



**FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

HELLENIC COLLEGE, INC.

Contents
June 30, 2025 and 2024

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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, 2025 and 2024, 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, 2025 and 2024, 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
November 6, 2025

HELLENIC COLLEGE, INC.Statements of Financial Position
June 30, 2025 and 2024

Assets	2025	2024
Current Assets:		
Cash and cash equivalents	\$ 437,373	\$ 404,517
Cash with donor restrictions	4,636,840	2,054,173
Certificate of deposit	754,124	726,000
Accounts and other receivables	86,625	28,271
Current portion of pledges receivable	143,600	314,500
Inventory, net	147,722	138,019
Prepaid expenses	297,662	288,792
Total current assets	6,503,946	3,954,272
Investments	37,529,762	38,030,029
Beneficial Interest in Third Party Trust	5,198,149	4,412,426
Pledges Receivable, net of current portion	780,530	640,109
Property and Equipment, net	9,466,014	10,095,115
Total assets	<u>\$ 59,478,401</u>	<u>\$ 57,131,951</u>
Liabilities and Net Assets		
Current Liabilities:		
Current portion of line of credit	\$ 25,001	\$ -
Current portion of long-term debt	24,706	131,542
Accounts payable	650,065	805,064
Accrued expenses	719,217	1,026,454
Total current liabilities	1,418,989	1,963,060
Line of Credit, net of current portion	1,641,741	-
Long-Term Debt, net of current portion	2,971,898	4,558,576
Total liabilities	6,032,628	6,521,636
Net Assets:		
Without donor restrictions:		
Operating	(3,578,342)	(2,171,632)
Property and equipment	6,469,410	5,404,997
Board designated	445,949	445,949
Total without donor restrictions	3,337,017	3,679,314
With donor restrictions	50,108,756	46,931,001
Total net assets	53,445,773	50,610,315
Total liabilities and net assets	<u>\$ 59,478,401</u>	<u>\$ 57,131,951</u>

HELLENIC COLLEGE, INC.

 Statements of Activities
 For the Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:						
Tuition and fees	\$ 4,134,478	\$ -	\$ 4,134,478	\$ 3,381,739	\$ -	\$ 3,381,739
Room and board	2,042,557	-	2,042,557	1,650,736	-	1,650,736
	6,177,035	-	6,177,035	5,032,475	-	5,032,475
Less - scholarships and grants	(2,770,043)	-	(2,770,043)	(1,902,831)	-	(1,902,831)
Tuition, fees, room and board, net	3,406,992	-	3,406,992	3,129,644	-	3,129,644
Grants and contributions	5,159,537	5,145,302	10,304,839	3,888,188	3,263,153	7,151,341
Archdiocese grant	2,800,000	-	2,800,000	3,574,057	-	3,574,057
Investment return, net	-	1,353,408	1,353,408	-	3,184,322	3,184,322
Other income	685,268	-	685,268	142,494	-	142,494
Endowment contributions	-	536,345	536,345	-	320,107	320,107
Bookstore revenue	410,340	-	410,340	253,878	-	253,878
Change in value of beneficial interest in trust	-	785,723	785,723	-	384,047	384,047
Net assets released from restrictions	4,643,023	(4,643,023)	-	4,577,490	(4,577,490)	-
Total revenue	17,105,160	3,177,755	20,282,915	15,565,751	2,574,139	18,139,890
Expenses:						
Program services:						
Instruction and library services	4,972,571	-	4,972,571	4,908,742	-	4,908,742
Centers and institutes	1,913,774	-	1,913,774	1,072,008	-	1,072,008
Program housing and food services	1,638,639	-	1,638,639	1,271,499	-	1,271,499
Student services	2,374,616	-	2,374,616	2,883,939	-	2,883,939
Bookstore and publishing	714,035	-	714,035	670,744	-	670,744
General and administrative	4,643,595	-	4,643,595	4,764,053	-	4,764,053
Institutional advancement	1,190,227	-	1,190,227	1,099,290	-	1,099,290
Total expenses	17,447,457	-	17,447,457	16,670,275	-	16,670,275
Changes in net assets	\$ (342,297)	\$ 3,177,755	\$ 2,835,458	\$ (1,104,524)	\$ 2,574,139	\$ 1,469,615

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, 2025 and 2024

	Without Donor Restrictions	With Donor Restrictions	Total
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	3,679,314	46,931,001	50,610,315
Changes in net assets	<u>(342,297)</u>	<u>3,177,755</u>	<u>2,835,458</u>
Net Assets , June 30, 2025	<u>\$ 3,337,017</u>	<u>\$ 50,108,756</u>	<u>\$ 53,445,773</u>

HELLENIC COLLEGE, INC.
Statements of Cash Flows

For the Years Ended June 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities:		
Changes in net assets	\$ 2,835,458	\$ 1,469,615
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	734,324	744,123
Recovery in allowance for credit loss	-	(11,000)
Decrease in discount on pledges receivable	-	(135,145)
Realized and unrealized gains on investments, net	(350,239)	(2,382,270)
Change in beneficial interest in third party trust	(785,723)	(384,047)
Endowment contributions	(536,345)	(320,107)
Changes in operating assets and liabilities:		
Accounts and other receivables	(58,354)	(7,608)
Pledges receivable	30,479	199,160
Inventory	(9,703)	(35,785)
Prepaid expenses	(8,870)	(57,326)
Accounts payable	(154,999)	575,501
Accrued expenses	(307,237)	368,159
Deferred revenue	-	(68,800)
Net cash provided by (used in) operating activities	1,388,791	(45,530)
Cash Flows from Investing Activities:		
Purchase of and reinvested interest on certificates of deposit	(28,124)	(726,000)
Purchase of investments	(9,237,045)	(2,635,702)
Proceeds from sale of investments	10,087,551	2,419,866
Purchase of property and equipment	(105,223)	(808,131)
Net cash provided by (used in) investing activities	717,159	(1,749,967)
Cash Flows from Financing Activities:		
Endowment contributions	536,345	320,107
Principal payments on long-term debt	(4,693,514)	(130,443)
Principal payments on line of credit	(15,670)	-
Proceeds from long-term debt	3,000,000	-
Proceeds from line of credit	1,682,412	-
Net cash provided by financing activities	509,573	189,664
Net Change in Cash, Cash Equivalents and Restricted Cash	2,615,523	(1,605,833)
Cash, Cash Equivalents and Restricted Cash:		
Beginning of year	2,458,690	4,064,523
End of year	\$ 5,074,213	\$ 2,458,690
Reconciliation of Cash, Cash Equivalents and Restricted Cash Reported Within the Statements of Financial Position:		
Cash and cash equivalents	\$ 437,373	\$ 404,517
Cash with donor restrictions	4,636,840	2,054,173
Total cash, cash equivalents and restricted cash	\$ 5,074,213	\$ 2,458,690
Supplemental Disclosure of Cash Flows Information:		
Cash paid for interest	\$ 383,929	\$ 242,328
Supplemental Disclosure of Non-Cash Transactions:		
Unrealized gains (losses) on investments	\$ (2,703,527)	\$ 2,150,557

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, 2025
(With Summarized Comparative Totals for the Year Ended June 30, 2024)

	2025									2024	
	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	Total Expenses
Personnel and Related Costs:											
Salaries and wages	\$ 2,430,588	\$ 726,694	\$ -	\$ 1,051,058	\$ 217,125	\$ 4,425,465	\$ 1,631,883	\$ 551,331	\$ 479,515	\$ 7,088,194	\$ 7,037,995
Payroll taxes and fringe benefits	824,287	193,502	1,530	323,407	65,629	1,408,355	507,810	177,381	250,462	2,344,008	2,503,605
Work study wages and student employment	105,152	60,776	24,750	71,135	68,909	330,722	117,428	7,350	26,330	481,830	533,782
Total personnel and related costs	3,360,027	980,972	26,280	1,445,600	351,663	6,164,542	2,257,121	736,062	756,307	9,914,032	10,075,382
Occupancy:											
Repairs and maintenance	206,504	81,111	212,519	56,052	27,875	584,061	284,378	39,634	177,616	1,085,689	1,040,229
Depreciation	372,567	19,531	158,668	5,786	151	556,703	150,230	5,173	22,218	734,324	744,123
Utilities	176,427	62,669	260,896	24,035	3,724	527,751	-	3,510	4,063	535,324	479,273
Interest	-	-	-	-	-	-	391,089	-	1,114	392,203	242,328
Total occupancy	755,498	163,311	632,083	85,873	31,750	1,668,515	825,697	48,317	205,011	2,747,540	2,505,953
Other:											
Professional fees	143,117	156,518	706,644	53,584	50,646	1,110,509	340,161	205,507	220,276	1,876,453	1,150,596
Miscellaneous	23,825	41,393	43,559	10,266	6,442	125,485	521,903	18,998	54	666,440	337,758
Insurance	57,395	34,339	116,041	28,134	3,829	239,738	219,246	2,412	4,059	465,455	348,607
Travel	104,481	152,414	-	83,174	312	340,381	25,299	9,614	-	375,294	661,467
Campus security	-	-	-	347,728	-	347,728	-	-	-	347,728	102,383
Cost of goods sold	24,894	5,216	-	26,345	189,153	245,608	236	-	-	245,844	91,074
Memberships and subscriptions	69,137	11,240	-	74,500	12,864	167,741	31,557	4,435	-	203,733	381,636
Food	15,181	93,989	-	14,724	148	124,042	9,104	16,094	-	149,240	233,950
Program supplies	20,962	43,238	-	22,781	143	87,124	40,745	12,501	341	140,711	157,183
Telephone	29,246	24,215	8,315	12,177	3,263	77,216	26,952	10,536	17,186	131,890	200,241
Postage, printing and publications	4,349	5,177	-	12,018	16,004	37,548	38,940	15,934	15	92,437	296,541
Honoraria	7,550	36,889	-	595	-	45,034	1,000	2,000	-	48,034	78,050
Advertising	-	26,457	-	3,001	1,752	31,210	6,053	167	-	37,430	831
Equipment rental	2,336	1,534	-	58	-	3,928	-	-	-	3,928	41,693
Student activities and events	-	408	-	860	-	1,268	-	-	-	1,268	64,666
Fundraising expense	-	-	-	-	-	-	-	-	-	-	49,367
Total other	502,473	633,027	874,559	689,945	284,556	2,984,560	1,261,196	298,198	241,931	4,785,885	4,196,043
Total expenses before buildings and grounds allocation	4,617,998	1,777,310	1,532,922	2,221,418	667,969	10,817,617	4,344,014	1,082,577	1,203,249	17,447,457	16,777,378
Buildings and Grounds Allocation	354,573	136,464	105,717	153,198	46,066	796,018	299,581	107,650	(1,203,249)	-	-
Total expenses	\$ 4,972,571	\$ 1,913,774	\$ 1,638,639	\$ 2,374,616	\$ 714,035	\$ 11,613,635	\$ 4,643,595	\$ 1,190,227	\$ -	\$ 17,447,457	\$ 16,777,378

HELLENIC COLLEGE, INC.

Statement of Functional Expenses
For the Year Ended June 30, 2024

	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	\$ 2,234,605	\$ 417,596	\$ -	\$ 1,139,210	\$ 198,081	\$ 3,989,492	\$ 1,803,213	\$ 467,207	\$ 778,083	\$ 7,037,995
Payroll taxes and fringe benefits	909,655	88,081	1,951	373,044	70,717	1,443,448	493,111	204,121	362,925	2,503,605
Work study wages and student employment	123,504	13,621	27,731	111,974	59,574	336,404	145,299	13,694	38,385	533,782
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	10,075,382
Occupancy:										
Repairs and maintenance	123,726	5,804	178,653	80,880	6,339	395,402	304,081	20,770	319,976	1,040,229
Depreciation	200,634	32,405	57,964	114,215	27,193	432,411	180,103	46,000	85,609	744,123
Utilities	174,936	11,376	201,019	9,141	10,088	406,560	20,041	8,286	44,386	479,273
Interest	-	-	-	-	-	-	242,328	-	-	242,328
Total occupancy	499,296	49,585	437,636	204,236	43,620	1,234,373	746,553	75,056	449,971	2,505,953
Other:										
Professional fees	24,152	107,445	599,387	20,613	2,388	753,985	332,547	62,024	2,040	1,150,596
Miscellaneous	33,662	62,067	21,505	92,718	36,908	246,860	65,149	5,067	20,682	337,758
Insurance	37,928	220	31,109	278,485	-	347,742	-	865	-	348,607
Travel	131,860	38,576	-	102,255	31,741	304,432	345,365	7,465	4,205	661,467
Campus security	-	-	-	102,383	-	102,383	-	-	-	102,383
Cost of goods sold	360	-	-	-	90,714	91,074	-	-	-	91,074
Memberships and subscriptions	64,533	18,352	-	39,986	-	122,871	225,996	30,034	2,735	381,636
Food	126,636	6,630	6,383	28,722	25,095	193,466	-	-	40,484	233,950
Program supplies	19,234	2,948	5,043	37,626	17,548	82,399	50,733	2,327	21,724	157,183
Telephone	75,372	4,604	5,959	27,595	18,121	131,651	29,113	17,783	21,694	200,241
Postage, printing and publications	93,632	10,797	3,518	44,021	11,629	163,597	66,177	58,644	8,123	296,541
Honoraria	35,050	29,450	-	1,050	-	65,550	2,000	-	10,500	78,050
Advertising	-	-	-	732	-	732	-	99	-	831
Equipment rental	10,478	164	9,521	3,129	379	23,671	2,601	271	15,150	41,693
Student activities and events	18,734	45,932	-	-	-	64,666	-	-	-	64,666
Fundraising expense	-	-	-	-	-	-	-	49,367	-	49,367
Total other	671,631	327,185	682,425	779,315	234,523	2,695,079	1,119,681	233,946	147,337	4,196,043
Total expenses before buildings and grounds allocation	4,438,691	896,068	1,149,743	2,607,779	606,515	9,698,796	4,307,857	994,024	1,776,701	16,777,378
Buildings and Grounds Allocation	470,051	175,940	121,756	276,160	64,229	1,108,136	456,196	105,266	(1,669,598)	-
Total expenses	\$ 4,908,742	\$ 1,072,008	\$ 1,271,499	\$ 2,883,939	\$ 670,744	\$ 10,806,932	\$ 4,764,053	\$ 1,099,290	\$ 107,103	\$ 16,777,378

HELLENIC COLLEGE, INC.

Notes to Financial Statements
June 30, 2025 and 2024

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 \$895,000 and \$1,000,000 for the years ended June 30, 2025 and 2024, which benefitted 46 and 37 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).

Accounts and Other Receivable and Allowance for Credit Losses

Accounts receivable are presented net of the College's allowance for credit losses. The College accounts for credit losses under Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* 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. As of June 30, 2025 and 2024, the College determined no allowance for credit losses was necessary.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

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 the 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 Leadership 100 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, 2025 and 2024, that met the criteria for recognition in the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2025 and 2024.

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, 2025 and 2024

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>2025</u>	<u>2024</u>
Subject to expenditure for specified purpose:		
Academic purposes	\$ 5,353,898	\$ 4,427,919
Beneficial interest in third-party trust - scholarships	5,198,149	4,412,426
Capital restricted	<u>1,406,773</u>	<u>693,460</u>
	<u>11,958,820</u>	<u>9,533,805</u>
Subject to the College's endowment spending policy and appropriation:		
Investment in perpetuity (including amounts above the original gift amounts of \$27,973,872 and \$27,437,527 as of June 30, 2025 and 2024, respectively), which once appropriated is expendable to support:		
Scholarships	36,808,557	36,626,050
Educational programs	<u>1,341,379</u>	<u>771,146</u>
	<u>38,149,936</u>	<u>37,397,196</u>
	<u>\$ 50,108,756</u>	<u>\$ 46,931,001</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>2025</u>	<u>2024</u>
Satisfaction of purpose restrictions:		
Academic programs	\$ 1,873,832	\$ 3,142,948
Scholarships	1,759,015	851,340
Educational programs	646,870	494,114
Capital	<u>363,306</u>	<u>89,088</u>
	<u>\$ 4,643,023</u>	<u>\$ 4,577,490</u>

Advertising

The College expenses advertising costs as incurred. Total advertising costs were \$37,430 and \$831 for the years ended June 30, 2025 and 2024, 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 a third-party trust (see Note 5) using Level 3 inputs, which includes the fair value of the third-party 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, 2025 and 2024

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 November 6, 2025, 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>2025</u>	<u>2024</u>
Land and land improvements	\$ 5,758,283	\$ 5,758,283
Building and building improvements	23,026,221	22,945,520
Furniture, fixtures and equipment	<u>5,061,596</u>	<u>5,037,074</u>
	33,846,100	33,740,877
Less - accumulated depreciation	<u>(24,380,086)</u>	<u>(23,645,762)</u>
	<u>\$ 9,466,014</u>	<u>\$ 10,095,115</u>

Depreciation expense for the years ended June 30, 2025 and 2024, was \$734,324 and \$744,123, respectively.

4. INVESTMENTS

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

	<u>2025</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$ 1,094,285	\$ -	\$ -	\$ 1,094,285
Equities:				
Domestic common stock:				
Other industries	9,639,483	-	-	9,639,483
Health care	1,303,157	-	-	1,303,157
Information technology	3,805,733	-	-	3,805,733
Consumer staples	1,335,869	-	-	1,335,869
Fixed income:				
U.S. Government bonds	16,413,339	-	-	16,413,339
Domestic corporate public bonds	<u>3,937,896</u>	<u>-</u>	<u>-</u>	<u>3,937,896</u>
Total investments	<u>\$ 37,529,762</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,529,762</u>

HELLENIC COLLEGE, INC.

Notes to Financial Statements
June 30, 2025 and 2024

4. INVESTMENTS (Continued)

	2024			
	Level 1	Level 2	Level 3	Total
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>

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, 2025 and 2024, consist of:

	2025	2024
Net realized gains	\$ 3,053,766	\$ 231,803
Interest and dividends	1,215,687	1,025,959
Investment fees	(212,518)	(223,907)
Net unrealized gains (losses)	<u>(2,703,527)</u>	<u>2,150,467</u>
Investment return, net	<u>\$ 1,353,408</u>	<u>\$ 3,184,322</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, 2025 and 2024.

HELLENIC COLLEGE, INC.

Notes to Financial Statements
June 30, 2025 and 2024

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>2025</u>	<u>2024</u>
Beginning balance	\$ 4,412,426	\$ 4,028,379
Change in value	<u>785,723</u>	<u>384,047</u>
Ending balance	<u>\$ 5,198,149</u>	<u>\$ 4,412,426</u>

6. PLEDGES RECEIVABLE

Pledges receivable are due as follows as of June 30:

	<u>2025</u>	<u>2024</u>
Due within one year	\$ 143,600	\$ 314,500
Due in one to five years	<u>828,064</u>	<u>687,643</u>
	971,664	1,002,143
Less - discount	<u>(47,534)</u>	<u>(47,534)</u>
	924,130	954,609
Less - current portion	<u>(143,600)</u>	<u>(314,500)</u>
Long-term pledges receivable, net	<u>\$ 780,530</u>	<u>\$ 640,109</u>

Long-term pledges have been discounted using discount factors based on U.S. Treasury note rates. Gross pledges receivable were 99% from one donor and two donors, respectively, at June 30, 2025 and 2024.

7. LONG-TERM DEBT

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

	<u>2025</u>	<u>2024</u>
6.75% secured note payable to a bank, due in monthly principal payments of \$18,849 through April 2040 (maturity). Beginning on April 15, 2030, the interest rate will reset to the one-year FHLB Advance Rate plus 3% annually through remaining maturity. This note is secured by a shared first mortgage on the real estate of the College.	\$ 2,996,604	\$ -
5% unsecure term loan to a bank, that was due in monthly payments of principal and interest of \$28,844 through July 2047. This note was secured by certain land, buildings and other assets of the College. The note was fully paid off during fiscal year 2025.	-	4,680,473

HELLENIC COLLEGE, INC.

Notes to Financial Statements
June 30, 2025 and 2024

7. LONG-TERM DEBT (Continued)

	<u>2025</u>	<u>2024</u>
7.4% unsecure note payable to a financing company, that was due in monthly payments of principal and interest of \$1,545. This note was secured by a vehicle. The note was fully paid off during fiscal year 2025.	-	9,645
	2,996,604	4,690,118
Less - current portion	<u>(24,706)</u>	<u>(131,542)</u>
	<u>\$ 2,971,898</u>	<u>\$ 4,558,576</u>

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

2026	\$ 24,706
2027	\$ 26,426
2028	\$ 28,266
2029	\$ 30,234
2030	\$ 32,340

The term loan contained certain covenants which, among other things, required 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. LINE OF CREDIT

The College has a line of credit agreement with a bank that provides for borrowings up to \$3,000,000. Borrowings under the agreement are due on demand, and interest is payable monthly at the bank's prime rate (7.25% at June 30, 2025). This note is secured by a shared first mortgage on the real estate of the College. The line of credit agreement is set to expire on March 31, 2035, at which time all unpaid principal and interest are due. Principal payments are due monthly based on .0125% of the outstanding balance plus interest.

9. OPERATING LEASES

The College rented equipment under an operating lease agreement that expired in February 2025. Rental expense related to this short-term lease was \$3,928 and \$37,928 for the years ended June 30, 2025 and 2024, 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 \$93,452 and \$93,452 for the years ended June 30, 2025 and 2024, 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.

10. 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.

HELLENIC COLLEGE, INC.

Notes to Financial Statements
June 30, 2025 and 2024

11. ENDOWMENT (Continued)

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, 2025 and 2024.

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

	<u>2025</u>	<u>2024</u>
Endowment net assets, beginning of year	\$ 37,397,196	\$ 34,911,409
Contributions	536,345	320,107
Investment returns, net	1,353,408	3,184,322
Appropriation of endowment assets for expenditure	<u>(1,137,013)</u>	<u>(1,018,642)</u>
Net change in endowment	<u>752,740</u>	<u>2,485,787</u>
Endowment net assets, end of year	<u>\$ 38,149,936</u>	<u>\$ 37,397,196</u>

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>2025</u>	<u>2024</u>
Current fair market value	\$ 2,405,686	\$ 2,371,480
Original gift value	<u>2,623,806</u>	<u>2,623,806</u>
Deficiency	<u>\$ (218,120)</u>	<u>\$ (252,326)</u>

Deficiencies of this nature exist in certain donor-restricted endowment funds as of June 30, 2025 and 2024. 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.

12. 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 \$18,420 and \$16,785 and is included in payroll taxes and fringe benefits in the accompanying statements of functional expenses for the years ended June 30, 2025 and 2024, 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.

12. RETIREMENT PLANS (Continued)

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 \$382,901 and \$466,840 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, 2025 and 2024, respectively.

13. 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 14% and 20% of total operating revenue for the years ended June 30, 2025 and 2024, 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.

14. CERTIFICATES OF DEPOSIT

At June 30, 2024, the College had certificates of deposit (CDs) that bore interest at 4.89% per annum and were set to mature in December 2024. During fiscal year 2025, the CDs were renewed to a new maturity date of December 2025. The fair value of these CDs, which approximates the cost basis, was \$754,124 and \$726,000 as of June 30, 2025 and 2024, respectively.

15. 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. There were no contingencies recorded as of June 30, 2025. As of June 30, 2024, the College was involved in legal matters that potentially could incur future expenses of up to \$100,000 in the next fiscal year. During fiscal year 2024, the College recorded this contingency as professional fees in the accompanying statement of functional expenses for the year ended June 30, 2024. During fiscal year 2025, the College settled the legal matter and received settlement proceeds of \$225,000. The College reversed the contingency recorded during fiscal year 2024 and included the settlement proceeds in other income in the accompanying statement of activities for the year ended June 30, 2025.

HELLENIC COLLEGE, INC.

Notes to Financial Statements
June 30, 2025 and 2024

16. 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>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 437,373	\$ 404,517
Certificate of deposit	754,124	726,000
Accounts receivable	86,625	28,271
Pledges receivable	<u>143,600</u>	<u>314,500</u>
	1,421,722	1,473,288
Less - amounts restricted by donors for a specific purpose (see Note 2)	<u>(1,421,722)</u>	<u>(1,473,288)</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.

17. CONTINUING OPERATIONS

The College had a deficit in operating net assets of \$(3,578,342) and \$(2,171,632) as of June 30, 2025 and 2024, respectively.

Despite the financial challenges being experienced, the College has continued to have a balanced budget for the fiscal year 2026 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 that is crucial for addressing current financial issues and ensuring long-term liability.