

PANHELLENIC SCHOLARSHIP FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2014 and 2013

POULOS & BAYER
CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the PanHellenic Scholarship Foundation (a nonprofit organization) which comprise the statements of financial position as of December 31, 2014 and 2013 and the related statements of activities, statements of cash flows, and statements of functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

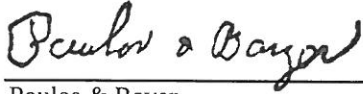
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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, 2014 and 2013, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script, reading "Poulos & Bayer", written over a horizontal line.

Poulos & Bayer
Chicago, Illinois
May 13, 2015

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PANHELLENIC SCHOLARSHIP FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$56,136	\$31,833
Contributions Receivable	3,659	0
Prepaid Expenses	1,500	1,500
TOTAL ASSETS	<u>\$61,295</u>	<u>\$33,333</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$6,785	\$358
Scholarship Awards	<u>6,667</u>	<u>20,000</u>
TOTAL LIABILITIES	<u>\$13,452</u>	<u>\$20,358</u>
<u>NET ASSETS</u>		
Unrestricted	\$47,843	\$12,974
Temporarily Restricted	0	0
Permanently Restricted	<u>0</u>	<u>0</u>
TOTAL NET ASSETS	<u>\$47,843</u>	<u>\$12,974</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$61,295</u>	<u>\$33,333</u>

PANHELLENIC SCHOLARSHIP FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUES				
<u>Contributed</u>				
Individuals	\$302,075			\$302,075
Corporations	39,496			39,496
Foundations	10,100			10,100
Organizations	11,250			11,250
Special Event Revenue	113,410			113,410
In-Kind	87,427			87,427
TOTAL REVENUES	<u>\$563,758</u>	<u>\$0</u>	<u>\$0</u>	<u>\$563,758</u>
EXPENSES				
Program Services	\$341,479			\$341,479
Costs of Direct Benefits to Donor	122,292			122,292
<u>Support Services</u>				
General and Administrative	21,920			21,920
Fund Raising and Development	43,198			43,198
TOTAL EXPENSES	<u>\$528,889</u>	<u>\$0</u>	<u>\$0</u>	<u>\$528,889</u>
CHANGE IN NET ASSETS	\$34,869	\$0	\$0	\$34,869
NET ASSETS, BEGINNING OF YEAR	<u>12,974</u>	<u>0</u>	<u>0</u>	<u>12,974</u>
NET ASSETS, END OF YEAR	<u><u>\$47,843</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$47,843</u></u>

PANHELLENIC SCHOLARSHIP FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUES				
<u>Contributed</u>				
Individuals	\$35,094			\$35,094
Corporations	71,876			71,876
Foundations	35,600			35,600
Organizations	1,600			1,600
In-Kind	141,273			141,273
TOTAL REVENUES	<u>\$285,443</u>	<u>\$0</u>	<u>\$0</u>	<u>\$285,443</u>
EXPENSES				
Program Services	\$239,693			\$239,693
<u>Support Services</u>				
General and Administrative	19,536			19,536
Fund Raising and Development	26,446			26,446
TOTAL EXPENSES	<u>\$285,675</u>	<u>\$0</u>	<u>\$0</u>	<u>\$285,675</u>
CHANGE IN NET ASSETS	(\$232)	\$0	\$0	(\$232)
NET ASSETS, BEGINNING OF YEAR	<u>13,206</u>	<u>0</u>	<u>0</u>	<u>13,206</u>
NET ASSETS, END OF YEAR	<u>\$12,974</u>	<u>\$0</u>	<u>\$0</u>	<u>\$12,974</u>

EXHIBIT "D"

PANHELLENIC SCHOLARSHIP FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Increase (Decrease) in Net Assets	\$34,869	(\$232)
Adjustments to Reconcile Change in Net Assets to Net Cash		
Other Changes		
Contributions Receivable	(3,660)	800
Prepaid Expense	0	(1,500)
Accounts Payable	6,426	59
Scholarship Awards	(13,333)	0
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$24,303</u>	<u>(\$873)</u>
 NET CASH CHANGE	 \$24,303	 (\$873)
 <u>CASH AND EQUIVALENTS</u>		
Beginning of Year	<u>31,833</u>	<u>32,706</u>
 End of Year	 <u><u>\$56,136</u></u>	 <u><u>\$31,833</u></u>
 <u>Supplemental Information</u>		
Interest Paid	\$0	\$0
Income Taxes Paid	\$0	\$0

PANHELLENIC SCHOLARSHIP FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2014

	Program Services	Support Services		
	Program Expenses	General and Administrative Expenses	Fund Raising and Development Expenses	Total
Scholarship Grants	\$250,000			\$250,000
Accounting		\$5,419		5,419
Legal Fees		550		550
Bank and Credit Card Processing Charges		2,082		2,082
Consulting			\$7,223	7,223
Dues and Subscriptions		158		158
Email Broadcasting	336		336	672
Fax Broadcasting	745		745	1,489
Graphic Design	4,888		4,888	9,776
Licenses		348		348
Marketing - Publicity	7,299		7,299	14,598
Meeting & Conferences		551		551
Office Supplies		295		295
Postage and Mailings	5,883		5,883	11,766
Printing	7,047		7,047	14,093
Web Development & Maintenance		1,650		1,650
Computer Expense - In-Kind		3,781		3,781
Equipment Rental - In-Kind		1,325		1,325
Office Supplies - In-Kind	270	162	648	1,081
Parking - In-Kind		1,685	1,685	3,369
Payroll Processing Fees - In-Kind	551	32	65	648
Postage and Printing - In-Kind	1,726	192		1,918
Rent - In-Kind	15,300	900	1,800	18,000
Salaries - In-Kind	41,091	2,417	4,834	48,342
Employee Benefits - In-Kind	3,257	192	383	3,832
Telephone - In-Kind	2,325	137	274	2,735
Utilities - In-Kind	762	45	90	897
TOTAL FUNCTIONAL EXPENSES	\$341,479	\$21,920	\$43,198	\$406,597

PANHELLENIC SCHOLARSHIP FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2013

	Program Services	Support Services		Total
	Program Expenses	General and Administrative Expenses	Fund Raising and Development Expenses	
Scholarship Grants	\$20,000			\$20,000
Hellenic Birthright Program	90,619			90,619
Accounting		\$4,750		4,750
Bank and Credit Card Processing Charges		1,113		1,113
Computer Expense	1,066	47	\$72	1,185
Consulting			3,000	3,000
Dues and Subscriptions		248		248
Email Broadcasting	752			752
Fax Broadcasting	312		736	1,048
Graphic Design	3,529			3,529
Licenses		228		228
Marketing - Publicity	196		6,603	6,799
Office Supplies	1,118	98	146	1,362
Postage and Mailings	4,228		1,632	5,860
Printing	2,795		1,583	4,378
Web Development & Maintenance	1,673	422		2,095
Computer Expense - In-Kind		3,780		3,780
Equipment Rental - In-Kind		1,491		1,491
Marketing - Publicity - In-Kind			3,040	3,040
Office Supplies - In-Kind	1,078			1,078
Parking - In-Kind		1,975	1,975	3,950
Payroll Processing Fees - In-Kind	680	30	46	756
Postage and Printing - In-Kind	1,771	175		1,946
Rent - In-Kind	45,887	2,039	3,058	50,984
Salaries - In-Kind	61,341	2,726	4,090	68,157
Telephone - In-Kind	2,338	104	156	2,598
Utilities - In-Kind	310	310	309	929
TOTAL FUNCTIONAL EXPENSES	\$239,693	\$19,536	\$26,446	\$285,675

PANHELLENIC SCHOLARSHIP FOUNDATION
FOOTNOTES TO FINANCIAL STATEMENTS
DECEMBER 31 2014 AND 2013

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.

In 2012 the Foundation launched a new program labeled Hellenic Birthright. The program is in collaboration with Anatolia College of Thessaloniki and is offered to Greek American college students ages 18-25.

The objective of the program is to provide an educational and cultural experience for those selected students who have not had the opportunity to Greece.

All of the Foundation'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 require 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 Foundation has adopted the guidance of the *Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-225, Not-for Profit Entities - Income Statement* (formerly *Statement of Financial Accounting Standards (SFAS) no. 117, "Financial Statements for Not-for-Profit"*).

In accordance with *FASB ASC 958-225*, 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. In addition, the Foundation is required to present a statement of cash flows. 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 States of America.

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 Foundation or by the passage of time.

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

Contributions

In accordance with *FASB ASC 958-605-45-3 and 45-4 (formerly SFAS No. 116, paragraph 8, "Accounting for Contributions Received and Contributions Made")* contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the absence or existence and nature of donor restrictions.

Expense Allocation

Directly identifiable expenses are charged to the scholarship and Hellenic Birthright 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 and is exempt from federal and state income taxes. Accordingly, no provision for income taxes has been established. The Foundation files tax returns in the U. S. federal jurisdiction and Illinois. The Foundation does not expect a material net change in unrecognized tax benefits in the next twelve months. With few exceptions, the Foundation is no longer subject to U. S. federal or state income tax examinations by tax authorities for the years before 2011.

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.

Fair Value of Financial Instruments

Due to the short-term nature of cash equivalents, receivables, and prepaid expenses and accounts payable, their fair value approximates carrying value.

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, the 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 dates will be collected, and therefore no allowance for uncollectible contributions has been made.

ANNUAL EVENT

A gala event was held in June, 2014. No annual gala event was scheduled in 2013.

The 2014 event realized \$68,520 in ticket sales and \$44,890 from the event auction. Direct expenses related to this event were \$122,292.

SCHOLARSHIP AWARD PROGRAM

In 2014 the Foundation awarded twenty scholarships of \$10,000 each and twenty scholarships of \$2,500 each in accordance with scholarship guidelines. Applications were reviewed and approved by the Foundation's applicant review committee. Since the Foundation adjusted their major fundraising event that supports the scholarship program for 2013, no scholarships were awarded in 2013 other than the two supported by a grant from the Stavros Niarchos Foundation. These scholarships were initiated in 2010 for a four year period dependent upon the recipients and the PanHellenic Scholarship Foundation meeting grant guidelines. All requirements were met.

HELLENIC BIRTHRIGHT PROGRAM

The Hellenic Birthright Program for 2013 was for twenty undergraduate students who attend an accredited university in the United States of America. Eligible applicants are those of Hellenic descent who have never been to Greece (or had visited Greece when age 8 or younger). They also must be aged 18 - 25, with limited financial means, and U. S. A. citizens or U. S. A. permanent residents. The Foundation sponsored the tuition for the students to study at the American College of Thessaloniki (ACT) in Greece. The paid expenses for this program were \$0 and \$90,619 for the years ended December 31, 2014 and 2013 respectively. The Foundation did not participate in the Hellenic Birthright Program in 2014.

ADVERTISING

The Foundation uses advertising to promote its scholarship program. These costs are expensed as incurred. The total advertising costs for the years ended December 31, 2014 and December 31, 2013 were \$14,598 and \$4,040 respectively.

IN-KIND

The Foundation was provided administrative personnel and occupancy expenses by Tomaras Investments Ltd. The estimated in-kind value to the Foundation was \$85,927 and \$136,853 for the years ended December 31, 2014 and 2013 respectively. The in-kind revenue of \$87,427 and \$141,273 includes the \$85,927 and \$136,853 for the respective years ended December 31, 2014 and 2013 from Tomaras Investments, Ltd. The residual of in-kind revenue and expenses 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. In addition, Mr. Tomaras is an investor in the entity that provided in-kind services. Costs are charged to the Foundation based upon actual expenses incurred by the related party.

SUBSEQUENT EVENTS

Subsequent events were evaluated through May 13, 2015 which is the date the financial statements were available to be issued.