



**FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

HELLENIC COLLEGE, INC.

Contents
June 30, 2024 and 2023

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**Unmodified Opinion on Financial Statements Accompanied by
Other Information – Not-For-Profit Entity**

Independent Auditor's Report

To the Board of Trustees of
Hellenic College, Inc.:

Opinion

We have audited the financial statements of Hellenic College, Inc. (a Massachusetts corporation, not for profit) (the College) which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Hellenic College, Inc. as of June 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of the College 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 the 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 the College'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 GAAS 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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

In performing an audit in accordance with GAAS, 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 the College'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 the College'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.

AAFCPA, Inc.

Boston, Massachusetts
September 25, 2024

HELLENIC COLLEGE, INC.

Statements of Financial Position

June 30, 2024 and 2023

Assets	2024	2023
Current Assets:		
Cash and cash equivalents	\$ 404,517	\$ 995,397
Cash with donor restrictions	2,054,173	3,069,126
Certificate of deposit	726,000	-
Accounts and other receivables, net	28,271	9,663
Current portion of pledges receivable	314,500	140,711
Inventory, net	138,019	102,234
Prepaid expenses	288,792	231,466
Total current assets	3,954,272	4,548,597
Investments	38,030,029	35,431,923
Beneficial Interest in Third Party Trust	4,412,426	4,028,379
Pledges Receivable, net of current portion	640,109	877,913
Property and Equipment, net	10,095,115	10,031,107
Total assets	<u>\$ 57,131,951</u>	<u>\$ 54,917,919</u>
Liabilities and Net Assets		
Current Liabilities:		
Current portion of long-term debt	\$ 131,542	\$ 134,519
Accounts payable	805,064	229,563
Accrued expenses	1,026,454	658,295
Deferred revenue	-	68,800
Total current liabilities	1,963,060	1,091,177
Long-Term Debt, net of current portion	4,558,576	4,686,042
Total liabilities	6,521,636	5,777,219
Net Assets:		
Without donor restrictions:		
Operating	(2,171,632)	(872,657)
Property and equipment	5,404,997	5,210,546
Board designated	445,949	445,949
Total without donor restrictions	3,679,314	4,783,838
With donor restrictions	46,931,001	44,356,862
Total net assets	50,610,315	49,140,700
Total liabilities and net assets	<u>\$ 57,131,951</u>	<u>\$ 54,917,919</u>

HELLENIC COLLEGE, INC.

Statements of Activities

For the Years Ended June 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:						
Tuition and fees	\$ 3,381,739	\$ -	\$ 3,381,739	\$ 2,851,516	\$ -	\$ 2,851,516
Room and board	1,688,499	-	1,688,499	1,343,463	-	1,343,463
	5,070,238	-	5,070,238	4,194,979	-	4,194,979
Less - scholarships and grants	(1,940,594)	-	(1,940,594)	(2,141,109)	-	(2,141,109)
Tuition, fees, room and board, net	3,129,644	-	3,129,644	2,053,870	-	2,053,870
Grants and contributions	3,888,188	3,263,153	7,151,341	4,083,946	2,265,087	6,349,033
Archdiocese grant	3,574,057	-	3,574,057	3,100,000	-	3,100,000
Investment return, net	-	3,184,322	3,184,322	-	2,099,858	2,099,858
Change in value of beneficial interest in trust	-	384,047	384,047	-	424,150	424,150
Endowment contributions	-	320,107	320,107	-	1,806,945	1,806,945
Bookstore revenue	253,878	-	253,878	240,114	-	240,114
Other income	142,494	-	142,494	109,747	-	109,747
Net assets released from restrictions	4,577,490	(4,577,490)	-	5,240,574	(5,240,574)	-
Total revenue	15,565,751	2,574,139	18,139,890	14,828,251	1,355,466	16,183,717
Expenses:						
Program services:						
Instruction and library services	4,911,762	-	4,911,762	4,484,483	-	4,484,483
Centers and institutes	873,052	-	873,052	579,863	-	579,863
Program housing and food services	1,385,576	-	1,385,576	1,429,185	-	1,429,185
Student services	2,772,419	-	2,772,419	2,063,598	-	2,063,598
Bookstore and publishing	671,157	-	671,157	448,156	-	448,156
General and administrative	4,766,984	-	4,766,984	4,207,757	-	4,207,757
Institutional advancement	1,289,325	-	1,289,325	1,216,611	-	1,216,611
Total expenses	16,670,275	-	16,670,275	14,429,653	-	14,429,653
Changes in net assets	\$ (1,104,524)	\$ 2,574,139	\$ 1,469,615	\$ 398,598	\$ 1,355,466	\$ 1,754,064

The accompanying notes are an integral part of these statements.

HELLENIC COLLEGE, INC.Statements of Changes in Net Assets
For the Years Ended June 30, 2024 and 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Net Assets , June 30, 2022	\$ 4,385,240	\$ 43,001,396	\$ 47,386,636
Changes in net assets	<u>398,598</u>	<u>1,355,466</u>	<u>1,754,064</u>
Net Assets , June 30, 2023	4,783,838	44,356,862	49,140,700
Changes in net assets	<u>(1,104,524)</u>	<u>2,574,139</u>	<u>1,469,615</u>
Net Assets , June 30, 2024	<u>\$ 3,679,314</u>	<u>\$ 46,931,001</u>	<u>\$ 50,610,315</u>

HELLENIC COLLEGE, INC.

Statements of Cash Flows

For the Years Ended June 30, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities:		
Changes in net assets	\$ 1,469,615	\$ 1,754,064
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation	744,123	662,826
Decrease in allowance for credit loss (doubtful accounts)	(11,000)	-
Decrease in discount on pledges receivable	(135,145)	-
Realized and unrealized gains on investments, net	(2,382,270)	(1,356,069)
Change in beneficial interest in third party trust	(384,047)	(424,150)
Endowment contributions	(320,107)	(1,806,945)
Changes in operating assets and liabilities:		
Accounts and other receivables	(7,608)	61,586
Inventory	(35,785)	(56,475)
Prepaid expenses	(57,326)	6,370
Pledges receivable	199,160	133,585
Accounts payable	575,501	(192,237)
Accrued expenses	368,159	62,017
Deferred revenue	(68,800)	(1,081)
Net cash used in operating activities	<u>(45,530)</u>	<u>(1,156,509)</u>
Cash Flows from Investing Activities:		
Purchase of certificates of deposit	(726,000)	-
Purchase of investments	(2,635,702)	(7,861,113)
Proceeds from sale of investments	2,419,866	6,249,309
Purchase of property and equipment	(808,131)	(536,934)
Net cash used in investing activities	<u>(1,749,967)</u>	<u>(2,148,738)</u>
Cash Flows from Financing Activities:		
Endowment contributions	320,107	1,806,945
Principal payments on long-term debt	(130,443)	(147,773)
Net cash provided by financing activities	<u>189,664</u>	<u>1,659,172</u>
Net Change in Cash, Cash Equivalents and Restricted Cash	(1,605,833)	(1,646,075)
Cash, Cash Equivalents and Restricted Cash:		
Beginning of year	<u>4,064,523</u>	<u>5,710,598</u>
End of year	<u><u>\$ 2,458,690</u></u>	<u><u>\$ 4,064,523</u></u>
Reconciliation of Cash, Cash Equivalents and Restricted Cash Reported Within the Statements of Financial Position:		
Cash and cash equivalents	\$ 404,517	\$ 995,397
Cash with donor restrictions	<u>2,054,173</u>	<u>3,069,126</u>
Total cash, cash equivalents and restricted cash	<u><u>\$ 2,458,690</u></u>	<u><u>\$ 4,064,523</u></u>
Supplemental Disclosure of Cash Flows Information:		
Cash paid for interest	<u><u>\$ 242,328</u></u>	<u><u>\$ 254,533</u></u>
Supplemental Disclosure of Non-Cash Transactions:		
Unrealized gains on investments	<u><u>\$ 2,150,557</u></u>	<u><u>\$ 1,235,378</u></u>

The accompanying notes are an integral part of these statements.

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HELLENIC COLLEGE, INC.

Statement of Functional Expenses
For the Year Ended June 30, 2024
(With Summarized Comparative Totals for the Year Ended June 30, 2023)

	2024									2023
	Program Services					General and Adminis- trative	Institutional Advancement	Buildings and Grounds	Total Expenses	Total Expenses
	Instruction and Library Services	Centers and Institutes	Program Housing and Food Services	Student Services	Bookstore and Publishing					
Personnel and Related Costs:										
Salaries and wages	\$ 2,234,605	\$ 417,596	\$ -	\$ 1,139,210	\$ 198,081	\$ 3,989,492	\$ 1,803,213	\$ 467,207	\$ 778,083	\$ 5,995,038
Payroll taxes and fringe benefits	909,655	88,081	1,951	373,044	70,717	1,443,448	493,111	204,121	362,925	1,779,924
Work study wages and student employment	123,504	13,621	27,731	111,974	59,574	336,404	145,299	13,694	38,385	337,599
Total personnel and related costs	3,267,764	519,298	29,682	1,624,228	328,372	5,769,344	2,441,623	685,022	1,179,393	8,112,561
Occupancy:										
Repairs and maintenance	123,726	5,804	178,653	80,880	6,339	395,402	304,081	20,770	319,976	886,201
Depreciation	200,634	32,405	57,964	114,215	27,193	432,411	180,103	46,000	85,609	662,826
Utilities	174,936	11,376	201,019	9,141	10,088	406,560	20,041	8,286	44,386	445,595
Interest	-	-	-	-	-	-	242,328	-	-	254,533
Total occupancy	499,296	49,585	437,636	204,236	43,620	1,234,373	746,553	75,056	449,971	2,249,155
Other:										
Travel	131,860	38,576	-	102,255	31,741	304,432	345,365	7,465	4,205	580,048
Food	24,152	342	599,387	20,613	2,388	646,882	-	-	2,040	606,217
Professional fees	126,636	6,630	6,383	28,722	25,095	193,466	332,547	62,024	40,484	782,336
Memberships and subscriptions	64,533	18,352	-	39,986	-	122,871	225,996	30,034	2,735	311,865
Insurance	37,928	220	31,109	278,485	-	347,742	-	865	-	333,413
Miscellaneous	33,662	62,067	21,505	92,718	36,908	246,860	65,149	5,067	20,682	482,060
Postage, printing and publications	93,632	10,797	3,518	44,021	11,629	163,597	66,177	58,644	8,123	253,015
Telephone	75,372	4,604	5,959	27,595	18,121	131,651	29,113	17,783	21,694	140,022
Program supplies	19,234	2,948	5,043	37,626	17,548	82,399	50,733	2,327	21,724	133,145
Campus security	-	-	102,383	-	-	102,383	-	-	-	104,193
Cost of goods sold	360	-	-	-	90,714	91,074	-	-	-	53,259
Honoraria	35,050	29,450	-	1,050	-	65,550	2,000	-	10,500	53,662
Student activities and events	18,734	45,932	-	-	-	64,666	-	-	-	86,333
Fundraising expense	-	-	-	-	-	-	-	49,367	-	86,638
Equipment rental	10,478	164	9,521	3,129	379	23,671	2,601	271	15,150	54,050
Advertising	-	-	-	732	-	732	-	99	-	7,681
Total other	671,631	220,082	784,808	676,932	234,523	2,587,976	1,119,681	233,946	147,337	4,067,937
Total expenses before buildings and grounds allocation	4,438,691	788,965	1,252,126	2,505,396	606,515	9,591,693	4,307,857	994,024	1,776,701	14,429,653
Buildings and Grounds Allocation	473,071	84,087	133,450	267,023	64,642	1,022,273	459,127	295,301	(1,776,701)	-
Total expenses	\$ 4,911,762	\$ 873,052	\$ 1,385,576	\$ 2,772,419	\$ 671,157	\$ 10,613,966	\$ 4,766,984	\$ 1,289,325	\$ -	\$ 14,429,653

HELLENIC COLLEGE, INC.

 Statement of Functional Expenses
 For the Year Ended June 30, 2023

	Program Services									
	Instruction and Library Services	Centers and Institutes	Program Housing and Food Services	Student Services	Bookstore and Publishing	Total Program Services	General and Adminis- trative	Institutional Advancement	Buildings and Grounds	Total Expenses
Personnel and Related Costs:										
Salaries and wages	\$ 2,013,846	\$ 247,504	\$ -	\$ 860,286	\$ 155,549	\$ 3,277,185	\$ 1,576,697	\$ 439,801	\$ 701,355	\$ 5,995,038
Payroll taxes and fringe benefits	666,729	55,965	-	264,868	48,183	1,035,745	320,193	139,464	284,522	1,779,924
Work study wages and student employment	104,055	15,774	32,295	53,359	31,998	237,481	89,061	4,686	6,371	337,599
Total personnel and related costs	<u>2,784,630</u>	<u>319,243</u>	<u>32,295</u>	<u>1,178,513</u>	<u>235,730</u>	<u>4,550,411</u>	<u>1,985,951</u>	<u>583,951</u>	<u>992,248</u>	<u>8,112,561</u>
Occupancy:										
Repairs and maintenance	70,881	3,405	174,969	81,065	6,216	336,536	184,806	16,925	347,934	886,201
Depreciation	342,273	6,985	163,829	17,942	558	531,587	109,992	5,783	15,464	662,826
Utilities	160,397	1,223	182,949	12,102	11,688	368,359	29,617	9,600	38,019	445,595
Interest	-	-	-	-	-	-	254,533	-	-	254,533
Total occupancy	<u>573,551</u>	<u>11,613</u>	<u>521,747</u>	<u>111,109</u>	<u>18,462</u>	<u>1,236,482</u>	<u>578,948</u>	<u>32,308</u>	<u>401,417</u>	<u>2,249,155</u>
Other:										
Travel	170,915	39,771	79	96,275	13,929	320,969	240,702	18,377	-	580,048
Professional fees	99,132	17	2,931	10,360	9,588	122,028	537,054	57,593	65,661	782,336
Food	18,312	284	527,167	24,610	6,781	577,154	28,072	991	-	606,217
Memberships and subscriptions	72,348	16,894	5,476	12,336	3,468	110,522	147,897	51,767	1,679	311,865
Insurance	36,866	214	19,912	273,674	-	330,666	309	2,438	-	333,413
Miscellaneous	38,244	39,272	30,318	32,630	6,063	146,527	182,066	12,343	141,124	482,060
Postage, printing and publications	85,130	10,104	4,420	33,837	20,699	154,190	41,843	51,436	5,546	253,015
Telephone	59,075	4,744	8,251	26,738	11,620	110,428	3,890	8,278	17,426	140,022
Program supplies	10,700	2,944	14,706	37,431	21,811	87,592	22,831	11,799	10,923	133,145
Campus security	-	-	104,193	-	-	104,193	-	-	-	104,193
Cost of goods sold	701	-	-	-	52,558	53,259	-	-	-	53,259
Honoraria	27,566	22,396	-	2,400	-	52,362	1,300	-	-	53,662
Student activities and events	34,038	52,295	-	-	-	86,333	-	-	-	86,333
Fundraising expense	-	-	-	-	-	-	-	86,638	-	86,638
Equipment rental	10,202	195	10,111	4,074	1,170	25,752	2,396	323	25,579	54,050
Advertising	-	-	-	6,521	-	6,521	-	1,160	-	7,681
Total other	<u>663,229</u>	<u>189,130</u>	<u>727,564</u>	<u>560,886</u>	<u>147,687</u>	<u>2,288,496</u>	<u>1,208,360</u>	<u>303,143</u>	<u>267,938</u>	<u>4,067,937</u>
Total expenses before buildings and grounds allocation	4,021,410	519,986	1,281,606	1,850,508	401,879	8,075,389	3,773,259	919,402	1,661,603	14,429,653
Buildings and Grounds Allocation	<u>463,073</u>	<u>59,877</u>	<u>147,579</u>	<u>213,090</u>	<u>46,277</u>	<u>929,896</u>	<u>434,498</u>	<u>297,209</u>	<u>(1,661,603)</u>	<u>-</u>
Total expenses	<u>\$ 4,484,483</u>	<u>\$ 579,863</u>	<u>\$ 1,429,185</u>	<u>\$ 2,063,598</u>	<u>\$ 448,156</u>	<u>\$ 9,005,285</u>	<u>\$ 4,207,757</u>	<u>\$ 1,216,611</u>	<u>\$ -</u>	<u>\$ 14,429,653</u>

The accompanying notes are an integral part of these statements.

HELLENIC COLLEGE, INC.

Notes to Financial Statements
June 30, 2024 and 2023

1. OPERATIONS AND NONPROFIT STATUS

Hellenic College, Inc. (the College) is an independent institution of higher learning located in Brookline, Massachusetts. The College is affiliated with the Greek Orthodox Archdiocese of America (the Archdiocese). Accredited by the New England Association of Schools and Colleges and the Association of Theological Schools, the College consists of an undergraduate liberal arts college and a graduate school of theology. The graduate school of theology's mission is to educate and prepare candidates to become priests and or lay leaders of the Greek Orthodox Archdiocese of America and Other Orthodox Jurisdictions.

The College receives significant financial support from the Archbishop Lakovos Leadership 100 Fund (Leadership 100). Leadership 100 scholarship funds are offered to Greek Orthodox Archdiocese seminarian students based upon character and academic performance. The College received \$1,000,000 and \$500,000 for the years ended June 30, 2024 and 2023, which benefitted 37 and 40 students, respectively, and is included in tuition and fees in the accompanying statements of activities.

The College is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). The College is also exempt from state income taxes. Donors may deduct contributions made to the College within IRC requirements.

2. SIGNIFICANT ACCOUNTING POLICIES

The College prepares its financial statements in accordance with generally accepted accounting standards and principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

Adoption of New Accounting Standard

In June 2016, the FASB issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 replaces the "incurred loss" credit losses framework with a new accounting standard that requires management's measurement of the allowance for credit losses to be based on a broader range of reasonable and supportable information for lifetime credit loss estimates. This amendment was adopted effective July 1, 2023, using the modified retrospective method. Based on the composition of the College's accounts receivable that fall within the scope of Topic 326 (see below), the adoption of ASU 2016-13 did not have a material impact on the College's financial statements and primarily resulted in new and enhanced disclosure.

Accounts and Other Receivable and Allowance for Credit Losses

Accounts receivable are presented net of the College's allowance for credit losses as of June 30, 2024 and allowance for doubtful accounts as of June 30, 2023. Beginning on July 1, 2023, the College accounts for credit losses under Topic 326 using an expected credit loss impairment mode for financial instruments. The College's expected credit allowance methodology for accounts receivable is developed using historical experience, present economic conditions, and other relevant factors management considers relevant to estimate expected credit losses. Management performs ongoing evaluations of the College's existing and potential customer's creditworthiness. Prior to the adoption of Topic 326, an allowance for potentially uncollectible accounts was recorded based upon management's analysis of specific accounts and their estimate of accounts may be uncollectible. As of June 30, 2024, the College determined no allowance for credit losses (doubtful accounts) was necessary. As of June 30, 2023, the College had an allowance for doubtful of accounts of \$11,000 which is shown net of the accounts and other receivables in the accompany statement of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

The College generally measures revenue for qualifying exchange transactions based on the amount of consideration the College expects to be entitled for the transfer of goods or services to a customer, then recognizes this revenue when or as the College satisfies its performance obligations under a contract, except in transactions where U.S. GAAP provides other applicable guidance. The College evaluates its revenue contracts with customers based on the five-step model under Topic ASC Topic 606, *Revenue from Contracts with Customers*: (1) Identify the contract with the customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to separate performance obligations; and (5) Recognize revenue when (or as) each performance obligation is satisfied.

The College recognizes revenue from student tuition and fees ratably over the course of the academic year. In addition, the students have an option to room and board on the premises. The performance obligation of providing access to housing and meals is satisfied ratably over the academic period in which the student chooses to live on campus and purchase a weekly meal plan. Contracts for tuition, room and board are combined into a single portfolio of similar contracts. Payment for tuition and room and board is required before the start of the academic year. All amounts received prior to the commencement of the academic year, including enrollment deposits, are deferred to the applicable period. Scholarships provided to students, and discounts and refunds for students who withdraw prior to specified dates, are recorded as a reduction from the posted tuition and room and board rates at the time revenue is recognized. Fees and deposits received in advance of services provided are recorded as deferred revenue.

Bookstore revenue is recognized at the point of sale. Other income is recorded as earned.

In accordance with ASC Subtopic 958-605, *Revenue Recognition*, the College must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include measurable performance-related barriers or other measurable barriers, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that the College should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

Grants and contributions are recorded as revenue, net of applicable discounts for doubtful accounts and net present value, when unconditionally received or pledged. Grants and contributions with donor restrictions are recorded as revenue with donor restrictions and net assets when received or unconditionally pledged. Transfers are made to net assets without donor restrictions as costs are incurred or time restrictions or program restrictions have lapsed. Contributions received with donor-imposed restrictions that are met in the same year are reported as grants and contributions (an increase to net assets without donor restrictions). The amount received from Archdiocese Grant includes an allocation of unused L100 funds and also miscellaneous tuition revenues forwarded by the Archdiocese.

Donated Goods and Services

Volunteers and other organizations contribute goods and services to the College in support of various aspects of its programs. These goods and services are reflected in the accompanying financial statements based upon the estimated value assigned to them by the donating volunteers, organization or by management. There were no donated goods and services received by the College during the years ended June 30, 2024 and 2023, that met the criteria for recognition in the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of checking, savings and all other highly liquid instruments issued with an original maturity of three months or less. For statements of cash flow purposes, cash and cash equivalents exclude amounts held in the investment portfolio.

Cash With Donor Restrictions

Cash with donor restrictions represent cash balances associated with donor restricted net assets.

Inventory

Inventory consists primarily of books, clothing and educational materials and is valued at the lower of cost (first-in, first-out) or market. Obsolete or damaged inventory is assessed by management annually. The College has reserved approximately \$20,000 for obsolete or slow moving inventory as of June 30, 2024 and 2023.

Net Assets

Net Assets Without Donor Restrictions

Net assets without donor restrictions are those net resources that bear no external restrictions and are generally available for use by the College. The College has grouped its net assets without donor restrictions into the following categories:

Operating net assets represent net assets that are available for operations.

Property and equipment net assets represent amounts expended and resources available for property and equipment, net of related debt.

Board designated net assets represent funds set aside by the Board of Trustees for specified student costs, online learning, and infrastructure improvements. These funds may only be used with the approval of the Board of Trustees.

Net Assets With Donor Restrictions

Net assets with donor restrictions represent amounts received or committed with donor restrictions which have not yet been expended for their designated purpose (purpose restricted) or amounts for use in future periods (time restricted).

HELLENIC COLLEGE, INC.

Notes to Financial Statements
June 30, 2024 and 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**Net Assets (Continued)***Net Assets With Donor Restrictions (Continued)*

Net assets with donor restrictions are comprised of the following at June 30:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specified purpose:		
Academic purposes	\$ 4,427,919	\$ 4,634,526
Beneficial interest in third-party trust - scholarships	4,412,426	4,028,379
Capital restricted	<u>693,460</u>	<u>782,548</u>
	<u>9,533,805</u>	<u>9,445,453</u>
Subject to the College's endowment spending policy and appropriation:		
Investment in perpetuity (including amounts above the original gift amounts of \$27,437,527 and \$27,117,420 as of June 30, 2024 and 2023, respectively), which once appropriated is expendable to support:		
Scholarships	36,626,050	34,157,941
Educational programs	<u>771,146</u>	<u>753,468</u>
	<u>37,397,196</u>	<u>34,911,409</u>
	<u>\$ 46,931,001</u>	<u>\$ 44,356,862</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors. Capital restricted net assets are released when the corresponding asset is placed in service. Releases from net assets are as follows for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Satisfaction of purpose restrictions:		
Academic programs	\$ 3,142,948	\$ 3,546,919
Scholarships	851,340	888,826
Educational programs	494,114	497,968
Capital	<u>89,088</u>	<u>306,861</u>
	<u>\$ 4,577,490</u>	<u>\$ 5,240,574</u>

Advertising

The College expenses advertising costs as incurred. Total advertising costs were \$831 and \$7,681 for the years ended June 30, 2024 and 2023, respectively.

Expense Allocation

Expenses related directly to a function are distributed to that function, while other expenses are allocated to functions based upon management's estimate of the percentage attributable to each function.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expense Allocation (Continued)

Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are personnel and related costs and other costs, which are allocated based on an employee census and the departments they work in. Occupancy costs are allocated on a square footage basis.

Fair Value Measurements

The College follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements*, for qualifying assets and liabilities. Fair value is defined as the price that the College would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

The College uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the College. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.

Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 - Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.

In accordance with U.S. GAAP, the College values its remaining interest in the Trust (see Note 5) using Level 3 inputs, which includes the fair value of the Trust's assets net of the present value of the estimate of distributions to unrelated beneficiaries through the terms of the sub-trusts. Investments are valued using Level 1 inputs (see Note 4).

Investments

Investments are recorded at fair value. Interest, dividend and mutual fund distributions are recorded when earned. Gains and losses are recognized as incurred or based on market value changes during the period (see Note 4). Investments consist primarily of a donor endowment. Accordingly, investments have been classified as non-current assets in the accompanying statements of financial position regardless of maturity or liquidity.

HELLENIC COLLEGE, INC.

Notes to Financial Statements
June 30, 2024 and 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**Property and Equipment and Depreciation**

Purchased property and equipment of \$1,000 or more with a useful life of three years or more are recorded at cost (see Note 3). Donated property and equipment are recorded at fair value at the time of donation. Depreciation is computed using the straight-line method over the following estimated useful lives:

Land improvements	15 years
Building and building improvements	3 - 30 years
Furniture, fixtures and equipment	3 - 15 years
Land	Not depreciated

Subsequent Events

Subsequent events have been evaluated through September 25, 2024, which is the date the financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the financial statements.

3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30:

	<u>2024</u>	<u>2023</u>
Land and land improvements	\$ 5,758,283	\$ 5,758,283
Building and building improvements	22,945,520	22,137,389
Furniture, fixtures and equipment	<u>5,037,074</u>	<u>5,037,074</u>
	33,740,877	32,932,746
Less - accumulated depreciation	<u>(23,645,762)</u>	<u>(22,901,639)</u>
	<u>\$ 10,095,115</u>	<u>\$ 10,031,107</u>

Depreciation expense for the years ended June 30, 2024 and 2023, was \$744,123 and \$662,826, respectively.

4. INVESTMENTS

The following is a summary of investments at fair value as of June 30:

	<u>2024</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$ 905,212	\$ -	\$ -	\$ 905,212
Equities:				
Domestic common stock:				
Other industries	8,920,312	-	-	8,920,312
Health care	2,667,330	-	-	2,667,330
Information technology	3,322,381	-	-	3,322,381
Consumer staples	1,461,966	-	-	1,461,966
Fixed income:				
U.S. Government bonds	16,194,962	-	-	16,194,962
Domestic corporate bonds	<u>4,557,866</u>	<u>-</u>	<u>-</u>	<u>4,557,866</u>
Total investments	<u>\$ 38,030,029</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,030,029</u>

HELLENIC COLLEGE, INC.

Notes to Financial Statements
June 30, 2024 and 2023

4. INVESTMENTS (Continued)

	2023			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 852,609	\$ -	\$ -	\$ 852,609
Equities:				
Domestic common stock:				
Other industries	8,109,601	-	-	8,109,601
Health care	2,329,838	-	-	2,329,838
Information technology	2,442,535	-	-	2,442,535
Consumer staples	1,659,595	-	-	1,659,595
Fixed income:				
U.S. Government bonds	15,286,845	-	-	15,286,845
Domestic corporate bonds	4,750,900	-	-	4,750,900
Total investments	<u>\$ 35,431,923</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,431,923</u>

Investments are not insured and are subject to ongoing market fluctuations.

Investment returns, net in the accompanying financial statements for the years ended June 30, 2024 and 2023, consist of:

	2024	2023
Net unrealized gains	\$ 2,150,467	\$ 1,235,378
Interest and dividends	1,025,959	936,715
Net realized gains	231,803	120,691
Investment fees	<u>(223,907)</u>	<u>(192,926)</u>
Investment return, net	<u>\$ 3,184,322</u>	<u>\$ 2,099,858</u>

5. BENEFICIAL INTEREST IN THIRD-PARTY TRUST

The College has a beneficial interest in a third-party trust (the Trust) invested in marketable securities valued using Level 1 inputs. The remaining interest in the Trust is valued using Level 3 inputs (see Note 2). The principal, as well as annual gains or losses, are restricted in accordance with the donor's wishes. The Trust agreement calls for provisions of certain sub-trusts from which distributions of the income and principal are to be made to the College and other unrelated beneficiaries until the termination of the entire Trust in 2050. Upon the termination of the Trust, the remaining assets will be distributed in accordance with the Trust agreement to the College and other unrelated beneficiaries.

Distributions of the Trust's income and principal to the College and other unrelated beneficiaries are paid in accordance with the agreement, by an unrelated third-party trustee. The College records its distributions as contributions with donor restrictions in the accompanying statements of activities. The College did not receive a distribution for the years ended June 30, 2024 and 2023.

HELLENIC COLLEGE, INC.

Notes to Financial Statements
June 30, 2024 and 2023

5. BENEFICIAL INTEREST IN THIRD-PARTY TRUST (Continued)

The changes in beneficial Interest in third party trust are as follows for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 4,028,379	\$ 3,604,229
Change in value	<u>384,047</u>	<u>424,150</u>
Ending balance	<u>\$ 4,412,426</u>	<u>\$ 4,028,379</u>

6. PLEDGES RECEIVABLE

Pledges receivable are due as follows as of June 30:

	<u>2024</u>	<u>2023</u>
Due within one year	\$ 314,500	\$ 140,711
Due in one to five years	687,643	732,455
Due in six to ten years	-	328,137
	<u>1,002,143</u>	<u>1,201,303</u>
Less - discount	<u>(47,534)</u>	<u>(182,679)</u>
	954,609	1,018,624
Less - current portion	<u>(314,500)</u>	<u>(140,711)</u>
Long-term pledges receivable, net	<u>\$ 640,109</u>	<u>\$ 877,913</u>

Long-term pledges have been discounted using discount factors based on U.S. Treasury note rates. Gross pledges receivable were 99% and 96% from two donors and one donor, respectively, at June 30, 2024 and 2023, respectively.

7. LONG-TERM DEBT

Long-term debt consists of the following as of June 30:

	<u>2024</u>	<u>2023</u>
5% note payable to a bank, due in monthly payments of principal and interest of \$28,844 through July 2047. This note is secured by certain land, buildings and other assets of the College.	\$ 4,680,473	\$ 4,785,741
7.4% note payable to a financing company, due in monthly payments of principal and interest of \$1,545 through December 2024. This note is secured by a vehicle.	9,645	26,278
Non-interest bearing note payable to a vendor, due in monthly principal payments of \$1,720 through December 2023. This note was secured by equipment.	<u>-</u>	<u>8,542</u>
	4,690,118	4,820,561
Less - current portion	<u>(131,542)</u>	<u>(134,519)</u>
	<u>\$ 4,558,576</u>	<u>\$ 4,686,042</u>

HELLENIC COLLEGE, INC.

Notes to Financial Statements
June 30, 2024 and 2023

7. LONG-TERM DEBT (Continued)

Principal payments over the next five fiscal years are as follows:

2025	\$ 131,542
2026	\$ 120,180
2027	\$ 126,329
2028	\$ 132,792
2029	\$ 139,586

The term loan contains certain covenants which, among other things, requires the College to maintain certain financial ratios, limit capital expenditures, and limit the incurrence of additional indebtedness. The College was not in compliance with these covenants as of June 30, 2024, and received a one-time waiver from the bank.

8. OPERATING LEASES

The College rented equipment under an operating lease agreement that expired in February 2024. Rental expense related to these short-term leases was \$37,928 and \$54,050 for the years ended June 30, 2024 and 2023, respectively, which is included in equipment rental in the accompanying statements of functional expenses.

The College leases its athletic fields and gymnasium to other colleges and organizations. Rental income was \$81,463 and \$95,213 for the years ended June 30, 2024 and 2023, respectively, and is included in other income in the accompanying statements of activities. The majority of the agreements for rentals are at-will or one-time use leases.

9. ENDOWMENT

The investment portfolio is managed to provide the long-term support of the College. Accordingly, these funds are managed with disciplined longer-term investment objectives and strategies designed to meet cash flow and spending requirements. Management of the assets is designed to attain the maximum total return consistent with acceptable and agreed upon levels of risk.

Massachusetts law allows appropriation of a donor restricted endowment based on the prudent practices of the Board of Trustees. The Board of Trustees has voted to allow for the use of a portion of total investment return in accordance with any donor restrictions. Transfers to the operating net assets, in accordance with this policy, are reflected in the accompanying statements of activities as net assets released from restrictions. For any funds without a documented spending rule, the College voted to appropriate all available earnings, without invading principal of these funds through the calendar year-end preceding the fiscal year for the years ended June 30, 2024 and 2023.

A reconciliation of endowment activity is as follows at June 30:

	<u>2024</u>	<u>2023</u>
Endowment net assets, beginning of year	\$ 34,911,409	\$ 32,056,702
Contributions	320,107	1,806,945
Investment returns, net	3,184,322	2,031,636
Appropriation of endowment assets for expenditure	<u>(1,018,642)</u>	<u>(983,874)</u>
Net change in endowment	<u>2,485,787</u>	<u>2,854,707</u>
Endowment net assets, end of year	<u>\$ 37,397,196</u>	<u>\$ 34,911,409</u>

HELLENIC COLLEGE, INC.

Notes to Financial Statements
June 30, 2024 and 2023

9. ENDOWMENT (Continued)

From time-to-time, the fair market value of assets associated with individual donor-restricted endowment funds intended for perpetual duration may fall below the original gift value. Deficiencies of this nature are comprised of the following as of June 30:

	<u>2024</u>	<u>2023</u>
Current fair market value	\$ 2,371,480	\$ 6,989,414
Original gift value	<u>2,623,806</u>	<u>7,255,732</u>
Deficiency	\$ <u>(252,326)</u>	\$ <u>(266,318)</u>

Deficiencies of this nature exist in certain donor-restricted endowment funds as of June 30, 2024 and 2023. The deficiencies resulted from unfavorable market conditions and continued appropriation for grant programs in accordance with donor intentions and the spending policies that were deemed prudent by the Board of Trustees. The College is guided by Massachusetts Uniform Prudent Management of Institutional Funds Act (UPMIFA) in establishing spending rates.

10. RETIREMENT PLANS

The College participates with other organizations of the Archdiocese in a contributory, defined benefit, multi-employer pension plan covering the majority of clergyman and lay employees of the Archdiocese. Benefits are provided through the Pension Plan for Clergyman and Lay Employees of the Greek Orthodox Archdiocese of America (the Pension Plan). The College's employees represent less than 1% of all employees covered under the Pension Plan. The Pension Plan is not subject to the Employee Retirement Income Security Act of 1974 (ERISA). Pension expense allocated to the College is based on payroll cost and totaled \$16,785 and \$11,200 and is included in payroll taxes and fringe benefits in the accompanying statements of functional expenses for the years ended June 30, 2024 and 2023, respectively. The College has no pension liability associated with the Pension Plan. Accumulated plan benefits information for the College, as provided by consulting actuaries, has not been distinguished from the benefits of the other organizations participating in the Pension Plan and, accordingly, such information is not presented herein.

The College also maintains an employer contribution retirement plan under IRC Section 403(b) covering all employees. Only those employees who are at least twenty-one years of age and have completed one year of service are eligible to receive the employer contribution. Certain eligible employees receive an 8.5% matching contribution provided the participant contributes at least 2.5% of their compensation. Employer matching contributions vest immediately. The College contributed \$466,840 and \$321,841 to the Pension Plan, which is included in payroll taxes and fringe benefits in the accompanying statements of functional expenses for the years ended June 30, 2024 and 2023, respectively.

11. CONCENTRATIONS

The College maintains its operating cash balances in Massachusetts banks. The Federal Deposit Insurance Corporation (FDIC) insures balances at each bank up to certain amounts. At certain times during the year, cash balances may have exceeded the insured amounts. The College has not experienced any losses in such accounts. The College believes it is not exposed to any significant credit risk on its operating cash balances.

The Archdiocese contributed 20% and 19% of total operating revenue for the years ended June 30, 2024 and 2023, respectively. The Archdiocese has historically contributed a significant portion of the College's operating revenues and is planning to continue to do so unless the Archdiocese's endowment becomes inadequate, which would lead to a reduction in the amount the Archdiocese is able to contribute to the College.

HELLENIC COLLEGE, INC.

Notes to Financial Statements
June 30, 2024 and 2023

12. CERTIFICATES OF DEPOSIT

At June 30, 2024, the Organization has certificates of deposit (CDs) that bear interest at 4.89% per annum and are set to mature in December 2024. The fair value of these CDs, which approximates the cost basis, was \$726,000 as of June 30, 2024.

13. CONTINGENCIES

From time-to-time, the College may be involved in various claims and lawsuits, both for and against the College, arising in the normal course of business. As of June 30, 2024, the College is involved in legal matters that potentially could incur future expenses of up to \$100,000 in the next fiscal year. The College has recorded this contingency as professional fees in the accompanying statement of functional expenses for the year ended June 30, 2024.

14. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The College's financial assets available within one year from the statements of financial position date for general operating expenses are as follows at June 30:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 404,517	\$ 995,397
Certificate of deposit	726,000	-
Accounts receivable	28,271	9,663
Pledges receivable	<u>314,500</u>	<u>140,711</u>
	1,473,288	1,145,771
Less - amounts restricted by donors for a specific purpose (see Note 2)	<u>(1,473,288)</u>	<u>(1,145,771)</u>
	<u>\$ -</u>	<u>\$ -</u>

The College's endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, and therefore, is not available for general expenditure. As part of the College's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

15. CONTINUING OPERATIONS

The College had a deficit in operating net assets of (\$2,171,632) and (\$872,657) as of June 30, 2024 and 2023, respectively.

Despite the financial challenges being experienced, the College has continued to have a balanced budget for the fiscal year 2025 and expects positive cash flow. The commitment from the Greek Orthodox Archdiocese and anticipated endowment gifts provide a solid foundation for future stability. The College has shifted its focus on securing recurring revenue and forming strategic partnerships will be crucial for addressing current financial issues and ensuring long-term liability.