CLARK COUNTY PUBLIC EDUCATION FOUNDATION, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2025 AND 2024

ELLSWORTH • STOUT
CPAs and Consultants

CLARK COUNTY PUBLIC EDUCATION FOUNDATION, INC.
FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

Table of Contents

Independent Auditor's Report 1-2

Financial Statements:

Statements of Financial Position 3

Statements of Activities 4

Statements of Functional Expenses 5-6

Statements of Cash Flows 7

Notes to the Financial Statements 8-18

Independent Auditor's Report

To the Board of Directors of
Clark County Public Education Foundation, Inc.

Opinion
We have audited the accompanying financial statements of Clark County Public Education Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows 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 Clark County Public Education Foundation, Inc. (the "Foundation") as of September 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. 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 the Foundation 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 these 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 where there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 Responsibility 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.

CPA
The CPA, Never Underestimate The Value.
Acuity Financial Center
7881 W. Charleston Blvd., Ste. 155 · Las Vegas, NV 89117
p 702·871·2727 f 702·876·0040
lvcpas.com

Members of the American Institute of Certified Public Accountants & Nevada Society of Certified Public Accountants

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 the 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 the 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.

Ellsworth & Stout, LLC

Las Vegas, Nevada
January 7, 2026

CLARK COUNTY PUBLIC EDUCATION FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2025 AND 2024

	2025	2024
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 8,275,733	$ 11,078,255
Pledges and grants receivable	210,457	1,041,311
Inventory	357,051	614,198
Prepaid expenses	102,440	100,765
Total current assets	8,945,681	12,834,529
Property and Equipment, net	26,112	35,981
Other Assets:		
ROU asset for operating leases, net	231,537	340,259
Investments	9,823,419	7,912,893
Deposits	4,800	4,800
Total other assets	10,059,756	8,257,952
Total Assets	$ 19,031,549	$ 21,128,462
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	$ 301,311	$ 783,119
Agency liability	1,559,914	1,430,125
Current operating lease liability	117,267	108,584
Deferred revenue	5,426,135	5,140,556
Total current liabilities	7,404,627	7,462,384
Long-Term Liabilities:		
Liability for operating leases, net	126,454	243,721
Total Liabilities	7,531,081	7,706,105
Net Assets:		
Without donor restrictions	4,522,334	4,874,585
With donor restrictions	6,978,134	8,547,772
Total net assets	11,500,468	13,422,357
Total Liabilities and Net Assets	$ 19,031,549	$ 21,128,462

See accompanying notes to the financial statements.

CLARK COUNTY PUBLIC EDUCATION FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
Net Assets without Donor Restrictions		
Revenue and other support:		
Contributions and grants	$ 6,833,820	$ 4,810,871
Government grants	921,515	2,882,583
In-kind donations	166,203	230,123
Special events, less expenses of $474,082 and $377,724, respectively	(75,422)	360,240
Investment income, net	585,712	510,753
Net assets released from donor restrictions	1,625,386	1,700,141
	10,057,214	10,494,711
Expenses:		
Program services	9,400,296	9,858,529
Supporting services:		
Management and general	1,298,799	1,230,106
Fundraising	311,590	623,865
	11,010,685	11,712,500
Other Income (Expense):		
Net realized and unrealized gain	601,220	1,822,118
Increase (decrease) in net assets without donor restrictions	(352,251)	604,329
Net Assets with Donor Restrictions		
Contributions and grants	55,748	2,806,971
Net assets released from donor restrictions	(1,625,386)	(1,700,141)
Increase (decrease) in net assets with donor restrictions	(1,569,638)	1,106,830
Increase (Decrease) in Net Assets	(1,921,889)	1,711,159
Net Assets, Beginning of Year	13,422,357	11,711,198
Net Assets, End of Year	$ 11,500,468	$ 13,422,357

See accompanying notes to the financial statements.

CLARK COUNTY PUBLIC EDUCATION FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2025

	Program Services	Management and General	Fundraising	Total
Advertising	$ 139	$ 1,376	$ 4,041	$ 5,556
Bad debt expense	188,004	-	-	188,004
Depreciation	-	9,870	-	9,870
Direct services	7,083,034	-	-	7,083,034
In-kind	331,415	30,502	61,433	423,350
Insurance	3,610	30,413	796	34,819
Occupancy	65,138	63,968	5,761	134,867
Office expense and other	67,896	40,768	13,712	122,376
Professional fees	18,355	132,981	-	151,336
Repairs and maintenance	2,651	674	175	3,500
Salaries and benefits	1,551,915	936,608	225,150	2,713,673
Technology	49,464	45,201	-	94,665
Training, travel and conferences	38,675	6,438	522	45,635
	$ 9,400,296	$ 1,298,799	$ 311,590	$ 11,010,685

See accompanying notes to the financial statements.

CLARK COUNTY PUBLIC EDUCATION FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2024

	Program Services	Management and General	Fundraising	Total
Advertising	$ 602	$ 5,969	$ 17,524	$ 24,095
Depreciation	-	10,798	-	10,798
Direct services	5,852,004	-	-	5,852,004
In-kind	346,682	31,907	64,262	442,851
Insurance	3,439	28,977	759	33,175
Occupancy	56,815	55,794	5,025	117,634
Office expense and other	134,905	81,002	27,245	243,152
Outside services	2,051,410	87,914	316,951	2,456,275
Professional fees	13,816	100,096	-	113,912
Repairs and maintenance	10,839	2,758	717	14,314
Salaries and benefits	1,314,730	793,462	190,740	2,298,932
Technology	25,731	23,512	-	49,243
Training, travel and conferences	47,556	7,917	642	56,115
	$ 9,858,529	$ 1,230,106	$ 623,865	$ 11,712,500

See accompanying notes to the financial statements.

CLARK COUNTY PUBLIC EDUCATION FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
Cash Flows from Operating Activities		
Increase (decrease) in net assets	$ (1,921,889)	$ 1,711,159
Adjustments to reconcile increase (decrease) in net assets to net cash used in operating activities:		
Bad debt expense	188,004	-
Depreciation	9,870	10,798
In-kind inventory change	257,147	212,728
Operating lease accretion	138	4,106
Net realized and unrealized gain on investments	(601,220)	(1,822,118)
Changes in operating assets and liabilities:		
(Increase) decrease in pledges and grants receivable	642,850	(463,723)
(Increase) decrease in prepaid expenses	(1,675)	(100,265)
Increase (decrease) in accounts payable and accrued expenses	(481,808)	485,736
Increase (decrease) in agency liability	129,789	(172,184)
Increase (decrease) in deferred revenue	285,579	(411,901)
Net cash used in operating activities	(1,493,215)	(545,664)
Cash Flows from Investing Activities		
Purchase of property and equipment	-	(24,618)
Net proceeds from sale of investments	-	7,591,108
Net purchase of investments	(1,309,307)	-
Net cash provided by (used in) investing activities	(1,309,307)	7,566,490
Net Change in Cash and Cash Equivalents	(2,802,522)	7,020,826
Cash and Cash Equivalents, Beginning of Year	11,078,255	4,057,429
Cash and Cash Equivalents, End of Year	$ 8,275,733	$ 11,078,255

See accompanying notes to the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of The Clark County Public Education Foundation, Inc. dba The Public Education Foundation (the "Foundation"), is presented to assist in understanding the Foundation's financial statements. The financial statements and notes are representations of the Foundation's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America ("GAAP") and have been consistently applied in the preparation of the financial statements.

Nature of the Foundation

Vision: A community united to ensure every public-school student in Clark County can succeed.

Mission: The Public Education Foundation partners with the community and the Clark County School District to meet immediate, critical education needs that will strengthen our public schools.

Foundation Description: The Public Education Foundation ("PEF") unites the community to inspire support for our public schools. In partnership with the Clark County School District ("CCSD"), PEF helps guide effective investments in education to meet the critical needs of our students, families, and educators.

Thanks to our many community partners, we provide a variety of support to public schools, including the following programs:

Scholarships Plus provides $5 million in scholarships each year to help students pursue their dreams of attending college or vocational school.

PEF Teacher Superstore provides school supplies to teachers to reduce their out-of-pocket expenses. These supplies are then shared with students who often cannot afford them.

Teacher FastTrack recruits, supports, and retains local diverse, qualified individuals committed to a teaching career in CCSD. This "grow your own" teacher training program focuses on addressing Clark County's chronic teacher shortage.

The Foundation's programs are supported primarily by contributions and grants.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Accordingly, actual results could differ from those estimates.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. The Foundation presents classified statements of financial position with additional qualitative information about availability of resources and liquidity in Note 2.

The accompanying financial statements have been presented in accordance with GAAP applicable to not-for-profit organizations, principally Accounting Standard Codification ("ASC") 958, *Not-for-Profit Entities*. Under ASC 958 (as amended by Accounting Standards Update ("ASU") 2016-14), the Foundation is required to report information regarding its financial position and changes in financial position according to two classes of net assets; net assets without donor restrictions and net assets with donor restrictions. The classification of net assets is based on the existence or absence of donor-imposed restrictions. Net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, the Foundation considers all highly liquid investments available for current use with an original maturity of three months or less to be cash equivalents.

At various times throughout the year, the Foundation maintained deposits in financial institutions which exceeded federally insured amounts. The Foundation has not experienced any losses in these accounts.

Receivables

Receivables are recorded at the amount the Foundation expects to collect. Management closely monitors outstanding balances and determines whether certain accounts should be written off during the year. As of September 30, 2025 and 2024, no allowance for doubtful accounts was deemed necessary.

Inventory

The Foundation values inventory at its estimated fair value on the date of donation. Inventory consists primarily of donated school supplies.

Property and Equipment

The Foundation capitalizes significant expenditures for property and equipment at cost. Property and equipment contributed to the Foundation are recorded estimated fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

The Foundation has elected to apply the portfolio approach to account for ROU assets and liabilities, where applicable.

The Foundation has elected the practical expedient that does not require the Foundation to separate lease and non-lease components for its leases.

The Foundation has elected to use the risk-free rate as the discount rate for operating leases.

The Foundation has elected the short-term lease recognition exemption for all applicable classes of underlying assets. Short-term disclosures include only those leases with a term greater than one month and 12 months or less, and expense is recognized on a straight-line basis over the lease term. Leases with an initial term of 12 months or less that do not include an option to purchase the underlying asset that the Foundation is reasonably certain to exercise, are not recorded on the statement of financial position.

The Foundation leases real property and equipment. The determination of whether an arrangement is a lease is made at the lease's inception. Under Accounting Standards Codification ("ASC") 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

ROU assets represent the Foundation's right to use an underlying asset for the lease term, and lease liabilities represent the Foundation's obligation to make lease payments. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term using the applicable rate.

Investments

The Foundation carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values based on quoted prices in active markets (all Level 1 measurements) on the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Investment revenues are reported net of related external investment expenses in the accompanying statements of activities. The amount of expenses netted with investment revenues was $40,172 and $52,390 for the years ended September 30, 2025 and 2024, respectively.

Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

All donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports that support as an increase in net assets without donor restrictions.

Contributions may be considered conditional or unconditional. A conditional contribution exists if both a) one or more barriers exist and b) the right of return to the contributor for assets transferred (or a right of release of the promisor from its obligation) depends on overcoming the stated barriers before a recipient is entitled to the assets transferred or promised. In cases of ambiguous donor stipulations or stipulations that are not clearly unconditional, contributions are presumed to be conditional. Conditional contributions are recognized when conditions have been substantially met or waived by the donor. Unconditional contributions are recognized when received or when the right to receive is obtained through documentation.

Grant revenue may be considered a contribution, entirely an exchange transaction, or a combination of the two. If a grant is considered a contribution, it is recognized as described in the above paragraph. If a grant is considered an exchange transaction, it falls under the guidance of ASC 606 and additional steps are taken to ensure correct recording of revenue. The performance obligation is satisfied when the services outlined in the grant contract are rendered. For the years ended September 30, 2025 and 2024, all exchange grant revenue was recognized at a point-in-time when services were performed.

Donated Materials and Services

Generally, donated materials and facilities, if significant in amount, are recorded at their fair market value, provided the Foundation has a clearly measurable and objective basis for determining the value. In the case of materials where such values cannot reasonably be determined, the donation is not recorded.

Donated professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Unpaid volunteers have donated their time to the Foundation's programs. The value of such services has not been reflected in the accompanying financial statements since the volunteers' time does not meet the criteria for recognition as contributed services.

During the year ended September 30, the Foundation recognized the following in-kind donations:

	2025	2024
Professional services	$ 166,203	$ 230,123

Fair value of professional services were based on comparable services provided by third parties.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

In January 1996, the Foundation received notification from the Internal Revenue Service that the Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been classified as a public charity under Section 509(a)(1) and 170(b)(1)(A)(vi). Therefore, no provision for income taxes is made in the accompanying financial statements.

As defined by ASC Topic 740, *Income Taxes*, no provision or liability for materially uncertain tax positions was deemed necessary by management. Therefore, no provision or liability for uncertain tax positions has been included in these financial statements.

The Foundation is no longer subject to potential income tax examinations by tax authorities for years in which that statute of limitations has expired.

Allocation Methodology

The statements of functional expenses present expenditures by both their nature and their function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. All expenses are allocated based on management's estimate of time and effort, except for those expenditures that are considered direct expenses.

Advertising

The production costs of advertising are expensed as incurred.

NOTE 2 – LIQUIDITY AND AVAILABILITY

As of September 30, 2025, the Foundation had $4,345,426 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of $4,134,969 of cash and cash equivalents and $210,457 of pledges and grants receivable. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date.

NOTE 3 – PROPERTY AND EQUIPMENT

As of September 30, property and equipment consisted of the following:

	2025	2024
Furniture and equipment	$ 70,228	$ 70,228
Improvements	18,062	18,062
Vehicles	24,618	24,618
	112,908	112,908
Less: accumulated depreciation	(86,796)	(76,927)
	$ 26,112	$ 35,981

NOTE 3 – PROPERTY AND EQUIPMENT (Continued)

Depreciation expense for the years ended September 30, 2025 and 2024 was $9,870 and $10,798, respectively.

NOTE 4 – LEASING ACTIVITIES

As of September 30, the following summarizes the line items on the statements of financial position which include amounts for operating leases:

	2025	2024
Operating Leases		
ROU asset for operating leases	$ 231,537	$ 340,259
Current operating lease liability	$ 117,267	$ 108,584
Liability for operating leases	126,454	243,721
	$ 243,721	$ 352,305

As of September 30, 2025, the following summarizes the weighted average remaining lease term and discount rate:

Weighted Average Remaining Lease Term	
Operating leases	2 years
Weighted Average Discount Rate	
Operating leases	4.06%

As of September 30, lease liabilities mature as follows:

2026	$ 124,573
2027	128,822
Total lease payments	253,395
Less interest	(9,674)
Present value of lease liabilities	$ 243,721

For the years ended September 30, 2025 and 2024, operating lease cost of $132,218 and $116,200, respectively, was included in occupancy expense on the accompanying statements of functional expenses.

NOTE 5 – FAIR VALUE MEASUREMENT

The Foundation measures certain financial assets and liabilities at fair value on a recurring basis, and certain non-financial assets and liabilities on a nonrecurring basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. Fair value disclosures are reflected in a three-level hierarchy, maximizing the use of observable inputs and minimizing the use of unobservable inputs.

The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels are defined as follows:

Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for an identical asset or liability in an active market.

Level 2 – inputs to the valuation methodology include quoted prices for a similar asset or liability in an active market or model-derived valuations in which all significant inputs are 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 measurement of the asset or liability.

As of September 30, 2025, fair values of assets and liabilities measured on a recurring basis consisted of the following:

	Total	Level 1	Level 2	Level 3
Recurring fair value measurements:				
Equities	$ 5,501,093	$ 5,501,093	$ -	$ -
Fixed income	4,322,326	4,322,326		
	$ 9,823,419	$ 9,823,419	$ -	$ -

As of September 30, 2024, fair values of assets and liabilities measured on a recurring basis consisted of the following:

	Total	Level 1	Level 2	Level 3
Recurring fair value measurements:				
Equities	$ 4,719,639	$ 4,719,639	$ -	$ -
Fixed income	3,193,254	3,193,254		
	$ 7,912,893	$ 7,912,893	$ -	$ -

NOTE 6 – AGENCY LIABILITY

On October 1, 2018, the Foundation entered into a memorandum of understanding with the Vegas Strong Fund ("VSF"), a Nevada nonprofit corporation, establishing a partnership to administer the Vegas Strong Compassion Scholarship aimed at supporting dependents, as defined by the VSF. The eligibility criteria for beneficiaries are determined by the VSF for the duration of its existence, slated to conclude on October 1, 2045. As of September 30, 2025, and 2024, the Foundation's outstanding liabilities related to the VSF consisted of $1,199,529 and $1,114,340, respectively, and are included in the agency liability balance on the accompanying statements of financial position.

On May 11, 2020, the Foundation established a memorandum of understanding with Chris and Debbie Davis and Mynda Smith to administer the Children of the 58 Scholarship, dedicated to providing scholarships to legally dependent children identified as survivors of the October 1, 2017 Las Vegas shooting. The Foundation is responsible for overseeing the scholarship, with any unused funds being designated for an endowment to the UNLV Library. As of September 30, 2025, and 2024, the Foundation's outstanding liabilities related to this fund consisted of $205,813 and $227,606, respectively, and are included in the agency liability balance on the accompanying statements of financial position.

The Foundation has received additional scholarship support wherein it serves as an administrator, with the donors retaining control over scholarship recipient selections. As of September 30, 2025, and 2024, the Foundation's outstanding liabilities related to these funds consisted of $154,572 and $88,179, respectively, and are included in the agency liability balance on the accompanying statements of financial position.

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by donors. As of September 30, net assets with donor restrictions were restricted for the following purposes:

	2025	2024
Subject to expenditure for specified purpose and/or passage of time:		
Charles William Memorial Endowment	$ 203,052	$ 180,504
Lamping Endowment	66,783	49,872
Literacy	639,204	658,400
Scholarships	3,986,971	4,177,806
Special projects	1,622,803	2,767,254
Teacher superstore	357,051	611,666
	6,875,864	8,445,502
Not subject to appropriation or expenditure:		
Lamping Endowment held in perpetuity	102,270	102,270
	$ 6,978,134	$ 8,547,772

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

As of September 30, net assets with donor restrictions consisted of the following:

	2025	2024
Inventory (only exchange)	$ 357,051	$ 611,666
Investments	6,621,083	7,936,106
	$ 6,978,134	$ 8,547,772

NOTE 8 – ENDOWMENTS

Net assets with donor restrictions result from contributions of assets whose use by the Foundation is specified by our donors through time restrictions and purpose specified. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

In accordance with the interpretation of applicable laws and as set forth in the endowment declarations, the Foundation has the following endowment funds: (a) Frank J. Lamping Endowment includes donor-stipulated perpetual endowment principal, of which generated income is restricted and can be used to support Lamping Elementary, and (b) Charles William Carter Endowment which includes donor-stipulated non-perpetual endowment principal, of which generated income is restricted and can be used to support scholarships.

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 restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund are classified as net assets with restrictions until those amounts are appropriated for expenditure by the Foundation in accordance with the standard of prudence 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 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
7. The investment policies of the Foundation

NOTE 8 – ENDOWMENTS (Continued)

Return Objectives and Risk Parameters

The management of the endowments is delegated to an outside investment manager. Investment risk is measured in terms of the total endowment funds; investment assets and allocations between asset classes and strategies are managed to not expose the funds to unacceptable levels of risk.

Funds with Deficiencies

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Board of Directors of the Foundation has interpreted SPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. In accordance with GAAP, there were no deficiencies of this nature reported as of September 30, 2025 and 2024, respectively.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return 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 targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has an unwritten spending policy in which the principal is not to be spent unless it is absolutely necessary for mission critical expenditures. To achieve that objective, the Foundation has adopted an investment policy and has created an investment and finance committee dedicated to ensuring investment procedures are followed.

Spending Policy and How the Investment Objectives Relate to Spending Policy

As of September 30, 2025, endowment net asset composition by type of fund consisted of:

	Without donor restrictions	With donor restrictions	Total
Donor-restricted	$ -	$ 372,105	$ 372,105

As of September 30, 2024, endowment net asset composition by type of fund consisted of:

	Without donor restrictions	With donor restrictions	Total
Donor-restricted	$ -	$ 332,646	$ 332,646

NOTE 8 – ENDOWMENTS (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy (Continued)

As of September 30, 2025, changes in endowment net assets were as follows:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	$ -	$ 332,646	$ 332,646
Net investment earnings, gains, and losses	-	39,459	39,459
Endowment net assets, end of year	$ -	$ 372,105	$ 372,105

As of September 30, 2024, changes in endowment net assets were as follows:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	$ -	$ 267,807	$ 267,807
Net investment earnings, gains, and losses	-	64,839	64,839
Endowment net assets, end of year	$ -	$ 332,646	$ 332,646

NOTE 9 – SUBSEQUENT EVENTS

Management of the Foundation has evaluated subsequent events through January 7, 2026, the date on which the financial statements were available to be issued. No events were identified that would require disclosure.