FINANCIAL STATEMENT YEAR END REVIEW JUNE 30, 2026

Overview

The June 30, 2026, audited financial statements were reviewed and accepted by the Audit Committee at its meeting on November 6, 2026. 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 FY26 increased by approximately $35.1M over prior year, driven primarily by a $39.0M increase in investments as the result of a favorable market plus a $11.2M increase in land, buildings and equipment, net due to a land purchase which will be used for three new residence halls. These increases were partially offset by a $10M decrease in cash as the result of the expiration of a $6.5M Certificate of Deposit as well as decreases caused by the difference in exchange rates for EUR/USD year over year.

Total Liabilities for the period decreased by $3.7M over prior year, primarily due to the first year of principal payments made on the €20.3 million loan from 2022 plus continuing payments made on the €5.0 million loan from 2021.

Total Net Assets for FY26 increased by $38.7M over prior year. Details of the change in net assets are reviewed below.

Statement of Activities:

Operating Revenue for FY26 increased by $30.0M over prior year, primarily due to $16.6M resulting from an increase in investment income due to market gains experienced during the year. There was also an $11.0M increase in tuition revenue as a result of a general 3%-4% increase in tuition prices plus stronger-than-expected enrollment, particularly at Deree Undergraduate.

Operating expenses increased by $12.0M over prior year, commensurate with the enrollment increase mentioned above, and included general salary increases, as well as increased depreciation, marketing & promotion, and supplies/materials.

Change in Net Assets from Operations, therefore, increased by $18.0M over prior year from $22.2M to $40.2M.

Non-Operating Revenue decreased by $3.8M over prior year, which primarily related to changes in exchange rates for EUR/USD year over year.

The FY26 Total Change in Net Assets, including both operating and non-operating results, therefore, was $14.2M, which was $10.3M lower than FY25's Total Change in Net Assets of $24.5M.

Statement of Cash Flows:

The College experienced $2.0M in negative cash flows from operations in FY26, mostly due to the significant increase in investment income from prior year.

The College generated $8.6M in negative cash flows from investing activities. This resulted from purchases and sales of Investments during the year as we continued to adjust the endowment portfolio to take best advantage of the market.

Finally, $689k in negative cash flows were generated from financing activities in FY26. This is primarily due to the first year of principal payments made on the €20.3 million loan from 2022.