CHAPEL HILL-CARRBORO
PUBLIC SCHOOL FOUNDATION

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

CHAPEL HILL-CARRBORO
PUBLIC SCHOOL
FOUNDATION

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BALANCE & STRATEGY
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Chapel Hill-Carrboro Public School Foundation

Opinion

We have audited the accompanying financial statements of Chapel Hill-Carrboro Public School Foundation (a nonprofit organization), which comprise the statements of financial position as of June 30, 2026 and 2025, and the related statements of activities and 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 financial statements referred to above present fairly, in all material respects, the financial position of Chapel Hill-Carrboro Public School Foundation as of June 30, 2026 and 2025, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Chapel Hill Carrboro Public School Foundation, and to meet our other ethical responsibilities in accordance with the 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Chapel Hill Carrboro Public School Foundation'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 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 Chapel Hill Carrboro Public School 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 Chapel Hill Carrboro Public School 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.

Balance + Strategy

Chapel Hill, North Carolina
October 28, 2026

CHAPEL HILL-CARRBORO PUBLIC SCHOOL FOUNDATION

EXHIBIT A

STATEMENTS OF FINANCIAL POSITION

June 30, 2026 and 2025

ASSETS

	2026	2025
CURRENT ASSETS:		
Cash and cash equivalents	$ 2,076,638	$ 2,030,290
Cash restricted for agency funds	353,522	93,248
Other receivables	10,904	2,313
TOTAL CURRENT ASSETS	2,441,064	2,125,851
OTHER ASSETS:		
Investments	3,736,631	3,374,351
TOTAL ASSETS	$ 6,177,695	$ 5,500,202

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 39,930	$ 11,493
Grants payable	510,426	465,899
Scholarships payable	71,500	112,500
Agency funds: pass-thru funds payable	353,522	93,248
TOTAL LIABILITIES	975,378	683,140
NET ASSETS:		
Without donor restrictions:		
Board designated	644,525	605,321
Undesignated	1,094,776	946,236
Total without donor restrictions	1,739,301	1,551,557
With donor restrictions	3,463,016	3,265,505
TOTAL NET ASSETS	5,202,317	4,817,062
TOTAL LIABILITIES AND NET ASSETS	$ 6,177,695	$ 5,500,202

The accompanying Notes to Financial Statements are an integral part of these statements.

CHAPEL HILL-CARRBORO PUBLIC SCHOOL FOUNDATION

EXHIBIT B

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Years Ended June 30, 2026 and 2025

	2026			2025
	Without Donor Restrictions	With Donor Restrictions	Totals	Totals
SUPPORT AND REVENUE:				
Contributions	$ 134,064	$ 1,134,614	$ 1,268,678	$ 1,451,676
Special events, contributions	53,877	-	53,877	57,603
Net investment return	314,247	132,092	446,339	393,972
Other income	14,587	-	14,587	15,068
Contribution of nonfinancial assets	27,400	-	27,400	24,000
	544,175	1,266,706	1,810,881	1,942,319
Net assets released from restrictions	1,069,195	(1,069,195)	-	-
TOTAL SUPPORT AND REVENUE	1,613,370	197,511	1,810,881	1,942,319
EXPENSES:				
PROGRAM:				
Grants and related expenses	1,197,759	-	1,197,759	1,150,550
SUPPORTING SERVICES:				
Management and general	113,972	-	113,972	80,307
Fundraising	113,895	-	113,895	108,816
Total supporting services	227,867	-	227,867	189,123
TOTAL EXPENSES	1,425,626	-	1,425,626	1,339,673
CHANGES IN NET ASSETS	187,744	197,511	385,255	602,646
NET ASSETS - BEGINNING OF YEAR	1,551,557	3,265,505	4,817,062	4,214,416
NET ASSETS - END OF YEAR	$ 1,739,301	$ 3,463,016	$ 5,202,317	$ 4,817,062

The accompanying Notes to Financial Statements are an integral part of these statements.

CHAPEL HILL-CARRBORO PUBLIC SCHOOL FOUNDATION

EXHIBIT B

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Years Ended June 30, 2026 and 2025

	2025		
	Without Donor Restrictions	**With Donor Restrictions**	**Totals**
SUPPORT AND REVENUE:			
Contributions	$ 253,437	$ 1,198,239	$ 1,451,676
Special events, contributions	57,603	-	57,603
Net investment return	202,324	191,648	393,972
Other income	15,068	-	15,068
Contribution of nonfinancial assets	24,000	-	24,000
	552,432	1,389,887	1,942,319
Net assets released from restrictions	1,016,787	(1,016,787)	-
TOTAL SUPPORT AND REVENUE	1,569,219	373,100	1,942,319
EXPENSES:			
PROGRAM:			
Grants and related expenses	1,150,550	-	1,150,550
SUPPORTING SERVICES:			
Management and general	80,307	-	80,307
Fundraising	108,816	-	108,816
Total supporting services	189,123	-	189,123
TOTAL EXPENSES	1,339,673	-	1,339,673
CHANGES IN NET ASSETS	229,546	373,100	602,646
NET ASSETS - BEGINNING OF YEAR	1,322,011	2,892,405	4,214,416
NET ASSETS - END OF YEAR	$ 1,551,557	$ 3,265,505	$ 4,817,062

The accompanying Notes to Financial Statements are an integral part of these statements.

CHAPEL HILL-CARRBORO PUBLIC SCHOOL FOUNDATION

EXHIBIT C

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2026 and 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	$ 385,255	$ 602,646
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Contributions restricted in perpetuity	(101,536)	(95,249)
Donated securities	(973)	-
Net unrealized gain on investments	(224,868)	(183,214)
Changes in assets and liabilities:		
Other receivables	(8,591)	2,742
Accounts payable and accrued expenses	28,437	(117,482)
Grants payable	44,527	352,143
Scholarships payable	(41,000)	91,250
Return of funds to donor	-	-
Agency funds: pass-thru funds payable	260,274	(547,604)
NET CASH PROVIDED BY OPERATING ACTIVITIES	341,525	105,232
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	24,189	1,882,878
Purchase of investments	(160,628)	(2,289,849)
NET CASH USED BY INVESTING ACTIVITIES	(136,439)	(406,971)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions restricted in perpetuity	101,536	95,249
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	306,622	(206,490)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	2,123,538	2,330,028
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 2,430,160	$ 2,123,538
RECONCILIATION OF CASH AND CASH EQUIVALENTS:		
Cash and cash equivalents	$ 2,076,638	$ 2,030,290
Cash restricted for agency funds	353,522	93,248
TOTAL CASH AND CASH EQUIVALENTS	$ 2,430,160	$ 2,123,538
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Noncash transactions:		
Contribution of nonfinancial assets	$ 27,400	$ 24,000

The accompanying Notes to Financial Statements are an integral part of these statements.

CHAPEL HILL-CARRBORO PUBLIC SCHOOL FOUNDATION

EXHIBIT D

STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended June 30, 2026 and 2025

	2026			
	Program Services	Management and General	Fundraising	Totals
Grants to schools	$ 1,067,619	$ -	$ -	$ 1,067,619
Salaries and related taxes	127,316	50,041	37,524	214,881
Professional services	-	49,456	-	49,456
Direct fundraising	-	-	45,459	45,459
Donated facility and materials	-	8,000	19,400	27,400
Supplies, printing, and postage	2,046	2,046	6,140	10,232
Other expenses	-	4,135	5,323	9,458
Dues and subscriptions	778	146	49	973
Board expenses	-	148	-	148
Total Expenses	$ 1,197,759	$ 113,972	$ 113,895	$ 1,425,626

	2025			
	Program Services	Management and General	Fundraising	Totals
Grants to schools	$ 1,012,710	$ -	$ -	$ 1,012,710
Salaries and related taxes	135,407	46,236	36,461	218,104
Professional services	-	19,082	-	19,082
Direct fundraising	-	-	46,844	46,844
Donated facility and materials	-	8,000	16,000	24,000
Supplies, printing, and postage	1,642	1,642	4,927	8,211
Other expenses	-	3,296	4,535	7,831
Dues and subscriptions	791	148	49	988
Board expenses	-	1,903	-	1,903
Total Expenses	$ 1,150,550	$ 80,307	$ 108,816	$ 1,339,673

The accompanying Notes to Financial Statements are an integral part of these statements.

CHAPEL HILL-CARRBORO PUBLIC SCHOOL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

NATURE OF ACTIVITIES

The Chapel Hill-Carrboro Public School Foundation ("Foundation") is a nonprofit organization, formed under the laws of the State of North Carolina in 1984, for the principal purpose of providing an organization which would coordinate, encourage, and assist educational functions and activities, and promote scholarships, in the Chapel Hill-Carrboro Public School System, by providing financial support and leadership. Additionally, the Foundation serves as a pass-through for several smaller entities that function within the district.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting.

The Foundation's financial statements are presented on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Accordingly, revenues are recognized when earned, and expenses are recognized when the obligation is incurred.

The Foundation reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations which limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. Contributed nonfinancial assets are recorded at the fair value of the materials, facilities, or services received.

B. Cash and Cash Equivalents.

Cash and cash equivalents consist of monies on deposit at financial institutions, and other highly liquid investments with original maturities of three months or less. At times, the Foundation places deposits with high-quality financial institutions that may be in excess of federally insured amounts. The Foundation has not experienced any financial loss related to such deposits.

Cash and highly liquid financial instruments restricted for endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

C. Investments.

Investments in marketable securities are stated at fair value. Donated securities are recorded at fair value at the date of gift. Net investment return is reported in the statements of activities and changes in net assets and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Other Receivables.

Other receivables are stated at their estimated collectible amounts. Receivables are monitored, and an allowance for credit losses is maintained based on historical collection experience, an assessment of economic conditions, and a review by management of the current status of the existing receivables. On a continuing basis, receivables are reviewed for past-due status to evaluate the adequacy of the allowance for credit losses. As of June 30, 2026 and 2025, no allowance was deemed necessary. Additionally, there were no write offs for credit losses during the years ended June 30, 2026 and 2025.

E. Revenue and Revenue Recognition.

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been substantially met. There were no conditional contributions at June 30, 2026 and 2025.

Revenue from contracts which are deemed to be exchange transactions are recognized as revenue without donor restrictions at the point in time the performance obligation is completed, or over time for those contracts with payments received for multiple periods. Deferred revenue from exchange transactions results when cash received exceeds revenue earned.

F. Advertising Costs.

Advertising costs totaling $2,708 and $4,078, during the years ended June 30, 2026 and 2025, respectively, are expensed as incurred. Advertising costs are included in direct fundraising costs on the statements of functional expenses.

G. Contributed Nonfinancial Assets.

Contributed nonfinancial assets include facilities and goods which are recorded at fair value. In addition, volunteers have donated a significant amount of time and services to the Foundation's operations. The financial statements do not reflect the value of these contributed services as they do not meet recognition criteria prescribed by U.S. GAAP.

H. Special Events.

Special events revenue is comprised of an exchange element based on the direct benefits donors receive, and a contribution element for the difference. The Foundation recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Foundation recognizes the contribution element immediately, unless there is a right of return if the event does not take place.

CHAPEL HILL-CARRBORO PUBLIC SCHOOL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Net Assets.

Net assets, support, and revenue are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

J. Income Tax Status.

The Foundation is an exempt organization under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation. The Foundation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS.

K. Estimates.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts of 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, and those differences could be material.

CHAPEL HILL-CARRBORO PUBLIC SCHOOL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following:

	2026	2025
Cash and cash equivalents	$ 2,076,638	$ 2,030,290
Investments	3,736,631	3,374,351
Other receivables	10,904	2,313
	5,824,173	5,406,954
Less amounts unavailable for general expenditures within one year, due to:		
Board designated for operating reserve	(178,503)	(178,503)
Board designated for quasi endowment	(466,022)	(426,818)
Restrictions by donor for time or purpose	(3,463,016)	(3,265,505)
	(4,107,541)	(3,870,826)
Financial assets available to meet cash needs for general expenditures within one year	$ 1,716,632	$ 1,536,128

The Foundation's endowment funds consist of endowments with donor restrictions. Income from endowments with donor restrictions is restricted for specific purposes. Endowment funds with donor restrictions are not available for general expenditure.

The board has designated funds for an operating reserve. Although management does not intend to spend from these board designated funds, these amounts could be made available if necessary. Additionally, management may invest cash in excess of daily requirements in short-term investments, CDs, and money market funds. As part of management's liquidity plan, financial assets are structured to be available as general expenditures, liabilities, and other obligations become due. The Foundation has contributions, event income, and investment income coming in throughout the year to help fund general operating expenditures.

FAIR VALUE OF ASSETS

U.S. GAAP defines fair value as the price which would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It also establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Foundation. Unobservable inputs reflect the Foundation's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

FAIR VALUE OF ASSETS (CONTINUED)

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets as of the reporting date.

Level 2 - Valuations based on inputs other than quoted prices included, which are either directly or indirectly observable as of the reporting date, are valued at prices for similar assets or liabilities in markets not active, or determined through the use of models or other valuation methodologies.

Level 3 - Pricing inputs are unobservable and include situations where there is little, if any, market activity for the asset. Fair value for these assets is determined using valuation methodologies that consider a range of factors, including but not limited to the price at which the asset was acquired, the nature of the assets, local market conditions, trading values on public exchanges for comparable securities, current and projected operating performance and financing transactions subsequent to the acquisition of the asset. The inputs into the determination of fair value require significant management judgment. Due to the inherent uncertainty of these estimates, these values may differ materially from the values that would have been used had a ready market for these assets existed.

There were no changes during the years ending June 30, 2026 and 2025, to the Foundation's valuation techniques used to measure asset values on a recurring basis.

The following tables summarize the assets of the Foundation for which fair values are determined on a recurring basis as of June 30, 2026 and 2025. As required by U.S. GAAP, assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	June 30, 2026			
	Level 1	Level 2	Level 3	Total
Mutual funds	$ 3,473,131	$ -	$ -	$ 3,473,131
Exchange traded funds	263,500	-	-	263,500
	$ 3,736,631	$ -	$ -	$ 3,736,631

	June 30, 2025			
	Level 1	Level 2	Level 3	Total
Mutual funds	$ 3,113,785	$ -	$ -	$ 3,113,785
Exchange traded funds	260,566	-	-	260,566
	$ 3,374,351	$ -	$ -	$ 3,374,351

CHAPEL HILL-CARRBORO PUBLIC SCHOOL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

CONTRIBUTION OF NONFINANCIAL ASSETS

The Foundation occupies space in a building owned by Chapel Hill-Carrboro City Schools ("CHCCS"). CHCCS pays all maintenance, insurance, and utility costs associated with this facility. The value of donated facilities and related overhead has been recognized in the accompanying financial statements as a contribution of nonfinancial assets and as donated facilities management expense at its estimated fair value, totaling $20,000 for each year ended June 30, 2026 and 2025.

The Foundation also receives in-kind donations of food and flowers to support the annual Teachers First Fundraiser and 5k for Education. The fair value of these donations, based on the amount the vendor would have charged if not donated, is estimated at $7,400 and $4,000 for the years ended June 30, 2026 and 2025, respectively. These amounts have been recognized as contributions of nonfinancial assets and as donated materials fundraising expense in the accompanying financial statements.

All contributed nonfinancial assets were utilized during the year they were received, and there were no donor-imposed restrictions associated with the contributed nonfinancial assets.

NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions at June 30, 2026 and 2025, consist of the following:

	2026	2025
Designated by the Board - Operating Reserves	$ 178,503	$ 178,503
Designated by the Board - Quasi Endowment	466,022	426,818
Undesignated	1,094,776	946,236
	$ 1,739,301	$ 1,551,557

NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2026, are as follows:

	Purpose/Time Restricted	Perpetuity Restricted	Totals
Abigail Rice Instrument Fund	$ 3,641	$ 25,000	$ 28,641
Achiever's Fund	432,994	-	432,994
Anne Craig Barnes	7,253	31,452	38,705
Annie B. Talbert Fund	23,590	42,461	66,051
AVID Scholarship	14,448	-	14,448

CHAPEL HILL-CARRBORO PUBLIC SCHOOL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Continuing net assets with donor restrictions as of June 30, 2026:

	Purpose/Time Restricted	Perpetuity Restricted	Totals
Bernadine Sullivan Teaching Chair	8,208	25,000	33,208
Blue Ribbon Advocate	45,344	-	45,344
Brogden Scholarship at ECHHS	1,829	25,000	26,829
BRMA Brooks Enrichment Fund	3,225	14,383	17,608
BRMA Sponsor A Scholar	98,218	-	98,218
BRMA - International Trip Fund	1,940	-	1,940
Burton Stuart Teaching Chair	7,346	30,925	38,271
Chapel Hill Restaurant Group:			
International Teacher Travel Fund	5,695	25,000	30,695
CHHS Class of 1978 Scholarship	3,931	25,000	28,931
Classroom Student Enrichment Grants	3,814	-	3,814
Cultural Arts Teaching Chair	6,813	16,516	23,329
David J. Thaden Memorial	6,162	-	6,162
Deshera Mack Scholarship	3,370	-	3,370
Desiree Davis-Omburo Scholarship for Musicians	227	25,010	25,237
Dual Language Scholarship	15,017	-	15,017
Elmo's Chair for Excellence			
in Teaching High School Math or Science	8,592	30,435	39,027
Elmo's Chair - ELL	2,005	7,999	10,004
Elmo's Diner Fund	1,693	-	1,693
Empowerment Fund	11,750	-	11,750
Nancy Zeman Endowment for Literacy	7,304	37,646	44,950
Gardner Fund for Enrichment	7,214	25,000	32,214
GlaxoSmithKline Chair for Excellence			
in Teaching Middle School Science	7,791	22,924	30,715
Haidt Foundation	702,255	-	702,255
Herbert T. Lawton for Arts	15,362	67,500	82,862
Jay Wilson Legacy Scholarship	3,449	29,561	33,010
Jeanette Blackwell Award	5,297	-	5,297
Kim Hoke EC Chair	12,086	34,300	46,386
Lillian Lee Scholarship	2,416	-	2,416

CHAPEL HILL-CARRBORO PUBLIC SCHOOL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Continuing net assets with donor restrictions as of June 30, 2026:

	Purpose/Time Restricted	Perpetuity Restricted	Totals
Lombardo-Van Bourgondien Scholarship	200	-	200
Lynn Lehmann Memorial Scholarship	6,668	25,000	31,668
Margaret Kepner Fund for Science Enrichment	11,166	60,000	71,166
Marianna Goodwin Fund	26,219	96,825	123,044
Mary Andrews Reading	8,734	27,992	36,726
Mary Roberts Enrichment Opportunity	9,478	32,000	41,478
Mary Scroggs Support Services Award	8,045	50,000	58,045
MSAN Student Conference	3,577	-	3,577
Neil Pederson Teaching Chair	8,770	25,750	34,520
New American Scholarship Fund	15,779	-	15,779
New Horizons & Opportunities Scholarship	100	-	100
Oak Foundation	78,042	-	78,042
Pat Kelley Scholarship	17,941	49,094	67,035
Pam Reed Scholarship	-	25,000	25,000
R.D. Smith Scholarship Fund	3,440	14,045	17,485
Schmoock CHS Scholarship	2,002	-	2,002
Swimm Foundation	250,677	-	250,677
Teachers First	192,712	-	192,712
Tony Yount Memorial Scholarship	2,465	-	2,465
Tutoring for Learning	6,367	25,000	31,367
Upper Elementary Chair for Excellence in Teaching Innovation	11,388	24,620	36,008
Sockwell Chair for Excellence in Teaching in the Primary Grades	14,037	30,766	44,803
Hennis Chair for Promising New Secondary Teacher	7,124	26,513	33,637
Vincent Raney Fund	2,023	10,000	12,023
Zora Rashkis Chair for Promising New Teacher	3,508	25,000	28,508
Zora Rashkis Chair for Excellence in Teaching Middle School Language Arts	6,158	25,000	31,158

CHAPEL HILL-CARRBORO PUBLIC SCHOOL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Continuing net assets with donor restrictions as of June 30, 2026:

	Purpose/Time Restricted	Perpetuity Restricted	Totals
Zora Rashkis Teaching Chair Support Fund	12,744	100,713	113,457
Zora Rashkis Chair for Excellence in Teaching Physical Education	5,015	25,000	30,015
Zora Rashkis Chair for Excellence in Teaching World Language	3,928	25,000	28,928
	$ 2,198,586	$ 1,264,430	$ 3,463,016

Continuing net assets with donor restrictions as of June 30, 2025:

	Purpose/Time Restricted	Perpetuity Restricted	Totals
Abigail Rice Instrument Fund	$ 2,772	$ 25,000	$ 27,772
Achiever's Fund	532,062	-	532,062
Anne Craig Barnes	5,269	31,452	36,721
Annie B. Talbert Fund	19,861	41,500	61,361
Austin Rainey Scholarship	550	-	550
AVID Scholarship	15,448	-	15,448
Bernadine Sullivan Teaching Chair	6,930	25,000	31,930
Blue Ribbon Advocate	53,951	-	53,951
Bridge Building Award	1,940	-	1,940
Brogden Scholarship at ECHHS	400	25,000	25,400
BRMA Brooks Enrichment Fund	1,609	14,383	15,992
BRMA Sponsor A Scholar	102,877	-	102,877
Burton Stuart Teaching Chair	5,469	30,925	36,394
Chapel Hill Restaurant Group: International Teacher Travel Fund	5,340	25,000	30,340
CHHS Class of 1978 Scholarship	13,653	-	13,653
Classroom Student Enrichment Grants	18,976	-	18,976
Cultural Arts Teaching Chair	6,351	16,516	22,867
David J. Thaden Memorial	6,709	-	6,709
Deshera Mack Scholarship	1,250	-	1,250

CHAPEL HILL-CARRBORO PUBLIC SCHOOL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Continuing net assets with donor restrictions as of June 30, 2025:

	Purpose/Time Restricted	Perpetuity Restricted	Totals
Dual Language Scholarship	22,500	-	22,500
Elmo's Chair for Excellence in Teaching High School Math or Science	6,729	30,435	37,164
Elmo's Chair - ELL	1,752	7,999	9,751
Elmo's Diner Fund	1,693	-	1,693
Empowerment Fund	250	-	250
Nancy Zeman Endowment for Literacy	1,680	37,146	38,826
Gardner Fund for Enrichment	5,198	25,000	30,198
GlaxoSmithKline Chair for Excellence in Teaching Middle School Science	6,712	22,924	29,636
Glenwood - Dual Language Program	1,463	-	1,463
Haidt Foundation	590,032	-	590,032
Hana Award for Girls in STEM	1,000	-	1,000
Herbert T. Lawton for Arts	15,870	60,000	75,870
International Trip Fund - BRMA	7,680	-	7,680
Jay Wilson Legacy Scholarship	1,456	29,561	31,017
Jeanette Blackwell Award	3,297	-	3,297
Kim Hoke EC Chair	8,880	34,300	43,180
Lillian Lee Scholarship	2,416	-	2,416
Lombardo-Van Bourgondien Scholarship	200	-	200
Lynn Lehmann Memorial Scholarship	5,213	25,000	30,213
Margaret Kepner Fund for Science Enrichment	9,112	60,000	69,112
Marianna Goodwin Fund	21,912	96,825	118,737
Mariposas Scholarship	17	-	17
Mary Andrews Reading	5,479	27,715	33,194
Mary Roberts Enrichment Opportunity	6,459	32,000	38,459
Mary Scroggs Support Services Award	4,356	50,000	54,356
MSAN Student Conference	3,577	-	3,577
Neil Pederson Teaching Chair	7,373	25,750	33,123
New American Scholarship Fund	27,779	-	27,779
New Horizons & Opportunities Scholarship	100	-	100
Oak Foundation	7,745	-	7,745
Pat Kelley Scholarship	14,099	49,094	63,193
R.D. Smith Scholarship Fund	2,726	13,045	15,771

CHAPEL HILL-CARRBORO PUBLIC SCHOOL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Continuing net assets with donor restrictions as of June 30, 2025:

	Purpose/Time Restricted	Perpetuity Restricted	Totals
Swimm Foundation	270,343	-	270,343
Teachers First	180,835	-	180,835
Tony Yount Memorial Scholarship	1,965	-	1,965
Tutoring for Learning	6,652	25,000	31,652
Upper Elementary Chair for Excellence in Teaching Innovation	10,142	24,620	34,762
Sockwell Chair for Excellence in Teaching in the Primary Grades	12,278	30,766	43,044
Hennis Chair for Promising New Secondary Teachers in Eng/LA	4,761	25,000	29,761
Vincent Raney Fund	1,573	10,000	11,573
Zora Rashkis Chair for Promising New Teacher	2,106	25,000	27,106
Zora Rashkis Chair for Excellence in Teaching Middle School Language Arts	4,796	25,000	29,796
Zora Rashkis Chair for Excellence in Teaching Chair Support Fund	3,843	86,864	90,707
Zora Rashkis Chair for Excellence in Teaching Physical Education	3,635	25,000	28,635
Zora Rashkis Chair for Excellence in Teaching World Language	2,584	25,000	27,584
	$ 2,101,685	$ 1,163,820	$ 3,265,505

ENDOWMENTS

The Foundation's endowments were established for a variety of purposes. The endowments consist of individual funds established by donors to provide annual funding for specific activities, as well as a quasi-endowment with funds designated by the board of directors. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

CHAPEL HILL-CARRBORO PUBLIC SCHOOL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

ENDOWMENTS (CONTINUED)

The composition of endowment net assets by type of fund as of June 30, 2026, was as follows:

	Without Donor Restrictions	With Donor Restrictions	Totals
Board-designated endowment funds	$ 466,022	$ -	$ 466,022
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	1,264,430	1,264,430
Accumulated investment gains	-	155,194	155,194
Endowment net assets, June 30, 2026	$ 466,022	$ 1,419,624	$ 1,885,646

The composition of endowment net assets by type of fund as of June 30, 2025, was as follows:

	Without Donor Restrictions	With Donor Restrictions	Totals
Board-designated endowment funds	$ 426,818	$ -	$ 426,818
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	1,163,820	1,163,820
Accumulated investment gains	-	125,882	125,882
Endowment net assets, June 30, 2025	$ 426,818	$ 1,289,702	$ 1,716,520

ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law.

The Board of Directors of the Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions in perpetuity (a) the original value of initial and subsequent gifts donated to the endowment and (b) any accumulations to the endowments made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner prescribed by SPMIFA.

In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund,
2. The purposes of the Foundation and the donor-restricted endowment fund,
3. General economic conditions,
4. The possible effect of inflation and deflation,
5. The expected total return from income and the appreciation of investments,
6. Other resources of the Foundation, and
7. The investment policies of the Foundation.

Return Objectives and Risk Parameters.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s). The endowments are invested in a manner that is intended to produce a real return, net of inflation and investment management costs, of at least 5% over the long term. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives.

The Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation makes investments in various securities including, but not limited to, mutual funds and exchange traded funds, based on its investment policy.

Funds with Deficiencies.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that SPMIFA requires to retain as a fund of perpetual duration. There were no endowment funds below the required amount as of June 30, 2026 and 2025.

ENDOWMENTS (CONTINUED)

The changes in endowment net assets for the year ended June 30, 2026, were as follows:

	Without Donor Restrictions	With Donor Restrictions	Totals
June 30, 2025	$ 426,818	$ 1,289,702	$ 1,716,520
Investment return	39,204	22,382	61,586
Appropriation of endowment assets for expenditure	-	(25,588)	(25,588)
Gifts and transfers	-	133,128	133,128
Endowment net assets, June 30, 2026	$ 466,022	$ 1,419,624	$ 1,885,646

The changes in endowment net assets for the year ended June 30, 2025, were as follows:

	Without Donor Restrictions	With Donor Restrictions	Totals
Endowment net assets, June 30, 2024	$ 385,009	$ 1,156,351	$ 1,541,360
Investment return	41,809	61,150	102,959
assets for expenditure	-	(22,754)	(22,754)
Gifts and transfers	-	94,955	94,955
Endowment net assets, June 30, 2025	$ 426,818	$ 1,289,702	$ 1,716,520

REVENUE FROM CONTRACTS WITH CUSTOMERS

Performance Obligations.

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in the revenue standard. The contract transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The Foundation's contracts primarily have a single performance obligation, which is fulfilled over time.

REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

Performance Obligations Satisfied Over a Period of Time.

The Foundation receives a management fee for some of the pass through funding for which they are the administrator, as well as management fees on other funding sources. The management fee is normally calculated based on a flat percentage of expenditures for the fund during the year. Accordingly, the fee is normally charged at the end of the fiscal year for the management services provided during the year, and does not result in any deferred revenue. However, if any funds were ever received for a future period, they would be deferred until the future period in which the fees are earned.

Total revenue recognized for performance obligations completed over a period of time at June 30, 2026 and 2025, totaled $14,487 and $15,068, respectively. The amounts consist of management fees on pass through administration services, and management services of other funding sources. There were no receivables or deferred revenue relating to these performance obligations at June 30, 2026 and 2025.

General.

Management fees will vary depending on the activity of the pass through programs, what is allowable for the fee calculation, as well as negotiations of various agreements as to whether a management fee is allowed at all. Earned auction revenue is only applicable in years the event is held. Neither revenue stream is a significant source of income to the Foundation, so the level earned each year does not have an impact on the Foundation's operations.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets and functional expenses. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management's estimates. The expenses that are allocated include supplies, printing and postage, dues and subscriptions, and other expenses, which are allocated on the basis of estimates from a historical review of the purposes of the expenses, as well as salaries and related taxes, which are allocated on the basis of estimates of time and effort.

CONCENTRATIONS

One donor comprised 32% and 28% of the Foundation's contributions for the years ended June 30, 2026 and 2025.

RECLASSIFICATIONS

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation of the current years financial statements. Such reclassifications had no effect on net assets.

SUBSEQUENT EVENTS

Management has evaluated subsequent events for recognition or disclosure through October 28, 2026, which is the date that the financial statements were available to be issued, and did not identify any events that occurred subsequent to year-end that require disclosure in the financial statements.