



**TRUSTEES OF ANATOLIA COLLEGE**

Consolidated Financial Statements

June 30, 2024 and 2023

(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, 2024 and 2023, 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, 2024 and 2023, 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 in 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 audit 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 11, 2024

**THE TRUSTEES OF ANATOLIA COLLEGE**

Consolidated Statements of Financial Position

June 30, 2024 and 2023

(Amounts in 000)

<b>Assets</b>	<b>2024</b>	<b>2023</b>
Cash and cash equivalents (note 1(d))	\$ 6,030	9,651
Tuition and other receivables, net of provision of \$438 in 2024 and \$533 in 2023	838	932
Contributions receivable, net of provision of \$36 in 2024 and \$36 in 2023 (note 1(g), 3)	3,917	4,000
Investments, at fair value (note 1(n), 4, 5)	50,830	47,078
Right-of-use assets (note 1(m), 6)	1,638	656
Funds held in trust by others, at fair value (note 1(f))	6,115	5,567
Land, buildings, and equipment, net (note 7)	52,298	41,260
Pinewood license valuation	768	776
Other assets	1,205	1,688
Total assets	\$ 123,639	111,608
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 5,902	4,587
Bank loan payable (note 8)	6,829	5,345
Deferred tuition revenues and student deposits (note 1(i))	6,132	5,917
Lease obligations (note 1(m), 6)	1,697	694
Accrual for employee retirement obligations (note 9, c)	4,603	4,210
Total liabilities	25,163	20,753
Net assets:		
Without donor restrictions	42,214	38,883
Cumulative adjustment from foreign currency translation (note 1(e))	(3,295)	(2,940)
Total without donor restrictions	38,919	35,943
With donor restrictions	59,557	54,912
Total net assets (note 10)	98,476	90,855
Total liabilities and net assets	\$ 123,639	111,608

See accompanying notes to consolidated financial statements.

**THE TRUSTEES OF ANATOLIA COLLEGE**

Consolidated Statements of Activities

June 30, 2024 and 2023

(Amounts in 000)

	2024			2023		
	Without donor restriction	With donor restriction	Total	Without donor restriction	With donor restriction	Total
<b>Revenues:</b>						
Student service revenue:						
Tuition and fees, net of scholarships, grants and other aid of \$3,370 and \$3,052 for 2024 and 2023, respectively	\$ 28,018	—	28,018	23,750	—	23,750
Auxiliary operations, net of scholarships, grants and other aid of \$226 and \$166 for 2024 and 2023, respectively	9,900	—	9,900	7,479	—	7,479
Student service revenue, net (note 1(c))	37,918	—	37,918	31,229	—	31,229
Contributions	90	2,208	2,298	228	1,180	1,408
Spending for restricted purpose (note 4, 5(e))	142	1,746	1,888	157	1,528	1,685
Investment return net of spending for restricted purpose (note 4)	92	2,727	2,819	(166)	2,433	2,267
Income on funds held in trust by others	—	208	208	—	225	225
Change in value of funds held in trust by others (note 1(f))	—	548	548	—	298	298
Other sources	725	(5)	720	1,183	(56)	1,127
Pinewood license valuation	(8)	—	(8)	32	—	32
Grants (Greece and U.S.)	137	—	137	64	—	64
Total	39,096	7,432	46,528	32,727	5,608	38,335
Net assets released from restrictions (note 11)	2,992	(2,992)	—	5,342	(5,342)	—
Total revenues	42,088	4,440	46,528	38,069	266	38,335
<b>Expenses:</b>						
Academic activities:						
Instruction	18,083	—	18,083	15,998	—	15,998
Libraries	687	—	687	597	—	597
Student services	798	—	798	605	—	605
Auxiliary activities	9,422	—	9,422	7,602	—	7,602
Expenditures under programs funded by grants (Greece and U.S.)	93	—	93	64	—	64
Supporting activities:						
General administration	6,994	—	6,994	5,746	—	5,746
Institutional support	2,432	—	2,432	1,833	—	1,833
Total expenses (note 13)	38,509	—	38,509	32,445	—	32,445
Change in net assets, before transfers	3,579	4,440	8,019	5,624	266	5,890
Transfer for land purchase and other	(248)	248	—	(248)	248	—
Change in net assets	3,331	4,688	8,019	5,376	514	5,890
Net assets as of beginning of year	35,943	54,912	90,855	29,353	54,249	83,602
Foreign currency translation adjustment (note 1(e))	(355)	(43)	(398)	1,214	149	1,363
Net assets as of end of year	\$ 38,919	59,557	98,476	35,943	54,912	90,855

See accompanying notes to consolidated financial statements.

**THE TRUSTEES OF ANATOLIA COLLEGE**

Consolidated Statements of Cash Flows

Years ended June 30, 2024 and 2023

(Amounts in 000)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets adjusted for foreign currency translation	\$ 7,621	7,253
Adjustment of noncash items to convert change in noncash net assets to net cash and cash equivalents provided by (used in) operating activities:		
Foreign currency translation adjustment	398	(1,363)
Pinewood license valuation	8	(32)
Contributions restricted for long-term purposes	(795)	(128)
Depreciation	1,398	1,046
Net realized and unrealized losses (gains) on investments	(3,930)	(3,320)
Change in operating assets and liabilities:		
Change in value of funds held in trust by others	(548)	(299)
Changes in tuition and other and contributions receivable, net	79	2,547
Change in other assets	2,237	787
Change in right-of-use assets	(986)	(656)
Change in accounts payable and accrued expenses	138	(277)
Change in deferred tuition revenues and student deposits	(1,442)	908
Change in lease obligations	1,006	694
Change in accrual for employee retirement obligations	438	188
Net cash and cash equivalents provided by (used in) operating activities	<u>5,622</u>	<u>7,348</u>
Cash flows from investing activities:		
Purchases of investments	(10,258)	(19,656)
Sales of investments	10,429	19,256
Purchases of fixed assets	<u>(11,651)</u>	<u>(10,705)</u>
Net cash and cash equivalents used in investing activities	<u>(11,480)</u>	<u>(11,105)</u>
Cash flows from financing activities:		
Contributions restricted for long-term purposes	795	128
Proceeds from borrowing under line of credit	<u>1,541</u>	<u>2,936</u>
Net cash and cash equivalents provided by financing activities	<u>2,336</u>	<u>3,064</u>
Increase (decrease) in cash and cash equivalents	(3,522)	(693)
Effect of exchange rate changes on cash and cash equivalents	(99)	322
Cash and cash equivalents as of beginning of year	<u>9,651</u>	<u>10,022</u>
Cash and cash equivalents as of end of year	\$ <u><u>6,030</u></u>	\$ <u><u>9,651</u></u>
Supplemental schedule of noncash investing and financing activities:		
Change in accounts payable and accrued expenses for buildings and equipment	\$ 1,225	129

See accompanying notes to consolidated financial statements.

## THE TRUSTEES OF ANATOLIA COLLEGE

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

(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 800-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.

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.

About 46% 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 (unaudited) Anatolia campus (land, 31 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



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

**(c) Student Service Revenue**

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 \$3,370 and \$3,052 at June 30, 2024 and 2023, 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. The College may place its cash on deposit with financial institutions in the United States, which are insured by the Federal Deposit Insurance Company ("FDIC") up to \$250,000. The Fund's credit risk in the event of failure of these financial institutions is represented by the difference between the FDIC limit and the total amounts on deposit. The College from time to time may have amounts on deposit in excess of the insured limits.

**(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		
	2024	2023	2022
Revenues and expenses at the average rate for the fiscal years ended	0.92:1	0.96:1	0.89:1
Assets, liabilities, and net assets at the current rate as of June 30	0.93:1	0.92:1	0.96:1

An analysis of the unrestricted cumulative adjustments from foreign currency translation for the year ended June 30, 2024 is as follows (amounts in 000):

Balance as of June 30, 2023	\$ (2,940)
Translation adjustment for fiscal 2024	<u>(355)</u>
Balance as of June 30, 2024	<u><u>\$ (3,295)</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, 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 these trusts (\$6,115 and \$5,567 as of June 30, 2024 and 2023, 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 \$548 and \$298 for fiscal year 2024 and 2023, respectively.

### **(g) Split Interest Agreements**

The College is also a beneficiary of certain charitable remainder trusts held by others (\$110 and \$101 as of June 30, 2024 and 2023, 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 seven to fifteen 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 and Pinewood are tax-exempt organizations as described in Section 501(c)(3) of the Internal Revenue Code (the Code) of the United States of America, and are generally exempt from Federal and State income taxes pursuant to Section 501(a) of the Code and applicable State Laws.

The College and Pinewood are 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

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### Notes to Consolidated Financial Statements

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(Amounts in 000)

exception of revenues incurred in pursuit of the fulfillment of their missions, which are not subject to the tax.

The College and Pinewood assessed their 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. Fundraising costs for the years ended June 30, 2024 and 2023 were \$610 and \$471, respectively, and are included in general administration expense in the consolidated statements of activities.

#### **(m) Leases**

The College determines if an arrangement is a lease at inception of the contract and classifies leases as either operating or finance depending upon the terms and conditions set forth in the contract. The College uses an incremental borrowing rate to determine the present value of lease payments. At the time of recognition of a lease liability and corresponding right-of-use asset, the incremental borrowing rate is determined using interest rates applicable to the College. The College has leases under which it is obligated as a lessee and leases for which it is a lessor. Lease right-of-use assets represent the College's right to use an underlying asset for the lease term. Lease obligations represent the College's liability to make lease payments arising from the lease. Operating and finance lease right-of-use assets and related obligations are recognized at commencement date based on the present value of lease payments over the lease term discounted using an appropriate incremental borrowing rate. The incremental borrowing rate is based on the information available at commencement date in determining the present value of lease payments. The value of an option to extend or terminate a lease is reflected to the extent it is reasonably certain management will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Interest expense is recognized as a component of the lease payment for finance leases. Rental income arising from operating leases as a lessor is included in operating revenue in other sources in the statement of activities.

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(Amounts in 000)

The following table summarizes cash paid for amounts included in the measurement of these liabilities for operating and finance leases as a lessee for the year ended June 30, 2024:

2024:		
Operating cash flows used in finance leases	\$	112
Operating cash flows used in operating leases		814

**(n) 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, 2024 and 2023, except for properties in Greece held for investment purposes.

The profile of the holdings of these portfolios at June 30, 2024 and 2023 is as follows (amounts in 000):

Investment advisor	Types of investments	2024	
		Cost	Fair value
College advised	Cash and short-term interest bearing	\$ 1,757	1,757
	Land in Greece	505	597
Outside advisor	Domestic equities	22,626	23,338
	International equities	6,848	8,049
	Fixed income	12,485	11,601
	Alternative investments	3,583	5,488
		\$ 47,804	50,830

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(Amounts in 000)

<u>Investment advisor</u>	<u>Types of investments</u>	<u>2023</u>	
		<u>Cost</u>	<u>Fair value</u>
College advised	Cash and short-term interest bearing	\$ 1,708	1,708
	Land in Greece	505	603
	Other	335	881
Outside advisor	Domestic equities	21,353	19,826
	International equities	6,224	6,851
	Fixed income	11,217	10,407
	Alternative investments	4,197	6,802
		<u>\$ 45,539</u>	<u>47,078</u>

**(o) 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.

**(2) Financial Assets and Liquidity**

As of June 30, 2024 and 2023, 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>2024</u>	<u>2023</u>
Financial assets:		
Cash and cash equivalents	\$ 6,030	9,651
Tuition and other receivables, net	1,282	932
Contributions restricted for operations receivable due within a year	668	602
Investments available for spending within a year	2,100	1,200
Endowment spending for restricted purposes	1,888	1,685
Total financial assets available within one year	11,968	14,070
Liquidity resources:		
Available bank lines of credit	1,827	1,820
Total financial assets and liquidity resources available within one year	<u>\$ 13,795</u>	<u>15,890</u>

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(Amounts in 000)

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 maintains 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):

	<b>2024</b>	<b>2023</b>
Less than one year	\$ 3,185	3,080
One to five years	658	856
Greater than five years	110	100
Less allowance for uncollectible contributions	(36)	(36)
Contributions receivable, net	\$ 3,917	4,000

**(4) Investments**

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

	<b>2024</b>	<b>2023</b>
Investments, at fair value, as of beginning of year	\$ 47,078	43,330
Contribution and pledge receipts	1,059	711
Interest and dividends, net of custody fees	778	632
Net realized and unrealized gains (losses)	3,929	3,320
Withdrawals for Boston operations and various campus operations expenses	(2,446)	(2,188)
Repayment of borrowings to endowment	881	739
Transfer to Greece for construction purposes	(823)	—
Other additions	374	534
Investments, at fair value, as of end of year	\$ 50,830	47,078

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Notes to Consolidated Financial Statements

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(Amounts in 000)

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

	<b>2024</b>		
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Interest and dividends, net of custody fees	\$ (305)	1,083	778
Net realized gains	261	1,377	1,638
Net unrealized gains	278	2,013	2,291
Total return on investments	234	4,473	4,707
Spending for restricted purposes	(142)	(1,746)	(1,888)
Investment return less spending for restricted purposes	\$ 92	2,727	2,819
	<b>2023</b>		
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Interest and dividends, net of custody fees	\$ (407)	1,039	632
Net realized gains	243	1,812	2,055
Net unrealized gains	155	1,110	1,265
Total return on investments	(9)	3,961	3,952
Spending for restricted purposes	(157)	(1,528)	(1,685)
Investment return less spending for restricted purposes	\$ (166)	2,433	2,267

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.

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June 30, 2024 and 2023

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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 invests in primary sectors in the core private real estate market including apartment, retail, office, and industrial assets.

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 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, 2024 and 2023, 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.



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

<b>2024</b>				
	<b>Level 1</b>	<b>Level 3</b>	<b>Investments valued at NAV</b>	<b>Total</b>
Investments:				
Cash equivalents	\$ 1,757	—	—	1,757
Domestic equities	23,338	—	—	23,338
International equities	8,048	—	—	8,048
Fixed income	11,601	—	—	11,601
Private equity funds	—	—	5,489	5,489
Other	—	—	—	—
Land in Greece	—	597	—	597
Total investments	\$ <u>44,744</u>	<u>597</u>	<u>5,489</u>	<u>50,830</u>
<b>2023</b>				
	<b>Level 1</b>	<b>Level 3</b>	<b>Investments valued at NAV</b>	<b>Total</b>
Investments:				
Cash equivalents	\$ 1,708	—	—	1,708
Domestic equities	19,826	—	—	19,826
International equities	6,851	—	—	6,851
Fixed income	10,406	—	—	10,406
Private equity funds	—	—	6,802	6,802
Other	—	882	—	882
Land in Greece	—	603	—	603
Total investments	\$ <u>38,791</u>	<u>1,485</u>	<u>6,802</u>	<u>47,078</u>

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.

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The following table presents the College's activity for the fiscal years ended June 30, 2024 and 2023 for investments classified as Level 3 (amounts in 000):

	<b>2024</b>		
	<u>Land in Greece</u>	<u>Other</u>	<u>Total</u>
Fair value as of July 1, 2023	\$ 603	882	1,485
Sale of investment	—	(882)	(882)
Exchange rate difference	(6)	—	(6)
Total	<u>\$ 597</u>	<u>—</u>	<u>597</u>

  

	<b>2023</b>		
	<u>Land in Greece</u>	<u>Other</u>	<u>Total</u>
Fair value as of July 1, 2022	\$ 624	881	1,505
Change in fair value	(48)	—	(48)
Exchange rate difference	27	1	28
Total	<u>\$ 603</u>	<u>882</u>	<u>1,485</u>

Level 3 investments include land in Greece, 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 which was sold during the year.

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, 2024 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)	\$ 1,757
Daily (Outside Advisor)	42,987
No restrictions (Investment Properties in Greece)	597
Locked up*	<u>5,489</u>
Total as of June 30, 2024	<u>\$ 50,830</u>

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- \* The investments categorized as locked up are comprised of investments in alternative investment vehicles with an outside advisor (private equity funds).

#### *Commitments:*

Private equity, a vehicle that pools investors' commitments and creates a diversified portfolio of private investments through the combination of primary funds, co-investments, and secondaries, are generally made through private limited partnerships. Under the terms of the partnership agreements, the College makes a commitment of committed funding periodically when capital calls are exercised by the General Partner as the partnership executes on its investment strategy. The aggregate amount of unfunded commitments associated with private limited partnerships as of June 30, 2024 and 2023 was \$2,416 and \$1,516, 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 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.

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In accordance with applicable 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, 2024 (amounts in 000):

	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Donor-restricted endowment funds:			
Scholarships	\$ —	28,180	28,180
Libraries	—	4,971	4,971
Instruction	—	3,692	3,692
General	—	9,332	9,332
	—	46,175	46,175
Board-designated endowment funds*	1,647	—	1,647
Total endowment	\$ 1,647	46,175	47,822

\* Refer to note 7 regarding the internal loans made to the College for the purchase of Leonideia land and for the construction of new buildings.

Changes in endowment for the year ended June 30, 2024 are as follows (amounts in 000):

	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Endowment, June 30, 2023	\$ 773	42,491	43,264
Investment return:			
Interest, dividends, and net realized gains	296	2,460	2,756
Net unrealized gains	240	2,013	2,253
Total investment return	536	4,473	5,009
Contributions	—	795	795
Repayment of borrowings	480	162	642
Spending for restricted purposes	(142)	(1,746)	(1,888)
Endowment, June 30, 2024	\$ 1,647	46,175	47,822

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Endowment composition by type of fund consists of the following at June 30, 2023 (amounts in 000):

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor-restricted endowment funds:			
Scholarships	\$ —	25,738	25,738
Libraries	—	4,721	4,721
Instruction	—	3,474	3,474
General	—	8,558	8,558
	—	42,491	42,491
Board-designated endowment funds*	<u>773</u>	<u>—</u>	<u>773</u>
Total endowment	<u>\$ 773</u>	<u>42,491</u>	<u>43,264</u>

\* Refer to note 7 regarding the internal loan made to the College for the purchase of Leonideia land and for the construction of new buildings.

Changes in endowment for the year ended June 30, 2023 are as follows (amounts in 000):

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment, June 30, 2022	\$ 214	39,750	39,964
Investment return:			
Interest, dividends, and net realized gains	343	2,851	3,194
Net unrealized gains	<u>133</u>	<u>1,110</u>	<u>1,243</u>
Total investment return	476	3,961	4,437
Contributions	—	152	152
Repayment of borrowings	240	156	396
Spending for restricted purposes	<u>(157)</u>	<u>(1,528)</u>	<u>(1,685)</u>
Endowment, June 30, 2023	<u>\$ 773</u>	<u>42,491</u>	<u>43,264</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, 2024 and 2023, respectively.

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### **(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. All endowment assets are managed by SEI. Other investments are not endowment. 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 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.

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**(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 2024 and 2023. For the years ended June 30, 2024 and 2023, this amounted to \$2,162 and \$2,057, respectively. The actual amount spent for restricted purposes was \$1,888 and \$1,685. 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.

**(6) Leases**

The College is committed to minimum annual lease payments under several long-term non-cancellable operating and finance leases for educational and auxiliary facilities and equipment through fiscal year 2029.

The components of lease expense for the year ended June 30, 2024 are as follows (in thousands of dollars):

	<b>2024</b>
Lease cost:	
Finance lease expense:	
Amortization of right-of-use assets	\$ 41
Interest on lease obligations	4
Operating lease expense total	912
Total lease expense	\$ 957

Payments due and other information related to operating and finance leases are summarized below as of June 30, 2024 (in thousands of dollars):

	<b>Operating</b>	<b>Finance</b>
Fiscal year:		
2025	\$ 808	46
2026	327	42
2027	196	18
2028	187	12
2029	104	8
Thereafter	36	—
	1,658	126

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	<u>Operating</u>	<u>Finance</u>
Less amount representing interest	\$ (80)	(7)
Total obligation	\$ <u>1,578</u>	<u>119</u>
Weighted-average remaining lease term	6 years	5 years
Weighted-average discount rate	3.62 %	3.62 %

**(7) Fixed Assets**

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

	<u>2024</u>	<u>2023</u>
Land	\$ 2,498	2,336
Buildings and improvements	45,759	37,400
Equipment	15,228	13,983
Construction in progress	9,802	7,371
	<u>73,287</u>	<u>61,090</u>
Less accumulated depreciation	<u>(20,989)</u>	<u>(19,830)</u>
	\$ <u>52,298</u>	<u>41,260</u>

Depreciation expense for the years ended June 30, 2024 and 2023 was \$1,398 and \$1,046, 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



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will be subject to a rate of interest of 4%. The corresponding amount of this internal loan as of June 30, 2024 and 2023 was \$2,034 and \$2,196, respectively.

#### *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, 2024 and 2023 was \$4,080 and \$4,560, respectively.

#### **(8) Bank Loan Payable**

The outstanding amounts of bank loans payable at June 30, 2024 and 2023, respectively, are summarized in the table below.

	Disclosure date	Full repayment date	Repayment installments	Currency loan	Ceiling amount		Interest rate		Outstanding principal	
					2024	2023	2024	2023	2024	2023
Alpha bank uncollateralized line of credit	Feb-2009	—	—	Euro	\$ 2,688	2,717	5.80	5.92 %	\$ 1,075	1,105
Eurobank uncollateralized line of credit	Feb-2019	—	—	Euro	215	217	6.0	8.58	1	—
Alpha Bank long term-loan	Jul-2020	Aug-2031	37 (3 month)	Euro	3,382	4,674	6.0	6.33	2,876	3,255
Alpha Bank long term-loan	Mar-2022	Dec-2031	28 (3 month)	Euro	1,720	1,739	6.0	5.93	1,635	985
Alpha Bank long term-loan	Aug-2023	Aug-2031	37 (3 month)	Euro	1,242	—	6.0	—	1,242	—
Total bank loan payable									\$ 6,829	5,345

In FY 2031, the Alpha bank long term loans, will conclude with a balloon payment of \$1,887.

#### **(9) Employee Retirement Plans**

The College has several defined contribution annuity retirement plans covering substantially all full-time faculty and administrative personnel vest to each employee according to respective plan document. U.S. employees are eligible to participate immediately without having to complete service of any length of time. 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.

##### **(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, 2024 and 2023 was \$407 and \$326, respectively.

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The accrued liability for this Greek nationals plan as of June 30, 2024 and 2023, and payable to the plan after the respective year-end, amounted to \$185 and \$177, respectively.

#### **(b) U.S. Nationals Plan**

Under a second plan that relates primarily to U.S. nationals, a maximum employer matching contribution of 5% is made. Total expense under this U.S. nationals plan for the years ended June 30, 2024 and 2023 was \$22 and \$24, respectively. There was no accrued liability for this plan as of June 30, 2024 and 2023.

#### **(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 using the Project Unit Credit Method. The June 30, 2024 actuarial valuation was prepared utilizing the following assumptions which may vary from year to year:

	<u>2024</u>	<u>2023</u>
Discount rate	3.62 %	3.6 %
Inflation rate	2.1	2.2
Salary increase rate	3.0	3.0
Mortality table	EAE2012P	EAE2012P
Withdrawal rate	—	—

#### **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."

Pursuant to the actuarial study, the amounts charged to expense for the years ended June 30, 2024 and 2023, were \$404 and \$366, respectively.

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Changes in the accrual for employee retirement obligations for the years ended June 30, 2024 and 2023, respectively, are as follows (amounts in 000):

	<u>2024</u>	<u>2023</u>
Accrual for employee retirement obligations, at the beginning of year	\$ 4,033	3,857
Employment cost	265	241
Interest cost	138	126
Benefits paid directly by the college	(158)	(150)
Curtailment effect	—	—
Actuarial loss/gains	188	(24)
Effect of exchange rate changes	<u>(48)</u>	<u>(17)</u>
Accrual for Greek employee retirement plan	4,418	4,033
Accrued liability for Greek nationals hired prior to July 2002	<u>185</u>	<u>177</u>
Accrual for employee retirement obligations, at the end of year	\$ <u><u>4,603</u></u>	<u><u>4,210</u></u>

**(10) Composition of Net Assets**

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

	<u>2024</u>	<u>2023</u>
Without donor restrictions:		
Board designated endowments	\$ 1,647	773
Other net assets without donor restrictions	32,270	29,440
Transfer for land purchase	922	1,170
Borrowing from endowment	<u>4,080</u>	<u>4,560</u>
Total net assets without donor restrictions	<u>38,919</u>	<u>35,943</u>
With donor restrictions:		
Donor-restricted endowments subject to spending policy and appropriation:		
Scholarships	\$ 28,180	25,738
Libraries	4,971	4,721
Instruction	3,692	3,474
General activities	<u>9,332</u>	<u>8,558</u>
	<u>46,175</u>	<u>42,491</u>

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	<u>2024</u>	<u>2023</u>
Perpetual trusts, distributions available to support the following purposes (FHITBO) scholarships	\$ <u>6,115</u>	<u>5,567</u>
	<u>6,115</u>	<u>5,567</u>
Subject to expenditure for specified purposes:		
Scholarships	3,561	3,418
Libraries	414	450
Academic support/instruction	18	18
General activities	588	318
Capital projects	<u>1,344</u>	<u>1,371</u>
	5,925	5,575
Subject to passage of time	230	253
Transfer for land purchase	(922)	(1,170)
Leonidia loan and other	<u>2,034</u>	<u>2,196</u>
Total net assets with donor restrictions	<u>59,557</u>	<u>54,912</u>
Total net assets	\$ <u><u>98,476</u></u>	<u><u>90,855</u></u>

**(11) 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>2024</u>	<u>2023</u>
Purpose:		
Scholarships	\$ 1,615	1,451
Buildings and equipment	664	3,341
Other	<u>713</u>	<u>550</u>
	\$ <u><u>2,992</u></u>	<u><u>5,342</u></u>

**(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.

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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):

<b>Assets</b>	<b>2024</b>	<b>2023</b>
Cash	\$ 1,132	1,263
Contributions and other receivables, net	178	214
Due from affiliates, net***	8,001	5,434
Investments, at fair value*	7,677	7,234
Right-of-use assets	842	79
Fixed assets, net**	9,131	8,335
Other assets	368	462
	<u>\$ 27,329</u>	<u>23,021</u>
 <b>Liabilities</b>		
Other liabilities, principally accounts payable, and accrued expenses	\$ 1,431	1,370
Lease obligations	853	78
Deferred revenues and student deposits	92	99
	<u>2,376</u>	<u>1,547</u>
 <b>Net assets</b>		
Without donor restrictions	18,956	15,853
With donor restrictions	5,997	5,621
Total liabilities and net assets	<u>\$ 27,329</u>	<u>23,021</u>

\* Investments of ACT are combined with those of the College, and consisted of approximately 85% equities and fixed income, 12% other investments and 3% cash equivalents as of June 30, 2024.

\*\* Fixed assets, net of accumulated depreciation of \$7,762 and \$7,554 as of June 30, 2024 and 2023, respectively, consist primarily of the Bissell Library and two, two-story campus buildings.

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

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June 30, 2024 and 2023

(Amounts in 000)

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):

	<b>2024</b>		
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Total revenues	\$ 13,010	379	13,389
Total expenses	(9,744)	—	(9,744)
Increase in net assets	3,266	379	3,645
Foreign currency translation adjustment	(163)	(3)	(166)
	<u>\$ 3,103</u>	<u>376</u>	<u>3,479</u>
	<b>2023</b>		
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Total revenues	\$ 10,369	392	10,761
Total expenses	(7,871)	—	(7,871)
Increase in net assets	2,498	392	2,890
Foreign currency translation adjustment	490	10	500
	<u>\$ 2,988</u>	<u>402</u>	<u>3,390</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):

	<b>2024</b>	<b>2023</b>
Cash flows from operating activities:		
Change in net assets	\$ 3,479	3,390
Net adjustment to reconcile change in net assets to net cash provided by operating activities:		
Foreign currency translation adjustment	166	(500)
Depreciation	289	244
Net realized and unrealized loss (gain) on investments	(578)	(496)
Contributions restricted for investment and building	70	102

**THE TRUSTEES OF ANATOLIA COLLEGE**

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

(Amounts in 000)

	<u>2024</u>	<u>2023</u>
Change in right-of-use assets	\$ (764)	(79)
Other	193	378
Change in lease obligations	<u>776</u>	<u>78</u>
Net cash provided by operating activities	<u>3,631</u>	<u>3,117</u>
Cash flows from investing activities:		
Net purchases of investments	135	(11)
Purchases of fixed assets	<u>(1,175)</u>	<u>(1,575)</u>
Net cash provided by (used in) investing activities	<u>(1,040)</u>	<u>(1,586)</u>
Cash flows from financing activities:		
Contributions restricted for investment	(70)	(102)
Change in due to/from the College	<u>(2,601)</u>	<u>(1,354)</u>
Net cash (used in) provided by financing activities	<u>(2,671)</u>	<u>(1,456)</u>
Net change in cash	(80)	75
Effect of exchange rate changes on cash	(51)	151
Cash as of beginning of year	<u>1,263</u>	<u>1,037</u>
Cash as of end of year	\$ <u><u>1,132</u></u>	<u><u>1,263</u></u>

**(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.

## THE TRUSTEES OF ANATOLIA COLLEGE

### Notes to Consolidated Financial Statements

June 30, 2024 and 2023

(Amounts in 000)

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, 2024 and 2023 consist of the following:

	2024									
	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	\$ 14,011	336	471	2,447	—	17,265	4,585	365	4,950	22,215
Student transportation, travel expenses, representation, other general expenses	980	178	190	3,943	—	5,291	2,155	243	2,398	7,689
Maintenance/utilities	1,315	134	47	2,857	—	4,353	498	—	498	4,851
Depreciation	1,202	27	68	61	—	1,358	40	—	40	1,398
Third party fees for services	409	8	19	102	—	538	729	—	729	1,267
Taxes, duties, interest expense and bank charges	5	—	—	—	—	5	413	—	413	418
Expenses under sponsored projects (EU. and U.S.)	—	—	—	—	93	93	—	—	—	93
Other expenses	161	4	3	12	—	180	396	2	398	578
Subtotal	\$ 18,083	687	798	9,422	93	29,083	8,816	610	9,426	38,509

	2023									
	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	\$ 12,660	286	349	2,157	—	15,452	3,714	363	4,077	19,529
Student transportation, travel expenses, representation, other general expenses	1,071	152	153	3,457	—	4,833	1,575	107	1,682	6,515
Maintenance/utilities	884	130	37	1,858	—	2,909	706	—	706	3,615
Depreciation	900	19	47	28	—	994	52	—	52	1,046
Third party fees for services	315	6	16	90	—	427	542	—	542	969
Taxes, duties, interest expense and bank charges	5	—	—	—	—	5	304	—	304	309
Expenses under sponsored projects (EU. and U.S.)	—	—	—	—	64	64	—	—	—	64
Other expenses	163	4	3	12	—	182	215	1	216	398
Subtotal	\$ 15,998	597	605	7,602	64	24,866	7,108	471	7,579	32,445

#### (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, 2024 and through October 11, 2024, 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, 2024 and 2023

(Amounts in 000)

<b>Assets</b>	<b>Anatolia College</b>	<b>Pinewood Schools</b>	<b>Adjustments</b>	<b>2024</b>
Cash and cash equivalents	\$ 3,356	2,674	—	6,030
Tuition and other receivables, net of provision of \$438	657	181	—	838
Contributions receivable, net of provision of \$36	3,917	—	—	3,917
Investments, at fair value	50,233	597	—	50,830
Right-of-use assets	1,542	96	—	1,638
Funds held in trust by others, at fair value	6,115	—	—	6,115
Land, buildings, and equipment, net	51,885	413	—	52,298
Pinewood license valuation	—	—	768	768
Other assets	1,081	1,844	(1,720)	1,205
Total assets	<u>\$ 118,786</u>	<u>5,805</u>	<u>(952)</u>	<u>123,639</u>
<b>Liabilities and Net Assets</b>				
Liabilities:				
Accounts payable and accrued expenses	\$ 5,858	44	—	5,902
Bank loan payable	6,829	—	—	6,829
Deferred tuition revenues and student deposits	6,688	1,164	(1,720)	6,132
Lease obligations	1,610	87	—	1,697
Accrual for employee retirement obligations	4,291	312	—	4,603
Total liabilities	<u>25,276</u>	<u>1,607</u>	<u>(1,720)</u>	<u>25,163</u>
Net assets:				
Without donor restrictions	37,104	4,342	768	42,214
Cumulative adjustment from foreign currency translation	(3,151)	(144)	—	(3,295)
Total without donor restrictions	<u>33,953</u>	<u>4,198</u>	<u>768</u>	<u>38,919</u>
With donor restrictions	59,557	—	—	59,557
Total net assets	<u>93,510</u>	<u>4,198</u>	<u>768</u>	<u>98,476</u>
Total liabilities and net assets	<u>\$ 118,786</u>	<u>5,805</u>	<u>(952)</u>	<u>123,639</u>

<b>Assets</b>	<b>Anatolia College</b>	<b>Pinewood Schools</b>	<b>Adjustments</b>	<b>2023</b>
Cash and cash equivalents	\$ 7,730	1,921	—	9,651
Tuition and other receivables, net of provision of \$533	856	76	—	932
Contributions receivable, net of provision of \$36	4,000	—	—	4,000
Investments, at fair value	46,475	603	—	47,078
Right-of-use assets	589	67	—	656
Funds held in trust by others, at fair value	5,567	—	—	5,567
Land, buildings, and equipment, net	40,835	425	—	41,260
Pinewood license valuation	—	—	776	776
Other assets	1,612	1,815	(1,739)	1,688
Total assets	<u>\$ 107,664</u>	<u>4,907</u>	<u>(963)</u>	<u>111,608</u>
<b>Liabilities and Net Assets</b>				
Liabilities:				
Accounts payable and accrued expenses	\$ 4,423	164	—	4,587
Bank loan payable	5,345	—	—	5,345
Deferred tuition revenues and student deposits	6,332	1,324	(1,739)	5,917
Lease obligations	634	60	—	694
Accrual for employee retirement obligations	3,946	264	—	4,210
Total liabilities	<u>20,680</u>	<u>1,812</u>	<u>(1,739)</u>	<u>20,753</u>
Net assets:				
Without donor restrictions	34,914	3,193	776	38,883
Cumulative adjustment from foreign currency translation	(2,842)	(98)	—	(2,940)
Total without donor restrictions	<u>32,072</u>	<u>3,095</u>	<u>776</u>	<u>35,943</u>
With donor restrictions	54,912	—	—	54,912
Total net assets	<u>86,984</u>	<u>3,095</u>	<u>776</u>	<u>90,855</u>
Total liabilities and net assets	<u>\$ 107,664</u>	<u>4,907</u>	<u>(963)</u>	<u>111,608</u>

See accompanying independent auditors' report.

**THE TRUSTEES OF ANATOLIA COLLEGE**  
 Supplementary Schedule B-Consolidating Statements of Activities  
 June 30, 2024 and 2023  
 (Amounts in 000)

	Without donor restriction				With donor restriction				2024
	Anatolia College	Pinewood Schools	Adjustments	Total	Anatolia College	Pinewood Schools	Adjustments	Total	Total
<b>Revenues:</b>									
Student service revenue:									
Tuition and fees, net of scholarships, grants and other aid of \$3,370	\$ 20,752	7,266	—	28,018	—	—	—	—	28,018
Auxiliary operations, net of scholarships, grants and other aid of \$226	9,795	277	(172)	9,900	—	—	—	—	9,900
Student service revenue, net	30,547	7,543	(172)	37,918	—	—	—	—	37,918
Contributions	90	—	—	90	2,208	—	—	2,208	2,298
Spending for restricted purpose	142	—	—	142	1,746	—	—	1,746	1,888
Investment return net of spending for restricted purpose	92	—	—	92	2,727	—	—	2,727	2,819
Income on funds held in trust by others	—	—	—	—	208	—	—	208	208
Change in value of funds held in trust by others	—	—	—	—	548	—	—	548	548
Other sources	701	154	(130)	725	(5)	—	—	(5)	720
Pinewood license valuation	—	—	(8)	(8)	—	—	—	—	(8)
Grants (Greece and U.S.)	92	45	—	137	—	—	—	—	137
<b>Total</b>	<b>31,664</b>	<b>7,742</b>	<b>(310)</b>	<b>39,096</b>	<b>7,432</b>	<b>—</b>	<b>—</b>	<b>7,432</b>	<b>46,528</b>
Net assets released from restrictions	2,992	—	—	2,992	(2,992)	—	—	(2,992)	—
<b>Total revenues</b>	<b>34,656</b>	<b>7,742</b>	<b>(310)</b>	<b>42,088</b>	<b>4,440</b>	<b>—</b>	<b>—</b>	<b>4,440</b>	<b>46,528</b>
<b>Expenses:</b>									
Academic activities:									
Instruction	14,068	4,145	(130)	18,083	—	—	—	—	18,083
Libraries	624	63	—	687	—	—	—	—	687
Student services	739	59	—	798	—	—	—	—	798
Auxiliary activities	8,987	607	(172)	9,422	—	—	—	—	9,422
Expenditures under programs funded by grants (Greece and U.S.)	93	—	—	93	—	—	—	—	93
Supporting activities:									
General administration	5,626	1,368	—	6,994	—	—	—	—	6,994
Institutional support	2,080	352	—	2,432	—	—	—	—	2,432
<b>Total expenses</b>	<b>32,217</b>	<b>6,594</b>	<b>(302)</b>	<b>38,509</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>38,509</b>
Change in net assets, before transfers	2,439	1,148	(8)	3,579	4,440	—	—	4,440	8,019
Transfer for land purchase and other	(248)	—	—	(248)	248	—	—	248	—
Change in net assets	2,191	1,148	(8)	3,331	4,688	—	—	4,688	8,019
Net assets as of beginning of year	32,072	3,095	776	35,943	54,912	—	—	54,912	90,855
Foreign currency translation adjustment	(310)	(45)	—	(355)	(43)	—	—	(43)	(398)
<b>Net assets as of end of year</b>	<b>\$ 33,953</b>	<b>4,198</b>	<b>768</b>	<b>38,919</b>	<b>59,557</b>	<b>—</b>	<b>—</b>	<b>59,557</b>	<b>98,476</b>

	Without donor restriction				With donor restriction				2023
	Anatolia College	Pinewood Schools	Adjustments	Total	Anatolia College	Pinewood Schools	Adjustments	Total	Total
<b>Revenues:</b>									
Student service revenue:									
Tuition and fees, net of scholarships, grants and other aid of \$3,207	\$ 18,086	5,664	—	23,750	—	—	—	—	23,750
Auxiliary operations, net of scholarships, grants and other aid of \$236	7,355	259	(135)	7,479	—	—	—	—	7,479
Student service revenue, net	25,441	5,923	(135)	31,229	—	—	—	—	31,229
Contributions	228	—	—	228	1,180	—	—	1,180	1,408
Spending for restricted purpose	157	—	—	157	1,528	—	—	1,528	1,685
Investment return net of spending for restricted purpose	(166)	—	—	(166)	2,433	—	—	2,433	2,267
Income on funds held in trust by others	—	—	—	—	225	—	—	225	225
Change in value of funds held in trust by others	—	—	—	—	298	—	—	298	298
Other sources	1,257	51	(125)	1,183	(56)	—	—	(56)	1,127
Pinewood license valuation	—	—	32	32	—	—	—	—	32
Grants (Greece and U.S.)	64	—	—	64	—	—	—	—	64
<b>Total</b>	<b>26,981</b>	<b>5,974</b>	<b>(228)</b>	<b>32,727</b>	<b>5,608</b>	<b>—</b>	<b>—</b>	<b>5,608</b>	<b>38,335</b>
Net assets released from restrictions	5,330	12	—	5,342	(5,330)	(12)	—	(5,342)	—
<b>Total revenues</b>	<b>32,311</b>	<b>5,986</b>	<b>(228)</b>	<b>38,069</b>	<b>278</b>	<b>(12)</b>	<b>—</b>	<b>266</b>	<b>38,335</b>
<b>Expenses:</b>									
Academic activities:									
Instruction	12,495	3,628	(125)	15,998	—	—	—	—	15,998
Libraries	558	39	—	597	—	—	—	—	597
Student services	564	41	—	605	—	—	—	—	605
Auxiliary activities	7,188	549	(135)	7,602	—	—	—	—	7,602
Expenditures under programs funded by grants (Greece and U.S.)	64	—	—	64	—	—	—	—	64
Supporting activities:									
General administration	4,842	904	—	5,746	—	—	—	—	5,746
Institutional support	1,569	264	—	1,833	—	—	—	—	1,833
<b>Total expenses</b>	<b>27,280</b>	<b>5,425</b>	<b>(260)</b>	<b>32,445</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>32,445</b>
Change in net assets, before transfers	5,031	561	32	5,624	278	(12)	—	266	5,890
Transfer for land purchase and other	(248)	—	—	(248)	248	—	—	248	—
Change in net assets	4,783	561	32	5,376	526	(12)	—	514	5,890
Net assets as of beginning of year	26,204	2,405	744	29,353	54,237	12	—	54,249	83,602
Foreign currency translation adjustment	1,085	129	—	1,214	149	—	—	149	1,363
<b>Net assets as of end of year</b>	<b>\$ 32,072</b>	<b>3,095</b>	<b>776</b>	<b>35,943</b>	<b>54,912</b>	<b>—</b>	<b>—</b>	<b>54,912</b>	<b>90,855</b>

See accompanying independent auditors' report.

**THE TRUSTEES OF ANATOLIA COLLEGE**  
Supplementary Schedule C-Consolidating Statements of Cash Flows  
Years ended June 30, 2024 and 2023  
(Amounts in 000)

	Anatolia College	Pinewood Schools	Adjustments	2024
<b>Cash flows from operating activities:</b>				
Change in net assets adjusted with foreign currency translation	\$ 6,526	1,103	(8)	7,621
Adjustment of noncash items to convert change in noncash net assets to net cash and cash equivalents provided by (used in) operating activities:				
Foreign currency translation adjustment	353	45	—	398
Valuation of Pinewood license	—	—	8	8
Contributions restricted for long-term purposes	(795)	—	—	(795)
Depreciation	1,330	68	—	1,398
Net realized and unrealized losses on investments	(3,930)	—	—	(3,930)
Change in operating assets and liabilities:				
Change in value of funds held in trust by others	(548)	—	—	(548)
Changes in tuition and other and contributions receivable, net	238	(159)	—	79
Change in other assets	515	2	1,720	2,237
Change in right-of-use assets	(956)	(30)	—	(986)
Change in accounts payable and accrued expenses	257	(119)	—	138
Change in deferred tuition revenues and student deposits	425	(147)	(1,720)	(1,442)
Change in lease obligations	978	28	—	1,006
Change in accrual for employee retirement obligations	386	52	—	438
Net cash and cash equivalents provided by (used in) operating activities	<u>4,779</u>	<u>843</u>	<u>—</u>	<u>5,622</u>
<b>Cash flows from investing activities:</b>				
Purchases of investments	(10,258)	—	—	(10,258)
Sales of investments	10,429	—	—	10,429
Purchases of fixed assets	(11,595)	(56)	—	(11,651)
Net cash and cash equivalents used in investing activities	<u>(11,424)</u>	<u>(56)</u>	<u>—</u>	<u>(11,480)</u>
<b>Cash flows from financing activities:</b>				
Contributions restricted for long-term purposes	795	—	—	795
Proceeds from borrowing under line of credit	1,541	—	—	1,541
Net cash and cash equivalents provided by financing activities	<u>2,336</u>	<u>—</u>	<u>—</u>	<u>2,336</u>
Increase (decrease) in cash and cash equivalents	(4,309)	787	—	(3,522)
Effect of exchange rate changes on cash and cash equivalents	(65)	(34)	—	(99)
Cash and cash equivalents as of beginning of year	7,730	1,921	—	9,651
Cash and cash equivalents as of end of year	<u>\$ 3,356</u>	<u>2,674</u>	<u>—</u>	<u>6,030</u>
<b>Supplemental schedule of noncash investing and financing activities:</b>				
Change in accounts payable and accrued expenses for buildings and equipment	\$ 1,225	—	—	1,225
	Anatolia College	Pinewood Schools	Adjustments	2023
<b>Cash flows from operating activities:</b>				
Change in net assets adjusted with foreign currency translation	\$ 6,543	678	32	7,253
Adjustment of noncash items to convert change in noncash net assets to net cash and cash equivalents provided by (used in) operating activities:				
Foreign currency translation adjustment	(1,234)	(129)	—	(1,363)
Valuation of Pinewood license	—	—	(32)	(32)
Contributions restricted for long-term purposes	(128)	—	—	(128)
Depreciation	978	68	—	1,046
Net realized and unrealized losses on investments	(3,320)	—	—	(3,320)
Change in operating assets and liabilities:				
Change in value of funds held in trust by others	(299)	—	—	(299)
Changes in tuition and other and contributions receivable, net	2,505	42	—	2,547
Change in other assets	634	(1,586)	1,739	787
Change in right-of-use assets	(589)	(67)	—	(656)
Change in accounts payable and accrued expenses	(288)	11	—	(277)
Change in deferred tuition revenues and student deposits	2,325	322	(1,739)	908
Change in lease obligations	634	60	—	694
Change in accrual for employee retirement obligations	157	31	—	188
Net cash and cash equivalents provided by (used in) operating activities	<u>7,918</u>	<u>(570)</u>	<u>—</u>	<u>7,348</u>
<b>Cash flows from investing activities:</b>				
Purchases of investments	(19,656)	—	—	(19,656)
Sales of investments	19,208	48	—	19,256
Purchases of fixed assets	(10,352)	(353)	—	(10,705)
Net cash and cash equivalents used in investing activities	<u>(10,800)</u>	<u>(305)</u>	<u>—</u>	<u>(11,105)</u>
<b>Cash flows from financing activities:</b>				
Contributions restricted for long-term purposes	128	—	—	128
Proceeds from borrowing under line of credit	2,936	—	—	2,936
Net cash and cash equivalents provided by financing activities	<u>3,064</u>	<u>—</u>	<u>—</u>	<u>3,064</u>
Increase (decrease) in cash and cash equivalents	182	(875)	—	(693)
Effect of exchange rate changes on cash and cash equivalents	183	139	—	322
Cash and cash equivalents as of beginning of year	7,365	2,657	—	10,022
Cash and cash equivalents as of end of year	<u>\$ 7,730</u>	<u>1,921</u>	<u>—</u>	<u>9,651</u>
<b>Supplemental schedule of noncash investing and financing activities:</b>				
Change in accounts payable and accrued expenses for buildings and equipment	\$ 129	—	—	129

See accompanying independent auditors' report.

**THE TRUSTEES OF ANATOLIA COLLEGE**

Supplementary Schedule D-Unaudited Schedule of Revenues and Expenses

June 30, 2024 and 2023

(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, 2024</u>	<u>Year ended June 30, 2023</u>
Operating revenue:				
Student income:				
International School	\$ 7,850	—	7,850	6,229
Primary education	3,821	—	3,821	3,484
Secondary education	11,743	—	11,743	10,522
Undergraduate-graduate program	8,199	—	8,199	6,568
Bilingual program	403	—	403	373
Board and lodging	329	—	329	290
Auxiliary activities	9,169	—	9,169	6,981
Scholarships applied to student income	<u>(3,596)</u>	<u>—</u>	<u>(3,596)</u>	<u>(3,218)</u>
Total student income	<u>37,918</u>	<u>—</u>	<u>37,918</u>	<u>31,229</u>
Sponsored support:				
Grants (E.U. and U.S.)	137	—	137	64
Total sponsored support	137	—	137	64
Contributions and private grants	90	2,208	2,298	1,408
Interest and dividends	(305)	1,083	778	632
Other income	266	(5)	261	118
Pinewood license valuation	(8)	—	(8)	32
Net assets released from restrictions	<u>2,992</u>	<u>(2,992)</u>	<u>—</u>	<u>—</u>
Total operating revenue	<u>41,090</u>	<u>294</u>	<u>41,384</u>	<u>33,483</u>
Operating expenses:				
Salaries, wages and employer's benefits	22,215	—	22,215	19,528
Student transportation/travel expenses/representation/ subscriptions/stationery/general expenses	7,689	—	7,689	6,515
Maintenance/utilities/rent of facilities	4,851	—	4,851	3,615
Depreciation	1,398	—	1,398	1,046
Provisions for doubtful debts and staff leaving indemnities	346	—	346	248
Third party fees	1,267	—	1,267	969
Taxes, duties, interest expense and bank charges	418	—	418	309
Expenses under sponsored projects (E.U. and U.S.)	93	—	93	64
Other expenses	<u>232</u>	<u>—</u>	<u>232</u>	<u>151</u>
Total operating expenses	<u>38,509</u>	<u>—</u>	<u>38,509</u>	<u>32,445</u>
Net operating surplus	<u>2,581</u>	<u>294</u>	<u>2,875</u>	<u>1,038</u>
Non operating activities:				
Investment income:				
Other investment gains (losses)	540	3,390	3,930	3,320
Income on funds held in trust by others	—	208	208	225
Gains on funds held in trust by others	<u>—</u>	<u>548</u>	<u>548</u>	<u>298</u>
Total investment income	<u>540</u>	<u>4,146</u>	<u>4,686</u>	<u>3,843</u>
Other non operating income:				
Exchange differences (expense)/revenue	458	—	458	989
Actuarial (losses)/gains	<u>—</u>	<u>—</u>	<u>—</u>	<u>20</u>
Total other non operating (losses)/gains	<u>458</u>	<u>—</u>	<u>458</u>	<u>1,009</u>
Net change during the year before transfers	<u>3,579</u>	<u>4,440</u>	<u>8,019</u>	<u>5,890</u>
Transfer for land purchase and other	<u>(248)</u>	<u>248</u>	<u>—</u>	<u>—</u>
Net change during the year	<u>3,331</u>	<u>4,688</u>	<u>8,019</u>	<u>5,890</u>
Net assets, beginning of year	35,943	54,912	90,855	83,602
Foreign currency translation adjustment	<u>(355)</u>	<u>(43)</u>	<u>(398)</u>	<u>1,363</u>
Net assets, end of year	\$ <u>38,919</u>	<u>59,557</u>	<u>98,476</u>	<u>90,855</u>

See accompanying independent auditors' report.