



THE TRUSTEES OF ANATOLIA COLLEGE

Consolidated Financial Statements

June 30, 2021 and 2020

(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:

We have audited the accompanying consolidated financial statements of The Trustees of Anatolia College and its subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Trustees of Anatolia College and its subsidiaries as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Our audit was 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. Supplementary schedules A, B and C have 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 auditing standards generally accepted in the United States of America. In our opinion, supplementary schedules A, B and C are fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Supplementary schedule D, the unaudited schedule of revenues and expenses, has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

KPMG LLP

October 22, 2021

THE TRUSTEES OF ANATOLIA COLLEGE

Consolidated Statements of Financial Position

June 30, 2021 and 2020

(Amounts in 000)

Assets	Note	2021	2020
Cash and cash equivalents	1(d)	\$ 9,626	9,021
Tuition and other receivables, net of provision of \$936 in 2021 and \$909 in 2020		1,297	2,230
Contributions receivable, net of provision of \$82 in 2021 and \$77 in 2020	3	7,260	7,351
Investments, at fair value	1(m), 4, 5	56,350	43,121
Funds held in trust by others, at fair value	1(f)	6,386	5,137
Land, buildings, and equipment, net	6	25,494	20,879
Pinewood license valuation		850	802
Other assets		1,238	1,208
Total assets		<u>\$ 108,501</u>	<u>89,749</u>
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued expenses		\$ 3,998	3,996
Bank loan payable	7	2,612	1,401
Deferred tuition revenues and student deposits	1(i)	6,261	4,511
Accrual for employee retirement obligations	8 (a,c)	4,429	4,167
Total liabilities		<u>17,300</u>	<u>14,075</u>
Net assets:			
Without donor restrictions		30,325	28,102
Cumulative adjustment from foreign currency translation	1(e)	<u>(1,282)</u>	<u>(2,726)</u>
Total without donor restrictions		29,043	25,376
With donor restrictions		<u>62,158</u>	<u>50,298</u>
Total net assets	9	<u>91,201</u>	<u>75,674</u>
Total liabilities and net assets		<u>\$ 108,501</u>	<u>89,749</u>

See accompanying notes to consolidated financial statements.

THE TRUSTEES OF ANATOLIA COLLEGE

Consolidated Statements of Activities

June 30, 2021 and 2020

(Amounts in 000)

	Note	2021			2020		
		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 \$3,488 and \$2,575 for 2021 and 2020, respectively)		\$ 20,227	—	20,227	20,879	—	20,879
Auxiliary operations, net (includes scholarships, grants and other aid of \$222, and \$243 for 2021 and 2020, respectively)		3,616	—	3,616	4,931	—	4,931
Student service revenue, net	1(c)	23,843	—	23,843	25,810	—	25,810
Contributions		149	2,520	2,669	726	8,234	8,960
Spending for restricted purpose	4, 5(e)	139	1,426	1,565	161	1,375	1,536
Investment return net of spending for restricted purpose	4	1,501	8,770	10,271	(261)	(181)	(442)
Income on funds held in trust by others		—	194	194	—	200	200
Change in value of funds held in trust by others	1(f)	—	1,249	1,249	—	(85)	(85)
Other sources		385	(16)	369	543	(29)	514
Pinewood license valuation		48	—	48	(10)	—	(10)
Grants (Greece and U.S.)		124	29	153	2	25	27
Total		26,189	14,172	40,361	26,971	9,539	36,510
Net assets released from restrictions	10	2,977	(2,977)	—	4,023	(4,023)	—
Total revenues		29,166	11,195	40,361	30,994	5,516	36,510
Expenses:							
Academic activities							
Instruction		14,662	—	14,662	14,923	—	14,923
Libraries		520	—	520	520	—	520
Student services		437	—	437	539	—	539
Auxiliary activities		3,316	—	3,316	4,961	—	4,961
Expenditures under programs funded by grants (Greece and U.S.)		40	—	40	2	—	2
Supporting activities							
General administration		5,731	—	5,731	5,522	—	5,522
Institutional support		1,572	—	1,572	1,459	—	1,459
Total expenses	14	26,278	—	26,278	27,926	—	27,926
Change in net assets, before transfers		2,888	11,195	14,083	3,068	5,516	8,584
Transfer for land purchase and other		(248)	248	—	(248)	248	—
Change in net assets		2,640	11,443	14,083	2,820	5,764	8,584
Net assets as of beginning of year		25,376	50,298	75,674	22,671	44,532	67,203
Foreign currency translation adjustment	1(e)	1,027	417	1,444	(115)	2	(113)
Net assets as of end of year		\$ 29,043	62,158	91,201	25,376	50,298	75,674

See accompanying notes to consolidated financial statements.

THE TRUSTEES OF ANATOLIA COLLEGE

Consolidated Statements of Cash Flows

Years ended June 30, 2021 and 2020

(Amounts in 000)

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 15,528	8,471
Adjustment of noncash items to convert change in noncash net assets to net cash and cash equivalents provided by operating activities:		
Pinewood license valuation	(48)	10
Contributions restricted for long-term purposes	(406)	(1,915)
Foreign currency translation adjustment	(1,444)	113
Depreciation	1,261	1,063
Write off leasehold improvements	—	11
Net realized and unrealized gains on investments	(11,273)	(422)
Change in operating assets and liabilities:		
Change in value of funds held in trust by others	(1,249)	85
Changes in accounts, other, and contributions receivable, net	1,482	(4,111)
Change in other assets	94	(119)
Change in accounts payable and accrued expenses	(220)	152
Change in deferred tuition revenues and student deposits	1,482	292
Change in accrual for employee retirement obligations	14	375
Net cash and cash equivalents provided by operating activities	5,221	4,005
Cash flows from investing activities:		
Purchases of investments	(18,813)	(14,860)
Sales of investments	17,092	15,228
Purchases of fixed assets	(4,863)	(2,629)
Net cash and cash equivalents used in investing activities	(6,584)	(2,261)
Cash flows from financing activities:		
Contributions restricted for long term purposes	406	1,915
Proceeds from borrowing under line of credit	1,125	504
Net cash and cash equivalents provided by financing activities	1,531	2,419
Increase in cash and cash equivalents	168	4,163
Effect of exchange rate changes on cash and cash equivalents	437	28
Cash and cash equivalents as of beginning of year	9,021	4,830
Cash and cash equivalents as of end of year	\$ 9,626	9,021

See accompanying notes to consolidated financial statements.

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Notes to Consolidated Financial Statements

June 30, 2021 and 2020

(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 58% 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, 28 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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June 30, 2021 and 2020

(Amounts in 000)

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

(c) *Operations*

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 \$3,488 and \$2,575 at June 30, 2021 and 2020, respectively.

Appropriated endowment income, including gains, of the College's with donor restriction endowment used in support of current year operations are reported as operating revenue. Contributions for capital assets, and contributions that are not expended for operations in the year received are reported as nonoperating revenue; all other contributions without donor restrictions are reported as operating revenue.

(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		
	2021	2020	2019
Revenues and expenses at the average rate for the fiscal years ended	0.84:1	0.90:1	0.88:1
Assets, liabilities, and net assets at the current rate as of June 30	0.84:1	0.89:1	0.88:1

An analysis of the unrestricted cumulative adjustments from foreign currency translation for the year ended June 30, 2021 is as follows (amounts in 000):

Balance as of June 30, 2020	\$	(2,726)
Translation adjustment for fiscal 2020		<u>1,444</u>
Balance as of June 30, 2021	\$	<u><u>(1,282)</u></u>

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(Amounts in 000)

(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, 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 these trusts (\$6,386 and \$5,137 as of June 30, 2021 and 2020, 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 (loss) 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 \$1,249 and (\$85) for fiscal year 2021 and 2020, respectively.

(g) Split Interest Agreements

The College is also a beneficiary of certain charitable remainder trusts held by others (\$116 and \$94 as of June 30, 2021 and 2020, 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 Student Deposits

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.

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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.

(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, 2021 and 2020 were \$420 and \$512, 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, 2021 and 2020, except for properties in Greece held for investment purposes.

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Notes to Consolidated Financial Statements

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(Amounts in 000)

The profile of the holdings of these portfolios at June 30, 2021 and 2020 is as follows (amounts in 000):

<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	Mutual funds:		
	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>

<u>Investment advisor</u>	<u>Types of investments</u>	<u>2020</u>	
		<u>Cost</u>	<u>Fair value</u>
College advised	Cash and Short-term interest bearing	\$ 3,753	3,753
	Land in Greece	786	622
	Apartment for sale in Greece	210	208
	Other	335	435
Outside advisor	Mutual funds:		
	Domestic equities	18,549	16,466
	International equities	7,430	7,690
	Fixed income	9,526	9,612
	Alternative investments	3,153	4,335
		<u>\$ 43,742</u>	<u>43,121</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.

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Notes to Consolidated Financial Statements

June 30, 2021 and 2020

(Amounts in 000)

(2) Financial Assets and Liquidity

As of June 30, 2021 and 2020, 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):

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 9,626	9,021
Tuition and other receivables, net	1,297	2,230
Contributions receivable due within a year	1,072	1,007
Investments available for spending within a year	5,755	4,672
Endowment spending for restricted purposes	<u>1,565</u>	<u>1,536</u>
Total financial assets available within one year	19,315	18,466
Liquidity resources:		
Available bank lines of credit	<u>2,373</u>	<u>1,001</u>
Total financial assets and liquidity resources available within one year	\$ <u>21,688</u>	<u>19,467</u>

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.

For comparability purposes certain reclassifications have been made in 2020 line item amounts.

(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):

	<u>2021</u>	<u>2020</u>
Less than one year	\$ 5,848	3,855
One to five years	1,378	3,469
Greater than five years	116	104
Less allowance for uncollectible contributions	<u>(82)</u>	<u>(77)</u>
Contributions receivable, net	\$ <u>7,260</u>	<u>7,351</u>

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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):

	2021	2020
Investments, at fair value, as of beginning of year	\$ 43,121	43,077
Contribution and pledge receipts	2,675	3,161
Interest and dividends	563	672
Net realized and unrealized gains	11,273	422
Withdrawals for Boston operations and various campus operations expenses	(1,562)	(2,045)
Repayment to Endowment for Leonidia property purchase	248	248
Transfer to Greece for construction purposes	—	(3,087)
Other additions	32	673
Investments, at fair value, as of end of year	\$ 56,350	43,121

Investment earnings consisted of the following for the years ended June 30 (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

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(Amounts in 000)

	2020		
	Without donor restrictions	With donor restrictions	Total
Interest and dividends, net of custody fees	\$ (135)	807	672
Net realized gains	229	1,707	1,936
Net unrealized losses	(194)	(1,320)	(1,514)
Total return on investments	(100)	1,194	1,094
Spending for restricted purpose	(161)	(1,375)	(1,536)
Investment return less spending for restricted purpose	\$ (261)	(181)	(442)

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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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, 2020 and 2019, 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):

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>

2020				
	Level 1	Level 3	Investments valued at NAV	Total
Investments:				
Cash equivalents	\$ 3,753	—	—	3,753
Domestic equities	16,466	—	—	16,466
International equities	7,690	—	—	7,690
Fixed income	9,612	—	—	9,612
Private equity funds	—	—	4,335	4,335
Other	—	643	—	643
Land in Greece	—	622	—	622
Total investments	\$ <u>37,521</u>	<u>1,265</u>	<u>4,335</u>	<u>43,121</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, 2021 and 2020 for investments classified as Level 3 (amounts in 000):

	2021		
	<u>Land in Greece</u>	<u>Other</u>	<u>Total</u>
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>

	2020		
	<u>Land in Greece</u>	<u>Other</u>	<u>Total</u>
Fair value as of July 1, 2019	\$ 640	646	1,286
Exchange rate difference	(18)	(3)	(21)
Total	<u>\$ 622</u>	<u>643</u>	<u>1,265</u>

Level 3 investments include land in Greece of \$713 and property in Greece of \$221 which have insignificant value to third parties due to their location. Level 3 investments also include the appraised amount of retained life estate of \$881.

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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 investment fund redemptions require written notice prior to the redemption period. As of June 30, 2021 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)	\$ 4,071
Daily (Outside Advisor)	46,902
No restrictions (Investment Properties in Greece)	934
Locked up*	<u>4,443</u>
Total as of June 30, 2021	<u>\$ 56,350</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, 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, 2021 and 2020 was \$1,289 and \$2,432 respectively. Of this amount, approximately 10% and 5% of commitments as of June 30, 2021 and 2020, respectively, was for funds whose investment period had expired. 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 86 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).

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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 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, 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	—	8,969	8,969
	<u>—</u>	<u>44,332</u>	<u>44,332</u>
Board-designated endowment funds*	<u>5,578</u>	<u>—</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>

Endowment composition by type of fund consists of the following at June 30, 2020 (amounts in 000):

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor-restricted endowment funds:			
Scholarships	\$ —	21,369	21,369
Libraries	—	4,106	4,106
Instruction	—	2,787	2,787
General	<u>—</u>	<u>6,748</u>	<u>6,748</u>
	—	35,010	35,010
Board-designated endowment funds*	<u>4,497</u>	—	<u>4,497</u>
Total endowment	\$ <u>4,497</u>	<u>35,010</u>	<u>39,507</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, 2020 are as follows (amounts in 000):

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment, July 1, 2019	\$ 4,543	33,120	37,663
Investment return:			
Interest, dividends, and net realized gains	307	2,514	2,821
Net unrealized losses	<u>(192)</u>	<u>(1,320)</u>	<u>(1,512)</u>
Total investment return	115	1,194	1,309
Contributions	—	1,933	1,933
Repayment of borrowings	—	138	138
Spending for restricted purposes	<u>(161)</u>	<u>(1,375)</u>	<u>(1,536)</u>
Endowment, June 30, 2020	<u>\$ 4,497</u>	<u>35,010</u>	<u>39,507</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 deficiencies as of June 30, 2021 or in 2020.

(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, 2021, 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.

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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 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 2021 and 2020. For the years ended June 30, 2021 and 2020, this amounted to \$1,763 and \$1,604, respectively. The actual amount spent for restricted purposes was \$1,565 and \$1,536. 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>2021</u>	<u>2020</u>
Land	\$ 2,558	1,830
Buildings and improvements	27,059	22,416
Equipment	14,071	12,747
Construction in progress	<u>2,904</u>	<u>2,610</u>
	46,592	39,603
Less accumulated depreciation	<u>(21,098)</u>	<u>(18,724)</u>
	<u>\$ 25,494</u>	<u>20,879</u>

Depreciation expense for the years ended June 30, 2021 and 2020 was \$1,261 and \$1,063, respectively.

Land, comprising the College's campus, consists of approximately 87 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.

Rigas Feraios Property Acquisition

On March 31, 2021, the College entered into an agreement with an individual for the acquisition of 1.7 acres of land and 1 building located at Pylaia Thessaloniki for approximately €856 (\$1,019). The acquisition has enabled future control of the land and the expansion of the American College of Thessaloniki's premises.

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, 2021 was \$2,502.

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(7) Bank Loan Payable

In February 2009, the College obtained an uncollateralized, euro-denominated line of credit with a major bank in Greece for a maximum amount of €2,500 (\$2,976). The ceiling amount that can be collected by the College is €2,200 (\$2,619). The remaining amount has been used to cover other credit facilities including the issuance of Letters of Guarantees. There were €505 (\$601) and €707 (\$793) outstanding under the line at June 30, 2021 and 2020, respectively.

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. At June 30, 2020, 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 3.35% (3.35% total): There are no fees or interest charged on the remaining unused portion of the bank line of credit. In both 2021 and 2020, 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.

In February 2019, the College obtained an uncollateralized, euro-denominated line of credit with a major bank in Greece for a maximum amount of €200 (\$238). There were €0 (\$0) outstanding under the line at June 30, 2021 and 2020. 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 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. 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, 2021, 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 €1,207 (\$1,439) outstanding under the long-term borrowing at June 30, 2021.

A long-term loan of €1,000 (\$1,190) 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 June 30, 2021, 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 3.16% (3.16% total). There was €481 (\$572) outstanding under the long-term borrowing at June 30, 2021. The corresponding amounts as at June 30, 2020 were €540 (\$607).

An overdraft arrangement is provided, to Pinewood school by Piraeus Bank. Interest charge of the overdraft is set at 3 months Euribor of 3.16%, plus the charge of 0.6%, according to Law 128/75.

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At June 30, 2021, 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 3.16% (3.16% total). There was €59 (\$70) outstanding under the short term borrowing at June 30, 2021. The corresponding amounts as at June 30, 2020 were €57 (\$64).

In May 2008, Pinewood School obtained an uncollateralized, euro-denominated line of credit with a major bank in Greece for a maximum amount of €100 (\$119). There were € 2 (\$2) outstanding under the line on June 30, 2021. At June 30, 2021, 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 contribution for all supplementary pension plans for the year ended June 30, 2021.

(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. In response to the pandemic, the College temporarily suspended its own contributions to the plan for the year ended June 30, 2021.

Total expense under this plan for the years ended June 30, 2021 and 2020 was \$66 and \$288, respectively.

The accrued liability for this Greek nationals plan as of June 30, 2021 and 2020, and payable to the plan after the respective year-end, amounted to \$24 and \$175, 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, 2021 and 2020 was \$0 and \$18, respectively. There was no accrued liability for this plan as of June 30, 2021 and 2020.

(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

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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, 2021 actuarial valuation was prepared utilizing the following assumptions which may vary from year to year:

a) Mortality Table for men and women from EVK 2000, Swiss table.

b) Long-term Employee Turnover

Employee resignations 0% – Employee termination 0%.

c) Discount rate

The discount rate used was 0.90% reduced by 0.30% compared to previous year.

d) Annual Average Salary Increase

A 1.70% increase was used in the calculation.

e) Return on Investment

The rate used for the return on investment was 0.90%, 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, 2021 and 2020, were \$501 and \$552, respectively, of which \$180 in fiscal year 2021 represented actuarial losses. The liability, as of June 30, 2021 and 2020, was \$4,429 (€3,720) and \$4,023 (€3,580), respectively, and reflects the minimum amount payable on retirement. The substantial increase in the liability between June 30, 2021 and 2020 of €140 primarily results from the actuarial losses of €151.

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Changes in the accrual for employee retirement obligations for the years ended June 30, 2021 and 2020, respectively, are as follows (amounts in 000):

	<u>2021</u>	<u>2020</u>
Accrual for employee retirement obligations, at the beginning of year	\$ 4,023	3,682
Employment cost	267	222
Interest cost	54	60
Benefits paid directly by the College	(326)	(175)
Actuarial loss	180	270
Effect of exchange rate changes	<u>231</u>	<u>(36)</u>
Accrual for employee retirement obligations, at the end of year	\$ <u>4,429</u>	<u>4,023</u>

In 2020, apart from the liability for the Greek employee retirement plan, an amount of \$144 was also included in this line item according to the plan for Greek nationals hired prior to July 1, 2002, whereas in 2021, due to College's decision to suspend its own contribution for all supplementary pension plans, this liability amounted to \$0.

(9) Composition of Net Assets

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

	<u>2021</u>	<u>2020</u>
Without donor restrictions:		
Board designated endowments	\$ 5,578	4,497
Other net assets without donor restrictions	21,799	18,966
Transfer for land purchase	<u>1,666</u>	<u>1,913</u>
Total net assets without donor restrictions	<u>29,043</u>	<u>25,376</u>
With donor restrictions:		
Donor-restricted endowments subject to spending policy and appropriation:		
Scholarships	26,785	21,369
Libraries	5,023	4,106
Instruction	3,555	2,787
General activities	<u>8,969</u>	<u>6,748</u>
	<u>44,332</u>	<u>35,010</u>

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	<u>2021</u>	<u>2020</u>
Perpetual trusts, distributions available to support the following purposes (FHITBO) scholarships	\$ 6,386	5,137
	<u>6,386</u>	<u>5,137</u>
Subject to expenditure for specified purposes:		
Scholarships	3,452	3,211
Libraries	482	430
Academic support/instruction	50	137
General activities	229	288
Capital projects	6,145	5,274
	<u>10,358</u>	<u>9,340</u>
Subject to passage of time	998	529
Transfer for land purchase	(1,666)	(1,913)
Leonidia loan and other	1,750	2,195
	<u>62,158</u>	<u>50,298</u>
Total net assets with donor restrictions		
	<u>\$ 91,201</u>	<u>75,674</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>2021</u>	<u>2020</u>
Purpose:		
Scholarships	\$ 1,708	1,663
Buildings and equipment	1,085	1,968
Other	184	392
	<u>\$ 2,977</u>	<u>4,023</u>

(11) Macroeconomic Conditions in Greece/Impacts of Pandemic

During the past several years, the Greek economy has experienced significant financial challenges. As a result, the Greek government has negotiated and continues to discuss financial agreements with European Union (E.U.) representatives to ensure continued liquidity for the country in exchange for the Greek government's agreement to meet financial targets and to initiate legislative changes.

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The College's management continues to evaluate potential ramifications in the local financial environment to ensure risks are identified and prompt actions are taken to minimize any adverse impact on the College's current and future operations.

In March 2020, the World Health Organization declared the novel coronavirus (COVID-19) a pandemic. Although it is not possible to determine the pandemic's ultimate length, severity, or impacts on the economy or the College's finances, the College could experience material adverse effects posed by the risks, or our stakeholders' perceptions of the risks, related to COVID-19. As a result of the pandemic, beginning in March 2020, the College suspended in-person education and other campus-based activities, resulting in foregone revenues, the most significant of which resulted from the refunding of a portion of residence, dining revenues and transportation fees which amounted to \$723 for the year ended June 30, 2021 and to \$278 for the year ended June 30, 2020 respectively. Although the College incurred certain incremental costs due to the pandemic, including transitioning to online education and work environments, it also experienced reductions in certain other recurring costs, such as travel and utilities. In addition, the College received certain funding, \$84, under the CARES Act to cover its liquidity needs mainly due to payroll obligation for employees based in the United States during the year ended June 30, 2020. In March 2021, the College was eligible and applied for forgiveness of the loan funding. The College received full forgiveness, \$84, in April 2021.

The pandemic could continue to materially affect the College's ability to conduct its operations, the cost of its operations, and the generation of certain revenue, including from enrollment, campus housing, international activities, and other operating activities, as well as from financial markets and fundraising, and such effects could be consequential to the College. The full extent of the impact of COVID-19 on the College will depend on various future developments, particularly the duration and depth of the pandemic, which may be influenced by emerging medical treatments and applicable health and safety regulations.

(12) 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.

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	2021	2020
Cash	\$ 695	454
Contributions and other receivables, net	335	581
Due from affiliates, net***	3,523	5,532
Investments, at fair value*	7,672	6,537
Fixed assets, net**	6,559	5,198
Other assets	158	133
	<u>\$ 18,942</u>	<u>18,435</u>

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Liabilities	<u>2021</u>	<u>2020</u>
Other liabilities, principally accounts payable, and accrued expenses	\$ 1,030	1,232
Deferred revenues and student deposits	<u>66</u>	<u>36</u>
	1,096	1,268
 Net assets		
Without donor restrictions	11,566	11,800
With donor restrictions	<u>6,280</u>	<u>5,367</u>
Total liabilities and net assets	\$ <u>18,942</u>	<u>18,435</u>

* Investments of ACT are combined with those of the College, and consisted of approximately 78% mutual funds, 13% other investments and 9% cash equivalents as of June 30, 2021.

** Fixed assets, net of accumulated depreciation of \$8,072 and \$7,349 as of June 30, 2021 and 2020, 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).

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):

	<u>2021</u>		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Total revenues	\$ 3,765	896	4,661
Total expenses	<u>(4,457)</u>	<u>—</u>	<u>(4,457)</u>
Increase in net assets	(692)	896	204
Foreign currency translation adjustment	<u>458</u>	<u>17</u>	<u>475</u>
	\$ <u>(234)</u>	<u>913</u>	<u>679</u>

THE TRUSTEES OF ANATOLIA COLLEGE

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

(Amounts in 000)

	2020		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Total revenues	\$ 7,040	(102)	6,938
Total expenses	<u>(5,929)</u>	<u>—</u>	<u>(5,929)</u>
Increase (decrease) in net assets	1,111	(102)	1,009
Foreign currency translation adjustment	<u>(63)</u>	<u>(3)</u>	<u>(66)</u>
	<u>\$ 1,048</u>	<u>(105)</u>	<u>943</u>

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>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ 680	943
Net adjustment to reconcile change in net assets to net cash provided by operating activities:		
Change in effective exchange rate	(476)	66
Depreciation	286	278
Net realized and unrealized loss (gain) on investments	1,176	79
Contributions restricted for investment and building	7	500
Other	<u>2</u>	<u>3</u>
Net cash provided by operating activities	<u>1,675</u>	<u>1,869</u>
Cash flows from investing activities:		
Net purchases of investments	(2,311)	17
Purchases of fixed assets	<u>(1,338)</u>	<u>(40)</u>
Net cash used in investing activities	<u>(3,649)</u>	<u>(23)</u>
Cash flows from financing activities:		
Contributions restricted for investment	(7)	(500)
Change in due to/from the College	<u>2,195</u>	<u>(1,175)</u>
Net cash (used in) provided by financing activities	<u>2,188</u>	<u>(1,675)</u>
Net change in cash	214	171
Effect of exchange rate changes on cash	27	10
Cash as of beginning of year	<u>454</u>	<u>273</u>
Cash as of end of year	<u>\$ 695</u>	<u>454</u>

THE TRUSTEES OF ANATOLIA COLLEGE

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

(Amounts in 000)

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

(14) 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, 2021 and 2020 consist of the following:

	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 and amortization	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

THE TRUSTEES OF ANATOLIA COLLEGE

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

(Amounts in 000)

	2020									
	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	\$ 11,778	259	335	1,283	—	13,655	3,539	355	3,894	17,549
Student transportation, travel expenses, representation, other general expenses	856	165	114	2,458	—	3,593	1,239	143	1,382	4,975
Maintenance/utilities	711	67	27	1,134	—	1,939	345	3	348	2,287
Depreciation and amortization	918	19	49	45	—	1,031	81	—	81	1,112
Third party fees	236	5	12	32	—	285	700	9	709	994
Taxes, duties, interest expense and bank charges	—	—	—	—	—	—	202	—	202	202
Expenses under sponsored projects (EU. and U.S.)	—	—	—	—	2	2	—	—	—	2
Other expenses	424	5	2	9	—	440	364	1	365	805
Subtotal	\$ 14,923	520	539	4,961	2	20,945	6,470	511	6,981	27,926

(15) Subsequent Events

For purposes of determining the effects of subsequent events on these consolidated financial statements, management has evaluated events subsequent to June 30, 2021 and through October 22, 2021 the date on which the consolidated financial statements were issued.

THE TRUSTEES OF ANATOLIA COLLEGE

Supplementary Schedule A-Consolidating Statements of Financial Position

June 30, 2021 and 2020

(Amounts in 000)

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	<u>\$ 103,946</u>	<u>3,705</u>	<u>850</u>	<u>108,501</u>
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	<u>15,739</u>	<u>1,561</u>	<u>—</u>	<u>17,300</u>
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	<u>26,056</u>	<u>2,137</u>	<u>850</u>	<u>29,043</u>
With donor restrictions	62,151	7	—	62,158
Total net assets	<u>88,207</u>	<u>2,144</u>	<u>850</u>	<u>91,201</u>
Total liabilities and net assets	<u>\$ 103,946</u>	<u>3,705</u>	<u>850</u>	<u>108,501</u>

Assets	Anatolia College	Pinewood Schools	Adjustments	2020
Cash and cash equivalents	\$ 7,335	1,686	—	9,021
Tuition and other receivables, net of provision of \$909	2,002	228	—	2,230
Contributions receivable, net of provision of \$77	7,351	—	—	7,351
Investments, at fair value	42,622	499	—	43,121
Funds held in trust by others, at fair value	5,137	—	—	5,137
Land, buildings, and equipment, net	20,686	193	—	20,879
Pinewood license valuation	—	—	802	802
Other assets	1,144	64	—	1,208
Total assets	<u>\$ 86,277</u>	<u>2,670</u>	<u>802</u>	<u>89,749</u>
Liabilities and Net Assets				
Liabilities:				
Accounts payable and accrued expenses	\$ 3,747	249	—	3,996
Bank loan payable	794	607	—	1,401
Deferred tuition revenues and student deposits	4,350	161	—	4,511
Accrual for employee retirement obligations	3,890	277	—	4,167
Total liabilities	<u>12,781</u>	<u>1,294</u>	<u>—</u>	<u>14,075</u>
Net assets:				
Without donor restrictions	25,936	1,364	802	28,102
Cumulative adjustment from foreign currency translation	(2,729)	3	—	(2,726)
Total without donor restrictions	<u>23,207</u>	<u>1,367</u>	<u>802</u>	<u>25,376</u>
With donor restrictions	50,289	9	—	50,298
Total net assets	<u>73,496</u>	<u>1,376</u>	<u>802</u>	<u>75,674</u>
Total liabilities and net assets	<u>\$ 86,277</u>	<u>2,670</u>	<u>802</u>	<u>89,749</u>

See accompanying independent auditors' report.

THE TRUSTEES OF ANATOLIA COLLEGE
 Supplementary Schedule B-Consolidating Statements of Activities
 June 30, 2021 and 2020
 (Amounts in 000)

	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
2020									
Revenues:									
Student service revenue:									
Tuition and fees, net (includes scholarships, grants and other aid of \$2,818)	\$ 16,657	4,222	—	20,879	—	—	—	—	20,879
Auxiliary operations, net (includes scholarships, grants and other aid of \$243)	4,854	137	(60)	4,931	—	—	—	—	4,931
Student service revenue, net	21,511	4,359	(60)	25,810	—	—	—	—	25,810
Contributions	726	—	—	726	8,227	7	—	8,234	8,960
Spending for restricted purpose	161	—	—	161	1,375	—	—	1,375	1,536
Investment return net of spending for restricted purpose	(261)	—	—	(261)	(181)	—	—	(181)	(442)
Income on funds held in trust by others	—	—	—	—	200	—	—	200	200
Change in value of funds held in trust by others	—	—	—	—	(85)	—	—	(85)	(85)
Other sources	496	47	—	543	(29)	—	—	(29)	514
Pinewood license valuation	—	—	(10)	(10)	—	—	—	—	(10)
Grants (Greece and U.S.)	2	—	—	2	—	25	—	25	27
Total	22,635	4,406	(70)	26,971	9,506	32	—	9,539	36,510
Net assets released from restrictions	4,000	23	—	4,023	(4,000)	(23)	—	(4,023)	—
Total revenues	26,635	4,429	(70)	30,994	5,506	9	—	5,516	36,510
Expenses:									
Academic activities:									
Instruction	12,354	2,569	—	14,923	—	—	—	—	14,923
Libraries	520	—	—	520	—	—	—	—	520
Student services	539	—	—	539	—	—	—	—	539
Auxiliary activities	4,961	60	(60)	4,961	—	—	—	—	4,961
Expenditures under programs funded by grants (Greece and U.S.)	2	—	—	2	—	—	—	—	2
Supporting activities:									
General administration	4,576	946	—	5,522	—	—	—	—	5,522
Institutional support	1,387	72	—	1,459	—	—	—	—	1,459
Total expenses	24,339	3,647	(60)	27,926	—	—	—	—	27,926
Change in net assets, before transfers	2,296	782	(10)	3,068	5,506	9	—	5,516	8,584
Transfer for land purchase and other	(248)	—	—	(248)	248	—	—	248	—
Change in net assets	2,048	782	(10)	2,820	5,754	9	—	5,764	8,584
Net assets as of beginning of year	21,277	582	812	22,671	44,532	—	—	44,532	67,203
Foreign currency translation adjustment	(117)	2	—	(115)	2	—	—	2	(113)
Net assets as of end of year	\$ 23,208	1,366	802	25,376	50,289	9	—	50,298	75,674

See accompanying independent auditors' report.

THE TRUSTEES OF ANATOLIA COLLEGE
Supplementary Schedule C-Consolidating Statements of Cash Flows
Years ended June 30, 2021 and 2020
(Amounts in 000)

	<u>Anatolia College</u>	<u>Pinewood Schools</u>	<u>Adjustments</u>	<u>2021</u>
Cash flows from operating activities:				
Change in net assets	\$ 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:				
Amortization of Pinewood license	—	—	(48)	(48)
Contributions restricted for long term purposes	(406)	—	—	(406)
Change in effective exchange rate	(1,364)	(80)	—	(1,444)
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 accounts, other, and contributions receivable, net	1,415	67	—	1,482
Change in other assets	80	14	—	94
Change in accounts payable and accrued expenses	(108)	(112)	—	(220)
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>4,141</u>	<u>1,080</u>	<u>—</u>	<u>5,221</u>
Cash flows from investing activities:				
Purchases of investments	(18,813)	—	—	(18,813)
Sales of investments	17,092	—	—	17,092
Purchases of fixed assets	(4,612)	(251)	—	(4,863)
Net cash and cash equivalents used in investing activities	<u>(6,333)</u>	<u>(251)</u>	<u>—</u>	<u>(6,584)</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 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>
	<u>Anatolia College</u>	<u>Pinewood Schools</u>	<u>Adjustments</u>	<u>2020</u>
Cash flows from operating activities:				
Change in net assets	\$ 7,687	794	(10)	8,471
Adjustment of noncash items to convert change in noncash net assets to net cash and cash equivalents provided by operating activities:				
Amortization of Pinewood license	—	—	10	10
Contributions restricted for long term purposes	(1,915)	—	—	(1,915)
Change in effective exchange rate	116	(3)	—	113
Depreciation	1,019	44	—	1,063
Write off leasehold improvements	11	—	—	11
Net realized and unrealized gains on investments	(422)	—	—	(422)
Change in operating assets and liabilities:				
Change in value of funds held in trust by others	85	—	—	85
Changes in accounts, other, and contributions receivable, net	(4,075)	(36)	—	(4,111)
Change in other assets	(120)	1	—	(119)
Change in accounts payable and accrued expenses	65	87	—	152
Change in deferred tuition revenues and student deposits	570	(278)	—	292
Change in accrual for employee retirement obligations	324	51	—	375
Net cash and cash equivalents provided by operating activities	<u>3,345</u>	<u>660</u>	<u>—</u>	<u>4,005</u>
Cash flows from investing activities:				
Purchases of investments	(14,860)	—	—	(14,860)
Sales of investments	15,228	—	—	15,228
Purchases of fixed assets	(2,581)	(48)	—	(2,629)
Net cash and cash equivalents used in investing activities	<u>(2,213)</u>	<u>(48)</u>	<u>—</u>	<u>(2,261)</u>
Cash flows from financing activities:				
Contributions restricted for long term purposes	1,915	—	—	1,915
Proceeds from borrowing under line of credit	568	(64)	—	504
Net cash and cash equivalents provided by (used in) financing activities	<u>2,483</u>	<u>(64)</u>	<u>—</u>	<u>2,419</u>
Increase in cash and cash equivalents	3,615	548	—	4,163
Effect of exchange rate changes on cash and cash equivalents	32	(4)	—	28
Cash and cash equivalents as of beginning of year	<u>3,688</u>	<u>1,142</u>	<u>—</u>	<u>4,830</u>
Cash and cash equivalents as of end of year	<u>\$ 7,335</u>	<u>1,686</u>	<u>—</u>	<u>9,021</u>

See accompanying independent auditors' report.

THE TRUSTEES OF ANATOLIA COLLEGE

Supplementary Schedule D-Unaudited Schedule of Revenues and Expenses

June 30, 2021 and 2020

(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, 2021</u>	<u>Year ended June 30, 2020</u>
Operating revenue:				
Student income:				
International School	\$ 5,139	—	5,139	4,294
Primary education	3,422	—	3,422	3,378
Secondary education	10,964	—	10,964	10,137
Undergraduate-graduate program	3,972	—	3,972	5,230
Bilingual program	217	—	217	416
Board and lodging	284	—	284	344
Auxiliary activities	3,555	—	3,555	4,832
Scholarships applied to student income	(3,710)	—	(3,710)	(2,818)
Total student income	<u>23,843</u>	<u>—</u>	<u>23,843</u>	<u>25,813</u>
Sponsored support:				
Grants (E.U. and U.S.)	124	29	153	27
Total sponsored support	124	29	153	27
Contributions and private grants	149	2,520	2,669	8,960
Interest and dividends	(156)	721	565	736
Other income	267	(16)	251	320
Pinewood license valuation	48	—	48	(10)
Net assets released from restrictions	2,977	(2,977)	—	—
Total operating revenue	<u>27,252</u>	<u>277</u>	<u>27,529</u>	<u>35,846</u>
Operating expenses:				
Salaries, wages and employer's benefits	18,187	—	18,187	17,549
Student transportation/travel expenses/representation/ subscriptions/stationery/general expenses	3,753	—	3,753	4,975
Maintenance/utilities/rent of facilities	1,311	—	1,311	2,287
Depreciation and amortization	1,329	—	1,329	1,112
Provisions for doubtful debts and staff leaving indemnities	466	—	466	528
Third party fees	781	—	781	994
Taxes, duties, interest expense and bank charges	238	—	238	202
Expenses under sponsored projects (E.U. and U.S.)	40	—	40	2
Other expenses	56	—	56	88
Total operating expenses	<u>26,161</u>	<u>—</u>	<u>26,161</u>	<u>27,737</u>
Net operating surplus	<u>1,091</u>	<u>277</u>	<u>1,368</u>	<u>8,109</u>
Non operating activities:				
Investment income:				
Other investment gains	1,797	9,475	11,272	360
Income on funds held in trust by others	—	194	194	200
Gains on funds held in trust by others	—	1,249	1,249	(85)
Total investment income	<u>1,797</u>	<u>10,918</u>	<u>12,715</u>	<u>475</u>
Net change during the year before transfers	2,888	11,195	14,083	8,584
Transfer for land purchase and other	(248)	248	—	—
Net change during the year	2,640	11,443	14,083	8,584
Net assets, beginning of year	25,376	50,298	75,674	67,203
Foreign currency translation adjustment	1,027	417	1,444	(113)
Net assets, end of year	\$ <u>29,043</u>	<u>62,158</u>	<u>91,201</u>	<u>75,674</u>

See accompanying independent auditors' report.