

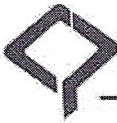
BLUE WHITE SCHOLARSHIP FOUNDATION
(A NON-PROFIT ORGANIZATION)

AUDITED FINANCIAL STATEMENTS

YEAR ENDED MAY 31, 2025

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Blue White Scholarship Foundation
Berwyn, PA

Opinion

We have audited the accompanying financial statements of Blue White Scholarship Foundation (a non-profit organization), which comprise the statement of financial position as of May 31, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Blue White Scholarship Foundation, Inc. as of May 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Blue White Scholarship Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of Management for the Financial Statements

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

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



Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Blue White Scholarship Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Blue White Scholarship Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Clairmont Paciello & Co. P.C.

BLUE WHITE SCHOLARSHIP FOUNDATION

STATEMENT OF FINANCIAL POSITION

MAY 31, 2025

ASSETS

CURRENT ASSETS

Cash and cash equivalents \$ 453,766

TOTAL CURRENT ASSETS 453,766

OTHER ASSETS

Cash surrender value of life insurance 2,498

Investments 1,331,768

TOTAL OTHER ASSETS 1,334,266

\$ 1,788,032

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable \$ 10,050

Scholarships payable 150,000

TOTAL CURRENT LIABILITIES 160,050

NET ASSETS

Without donor restrictions 1,627,982

\$ 1,788,032

See independent auditors' report and notes to financial statements.

BLUE WHITE SCHOLARSHIP FOUNDATION

STATEMENT OF ACTIVITIES

YEAR ENDED MAY 31, 2025

NET ASSETS WITHOUT DONOR RESTRICTIONS	
PUBLIC SUPPORT AND REVENUES	
Contributions	\$ 379,716
Special events	20,856
Investment income	49,398
Increase in cash surrender value of life insurance	98
Unrealized gain on investments	79,259
Realized gain on investments	<u>48</u>
	<u>529,375</u>
FUNCTIONAL EXPENSES	
Program expenses	198,500
General and administrative expenses	128,041
Fundraising expenses	<u>49,769</u>
	<u>376,310</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>153,065</u>
NET ASSETS AS OF BEGINNING OF YEAR	<u>1,474,917</u>
NET ASSETS AS OF END OF YEAR	<u>\$ 1,627,982</u>

See independent auditors' report and notes to financial statements.

BLUE WHITE SCHOLARSHIP FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED MAY 31, 2025

	<u>Program</u> <u>Expenses</u>	General and Adminstrative <u>Expenses</u>	Fundraising <u>Expenses</u>	<u>Total</u>
Bank and credit card charges	\$ -	\$ 7,375	\$ -	\$ 7,375
Computer and internet	-	11,747	-	11,747
Insurance	-	1,049	-	1,049
Licenses and permits	-	275	-	275
Management fees	72,000	12,000	12,000	96,000
Meetings	-	-	1,003	1,003
Office expenses	-	22,492	-	22,492
Outside services	-	-	21,515	21,515
Postage	-	3,295	6,527	9,822
Printing	-	14,708	-	14,708
Professional fees	-	45,500	4,260	49,760
Promotions	-	-	2,745	2,745
Scholarships	126,500	-	-	126,500
Travel	-	9,600	1,719	11,319
	<u>\$ 198,500</u>	<u>\$ 128,041</u>	<u>\$ 49,769</u>	<u>\$ 376,310</u>

See independent auditors' report and notes to financial statements.

BLUE WHITE SCHOLARSHIP FOUNDATION

STATEMENT OF CASH FLOWS

YEAR ENDED MAY 31, 2025

OPERATING ACTIVITIES	
Change in net assets	\$ 153,065
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Increase in cash surrender value of life insurance	(98)
Unrealized loss on investments	(79,259)
Gain on sale of securities	(48)
Change in operating liabilities	
Increase (decrease) in:	
Accounts payable	(1,520)
Scholarships payable	<u>5,000</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>77,140</u>
INVESTING ACTIVITIES	
Donated securities	(45,932)
Purchase of securities	(30,011)
Proceeds from sale of securities	<u>14,553</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(61,390)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	15,750
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>438,016</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 453,766</u>

See independent auditors' report and notes to financial statements.

BLUE WHITE SCHOLARSHIP FOUNDATION

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2025

NOTE A - SUMMARY OF ACCOUNTING POLICIES

A summary of the Blue White Scholarship Foundation's (the Foundation) significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. Nature of operations

The Foundation is an independent non-profit corporation, composed of alumni and friends of Villanova University. Its mission is to:

- a) Provide scholarships to deserving Villanova University students who have experienced financial difficulty;
- b) Mentor scholarship recipients, and provide networking opportunities to assist them in their employment and professional advancement; and
- c) Encourage scholarship recipients to "pay forward" their financial assistance to other Villanova students in the future.

2. Basis of presentation

The financial statements of the Foundation have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation's management and the Board of Directors.

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

3. Contributions and contributions receivable

The Foundation recognizes revenue from contributions, grants and contracts in accordance with Accounting Standards Update ("ASU") 2018-08, Not-For-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* ("ASU 2018-08"). Accordingly, the Foundation evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the Foundation applies guidance under Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606"). If the transfer of assets is determined to be a contribution, the

BLUE WHITE SCHOLARSHIP FOUNDATION

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2025

NOTE A - SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

3. Contributions and contributions receivable (continued)

Foundation evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Foundation is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. Both ASU 2018-08 and ASC 606 were effective for the year ended May 31, 2025. Both standards did not have a material impact on the statements of financial position, statements of activities, cash flows, business processes, controls or systems of the Foundation.

Contributions are recognized when the unconditional promise to give is received. All contributions are considered available for unrestricted use unless restricted by the donor. Amounts received that are designated for future periods or designated by the donor for specific purposes are reported as net assets with donor restrictions. Contributions with donor-imposed restrictions that are met in the same accounting period are recorded as income within net assets without donor restrictions.

Conditional promises to give are not recognized until they become unconditional promises to give, that is, when the conditions on which they depend are substantially met. There were no conditional promises to give received by the Foundation during the year ended May 31, 2025.

The Foundation uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. At May 31, 2025, the Foundation's allowance for uncollectible promises receivable was zero.

4. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

5. Cash and cash equivalents

For the purposes of preparing the statement of cash flows, the Foundation considers all short-term debt securities purchased with an original maturity of three months or less to be cash or cash equivalents.

BLUE WHITE SCHOLARSHIP FOUNDATION

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2025

NOTE A - SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

6. Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

7. Contributed services

Contributed professional services are recorded at the fair value of the services provided by professional volunteers in the services create or enhance non-financial assets and/or require specialized skills that are provided by the individuals possessing those skills and would typically need to be purchased if not provided by donation. The approximate fair value of contributed services for the year ended May 31, 2025 of \$45,500 is recorded as contributions and as an expense in the accompanying statement of activities.

The Foundation also receives donated services from unpaid volunteers who perform a variety of tasks that support the Foundation's activities. No amounts have been recognized for these services in the statement of activities since the criteria for recognition under FASB ASC 958-605, *Revenue Recognition*, have not been satisfied.

NOTE B - FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

Level 2

Inputs to the valuation methodologies include (1) quoted prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in inactive markets; (3) inputs other than quoted

BLUE WHITE SCHOLARSHIP FOUNDATION

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2025

NOTE B - FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

prices that are observable for the asset or liability; (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurements. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Stocks - Values are based on the closing price reported on the active market which the securities are traded and are considered Level 1 within the fair value hierarchy of the Company.

Mutual Funds - Valued at the daily closing price as reported by the fund. Mutual funds held by the Company are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Company are deemed to be actively traded. They are presented as Level 1 within the fair value hierarchy of the Company.

NOTE C - MARKETABLE SECURITIES

The cost and estimated fair value of marketable securities at May 31, 2025, were as follows:

	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Gain</u>
<i>Level 1</i>			
Stocks	\$ 416,376	\$ 346,860	\$ 69,516
Mutual Funds	<u>915,392</u>	<u>761,518</u>	<u>153,874</u>
TOTAL	\$ <u>1,331,768</u>	\$ <u>1,108,378</u>	\$ <u>223,390</u>

BLUE WHITE SCHOLARSHIP FOUNDATION

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2025

NOTE D - TAX STATUS

The Foundation is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

NOTE E - CONCENTRATION OF RISK

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

NOTE F - LIQUIDITY

The following represents the Foundation's financial assets as of May 31, 2025:

Cash and cash equivalents	\$ 453,766
Cash surrender value of life insurance	2,498
Investments	<u>1,331,768</u>
Total financial assets	1,788,032
Less: amounts not available to be used within one year	<u> -</u>
Financial assets available to meet general expenditures over the next twelve months	\$ <u>1,788,032</u>

NOTE G - SUBSEQUENT EVENTS

Subsequent events were evaluated through October 2, 2025, which is the date the financial statements were available to be issued.