

NORTHEASTERN JUNIOR COLLEGE
FOUNDATION, INC.



FINANCIAL STATEMENTS

Years Ended June 30, 2021 and 2020



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Independent Auditors' Report

Board of Trustees
Northeastern Junior College Foundation, Inc.
Sterling, Colorado

We have audited the accompanying statements of financial position of Northeastern Junior College Foundation, Inc. (a nonprofit organization) as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years 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; 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northeastern Junior College Foundation, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Anderson & Whitney, P.C.

September 3, 2021

NORTHEASTERN JUNIOR COLLEGE FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

June 30	2021	2020
ASSETS		
Cash and cash equivalents	\$ 499,903	\$ 939,981
Pledges receivable	7,695	1,250
Prepaid expenses	-	18,851
Investments	-	5,642,080
Beneficial interest in assets held by:		
Community Foundation of Northern Colorado	7,978,342	-
Art collection	589,700	589,700
TOTAL ASSETS	\$ 9,075,640	\$ 7,191,862
LIABILITIES		
Accounts payable	\$ 22,308	\$ 22,598
Contract liabilities	84,603	96,158
Total Liabilities	106,911	118,756
NET ASSETS		
Without donor restrictions	2,396,840	1,298,860
With donor restrictions - purpose restricted	5,333,923	4,581,318
With donor restrictions - perpetual in nature	1,237,966	1,192,928
Total Net Assets	8,968,729	7,073,106
TOTAL LIABILITIES AND NET ASSETS	\$ 9,075,640	\$ 7,191,862

See Accompanying Notes to Financial Statements.

NORTHEASTERN JUNIOR COLLEGE FOUNDATION, INC.

STATEMENTS OF ACTIVITIES

Years Ended June 30	2021	2020
Change in Net Assets Without Donor Restrictions:		
Revenue:		
Contributions	\$ 13,395	\$ 10,427
Contributed support	67,291	57,761
Fundraising income	2,581	-
Investment earnings	1,149,727	180,464
Other income	-	115
Net assets released from restrictions	411,857	464,876
Total Revenue	1,644,851	713,643
Expenses:		
Scholarships	303,950	356,561
Grants and pass-through awards	54,913	39,398
Accounting fees	2,969	5,895
Advertising	3,883	3,333
Audit fees	14,419	12,160
Bank charges	929	516
Professional Fees	1,050	-
Fundraising	1,276	22,916
Insurance	12,183	2,125
Licenses	24,863	11,913
Meals	409	6,188
Office supplies	2,278	1,001
Repairs	-	766
Salaries and benefits	116,776	95,099
Supplies	2,777	10,058
Travel and mileage	286	-
Training	3,910	-
Total Expenses	546,871	567,929
Increase in Net Assets Without Donor Restrictions	1,097,980	145,714
Change in Net Assets With Donor Restrictions:		
Contributions	630,350	415,972
Grants	86,955	87,681
Rental income	20,000	20,000
Fundraising events	4,185	38,637
Investment earnings	468,010	169,814
Net assets released from restrictions	(411,857)	(464,876)
Increase (Decrease) in Net Assets With Donor Restrictions	797,643	267,228
Increase in Net Assets	1,895,623	412,942
Net Assets, Beginning of Year	7,073,106	6,660,164
Net Assets, End of Year	\$ 8,968,729	\$ 7,073,106

See Accompanying Notes to Financial Statements.

NORTHEASTERN JUNIOR COLLEGE FOUNDATION, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended June 30	2021			
	Program Services	Management and General	Fundraising	Total
Scholarships	\$ 303,950	\$ -	\$ -	\$ 303,950
Grants and pass-through awards	54,913	-	-	54,913
Accounting fees	-	2,969	-	2,969
Advertising	-	3,034	849	3,883
Audit fees	-	14,419	-	14,419
Bank charges	104	825	-	929
Professional fees	-	1,050	-	1,050
Fundraising	-	-	1,276	1,276
Insurance	4,898	7,285	-	12,183
Licenses	-	24,863	-	24,863
Meals	-	409	-	409
Office supplies	-	2,278	-	2,278
Salaries and benefits	23,355	93,421	-	116,776
Supplies	635	2,142	-	2,777
Travel and mileage	-	286	-	286
Training	3,910	-	-	3,910
	\$ 391,765	\$ 152,981	\$ 2,125	\$ 546,871

See Accompanying Notes to Financial Statements.

2020				
Program Services	Management and General	Fundraising	Total	
\$ 356,561	\$ -	\$ -	\$ 356,561	
39,398	-	-	39,398	
-	5,895	-	5,895	
-	2,439	894	3,333	
-	12,160	-	12,160	
102	414	-	516	
-	-	-	-	
-	-	22,916	22,916	
700	1,425	-	2,125	
-	11,913	-	11,913	
1,646	456	4,086	6,188	
91	778	132	1,001	
19,020	76,079	-	95,099	
766	-	-	766	
8,629	301	1,128	10,058	
-	-	-	-	
<u>\$ 426,913</u>	<u>\$ 111,860</u>	<u>\$ 29,156</u>	<u>\$ 567,929</u>	

NORTHEASTERN JUNIOR COLLEGE FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

Years Ended June 30	2021	2020
Cash Flows from Operating Activities:		
Cash received from fundraising and other	\$ 714,466	\$ 573,970
Cash paid to suppliers and grantees	(461,019)	(552,642)
Dividends and interest	385	2,512
Net Cash Provided (Used) by Operating Activities	253,832	23,840
Cash Flows from Investing Activities:		
Purchase of investments	(718,910)	-
Purchase of beneficial interest in assets	(7,595,288)	-
Sale of investments	7,595,288	550,000
Net Cash Provided (Used) by Investing Activities	(718,910)	550,000
Cash Flows from Financing Activities:		
Contributions restricted to endowment	25,000	-
Net Cash Provided (Used) by Financing Activities	25,000	-
Net Increase (Decrease) in Cash	(440,078)	573,840
Cash, Beginning of Year	939,981	366,141
Cash, End of Year	\$ 499,903	\$ 939,981

Reconciliation of Change in Net Assets to Net Cash

Used by Operating Activities:		
Change in net assets	\$ 1,895,623	\$ 412,942
Adjustments:		
Net unrealized and realized gain on investments	(1,488,638)	(215,634)
Interest and dividends on investments reinvested	(127,592)	(132,132)
Contributions restricted to endowment	(25,000)	-
(Increase) decrease in operating assets:		
Accounts receivable	6,445	4,098
Prepaid expenses	(18,851)	(3,867)
Increase (decrease) in operating liabilities:		
Accounts payable	290	(38,607)
Deferred revenue	11,555	(2,960)
Net Cash Provided (Used) by Operating Activities	\$ 253,832	\$ 23,840

See Accompanying Notes to Financial Statements.

NORTHEASTERN JUNIOR COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies:

The accounting and reporting policies of Northeastern Junior College (NJC) Foundation, Inc. conform to accounting principles generally accepted in the United States. The following summary of significant accounting policies is presented to assist the reader in evaluating Northeastern Junior College Foundation, Inc. financial statements.

Organization:

The Northeastern Junior College Foundation, Inc. was organized in 1977 as a Colorado not-for-profit corporation for charitable, scientific, literacy or educational purposes designed to promote the welfare of Northeastern Junior College (the College), its programs and its students.

The Foundation operates on public funding through contributions received. These contributions are available for unrestricted use unless specifically restricted by the donor.

Basis of Presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States. Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

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

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. Donors may permit the use of all or part of the income earned to be used for general or specific purposes.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

NORTHEASTERN JUNIOR COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies - Continued:

Cash and Cash Equivalents:

NJC Foundation considers all cash and highly-liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Investments:

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statements of financial position. Realized and unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized, or as with donor restrictions based on donor imposed restrictions.

NJC Foundation has adopted a policy of allocating a minimum return of 3.5% on funds that are restricted for scholarship awards (except those that are restricted for scholarship awards at Northeastern Junior College, in which case those are allocated a return of .25%), and has also adopted a policy of charging a 1.5% administrative fee (except those that are restricted for scholarship awards at Northeastern Junior College, in which case those are charged a .25% administrative fee).

Beneficial Interest in Assets Held by the Community Foundation of Northern Colorado:

The Foundation has two funds that are held by the Community Foundation of Northern Colorado (CFNC). Under the terms and conditions of these agreements, the NJC Foundation makes transfers of funds to the Community Foundation of Northern Colorado, and the Community Foundation of Northern Colorado provides investment management services. Distributions from the endowment fund, per the terms of the agreement, will be paid to NJC Foundation, subject to a spending policy. Distributions from the quasi-endowment fund are not subject to a spending policy, however NJC Foundation intends the fund to be long term and would like the funds to be invested accordingly.

In accordance with GAAP, funds transferred to the Community Foundation of Northern Colorado are not considered to be a contribution from NJC Foundation to the Community Foundation of Northern Colorado, but rather are accounted for as a reciprocal transfer. Accordingly, the assets are reflected in the Statement of Financial Position as a beneficial interest in assets held by the Community Foundation of Northern Colorado.

Net assets and investment income associated with the funds are classified and reported based on the existence or absence of donor-imposed restrictions. Community Foundation of Northern Colorado administrative fees reduced investment income.

NORTHEASTERN JUNIOR COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies - Continued:

Concentrations of Credit Risk:

NJC Foundation cash accounts are held at financial institutions at which deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Balances in the bank accounts may, at times, exceed the FDIC insurance coverage.

NJC Foundation has significant investments in mutual funds and equity investments. Investments are managed by investment advisors who are instructed by the Foundation's Board of Trustees in accordance with the Foundation's investment policy. Though the market value of the investments is subject to fluctuations on a year-to-year basis, the Board of Trustees believe that the investment policy is prudent to the long-term welfare of the Foundation.

Pledges and Other Receivables:

Contributions due in less than one year are recorded at their net realizable value upon receipt. Contributions due in more than one year are recorded at fair value on the date received. An allowance for doubtful collections is provided as applicable based on management's evaluation of potential uncollectible contributions at year-end.

Contributions:

Contributions, including unconditional promises to give, if any, are recorded as received. Grants that are not exchange transactions where each party receives commensurate value directly are accounted for as contributions. All contributions are available for unrestricted use unless specifically restricted by the donor. Contributions whose restrictions are met in the same reporting period as donated are reported as unrestricted contributions. Conditional promises to contributions are recognized when the conditions on which they depend are substantially met.

Contract Revenue:

The Foundation recognizes revenue in accordance with FASB Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

NORTHEASTERN JUNIOR COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies - Continued:

Contract Revenue (continued):

Payment terms for goods and services to grantors are billed monthly and are typically due in 30 days. In instances where the timing of revenue recognition differs from the timing of the right to invoice, the Foundation has determined that a significant financing component does not exist. The primary purpose of Foundation's invoicing terms is to provide grantors with simplified and predictable ways of obtaining services and not to receive financing from or providing financing to the grantors.

The timing of revenue recognition is based on a time-based measure of progress as the Foundation provides access to services continually over the course of the year. Opening balances of contract assets and liabilities as of July 1, 2019 were \$0 of contracts receivable and \$99,118 of contract liabilities.

Practical Expedients: The Foundation does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less, or (ii) contracts for which the amount of revenue recognized is based on the amount to which the Foundation has the right to invoice the customer for services performed.

Changes in contract assets and liabilities primarily relate to either party's performance under the contracts.

Subsequent Events:

Management has evaluated subsequent events through the date the financial statements were available for issuance, which is the same date as the auditors' report.

Tax Exempt Status:

Northeastern Junior College Foundation, Inc. has been granted an exemption from federal and Colorado income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision is made in these financial statements for income taxes.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassification:

Certain reclassifications have been made to the 2020 financial statements to conform to the 2021 financial statement presentation. These reclassifications had no effect on previously reported change in net assets.

NORTHEASTERN JUNIOR COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies - Continued:

Functional Allocation of Expenses:

Whenever possible, the Foundation charges expenses directly to the benefitting program or support service based upon a reasonable and allocable basis. When this is difficult or impractical, costs are allocated to programs and support services based upon estimates.

Contributed Services:

Contributed volunteer services are recognized at fair value if the services received either create or enhance long-lived assets; or require special skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by those volunteers. The amounts reflected in the accompanying financial statements, if any, are reported as contributed support and are offset by a like amount of expense.

Art Collection:

The Foundation's art collection, consisting of works of art contributed since the Foundation's inception, is recognized as an asset on the statements of financial position. Items acquired in exchange transactions are recognized as assets in the period in which they are acquired and are measured at cost, while contributed items are recognized as assets and as contributions in the appropriate net asset class and are measured at fair value at contribution date. The Foundation has a policy of using the proceeds of deaccessioned collection items, if any, the acquisition of more collection items or the direct care of existing collections.

Direct care is defined in the policy as investments in the existing collection that enhance or prolong their life, usefulness or quality, thereby insuring that current and future generations of the public will continue to benefit from them.

COVID-19:

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures of certain types of public places and business. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Foundation operates. It is unknown how long these conditions will last and what the complete financial effect will be to the Foundation.

NORTHEASTERN JUNIOR COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – Information Regarding Liquidity and Availability:

The Foundation strives to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

The following table reflects the Foundation's financial assets as of June 30, 2021 and 2020, reduced by amounts that are not available to meet general expenditures within one year of the Statements of Financial Position date. Amounts not available to meet general expenditures within one year includes net assets with donor restrictions.

June 30	2021	2020
Financial Assets at Year End:		
Cash and cash equivalents	\$ 499,903	\$ 939,981
Investment securities	--	5,642,080
Beneficial interest in assets held by:		
Community Foundation of Northern Colorado	7,978,342	--
	8,478,245	6,582,061
Net assets with donor restrictions	(6,571,889)	(5,774,246)
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	\$ 1,906,356	\$ 807,815

NOTE 3 – Endowments:

The Board of Directors of the NJC Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as generally requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent donor stipulations to the contrary. As a result of this interpretation, the Foundation generally 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. In accordance with UPMIFA, the NJC Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

NORTHEASTERN JUNIOR COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – Endowments – Continued:

The endowment funds may be invested in high quality, publicly-traded common and preferred stocks, convertible bonds, bank common funds, mutual funds, fixed income securities and other assets as authorized by the Board of Directors of NJC Foundation from time to time. The nature of the assets involved and the long-term objectives of the Foundation suggest utilizing a total return approach to investment management.

The NJC Foundation endowment seeks preservation of principal and to provide a dependable and reasonable rate of long term investment return consistent with moderate investment risk. The primary investment objective of the endowment is growth of both principal and income on a long-term basis sufficient to preserve and increase the purchasing power of the assets and protect the assets against inflation.

The Foundation has a policy of appropriating for distribution each year up to 4% of the average of the permanent endowment's market values for each of the three immediately preceding years, for designated program support as approved by the NJC Foundation Board, in accordance with the endowment mission and purpose.

The following are the changes in endowments for the year ended June 30, 2021 and 2020:

Year Ended June 30, 2021	Temporary	Perpetual
Endowment net assets, beginning of year	\$ 798,592	\$ 1,192,928
Contributions	270,352	25,000
Appropriation of endowment assets for expenditure	(46,402)	--
Management fees	(32,050)	--
Investment income	73,952	38
Reclassifications and transfers	12,616	20,000
Endowment net assets, end of year	\$ 1,077,060	\$ 1,237,966

Year Ended June 30, 2020	Temporary	Perpetual
Endowment net assets, beginning of year	\$ 632,455	\$ 1,182,890
Contributions	152,870	10,000
Appropriation of endowment assets for expenditure	(28,673)	--
Management fees	(27,770)	--
Investment income	69,710	38
Endowment net assets, end of year	\$ 798,592	\$ 1,192,928

NORTHEASTERN JUNIOR COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – Fair Value Measurements:

The *Fair Value Measurements and Disclosures* Topic of the Financial Accounting Standards Board Codification establishes a fair value hierarchy that is based on the fair value measurements. Measurements using quoted prices in active markets for identical assets and liabilities fall within Level 1 of the hierarchy, measurements using significant other observable inputs fall within Level 2, and measurements using significant unobservable inputs fall within Level 3.

Investments were moved to the Community Foundation of Northern Colorado in May 2021. See NOTE 6.

Description	Fair Value Measurements at June 30, 2020		
	Quoted Prices In Active Markets for Identical assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment Securities:			
Money Market	\$ 16,717	\$ --	\$ --
Mutual Funds – Equity	3,259,337	--	--
Mutual Funds – Fixed Income	2,366,026	--	--
Total	\$ 5,642,080	\$ --	\$ --

NOTE 5 – Net Assets With Donor Restrictions – Purpose Restricted:

Net assets with donor restrictions are available for the following purposes:

June 30	2021	2020
Investment and Title III funds	\$ 341,878	\$ 323,667
Managed Scholarships	4,554,952	3,343,011
Ag Farm Building	251,123	250,816
Pass-through Grants	64,948	61,534
ATC Capital Expansion	82,473	569,910
Pass-through Scholarships	38,549	32,380
Total	\$ 5,333,923	\$ 4,581,318

NORTHEASTERN JUNIOR COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – Beneficial Interest in Assets Held by Community Foundation of Northern Colorado:

In May 2021, Northeastern Junior College Foundation entered into agreements with Community Foundation of Northern Colorado (CFNC) to establish two funds to be administered by CFNC. These funds are not trusts or separate legal entities.

The funds are held and invested by CFNC for the benefit of Northeastern Junior College Foundation. Excess earnings, if any, are reinvested in the funds. The Foundation has selected the balanced investment option, which is approximately 60% equity investments.

The *Fair Value Measurements and Disclosures* Topic of the Financial Accounting Standards Board Codification establishes a fair value hierarchy that is based on the fair value measurements. Measurements using quoted prices in active markets for identical assets and liabilities fall within Level 1 of the hierarchy, measurements using significant other observable inputs fall within Level 2, and measurements using significant unobservable inputs fall within Level 3.

	Fair Value Measurements at June 30, 2021		
	Quoted Prices In Active Markets for Identical assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Beneficial interest in assets held by Community Foundation of Northern Colorado			
NJC Foundation Fund	\$ --	\$ --	\$ 6,281,641
NJC Foundation Title III Scholarship Fund	--	--	1,696,701
Total	\$ --	\$ --	\$ 7,978,342

The beneficial interest in assets held by Northern Colorado Community Foundation are recorded at the amount provided by the Community Foundation, which is based on the fair market value of the investments underlying the fund.

Northeastern Junior College Foundation intends the NJC Foundation Fund to be a long-term fund and it is invested accordingly. The fund is not endowed and is not subject to a spending policy.

Northeastern Junior College Foundation intends the NJC Foundation Title III Scholarship Fund to be an endowed fund and grants are limited to the sustainable annual amount defined by the Board of Trustees of the Northern Colorado Community Foundation.

NORTHEASTERN JUNIOR COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – Title III Endowment Challenge Grant Program:

Under the Federal Title III Endowment Challenge Grant Program, the College was entitled to receive \$311,626 of federal matching funds since the Foundation had secured a like amount of contributions prior to September 30, 2009.

The grant proceeds and the Foundation's matching funds may not be spent for a period of time ending twenty years after the grant's award date. The funds are to be segregated from the Foundation's other funds. There are investment standards that place restrictions on the types of investments into which the funds may be invested. During the grant period, the Foundation may withdraw and spend up to fifty percent of the fund earnings, subject to certain restrictions. The Foundation is also required to maintain records and provide certain reports associated with the fund.

NOTE 8 – Related Party Activities:

The Foundation charges incidental operating expenses through Northeastern Junior College. These expenses are itemized monthly and a reimbursement check is sent to the College. The amounts reimbursed are not included in the contributions to the College and are considered operating expenses by the Foundation.

The College provides a work space and has assigned an employee to be the executive director of the Foundation. A portion of the salary of the executive director is paid by the Foundation of \$23,056 and \$20,624 and a portion is recognized as contributed support of \$61,708 and \$55,199 for the years ended June 30, 2021 and 2020, respectively. The College also contributed support for an office coordinator during the year ended June 30, 2021 totaling \$5,583 and support for an office assistant during the year ended June 30, 2020 totaling \$2,562.

The Foundation and the College entered into an informal agreement in 2002, whereby the College pays the Foundation for the use of its art collection. The Foundation retains ownership and is responsible for the upkeep and insuring of the art collection. The lease income, net of upkeep and insurance costs, is to be used by the Foundation for scholarship awards to students attending the College. The Foundation received \$20,000 and \$20,000 from the College during the years ended June 30, 2021 and 2020, respectively, in connection with this lease agreement.

NJC Foundation, during the normal course of operations, may invest funds with financial institutions and agencies associated periodically with members of the Board of Trustees. All transactions and investments are made in accordance with the investment policies as adopted by the Board of Trustees.

NORTHEASTERN JUNIOR COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Charitable Remainder Trust:

An individual donor established a trust in 1997 naming the Foundation as 50% beneficiary of a charitable remainder trust. Under a charitable remainder trust arrangement, a donor establishes a trust with specified distributions to be made to a designated beneficiary or beneficiaries over the trust's term. Upon termination of the trust, the beneficiary receives an interest in the assets remaining in the trust. Distributions of the remaining assets are established by the trust agreement and generally call for a specified percentage of the trust's fair value as determined annually. As stipulated in the trust documents, the donor has reserved the right to amend or revoke all or any portion of the interest of any one or more charitable remaindermen. As such, the assets to be received under the revocable split-interest agreement will be recognized as contribution revenue only when the agreement becomes irrevocable or the assets become available for the Foundation for its unconditional use.

NOTE 10 – Contingencies:

The Foundation receives financial assistance from various grant programs which are subject to final review and approval by the respective grantor agencies. The amount, if any, of expenses which may be disallowed by the granting agencies cannot be determined at this time, although the Foundation expects such amounts, if any, to be immaterial.
