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Form **990****Return of Organization Exempt From Income Tax**

OMB No 1545-0047

**2012**Open to Public  
InspectionDepartment of the Treasury  
Internal Revenue ServiceUnder section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung  
benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

**A For the 2012 calendar year, or tax year beginning**

07/01, 2012, and ending

06/30, 2013

**B** Check if applicable:

- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

**C** Name of organization

CHAPEL HILL-CHAUNCY HALL SCHOOL

## Doing Business As

Number and street (or P O box if mail is not delivered to street address)

785 BEAVER STREET

Room/suite

City, town or post office, state, and ZIP code

WALTHAM, MA 02452

**F** Name and address of principal officer**D** Employer identification number

04-2534161

**E** Telephone number

(781) 314-0800

**G** Gross receipts \$ 8,815,863.**H(a)** Is this a group return for affiliates? ☐ Yes ☒ No**H(b)** Are all affiliates included? ☐ Yes ☐ No

If "No," attach a list (see instructions)

**H(c)** Group exemption number ▶**I** Tax-exempt status ☒ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no ) ☐ 4947(a)(1) or ☐ 527**J** Website: ▶ WWW.CHCH.ORG**K** Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶**L** Year of formation 1972 **M** State of legal domicile MA**Part I Summary****1** Briefly describe the organization's mission or most significant activities

CHAPEL HILL- CHAUNCY HALL SCHOOL IS A COLLEGE PREPARATORY, DAY AND BOARDING SCHOOL THAT EMBRACES DIFFERENCES IN LEARNING STYLE AND CULTURE IN A RICHLY DIVERSE AND SUPPORTIVE COMMUNITY.

**2** Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets**3** Number of voting members of the governing body (Part VI, line 1a) . . . . .

3 19.

**4** Number of independent voting members of the governing body (Part VI, line 1b) . . . . .

4 19.

**5** Total number of individuals employed in calendar year 2012 (Part V, line 2a) . . . . .

5 159.

**6** Total number of volunteers (estimate if necessary) . . . . .

6

**7a** Total unrelated business revenue from Part VIII, column (C), line 12 . . . . .

7a 0

**b** Net unrelated business taxable income from Form 990-T, line 34 . . . . .

7b 0

Activities &amp; Governance

Revenue

**8** Contributions and grants (Part VIII, line 1h) . . . . .Prior Year Current Year  
1,108,374. 379,030.**9** Program service revenue (Part VIII, line 2g) . . . . .

7,699,760. 8,305,581.

**10** Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . .

40,987. -2,918.

**11** Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) . . . . .

28,707. 40,507.

**12** Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .

8,877,828. 8,722,200.

**13** Grants and similar amounts paid (Part IX, column (A), lines 1-3) . . . . .

1,010,075. 1,017,515.

**14** Benefits paid to or for members (Part IX, column (A), line 4) . . . . .

0 0

**15** Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) . . . . .

4,451,638. 4,602,604.

**16a** Professional fundraising fees (Part IX, column (A), line 11e) . . . . .

0 0

**b** Total fundraising expenses (Part IX, column (D), line 25) ▶ 383,052.**17** Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) . . . . .

2,648,354. 3,040,067.

**18** Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25) . . . . .

8,110,067. 8,660,186.

**19** Revenue less expenses Subtract line 18 from line 12 . . . . .

767,761. 62,014.

Net Assets or Fund Balances

**20** Total assets (Part X, line 16) . . . . .Beginning of Current Year End of Year  
11,453,135. 12,284,761.**21** Total liabilities (Part X, line 26) . . . . .

7,072,753. 7,693,411.

**22** Net assets or fund balances Subtract line 21 from line 20 . . . . .

4,380,382. 4,591,350.

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign  
Here

Signature of officer

Date

Type or print name and title

Paid

Preparer  
Use Only

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

LEONARD J. BERKOWITZ

LJ Berkowitz

11/13/2013

P00872822

Firm's name ▶ COHNREZNICK LLP

Firm's EIN ▶ 22-1478099

Firm's address ▶ ONE BOSTON PLACE, SUITE 500 BOSTON, MA 02108

Phone no 617-648-1400

May the IRS discuss this return with the preparer shown above? (see instructions) . . . . .

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2012)JSA  
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**Part III** Statement of Program Service AccomplishmentsCheck if Schedule O contains a response to any question in this Part III ☐**1** Briefly describe the organization's mission

ATTACHMENT 1

**2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

**4** Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported**4a** (Code: ) (Expenses \$ 3,887,982 including grants of \$ ) (Revenue \$ 7,259,563 )INSTRUCTION AND RELATED - COSTS ASSOCIATED WITH DIRECT EDUCATION  
OF THE STUDENTS AS PART OF DAILY CURRICULUM AND GRANTS FOR  
FINANCIAL ASSISTANCE TO STUDENTS IN NEED.**4b** (Code: ) (Expenses \$ 1,831,315 including grants of \$ ) (Revenue \$ 10,889 )FACILITIES - COSTS ASSOCIATED WITH RUNNING THE PHYSICAL PLANT. THE  
SCHOOL'S CAMPUS SPANS 37 ACRES OF LAND.**4c** (Code: ) (Expenses \$ 876,303 including grants of \$ ) (Revenue \$ 1,073,720 )SUMMER CAMP - COSTS TO OPERATE A SUMMER CAMP WHICH PROVIDES  
CAMPERS WITH VARIOUS ACTIVITIES AND PROGRAMS.**4d** Other program services (Describe in Schedule O )

(Expenses \$ including grants of \$ ) (Revenue \$ )

**4e** Total program service expenses 6,595,600.

**Part IV Checklist of Required Schedules**

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A . . . . .	1 X	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? . . . . .	2 X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I . . . . .	3	X
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II . . . . .	4	X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III . . . . .	5	X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I . . . . .	6	X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II . . . . .	7	X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III . . . . .	8	X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV . . . . .	9	X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V . . . . .	10 X	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI . . . . .	11a X	
b Did the organization report an amount for investments-other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII . . . . .	11b	X
c Did the organization report an amount for investments-program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII . . . . .	11c	X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX . . . . .	11d	X
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X . . . . .	11e X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X . . . . .	11f X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII . . . . .	12a X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional . . . . .	12b	X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E . . . . .	13 X	
14a Did the organization maintain an office, employees, or agents outside of the United States? . . . . .	14a	X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV . . . . .	14b	X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV . . . . .	15	X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV . . . . .	16	X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions) . . . . .	17	X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II . . . . .	18	X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III . . . . .	19	X
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H . . . . .	20a	X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? . . . . .	20b	

**Part IV Checklist of Required Schedules (continued)**

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II.</i> . . . . .		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III.</i> . . . . .	X	
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J.</i> . . . . .	X	
24 a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25.</i> . . . . .		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . . .		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . . .		
25 a <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I.</i> . . . . .		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I.</i> . . . . .		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II.</i> . . . . .		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III.</i> . . . . .		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i> . . . . .		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i> . . . . .		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV.</i> . . . . .		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M.</i> . . . . .		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M.</i> . . . . .		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I.</i> . . . . .		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II.</i> . . . . .		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I.</i> . . . . .		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1.</i> . . . . .		X
35 a Did the organization have a controlled entity within the meaning of section 512(b)(13)? . . . . .		X
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2.</i> . . . . .		
36 <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2.</i> . . . . .		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI.</i> . . . . .		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	X	

Form 990 (2012)

**Part V** Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response to any question in this Part V. ☐

		Yes	No
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. . . . .	1a 2		
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable. . . . .	1b 0		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? . . . . .	1c	X	
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return . . . . .	2a 159		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? . . . . .	2b	X	
<b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions). . . . .			
3a Did the organization have unrelated business gross income of \$1,000 or more during the year? . . . . .	3a		X
b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O . . . . .	3b		
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? . . . . .	4a		X
b If "Yes," enter the name of the foreign country: ▶ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. . . . .			
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . . . .	5a		X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? . . . . .	5b		X
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T? . . . . .	5c		
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . . . .	6a		X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . .	6b		
<b>7 Organizations that may receive deductible contributions under section 170(c).</b>			
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? . . . . .	7a	X	
b If "Yes," did the organization notify the donor of the value of the goods or services provided? . . . . .	7b	X	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? . . . . .	7c		X
d If "Yes," indicate the number of Forms 8282 filed during the year . . . . .	7d		
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . .	7e		X
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . .	7f		X
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? . . . . .	7g		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? . . . . .	7h		
<b>8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? . . . . .	8		
<b>9 Sponsoring organizations maintaining donor advised funds.</b>			
a Did the organization make any taxable distributions under section 4966? . . . . .	9a		
b Did the organization make a distribution to a donor, donor advisor, or related person? . . . . .	9b		
<b>10 Section 501(c)(7) organizations.</b> Enter:			
a Initiation fees and capital contributions included on Part VIII, line 12 . . . . .	10a		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities . . . . .	10b		
<b>11 Section 501(c)(12) organizations.</b> Enter:			
a Gross income from members or shareholders . . . . .	11a		
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) . . . . .	11b		
<b>12a Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041? . . . . .	12a		
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year . . . . .	12b		
<b>13 Section 501(c)(29) qualified nonprofit health insurance issuers.</b>			
a Is the organization licensed to issue qualified health plans in more than one state? . . . . .	13a		
<b>Note.</b> See the instructions for additional information the organization must report on Schedule O			
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans . . . . .	13b		
c Enter the amount of reserves on hand . . . . .	13c		
<b>14a</b> Did the organization receive any payments for indoor tanning services during the tax year? . . . . .	14a		X
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O . . . . .	14b		

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.Check if Schedule O contains a response to any question in this Part VI. ☒ X**Section A. Governing Body and Management**

	Yes	No
<b>1a</b> Enter the number of voting members of the governing body at the end of the tax year . . . . . <b>1a</b> 19		
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O		
<b>b</b> Enter the number of voting members included in line 1a, above, who are independent . . . . . <b>1b</b> 19		
<b>2</b> Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . . <b>2</b>		X
<b>3</b> Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? . . . <b>3</b>		X
<b>4</b> Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . . <b>4</b>		X
<b>5</b> Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . . <b>5</b>		X
<b>6</b> Did the organization have members or stockholders? . . . . . <b>6</b>		X
<b>7a</b> Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? . . . . . <b>7a</b>		X
<b>b</b> Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . . . . <b>7b</b>		X
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
<b>a</b> The governing body? . . . . . <b>8a</b>	X	
<b>b</b> Each committee with authority to act on behalf of the governing body? . . . . . <b>8b</b>	X	
<b>9</b> Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . . <b>9</b>		X

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
<b>10a</b> Did the organization have local chapters, branches, or affiliates? . . . . . <b>10a</b>		X
<b>b</b> If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? . . . <b>10b</b>		
<b>11a</b> Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? . . <b>11a</b>	X	
<b>b</b> Describe in Schedule O the process, if any, used by the organization to review this Form 990		
<b>12a</b> Did the organization have a written conflict of interest policy? If "No," go to line 13 . . . . . <b>12a</b>	X	
<b>b</b> Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . . <b>12b</b>	X	
<b>c</b> Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done . . . . . <b>12c</b>	X	
<b>13</b> Did the organization have a written whistleblower policy? . . . . . <b>13</b>	X	
<b>14</b> Did the organization have a written document retention and destruction policy? . . . . . <b>14</b>	X	
<b>15</b> Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>a</b> The organization's CEO, Executive Director, or top management official . . . . . <b>15a</b>	X	
<b>b</b> Other officers or key employees of the organization . . . . . <b>15b</b>		X
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
<b>16a</b> Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . . <b>16a</b>		X
<b>b</b> If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? . . . . . <b>16b</b>		

**Section C. Disclosure**

**17** List the states with which a copy of this Form 990 is required to be filed ► MA,

**18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
☐ Own website ☒ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

**19** Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year

**20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ► GWEN POJASEK 785 BEAVER STREET WALTHAM, MA 02452 781-314-0800

JSA

Form 990 (2012)

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**Check if Schedule O contains a response to any question in this Part VII ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) ANNA COLTON CHAIR OF THE BOARD	5.00	X		X				0	0	0
(2) CHARLES BLACK TRUSTEE	1.00	X						0	0	0
(3) WILLIAM F. RYAN, JR. TRUSTEE	1.00	X						0	0	0
(4) YING BECKER BOARD TREASURER	1.00	X		X				0	0	0
(5) DAVID COHEN TRUSTEE	1.00	X						0	0	0
(6) SARAH FORRESTER TRUSTEE	1.00	X						0	0	0
(7) ALDEN HARRINGTON TRUSTEE	1.00	X						0	0	0
(8) PETER FRANKLIN TRUSTEE	1.00	X						0	0	0
(9) MICHELLE KING TRUSTEE	1.00	X						0	0	0
(10) JAMES LIPCON TRUSTEE	1.00	X						0	0	0
(11) B.J. RUDMAN BOARD VICE CHAIR	1.00	X		X				0	0	0
(12) DEB MANKIW TRUSTEE	1.00	X						0	0	0
(13) BARBARA SINISGALLI BOARD CLERK	1.00	X		X				0	0	0
(14) DAN STRACHMAN TRUSTEE	1.00	X						0	0	0



**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)**

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
( 15) CHARLOTTE MERRELL TRUSTEE	1.00	X						0	0	0
( 16) TOM MULVEHILL TRUSTEE	1.00	X						0	0	0
( 17) PAT NWOBODO TRUSTEE	1.00	X						0	0	0
( 18) ERIC J. THORGERSON TRUSTEE	1.00	X						0	0	0
( 19) INGRID TUCKER TRUSTEE	1.00	X						0	0	0
( 20) SIRI AKAL KHALSA PRESIDENT	40.00				X			164,000.	0	33,831.
( 21) LANCE CONRAD HEAD OF SCHOOL	40.00				X			129,239.	0	20,764.
( 22) GWEN POJASEK CFO	40.00					X		101,050.	0	3,189.
<b>1b Sub-total</b>								0	0	0
<b>c Total from continuation sheets to Part VII, Section A</b>								394,289.	0	57,784.
<b>d Total (add lines 1b and 1c)</b>								394,289.	0	57,784.

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **3**

	Yes	No
<b>3</b> Did the organization list any <b>former</b> officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
<b>4</b> For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 2		
<b>2</b> Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization <b>5</b>		

**Part VIII Statement of Revenue**Check if Schedule O contains a response to any question in this Part VIII ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	1a	Federated campaigns . . . . .	1a			
	b	Membership dues . . . . .	1b			
	c	Fundraising events . . . . .	1c			
	d	Related organizations . . . . .	1d			
	e	Government grants (contributions) . . . . .	1e			
	f	All other contributions, gifts, grants, and similar amounts not included above . . . . .	1f	379,030		
	g	Noncash contributions included in lines 1a-1f \$ . . . . .		1,175.		
<b>h</b>	<b>Total. Add lines 1a-1f . . . . .</b>		379,030			
<b>Program Service Revenue</b>			<b>Business Code</b>			
	2a	TUITION, BOARDING FEES . . . . .	611600	7,221,720	7,221,720	
	b	CAMP REGISTRATION . . . . .	611600	1,073,720	1,073,720	
	c	OTHER INCOME . . . . .	611600	10,141	10,141	
	d	. . . . .				
	e	. . . . .				
	f	All other program service revenue . . . . .				
<b>g</b>	<b>Total. Add lines 2a-2f . . . . .</b>		8,305,581			
<b>Other Revenue</b>	3	Investment income (including dividends, interest, and other similar amounts). ATTACHMENT 3 . . . . .		5,911		5,911
	4	Income from investment of tax-exempt bond proceeds . . . . .		0		
	5	Royalties . . . . .		0		
		(i) Real (ii) Personal				
	6a	Gross rents . . . . .	10,889			
	b	Less rental expenses . . . . .				
	c	Rental income or (loss) . . . . .	10,889			
	d	Net rental income or (loss) . . . . .		10,889	10,889	
		(i) Securities (ii) Other				
	7a	Gross amount from sales of assets other than inventory . . . . .	-8,829			
	b	Less cost or other basis and sales expenses . . . . .				
	c	Gain or (loss) . . . . .	-8,829			
	d	Net gain or (loss) . . . . .		-8,829		-8,829
	8a	Gross income from fundraising events (not including \$ 13,745 of contributions reported on line 1c) See Part IV, line 18 . . . . .	a	6,294		
	b	Less direct expenses . . . . .	b	4,378		
	c	Net income or (loss) from fundraising events . . . . .	ATTACH 5	1,916		1,916
	9a	Gross income from gaming activities See Part IV, line 19 . . . . .	a			
b	Less direct expenses . . . . .	b				
c	Net income or (loss) from gaming activities . . . . .		0			
10a	Gross sales of inventory, less returns and allowances . . . . .	a	116,987			
b	Less cost of goods sold . . . . .	ATTACH 6	89,285			
c	Net income or (loss) from sales of inventory . . . . .		27,702	27,702		
<b>Miscellaneous Revenue</b>		<b>Business Code</b>				
11a	. . . . .					
b	. . . . .					
c	. . . . .					
d	All other revenue . . . . .					
e	Total. Add lines 11a-11d . . . . .		0			
<b>12</b>	<b>Total revenue. See instructions . . . . .</b>		8,722,200	8,344,172		-1,002

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response to any question in this Part IX. ☐

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>				
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21.	0			
2 Grants and other assistance to individuals in the United States. See Part IV, line 22.	1,017,515.	1,017,515.		
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.	0			
4 Benefits paid to or for members.	0			
5 Compensation of current officers, directors, trustees, and key employees.	360,125.		154,854.	205,271.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	0			
7 Other salaries and wages.	3,347,404.	2,405,304.	873,542.	68,558.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	0			
9 Other employee benefits.	895,075.	550,970.	271,739.	72,366.
10 Payroll taxes.	0			
11 Fees for services (non-employees):				
a Management.	0			
b Legal.	0			
c Accounting.	0			
d Lobbying.	0			
e Professional fundraising services. See Part IV, line 17.	0			
f Investment management fees.	0			
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	165,747.	6,493.	143,488.	15,766.
12 Advertising and promotion.	42,087.	8,538.	33,549.	
13 Office expenses.	113,549.	14,684.	92,430.	6,435.
14 Information technology.	0			
15 Royalties.	0			
16 Occupancy.	267,791.	267,791.		
17 Travel.	91,315.	17,326.	70,883.	3,106.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials.	0			
19 Conferences, conventions, and meetings.	9,891.		8,262.	1,629.
20 Interest.	175,261.	175,261.		
21 Payments to affiliates.	0			
22 Depreciation, depletion, and amortization.	774,686.	774,686.		
23 Insurance.	58,052.	58,052.		
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O):				
a REPAIRS AND MAINT.	347,141.	347,141.		
b TELEPHONE.	37,478.	37,478.		
c FOOD SERVICE.	432,249.	432,249.		
d SCHOOL/CAMP ACTIVITIES.	298,921.	298,921.		
e All other expenses.	225,899.	183,191.	32,787.	9,921.
25 Total functional expenses. Add lines 1 through 24e.	8,660,186.	6,595,600.	1,681,534.	383,052.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).	0			

**Part X Balance Sheet**

Check if Schedule O contains a response to any question in this Part X

		(A) Beginning of year		(B) End of year
<b>Assets</b>	1 Cash - non-interest-bearing	2,872,757.	1	2,737,873.
	2 Savings and temporary cash investments	0	2	0
	3 Pledges and grants receivable, net	588,256.	3	423,069.
	4 Accounts receivable, net	17,845.	4	42,655.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	0	5	0
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L	0	6	0
	7 Notes and loans receivable, net	0	7	0
	8 Inventories for sale or use	30,297.	8	29,318.
	9 Prepaid expenses and deferred charges	162,305.	9	149,077.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 15,881,003.		
	b Less: accumulated depreciation	10b 8,852,601.		
	11 Investments - publicly traded securities	5,833,863.	10c	7,028,402.
	12 Investments - other securities. See Part IV, line 11	1,789,413.	11	1,811,901.
	13 Investments - program-related. See Part IV, line 11	0	12	0
	14 Intangible assets	0	13	0
	15 Other assets. See Part IV, line 11	158,399.	14	62,466.
16 <b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	0	15	0	
<b>Liabilities</b>	17 Accounts payable and accrued expenses	11,453,135.	16	12,284,761.
	18 Grants payable	469,735.	17	487,797.
	19 Deferred revenue	0	18	0
	20 Tax-exempt bond liabilities	3,056,126.	19	3,781,557.
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	2,469,528.	20	0
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	0	21	0
	23 Secured mortgages and notes payable to unrelated third parties	0	22	0
	24 Unsecured notes and loans payable to unrelated third parties	1,075,000.	23	3,424,057.
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	0	24	0
	26 <b>Total liabilities.</b> Add lines 17 through 25	2,364.	25	0
<b>Net Assets or Fund Balances</b>	27 <b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>	7,072,753.	26	7,693,411.
	28 Unrestricted net assets			
	29 Temporarily restricted net assets	2,835,947.	27	3,297,011.
	30 Permanently restricted net assets	1,182,506.	28	879,485.
	31 <b>Organizations that do not follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>	361,929.	29	414,854.
	32 Capital stock or trust principal, or current funds		30	
	33 Paid-in or capital surplus, or land, building, or equipment fund		31	
	34 Retained earnings, endowment, accumulated income, or other funds		32	
	35 <b>Total net assets or fund balances</b>	4,380,382.	33	4,591,350.
	36 <b>Total liabilities and net assets/fund balances</b>	11,453,135.	34	12,284,761.

Form 990 (2012)

**Part XI Reconciliation of Net Assets**Check if Schedule O contains a response to any question in this Part XI ☐

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	8,722,200.
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	8,660,186.
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	62,014.
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	4,380,382.
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	148,954.
<b>6</b>	Donated services and use of facilities	<b>6</b>	0
<b>7</b>	Investment expenses	<b>7</b>	0
<b>8</b>	Prior period adjustments	<b>8</b>	0
<b>9</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>9</b>	0
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	<b>10</b>	4,591,350.

**Part XII Financial Statements and Reporting**Check if Schedule O contains a response to any question in this Part XII ☒

	Yes	No
<b>1</b> Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
<b>2a</b> Were the organization's financial statements compiled or reviewed by an independent accountant? . . . . . If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
<b>2b</b> Were the organization's financial statements audited by an independent accountant? . . . . . If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
<b>2c</b> If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	X	
<b>3a</b> As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? . . . . .		X
<b>3b</b> If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

Form **990** (2012)

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

**2012**

Open to Public  
Inspection

Name of the organization

CHAPEL HILL-CHAUNCY HALL SCHOOL

Employer identification number

04-2534161

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 ☒ A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state \_\_\_\_\_
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 ☐ An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h:  
a ☐ Type I    b ☐ Type II    c ☐ Type III-Functionally integrated    d ☐ Type III-Non-functionally integrated
- e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**.
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
- (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? ☐
- (ii) A family member of a person described in (i) above? ☐
- (iii) A 35% controlled entity of a person described in (i) or (ii) above? ☐
- h Provide the following information about the supported organization(s).

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U.S.?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2012

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**  
 (Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants") . . . . .						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . . .						
3 The value of services or facilities furnished by a governmental unit to the organization without charge . . . . .						
4 <b>Total.</b> Add lines 1 through 3. . . . .						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f). . . . .						
6 <b>Public support.</b> Subtract line 5 from line 4						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4 . . . . .						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . . .						
9 Net income from unrelated business activities, whether or not the business is regularly carried on . . . . .						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV) . . . . .						
11 <b>Total support.</b> Add lines 7 through 10 . . . . .						
12 Gross receipts from related activities, etc. (see instructions) . . . . .					12	
13 <b>First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here . . . . .						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) . . . . .	14	%
15 Public support percentage from 2011 Schedule A, Part II, line 14 . . . . .	15	%
16a <b>33 1/3% support test - 2012.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization . . . . .		<input type="checkbox"/>
b <b>33 1/3% support test - 2011.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization . . . . .		<input type="checkbox"/>
17a <b>10%-facts-and-circumstances test - 2012.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . .		<input type="checkbox"/>
b <b>10%-facts-and-circumstances test - 2011.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . .		<input type="checkbox"/>
18 <b>Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . .		<input type="checkbox"/>

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II.  
If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose . . . . .						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 . . . . .						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . . .						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge . . . . .						
<b>6</b> <b>Total.</b> Add lines 1 through 5 . . . . .						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons . . . . .						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year . . . . .						
<b>c</b> Add lines 7a and 7b. . . . .						
<b>8</b> <b>Public support</b> (Subtract line 7c from line 6) . . . . .						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
<b>9</b> Amounts from line 6. . . . .						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . . .						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 . . . . .						
<b>c</b> Add lines 10a and 10b . . . . .						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on . . . . .						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV) . . . . .						
<b>13</b> <b>Total support.</b> (Add lines 9, 10c, 11, and 12) . . . . .						

**14** **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ☐

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f)) . . . . .	<b>15</b>	%
<b>16</b> Public support percentage from 2011 Schedule A, Part III, line 15 . . . . .	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for <b>2012</b> (line 10c, column (f) divided by line 13, column (f)) . . . . .	<b>17</b>	%
<b>18</b> Investment income percentage from <b>2011</b> Schedule A, Part III, line 17 . . . . .	<b>18</b>	%

**19a** **33 1/3% support tests - 2012.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ► ☐

**b** **33 1/3% support tests - 2011.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ► ☐

**20** **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ► ☐



**Part IV** **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

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SCHEDULE D  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Name of the organization

CHAPEL HILL-CHAUNCY HALL SCHOOL

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990,  
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public  
Inspection

Employer identification number

04-2534161

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year . . . . .		
2 Aggregate contributions to (during year) . . . . .		
3 Aggregate grants from (during year) . . . . .		
4 Aggregate value at end of year . . . . .		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? . . . . .		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? . . . . .		<input type="checkbox"/> Yes <input type="checkbox"/> No

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Tax Year
a Total number of conservation easements . . . . .	2a
b Total acreage restricted by conservation easements . . . . .	2b
c Number of conservation easements on a certified historic structure included in (a) . . . . .	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register . . . . .	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? . . . . . ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? . . . . . ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 . . . . . ▶ \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X . . . . . ▶ \$ \_\_\_\_\_

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 . . . . . ▶ \$ \_\_\_\_\_

b Assets included in Form 990, Part X . . . . . ▶ \$ \_\_\_\_\_

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2012

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)**

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a ☐ Public exhibition  
 b ☐ Scholarly research  
 c ☐ Preservation for future generations

- d ☐ Loan or exchange programs  
 e ☐ Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? . . . . . ☐ Yes ☐ No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? . . . . . ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table

	Amount
c Beginning balance . . . . .	1c
d Additions during the year . . . . .	1d
e Distributions during the year . . . . .	1e
f Ending balance . . . . .	1f

2a Did the organization include an amount on Form 990, Part X, line 21? . . . . . ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII. . . . . ☐

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance . . . . .	2,361,993.	1,913,126.	1,779,040.	1,930,716.	2,196,007.
b Contributions . . . . .	2,750.	847,258.	22,200.	3,725.	217,220.
c Net investment earnings, gains, and losses . . . . .	140,125.	-59,799.	115,322.	-20,809.	-427,021.
d Grants or scholarships . . . . .					
e Other expenditures for facilities and programs . . . . .	692,967.	338,592.	3,436.	134,592.	55,490.
f Administrative expenses . . . . .					
g End of year balance . . . . .	1,811,901.	2,361,993.	1,913,126.	1,779,040.	1,930,716.

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment ▶ 75.0000 %  
 b Permanent endowment ▶ 23.0000 %  
 c Temporarily restricted endowment ▶ 2.0000 %

The percentages in lines 2a, 2b, and 2c should equal 100%

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations . . . . .  
 (ii) related organizations . . . . .

	Yes	No
3a(i)		X
3a(ii)		X
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? . . . . .

4 Describe in Part XIII the intended uses of the organization's endowment funds

**Part VI Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land . . . . .		2,044,995.		2,044,995.
b Buildings . . . . .		10,276,556.	5,652,601.	4,623,955.
c Leasehold improvements . . . . .				
d Equipment . . . . .		3,559,452.	3,200,000.	359,452.
e Other . . . . .				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c)). . . . .				7,028,402.

Schedule D (Form 990) 2012

**Part VII Investments - Other Securities.** See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives . . . . .		
(2) Closely-held equity interests . . . . .		
(3) Other _____		
(A) _____		
(B) _____		
(C) _____		
(D) _____		
(E) _____		
(F) _____		
(G) _____		
(H) _____		
(I) _____		

Total (Column (b) must equal Form 990, Part X, col (B) line 12) ▶

**Part VIII Investments - Program Related.** See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) _____		
(2) _____		
(3) _____		
(4) _____		
(5) _____		
(6) _____		
(7) _____		
(8) _____		
(9) _____		
(10) _____		

Total (Column (b) must equal Form 990, Part X, col (B) line 13) ▶

**Part IX Other Assets.** See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) _____	
(2) _____	
(3) _____	
(4) _____	
(5) _____	
(6) _____	
(7) _____	
(8) _____	
(9) _____	
(10) _____	

Total. (Column (b) must equal Form 990, Part X, col (B) line 15) . . . . . ▶

**Part X Other Liabilities.** See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) _____	
(3) _____	
(4) _____	
(5) _____	
(6) _____	
(7) _____	
(8) _____	
(9) _____	
(10) _____	
(11) _____	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25) ▶	

2. FIN 48 (ASC 740) Footnote In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII. ☒ X

**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

<b>1</b>	Total revenue, gains, and other support per audited financial statements	<b>1</b>	7,947,302.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
<b>a</b>	Net unrealized gains on investments	<b>2a</b>	148,954.
<b>b</b>	Donated services and use of facilities	<b>2b</b>	
<b>c</b>	Recoveries of prior year grants	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII)	<b>2d</b>	
<b>e</b>	Add lines 2a through 2d	<b>2e</b>	148,954.
<b>3</b>	Subtract line 2e from line 1	<b>3</b>	7,798,348.
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII)	<b>4b</b>	923,852.
<b>c</b>	Add lines 4a and 4b	<b>4c</b>	923,852.
<b>5</b>	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	<b>5</b>	8,722,200.

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

<b>1</b>	Total expenses and losses per audited financial statements	<b>1</b>	7,736,334.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
<b>a</b>	Donated services and use of facilities	<b>2a</b>	
<b>b</b>	Prior year adjustments	<b>2b</b>	
<b>c</b>	Other losses	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII)	<b>2d</b>	
<b>e</b>	Add lines 2a through 2d	<b>2e</b>	
<b>3</b>	Subtract line 2e from line 1	<b>3</b>	7,736,334.
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII)	<b>4b</b>	923,852.
<b>c</b>	Add lines 4a and 4b	<b>4c</b>	923,852.
<b>5</b>	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	<b>5</b>	8,660,186.

**Part XIII Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

SEE PAGE 5

**Part XIII Supplemental Information (continued)**

PART X, LINE 2

THE SCHOOL IS RECOGNIZED AS AN ORGANIZATION EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE (THE CODE) WHEREBY ONLY UNRELATED BUSINESS INCOME, AS DEFINED BY SECTION 512(A)(1) OF THE CODE, IS SUBJECT TO FEDERAL INCOME TAX. THE SCHOOL IS ALSO EXEMPT FROM STATE INCOME TAXES.

THE SCHOOL RECOGNIZES AND MEASURES ITS UNRECOGNIZED TAX POSITIONS IN ACCORDANCE WITH FASB ASC 740, INCOME TAXES. UNDER THAT GUIDANCE THE SCHOOL ASSESSES THE LIKELIHOOD, BASED ON TECHNICAL MERIT, THAT TAX POSITIONS WILL BE SUSTAINED UPON EXAMINATION BASED ON THE FACTS, CIRCUMSTANCES AND INFORMATION AVAILABLE AT THE END OF EACH PERIOD. THE MEASUREMENT OF UNRECOGNIZED TAX POSITIONS IS ADJUSTED WHEN NEW INFORMATION IS AVAILABLE, OR WHEN AN EVENT OCCURS THAT REQUIRES A CHANGE. THE SCHOOL ADOPTED THE PROVISIONS OF THIS STANDARD ON JULY 1, 2009 AND HAS NOT IDENTIFIED ANY UNCERTAIN TAX POSITIONS. INTEREST AND PENALTIES ASSOCIATED WITH UNRECOGNIZED INCOME TAXES ARE CLASSIFIED AS ADDITIONAL INCOME TAXES IN THE STATEMENT OF ACTIVITIES. THE SCHOOL IS GENERALLY NOT SUBJECT TO EXAMINATION BY TAXING JURISDICTIONS FOR YEARS PRIOR TO JUNE 30, 2010

**Part XIII** Supplemental Information (continued)

## PART XII, LINE 4B - OTHER ADJUSTMENTS

FINANCIAL AID AND TUITION REMISSION	1,017,515
COST OF GOODS-SCHOOL STORE	(89,285)
GOLF EVENT	(4,378)

-----

TOTAL TO SCHEDULE D, PART XII, LINE 4B	923,852
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## PART XIII, LINE 4B - OTHER ADJUSTMENTS:

FINANCIAL AID AND TUITION REMISSION	1,017,515
COST OF GOODS SOLD-SCHOOL STORE	(89,285)
GOLF EVENT	(4,378)

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TOTAL TO SCHEDULE D, PART XIII, LINE 4B	923,852
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**SCHEDULE E**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Schools**

- Complete if the organization answered "Yes" to Form 990,  
Part IV, line 13, or Form 990-EZ, Part VI, line 48.  
► Attach to Form 990 or Form 990-EZ.

OMB No 1545-0047

**2012**

**Open to Public  
Inspection**

Name of the organization

CHAPEL HILL-CHAUNCY HALL SCHOOL

Employer identification number

04-2534161

**Part I**

	YES	NO
1 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body? . . . . .	X	
2 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships? . . . . .	X	
3 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe. If "No," please explain. If you need more space, use Part II. . . . .	X	
SEE SUPPLEMENTAL PAGE		
4 Does the organization maintain the following?		
a Records indicating the racial composition of the student body, faculty, and administrative staff? . . . . .	X	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? . . . . .	X	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? . . . . .	X	
d Copies of all material used by the organization or on its behalf to solicit contributions? . . . . .	X	
If you answered "No" to any of the above, please explain. If you need more space, use Part II		
5 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges? . . . . .		X
b Admissions policies? . . . . .		X
c Employment of faculty or administrative staff? . . . . .		X
d Scholarships or other financial assistance? . . . . .		X
e Educational policies? . . . . .		X
f Use of facilities? . . . . .		X
g Athletic programs? . . . . .		X
h Other extracurricular activities? . . . . .		X
If you answered "Yes" to any of the above, please explain. If you need more space, use Part II		
6a Does the organization receive any financial aid or assistance from a governmental agency? . . . . .		X
b Has the organization's right to such aid ever been revoked or suspended? . . . . .		X
If you answered "Yes" to either line 6a or line 6b, explain on Part II.		
7 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc 75-50, 1975-2 CB 587, covering racial nondiscrimination? If "No," explain on Part II . . . . .	X	

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or Form 990-EZ.

Schedule E (Form 990 or 990-EZ) (2012)



**Part II** **Supplemental Information.** Complete this part to provide the explanations required by Part I, lines 3, 4d, 5h, 6b, and 7, as applicable. Also complete this part to provide any other additional information (see instructions).

1

SCHEDULE E/PART I/LINE 3

NONDISCRIMINATORY POLICY IS INCLUDED IN BROCHURES

SCHEDULE I  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Grants and Other Assistance to Organizations,  
Governments, and Individuals in the United States

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.  
▶ Attach to Form 990.

OMB No. 1545-0047

2012

Open to Public  
Inspection

Name of the organization

CHAPEL HILL-CHAUNCEY HALL SCHOOL

Employer identification number

04-2534161

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☒ Yes ☐ No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States. ☒ Yes ☐ No

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

1	(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1)								
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								

- 2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table
- 3 Enter total number of other organizations listed in the line 1 table

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) (2012)

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PAGE 32

**Part III** Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

	(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1	FINANCIAL ASSISTANCE OR TUITION REMISSION	33		1,017,515		FINANCIAL ASSISTANCE
2						
3						
4						
5						
6						
7						

**Part IV** Supplemental Information. Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

## SCHEDULE I, PART I, LINE 2

FINANCIAL AID IS AVAILABLE, IN LIMITED AMOUNTS, TO UNITED STATES CITIZENS AND PERMANENT RESIDENTS ON A DEMONSTRATED NEED BASIS. THE SCHOOL USES THE SERVICES OF THE SCHOOL AND STUDENT SERVICE FOR FINANCIAL AID (SSS) IN PRINCETON, NEW JERSEY TO CALCULATE A FAMILY'S NEED FOR FINANCIAL AID. AWARDS ARE MADE ON A FIRST-COME, FIRST-SERVED BASIS BY MID-MARCH. ALL FINANCIAL AID RECIPIENTS ARE EXPECTED TO BE CONSCIENTIOUS CITIZENS IN OUR COMMUNITY AND MUST SUCCESSFULLY COMPLETE ALL ACADEMIC PROGRAM REQUIREMENTS IN A GOOD STANDING.

**SCHEDULE J  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**

▶ **Attach to Form 990.** ▶ **See separate instructions**

OMB No 1545-0047

**2012**

**Open to Public  
Inspection**

Name of the organization

CHAPEL HILL-CHAUNCY HALL SCHOOL

Employer identification number

04-2534161

**Part I Questions Regarding Compensation**

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- |  |   |
|--|---|
| <input type="checkbox"/> First-class or charter travel             | <input checked="" type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence            |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input checked="" type="checkbox"/> Health or social club dues or initiation fees   |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)            |

**b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain.

	Yes	No
<b>1b</b>		X

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

<b>2</b>	X	
----------	---	--

**3** Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- |   |   |
|---|---|
| <input type="checkbox"/> Compensation committee                     | <input checked="" type="checkbox"/> Written employment contract                     |
| <input type="checkbox"/> Independent compensation consultant        | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input checked="" type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization.

- a** Receive a severance payment or change-of-control payment? **4a** X
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? **4b** X
- c** Participate in, or receive payment from, an equity-based compensation arrangement? **4c** X
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.**

**5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of

- a** The organization? **5a** X
- b** Any related organization? **5b** X
- If "Yes" to line 5a or 5b, describe in Part III.

**6** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of

- a** The organization? **6a** X
- b** Any related organization? **6b** X
- If "Yes" to line 6a or 6b, describe in Part III.

**7** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III. **7** X

**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III. **8** X

**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? **9**

	Yes	No
<b>1b</b>		X
<b>2</b>	X	
<b>4a</b>		X
<b>4b</b>		X
<b>4c</b>		X
<b>5a</b>		X
<b>5b</b>		X
<b>6a</b>		X
<b>6b</b>		X
<b>7</b>		X
<b>8</b>		X
<b>9</b>		

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2012

**Part III Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

**Note.** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
<b>1</b> SIRI AKAL KHALSA PRESIDENT	(i) 164,000. (ii) 0	0	0	5,048. 0	28,783. 0	197,831. 0	200,791. 0
<b>2</b> LANCE CONRAD HEAD OF SCHOOL	(i) 129,239. (ii) 0	0	0	2,008. 0	18,756. 0	150,003. 0	146,252. 0
<b>3</b>	(i) ----- (ii) -----	-----	-----	-----	-----	-----	-----
<b>4</b>	(i) ----- (ii) -----	-----	-----	-----	-----	-----	-----
<b>5</b>	(i) ----- (ii) -----	-----	-----	-----	-----	-----	-----
<b>6</b>	(i) ----- (ii) -----	-----	-----	-----	-----	-----	-----
<b>7</b>	(i) ----- (ii) -----	-----	-----	-----	-----	-----	-----
<b>8</b>	(i) ----- (ii) -----	-----	-----	-----	-----	-----	-----
<b>9</b>	(i) ----- (ii) -----	-----	-----	-----	-----	-----	-----
<b>10</b>	(i) ----- (ii) -----	-----	-----	-----	-----	-----	-----
<b>11</b>	(i) ----- (ii) -----	-----	-----	-----	-----	-----	-----
<b>12</b>	(i) ----- (ii) -----	-----	-----	-----	-----	-----	-----
<b>13</b>	(i) ----- (ii) -----	-----	-----	-----	-----	-----	-----
<b>14</b>	(i) ----- (ii) -----	-----	-----	-----	-----	-----	-----
<b>15</b>	(i) ----- (ii) -----	-----	-----	-----	-----	-----	-----
<b>16</b>	(i) ----- (ii) -----	-----	-----	-----	-----	-----	-----

Schedule J (Form 990) 2012

**Part III** Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

**2012**

**Open to Public  
Inspection**

Name of the organization

CHAPEL HILL-CHAUNCY HALL SCHOOL

Employer identification number

04-2534161

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

ACADEMIC SUCCESS, AND DEVELOP MORAL STRENGTH AND PERSONAL INTEGRITY.

FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES:

SCHOOL STORE - COST TO OPERATE THE SCHOOL STORE SELLS TEXTBOOKS,

SUPPLIES, CLOTHING, SNACKS, AND OTHER SUNDRY ITEMS FOR THE CONVENIENCE

AND BENEFIT OF THE SCHOOL COMMUNITY.

FORM 990, PART VI, SECTION B, LINE 11:

AFTER REVIEW AND APPROVAL BY THE SCHOOL'S MANAGEMENT, THE FORM 990 IS

DISTRIBUTED TO THE BOARD CHAIR AND TREASURER FOR THEIR REVIEW AND

APPROVAL. ONCE APPROVED, THE FORM IS DISTRIBUTED TO REMAINING BOARD

MEMBERS.

FORM 990, PART VI, SECTION B, LINE 12C:

IN CASES OF CONFLICT OF INTEREST OR APPEARANCE OF CONFLICT, THE SCHOOL'S

BOARD MEMBERS MUST MAKE FULL DISCLOSURE OF SUCH INTEREST PRIOR TO ANY

DISCUSSION OR NEGOTIATION CONCERNING A PROPOSED TRANSACTION.

ANY BOARD OR COMMITTEE MEMBER WHO IS AWARE OF A POTENTIAL CONFLICT OF

INTEREST WITH RESPECT TO ANY MATTER COMING BEFORE THE BOARD OR COMMITTEE

SHALL NOT BE PRESENT FOR ANY DISCUSSION OR VOTE IN CONNECTION WITH THE

MATTER.

Name of the organization

CHAPEL HILL-CHAUNCY HALL SCHOOL

Employer identification number

04-2534161

THE BOARD MEMBERS WILL SUBMIT ANNUAL REPORTS AND, IF NOT PREVIOUSLY DISCLOSED, WILL MAKE DISCLOSURE BEFORE ANY RELEVANT BOARD OR COMMITTEE ACTION. THESE REPORTS WILL BE REVIEWED BY THE HEAD'S SUPPORT COMMITTEE, SERVING IN AN EXECUTIVE CAPACITY, ATTEMPT TO RESOLVE ANY ACTUAL OR POTENTIAL CONFLICT(S) AND, IN THE ABSENCE OF RESOLUTION, REFER THE MATTER TO THE BOARD.

FORM 990, PART VI, SECTION B, LINE 15A:

ANNUALLY, THE EXECUTIVE COMMITTEE OF THE BOARD OF TRUSTEES MAKES RECOMMENDATIONS TO THE FULL BOARD IN DETERMINING COMPENSATION FOR KEY OFFICIALS BASED UPON DATA FROM COMPARABLE INSTITUTIONS FOR SIMILAR POSITIONS AND RESPONSIBILITIES. INSTITUTION-WIDE SALARIES FOR OTHER EMPLOYEES ARE DETERMINED AT MANAGEMENT'S DISCRETION WITH BOARD-APPROVED BUDGETED GUIDELINES.

FORM 990, PART VI, SECTION C, LINE 19:

DOCUMENTS REQUIRED BY LAW TO BE OPEN TO PUBLIC INSPECTION ARE MADE AVAILABLE UPON REQUEST. DOCUMENTS ARE ALSO PUBLICLY AVAILABLE ONLINE AT WWW.GUIDESTAR.ORG AND THE MASSACHUSETTS ATTORNEY GENERAL'S OFFICE - DIVISION OF PUBLIC CHARITIES ANNUAL FILING DOCUMENT SEARCH AT HTTP://WWW.CHARITIES.AGO.STATE.MA.US/.

PART XI, LINE 2C:

THE SCHOOL HAS NOT CHANGED ITS AUDIT OVERSIGHT OR SELECTION PROCESS DURING THE TAX YEAR.



Name of the organization

CHAPEL HILL-CHAUNCY HALL SCHOOL

Employer identification number

04-2534161

ATTACHMENT 1FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

CHAPEL HILL- CHAUNCY HALL SCHOOL IS A COLLEGE PREPARATORY, DAY AND BOARDING SCHOOL THAT EMBRACES DIFFERENCES IN LEARNING STYLE AND CULTURE IN A RICHLY DIVERSE AND SUPPORTIVE COMMUNITY. WE CHALLENGE YOUNG MEN AND WOMEN TO ACHIEVE THEIR INDIVIDUAL POTENTIAL, EXPERIENCE DIFFERENCES IN LEARNING STYLE AND CULTURE IN A RICHLY DIVERSE AND SUPPORTIVE COMMUNITY. WE CHALLENGE YOUNG MEN AND WOMEN TO ACHIEVE THEIR INDIVIDUAL POTENTIAL, EXPERIENCE ACADEMIC SUCCESS, AND DEVELOP MORAL STRENGTH AND PERSONAL INTEGRITY. THEIR INDIVIDUAL POTENTIAL, EXPERIENCE ACADEMIC SUCCESS, AND DEVELOP MORAL STRENGTH AND PERSONAL INTEGRITY.

ATTACHMENT 2990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
SAGE DINING SERVICES 1402 YORK ROAD LUTHERVILLE, MD 21093	FOOD SERVICES	518,684.
SOUTH SHORE GUNITE POOLS AND SPAS, INC 7 PROGRESS AVENUE CHELMSFORD, MA 01824	CONSTRUCTION	435,955.
TURFCO, INC. PO BOX 550209 WALTHAM, MA 02455	CONSTRUCTION	325,163.
PROSPECT BUILDING SERVICES CORPORATION 360 PEARL STREET MALDEN, MA 02148	CLEANING SERVICES	157,946.
THEMELI BUILDERS 44 BOYNTON ROAD HOLLISTON, MA 01746	CONSTRUCTION	422,871.

Name of the organization

CHAPEL HILL-CHAUNCY HALL SCHOOL

Employer identification number

04-2534161

ATTACHMENT 3

FORM 990, PART VIII - INVESTMENT INCOME

DESCRIPTION	(A) TOTAL REVENUE	(B) RELATED OR EXEMPT REVENUE	(C) UNRELATED BUSINESS REV.	(D) EXCLUDED REVENUE
INVESTMENT INCOME	5,911.			5,911.
TOTALS	<u>5,911.</u>			<u>5,911.</u>

ATTACHMENT 4

FORM 990, PART VIII - EXCLUDED CONTRIBUTIONS

DESCRIPTION	AMOUNT
GOLF EVENT	13,745.
TOTAL	<u>13,745.</u>

ATTACHMENT 5

FORM 990, PART VIII - FUNDRAISING EVENTS

DESCRIPTION	GROSS INCOME	DIRECT EXPENSES	NET INCOME
GOLF EVENT	6,294.	4,378.	1,916.
TOTALS	<u>6,294.</u>	<u>4,378.</u>	<u>1,916.</u>

Name of the organization

Employer identification number

CHAPEL HILL-CHAUNCY HALL SCHOOL

04-2534161

ATTACHMENT 6FORM 990, PART VIII - GROSS SALES AND COST OF GOODS SOLD

GROSS SALES LESS RETURNS AND ALLOWANCES .....	116,987.
INVENTORY AT BEGINNING OF YEAR .....	
PURCHASES .....	89,285.
SALARIES AND WAGES .....	
OTHER COSTS .....	
SUBTOTAL .....	<u>89,285.</u>
MINUS ENDING INVENTORY .....	
COST OF GOODS SOLD .....	<u><u>89,285.</u></u>

ATTACHMENT 7FORM 990, PART X - INVESTMENTS - PUBLICLY TRADED SECURITIES

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>
INVESTMENTS	1,811,901.
TOTALS	<u><u>1,811,901.</u></u>

ATTACHMENT 8FORM 990, PART X - DEFERRED REVENUE

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>
DEFERRED REVENUE	3,781,557.
TOTALS	<u><u>3,781,557.</u></u>

Name of the organization

CHAPEL HILL-CHAUNCY HALL SCHOOL

Employer identification number

04-2534161

ATTACHMENT 9

FORM 990, PART X - SECURED MORTGAGES AND NOTES PAYABLE

LENDER: MORTGAGE

BEGINNING BALANCE DUE .....	1,075,000.
ENDING BALANCE DUE .....	3,424,057.
 TOTAL BEGINNING MORTGAGES AND OTHER NOTES PAYABLE	 <u>1,075,000.</u>
 TOTAL ENDING MORTGAGES AND OTHER NOTES PAYABLE	 <u>3,424,057.</u>

**Chapel Hill - Chauncy Hall School**

**Financial Statements  
(With Supplementary Information)  
and Independent Auditor's Report**

**June 30, 2013**

# Chapel Hill - Chauncy Hall School

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Independent Auditor's Report

To the Board of Trustees  
Chapel Hill - Chauncy Hall School

We have audited the accompanying financial statements of Chapel Hill - Chauncy Hall School (the School) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements

*Management's Responsibility 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.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chapel Hill - Chauncy Hall School as of June 30, 2013, 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.

### *Other Matters*

As part of our audit of the 2013 financial statements, we also audited the adjustments described in Note 16 that were applied to restate the 2012 financial statements. We were not engaged to audit, review, or apply any procedures to the 2012 financial statements of the School other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2012 financial statements as a whole.

### *Report on Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedule of functional expenses on page 27 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "CohnReznick LLP".

Boston, Massachusetts  
September 26, 2013



**Chapel Hill - Chauncy Hall School**

**Statement of Financial Position**

**June 30, 2013**

Assets

Cash and cash equivalents	\$ 2,737,873
Accounts receivable, net of allowance for doubtful accounts of \$11,000	42,655
Unconditional promises to give	423,069
Inventory	29,318
Prepaid expenses and other current assets	149,077
Investments	1,811,901
Property and equipment, net	7,028,402
Intangibles, net	62,466
	<hr/>
Total assets	<u>\$ 12,284,761</u>

Liabilities and Net Assets

Accounts payable and accrued expenses	\$ 487,797
Deferred revenue	3,781,557
Long-term debt	3,424,057
	<hr/>
Total liabilities	<u>7,693,411</u>
Net assets:	
Unrestricted:	
Undesignated	1,920,546
Board designated	1,376,465
	<hr/>
Total unrestricted	3,297,011
Temporarily restricted	879,485
Permanently restricted	414,854
	<hr/>
Total net assets	<u>4,591,350</u>
	<hr/>
Total liabilities and net assets	<u>\$ 12,284,761</u>

See accompanying notes to financial statements

Chapel Hill - Chauncy Hall School

Statement of Activities

Year ended June 30, 2013

	Unrestricted	Temporarily	Permanently	Total
Operating revenue and support				
Gross tuition and fees	\$ 7,221,720	\$ -	\$ -	\$ 7,221,720
Less financial aid, scholarships and discounts	(1,017,515)	-	-	(1,017,515)
Tuition and fees, net	6,204,205	-	-	6,204,205
Contributions	266,280	-	-	266,280
Facility rentals and other	10,889	-	-	10,889
Interest income - operating funds	5,911	-	-	5,911
Investment return appropriated for operations	69,076	23,188	-	92,264
School store	116,987	-	-	116,987
Camp registrations	1,073,720	-	-	1,073,720
Net assets released from restrictions	23,188	(23,188)	-	-
Total operating revenue and support	7,770,256	-	-	7,770,256
Operating expenses				
Program services expenses				
Instruction and related	2,783,478	-	-	2,783,478
Facilities	1,831,315	-	-	1,831,315
School store	109,339	-	-	109,339
Camp	876,303	-	-	876,303
Total program services expenses	5,600,435	-	-	5,600,435
Supporting services expenses				
General and administrative	1,338,832	-	-	1,338,832
Fundraising	383,052	-	-	383,052
Admissions	342,702	-	-	342,702
Total supporting services expenses	2,064,586	-	-	2,064,586
Total operating expenses	7,665,021	-	-	7,665,021

(continued)

Chapel Hill - Chauncy Hall School

Statement of Activities - Continued

Year ended June 30, 2013

	Unrestricted	Temporarily	Permanently	Total
Other changes in net assets				
Contributions	-	-	2,750	2,750
Capital campaign contributions	-	126,435	-	126,435
Capital campaign expenses	(71,313)	-	-	(71,313)
Investment return, net	105,279	34,846	-	140,125
Investment return appropriated for operations	(69,076)	(23,188)	-	(92,264)
Net assets released from restriction	450,297	(450,297)	-	-
Total non-operating revenue (expenses)	415,187	(312,204)	2,750	105,733
Change in net assets	520,422	(312,204)	2,750	210,968
Net assets, beginning of year, as previously reported	2,835,451	1,183,002	361,929	4,380,382
Prior period adjustments	(58,862)	8,687	50,175	-
Net assets, beginning of year, as restated	2,776,589	1,191,689	412,104	4,380,382
Net assets, end of year	\$ 3,297,011	\$ 879,485	\$ 414,854	\$ 4,591,350

See accompanying notes to financial statements

**Chapel Hill - Chauncy Hall School**

**Statement of Cash Flows**

**Year ended June 30, 2013**

Cash flows from operating activities	
Change in net assets	\$ 210,968
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	774,686
Realized and unrealized gain on investments, net	(81,081)
Provision for doubtful accounts	9,802
Write-off of cancelled capital campaign pledges	16,792
Loss on disposal of equipment	7,794
Contributions restricted for long-term investment	(2,750)
Changes in:	
Accounts receivable	(34,612)
Unconditional promises to give, net	(118,020)
Inventory	979
Prepaid expenses and other current assets	13,228
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	15,698
Deferred revenue	725,431
Net cash provided by operating activities	<u>1,538,915</u>
Cash flows from investing activities	
Purchases of property and equipment	(1,879,666)
Proceeds from sale of investments	554,214
Purchases of investments	<u>(495,621)</u>
Net cash used in investing activities	<u>(1,821,073)</u>
Cash flows from financing activities	
Capital campaign proceeds, net of related expenses	266,415
Contributions restricted for long-term investment	2,750
Principal payments on long-term debt	<u>(121,891)</u>
Net cash provided by financing activities	<u>147,274</u>
Net decrease in cash and cash equivalents	(134,884)
Cash and cash equivalents, beginning of year	<u>2,872,757</u>
Cash and cash equivalents, end of year	<u>\$ 2,737,873</u>
Supplemental disclosure of cash flow information	
Cash paid during the year for interest	<u>\$ 175,261</u>

See accompanying notes to financial statements

## **Chapel Hill - Chauncy Hall School**

### **Notes to Financial Statements**

**June 30, 2013**

#### **Note 1 - Organization**

Chapel Hill - Chauncy Hall School (the School), a nonprofit corporation incorporated in September 1971, operates as a college preparatory boarding and day school located in Waltham, Massachusetts that embraces differences in learning style and culture in a richly diverse and supportive community. The School challenges young men and women to realize their individual potential, experience academic success, and develop moral strength and personal integrity. Tuition is the School's primary source of revenue.

#### **Note 2 - Summary of Significant Accounting Policies**

##### **Basis of Accounting**

The School prepares its financial statements in accordance with generally accepted accounting principles, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned and expenses and losses are recognized when incurred.

##### **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.

##### **Basis of Presentation**

Net assets and revenue, gains and losses are classified based on the existence or absence as well as the purpose and duration of donor-imposed restrictions. Accordingly, net assets of the School and changes therein are classified and reported as follows:

##### **Unrestricted Net Assets**

Unrestricted net assets represent those assets which the School may use at its discretion. The School further subdivides this classification into (a) Operating net assets, which represent funds available to carry on the operations of the School; and (c) Board Designated - Funds Functioning as an Endowment, which represent the funds set aside by the Board of Trustees as funds functioning as

## **Chapel Hill - Chauncy Hall School**

### **Notes to Financial Statements - Continued**

**June 30, 2013**

an endowment, with the investment income available for scholarships. Board designated funds may only be used with the approval of the Board of Trustees.

Restricted gains and investment income and donor-restricted contributions whose restrictions are met in the same reporting period are classified as unrestricted.

#### **Temporarily Restricted Net Assets**

Temporarily restricted net assets are net assets whose use by the School is subject to donor-imposed stipulations, or to those imposed by operation of law, that can be fulfilled by actions of the School pursuant to those stipulations or that expire with the passage of time. The change in temporarily restricted net assets is impacted primarily by gifts with time and donor constraints, and endowment investment activity which has yet to be appropriated for expenditure.

#### **Permanently Restricted Net Assets**

Permanently restricted net assets are subject to donor-imposed stipulations, or to those imposed by operation of law, that they be maintained permanently by the School. Generally, the donors of these assets permit the School to use all or part of the investment return on these assets for designated purposes. Such assets primarily represent the historic dollar amount of the restricted endowment gifts.

Net realized and unrealized gains and losses and investment income on investments of permanently restricted net assets are recorded as temporarily restricted net assets. These net assets are released when used for donor designated purposes or when appropriated by the Board of Trustees in accordance with Massachusetts law. In the event that the balance of the temporarily restricted net assets is reduced to zero, any remaining losses are allocated to unrestricted net assets.

#### **Measure of Operations**

The accompanying statements of activities distinguish between operating and non-operating activities. Operating activities principally include all revenues and expenses which are an integral part of the School's educational programs and supporting activities. Non-operating activities principally include contributions and fundraising expenses related to the capital campaign, and investment return, net of amounts utilized in operations.

**Chapel Hill - Chauncy Hall School**  
**Notes to Financial Statements - Continued**

**June 30, 2013**

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the School considers all unrestricted highly liquid investments with an original maturity of three months or less when acquired to be cash equivalents.

**Investments**

Investments are stated at fair value. Investment income is accrued as earned. Unless otherwise restricted by the donor, investment income is available for operations and is reflected as unrestricted operating net assets in the accompanying financial statements in accordance with the School's investment spending policy (see Note 3).

**Accounts Receivable**

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for doubtful accounts, and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

**Unconditional Promises to Give**

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using an appropriate discount rate commensurate with the risks involved. Amortization of the discount is included in contribution revenue.

**Inventory**

Inventory is stated at the lower of cost or market. Cost is determined on a first-in, first-out basis (FIFO). Inventory consists primarily of books, supplies, and clothing.

**Property and Equipment**

Property and equipment are stated at cost at date of acquisition or fair value at date of donation, less accumulated depreciation. Depreciation is being provided by use of

## **Chapel Hill - Chauncy Hall School**

### **Notes to Financial Statements - Continued**

**June 30, 2013**

the straight-line method over the estimated useful lives of the respective assets as follows:

Land improvements	10 - 20 years
Buildings and improvements	10 - 40 years
Furniture and equipment	3 - 7 years
Vehicles	5 years

Purchases are determined to be capital expenditures based on the School's policy of capitalizing assets acquired at a cost (or, if donated, at fair value) exceeding \$2,000. Expenditures for repairs and maintenance are charged to expense as incurred

#### **Impairment**

The School reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss has been recognized during the year ended June 30, 2013

#### **Intangibles**

Intangible assets are recorded at cost and those assets with determinable lives are amortized using the straight-line method over their contractual or estimated lives. Management tests intangible assets that have an indefinite useful life for impairment, including goodwill, on an annual basis.

#### **Bond Discount and Issuance Costs**

Bond discount and issuance costs (see Note 9) are capitalized and amortized on a straight-line basis over the 30-year term of the bonds. Amortization expense will remain at approximately \$1,420 per year through 2037.

#### **Deferred Revenue**

The School recognizes tuition revenue, camp registrations, or rental income in the period in which the related educational instruction is performed, camp program operates, or lease term commences. Accordingly, tuition received for the following academic term is deferred until the term commences, camp registrations received



## **Chapel Hill - Chauncy Hall School**

### **Notes to Financial Statements - Continued**

**June 30, 2013**

before the summer program commences is deferred until the program begins, and rent received in advance of the lease term is deferred until the lease commences.

#### **Tuition Revenue**

Tuition revenue is recorded at the established rates net of financial aid, scholarships, and other discounts for students provided directly by the School.

#### **Contributions**

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met.

Contributions that are restricted by the donors are reported as increases in unrestricted net assets if the restrictions expire in the reporting period in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When restrictions expire, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

#### **Income Tax Status**

The School is recognized as an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the Code) whereby only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to federal income tax. The School is also exempt from state income taxes.

The School recognizes and measures its unrecognized tax positions in accordance with FASB ASC 740, Income Taxes. Under that guidance the School assesses the likelihood, based on technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. The measurement of unrecognized tax positions is adjusted when new information is available, or when an event occurs that requires a change. The School adopted the provisions of this standard on July 1, 2009 and has not identified any uncertain tax positions. Interest and penalties associated with unrecognized income taxes are classified as additional income taxes in the statement of activities. The School is generally not subject to examination by taxing jurisdictions for years prior to June 30, 2010.

**Chapel Hill - Chauncy Hall School**  
**Notes to Financial Statements - Continued**

**June 30, 2013**

**Functional Allocation of Expenses**

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

**Note 3 - Investments**

Investments are carried at fair value and consist of the following at June 30, 2013:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation</u>
Marketable equity securities	\$ 428,289	\$ 500,063	\$ 71,774
Mutual funds	1,094,773	1,279,340	184,567
Money market funds	<u>32,498</u>	<u>32,498</u>	<u>-</u>
Total investments	<u>\$ 1,555,560</u>	<u>\$ 1,811,901</u>	<u>\$ 256,341</u>

Investment income is net of investment advisory fees of \$12,436 for the year ended June 30, 2013. Investment return for the year ended June 30, 2013 is summarized as follows:

Interest and dividends	\$ 59,044
Unrealized gains	74,477
Realized gains	<u>6,604</u>
	140,125
Less: Investment return appropriated for operations	<u>(92,264)</u>
Non-operating investment return	<u>\$ 47,861</u>

**Chapel Hill - Chauncy Hall School**

**Notes to Financial Statements - Continued**

**June 30, 2013**

**Note 4 - Unconditional Promises to Give**

Unconditional promises to give represent pledges receivable. At June 30, 2013, pledges receivable, consisted of the following:

	<u>Capital Campaign</u>	<u>Annual Fund</u>	<u>Total</u>
Less than 1 year	\$ 224,631	\$ 10,650	\$ 235,281
1 to 5 years	187,788	-	187,788
More than 5 years	-	-	-
	<u>\$ 412,419</u>	<u>\$ 10,650</u>	<u>\$ 423,069</u>

**Note 5 - Property and Equipment**

Property and equipment consists of the following at June 30, 2013:

Land and land improvements	\$ 2,044,995
Buildings and building improvements	10,276,556
Furniture and equipment	3,131,914
Construction in progress - field	2,615
Vehicles	<u>424,923</u>
	15,881,003
Accumulated depreciation	<u>(8,852,601)</u>
	<u>\$ 7,028,402</u>

Depreciation expense for the year ended June 30, 2013 was \$677,333.

## Chapel Hill - Chauncy Hall School

### Notes to Financial Statements - Continued

June 30, 2013

#### Note 6 - Intangibles

During October 2010, the School purchased the assets of Running Brook Day Camp, Inc. for \$375,000. The purchase resulted in the School acquiring certain intangible assets which, at June 30, 2013 are as follows:

Noncompete covenant	\$ 275,000
Goodwill and other	<u>71,000</u>
	346,000
Accumulated amortization	<u>(283,534)</u>
	<u>\$ 62,466</u>

Amortization expense for the year ended June 30, 2013 was \$95,933.

#### Note 7 - Line of Credit

The School has up to \$300,000 available under a line of credit agreement with a bank. Borrowings under the agreement are due on demand and interest is payable monthly at the bank's base lending rate (4.25% at June 30, 2013). The note is secured by a mortgage on the School's facilities. There were no outstanding borrowings under this line at June 30, 2013. The line of credit agreement is renewable annually. The current renewal expires December 31, 2014.

#### Note 8 - Deferred revenue

Deferred revenue consists of student tuition, camp registrations, and facility rental amounts received in advance of the academic year. The balance as of June 30, 2013 is as follows:

School tuition	\$ 2,501,909
Facility rentals	13,400
Camp registrations	<u>1,266,248</u>
	<u>\$ 3,781,557</u>

**Chapel Hill - Chauncy Hall School**  
**Notes to Financial Statements - Continued**

**June 30, 2013**

**Note 9 - Long-term Debt**

Long-term debt consists of the following at June 30, 2013:

Massachusetts Development Finance Agency (MDFA). Revenue Bonds, Chapel Hill-Chauncy Hall Issue, Series 2007, interest initially fixed at 5.55%, adjusted to the Federal Home Loan Bank of Boston Classic 10-Year Advance Rate in July 25, 2017 and 2027, principal and interest due monthly through July 25, 2037, secured by a mortgage on the School's property and all business assets.

\$ 2,458,130

Note payable to a local bank, interest at National Prime Rate plus 0.25% per annum (3.5% at June 30, 2012), interest-only paid monthly through September 1, 2014. This note may be extended for an additional four years with annual \$250,000 payments of principal plus interest at the Four Year Classic Advance Rate plus 2.5%. The note is secured by a first security interest on the property at 379 Lexington Street, Waltham, MA.

1,000,000

3,458,130

Less unamortized bond discount and issuance costs

(34,073)

\$ 3,424,057

In July 2007, the MDFA series bonds were issued to repay the existing mortgage and to finance renovations and improvements to the School's facilities. In accordance with the loan agreement, the School is subject to certain prepayment penalties until July 24, 2017.

Interest expense amounted to \$175,261 for the year ended June 30, 2013.

## Chapel Hill - Chauncy Hall School

### Notes to Financial Statements - Continued

June 30, 2013

Maturities of long-term debt for each of the five years succeeding June 30, 2013 and thereafter are as follows:

2014	\$	52,407
2015		1,055,391
2016		58,545
2016		61,878
2017		65,401
Thereafter		<u>2,164,508</u>
	\$	<u>3,458,130</u>

#### Note 10 - Pension Plan

The School has a defined contribution pension plan pursuant to Internal Revenue Code Section 403(b), which covers all qualifying full-time employees. The School makes contributions according to the provisions of the plan. Employees may also make voluntary contributions to the plan. Pension expense for the year ended June 30, 2013 was \$160,469.

#### Note 11 - Charitable Remainder Trust

The School has a seventy percent interest in a charitable remainder trust (the Trust) from which the School will receive its interest upon the death of the named life beneficiaries. Because the potential distributions from the Trust to the life beneficiaries are unlimited, the School's remainder interest cannot be determined. Therefore, the School has not recorded its interest in this Trust.

#### Note 12 - Concentrations

##### Credit Risk

The School maintains its operating cash balances in one Massachusetts-chartered savings bank, which at times may exceed federally insured limits. The School has not experienced any losses in such project accounts and monitors the credit worthiness of the financial institutions with which it conducts business. The School believes it is not exposed to any significant credit risk on its cash.

##### Market Risk

The School invests in various equity securities, which are reported at fair value. Accordingly, the investment securities may fluctuate because of interest rates, reinvestment, credit, market and other risks depending on the nature of the specific

## Chapel Hill - Chauncy Hall School

### Notes to Financial Statements - Continued

June 30, 2013

investment. Therefore, it is at least reasonably possible that these factors will result in changes in the value of the School's investments which could materially affect the amounts reported in the financial statements. The School's investments are managed by an asset management firm whose performance is reviewed by the Finance Committee of the Board of Trustees.

#### Note 13 - Fair Value Measurement

The School is subject to the provisions of FASB ASC 820, *Fair Value Measurements and Disclosures*. ASC 820 defines fair value, establishes a framework to measure fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by ASC 820, are used to measure fair value. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the School has the ability to access.

Level 2 inputs are inputs (other than quoted prices included within Level 1) that are observable for the asset or liability, either directly or indirectly. These may include quoted prices for similar securities.

Level 3 inputs are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

# Chapel Hill - Chauncy Hall School

## Notes to Financial Statements - Continued

June 30, 2013

Fair values of financial instruments measured on a recurring basis at June 30, 2013 are as follows:

	Fair Value Measurements at Reporting Date Using			
	Fair Value	Level 1	Level 2	Level 3
Common stock - utilities	\$ 302,105	\$ 302,105	\$ -	\$ -
Common stock - energy	92,715	92,715	-	-
Common stock - healthcare	54,751	54,751	-	-
Common stock - technology	35,407	35,407	-	-
Common stock - retail	15,085	15,085	-	-
Mutual funds - domestic equity funds	445,332	445,332	-	-
Mutual funds - international equity funds	325,472	325,472	-	-
Mutual funds - bond funds	508,536	508,536	-	-
Money market funds	32,498	32,498	-	-
	<u>\$ 1,811,901</u>	<u>\$ 1,811,901</u>	<u>\$ -</u>	<u>\$ -</u>

### Note 14 - Net Assets

Temporarily restricted net assets at June 30, 2013 are available for the following purposes:

Capital campaign	\$ 833,602
Accumulated gains and income available for appropriation by the Board of Trustees	20,582
Other purpose restrictions	<u>25,301</u>
	<u>\$ 879,485</u>

Net assets were released from restrictions by incurring expenses satisfying the following purposes:

Capital campaign - chapel renovation	\$ 450,297
Investment return appropriated for operations	<u>23,188</u>
Total net assets released from restrictions - non-operating	<u>\$ 473,485</u>



## Chapel Hill - Chauncy Hall School

### Notes to Financial Statements - Continued

June 30, 2013

Permanently restricted net assets consist of the principal portion of the School's donor restricted endowment funds. The income portion of the donor restricted endowment funds is classified as temporarily restricted net assets until appropriated. Permanently restricted net assets as of June 30, 2013:

Faculty salaries/development	\$	230,500
Scholarships		83,696
Student learning initiatives		50,000
Textbooks		22,005
Graduation award		5,575
General endowment		<u>23,078</u>
	\$	<u>414,854</u>

#### Note 15 - Endowment

The School's endowment consists of individual funds established for a variety of purposes, and includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees has interpreted the Massachusetts Law Chapter 180A (the Law) 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 School classifies as permanently restricted net assets (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 that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Board of Trustees in a manner consistent with the standard of prudence prescribed by the Law.

The School considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) the duration and preservation of the various funds,

**Chapel Hill - Chauncy Hall School**  
**Notes to Financial Statements - Continued**  
**June 30, 2013**

- (2) the purposes of the School and donor-restricted endowment funds,
- (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 School, and
- (7) the School's investment policies.

Endowment net asset composition by fund type as of June 30, 2013 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ (1,211)	\$ 20,582	\$ 414,854	\$ 434,225
Board-designated endowment funds	<u>1,377,676</u>	<u>-</u>	<u>-</u>	<u>1,377,676</u>
	<u>\$ 1,376,465</u>	<u>\$ 20,582</u>	<u>\$ 414,854</u>	<u>\$ 1,811,901</u>

# Chapel Hill - Chauncy Hall School

## Notes to Financial Statements - Continued

June 30, 2013

Changes in endowment net assets for the year ended June 30, 2013 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year as originally reported	\$ 817,062	\$ 1,183,002	\$ 361,929	\$ 2,361,993
Restatements	430,936	(1,174,078)	50,175	(692,967)
Endowment net assets, beginning of year as restated	1,247,998	8,924	412,104	1,669,026
Investment return, net of fees				
Investment income, net of fees	49,149	16,499	-	65,648
Appreciation	55,759	18,718	-	74,477
Restricted endowment fund deficiency reclassification	371	(371)	-	-
Investment return, net of fees	105,279	34,846	-	140,125
Contributions	-	-	2,750	2,750
Appropriations	(69,076)	(23,188)	-	(92,264)
Board designations	92,264	-	-	92,264
Endowment net assets, end of year	\$ 1,376,465	\$ 20,582	\$ 414,854	\$ 1,811,901

*Funds with deficiencies:* From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or the Law requires the School to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are reported in unrestricted net assets. As of June 30, 2013, these deficiencies totaled \$1,211. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of the funds.

*Return objectives and risk parameters:* The School 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 School must hold in perpetuity, as well as funds designated by the Board of Trustees to function as endowments. Under this

## **Chapel Hill - Chauncy Hall School**

### **Notes to Financial Statements - Continued**

**June 30, 2013**

policy, as approved by the Board of Trustees, the endowment assets are invested in accordance with sound investment practices emphasizing long-term investment fundamentals. It is recognized that short-term market fluctuations may cause variations in account performance.

*Strategies employed for achieving objectives:* To satisfy its long-term rate-of-return objectives, the School 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 School targets a diversified asset allocation consisting of domestic and international equity funds, fixed income funds and cash equivalents to achieve its long-term return objectives within prudent risk constraints.

*Spending policy and how the investment objectives relate to spending policy:* In order to support the annual operating activities of the School, the Board of Trustees appropriates an amount not to exceed 5% of the endowment fund's 10 quarter rolling average fair value, calculated through the end of the preceding fiscal year. In establishing this policy, the School considered the long-term expected return on its endowment. Accordingly, over the long-term, the School expects the current spending policy to allow its endowment to grow, consistent with its objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return. The \$92,264 of investment return appropriated for operations represents reinvested unspent appropriation.

#### **Note 16 - Prior Period adjustments**

During 2013, management determined there were adjustments needed to the net asset classification of certain temporarily and permanently restricted gifts as of June 30, 2012. Management concluded that the value of certain historical gifts and related investment earnings had not been properly classified, resulting in an overstatement of unrestricted net assets of \$58,862, an understatement of temporarily restricted net assets of \$8,687, and an understatement of permanently restricted net assets of \$50,175. The adjustments needed did not impact total net assets at June 30, 2012.

#### **Note 17 - Subsequent Events**

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management

**Chapel Hill - Chauncy Hall School**

**Notes to Financial Statements - Continued**

**June 30, 2013**

evaluated the activity of the Partnership through September 26, 2013 and concluded that no subsequent events have occurred that would require recognition in the financial statements. However, we have determined that the following information warranted disclosure.

On September 26, 2013, the Officers and Directors of the School approved a business loan agreement with Rockland Trust Company in the amount of \$2,200,000. The loan bears interest at 4.25% and is due on the earlier of the lender's demand or September 26, 2015. Monthly payments of interest are required under the loan agreement. The initial amount advanced on the loan was \$1,000,000. These funds were utilized to repay the existing \$1,000,000 note payable. The remaining \$1,200,000 will be advanced as needed to pay for acquisitions and renovations.

## **Supplementary Information**

Chapel Hill - Chauncy Hall School

Supplementary Schedule of Functional Expenses

Year ended June 30, 2013

	Program Services			Supporting Services			Total
	Instruction and Related	Facilities	School Store	Camp	Total Program Services	General and Administrative	
Personnel and related							
Salaries	\$ 1,710,737	\$ 211,061	\$ 17,597	\$ 465,909	\$ 2,405,304	\$ 849,913	\$ 3,707,529
Payroll taxes and fringe benefits	448,090	55,778	-	47,102	550,970	224,571	895,075
Total personnel and related	2,158,827	266,839	17,597	513,011	2,956,274	1,074,484	4,602,604
Occupancy							
Depreciation and amortization	-	572,846	-	-	572,846	-	572,846
Repairs and maintenance	-	347,141	-	-	347,141	-	347,141
Utilities	-	267,791	-	-	267,791	-	267,791
Interest	-	175,261	-	-	175,261	-	175,261
Insurance	-	58,052	-	-	58,052	-	58,052
Telephone	-	37,478	-	-	37,478	-	37,478
Total occupancy	-	1,458,569	-	-	1,458,569	-	1,458,569
Other							
Food service	432,249	-	-	-	432,249	-	432,249
Depreciation and amortization	-	105,907	-	95,933	201,840	-	201,840
Office supplies and equipment	12,227	-	2,457	-	14,684	76,883	113,549
Cost of goods sold	-	-	89,285	-	89,285	-	89,285
School and camp activities	47,680	-	-	251,241	298,921	-	298,921
Recruitment	-	-	-	-	-	50	50
Professional services	6,301	-	-	-	6,301	29,857	36,158
Other	192	-	-	-	192	58,014	129,589
Printing and publications	-	-	-	-	-	1,961	8,317
Professional development	9,471	-	-	2,075	11,546	5,837	17,383
Travel and transportation	17,326	-	-	-	17,326	67,380	91,315
Academic	23,833	-	-	-	23,833	-	23,833
Advertising	-	-	-	8,538	8,538	-	42,087
Sports supplies	55,051	-	-	-	55,051	-	55,051
Provision for doubtful accounts	-	-	-	-	-	9,802	9,802
Postage and shipping	-	-	-	-	-	2,785	4,309
Dues and subscriptions	-	-	-	5,505	5,505	11,779	19,898
Student services	4,498	-	-	-	4,498	-	4,498
Library	15,823	-	-	-	15,823	-	15,823
Conferences	-	-	-	-	-	1,629	9,891
Total other	624,651	105,907	91,742	363,292	1,185,592	264,348	1,603,848
Total expenses	\$ 2,783,478	\$ 1,831,315	\$ 109,339	\$ 876,303	\$ 5,600,435	\$ 1,338,832	\$ 7,665,021