FINANCIAL STATEMENT YEAR END REVIEW JUNE 30, 2023

Overview

The June 30, 2023 audited financial statements were reviewed and accepted by the Audit Committee at its meeting on November 1, 2023. Our audit firm of Grant Thornton, LLP gave an unmodified or "clean" audit opinion with no material weaknesses in controls identified, and no significant audit or financial reporting items were noted.

Statement of Financial Position:

Total Assets for FY23 increased by approximately $18.0M, driven primarily by both a $12.3M increase in Land, buildings and equipment, net, related to the opening of the new Elementary School, and a $3.2M increase in investments resulting from moderate market value increases. Approximately $1.5M of the increase is a result of the change in exchange rates for the EUR/USD over the prior year.

Total Liabilities for the period increased by $6.3M due primarily to the $3.5M in additional loans and to fund the new Elementary School, in addition to an $850k increase in accruals related to the new School, including payroll and deferred revenue. Finally, $580k of the increase results from a lease liability that has been added to the Statement as required by the new lease accounting pronouncement. Also, approximately $500k of the increase is a result of the change in exchange rates for the EUR/USD over prior year.

Total Net Assets for FY23 increased by $11.6M. Details of the change in net assets are reviewed below.

Statement of Activities:

Operating Revenue for FY23 increased by $65.1M, of which $56.0M was a result of the change from significant market losses on Investment performance in the prior year versus moderate market gains experienced in the current year. Additionally, there was an $8.5M increase in tuition revenue related to the new Elementary School.

Operating expenses increased by $8.3M, $4.4M is related to costs to open the new Elementary School and $3.0M is related to general salary increases campuswide.

Change in Net Assets from Operations, therefore, increased by $56.8M.

Non-Operating Revenue increased by $5.9M, of which $6.6M related to changes in exchange rates for EUR/USD year over year, partially offset by a $682k decrease in net periodic pension cost as calculated by Aon Solutions Greece, S.A., our actuary.

The Total Change in Net Assets, therefore, was $62.7M, which resulted in an increase of $11.6M in Total Net Assets from prior year.

Statement of Cash Flows:

The College experienced $678k in negative cash flows from operations in FY23, mostly due to the swing in market values of the Investments over prior year as well as the change in investment redemption receivable balances year over year. Additionally, depreciation increased by approximately $1.0M as a result of implementing the new lease accounting pronouncement. The College generated $860k in positive cash flows from investing activities. This category largely includes purchase and sales of Investments and a smaller amount of fixed asset purchases. Finally, $2.2M positive cash flows were generated from financing activities in FY23. This is a result of drawing down the remaining balance of the $22.0M loan taken out in the prior year for the purchase of land on which to build the new Elementary School.