

PanHellenic Scholarship Foundation

Financial Statements

September 30, 2024 and 2023

PanHellenic Scholarship Foundation
Report Index
September 30, 2024 and 2023

	<u>Page</u>
Independent auditor's report	1 - 2
Statements of financial position	3
Statement of activities for the year ended September 30, 2024	4
Statement of activities for the year ended September 30, 2023	5
Statement of functional expenses for the year ended September 30, 2024	6
Statement of functional expenses for the year ended September 30, 2023	7
Statements of cash flows	8
Notes to financial statements	9 - 20



Independent Auditor's Report

To the Board of Directors of
PanHellenic Scholarship Foundation
Chicago, Illinois

Opinion

We have audited the accompanying financial statements of PanHellenic Scholarship Foundation (a nonprofit organization), which comprise the statements of financial position as of September 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PanHellenic Scholarship Foundation as of September 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 required to be independent of PanHellenic Scholarship Foundation 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about PanHellenic Scholarship Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 PanHellenic Scholarship Foundation'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about PanHellenic Scholarship Foundation'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.

Adducci Vega Financial Group, PLLC

Palos Heights, Illinois
February 4, 2025

PanHellenic Scholarship Foundation
Statement of Financial Position
September 30, 2024 and 2023

<u>Assets</u>		
	<u>2024</u>	<u>2023</u>
Current assets:		
Cash and cash equivalents	\$ 21,824	\$ 45,800
Investments, at fair value	4,408,722	3,946,041
Contribution receivable	2,500	3,133
Prepaid expenses	13,625	-
Total current assets	<u>4,446,671</u>	<u>3,994,974</u>
Property and equipment, net	4,807	7,152
Restricted investments, at fair value	871,855	679,086
Operating lease right-of-use asset	10,077	29,832
Deposits	1,485	1,485
	<u>883,417</u>	<u>710,403</u>
Total assets	<u>\$ 5,334,895</u>	<u>\$ 4,712,529</u>
 <u>Liabilities and Net Assets</u>		
Liabilities:		
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,070	\$ 4,473
Credit card payable	10,749	2,396
Current portion of operating lease liability	10,402	19,998
Total current liabilities	<u>22,221</u>	<u>26,867</u>
Operating lease liability, long-term	-	10,402
Total liabilities	<u>22,221</u>	<u>37,269</u>
Net assets:		
Without donor restrictions	4,440,819	3,996,174
With donor restrictions	871,855	679,086
Total net assets	<u>5,312,674</u>	<u>4,675,260</u>
Total liabilities and net assets	<u>\$ 5,334,895</u>	<u>\$ 4,712,529</u>

The accompanying notes to financial statements are
an integral part of this statement.

PanHellenic Scholarship Foundation
Statement of Activities
For the Year Ended September 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue:			
Contributions	\$ 712,386	\$ -	\$ 712,386
Special events	92,893	-	92,893
Investment income, net	732,618	232,769	965,387
Net assets released from restrictions	<u>40,000</u>	<u>(40,000)</u>	<u>-</u>
Total revenue	<u>1,577,897</u>	<u>192,769</u>	<u>1,770,666</u>
Functional expenses:			
Program services	816,943	-	816,943
Supporting activities:			
General and administrative	113,648	-	113,648
Fundraising and development	<u>202,661</u>	<u>-</u>	<u>202,661</u>
Total functional expenses	<u>1,133,252</u>	<u>-</u>	<u>1,133,252</u>
Change in net assets	444,645	192,769	637,414
Net assets, beginning of the year	<u>3,996,174</u>	<u>679,086</u>	<u>4,675,260</u>
Net assets, end of the year	<u><u>\$ 4,440,819</u></u>	<u><u>\$ 871,855</u></u>	<u><u>\$ 5,312,674</u></u>

The accompanying notes to financial statements are
an integral part of this statement.

PanHellenic Scholarship Foundation
Statement of Activities
For the Year Ended September 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue:			
Contributions	\$ 582,333	\$ -	\$ 582,333
Special events	92,336	-	92,336
Investment income, net	352,392	115,681	468,073
Net assets released from restrictions	<u>40,000</u>	<u>(40,000)</u>	<u>-</u>
Total revenue	<u>1,067,061</u>	<u>75,681</u>	<u>1,142,742</u>
Functional expenses:			
Program services	787,688	-	787,688
Supporting activities:			
General and administrative	86,677	-	86,677
Fundraising and development	<u>189,332</u>	<u>-</u>	<u>189,332</u>
Total functional expenses	<u>1,063,697</u>	<u>-</u>	<u>1,063,697</u>
Change in net assets	3,364	75,681	79,045
Net assets, beginning of the year	<u>3,992,810</u>	<u>603,405</u>	<u>4,596,215</u>
Net assets, end of the year	<u><u>\$ 3,996,174</u></u>	<u><u>\$ 679,086</u></u>	<u><u>\$ 4,675,260</u></u>

The accompanying notes to financial statements are
an integral part of this statement.

PanHellenic Scholarship Foundation
Statement of Functional Expenses
For the Years Ended September 30, 2024

	Program Service	General and Administrative Expenses	Fundraising and Development Expenses	Total Expenses
Bank and credit card charges	\$ -	\$ 75	\$ -	\$ 75
Computer expense	20,261	1,192	2,384	23,837
Copier rental	-	5,501	-	5,501
Depreciation and amortization expense	-	2,345	-	2,345
Dues and subscriptions	-	1,286	-	1,286
Employee benefits	9,478	558	1,115	11,151
Graphic Design	339	-	339	678
Insurance	-	5,672	-	5,672
Internet expense	3,489	3,489	-	6,978
Lease expense	39,476	2,322	4,644	46,442
Marketing and publicity	10,314	-	10,314	20,628
Meetings and conferences	16,763	3,725	16,763	37,251
Office supplies	-	7,881	-	7,881
Payroll processing fees	3,824	225	450	4,499
Postage and mailings	4,914	-	4,914	9,828
Printing	3,921	-	3,921	7,842
Professional services	-	72,686	24,229	96,915
Program awards ceremony and publicity event	240,409	-	120,205	360,614
Salaries	111,251	6,544	13,088	130,883
Scholarships grants and allowances	350,000	-	-	350,000
Telephone	1,146	67	135	1,348
Utilities	1,358	80	160	1,598
Total functional expenses	<u>\$ 816,943</u>	<u>\$ 113,648</u>	<u>\$ 202,661</u>	<u>\$ 1,133,252</u>

The accompanying notes to financial statements are
an integral part of this statement.

PanHellenic Scholarship Foundation
Statement of Functional Expenses
For the Years Ended September 30, 2023

	Program Service	General and Administrative Expenses	Fundraising and Development Expenses	Total Expenses
Bank and credit card charges	\$ -	\$ 116	\$ -	\$ 116
Computer expense	17,692	1,041	2,081	20,814
Copier rental	-	5,501	-	5,501
Depreciation and amortization expense	-	2,860	-	2,860
Dues and subscriptions	-	1,429	-	1,429
Employee benefits	9,259	545	1,089	10,893
Graphic Design	514	-	514	1,028
Insurance	-	4,995	-	4,995
Internet expense	3,874	3,874	-	7,748
Lease expense	40,112	2,359	4,719	47,190
Marketing and publicity	8,335	-	8,335	16,670
Meetings and conferences	5,875	1,305	5,875	13,055
Office supplies	-	3,393	-	3,393
Payroll processing fees	3,751	221	441	4,413
Postage and mailings	6,079	-	6,079	12,158
Printing	5,432	-	5,432	10,864
Professional services	-	52,226	17,409	69,635
Program awards ceremony and publicity event	247,468	-	123,734	371,202
Salaries	113,638	6,685	13,369	133,692
Scholarships grants and allowances	323,500	-	-	323,500
Telephone	880	52	104	1,036
Utilities	1,279	75	151	1,505
Total functional expenses	<u>\$ 787,688</u>	<u>\$ 86,677</u>	<u>\$ 189,332</u>	<u>\$ 1,063,697</u>

The accompanying notes to financial statements are
an integral part of this statement.

PanHellenic Scholarship Foundation
Statement of Cash Flows
For the Years Ended September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$ 637,414	\$ 79,045
Adjustment to reconciles change in nets assets to net cash used in operating activities:		
Depreciation and amortization	2,345	2,860
Dividends and interest earned on investments	(126,529)	(111,640)
Net realized and unrealized (gain) loss on investments	(886,427)	(403,219)
Investment fees	47,569	46,786
Non-cash lease expense	(243)	568
(Increase) decrease in assets:		
Contribution receivable	633	(3,133)
Prepaid expenses	(13,625)	5,421
Increase (decrease) in liabilities:		
Accounts payable	(3,403)	(150,557)
Credit card payable	8,353	(2,970)
Net cash used in operating activities	<u>(333,913)</u>	<u>(536,839)</u>
Cash flows from investing activities:		
Proceeds from sale of investments	1,674,984	3,365,076
Purchases of investments	(1,365,047)	(2,927,577)
Purchase of property and equipment	-	(4,563)
Net cash provided by investing activities	<u>309,937</u>	<u>432,936</u>
Net decrease in cash and cash equivalents	(23,976)	(103,903)
Cash, and cash equivalents, beginning of the year	<u>\$ 45,800</u>	<u>149,703</u>
Cash, and cash equivalents end of the year	<u><u>\$ 21,824</u></u>	<u><u>\$ 45,800</u></u>
Supplemental cash flow information:		
Interest paid	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying notes to financial statements are
an integral part of this statement.

PanHellenic Scholarship Foundation
Notes to Financial Statements
September 30, 2024 and 2023

Note 1. Summary of significant accounting policies

Description of the Organization and nature of activities

PanHellenic Scholarship Foundation (the "Foundation") is a not-for-profit corporation whose purpose is the furthering of higher education among Greek Americans by awarding scholarships to students demonstrating high academic and leadership skills. The Foundation's support is derived from voluntary donations, a significant portion of which comes from an annual fundraising gala, and the Foundation is governed by a Board of Directors.

Basis of accounting and presentation

The Foundation maintains its books in accordance with the accrual basis method of accounting. Under this method, income is recognized when earned and expenses are recognized when incurred. Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence or nature of any donor restrictions. The Foundation reports gifts of cash and other assets as with donor restrictions if the gifts are received with donor stipulations that limit the use of the donated assets.

Net assets

Net assets, revenues, gains and losses are classified based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. The Foundation's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

PanHellenic Scholarship Foundation
Notes to Financial Statements
September 30, 2024 and 2023

Note 1. Summary of significant accounting policies (continued)

Revenue recognition and contributions

Contributions are single-performance transactions and recognized as income when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions received are recorded as support with or without donor restrictions, depending on the absence or existence and nature of donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Expense allocation

Directly identifiable expenses are charged to the scholarship program and support services. Expenses related to more than one function are charged to program and supporting services on the basis of periodic time and expense estimates. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

Use of estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts or revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include cash in demand deposit accounts, money market accounts at banks and investment brokerage companies, and all highly liquid investments with original maturities of three months or less, unless the investments are held for meeting restrictions for purchase of property and equipment, payment of long-term debt, or endowment.

PanHellenic Scholarship Foundation
Notes to Financial Statements
September 30, 2024 and 2023

Note 1. Summary of significant accounting policies (continued)

Investments

Investments primarily consist of cash, equities, exchange traded funds, mutual funds, corporate bonds, and government securities, and are recorded at fair value. The Foundation maintains a diversified portfolio of investments to manage market and interest rate risks.

Net investment income, including realized and unrealized gains and losses, is included in the accompanying statement of activities. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Investment income with respect to restricted investments is reported as an increase in net assets with donor restrictions until the restrictions are met by their use.

Investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could be material to the amounts reported in the financial statements.

Property and equipment

Purchased fixed assets are stated at cost, less an allowance for depreciation. Donations of fixed assets are recorded as contributions at their estimated fair value at the donation date. It is the Foundation's policy to capitalize fixed asset additions in excess of \$1,000. Lesser amounts are expensed. Depreciation of fixed assets is computed using the straight-line method based upon the estimated useful lives of the assets. The estimated lives are as follows:

Computer equipment	5 years
Furniture and equipment	5 years

Income taxes

The Foundation is a not-for-profit corporation described in Section 501(c)(3) of the Internal Revenue Code, and is exempt from federal income taxes pursuant to Section 501(a) of the Code. The Foundation is not classified as a private foundation. During the years ended September 30, 2024 and 2023, the Foundation did not incur any income taxes. In addition, there were no penalties or interest associated with income taxes recognized in the accompanying financial statements.

The Foundation prepares and files annual information tax returns with both the Internal Revenue Service (IRS) and the Office of the Attorney General of the State of Illinois. Generally, tax returns may be examined by the IRS or the State of Illinois for three years after they are filed; however, the Foundation has not been informed of any tax examinations by either the IRS or the State of Illinois.

PanHellenic Scholarship Foundation
Notes to Financial Statements
September 30, 2024 and 2023

Note 1. Summary of significant accounting policies (continued)

Marketing and publicity costs

The Foundation expenses marketing and publicity costs as they are incurred. Marketing and publicity expense was \$20,628 and \$16,670 for the years ended September 30, 2024 and 2023, respectively.

Functional allocation of expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification details of expenses by function. Accordingly, certain costs have been allocated among the program services and supporting services benefitted. Such allocations are determined by management on an equitable basis.

Evaluation of subsequent events

The Foundation has evaluated subsequent events through February 4, 2025, the date on which the financial statements were available to be issued.

Note 2. Availability and liquidity

The following represents the Foundation's financial assets at September 30, 2024 and 2023:

	2024	2023
Cash and cash equivalents	\$ 21,824	\$ 45,800
Investments, at fair value	5,280,577	4,625,127
Contribution receivable	2,500	3,133
Total financial assets	<u>5,304,901</u>	<u>4,674,060</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	871,855	679,086
Less net assets with purpose restrictions to be met in less than one year	<u>(30,000)</u>	<u>(30,000)</u>
	<u>841,855</u>	<u>649,086</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 4,463,046</u>	<u>\$ 4,024,974</u>

PanHellenic Scholarship Foundation
Notes to Financial Statements
September 30, 2024 and 2023

Note 2. Availability and liquidity (continued)

In addition to the financial assets available to meet general expenditures described above the Foundation anticipates holding an annual fundraising event. Further, as part of the Foundation's liquidity plan, excess cash is invested in short-term investments.

Note 3. Scholarship Award Program

The following represents information about the Foundation's scholarship awards for the years ended September 30, 2024 and 2023:

	2024	2023
Individual award amount	\$ 10,000	\$ 10,000
Number of awards	28	26
Individual award amount	\$ 2,500	\$ 2,500
Number of awards	28	25

Applications are reviewed and recommendations made to the Board of Directors by the Foundation's Academic Committee. All awards are approved by the Board.

Note 4. Investments

At September 30, 2024 and 2023, investments are stated at fair value and consist of the following:

	2024	2023
Cash/currency	\$ 43,738	\$ 63,107
Equities	2,543,300	2,121,402
Corporate bonds and notes	392,492	416,232
Exchange traded funds	627,733	627,431
Mutual funds	180,704	183,204
Government Securities	620,755	534,665
Total	<u>\$ 4,408,722</u>	<u>\$ 3,946,041</u>

Net investment income for the years ended September 30, 2024 and 2023 consists of the following:

PanHellenic Scholarship Foundation
Notes to Financial Statements
September 30, 2024 and 2023

Note 4. Investments (continued)

	2024	2023
Net realized and unrealized gains	\$ 659,014	\$ 292,088
Interest and dividend income	114,407	101,363
	773,421	393,451
Less investment fees	(40,803)	(41,059)
Net investment income	<u>\$ 732,618</u>	<u>\$ 352,392</u>

Note 5. Restricted Investments

Restricted investments at September 30, 2024 and 2023, which are restricted assets as further described in Note 7, are stated at fair value and consist of the following:

	2024	2023
Cash/currency	\$ 11,335	\$ 8,758
Equities	860,520	459,181
Exchange traded funds	-	211,147
Total	<u>\$ 871,855</u>	<u>\$ 679,086</u>

Net restricted investment income for the years ended September 30, 2024 and 2023 consists of the following:

	2024	2023
Net realized and unrealized gains	\$ 227,413	\$ 111,131
Interest and dividend income	12,122	10,277
	239,535	121,408
Less investment fees	(6,766)	(5,727)
Net investment income	<u>\$ 232,769</u>	<u>\$ 115,681</u>

PanHellenic Scholarship Foundation
Notes to Financial Statements
September 30, 2024 and 2023

Note 6. Property and equipment, net

Fixed assets at September 30, 2024 and 2023 are comprised of the following:

	2024	2023
Computer equipment	\$ 13,118	\$ 13,118
Furniture and equipment	2,505	2,505
	15,623	15,623
Less accumulated depreciation and amortization	(10,816)	(8,471)
Total	\$ 4,807	\$ 7,152

Depreciation expense was \$2,345 and \$2,860 for the years ended September 30, 2024 and 2023, respectively.

Note 7. Fair value measurements

The Foundation adopted the accounting standard that establishes a framework for measuring fair value. That framework establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. There were, however, no investments for 2024 or 2023 that were valued using Level 3 inputs.

Following is a description of the valuation methodologies used for investments measured at fair value on a recurring basis. There have been no changes in valuation methodologies.

Level 1: Based upon quoted market prices in active markets.

Level 2: The fair values of these investments are based on yields currently available on comparable securities of issuers with similar credit ratings, because prices in active markets are not available at the measurement date.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes that its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

PanHellenic Scholarship Foundation
Notes to Financial Statements
September 30, 2024 and 2023

Note 7. Fair value measurements (continued)

The following table presents the Foundation's investments measured at fair value on a recurring basis at September 30, 2024 and 2023:

	Fair Value	Fair Value Measurements Reporting Date Using	
		(Level 1)	(Level 2)
September 30, 2024:			
Cash/currency	\$ 43,738	\$ 43,738	\$ -
Equities	2,543,300	2,543,300	-
Corporate bonds and notes	392,492	-	392,492
Exchange traded funds	627,733	627,733	-
Mutual funds	180,704	180,704	-
Government Securities	620,755	-	620,755
Total	<u>\$ 4,408,722</u>	<u>\$ 3,395,475</u>	<u>\$ 1,013,247</u>
September 30, 2023:			
Cash/currency	\$ 63,107	\$ 63,107	\$ -
Equities	2,121,402	2,121,402	-
Corporate bonds and notes	416,232	-	416,232
Exchange traded funds	627,431	627,431	-
Mutual funds	183,204	183,204	-
Government Securities	534,665	-	534,665
Total	<u>\$ 3,946,041</u>	<u>\$ 2,995,144</u>	<u>\$ 950,897</u>

The following table presents the Foundation's restricted investments measured at fair value on a recurring basis at September 30, 2024 and 2023:

	Fair Value	Fair Value Measurements Reporting Date Using	
		(Level 1)	(Level 2)
September 30, 2024:			
Cash/currency	\$ 11,335	\$ 11,335	\$ -
Equities	860,520	860,520	-
Total	<u>\$ 871,855</u>	<u>\$ 871,855</u>	<u>\$ -</u>
September 30, 2023:			
Cash/currency	\$ 8,758	\$ 8,758	\$ -
Equities	459,181	459,181	-
Exchange traded funds	211,147	211,147	-
Total	<u>\$ 679,086</u>	<u>\$ 679,086</u>	<u>\$ -</u>

PanHellenic Scholarship Foundation
Notes to Financial Statements
September 30, 2024 and 2023

Note 8. Concentrations of Credit Risk

Financial instruments that subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents in financial institutions which, from time to time, may exceed the Federal Deposit Insurance Corporation ("FDIC") insurance coverage limit of \$250,000. Cash equivalents, other securities, and limited amounts of cash held in brokerage accounts are protected by the Securities Investor Protection Corporation ("SIPC") in the event of broker-dealer failure, up to \$500,000 of protection for each brokerage account with a limit of \$250,000 for claims of uninvested cash balances. The SIPC insurance does not protect against market losses on investments. The Foundation has not experienced such losses related to uninsured amounts.

Note 9. Scholarship Society

The Foundation established the Scholarship Society as a means of encouraging donors to commit to annual contributions. To become a Society member, donors must commit to a \$10,000 per year contribution for either five or ten years. As a member, donors receive a number of benefits, including complimentary tickets to the Foundation's annual gala event and name recognition on the Foundation's website and media releases. As of September 30, 2024 there were thirty-two Scholarship Society members.

Note 10. Net assets with donor restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

	2024	2023
Subject to expenditure for specified purpose:		
Georgia Sfondouris Mitchell Music & Arts Scholarship Fund	\$ 635,397	\$ 465,532
Subject to perpetual restriction:		
The Varlan, Man and Anderson Family Scholarship Fund	236,458	213,554
Total	<u>\$ 871,855</u>	<u>\$ 679,086</u>

PanHellenic Scholarship Foundation
Notes to Financial Statements
September 30, 2024 and 2023

Note 10. Net assets with donor restrictions (continued)

Activity in net assets with donor restrictions, for the years ended September 30, 2024 and 2023, follows:

	2024	2023
Balance, beginning of the year	\$ 679,086	\$ 603,405
Scholarships awarded	(30,000)	(30,000)
Administrative fee	(10,000)	(10,000)
Net investment income:		
Dividend and interest income	12,122	10,277
Net realized and unrealized gains (loss)	227,413	111,131
Investment fees	(6,766)	(5,727)
Balance, end of the year	<u>\$ 871,855</u>	<u>\$ 679,086</u>

The Georgia Sfondouris Mitchell Music & Arts Scholarship Fund

Funds are to be used for two scholarships per year of \$10,000 each, awarded to students majoring in music or the arts, and an annual allowance for operating expenses not to exceed two percent of the balance remaining after payment of the scholarships. The funds are to be held in a separate professionally managed account, invested in low-to-medium risk investments. The Board of Directors has established a committee for oversight of the fund's management.

The Varlan, Man and Anderson Family Scholarship Fund

Funds are to be used for one scholarship per year of \$10,000, awarded to a student (i) attending college in the Southeast United States, (ii) has demonstrated involvement in the Greek Orthodox Church, and (iii) a preference for a student with some Greek ethnicity by lineage or heritage. The Foundation may also apply an amount of up to two percent of the fund for operating expenses, provided that doing so would not cause the corpus of the fund to fall below \$250,000. The funds are to be invested in diversified investments with a manageable degree of risk. The Board of Directors has established a committee for oversight of the fund's management.

PanHellenic Scholarship Foundation
Notes to Financial Statements
September 30, 2024 and 2023

Note 11. Leasing activities

The Foundation has an operating lease for its office space that expires on March 31, 2025.

The following summarizes the line items in the statements of position which include the operating lease as of September 30:

	<u>2024</u>	<u>2023</u>
Operating Leases:		
Operating lease right of use assets	\$ 10,077	\$ 29,832
Current portion of operating lease liability	\$ 10,402	\$ 19,998
Operating lease liabilities, less current portion	<u>-</u>	<u>10,402</u>
Total operating lease liabilities	<u>\$ 10,402</u>	<u>\$ 30,400</u>

The following summarizes the weighted average remaining lease term and discount rate as of September 30:

	<u>2024</u>	<u>2023</u>
Weighted average remaining lease term	7 months	18 Months
Weighted average discount rate	2.61%	2.61%

The Foundation has made the private company election afforded in the guidance under ASC Topic 842 which allows the use of the risk-free discount rate for these leases, which is based on the borrowing rate for the United States Federal Government for a period comparable to the lease term.

The maturities of operating lease liability are as follows for the following year:

2025	<u>\$ 10,481</u>
Less interest	<u>(79)</u>
Present value of lease liabilities	<u>\$ 10,402</u>

In addition to the lease described above, the Foundation also rents office equipment on a month-to-month basis. The Foundation has elected the short-term lease recognition exemption for all applicable classes of underlying assets. Leases with an initial term of 12 months or less, that do not include an option to purchase the underlying asset, are not recorded on the statements of position. The agreement requires monthly rental payments and total lease expense amounted to approximately \$5,500 and \$5,500 for the years ended September 30, 2024 and 2023, respectively.

PanHellenic Scholarship Foundation
Notes to Financial Statements
September 30, 2024 and 2023

Note 12. Adoption of new Accounting Standard

On October 1, 2023, the Foundation adopted FASB Accounting Standards Update 2016-13 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including accounts receivable. There was no material impact on the Foundation's results of operations or financial condition upon adoption of the new standard.