

**PANHELLENIC SCHOLARSHIP FOUNDATION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2010**

**POULOS & BAYER**  
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT**

Member

Illinois Society of  
Certified Public Accountants

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American Institute of  
Certified Public Accountants

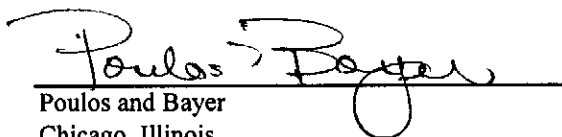
To the Board of Directors  
PanHellenic Scholarship Foundation  
Chicago, Illinois 60602

We have audited the accompanying statement of financial position of the Panhellenic Scholarship Foundation (a nonprofit organization) as of December 31, 2010 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Panhellenic Scholarship Foundation as of December 31, 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on Exhibit 1 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.



Poulos and Bayer  
Chicago, Illinois  
June 6, 2011

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**PANHELLENIC SCHOLARSHIP FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2010**

	<u>2010</u>
<b><u>ASSETS</u></b>	
Cash and Cash Equivalents	\$1,469
Contributions Receivable	6,000
<b>TOTAL ASSETS</b>	<b><u><u>\$7,469</u></u></b>
 <b><u>LIABILITIES AND NET ASSETS</u></b>	
<b><u>LIABILITIES</u></b>	
Accounts Payable	<u>\$4,253</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$4,253</u></b>
 <b><u>NET ASSETS</u></b>	
Unrestricted	\$3,216
Temporarily Restricted	0
Permanently Restricted	<u>0</u>
<b>TOTAL NET ASSETS</b>	<b><u>\$3,216</u></b>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <b><u><u>\$7,469</u></u></b>

**PANHELLENIC SCHOLARSHIP FOUNDATION**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2010**

REVENUES	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>Contributed</u>				
Individuals	\$75,210			\$75,210
Corporations	155,110			155,110
Foundations	60,500			60,500
In-Kind	119,988			119,988
Event, net	(20,165)			(20,165)
<b>TOTAL REVENUES</b>	<u>\$390,642</u>	<u>\$0</u>	<u>\$0</u>	<u>\$390,642</u>
<b>EXPENSES</b>				
Program Services	\$343,942			\$343,942
<u>Support Services</u>				
General and Administrative	66,841			66,841
Fund Raising and Development	47,709			47,709
<b>TOTAL EXPENSES</b>	<u>\$458,492</u>	<u>\$0</u>	<u>\$0</u>	<u>\$458,492</u>
<b>CHANGE IN NET ASSETS</b>	(\$67,850)	\$0	\$0	(\$67,850)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>71,066</u>	<u>0</u>	<u>0</u>	<u>71,066</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$3,216</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,216</u>

**PANHELLENIC SCHOLARSHIP FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2010**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Decrease in Net Assets	(\$67,850)
Adjustments to Reconcile Change in Net Assets to Net Cash	
Other Changes	
Contributions Receivable	6,800
Accounts Payable	3,909
Accrued Expenses	(264)
NET CASH (USED) BY OPERATING ACTIVITIES	<u>(\$57,405)</u>
NET CASH CHANGE	(\$57,405)

**CASH AND EQUIVALENTS**

Beginning of Year	<u>58,874</u>
End of Year	<u><u>\$1,469</u></u>

**Supplemental Information**

Interest Paid	\$0
Income Taxes Paid	\$0

**PANHELLENIC SCHOLARSHIP FOUNDATION**  
**FOOTNOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31 2010**

**NATURE OF ACTIVITIES**

**Nature of Activities**

The Panhellenic Scholarship Foundation (Foundation) is a not-for-profit corporation whose purpose is the furthering higher education among Greek Americans by awarding scholarships to students demonstrating high academic and leadership skills. All of the Organization's support is derived from voluntary donations.

**SIGNIFICANT ACCOUNTING POLICIES**

**Promises to Give**

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Financial Statement Presentation**

The accompanying financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United State of America. The Foundation is required to report information regarding its financial position and activities according to three classes of net asstes: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted - net assets that are not subject to donor-imposed stipulations or the donor-imposed stipulations have expired.

Temporarily Restricted - net assets subject to donor-imposed stipulations that can be satisfied by actions of The Society or by the passage of time.

Permanently Restricted - net assets subject to donor-imposed stipulations that they be maintained permanently by The Society.

**Contributions**

The Foundation has adopted SFAS No. 116, 'Accounting for Contributions Received and Contributions Made.' Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

**Expense Allocation**

Directly identifiable expenses are charged to the scholarship program and supporting 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.

**Income Taxes**

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

### Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains from investments restricted by a donor are reported as increases in unrestricted net assets when the restrictions are met in the current period.

### Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and all highly liquid investments with an original maturity of three months or less.

## **CONCENTRATIONS**

The Foundation maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

The Foundation has a concentration risk related to its Board of Directors' Chairman, major financial supporter, and in-kind contributor for administrative personnel and occupancy expense. The Foundation is aware of this concentration and considers it to be a stimulating attribute for achieving the Foundation's mission.

## **CONTRIBUTIONS RECEIVABLE**

All contributions receivable are currently due within one year. The Foundation believes that all contributions receivable as of the balance sheet date will be collected and therefore no allowance for uncollectible contributions has been made.

## **ANNUAL EVENT**

The Foundation's annual event generated \$53,275 in ticket sales and \$17,995 from the event auction for the year ended December 31, 2010. Direct expenses related to this event were \$91,435. All contributions received as a result of the event are classified as general contributions revenue.

## **ADVERTISING**

The Foundation uses advertising to promote its scholarship program. These costs are expensed as incurred. The total advertising costs for the year ended December 31, 2010 were \$5,473.

## **IN KIND**

The Foundation was provided administrative personnel and occupancy expenses by Tomaras Investments Ltd. The estimated in-kind value to the Foundation was \$119,500 for the year ended December 31, 2010. The in-kind revenue of \$119,988 includes the \$119,500 from Tomaras Investments, Ltd. The residual of in-kind revenue and expense relates to discounted services.

## **RELATED PARTY TRANSACTIONS**

The Chairman of the Foundation's Board of Directors is Chris Tomaras. Mr. Tomaras is the sole owner of Tomaras Investments Ltd. which provides in-kind services for the Foundation. Mr. Tomaras is a major contributor to the organization. Board members are aware of this relationship. Costs are allocated relative to time devoted to the Foundation.

## **SUBSEQUENT EVENTS**

Subsequent events were evaluated through June 6, 2011, which is the date the financial statements were available to be issued.

**ACCOMPANYING SUPPLEMENTAL INFORMATION**

**PANHELLENIC SCHOLARSHIP FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2010**

	Program Services	Support Services		Total
	Program Expenses	General and Administrative Expenses	Fund Raising and Development Expenses	
Scholarship Grants	\$255,200			\$255,200
Accounting		\$3,737		3,737
Bank and Credit Card Processing Charges		1,830		1,830
Bonus	2,500	2,000	\$500	5,000
Computer Expense		169		169
Consulting			18,000	18,000
Delivery		1,472		1,472
Dues and Subscriptions		129		129
Email Broadcasting	509			509
Fax Broadcasting	1,849			1,849
Graphic Design	2,700	900	\$900	4,500
Licenses		743		743
Mailing House	1,464			1,464
Marketing - Advertising; Social Media	5,561			5,561
Marketing - Publicity		8,743		8,743
Meeting/Conferences			1,853	1,853
Office Supplies	186	181	181	547
Postage and Mailings	2,028		1,092	3,120
Printing	21,885			21,885
Web Development & Maintenance	2,195			2,195
Accounting - In Kind		488		488
Office Supplies - In-Kind	901	875	875	2,650
Postage and Printing - In Kind	629		296	925
Rent - In-Kind	11,916	11,565	11,565	35,047
Salaries - In-Kind	34,047	32,310	11,891	78,248
Telephone - In-Kind	371	929	557	1,857
Utilities - In-Kind		773		773
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$343,942</b>	<b>\$66,841</b>	<b>\$47,709</b>	<b>\$458,492</b>