

COMMUNITY COLLEGES
OF NEW HAMPSHIRE FOUNDATION

FINANCIAL REPORT

JUNE 30, 2020

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NATHAN WECHSLER & COMPANY
PROFESSIONAL ASSOCIATION
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Community Colleges of New Hampshire Foundation
Concord, New Hampshire 03301

Report on the Financial Statements

We have audited the accompanying financial statements of Community Colleges of New Hampshire Foundation (the "Foundation"), which comprise the statement of financial position as of June 30, 2020, and the related statement of activities and net assets, functional expenses, 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.

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 Foundation'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.

Emphasis of Matter

As discussed in Note 8 to the financial statements, as a result of the spread of the COVID-19 coronavirus subsequent to year end, economic uncertainties have arisen. Our opinion is not modified with respect to this matter.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2020, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Foundation's financial statements for the year ended June 30, 2019, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 12, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Nathan Wechsler & Company
Concord, New Hampshire
November 5, 2020

COMMUNITY COLLEGES OF NEW HAMPSHIRE FOUNDATION

STATEMENTS OF FINANCIAL POSITION

June 30, 2020 and 2019

		<i>ASSETS</i>	
		2020	2019
CURRENT ASSETS			
Cash		\$ 9,899	\$ 721
Contributions receivable, current portion		16,552	4,000
	<i>Total current assets</i>	<u>26,451</u>	<u>4,721</u>
OTHER ASSETS			
Cash equivalent portion of investments		136,303	334,586
Contributions receivable, less current portion		4,000	8,000
Investments		4,257,603	3,937,862
		<u>4,397,906</u>	<u>4,280,448</u>
	<i>Total assets</i>	<u><u>\$ 4,424,357</u></u>	<u><u>\$ 4,285,169</u></u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable		\$ 1,767	\$ 49,146
NET ASSETS			
Without donor restrictions		176,175	134,643
Board designated		300,533	279,160
	<i>Total net assets without donor restrictions</i>	<u>476,708</u>	<u>413,803</u>
With donor restrictions		3,945,882	3,822,220
	<i>Total net assets</i>	<u>4,422,590</u>	<u>4,236,023</u>
	<i>Total liabilities and net assets</i>	<u><u>\$ 4,424,357</u></u>	<u><u>\$ 4,285,169</u></u>

COMMUNITY COLLEGES OF NEW HAMPSHIRE FOUNDATION

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2020 (With Comparative Totals for 2019)

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
Revenue and other support:				
Contributions	\$ 291	\$ 453,257	\$ 453,548	\$ 468,936
Fundraising	-	268,179	268,179	66,657
In-kind revenue	421,819	-	421,819	308,112
Interest and dividend income	11,919	78,775	90,694	89,380
Realized and unrealized gains on investments, net of fees	167	1,507	1,674	52,717
	<u>434,196</u>	<u>801,718</u>	<u>1,235,914</u>	<u>985,802</u>
Net assets released from restrictions for satisfaction of purpose and time restrictions	678,056	(678,056)	-	-
Expenses:				
Program	681,126	-	681,126	673,225
General and administrative	214,104	-	214,104	160,015
Fundraising	154,117	-	154,117	72,330
	<u>1,049,347</u>	<u>-</u>	<u>1,049,347</u>	<u>905,570</u>
<i>Increase in net assets</i>	62,905	123,662	186,567	80,232
Net assets, beginning of year	413,803	3,822,220	4,236,023	4,155,791
<i>Net assets, end of year</i>	<u>\$ 476,708</u>	<u>\$ 3,945,882</u>	<u>\$ 4,422,590</u>	<u>\$ 4,236,023</u>

COMMUNITY COLLEGES OF NEW HAMPSHIRE FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2020 (With Comparative Totals for 2019)

	Program	General and Administrative	Fundraising	2020 Total	2019 Total
Scholarships	\$ 521,006	\$ -	\$ -	\$ 521,006	\$ 489,553
In-kind - services	120,314	171,878	51,563	343,755	232,772
In-kind - office expenses	16,958	24,227	7,268	48,453	46,071
In-kind - professional fees	2,275	3,250	975	6,500	6,500
In-kind - consulting	3,065	4,378	1,314	8,757	3,853
In-kind - insurance	649	927	278	1,854	2,416
Office supplies and expense	-	1,144	43,476	44,620	8,998
Professional fees - audit and accounting	5,775	8,250	2,475	16,500	16,500
Professional fees - secretarial	-	50	-	50	4,734
Support of Community College System of New Hampshire curriculum and activities	11,084	-	-	11,084	75,833
Event expense	-	-	46,768	46,768	18,340
<i>Total functional expenses</i>	\$ 681,126	\$ 214,104	\$ 154,117	\$ 1,049,347	\$ 905,570

COMMUNITY COLLEGES OF NEW HAMPSHIRE FOUNDATION

STATEMENTS OF CASH FLOWS
 Years Ended June 30, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 186,567	\$ 80,232
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Realized and unrealized gain on investments, net of fees	(1,674)	(52,717)
(Increase) decrease in contributions receivable	(8,552)	50,222
Increase (decrease) in accounts payable	(47,379)	10,083
Contributions restricted for long-term purposes	(113,182)	(10,507)
	<u>15,780</u>	<u>77,313</u>
<i>Net cash provided by operating activities</i>		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(2,680,881)	(547,733)
Proceeds from sales of investments	2,362,814	557,263
	<u>(318,067)</u>	<u>9,530</u>
<i>Net cash provided by (used in) investing activities</i>		
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		
Proceeds from contributions restricted for investment in permanent endowment	113,182	10,507
	<u>(189,105)</u>	<u>97,350</u>
<i>Net increase (decrease) in cash and cash equivalents</i>		
Cash and cash equivalents, beginning of year	335,307	237,957
	<u>\$ 146,202</u>	<u>\$ 335,307</u>
<i>Cash and cash equivalents, end of year</i>		
Cash and cash equivalents consists of:		
Checking account	\$ 9,899	\$ 721
Cash and cash equivalent portion of investments	136,303	334,586
	<u>\$ 146,202</u>	<u>\$ 335,307</u>

COMMUNITY COLLEGES OF NEW HAMPSHIRE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities

Community Colleges of New Hampshire Foundation (the "Foundation") is a non-profit organization structured to seek and secure private funds and/or grants in order to supplement the traditional revenue sources of the Community College System of New Hampshire (CCSNH). The Foundation's mission is to support the CCSNH and make higher education more accessible by providing student scholarship assistance, facility and staff support programs and improved educational facilities.

Note 2. Summary of Significant Accounting Policies

Basis of accounting: The financial statements of the Foundation have been prepared on the accrual basis for exchange type transactions. Under the accrual basis, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of presentation: The Foundation reports investments at fair value in accordance with the FASB Accounting Standards Codification topic for accounting for certain investments held by not-for-profit organizations (FASB ASC 958-320).

The Foundation accounts for contributions received in accordance with the FASB Accounting Standards Codification topic for Revenue Recognition (FASB ASC 958-605) and contributions made in accordance with FASB ASC 958-720-25 and FASB ASC 958-310. In accordance with FASB ASC 958-605-25, contributions received are recorded as with donor restrictions or without donor restrictions, depending on the existence or nature of any donor restrictions. FASB ASC 958-310 requires that unconditional promises to give (pledges) be recorded as receivables and revenues.

The Foundation also adheres to the Presentation of Financial Statements for Not-for-Profit Organizations topic of the FASB Accounting Standards Codification (FASB ASC 958-205). Under FASB ASC 958-205, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions or without donor restrictions. Descriptions of the three net asset categories are as follows:

Without donor restrictions include revenues not restricted by outside sources and revenues designated by the Board of Directors for special purposes and their related expenses.

With donor restrictions include gifts and contributions receivable for which time restrictions or donor-imposed restrictions have not yet been met and also includes the accumulated appreciation related to permanently restricted endowment gifts, which is a requirement of FASB ASC 958-205-45. Also includes gifts which require, by donor restriction, that the corpus be invested in perpetuity and only the income or a portion thereof be made available for program operations in accordance with donor restrictions.

Comparative financial information: The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

COMMUNITY COLLEGES OF NEW HAMPSHIRE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

Estimates and assumptions: Management uses certain estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Accordingly, actual results may differ from estimated amounts.

Cash and cash equivalents: For purposes of reporting cash flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. At June 30, 2020, the Foundation had cash equivalents of \$136,303.

Contributions: Contributions received are reported as either revenues without donor restrictions or revenues with donor restrictions. Contributions with donor restrictions that are used for the purposes specified by the donor in the same year as the contribution is received are recognized as revenues without donor restrictions. Promises to contribute that stipulate conditions to be met before the contribution is made are not recorded until the conditions are met. There were no conditional promises to give for the year ended June 30, 2020.

Contributions of services are recorded if the services create or enhance non-financial assets or the services are performed by individuals possessing specialized skills and those services would normally need to be purchased if not donated. These services are recorded at their fair value at the time of contribution.

Contributions receivable: Unconditional promises to give are recognized as revenue in the period received and as assets, decreases in liabilities, or expenses depending on the form of the benefit received. Unconditional contributions receivable are reported at net realizable value, if at the time the promise is made, payment is expected to be received in one year or less. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Investments: The Foundation carries investments in marketable securities at their fair values in the statement of financial position. Purchased and gifted securities are recorded at fair value on the date of the acquisition or gift, net of any brokerage fees. Realized and unrealized gains and losses on securities in the investment portfolio are allocated on a specific-identification basis and are included in the accompanying statement of activities.

Functional allocation of expenses: The financial statements report certain categories of expenses that are attributable to more than one program or supporting function of the Foundation. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include in-kind expenses, office supplies and expense, and professional fees, which are allocated on the basis of estimates of time and effort.

Income tax status: The Foundation qualifies as a not-for-profit organization under Internal Revenue Code Section 501(c)(3) and is classified as other than a private foundation. However, certain unrelated business income is subject to federal taxation. For the year ended June 30, 2020, there was no liability for tax on unrelated business income.

The Foundation has adopted the provisions of ASC 740, Accounting for Uncertainty in Income Taxes. Accordingly, management has evaluated the Foundation's tax positions and concluded the Foundation had maintained its tax-exempt status, and had taken no uncertain tax positions that require adjustment or disclosure in the financial statements. With few exceptions, the Foundation is no longer subject to income tax examinations by the U.S. Federal of State tax authorities for tax years before 2017.

COMMUNITY COLLEGES OF NEW HAMPSHIRE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

Change in accounting principles: In January 2016, the FASB issued ASU 2016-01, Financial Instruments-Overall: Recognition and Measurement of Financial Assets and Financial Liabilities. This standard is intended to improve recognition, measurement, presentation, and disclosure of financial instruments. The Organization adopted ASU 2016-01 on July 1, 2019. The adoption of ASU 2016-01 did not have a significant impact on the Foundation's financial statements.

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230). This ASU requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, restricted cash should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cashflows. ASU 2016-18 became effective on a retrospective basis for the Foundation on July 1, 2019. No prior period adjustments were necessary for the year ended June 30, 2020.

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This standard provides guidance for evaluating whether transactions should be accounted for as contributions or exchange transactions and clarifies the criteria for evaluating whether contributions are unconditional or conditional. The Organization adopted ASU 2018-08 on July 1, 2019. The adoption of ASU 2018-08 did not have a significant impact on the Foundation's financial statements.

Recent accounting pronouncements: In May 2014, the FASB issued, *Revenue from Contracts with Customers* (ASU 2014-09), which requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Foundation expects to be entitled in exchange for those goods and services. ASU 2014-09 permits the use of either the retrospective or cumulative effect transition method. In June 2020, the FASB deferred the effective date of this standard for one year for certain entities that have not yet issued their financial statements. This standard will be effective for the Foundation for the year ended June 30, 2021. Management is currently evaluating the impact this will have on its financial statements.

In February 2016, the FASB issued, *Leases, Topic 842* (ASU 2016-02). Under ASU 2016-02, at the commencement of a long-term lease, lessees will recognize a liability equivalent to the discounted payments due under the lease agreement, as well as an offsetting right-of-use asset. Lessees (for capital and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. Lessees may not apply a full retrospective transition approach. In June 2020, the FASB deferred the effective date for this standard for one year for certain entities that have not yet issued their financial statements. This standard will be effective for the Foundation for the year ended June 30, 2023, with early adoption permitted. Management is currently evaluating the impact this will have on its financial statements.

COMMUNITY COLLEGES OF NEW HAMPSHIRE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

Note 3. Investments

Investments are presented in the financial statements in the aggregate at fair value. Investments are comprised of the following at June 30, 2020:

	Market	Cost
Equities:		
U.S. Large Cap	\$ 1,478,025	\$ 1,191,773
U.S. Mid Cap	814,797	871,988
U.S. Small Cap	420,393	403,581
International developed	580,648	617,435
Emerging markets	133,367	135,462
Fixed Income:		
Investment grade taxable	711,264	668,897
International developed bonds	79,552	75,841
Global High Yield Taxable	39,557	42,854
<i>Total</i>	<u>\$ 4,257,603</u>	<u>\$ 4,007,831</u>

Note 4. In-Kind Revenue and Expenses

During the year ended June 30, 2020, the Foundation received donated supplies, occupancy expenses, and professional fees paid on its behalf valued at \$71,564 and donated services valued at \$343,755, which includes personnel costs, holiday pay, and payroll benefits from the New Hampshire Community Colleges System Office. The Foundation also received donated audit fees valued at \$6,500 during the year ended June 30, 2020.

Note 5. Fair Value Measurements

The Fair-Value Measurements topic of the FASB Accounting Standards Codification (FASB ASC 820-10) establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are as follows:

- *Level 1* – Inputs are unadjusted, quoted prices in active markets for identical assets at the measurement date. The types of assets carried at level 1 fair value generally are securities listed in active markets. The Foundation has valued their investments, listed on national exchanges at the last sales price as of the day of valuation.
- *Level 2* – Inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- *Level 3* – Inputs are generally unobservable and typically reflect management’s estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option-pricing models, discounted cash flow models, and similar techniques.

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NOTES TO FINANCIAL STATEMENTS

The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments.

Financial assets carried at fair value on a recurring basis consist of the following at June 30, 2020:

	<u>Level 1</u>
Equities:	
International developed	\$ 580,648
Emerging markets	133,367
Other equities	2,713,215
Fixed Income:	
Investment grade taxable	711,264
International developed bonds	79,552
Global High Yield Taxable	39,557
Cash equivalents	136,303
<i>Total</i>	<u>\$ 4,393,906</u>

Note 6. Liquidity and Availability of Resources

June 30,	2020
Cash	\$ 9,899
Cash equivalent portion of investments	136,303
Investments	4,257,603
Contributions receivable	20,552
<i>Total financial assets</i>	<u>4,424,357</u>
Less amounts unavailable for general expenditures within one year, due to:	
Restricted by donors with time or purpose restrictions	(1,033,202)
Subject to appropriation and satisfaction of donor restrictions, original gift value of \$1,722,846 restricted in perpetuity	(2,665,079)
Designated by board for quasi endowment with purpose restrictions, original gift value of \$236,950	(247,601)
Less amounts unavailable without Board approval for the following:	
Board designated for healthcare education	(82,421)
Board designated for scholarships	(218,112)
<i>Financial assets available to meet cash needs for general expenditures within one year</i>	<u>\$ 177,942</u>

The Foundation is substantially supported by donor-restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. There are funds established by the governing board that are designated for specific purposes such as healthcare education and specific scholarships. These designations may be changed at any time at the board's discretion.

COMMUNITY COLLEGES OF NEW HAMPSHIRE FOUNDATION

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Note 7. Endowment Funds and Net Assets

The Foundation adheres to the Other Presentation Matters section of the Presentation of Financial Statements for Not-for-Profit Organizations topic of the FASB Accounting Standards Codification (FASB ASC 958-205-45). FASB ASC 958-205-45 provides guidance on the net asset classification of donor-restricted endowment funds for nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). FASB ASC 958-205-45 also requires additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

The State of New Hampshire enacted UPMIFA effective July 1, 2008, the provisions of which apply to endowment funds existing on or established after that date. The Foundation's endowment is comprised of 37 named funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted UPMIFA as allowing the Foundation to appropriate for expenditure or accumulate so much of an endowment fund as the Foundation determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument.

As a result of this interpretation, the Foundation classifies as with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified as with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed in UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the endowment fund, (2) the purposes of the Foundation and endowment fund, (3) general economic conditions, (4) the possible effect of inflation or deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the investment policies of the Foundation.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. These deficiencies were \$2,388 as of June 30, 2020. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of new permanently restricted contributions. The Foundation has a policy to suspend the draw on underwater funds until they have been restored.

Investment Return Objectives, Risk Parameters and Strategies: The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process

COMMUNITY COLLEGES OF NEW HAMPSHIRE FOUNDATION

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seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 4%, while growing the funds if possible. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy: The Foundation has a policy of appropriating for distribution each year 4% of its endowment fund's average fair value of the trailing twelve quarters preceding the fiscal year in which the distribution is planned.

The Foundation also has a policy of appropriating for administrative expenses each year 1.5% of its endowment fund's average fair value of the trailing twelve quarters preceding the fiscal year unless the fund specifically disallows such fees. In establishing this policy, the Foundation considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity based on donor restrictions, and the possible effects of inflation.

Endowment net asset composition by type of fund as of June 30, 2020 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 2,912,680	\$ 2,912,680
Board-designated endowment funds	300,533	-	300,533
<i>Total</i>	<u>\$ 300,533</u>	<u>\$ 2,912,680</u>	<u>\$ 3,213,213</u>

Changes in endowment net assets as of June 30, 2020 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, July 1, 2019	\$ 295,529	\$ 2,721,649	\$ 3,017,178
Investment return:			
Investment income	8,733	78,775	87,508
Net appreciation (realized and unrealized), net of fees	167	1,507	1,674
Total investment return	<u>8,900</u>	<u>80,282</u>	<u>89,182</u>
Contributions	-	162,213	162,213
Appropriation of endowment assets for expenditure	(3,896)	(126,464)	(130,360)
Transfer from temporarily restricted expendable funds to endowment per donor	-	25,000	25,000
Transfer from temporarily restricted expendable funds to Quasi-endowment per board vote	-	50,000	50,000
Endowment net assets, June 30, 2020	<u>\$ 300,533</u>	<u>\$ 2,912,680</u>	<u>\$ 3,213,213</u>

COMMUNITY COLLEGES OF NEW HAMPSHIRE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

Net Assets with donor restrictions: Donor restrictions consist of gifts, pledges, and other unexpended revenues available for various scholarship and campus programs are as follows at June 30, 2020:

	Cumulative Original Gift Value	Market Value	Percentage of Total Market Value
Investments in perpetuity, which once appropriated, is expendable to support scholarships:			
AAA Foundation	\$ 315,500	\$ 515,098	49.85%
Great Bay Student Senate	213,984	339,145	32.82%
Chester French	105,450	215,278	20.84%
Francis Benton	121,294	180,053	17.43%
Bonnie Newman	97,989	137,177	13.28%
Marshall Snyder	70,046	101,072	9.78%
Dr. Thurston Carpenter	50,100	85,408	8.27%
H. James Tyler	50,000	75,922	7.35%
General Electric	25,000	73,086	7.07%
Daniel McLeod	38,940	65,752	6.36%
Edward Sweeney	35,749	65,727	6.36%
GBCC Annual Fund	45,521	57,857	5.60%
George Strout Eng/Tech	38,035	53,908	5.22%
Rachel Lanzo Higgins Scholarship	50,000	47,612	4.61%
Joe Mastrullo/Mallard Landing	38,419	45,664	4.42%
Martha R. Stebbins Memorial	45,000	45,363	4.39%
Patricia Bottino	25,000	43,151	4.18%
Raymond Burton Memorial	30,501	40,590	3.93%
David Copestakes	25,761	40,526	3.92%
Scott Turner Paramedic	27,228	36,049	3.49%
Dr. Ross Gitell Scholarship	30,811	30,811	2.98%
Quentin Walsh	16,334	29,829	2.89%
H. Irene Peters Fund	17,000	26,565	2.57%
B.J.Eckardt	12,260	26,536	2.57%
Atwood Memorial	15,980	26,413	2.56%
WMCC President's Building Fund	13,500	23,668	2.29%
Terri Wright Memorial	11,022	23,350	2.26%
Devi Timsina Mem	18,066	23,256	2.25%
Gustafson Scholarship Fund	14,965	22,421	2.17%
Joan Acorace Memorial	19,800	22,104	2.14%
Fernald Endowed	16,550	21,220	2.05%
Lois Morris	11,071	17,908	1.73%
Lakes Region Scholarship General	12,607	17,843	1.73%
Beta Sigma	11,050	16,998	1.65%

COMMUNITY COLLEGES OF NEW HAMPSHIRE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

	Cumulative Original Gift Value	Market Value	Percentage of Total Market Value
Molly H. MacDougall	\$ 11,108	\$ 16,771	1.62%
L. Puksta Memorial	10,500	16,308	1.58%
Hiliary Hanson Memorial	10,600	14,981	1.45%
Joan Hubbard Mem Nursing	10,005	13,245	1.28%
Wendy Parent Fund	10,100	10,414	1.01%
<i>Funds restricted in perpetuity by donor</i>	1,722,846	2,665,079	
Joanne McCraren - Quasi endowment	137,920	146,769	14.21%
Paul Holloway Scholarship - Quasi endowment	24,000	24,000	2.32%
Dr. Wildolfo Arvelo Scholarship - Quasi endowment	25,000	25,901	2.51%
WMCC Scholarship Fund - Quasi endowment	25,048	25,949	2.51%
Susan Huard Scholarship - Quasi endowment	24,982	24,982	2.42%
	<u>\$ 1,959,796</u>	<u>\$ 2,912,680</u>	
		<u>Market Value</u>	<u>Percentage of Total Market Value</u>
Subject to expenditure for scholarships and campus programs:			
Laconia - General Scholarship		\$ 150,477	14.56%
Great Bay - GBCC Scholarship Fund		139,341	13.49%
Claremont (RVCC) - Peterson Event Fund		103,265	9.99%
Nashua - Annual Fundraising		79,642	7.71%
Campus Funds under \$5,000		78,022	7.55%
Claremont (RVCC) - Presidents Fund		43,928	4.25%
Foundation - Chancellor's Innovative Fund		43,921	4.25%
Nashua - NCC Scholarship Fund		33,448	3.24%
Great Bay - Distinguished Leaders Allied		30,000	2.90%
WMCC - Scholarship (Gen)		27,085	2.62%
WMCC - President's Building Fund		23,178	2.24%
Laconia - Dale T. Jones Memorial		21,125	2.04%
Contributions receivable		20,550	1.99%
Manchester - Scholarship (Gen)		19,543	1.89%
Nashua - Mastersons Auto		17,305	1.67%
Foundation - Healthcare Education		15,921	1.54%
Foundation - NHCF Covid-19 Fund		14,417	1.40%

COMMUNITY COLLEGES OF NEW HAMPSHIRE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

	Market Value	Percentage of Total Market Value
Manchester - John & Mary Williams Mem	\$ 14,000	1.36%
NHTI - Chester French	13,928	1.35%
Great Bay - Student Senate	12,378	1.20%
Claremont (RVCC) - Closey/Dickey Fund	11,322	1.10%
Laconia - College Advisory Board	10,766	1.04%
Great Bay - Arts Fund	10,055	0.97%
NHTI - Joanne McCraren	10,046	0.97%
WMCC - Hunt/Lafayette Lions Club Fund	9,900	0.96%
Laconia - H James Tyler	9,542	0.92%
Claremont (RVCC) - Scholarship (Gen)	8,000	0.77%
Manchester - Presidential Opportunities	7,098	0.69%
WMCC - Capital Campaign	6,228	0.60%
Nashua - Robert Adams Memorial	5,445	0.53%
Foundation - H Irene Peters Healthcare	5,229	0.51%
Laconia - LRCC Annual Fund	5,148	0.50%
WMCC - Annual Fund	5,048	0.49%
Manchester - Dan Pesula Scholarship	5,000	0.48%
NHTI - DCX Scholarship Fund	5,000	0.48%
NHTI - PTK Scholarship Fund	5,000	0.48%
NHTI - Annual Fund	5,000	0.48%
NHTI - Francis Benton	4,356	0.42%
NHTI - Jen Kemp Memorial	3,545	0.34%
<i>Total</i>	<u>\$ 1,033,202</u>	<u>100.00%</u>
<i>Total net assets with donor restriction</i>	<u><u>\$ 3,945,882</u></u>	

Net Assets without donor restrictions:

The Foundation board has designated, from net assets without donor restrictions of \$476,708, net assets for the following purposes as of June 30, 2020:

Healthcare education	\$ 82,421
RVCC Presidents fund	155,289
RVCC Walter Peterson fund	51,763
Jen Kemp memorial	10,752
General scholarships	308
<i>Total</i>	<u><u>\$ 300,533</u></u>

Note 8. Subsequent Events

The Foundation has evaluated subsequent events through November 5, 2020; the date which the financial statements were available to be issued, and have not evaluated subsequent events after that date. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact operating results.