022, the majority of the endowment investment is managed by one external investment management firm. The remaining balance is internally managed. The investment mandates given to the external investment management firm are to attain reasonable returns consistent with taking prudent levels of risk – including structuring the portfolios with significant asset allocation and diversification. The external investment management firm was chosen, in part, in recognition of its risk containment investment principles. The College seeks to attain above-median rates of return in comparison with other like-managed school endowments.

Under this policy, the endowment assets, both those which are invested internally by the Investment Committee and those invested by the external investment firms are deployed in a manner intended to

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produce results that exceed various relevant benchmark indices. The College expects both its external investment firm and its internally managed investments, over a business cycle, to attain average annual rates of return greater than the appropriate indices. Actual returns in any given year may vary from this standard, and there can be no assurance that the expected returns will be realized.

(d) *Strategies Employed for Achieving Objectives*

To satisfy its long-term rate of return objectives, the College relies on a total return methodology in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Investment Committee is responsible for establishing an asset allocation policy with respect to its internally invested endowment investments and sets guidance for the external investment management firm. The asset allocation policy is designed to achieve diversity among capital markets and within capital markets, by investment discipline and management style. The Investment Committee designs its internally managed policy portfolio and gives guidance to its external investment firm in light of the endowment's needs for liquidity, preservation of purchasing power, and risk tolerances.

The College has structured a diversified asset allocation model that may include investments in equities, fixed income securities, and alternative investments. The asset allocation among equities, fixed income, and alternative investments varies depending upon the investment opportunities and risks as perceived by the external investment firm consistent with the investment mandates provided by the College and by the Investment Committee for internally managed endowment assets. The Investment Committee formally reviews the portfolio's asset allocations with its external investment management firm periodically throughout the year in order to help oversee, and change, if appropriate, the asset allocation model.

(e) *Spending Policy and How the Investment Objectives Relate to Spending Policy*

Under the College's current spending plan, 4.5% of the average fair value of qualifying investments over the prior 12 quarters was appropriated by the Board for expenditure in fiscal years 2022 and 2021. For the years ended June 30, 2022 and 2021, this amounted to \$1,813 and \$1,763, respectively. The actual amount spent for restricted purposes was \$1,429 and \$1,565. Amounts appropriated that are not spent, due primarily to unmet restrictions, are returned to the appropriate endowment fund.

In establishing this policy, the College considers the intent of donor-restricted endowment, the expected return on its endowment, and its programming needs. The College expects to include the impact of the endowment loan (see note 5) in determining its future spending policy calculation.

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(6) Fixed Assets

Fixed assets, substantially all of which are located in Greece, consisted of the following as of June 30 (amounts in 000):

	<u>2022</u>	<u>2021</u>
Land	\$ 2,238	2,558
Buildings and improvements	24,872	27,059
Equipment	12,956	14,071
Construction in progress	<u>9,637</u>	<u>2,904</u>
	49,703	46,592
Less accumulated depreciation	<u>(19,548)</u>	<u>(21,098)</u>
	<u>\$ 30,155</u>	<u>25,494</u>

Depreciation expense for the years ended June 30, 2022 and 2021 was \$1,104 and \$1,261, respectively.

Land, comprising the College's campus, consists of approximately 89 acres in Thessaloniki (Pylea), Greece. Construction in progress primarily consists of costs for the expansion of existing campus buildings.

Historically, the College purchased and/or renovated many of its fixed assets with funds obtained from U.S. Federal and European Union (E.U.) grants.

Leonideia Property Acquisition

On June 27, 2014, the educational organization named "Apostolos Pavlos" and Anatolia College entered into an agreement whereby Anatolia College purchased 5 acres of land and 2 buildings located at Pylaia Thessaloniki from Apostolos Pavlos for approximately €2,500 (\$3,400). The acquisition has enabled future control of the land and the expansion of the Elementary School program as well as the eventual consolidation of the Kindergarten and Elementary School on one location. Funding for the acquisition and related fees was loaned to the College by its general purpose donor restricted Endowment Fund. Repayment of the internal loan, which is a condition required by the Trustees as part of their approval of the acquisition financing, will be made from College operations over a period not to exceed 20 years and will be subject to a rate of interest of 4%. The corresponding amount of this internal loan as of June 30, 2022 was \$2,352.

Construction in Progress

Part of the funding for the construction of the new Pinewood school building into College's premises and the renovation of International Baccalaureate building, as part of the new Center of Excellence, was loaned to the College by its general purpose donor restricted Endowment Fund. Repayment of the internal loan, which is a condition required by the Trustees as part of their approval of the construction financing, will be made from College operations over a period not to exceed 10 years and will be subject to a rate of interest of 3.5%. The corresponding amount of this internal loan as of June 30, 2022 was \$4,800.

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(7) Bank Loan Payable

In February 2009, the College obtained an uncollateralized, euro-denominated line of credit with Alpha Bank in Greece for a maximum amount of €2,800 (\$2,916). The ceiling amount that can be collected by the College is €2,500 (\$2,604). The remaining amount has been used to cover other credit facilities including the issuance of Letters of Guarantees. There were €1,007 (\$1,050) and €505 (\$601) outstanding under the line at June 30, 2022 and 2021, respectively.

At June 30, 2022, the bank line of credit bears an interest rate per annum equal to the sum of the three month Euro Interbank Offered Rate (EURIBOR) 0.00%, plus 2.90% (2.90% total): There are no fees or interest charged on the remaining unused portion of the bank line of credit. At June 30, 2021, the bank line of credit bears an interest rate per annum equal to the sum of the three month Euro Interbank Offered Rate (EURIBOR) 0.00%, plus 3.15% (3.15% total): There are no fees or interest charged on the remaining unused portion of the bank line of credit. In both 2022 and 2021, the College incurred an additional Greek government charge of 0.60% on the bank line of credit as an additional cost, over and above the interest charges.

In February 2019, the College obtained an uncollateralized, euro-denominated line of credit with Eurobank in Greece for a maximum amount of €200 (\$208). There was €0 (\$0) outstanding under the line at June 30, 2022 and 2021. At June 30, 2022, the bank line of credit bears an interest rate per annum equal to the sum of the three month Euro Interbank Offered Rate (EURIBOR) 0.00%, plus 5.00% (5.00% total): There are no fees or interest charged on the unused bank line of credit. The College incurred an additional Greek government charge of 0.6% on the bank line of credit as an additional cost, over and above the interest charges.

A long-term loan of €4,300 (\$5,119) was signed on July 2020 between Alpha Bank and the College for building construction purposes. At March 2022 an additional funding of €1,300 (\$1,354) was approved by the bank. The repayment consists of principal and interest payments through 37 (3-month) installments starting 15 months after December 2020, and full repayment by August 2031.

At June 30, 2022, the long-term borrowing bears an interest rate per annum equal to the sum of the three month Euro Interbank Offered Rate (EURIBOR) 0.00%, plus 2.85% (2.85% total). There was €1,209 (\$1,259) outstanding under the long-term borrowing at June 30, 2022.

A long-term loan of €1,000 (\$1,041) was signed on April 2008 between Piraeus Bank and Pinewood School. The repayment consists of principal and interest payments through 216 installments and full repayment by January 2028. There is a mortgage of €1,500 on School's property against the long-term bank debt. At September 2021 Pinewood School paid in full the remaining outstanding amount.

At June 30, 2022, the long-term borrowing bears an interest rate per annum equal to the sum of the three month Euro Interbank Offered Rate (EURIBOR) 0.00%, plus 2.48% (2.48% total). There was €0 (\$0) outstanding under the long-term borrowing at June 30, 2022. The corresponding amounts as at June 30, 2021 were €481 (\$572).

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An overdraft arrangement is provided, to Pinewood school by Piraeus Bank. Interest charge of the overdraft is set at 3 months Euribor of 2.48%, plus the charge of 0.6%, according to Law 128/75. At September 2021 Pinewood School paid in full the remaining outstanding amount.

At June 30, 2022, the short term borrowing bears an interest rate per annum equal to the sum of the three month Euro Interbank Offered Rate (EURIBOR) 0.00%, plus 2.48% (2.48% total). There was €0 (\$0) outstanding under the short term borrowing at June 30, 2022. The corresponding amounts as at June 30, 2021 were €59 (\$70).

In May 2008, Pinewood School obtained an uncollateralized, euro-denominated line of credit with Piraeus Bank for a maximum amount of €100 (\$104). There were €0 (\$0) outstanding under the line on June 30, 2022. At June 30, 2022, the bank line of credit bears an interest rate per annum equal to the sum of Preferred Investment Interest rate of 7.90%. There are no fees or interest charged on the unused bank line of credit.

(8) Employee Retirement Plans

The College has several defined contribution annuity retirement plans covering substantially all full-time faculty and administrative personnel who complete three consecutive years of service. The College's policy is to fund all accrued pension costs. Benefits under these plans vest to each employee upon contribution to the respective plans. The College suspended its own match contribution for all supplementary pension plans for the year ended June 30, 2021. The match contributions were reinstated for the year ended June 30, 2022.

(a) Greek Nationals Plan

Under the plan that relates primarily to Greek nationals hired prior to July 1, 2002, the College contributes 6% of each eligible employee's annual salary to the plan. Employee contributions are not required for this plan. For employees hired after July 1, 2002, the College will match up to 5% of an employee's contributions to the plan.

Total expense under this plan for the years ended June 30, 2022 and 2021 was \$361 and \$66, respectively.

The accrued liability for this Greek nationals plan as of June 30, 2022 and 2021, and payable to the plan after the respective year-end, amounted to \$185 and \$24, respectively.

(b) U.S. Nationals Plan

Under a second plan that relates primarily to U.S. nationals hired prior to July 1, 2002, the College contributes 6% of each employee's salary when the employee contributes a minimum of 5%. For new employees hired after July 1, 2002, a maximum employer matching contribution of 5% is made. Total expense under this U.S. nationals plan for the years ended June 30, 2022 and 2021 was \$15 and \$0, respectively. There was no accrued liability for this plan as of June 30, 2022 and 2021.

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(c) Greek Employee Retirement Plan

In accordance with Greek law, a lump sum is payable to Greek employees upon their retirement or involuntary termination. The amount of compensation payable for involuntary termination is based on the number of years of service and the amount of remuneration at the date of termination. If the employees remain in the employment of the College until normal retirement age, they are entitled to receive a lump-sum payment, which is equal to a minimum of 40% of the involuntary termination benefit, as defined above.

The amount of this obligation is actuarially determined by the College. The June 30, 2022 actuarial valuation was prepared utilizing the following assumptions which may vary from year to year:

a) Mortality Table for men and women from EAE 2012, Greek table.

b) Long-term Employee Turnover

Employee resignations 0% – Employee termination 0%.

c) Discount rate

The discount rate used was 3.50% increased by 2.60% compared to previous year.

d) Annual Average Salary Increase

A 3.00% increase was used in the calculation.

e) Return on Investment

The rate used for the return on investment was 3.50%, the same as the discount rate.

f) Retirement Age

According to the provisions of the primary insurer, "In particular, we considered an age limit of 67 years for men and women unless the person insured reaches 40 years of service before the age of 67, where in this case the retirement age is 40 years of service."

g) Actuarial Valuation Method

The Projected Unit Credit Method was used.

Pursuant to the actuarial study, the amounts charged to expense for the years ended June 30, 2022 and 2021, were \$420 and \$321, respectively. In fiscal year 2022 total charged expenses were netted off with actuarial gains of \$460 and in fiscal 2021 additional expense of \$180 represented actuarial losses. The liability as of June 30, 2022 and 2021, was \$3,672 (€3,525) and \$4,405 (€3,700), respectively, and reflects the minimum amount payable on retirement. The substantial increase in the liability between June 30, 2022 and 2021 of €175 primarily results from the actuarial gains of €409.

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Changes in the accrual for employee retirement obligations for the years ended June 30, 2022 and 2021, respectively, are as follows (amounts in 000):

	<u>2022</u>	<u>2021</u>
Accrual for employee retirement obligations, at the beginning of year	\$ 4,429	4,023
Employment cost	252	267
Interest cost	37	54
Benefits paid directly by the College	(198)	(326)
Curtailment effect	132	—
Actuarial loss/Gains	(450)	180
Effect of exchange rate changes	<u>(530)</u>	<u>207</u>
Accrual for Greek employee retirement plan	3,672	4,405
Accrued liability for Greek nationals hired prior to July 2002	185	24
Accrual for employee retirement obligations, at the end of year	\$ <u><u>3,857</u></u>	<u><u>4,429</u></u>

(9) Composition of Net Assets

Net assets consisted of the following as of June 30 (amounts in 000):

	<u>2022</u>	<u>2021</u>
Without donor restrictions:		
Board designated endowments	\$ 5,014	5,578
Other net assets without donor restrictions	22,921	21,799
Transfer for land purchase	<u>1,418</u>	<u>1,666</u>
Total net assets without donor restrictions	<u>29,353</u>	<u>29,043</u>
With donor restrictions:		
Donor-restricted endowments subject to spending policy and appropriation:		
Scholarships	24,140	26,785
Libraries	4,482	5,023
Instruction	3,254	3,555
General activities	<u>7,874</u>	<u>8,969</u>
	<u>39,750</u>	<u>44,332</u>

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	<u>2022</u>	<u>2021</u>
Perpetual trusts, distributions available to support the following purposes (FHITBO) scholarships	\$ <u>5,268</u>	<u>6,386</u>
	<u>5,268</u>	<u>6,386</u>
Subject to expenditure for specified purposes:		
Scholarships	3,306	3,452
Libraries	465	482
Academic support/instruction	17	50
General activities	245	229
Capital projects	<u>4,081</u>	<u>6,145</u>
	8,114	10,358
Subject to passage of time	152	998
Transfer for land purchase	(1,418)	(1,666)
Leonidia loan and other	<u>2,383</u>	<u>1,750</u>
Total net assets with donor restrictions	<u>54,249</u>	<u>62,158</u>
Total net assets	\$ <u><u>83,602</u></u>	<u><u>91,201</u></u>

(10) Net Assets Released from Restrictions

Net assets were released by satisfying purpose and/or time restrictions during the year ended June 30 as follows (amounts in 000):

	<u>2022</u>	<u>2021</u>
Purpose:		
Scholarships	\$ 1,405	1,708
Buildings and equipment	2,095	836
Other	<u>513</u>	<u>433</u>
	\$ <u><u>4,013</u></u>	<u><u>2,977</u></u>

(11) American College of Thessaloniki

ACT is a four-year U.S. accredited college that offers both undergraduate and graduate degrees on its campus in Thessaloniki.

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ACT's condensed schedules of financial position as of June 30, which are included in the College's consolidated statements of financial position, were as follows (amounts in 000):

Assets	2022	2021
Cash	\$ 1,037	695
Contributions and other receivables, net	257	335
Due from affiliates, net***	4,004	3,523
Investments, at fair value*	6,727	7,672
Fixed assets, net**	6,713	6,559
Other assets	554	158
	<u>\$ 19,292</u>	<u>18,942</u>
Liabilities	2022	2021
Other liabilities, principally accounts payable, and accrued expenses	\$ 1,153	1,030
Deferred revenues and student deposits	55	66
	<u>1,208</u>	<u>1,096</u>
Net assets		
Without donor restrictions	12,865	11,566
With donor restrictions	5,219	6,280
	<u>19,292</u>	<u>18,942</u>
Total liabilities and net assets	\$ <u>19,292</u>	<u>18,942</u>

* Investments of ACT are combined with those of the College, and consisted of approximately 77% equities and fixed income, 20% other investments and 3% cash equivalents as of June 30, 2022.

** Fixed assets, net of accumulated depreciation of \$7,346 and \$8,072 as of June 30, 2022 and 2021, respectively, consist primarily of the Bissell Library and a two-story campus classroom building.

*** Represents advances from the College and the Elementary School (Anatolia Educational Group).

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ACT's condensed schedules of activities for the years ended June 30, which are included in the College's consolidated statements of activities, were as follows (amounts in 000):

	2022		
	Without donor restrictions	With donor restrictions	Total
Total revenues	\$ 10,433	(1,028)	9,405
Total expenses	(8,029)	—	(8,029)
Increase in net assets	2,404	(1,028)	1,376
Foreign currency translation adjustment	(1,105)	(33)	(1,138)
	\$ 1,299	(1,061)	238
	2021		
	Without donor restrictions	With donor restrictions	Total
Total revenues	\$ 3,765	896	4,661
Total expenses	(4,457)	—	(4,457)
Increase in net assets	(692)	896	204
Foreign currency translation adjustment	458	17	475
	\$ (234)	913	679

THE TRUSTEES OF ANATOLIA COLLEGE

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

(Amounts in 000)

ACT's condensed schedules of cash flows for the years ended June 30, which are included in the consolidated statements of cash flows, were as follows (amounts in 000):

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ 238	679
Net adjustment to reconcile change in net assets to net cash provided by operating activities:		
Foreign currency translation adjustment	1,138	(475)
Depreciation	282	286
Net realized and unrealized loss (gain) on investments	(721)	1,176
Contributions restricted for investment and building	—	7
Other	<u>(117)</u>	<u>2</u>
Net cash provided by operating activities	<u>820</u>	<u>1,675</u>
Cash flows from investing activities:		
Net purchases of investments	1,666	(2,311)
Purchases of fixed assets	<u>(1,256)</u>	<u>(1,338)</u>
Net cash provided by (used in) investing activities	<u>410</u>	<u>(3,649)</u>
Cash flows from financing activities:		
Contributions restricted for investment	—	(7)
Change in due to/from the College	<u>(610)</u>	<u>2,195</u>
Net cash (used in) provided by financing activities	<u>(610)</u>	<u>2,188</u>
Net change in cash	620	214
Effect of exchange rate changes on cash	(278)	27
Cash as of beginning of year	<u>695</u>	<u>454</u>
Cash as of end of year	\$ <u><u>1,037</u></u>	\$ <u><u>695</u></u>

(12) The Pinewood Schools of Thessaloniki

The Pinewood Schools of Thessaloniki is an independent not-for-profit organization which was founded by the Pinewood School Association as an American elementary/middle school for Kindergarten through Grade 8 in 1950. Today, Pinewood is a full Pre-K-12 program and its mission is to increase understanding, respect and cooperation between cultures and nations by educating young people to become active, responsible and compassionate members of the world community.

On March 31, 2019, the Pinewood Trustees and Anatolia College Trustees signed an Affiliation Agreement. The two educational institutions determined that it is in their respective best interests to integrate the two

THE TRUSTEES OF ANATOLIA COLLEGE

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

(Amounts in 000)

institutions through a corporate affiliation to improve their ability to advance their respective charitable missions and educational purposes.

(13) Functional & Natural Classification of Expenses

The statement of activities presents expenses by functional classification. The College also summarizes its expenses by natural classification. The College's primary program service is academic activities. Expenses reported as management and fundraising are incurred in support of this primary academic activities program.

Operation and maintenance and depreciation expenses are allocated based on square footage. Other expenses, such as IT, are allocated based on estimates of time and costs of specific functional purpose. Expenses by functional and natural classification for the year ended June 30, 2022 and 2021 consist of the following:

	2022									
	Academic activities					Supporting activities				
	Instruction	Libraries	Student services	Auxiliary activities	Grant programs	Total academic	Management and general	Fundraising	Total supporting	Total expenses
	(Amounts in 000)									
Salaries, wages and employee benefits	\$ 12,591	298	368	1,816	—	15,073	3,904	346	4,250	19,323
Student transportation, travel expenses, representation, other general expenses	1,082	168	77	2,803	—	4,130	1,637	130	1,767	5,897
Maintenance/utilities	987	125	50	2,233	—	3,395	550	1	551	3,946
Depreciation	907	20	51	46	—	1,024	80	—	80	1,104
Third party fees for services	277	6	16	66	—	365	445	—	445	810
Taxes, duties, interest expense and bank charges	—	—	—	—	—	—	235	—	235	235
Expenses under sponsored projects (E.U. and U.S.)	—	—	—	—	46	46	—	—	—	46
Other expenses	354	8	11	17	—	390	184	1	185	575
Subtotal	\$ 16,198	625	573	6,981	46	24,423	7,035	478	7,513	31,936

THE TRUSTEES OF ANATOLIA COLLEGE

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

(Amounts in 000)

	2021									
	Academic activities					Supporting activities				
	Instruction	Libraries	Student services	Auxiliary activities	Grant programs	Total academic	Management and general	Fundraising	Total supporting	Total expenses
	(Amounts in 000)									
Salaries, wages and employee benefits	\$ 11,711	260	308	1,378	—	13,657	4,207	323	4,530	18,187
Student transportation, travel expenses, representation, other general expenses	691	143	32	1,717	—	2,583	1,078	92	1,170	3,753
Maintenance/utilities	690	83	24	125	—	922	389	—	389	1,311
Depreciation	1,098	23	59	53	—	1,233	96	—	96	1,329
Third party fees	201	4	10	33	—	248	530	3	533	781
Taxes, duties, interest expense and bank charges	—	—	—	—	—	—	238	—	238	238
Expenses under sponsored projects (E.U. and U.S.)	—	—	—	—	40	40	—	—	—	40
Other expenses	271	7	4	10	—	292	345	2	347	639
Subtotal	\$ 14,662	520	437	3,316	40	18,975	6,883	420	7,303	26,278

(14) Subsequent Events

For purposes of determining the effects of subsequent events on these consolidated financial statements, management has evaluated events subsequent to June 30, 2022 and through October 31, 2022 the date on which the consolidated financial statements are available to be issued.

THE TRUSTEES OF ANATOLIA COLLEGE

Supplementary Schedule A-Consolidating Statements of Financial Position

June 30, 2022 and 2021

(Amounts in 000)

Assets	Anatolia College	Pinewood Schools	Adjustments	2022
Cash and cash equivalents	\$ 7,365	2,657	—	10,022
Tuition and other receivables, net of provision of \$664	915	89	—	1,004
Contributions receivable, net of provision of \$35	6,180	—	—	6,180
Investments, at fair value	42,706	624	—	43,330
Funds held in trust by others, at fair value	5,268	—	—	5,268
Land, buildings, and equipment, net	30,027	128	—	30,155
Pinewood license valuation	—	—	744	744
Other assets	2,159	250	—	2,409
Total assets	\$ 94,620	3,748	744	99,112
Liabilities and Net Assets				
Liabilities:				
Accounts payable and accrued expenses	\$ 4,397	146	—	4,543
Bank loan payable	2,309	—	—	2,309
Deferred tuition revenues and student deposits	3,839	962	—	4,801
Accrual for employee retirement obligations	3,634	223	—	3,857
Total liabilities	14,179	1,331	—	15,510
Net assets:				
Without donor restrictions	30,131	2,632	744	33,507
Cumulative adjustment from foreign currency translation	(3,927)	(227)	—	(4,154)
Total without donor restrictions	26,204	2,405	744	29,353
With donor restrictions	54,237	12	—	54,249
Total net assets	80,441	2,417	744	83,602
Total liabilities and net assets	\$ 94,620	3,748	744	99,112

Assets	Anatolia College	Pinewood Schools	Adjustments	2021
Cash and cash equivalents	\$ 7,085	2,541	—	9,626
Tuition and other receivables, net of provision of \$936	1,137	160	—	1,297
Contributions receivable, net of provision of \$82	7,260	—	—	7,260
Investments, at fair value	55,637	713	—	56,350
Funds held in trust by others, at fair value	6,386	—	—	6,386
Land, buildings, and equipment, net	25,316	178	—	25,494
Pinewood license valuation	—	—	850	850
Other assets	1,125	113	—	1,238
Total assets	\$ 103,946	3,705	850	108,501
Liabilities and Net Assets				
Liabilities:				
Accounts payable and accrued expenses	\$ 3,849	149	—	3,998
Bank loan payable	2,040	572	—	2,612
Deferred tuition revenues and student deposits	5,733	528	—	6,261
Accrual for employee retirement obligations	4,117	312	—	4,429
Total liabilities	15,739	1,561	—	17,300
Net assets:				
Without donor restrictions	27,421	2,054	850	30,325
Cumulative adjustment from foreign currency translation	(1,365)	83	—	(1,282)
Total without donor restrictions	26,056	2,137	850	29,043
With donor restrictions	62,151	7	—	62,158
Total net assets	88,207	2,144	850	91,201
Total liabilities and net assets	\$ 103,946	3,705	850	108,501

See accompanying independent auditors' report.

THE TRUSTEES OF ANATOLIA COLLEGE
Supplementary Schedule B-Consolidating Statements of Activities
June 30, 2022 and 2021
(Amounts in 000)

	Without donor restriction				With donor restriction				2022
	Anatolia College	Pinewood Schools	Adjustments	Total	Anatolia College	Pinewood Schools	Adjustments	Total	Total
Revenues:									
Student service revenue:									
Tuition and fees, net (includes scholarships, grants and other aid of \$3,207)	\$ 18,830	4,858	—	23,688	—	—	—	—	23,688
Auxiliary operations, net (includes scholarships, grants and other aid of \$236)	7,575	309	(185)	7,699	—	—	—	—	7,699
Student service revenue, net	26,405	5,167	(185)	31,387	—	—	—	—	31,387
Contributions	210	—	—	210	1,148	6	—	1,154	1,364
Spending for restricted purpose	146	—	—	146	1,283	—	—	1,283	1,429
Investment return net of spending for restricted purpose	(842)	—	—	(842)	(4,789)	—	—	(4,789)	(5,631)
Income on funds held in trust by others	—	—	—	—	261	—	—	261	261
Change in value of funds held in trust by others	—	—	—	—	(1,117)	—	—	(1,117)	(1,117)
Other sources	322	100	—	422	(15)	—	—	(15)	407
Pinewood license valuation	—	—	(106)	(106)	—	—	—	—	(106)
Grants (Greece and U.S.)	46	—	—	46	—	36	—	36	82
Total	26,287	5,267	(291)	31,263	(3,229)	42	—	(3,187)	28,076
Net assets released from restrictions	3,977	36	—	4,013	(3,977)	(36)	—	(4,013)	—
Total revenues	30,264	5,303	(291)	35,276	(7,206)	6	—	(7,200)	28,076
Expenses:									
Academic activities:									
Instruction	12,996	3,202	—	16,198	—	—	—	—	16,198
Libraries	584	41	—	625	—	—	—	—	625
Student services	510	63	—	573	—	—	—	—	573
Auxiliary activities	6,865	301	(185)	6,981	—	—	—	—	6,981
Expenditures under programs funded by grants (Greece and U.S.)	46	—	—	46	—	—	—	—	46
Supporting activities:									
General administration	4,695	839	—	5,534	—	—	—	—	5,534
Institutional support	1,699	280	—	1,979	—	—	—	—	1,979
Total expenses	27,395	4,726	(185)	31,936	—	—	—	—	31,936
Change in net assets, before transfers	2,869	577	(106)	3,340	(7,206)	6	—	(7,200)	(3,860)
Transfer for land purchase and other	(158)	—	—	(158)	158	—	—	158	—
Change in net assets	2,711	577	(106)	3,182	(7,048)	6	—	(7,042)	(3,860)
Net assets as of beginning of year	26,056	2,137	850	29,043	62,151	7	—	62,158	91,201
Foreign currency translation adjustment	(2,563)	(309)	—	(2,872)	(866)	(1)	—	(867)	(3,739)
Net assets as of end of year	\$ 26,204	2,405	744	29,353	54,237	12	—	54,249	83,602

	Without donor restriction				With donor restriction				2021
	Anatolia College	Pinewood Schools	Adjustments	Total	Anatolia College	Pinewood Schools	Adjustments	Total	Total
Revenues:									
Student service revenue:									
Tuition and fees, net (includes scholarships, grants and other aid of \$3,488)	\$ 15,668	4,559	—	20,227	—	—	—	—	20,227
Auxiliary operations, net (includes scholarships, grants and other aid of \$222)	3,489	223	(96)	3,616	—	—	—	—	3,616
Student service revenue, net	19,157	4,782	(96)	23,843	—	—	—	—	23,843
Contributions	149	—	—	149	2,520	—	—	2,520	2,669
Spending for restricted purpose	139	—	—	139	1,426	—	—	1,426	1,565
Investment return net of spending for restricted purpose	1,501	—	—	1,501	8,770	—	—	8,770	10,271
Income on funds held in trust by others	—	—	—	—	194	—	—	194	194
Change in value of funds held in trust by others	—	—	—	—	1,249	—	—	1,249	1,249
Other sources	187	197	—	384	(15)	—	—	(15)	369
Pinewood license valuation	—	—	48	48	—	—	—	—	48
Grants (Greece and U.S.)	124	—	—	124	—	29	—	29	153
Total	21,257	4,979	(48)	26,188	14,144	29	—	14,173	40,361
Net assets released from restrictions	2,948	29	—	2,977	(2,948)	(29)	—	(2,977)	—
Total revenues	24,205	5,008	(48)	29,165	11,196	—	—	11,196	40,361
Expenses:									
Academic activities:									
Instruction	12,149	2,513	—	14,662	—	—	—	—	14,662
Libraries	520	—	—	520	—	—	—	—	520
Student services	437	—	—	437	—	—	—	—	437
Auxiliary activities	3,316	96	(96)	3,316	—	—	—	—	3,316
Expenditures under programs funded by grants (Greece and U.S.)	40	—	—	40	—	—	—	—	40
Supporting activities:									
General administration	4,039	1,692	—	5,731	—	—	—	—	5,731
Institutional support	1,553	19	—	1,572	—	—	—	—	1,572
Total expenses	22,054	4,320	(96)	26,278	—	—	—	—	26,278
Change in net assets, before transfers	2,151	688	48	2,887	11,196	—	—	11,196	14,083
Transfer for land purchase and other	(248)	—	—	(248)	248	—	—	248	—
Change in net assets	1,903	688	48	2,639	11,444	—	—	11,444	14,083
Net assets as of beginning of year	23,207	1,367	802	25,376	50,289	9	—	50,298	75,674
Foreign currency translation adjustment	946	82	—	1,028	418	(2)	—	416	1,444
Net assets as of end of year	\$ 26,056	2,137	850	29,043	62,151	7	—	62,158	91,201

See accompanying independent auditors' report.

THE TRUSTEES OF ANATOLIA COLLEGE
Supplementary Schedule C-Consolidating Statements of Cash Flows
Years ended June 30, 2022 and 2021
(Amounts in 000)

	Anatolia College	Pinewood Schools	Adjustments	2022
Cash flows from operating activities:				
Change in net assets adjusted with foreign currency translation	\$ (7,765)	272	(106)	(7,599)
Adjustment of noncash items to convert change in noncash net assets to net cash and cash equivalents provided by operating activities:				
Foreign currency translation adjustment	3,429	310	—	3,739
Valuation of Pinewood license	—	—	106	106
Contributions restricted for long-term purposes	(61)	—	—	(61)
Depreciation	1,061	43	—	1,104
Net realized and unrealized losses on investments	4,910	—	—	4,910
Change in operating assets and liabilities:				
Change in value of funds held in trust by others	1,117	—	—	1,117
Changes in tuition and other and contributions receivable, net	411	50	—	461
Change in other assets	(1,165)	(155)	—	(1,320)
Change in accounts payable and accrued expenses	192	16	—	208
Change in deferred tuition revenues and student deposits	(1,178)	500	—	(678)
Change in accrual for employee retirement obligations	32	(50)	—	(18)
Net cash and cash equivalents provided by operating activities	<u>983</u>	<u>986</u>	<u>—</u>	<u>1,969</u>
Cash flows from investing activities:				
Purchases of investments	(12,606)	—	—	(12,606)
Sales of investments	20,600	—	—	20,600
Purchases of fixed assets	(8,119)	(10)	—	(8,129)
Net cash and cash equivalents used in investing activities	<u>(125)</u>	<u>(10)</u>	<u>—</u>	<u>(135)</u>
Cash flows from financing activities:				
Contributions restricted for long-term purposes	61	—	—	61
Proceeds from borrowing under line of credit	523	(500)	—	23
Net cash and cash equivalents provided by (used in) financing activities	<u>584</u>	<u>(500)</u>	<u>—</u>	<u>84</u>
Increase in cash and cash equivalents	1,442	476	—	1,918
Effect of exchange rate changes on cash and cash equivalents	(1,162)	(360)	—	(1,522)
Cash and cash equivalents as of beginning of year	<u>7,085</u>	<u>2,541</u>	<u>—</u>	<u>9,626</u>
Cash and cash equivalents as of end of year	<u>\$ 7,365</u>	<u>2,657</u>	<u>—</u>	<u>10,022</u>
Supplemental schedule of noncash investing and financing activities:				
Change in accounts payable and accrued expenses for buildings and equipment	\$ 817	—	—	817

	Anatolia College	Pinewood Schools	Adjustments	2021
Cash flows from operating activities:				
Change in net assets adjusted with foreign currency translation	\$ 14,711	769	48	15,528
Adjustment of noncash items to convert change in noncash net assets to net cash and cash equivalents provided by operating activities:				
Foreign currency translation adjustment	(1,364)	(80)	—	(1,444)
Valuation of Pinewood license	—	—	(48)	(48)
Contributions restricted for long-term purposes	(406)	—	—	(406)
Depreciation	1,214	47	—	1,261
Net realized and unrealized (gains) on investments	(11,273)	—	—	(11,273)
Change in operating assets and liabilities:				
Change in value of funds held in trust by others	(1,249)	—	—	(1,249)
Changes in tuition and other and contributions receivable, net	1,415	67	—	1,482
Change in other assets	80	14	—	94
Change in accounts payable and accrued expenses	(210)	(112)	—	(322)
Change in deferred tuition revenues and student deposits	1,125	357	—	1,482
Change in accrual for employee retirement obligations	(4)	18	—	14
Net cash and cash equivalents provided by operating activities	<u>4,039</u>	<u>1,080</u>	<u>—</u>	<u>5,119</u>
Cash flows from investing activities:				
Purchases of investments	(18,813)	—	—	(18,813)
Sales of investments	17,092	—	—	17,092
Purchases of fixed assets	(4,510)	(251)	—	(4,761)
Net cash and cash equivalents used in investing activities	<u>(6,231)</u>	<u>(251)</u>	<u>—</u>	<u>(6,482)</u>
Cash flows from financing activities:				
Contributions restricted for long-term purposes	406	—	—	406
Proceeds from borrowing under line of credit	1,198	(73)	—	1,125
Net cash and cash equivalents provided by (used in) financing activities	<u>1,604</u>	<u>(73)</u>	<u>—</u>	<u>1,531</u>
Increase (decrease) in cash and cash equivalents	(588)	756	—	168
Effect of exchange rate changes on cash and cash equivalents	338	99	—	437
Cash and cash equivalents as of beginning of year	<u>7,335</u>	<u>1,686</u>	<u>—</u>	<u>9,021</u>
Cash and cash equivalents as of end of year	<u>\$ 7,085</u>	<u>2,541</u>	<u>—</u>	<u>9,626</u>
Supplemental schedule of noncash investing and financing activities:				
Change in accounts payable and accrued expenses for buildings and equipment	\$ 102	—	—	102

See accompanying independent auditors' report.

THE TRUSTEES OF ANATOLIA COLLEGE

Supplementary Schedule D-Unaudited Schedule of Revenues and Expenses

June 30, 2022 and 2021

(Amounts in 000)

The accompanying unaudited schedule of revenues and expenses presents the College's operations in greater detail than provided in the Statement of Activities in the consolidated financial statements.

	<u>Without donor restriction</u>	<u>With donor restriction</u>	<u>Year ended June 30, 2022</u>	<u>Year ended June 30, 2021</u>
Operating revenue:				
Student income:				
International School	\$ 5,470	—	5,470	5,139
Primary education	3,442	—	3,442	3,422
Secondary education	10,909	—	10,909	10,964
Undergraduate-graduate program	7,074	—	7,074	3,972
Bilingual program	342	—	342	217
Board and lodging	300	—	300	284
Auxiliary activities	7,293	—	7,293	3,555
Scholarships applied to student income	(3,443)	—	(3,443)	(3,710)
Total student income	<u>31,387</u>	<u>—</u>	<u>31,387</u>	<u>23,843</u>
Sponsored support:				
Grants (E.U. and U.S.)	<u>46</u>	<u>36</u>	<u>82</u>	<u>153</u>
Total sponsored support	46	36	82	153
Contributions and private grants	210	1,154	1,364	2,669
Interest and dividends	(144)	854	710	565
Other income	169	(15)	154	251
Pinewood license valuation	(106)	—	(106)	48
Net assets released from restrictions	<u>4,013</u>	<u>(4,013)</u>	<u>—</u>	<u>—</u>
Total operating revenue	<u>35,575</u>	<u>(1,984)</u>	<u>33,591</u>	<u>27,529</u>
Operating expenses:				
Salaries, wages and employer's benefits	19,323	—	19,323	18,187
Student transportation/travel expenses/representation/ subscriptions/stationery/general expenses	5,897	—	5,897	3,753
Maintenance/utilities/rent of facilities	3,946	—	3,946	1,311
Depreciation	1,104	—	1,104	1,329
Provisions for doubtful debts and staff leaving indemnities	340	—	340	466
Third party fees	810	—	810	781
Taxes, duties, interest expense and bank charges	235	—	235	238
Expenses under sponsored projects (E.U. and U.S.)	46	—	46	40
Other expenses	<u>(18)</u>	<u>—</u>	<u>(18)</u>	<u>56</u>
Total operating expenses	<u>31,683</u>	<u>—</u>	<u>31,683</u>	<u>26,161</u>
Net operating surplus	<u>3,892</u>	<u>(1,984)</u>	<u>1,908</u>	<u>1,368</u>
Non operating activities:				
Investment income:				
Other investment gains	(552)	(4,360)	(4,912)	11,272
Income on funds held in trust by others	—	261	261	194
Gains on funds held in trust by others	—	(1,117)	(1,117)	1,249
Total investment income	<u>(552)</u>	<u>(5,216)</u>	<u>(5,768)</u>	<u>12,715</u>
Net change during the year before transfers	3,340	(7,200)	(3,860)	14,083
Transfer for land purchase and other	<u>(158)</u>	<u>158</u>	<u>—</u>	<u>—</u>
Net change during the year	3,182	(7,042)	(3,860)	14,083
Net assets, beginning of year	29,043	62,158	91,201	75,674
Foreign currency translation adjustment	<u>(2,872)</u>	<u>(867)</u>	<u>(3,739)</u>	<u>1,444</u>
Net assets, end of year	\$ <u>29,353</u>	<u>54,249</u>	<u>83,602</u>	<u>91,201</u>

See accompanying independent auditors' report.