

RIT CROATIA
FINANCIAL STATEMENTS FOR THE YEAR 2023
together with Independent Auditor's report

This version of the financial statements is a translation from the original, which was prepared in Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the financial statements takes precedence over this translation.

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Statement of Management`s responsibilities

Management is responsible for the preparation of financial statements RIT Croatia ("Organization") in accordance with applicable accounting framework and policies set out in the Law on financial operations and accounting of non-profit organizations (Official Gazette, no. 121/14 and 114/22) and for keeping proper accounting records to enable the preparation of such financial statements at any time.

Management has general responsibility for safeguarding the assets of the School and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

Management is responsible for selecting suitable accounting policies to conform with applicable accounting standards and then apply them consistently; make judgements and estimates that are reasonable and prudent; and prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Organization will continue in business.

The accompanying financial statements were approved for issuance by the Legal representative of Management (the Dean) which is confirmed below by signature and date.



Irena Guszak
Dean
RIT Croatia
Don Frana Bulića 6
20 000 Dubrovnik
Croatia

27th June 2024

INDEPENDENT AUDITOR'S REPORT

To the owners Legal Representative of the Institution

Opinion

We have audited the financial statements of non-profit organization RIT Croatia (the Institution), which comprise the balance sheet as at 31 December 2023, statement of income and expenditure for the year then ended and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Institution as at 31 December 2023 and of its financial performance for the year then ended in accordance with in accordance with accounting framework stated in Law on Financial Business and Accounting of Non-Profit Organizations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Institution in accordance with the International Ethics Standards Board of Accountants' (IESBA) International Code of Ethics for Professional Accountants, including International Independence Standards (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Republic of Croatia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting framework stated in Law on Financial Business and Accounting of Non-Profit Organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Institution's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Institution or to cease operations, or has no realistic alternative but to do so.



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Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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 Institution's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institution's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institution to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ivana Krajinović

Ivana Krajinović
Member of the Board and certified auditor

27 June 2024

Ernst & Young d.o.o.
Radnička cesta 50, Zagreb
Republic of Croatia

STATEMENT OF INCOME AND EXPENDITURE

For the period from 1 January 2023 to 31 December 2023 (all amounts are presented in euros)

Account	DESCRIPTION	AOP	Note	Actual in prior period 2022	Actual in current period 2023
1	2	3		4	5
3	REVENUES (AOP 002+005+008+011+024+040+049)	001		4.677.694	4.681.445
31	Sales of goods and services (AOP 003+004)	002	4	4.427.917	4.522.166
3112	Revenue from services	004		4.427.917	4.522.166
34	Property income (AOP 012+021)	011		101.040	2.060
341	Revenue from financial assets (AOP 013 to 020)	012		96.435	46
3413	Interest on time deposits and demand deposits	015		2	11
3415	Revenue from positive currency exchange	017		96.433	35
342	Revenue from non-financial assets (AOP 022+023)	021		4.604	2.013
3421	Rental income	022		4.604	2.013
35	Revenue from donations (AOP 025+030+033+036+037)	024	6	118.791	155.756
351	Revenues from donations from the State budget (AOP 026 do 029)	025		81.940	80.769
3513	Revenues - donations from the state budget for EU projects	028		81.940	80.769
352	Revenue from foreign governments and international organizations (AOP 031+032)	030		21.654	67.655
3521	Revenue from foreign governments and international organizations	031		-	57.802
3522	Revenues from EU institutions and bodies	032		21.654	9.853
353	Revenues from companies and other legal entities (AOP 034+035)	033		14.201	-
3532	Revenues from companies and other legal entities for EU projects	035		14.201	-
355	Other revenue from donations (AOP 038+039)	037		995	7.332
3551	Other revenue from donations	038		995	7.332
36	Other revenue (AOP 041+044+045)	040		29.947	1.464
361	Revenue from indemnity and refunds (AOP 042+043)	041		-	-
362	Revenue from long term assets	044		23.982	-
363	Other non-mentioned revenues (AOP 046 to 048)	045		5.965	1.464
3633	Other non-mentioned revenues	048		5.965	1.464
4	EXPENSES (AOP 055+067+108+109+120+128+139)	054		4.965.003	4.838.998
41	Staff expenses (AOP 056+061+062)	055	7	2.581.196	2.592.964
411	Salaries (AOP 057 to 060)	056		2.223.146	2.196.936
4111	Salaries for regular work	057		2.223.146	2.196.936
412	Other expenses for staff	061		13.604	56.292
413	Contributions on salaries (AOP 063 to 066)	062		344.446	339.736
4131	Health insurance contributions	063		341.460	336.376
4134	Special contribution to encourage employment of persons with disabilities	066		2.986	3.360
42	Material expenses (AOP 068+072+077+082+087+097+102)	067	8	2.027.314	1.974.048
421	Reimbursement of costs to employees (AOP 069 to 071)	068		84.618	122.629
4211	Business trips	069		68.416	100.293
4213	Professional training for employees	071		16.203	22.335
424	Fees to other persons outside the employment relationship (AOP 083 to 086)	082		35.342	19.607
4241	Compensations for activities	083		799	694
4242	Compensations for business trips	084		34.543	18.913
425	Expenses for services (AOP 088 to 096)	087		1.599.425	1.573.098
4251	Telephone, mail and transportation	088		41.544	41.019

STATEMENT OF INCOME AND EXPENDITURE

For the period from 1 January 2023 to 31 December 2023 (all amounts are presented in euros)

Account	DESCRIPTION	AOP	Note	Actual in prior period 2022	Actual in current period 2023
4252	Current and investment maintenance	089		49.740	62.823
4253	Promotion and information	090		325.325	281.631
4254	Utilities	091		11.054	15.503
4255	Rent and leases	092		535.293	524.624
4256	Health and veterinary services	093		89	436
4257	Intellectual and personal services	094		360.878	472.953
4258	Computer services	095		32.502	31.001
4259	Other services	096		243.001	143.108
426	Expenses for material and energy (AOP 098 to 101)	097		155.448	147.086
4261	Office supplies and other material expenses	098		33.043	47.518
4263	Energy	100		77.373	74.029
4264	Small inventory and car tires	101		45.033	25.539
429	Other non-mentioned material expenses (AOP 103 to 107)	102		152.480	111.629
4291	Insurance premiums	103		10.605	9.676
4292	Representation	104		68.233	41.289
4293	Membership fees	105		60.477	52.537
4295	Other non-mentioned material expenses	107		13.164	8.128
43	Depreciation expenses	108	9	142.267	154.147
44	Financial expenses (AOP 110+111+115)	109		120.461	9.042
442	Interest for received credits and loans	111		-	-
4422	Interest for received goods and other loans	113		-	-
443	Other financial expenses (AOP 116 to 119)	115		120.461	9.042
4431	Banking and payment services	116		6.089	4.868
4432	Foreign exchange losses and foreign currency clause	117		114.272	4.093
4433	Default interest	118		99	81
45	Donations (AOP 121+125)	120		79.680	84.732
451	Current donation (AOP 122 -124)	121		79.680	84.732
4511	Current donations	122		79.680	84.732
46	Other expenses (AOP 129+134)	128		14.085	24.064
462	Other non-mentioned expenses (AOP 135 to 138)	134		14.085	24.064
4622	Bad debts (receivables write off/impairment of receivables expense)	136		10.363	23.296
4624	Other non-mentioned expenses	138		3.722	768
	TOTAL EXPENSES (AOP 054-146 or 054+147)	148		4.965.003	4.838.998
	REVENUE SURPLUS (AOP 001-148)	149		-	-
	REVENUE SHORTFALL (AOP 148-001)	150		287.309	157.553
5221	Revenue surplus - transferred	151		614.002	326.694
5222	Revenue shortfall – transferred	152		-	-
	Income tax obligation			-	-
	Revenue surplus available for the next period (AOP 149+151-150-152-153)	154		326.694	169.140
	Income deficit for the next period (AOP 150+152-149-151+153)	155		-	-

BALANCE SHEET

As at 31 December 2023

(all amounts are presented in euros)

Account	DESCRIPTION	AOP	Note	31 December 2022	31 December 2023
1	2	3		4	5
	ASSETS (AOP 002+074)	001		2.352.645	2.566.248
0	Non-financial assets (AOP 003+018+047+051+055+064)	002		394.770	533.226
01	Non-produced non-current assets (AOP 004+008-017)	003		142.801	199.265
012	Intangible assets (AOP 009 - 016)	008		1.546.301	1.642.998
0124	Other rights	012	10	1.542.154	1.628.892
0127	Development expenditure	015		4.148	14.105
019	Impairment of non-produced non-current assets	017	11	1.403.500	1.443.732
02	Produced non-current assets (AOP 019+023+031+034+039+042-046)	018		251.969	333.961
022	Plant and equipment (AOP 024 - 030)	023		961.112	1.157.019
0221	Office equipment and furniture	024	10	911.490	1.107.396
0222	Communication equipment	25		7.325	7.325
0223	Maintenance and protection equipment	26		23.233	23.233
0225	Instruments and machines	028		3.511	3.511
0227	Devices, machines and equipment for other purposes	030		15.553	15.553
026	Intangible produced assets (AOP 043 - 045)	042		19.344	19.344
0261	Investments in software	043		19.344	19.344
029	Impairment of produced non-current assets	046		728.487	842.402
042	Small inventory in use	053		397.183	421.943
049	Impairment of small inventory	054		397.183	421.943
1	Financial assets (AOP 075+083+100+105+125+133+142)	074		1.957.874	2.033.022
11	Cash at bank and in hand (AOP 076+080+081+082)	075	5	1.467.273	1.282.428
111	Cash in bank (AOP 077 - 079)	076		1.466.651	1.280.554
1111	Cash in the account of domestic bank	077		1.466.651	1.280.554
113	Cash in hand	081		622	1.874
12	Deposits, guarantee deposits, receivables from employees, for overpaid taxes and other (AOP 084+087+088+089+095)	083		18.106	15.488
122	Guarantee deposits	087		4.652	-
123	Receivables from employees	088		301	77
124	Receivables for overpaid taxes and contributions (AOP 090 - 094)	089		5.905	6.780
1244	Receivables for overpaid other taxes	093		3.311	4.186
1245	Request for overpaid contributions	094		2.594	2.594
129	Other receivables (AOP 096 - 099)	095		7.248	8.632
1293	Receivables for advance payments	098		7.248	8.632
16	Income receivables (AOP 134 - 137+140-141)	133	12	452.362	666.699
161	Receivables from clients	134		462.355	685.922
165	Other non-mentioned receivables	140		448	1.072
169	Impairment of receivables	141		10.441	20.295
19	Future periods expenses (AOP 143+144)	142		20.134	68.406
191	Future periods expenses	143		9.844	15.444
192	Revenue collection not due	144		10.290	52.962

BALANCE SHEET

As at 31 December 2023

(all amounts are presented in euros)

Account	DESCRIPTION	AOP	Note	31 December 2022	31 December 2023
	OWN SOURCES AND LIABILITIES (AOP 146+195)	145		2.352.645	2.566.248
2	Liabilities (AOP 147+174+182+190)	146		2.025.951	2.397.108
24	Expense liabilities (AOP 148+156+164+168+169+170)	147		1.876.887	2.199.649
241	Liabilities for employees (AOP 149 - 155)	148	13	213.768	237.248
2411	Liabilities for salaries – net	149		84.607	101.162
2412	Liabilities for benefits - net	150		35.935	34.516
2414	Liabilities for taxes and surtaxes from salaries	152		23.834	26.858
2415	Liabilities for contributions from salaries	153		35.840	39.084
2416	Liabilities for contributions on salaries	154		27.472	30.714
2417	Other liabilities to employees	155		6.079	4.914
242	Liabilities for material expenses (AOP 157-163)	156		141.780	58.097
2425	Domestic trade payables	161		45.826	57.096
2426	Foreign trade payables	162		95.954	1.001
249	Other liabilities (AOP 171 - 173)	170	14	1.521.339	1.904.305
2492	Liabilities –value added tax	172		554	2.571
2493	Liabilities for advances, deposits, guarantees received and other non-mentioned liabilities	173		1.520.785	1.901.733
29	Accrued expenses and deferred revenue (AOP 191+192)	190	15	149.064	197.458
291	Deferred expenses	191		15.667	19.749
292	Deferred revenue (AOP 193+194)	192		133.397	177.709
2921	Revenue paid in advance	193		133.397	171.645
2922	Deferred revenue	194		-	6.064
5	Own sources (AOP 196+199-200)	195	17	326.694	169.140
51	Own sources (AOP 197+198)	196		-	-
511	Own sources	197		-	-
5221	Revenue surplus	199		-	-
5222	Revenue shortfall	200		326.694	169.140

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2023

(all amounts are presented in euros)

Note 1

General information

RIT Croatia („The Organization“) entered in the Register of non-profit organization on 3rd of March 2010. The Organization is head quartered in Dubrovnik, Don Frana Bulića 6. The Organization is a subsidiary 100% owned by RIT Global Delivery Corporation.

The Dean represents the Organization individually and independently:

- Irena Guszak, dean

Note 2

Basis of preparation

Financial statements have been prepared by the Law on financial operations and accounting of non-profit organizations (Official Gazette 121/14) and Rulebook on non-profit accounting and accounting plan (Official Gazette NN 1/15), as well as Rulebook on additions to the rulebook on the non-profit accounting and accounting plan (Official Gazette 96/18).

On 31 December 2023 exchange rate of the euro among other currencies was:

1USD = 1,1050 EUR

Functional and presentational currency

The items included in the Organization's financial statement are expressed in the currency of the primary economic environment in which the Organization operates (functional currency). Since the Republic of Croatia introduced the euro as the official currency on January 1, 2023, in accordance with the Law on the introduction of the euro as the official currency in the Republic of Croatia, the Organization changed the presentation currency for the purposes of preparing financial statements for the year ended December 31, 2023. from kuna to euros, and the financial statements for the year ended December 31, 2023 were first prepared in euros. From January 1, 2023, the euro is also the functional currency of the Organization (until January 1, 2023, it was HRK). In accordance with Article 72 of the Act on the introduction of the euro as the official currency in the Republic of Croatia, the Organization recalculated comparative data from previous reporting periods in kuna using a fixed conversion rate (1 EUR = 7.5345 HRK).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2023

(all amounts are presented in euros)

Note 3

Significant accounting policies

3.1. General information

Principles, rules, and procedures that are applied in the Organization and which are used in the preparation and presentation of financial statements to provide truthful, reliable, and unbiased reviews of the financial position and operations of non-profit organizations are regulated by this Act.

The accounting policies are designed and adopted by Law on financial operations of non-profit organizations, Rulebook on non-profit accounting and accounting plan and other regulations and professional knowledge and are in use from 1 January 2015.

Dean makes decisions and assessments by selected policies.

The underlying assumptions and principles used in the preparation and presentation of financial statements are:

- Going concern
- Occurrence of events
- Disclosure of accounting policies

3.2. Reporting of assets and liabilities

(1) Assets, liabilities, and own funds determine the financial position of non-profit organizations.

(2) Assets are resources that non-profit organizations control as a result of past events and from which benefit in performing activities is expected.

(3) Liabilities are outstanding debts arising from past events, for which settlement outflow of resources is expected.

(4) Assets are classified by their type, sustainability, and function in their operations.

(5) Liabilities are classified by their purpose and maturity.

(6) Assets and liabilities are measured by the accrual accounting principle.

(7) Own sources are the residual value of assets after the deduction of all liabilities.

(8) Borrowed assets are recorded in the off-balance sheet.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2023

(all amounts are presented in euros)

3.3. Valuation of assets and liabilities

- (1) Assets are initially measured at cost or estimated value.
- (2) Non-current assets are financial and non-financial assets whose useful life is longer than one year and for which the same form of appearance is maintained for more than one year.
- (3) Fixed assets for which individual cost is lower than 464,53 euro can be written off at once, by putting in use, with the obligation of monitoring during useful life.
- (4) Current financial assets are assets held for carrying out its activities or for resale within less than a year.
- (5) Cost (purchase value) of non-financial assets consists of purchase price increased for customs duties, non-refundable taxes, transport expenses and all other costs that can be directly added to the cost of purchase and enabling for putting into use.

3.4. Valuation of fixed assets

- (1) The value of an item of fixed assets is depreciated using linear method during useful life starting from the first day of the month after the month in which the asset was put in use.
- (2) An exception to paragraph 1 of this article, the value of land, renewable natural resources, books, works of art and other exhibition values and precious metals and other valuables are not depreciated.
- (3) The basis for the depreciation of fixed assets is its initial or revalued acquisition cost (purchase value) or its estimated value.
- (4) The Organization applies depreciation rates by group of fixed assets and the estimated useful lives of fixed assets, which are regulated by Rulebook of non-profit accounting and accounting plan.

3.5. Prepaid expenses and accrued income

Prepaid expenses and accrued income consists of:

- prepaid expenses which are not related to the reporting period and
- revenues which relate to reporting period, but in which amounts were not due, or invoices were not issued.

3.6. Accrued expenses and deferred income

Accrued expenses and deferred income consists of:

- expenses which are not invoiced, but relate to the reporting period and
- revenues which are billed or accounted for in the reporting period, but relate to the next period.

3.7. Income and expense recognition

(1) Income and expenses are recognized on the accrual accounting principle.

(2) Accrual accounting means:

- reciprocal revenues (revenues based on delivered goods and services) are recognized in the reporting period to which they apply, under the condition that they can be measured independently of the payment.
- non-reciprocal revenues (revenues under special regulations, donations, membership fees, aid, contributions and other similar income) recognized in the reporting period to which they apply, provided they are available (collected) in the reporting period and can be recognized in the reporting period if they are collected no later than the moment of presentation of financial statements for the same period.

3.7. Income and expense recognition (continued)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2023

(all amounts are presented in euros)

– donations associated with the execution of contracted programs (projects and activities) are recognized in the balance sheet as deferred income, with the recognition of revenue in the reporting period in proportion to the cost of implementation of the agreed program (projects and activities)

– donations related to the non-financial assets that are subject to amortization recognized in the balance sheet as deferred income, with the recognition of revenue in the reporting period on a systematic basis in proportion to the costs of the use of non-financial assets in the period of use

– expenses are recognized in the reporting period to which they relate regardless of payment.

– expenses for short-term consumption non-financial assets recognized at the time of actual consumption or sale and

– the cost of acquisition of fixed assets are capitalized, the expenses are recognized during the useful life.

(3) Income is an increase in economic benefits or service potential during the reporting period in the form of inflow of assets without increasing debt, or reduction of liabilities without the simultaneous outflow of assets.

(4) Expense is a reduction of economic benefits or service potential in the form of a reduction of assets or increasing liabilities without simultaneous increase in financial assets.

3.8. Transactions in foreign currencies

Transactions denominated in foreign currencies are translated into local currency at the middle exchange rates of the Croatian National Bank prevailing at the date of the transaction. Foreign exchange gains resulting from payments for such transactions and the translation of the currency in the foreign currency account is recognized in income, and a negative exchange difference is recognized in expenses.

3.9. Notes to the financial statements

(1) Notes are additional information to the financial statements.

(2) Notes can be descriptive, numerical or combined. They are numbered with reference to the AOP label in statements to which they relate.

3.10. Subsequent events

Subsequent events are those events that have favorable or unfavorable consequences, which occurred between the balance sheet date and the date on which the annual financial statements are approved. The types of events after the balance sheet date:

- Adjusting events – corroborate circumstances which existed at the balance sheet date;
- Non adjusting events - corroborate circumstances which occurred after the balance sheet date;

Financial statements must be adjusted in the following cases:

- a court judgment made after the balance sheet date corroborates the fact that liability existed at the balance sheet date;
- receipt of new information after the date of the balance sheet, which indicates that the value of an asset on the balance sheet date was reduced or that the amount of a previously recognized impairment loss for that asset needs to be amended;
- Detecting fraud or errors due to which the financial statements are incorrect.

3.11. Accounting plan

The Organization applies plan of accounts prescribed by the Rulebook on the non-profit accounting and accounting plan. (Official Gazette 1/15) and Rulebook on additions to the rulebook on the non-profit accounting and accounting plan (Official Gazette 96/18).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2023

(all amounts are presented in euros)

Note 4

	2022.	2023.
Undergraduate Program in Zagreb	3.531.535	3.706.843
Undergraduate Program in Dubrovnik	782.522	749.193
MS SLI Graduate Program	113.860	66.130
	<u>4.427.917</u>	<u>4.522.166</u>

The system and procedures of financial reporting of the Organization are designed for a 12-month reporting period ending on 30 June. This date also represents the end of the academic year. Therefore, a calendar year comprises semesters of two academic years.

In 2023, the spring semester of the academic year 2022/2023 lasted from 1 January 2023 through 30 June 2023, and the fall semester of the academic year 2023/2024 lasted from 1 September 2023 through 31 December 2023.

The tuition fees in the academic year 2023/2024 increased compared to the academic year 2022/2023 as presented below:

	Price in ac.year 2022/2023	Price in ac.year 2023/2024
Students enrolled before 2020/2021	6.400 €	6.600 €
Students enrolled 2020/2021; 2021/2022; 2022/2023	6.500 €	6.700 €
Students enrolled 2023/2024 (HR, EU, Region)		6.800 €
Students enrolled 2023/2024 (International)		7.800 €

The increase in income for the 2023/24 academic year compared to the previous year was due to a larger number of students, higher tuition fees, and new cohorts of MS ITA and MS OLI graduate students. In the 2022/2023 academic year, there were no new enrollments for graduate studies.

Note 5

Cash at bank and in hand – AOP 075

	31 December 2022	31 December 2023
Euro account at bank	1.431.897	1.234.560
Foreign currency account at bank - USD	34.755	45.994
Cash in hand	622	1.874
	<u>1.467.273</u>	<u>1.282.428</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2023

(all amounts are presented in euros)

Note 6

Group 35 - Income from Donations - AOP 024

Account 3513 - Income from Donations from the State Budget for EU Projects - AOP 028

Approved applications for Erasmus+ and the realized trips of students and employees during 2023 are at the same level as in 2022. Therefore, Erasmus-related revenues and expenditures remained consistent with those of 2022.

Account 3521 – Revenue from the foreign governments and international organizations – AOP 031

The increase on this account is related to the new project titled DARPA HARDEN that is implemented with the Boston University.

In May 2023 we started the implementation of the DARPA HARDEN project. This is a very specific project implemented with the Boston University (BU) and these are the project key points:

- The first part of the project, the phase I, lasted from 1 May 2023 through 13 March 2024.
- The project required hiring of a person, whose salary is fully covered by the Boston University. RIT Croatia was liable to pay the salary, but the cost of the salary for the above mentioned person is not recorded as a cost of RIT Croatia. This person works solely in agreement with and for the Boston University. The entire salary cost covered by RIT Croatia was invoiced and charged to the Boston University.
- In accordance with the agreement executed between BU and RIT Croatia, any travel cost (agreed in advance) for this particular employee shall be covered by RIT Croatia, but RIT Croatia will subsequently invoice it and charged to BU.
- Apart from requesting the compensation of any liabilities related to the Boston Projects, RIT Croatia also has the right to a 53% revenue of the total of the invoiced costs for each month. RIT Croatia invoices all liabilities and adds the additional 54% that the Organization keeps as revenue.
- The salary cost that should be refunded have been transferred from the group 4 accounts (salary cost) to 192001.
- The salary liability has been posted on the group 2 account, organizational unit 127.

Account 3522 – Income from EU Institutions and Bodies - AOP 038

This account shows revenues related to the Funding Agreement under the EIT Health program "Gesture-based Human Machine Interface for Guided Orthopedic Surgery". Since the project lasted longer in 2022 compared to 2023, revenues were higher in 2022 than in 2023.

Account 3551 – Other Income from Donations

In 2023, the Institution organized a charity event called "Charity Auction". A special bank account was opened for collecting funds for the Krijesnica Association. The income from this charity event was posted to this account. All collected funds were forwarded to the Krijesnica Association, and the account was subsequently closed.

Note 7

Group 41- Staff expenses- AOP 055

There is no significant difference in salary costs compared to 2022, despite an increase in employee salaries effective January 1, 2023, based on their performance evaluations from the previous academic year. Additionally, during 2023, four employees took maternity leave and one employee took paternity leave, resulting in no salary costs for these employees.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2023

(all amounts are presented in euros)

Note 8

Group 42 – Material Expenses – AOP 067

The total amount of expenses within this group is lower compared to 2022 due to the following reasons:

- From July 1, 2023, we no longer have travel and other expenses for Donald Hudspeth (the dean retired and was an employee of RIT until June 30, 2023).
- Marketing service costs were higher in 2022 due to a large campaign related to the new NMD program.

Group 421 - Reimbursement of costs to employees - AOP 067

Travel costs in 2023 reached the level prior to COVID-19 outbreak. The trips are taken for the purpose of conducting business on two campuses in two different cities, professional development of employees and enabling our students to participate in various events, workshops and competitions, important for their development and progress, at the home campus in Rochester, but also at other destinations outside of Croatia.

Note 9

Group 43 – Depreciation Expenses - AOP 108

Depreciation expenses increased in 2023 compared to 2022, primarily due to the purchase of new electronic equipment (computers) in 2023 and the subsequent calculation of depreciation for these assets.

Note 10

Group 0221 – Office equipment and furniture – AOP 024

Group 0124 – Other rights – AOP 012

Compared to the preceding year, the accounting events that affected the changes within this account group, refer mostly to the renovation of the Zagreb campus and procurement of new computers.

	Quant.	Purchase price in euros	Date of purchase	Account
Apple iMac computer	10	25.670,94	26.06.2023	.022112
Apple iMac computer	19	44.769,22	26.06.2023	.022111
Lenovo Thinkpad	10	15.039,73	08.08.2023	.022112
Computer Thinkcenter	10	22.220,00	08.08.2023	.022111
Wall stickers	1	19.138,59	12.09.2023	.022181
Main building - Lounge furniture	1	17.489,69	12.09.2023	.022181
Reception area	1	6.062,50	12.09.2023	.022181
Constructual works	1	86.738,61	31.08.2023	.012411

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2023

(all amounts are presented in euros)

Note 11

Group 019 - Impairment of non-produced non-current assets - AOP 017

Below is a presentation of the impairment of non-produced fixed assets as of December 31, 2023:

Impairment of non-produced non-current assets	Amount
019110 - Impairment of Non-Produced, Non-Current Assets – Third-Party Property	1.241.666
019111 - Impairment of Non-Produced, Non-Current Assets – Investments in Third-Party Property for the Right to Use ZG	194.207
019121 - Impairment of Non-Produced, Non-Current Assets – Investments in Other Protective Rights and Values of DBK	2.085
019711 - Impairment of Non-Produced, Non-Current Assets – Expenditures for Project Documentation ZG	5.775

Note 12

Group 16 – Income receivables – AOP 133

The increase in Group 16 is partly due to invoices issued to Boston University related to the DARPA HARDEN project. Additionally, the increase is attributed to a larger number of students and higher tuition fees.

Note 13

Group 241 – Liabilities for employees – AOP 148

Due to the salary increase in 2023, obligations for workers are higher compared to 2022.

Note 14

Group 249 - Other Liabilities - AOP 170

A larger number of students in undergraduate programs, new cohorts in graduate studies (there were no new enrollments in 2022), and higher tuition fees (the largest increase occurred in the 2023/2024 academic year) are the main reasons for the increase in this group.

Note 15

Group 29 - Accrued expenses and deferred revenue - AOP 190

The Erasmus funds allocated to the Institution in 2023 were 51% higher than those allocated in 2022, resulting in an increase in this group in 2023 compared to 2022.

Note 16

The Organization does not have any important contractual relation which may become liabilities or assets (like credit letters, mortgages, and litigations).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2023

(all amounts are presented in euros)

Note 17

Group 5 – Own sources - AOP 195

The financial results for 2023 have been recorded within this group. In 2023, the institution experienced a revenue shortfall of EUR 157,553. However, the surplus income carried over from previous years amounts to EUR 326,694. Consequently, the excess income available for the next period, as of December 31, 2023, amounts to EUR 169,140.

Note 18

Events after the balance sheet data are those that have either favorable or unfavorable consequences, and those that occurred between the balance sheet date and the date of approval of the financial statements.

In July 2023, the Management of the Organization changed. The former dean, Donald W. Hudspeth retired and the new dean, dr. Irena Guszak was appointed. This change has not affected the further functioning of RIT Croatia.