



Endowment for Health, Inc. and Subsidiary

CONSOLIDATED FINANCIAL STATEMENTS

and

SUPPLEMENTARY INFORMATION

September 30, 2022 and 2021

With Independent Auditor's Report





INDEPENDENT AUDITOR'S REPORT

Board of Directors
Endowment for Health, Inc. and Subsidiary

Opinion

We have audited the accompanying consolidated financial statements of Endowment for Health, Inc. and Subsidiary (a non-profit organization), which comprise the consolidated statements of financial position as of September 30, 2022 and 2021, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Endowment for Health, Inc. and Subsidiary as of September 30, 2022 and 2021, and the results of their operations and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

Basis for Opinion

We conducted our audits in accordance with U.S. generally accepted auditing standards (U.S. GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Endowment for Health, Inc. and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. GAAP; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Endowment for Health, Inc. and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Endowment for Health, Inc. and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Endowment for Health, Inc. and Subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Consolidating Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating information is presented for purposes of additional analysis of the consolidated financial statements, rather than to present the financial position and changes in net assets of the individual entities and is not a required part of the consolidated financial statements. Such consolidating information is the responsibility of management, and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Berry Dunn McNeil & Parker, LLC

Portland, Maine
February 2, 2023

ENDOWMENT FOR HEALTH, INC. AND SUBSIDIARY

Consolidated Statements of Financial Position

September 30, 2022 and 2021

ASSETS

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 722,463	\$ 843,189
Investments	85,680,869	101,460,023
Mission related investments	1,500,000	2,500,000
Grants and contributions receivable	7,026,155	-
Prepaid federal excise tax	24,765	12,084
Prepaid expenses and other current assets	<u>46,624</u>	<u>41,615</u>
Total assets	<u>\$ 95,000,876</u>	<u>\$104,856,911</u>

LIABILITIES AND NET ASSETS

Grants payable	\$ 1,594,975	\$ 770,900
Accounts payable and accrued expenses	227,548	165,560
Deferred tax liability	<u>256,608</u>	<u>493,883</u>
Total liabilities	<u>2,079,131</u>	<u>1,430,343</u>
Net assets		
Without donor restrictions	90,788,692	100,927,497
With donor restrictions - temporary in nature	182,658	548,676
With donor restrictions - Forward Fund, held in perpetuity	<u>1,950,395</u>	<u>1,950,395</u>
Total net assets with donor restrictions	<u>2,133,053</u>	<u>2,499,071</u>
Total net assets	<u>92,921,745</u>	<u>103,426,568</u>
Total liabilities and net assets	<u>\$ 95,000,876</u>	<u>\$104,856,911</u>

The accompanying notes are an integral part of these consolidated financial statements.

ENDOWMENT FOR HEALTH, INC. AND SUBSIDIARY

Consolidated Statements of Activities

Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Net assets without donor restrictions		
Revenue and net investment (loss) income		
Income (loss) on investments		
Interest and dividends	\$ 830,399	\$ 722,261
Investment management and custodial fees	(153,323)	(133,199)
Realized gain on investments	5,953,120	4,490,138
Unrealized (loss) gain on investments	(18,253,712)	16,706,461
Grant and contribution income	6,973,660	611,669
Other income	-	23,152
Release from restriction	75,711	-
Endowment spending draw for operations	<u>124,442</u>	<u>104,966</u>
Total revenue and net investment (loss) income	<u>(4,449,703)</u>	<u>22,525,448</u>
Expenses		
Program services		
Grant expense	3,903,198	2,395,946
Salaries and benefits	720,408	692,357
Professional services	635,590	759,930
Building and related expenses	48,054	42,565
Program support	44,295	16,816
Program operating expenses	<u>58,337</u>	<u>260,109</u>
Total program services	<u>5,409,882</u>	<u>4,167,723</u>
Management and general		
Salaries and benefits	270,383	285,593
Professional services	82,292	70,368
Building and related expenses	15,018	14,188
Administrative support	9,991	982
General operating expenses	43,953	35,391
Federal excise tax (benefit) expense	<u>(142,417)</u>	<u>305,807</u>
Total management and general	<u>279,220</u>	<u>712,329</u>
Total expenses	<u>5,689,102</u>	<u>4,880,052</u>
Change in net assets without donor restrictions	<u>(10,138,805)</u>	<u>17,645,396</u>
Net assets with donor restrictions		
Contributions	113,500	88,201
Investment (loss) income, net	(279,365)	519,375
Release from restriction	(75,711)	-
Endowment spending draw for operations	<u>(124,442)</u>	<u>(104,966)</u>
Change in net assets with donor restrictions	<u>(366,018)</u>	<u>502,610</u>
Total change in net assets	<u>(10,504,823)</u>	<u>18,148,006</u>
Net assets, beginning of year	<u>103,426,568</u>	<u>85,278,562</u>
Net assets, end of year	<u>\$ 92,921,745</u>	<u>\$ 103,426,568</u>

The accompanying notes are an integral part of these consolidated financial statements.

ENDOWMENT FOR HEALTH, INC. AND SUBSIDIARY

Consolidated Statements of Cash Flows

Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Change in net assets	\$ (10,504,823)	\$ 18,148,006
Adjustments to reconcile change in net assets to net cash used by operating activities		
Realized gain on investments	(6,095,312)	(4,597,385)
Unrealized loss (gain) on investments	18,689,706	(17,105,500)
Changes in operating assets and liabilities		
(Increase) decrease in		
Grants and contributions receivable	(7,026,155)	-
Prepaid federal excise tax	(12,681)	17,248
Prepaid expenses and other current assets	(5,009)	3,898
Increase (decrease) in		
Grants payable	824,075	107,577
Accounts payable and accrued expenses	61,988	83,969
Unearned grant income	-	(616,115)
Deferred tax liability	<u>(237,275)</u>	<u>238,876</u>
Net cash used by operating activities	<u>(4,305,486)</u>	<u>(3,719,426)</u>
Cash flows from investing activities		
Proceeds from sale and redemption of investments	28,163,631	22,642,729
Proceeds from redemption of mission related investments	1,000,000	-
Purchase of investments	<u>(24,978,871)</u>	<u>(19,303,785)</u>
Net cash provided by investing activities	<u>4,184,760</u>	<u>3,338,944</u>
Net decrease in cash and cash equivalents	(120,726)	(380,482)
Cash and cash equivalents, beginning of year	<u>843,189</u>	<u>1,223,671</u>
Cash and cash equivalents, end of year	<u>\$ 722,463</u>	<u>\$ 843,189</u>

The accompanying notes are an integral part of these consolidated financial statements.

ENDOWMENT FOR HEALTH, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

Nature of Activities

Endowment for Health, Inc. (the Foundation) is a state-wide, private, non-profit foundation dedicated to improving the health of the people of New Hampshire, especially those who are vulnerable and underserved.

The Foundation was established in 1999 as a result of the sale of Blue Cross Blue Shield New Hampshire to Anthem Insurance. It was created for the purpose of improving the health and reducing the burden of illness of the people of New Hampshire. It accomplishes this purpose by awarding grants, making mission investing/program-related investments, and providing technical and financial assistance to health-related programs, organizations and projects benefiting the people of New Hampshire. The Foundation's spending policy requires a percentage of these funds be distributed annually in accordance with Internal Revenue Code (IRC) requirements.

Since 2001, the Foundation has awarded nearly 1,620 grants, totaling more than \$63 million, to support a wide range of health-related programs and projects in New Hampshire. The major source of revenue is generated by the Foundation's investments.

In July 2007, Health Strategies of New Hampshire, Inc. (Health Strategies), the Foundation's wholly-owned subsidiary, was created in order to conduct initiatives, projects, programs, research and data collection and analysis, independently and with others, to address key issues and public policies that promote the health of New Hampshire residents. The major source of its revenue is grant income.

1. Summary of Significant Accounting Policies

Basis of Presentation

Net assets and revenues, gains and losses are classified as follows based on the existence or absence of donor-imposed restrictions:

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 are to be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. During 2019, the Endowment received a contribution in the amount of \$1,950,395 from the New Hampshire Medical Malpractice Joint Underwriting Association (JUA). The Endowment has identified the JUA funds as the Forward Fund in the consolidated statements of financial position.

ENDOWMENT FOR HEALTH, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

All contributions are considered to be contributions without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as increases in net assets with donor restrictions. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Contributions with donor restrictions whose restrictions are met in the same year as received are reflected as net assets without donor restrictions in the accompanying consolidated financial statements.

Unconditional promises to give are recorded at their fair value as contributions receivable and revenue in the fiscal year the contributions are made. Unconditional promises are those for which verifiable evidence exists that a legally binding promise to give has been made.

During 2022, the Foundation received a one-time unrestricted contribution of \$6,926,155 which is included in grants and contributions receivable as of September 30, 2022. The full balance of the gift was received on November 7, 2022.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Principles of Consolidation

The accompanying consolidated financial statements include the financial statements of the Foundation and Health Strategies. All significant intercompany accounts and transactions have been eliminated in consolidation.

The Foundation and its subsidiary have different fiscal years. The Foundation's fiscal year is October 1 to September 30 and Health Strategies' fiscal year is July 1 to June 30.

For the September 30, 2022 and 2021 consolidated financial statements, Health Strategies presents the twelve months October 1, 2021 to September 30, 2022 and October 1, 2020 to September 30, 2021, respectively.

Cash and Cash Equivalents

For the purpose of the consolidated statements of cash flows, the Foundation and its subsidiary consider cash equivalents to consist of interest-bearing, demand bank accounts.

ENDOWMENT FOR HEALTH, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

Money market accounts and other highly liquid debt securities held by its investment managers are considered investments and not cash equivalents, since it is the Foundation's Board's intention to invest these funds for long-term purposes.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated statements of financial position as provided by investment managers. Other investments, for which no such quotations or valuations are readily available, are carried at fair value as estimated by management using audited or unaudited values provided by external investment managers. The Foundation reviews and evaluates the valuations provided by the investment managers and believes that these valuations are a reasonable estimate of fair value, but are subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investments existed.

Investments in general are exposed to various risks, such as interest rates, credit, and overall market volatility. As such, it is reasonably possible that changes could materially affect the amounts reported in the consolidated statements of financial position.

Grants

The Foundation recognizes a liability and corresponding expense for unconditional grants in the amount expected to be paid when grants are approved by the Board of Directors and the award is communicated to the grantee. Such liabilities are not recorded at their present values using a discount rate commensurate with the risks involved because the present value is not materially less than the amounts expected to be paid. Conditional grants approved by the Board of Directors are recorded when the recipient organizations meet the conditions. Future grant payments as of September 30, 2022 are related to grants awarded in fiscal year 2022 that will be paid subsequent to September 30, 2022.

Income and Excise Taxes

The Foundation and its subsidiary are exempt from income taxes under Section 501(c)(3) of the IRC. The IRC imposes a federal excise tax equal to 1.39% on its net investment income (principally interest, dividends and net realized capital gains less expenses incurred in the production of investment income). The income tax filings for the tax years before 2018 are no longer subject to examination by federal and state taxing authorities.

The Foundation has adopted the provisions of FASB ASC Subtopic 740-10-25, *Income Taxes - Overall - Recognition*, related to uncertain tax positions. The Foundation does not believe there are any material uncertain tax positions and, accordingly, it has not recognized any liability for unrecognized tax benefits.

ENDOWMENT FOR HEALTH, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

Expense Allocation

The consolidated financial statements report certain categories of expenses that are attributable to both program and management and general functions. These expenses require allocation on a reasonable basis consistently applied. Expenses that are attributable to both program and management and general functions include salaries and benefits, professional services, technology, office expense and building and related expenses. The allocation is based on the proportion of time spent on each function by staff.

Subsequent Events

The Foundation has considered events occurring through February 2, 2023, which was the date that the consolidated financial statements were available to be issued.

2. Availability and Liquidity of Financial Assets

The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to optimize its available funds. The Foundation has various sources of liquidity at its disposal, including cash and cash equivalents and investments.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing operating activities as well as the conduct of services undertaken to support those operating activities.

In addition to financial assets available to meet general expenditures over the next 12 months, the Foundation operates with a budget and anticipates collecting sufficient revenue to cover expenditures not covered by donor-restricted resources or, where appropriate, borrowings. Refer to the statements of cash flows, which identify the sources and uses of the Foundation's cash and cash equivalents.

The following financial assets are expected to be available within one year of the statement of financial position date to meet general expenditures as of September 30:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 722,463	\$ 843,189
Grant and contribution revenue expected to be received in the next 12 months	6,973,660	611,669
Expected distribution of investments for use over the next 12 months	<u>4,700,000</u>	<u>4,500,000</u>
Financial assets available to meet general expenditures within one year	<u>\$ 12,396,123</u>	<u>\$ 5,954,858</u>

The Foundation has investments without donor restrictions of \$83,673,806 and \$99,049,153 at September 30, 2022 and 2021, respectively. The investments are subject to various redemption and other restrictions described more fully in Note 5.

ENDOWMENT FOR HEALTH, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

3. Investments

Investments consisted of the following at September 30:

	<u>2022</u>	<u>2021</u>
Invested cash equivalents	\$ 3,925,693	\$ 4,488,092
Mutual funds		
Equities	20,771,066	31,775,097
Fixed income securities	2,421,033	5,536,168
International equity funds	12,636,836	13,033,223
Fixed income funds	4,614,452	997,271
Flexible capital *	15,137,921	22,247,685
Non-marketable investments		
Private equities	16,632,047	14,860,900
Private real assets	<u>9,541,821</u>	<u>8,521,587</u>
	<u>\$ 85,680,869</u>	<u>\$ 101,460,023</u>

The goals and objectives of the investment portfolio are to preserve the purchasing power of the assets while providing a stable funding source to support the current and future mission. The Foundation maintains a reasonable diversification of investment asset classes and asset class weights.

The purpose of the equity allocation (domestic and international stocks) is to provide appreciation of capital that offsets inflation. These funds provide daily liquidity to capital and diversification in the investment portfolio.

The purpose of the fixed income allocation is to provide a hedge against deflation and to reduce volatility in the investment portfolio.

The purpose of the flexible capital allocation is to seek positive returns while protecting against the downside during periods of market declines in the investment portfolio. Flexible capital strategies broadly refer to long/short equity and absolute return investments. These strategies typically have expanded opportunity sets and are less benchmark-aware. Equity focused strategies seek to capture some upside in equity markets while protecting against the downside during periods of market declines. Absolute return investments (which include but are not limited to long/short credit, merger arbitrage, distressed, and relative value) seek to deliver positive returns which are less correlated to the broad equity and fixed income markets.

Non-marketable private equity and private real assets provide increased return potential and reduces overall volatility in the investment portfolio through greater diversification. These illiquid funds have a long-term investment horizon and are usually funded over several years.

Investments by class of net assets consisted of the following at September 30:

	<u>2022</u>	<u>2021</u>
Without donor restrictions	\$ 83,673,806	\$ 99,049,153
With donor restrictions	<u>2,007,063</u>	<u>2,410,870</u>
	<u>\$ 85,680,869</u>	<u>\$ 101,460,023</u>

ENDOWMENT FOR HEALTH, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

Non-marketable investments include private equities and private real assets and consisted of the following at September 30, 2022:

<u>Fund</u>	<u>Commitment</u>	<u>Interest in Fund</u>	<u>Current Year Contribution</u>	<u>Total Invested</u>	<u>Return of Capital</u>
<i>Private Equities</i>					
Legacy Venture VI, LLC	\$ 1,000,000	0.4997 %	\$ -	\$ 980,000	\$ 980,000
Legacy Venture VII, LLC	1,000,000	0.3949 %	20,000	1,000,000	885,118
Legacy Venture VIII, LLC	1,000,000	0.3417 %	50,000	980,000	237,724
Legacy Venture IX, LLC	1,000,000	0.3200 %	160,000	850,000	52,494
Legacy Venture X, LLC	1,000,000	0.2857 %	290,000	420,000	-
Legacy Venture XI, LLC	1,000,000	0.2105 %	-	40,000	-
Borealis Granite Fund, L.P.	1,269,125	5.9672 %	-	1,269,125	885,481
RCP Fund IX, LP	1,000,000	0.2900 %	41,070	1,090,268	1,009,231
RCP Fund XI, LP	1,000,000	0.3200 %	114,550	974,508	475,112
RCP Fund XII, LP	1,000,000	0.2617 %	217,202	959,195	261,161
RCP Fund XIII, LP	1,000,000	0.2366 %	270,422	697,867	37,867
RCP Fund XIV, LP	1,000,000	0.5500 %	161,400	434,306	34,958
RCP Fund XVI, LP	1,000,000	0.2309 %	60,000	60,000	-
RCP Direct Fund IV, LP	1,000,000	0.1800 %	240,000	280,000	-
Accolade Partners Growth II, LP	1,000,000	0.5700 %	245,942	305,942	-
Accolade Partners Growth III, LP	1,000,000	0.2857 %	-	-	-
Davidson Kemper Fund V Distressed	1,000,000	0.0600 %	243,163	883,060	11,637
Davidson Kemper Fund VI Distressed	1,000,000	0.0515 %	-	-	-
North Country Growers	500,000	N/A	500,000	500,000	-
				<u>\$ 11,724,271</u>	<u>\$ 4,870,783</u>
<i>Private Real Assets</i>					
NGP Natural Resources XII, LP	\$ 2,000,000	0.0465 %	\$ 187,375	\$ 1,409,949	\$ 422,078
Juniper Capital II, LP	1,500,000	0.2998 %	139	1,475,075	98,431
Juniper Capital III, LP	1,000,000	0.1476 %	45,424	911,057	16,043
Lyme Forest Fund V, FB, LP	350,000	0.1167 %	-	316,125	45,426
BPG Investment Partnership VIIA, LP	3,000,000	0.5450 %	-	3,000,000	2,259,407
BPG Investment Partnership VIIIA, LP	1,870,589	0.5450 %	-	1,870,589	1,870,589
AG Realty Fund IX, LP	2,000,000	0.1500 %	-	1,850,502	1,651,753
AG Realty Fund X, LP	1,000,000	0.0400 %	350,803	845,000	243,527
AG Realty Fund XI, LP	1,000,000	0.0900 %	-	-	-
Rose Affordable Housing Preservation Fund IV	1,500,000	0.5400 %	547,500	988,981	-
GEM Realty Fund VI, LP	1,000,000	0.0986 %	289,060	775,000	514,625
Bain Capital Real Estate Fund	1,000,000	N/A	25,000	25,000	-
				<u>\$ 13,467,278</u>	<u>\$ 7,121,879</u>

ENDOWMENT FOR HEALTH, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

Non-marketable investments consisted of the following at September 30, 2021:

<u>Fund</u>	<u>Commitment</u>	<u>Interest in Fund</u>	<u>Current Year Contribution</u>	<u>Total Invested</u>	<u>Return of Capital</u>
<i>Private Equities</i>					
Legacy Venture VI, LLC	\$ 1,000,000	0.4997 %	\$ -	\$ 980,000	\$ 980,000
Legacy Venture VII, LLC	1,000,000	0.3949 %	-	980,000	332,807
Legacy Venture VIII, LLC	1,000,000	0.3417 %	100,000	930,000	78,574
Legacy Venture IX, LLC	1,000,000	0.3200 %	400,000	690,000	7,995
Legacy venture X, LLC	1,000,000	0.2857 %	130,000	130,000	-
Borealis Granite Fund, L.P.	1,269,125	5.9672 %	38,074	1,269,125	554,510
RCP Fund IX, LP	1,000,000	0.2900 %	99,634	1,049,198	615,080
RCP Fund XI, LP	1,000,000	0.3200 %	219,958	859,958	139,015
RCP Fund XII, LP	1,000,000	0.2617 %	240,451	741,993	97,797
RCP Fund XIII, LP	1,000,000	0.2366 %	217,445	427,445	17,445
RCP Fund XIV, LP	1,000,000	0.5500 %	212,906	272,906	22,906
RCP Direct Fund IV, LP	1,000,000	0.1800 %	40,000	40,000	-
Accolade Partners Growth II, LP	1,000,000	0.5700 %	60,000	60,000	-
Davidson Kemper Fund V Distressed	1,000,000	0.0600 %	529,897	639,897	11,637
				<u>\$ 9,070,522</u>	<u>\$ 2,857,766</u>
<i>Private Real Assets</i>					
NGP Natural Resources XII, LP	\$ 2,000,000	0.0465 %	\$ 178,980	\$ 1,222,574	\$ 56,690
Juniper Capital II, LP	1,500,000	0.2998 %	141,524	1,474,936	108,563
Juniper Capital III, LP	1,000,000	0.1476 %	357,630	865,633	8,951
Lyme Forest Fund V, FB, LP	350,000	0.1167 %	35,000	316,125	17,058
BPG Investment Partnership VIIA, LP	3,000,000	0.5450 %	-	3,000,000	2,237,595
BPG Investment Partnership VIIIA, LP	1,870,589	0.5450 %	81,146	1,870,589	1,870,589
AG Realty Fund IX, LP	2,000,000	0.1500 %	502	1,850,502	727,703
AG Realty Fund X, LP	1,000,000	0.0400 %	196,697	494,197	53,777
Rose Affordable Housing Preservation Fund IV	1,000,000	0.5400 %	441,481	441,481	-
GEM Realty Fund VI, LP	1,000,000	0.9860 %	40,940	485,940	86,865
				<u>\$ 12,021,977</u>	<u>\$ 5,167,791</u>

ENDOWMENT FOR HEALTH, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

4. Mission Related Investments

The Foundation has outstanding loans with the New Hampshire Community Loan Fund, Inc. (NHCLF) amounting to \$1,500,000 and \$2,500,000 at September 30, 2022 and 2021, respectively. The purpose of these loans is to assist the NHCLF to provide access to financing and support for people with low and moderate income. Under the terms of the agreements, NHCLF makes annual interest payments to the Foundation based on an interest annual rate of 5%. In July 2022, NHCLF repaid \$1,000,000 of the principal balance. The remaining principal is due and payable in installments of \$500,000 in May 2029, and \$1,000,000 in August 2027.

5. Fair Value Measurement

U.S. GAAP establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Fair values of assets measured at fair value on a recurring basis are summarized below based on input level:

<u>September 30, 2022</u>	<u>Total</u>	<u>Level 1</u>
Investments		
Invested cash equivalents	\$ 3,925,693	\$ 3,925,693
Mutual funds		
Equities	20,771,066	20,771,066
Fixed income securities	<u>2,421,033</u>	<u>2,421,033</u>
	27,117,792	<u>\$ 27,117,792</u>
Investments measured at net asset value (NAV)	<u>58,563,077</u>	
Total	<u>\$ 85,680,869</u>	

ENDOWMENT FOR HEALTH, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

<u>September 30, 2021</u>	<u>Total</u>	<u>Level 1</u>
Investments		
Invested cash equivalents	\$ 4,488,092	\$ 4,488,092
Mutual funds		
Equities	31,775,097	31,775,097
Fixed income securities	<u>5,536,168</u>	<u>5,536,168</u>
	41,799,357	\$ <u>41,799,357</u>
Investments measured at NAV	<u>59,660,666</u>	
Total	<u>\$ 101,460,023</u>	

The following table sets forth a summary of the Organization's investments valued using a reported NAV at September 30:

<u>Investment</u>	<u>Fair Value Estimated Using NAV</u> <u>Per Share at September 30</u>		<u>Redemption</u> <u>Frequency</u>	<u>Other Redemption</u> <u>Restrictions</u>	<u>Redemption</u> <u>Notice Period</u>
	<u>2022</u>	<u>2021</u>			
Highclere Intl SMID Fund	\$ 2,020,495	\$ 3,085,707	Monthly	N/A	10 days
Generation IM Global Equity Fund, LLC	3,874,986	5,777,971	Quarterly	N/A	30 days
Generation IM Asia Fund	1,472,565	2,002,196	Quarterly	N/A	90 days
Colchis P2P Income Fund	361,032	997,271	Quarterly	N/A	120 days
Nut Tree Offshore Fund	2,579,704	2,900,461	Quarterly	25% quarterly	60 days
Nyes Ledge	3,526,104	6,746,674	Quarterly	25% quarterly	90 days
Varde Credit Partners	2,140,306	2,334,049	Quarterly	25% quarterly	90 days
Anchorage Capital Partners Offshore, Ltd.	261,420	811,138	Quarterly	Redemptions on quarter-end closest to anniversary. 3% redemption fee if < 2 years	90 days
Davidson Kemper Institutional Partners, LP	2,805,440	4,403,212	Quarterly	Redemption max: 3 consecutive quarters	65 days
Juniper Capital II, LP	1,692,785	1,629,063	N/A	N/A	N/A
Juniper Capital III, LP	1,469,310	1,277,148	N/A	N/A	N/A
NGP Natural Resources XII, LP	1,568,151	1,303,212	N/A	N/A	N/A
Southpoint Qualified Offshore Fund, Ltd.	2,480,394	2,820,385	Quarterly	25% quarterly	60 days
Lyme Forest Fund	419,006	295,060	N/A	N/A	N/A
Legacy Venture VI, LLC	2,013,508	2,947,687	N/A	N/A	N/A
Legacy Venture VII, LLC	3,173,622	3,118,935	N/A	N/A	N/A
Legacy Venture VIII, LLC	2,230,089	1,843,842	N/A	N/A	N/A

ENDOWMENT FOR HEALTH, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

<u>Investment</u>	Fair Value Estimated Using NAV Per Share at September 30 (concluded)		<u>Redemption Frequency</u>	<u>Other Redemption Restrictions</u>	<u>Redemption Notice Period</u>
	<u>2022</u>	<u>2021</u>			
Legacy Venture IX, LLC	\$ 1,606,058	\$ 1,007,450	N/A	N/A	N/A
Legacy Venture X, LLC	405,543	127,761	N/A	N/A	N/A
Legacy Venture XI, LLC	40,000	-	N/A	N/A	N/A
Borealis Granite Fund, L.P.	527,319	1,153,574	N/A	N/A	N/A
RCP Fund IX, LP	928,162	1,143,702	N/A	N/A	N/A
RCP Fund XI, LP	1,098,915	1,167,751	N/A	N/A	N/A
RCP Fund XII, LP	1,133,303	830,299	N/A	N/A	N/A
RCP Fund XIII, LP	850,763	463,861	N/A	N/A	N/A
RCP Fund XIV, LP	514,218	238,924	N/A	N/A	N/A
RCP Fund XVI, LP	41,853	-	N/A	N/A	N/A
RCP Direct Fund IV, LP	296,753	40,000	N/A	N/A	N/A
Stone Ridge Reinsurance Risk Premium Interval Fund	108,488	140,769	Quarterly	Share repurchase program: 5% - 25% of fund's outstanding shares at NAV	10 days
GEM Realty Fund VI, LP	518,878	510,664	N/A	N/A	N/A
BPG Investment Partnership VIIA, LP	852,735	859,135	N/A	N/A	N/A
AG Realty Fund IX, LP	1,006,535	1,735,639	N/A	N/A	N/A
AG Realty Fund X, LP	932,374	540,456	N/A	N/A	N/A
Lone Cascade, L.P.	1,118,290	2,167,349	Quarterly	N/A	60 Days
Lone Cedar, Ltd.	1,236,065	2,090,997	Quarterly	N/A	60 Days
Rose Affordable Housing Preservation Fund V	1,071,658	371,210	N/A	N/A	N/A
Accolade Partners Growth II, LP	296,876	60,000	N/A	N/A	N/A
North Country Growers	500,000	-	N/A	N/A	N/A
Bain Capital Real Estate	10,389	-	N/A	N/A	N/A
Davidson Kemper Fund V Distressed	975,065	717,114	N/A	N/A	N/A
Garcia Hamilton	4,253,420	-	Daily	N/A	1 day
Rhumblin	4,150,500	-	Daily	N/A	1 day
	<u>\$ 58,563,077</u>	<u>\$ 59,660,666</u>			

ENDOWMENT FOR HEALTH, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

6. Lease Commitments

During the year ended September 30, 2019, the Foundation renewed its operating lease for office space which expires in August 2023. Based on the terms of the lease, the base rent is \$31,725 for the first year of the lease with a 2.5% annual increase thereafter. In addition to base rent, the Foundation is responsible for its share of real estate taxes, insurance, and common area maintenance and utilities that service the property, which is currently \$21,500 annually.

In addition, during the year ended September 30, 2018, the Foundation entered into an operating lease for a copier. The lease expires in September 2023 and requires a monthly payment of \$195.

Future minimum lease payments for the year ending September 30, 2023 total approximately \$58,859.

For the years ended September 30, 2022 and 2021, rent expense was \$55,737 and \$54,898, respectively.

7. Concentration of Credit Risk

The Foundation maintains its cash balance in a national bank. The Federal Deposit Insurance Corporation (FDIC) insures the balance up to \$250,000. The bank has collateralized all deposits for the Foundation in excess of the FDIC limit. Management believes it is not exposed to any significant risk on cash and cash equivalents.

In the normal course of business, the Foundation utilizes counterparties which primarily include a bank, investment fund managers, and an investment advisor. In the event that these counterparties do not fulfill their obligations, the Foundation may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Foundation's policy to review, as necessary, the credit standing of each counterparty.

8. Retirement Savings Plan

The Foundation has a 403(b) defined contribution plan covering substantially all of its employees who have completed six months of service. The Foundation contributes 5% of base salary to the plan with no employee contribution required. Additionally, the Foundation matches employee salary deferral contribution dollar for dollar up to an additional 2% of base salary in 2022 and 2021. For the years ended September 30, 2022 and 2021, retirement savings expense was \$51,917 and \$45,703, respectively.

ENDOWMENT FOR HEALTH, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

9. Federal Excise Tax

Federal excise tax (benefit) expense consists of the following for the years ended September 30:

	<u>2022</u>	<u>2021</u>
Current	\$ 94,858	\$ 66,931
Deferred	<u>(237,275)</u>	<u>238,876</u>
	<u>\$ (142,417)</u>	<u>\$ 305,807</u>

Temporary differences related to cumulative unrealized gains on investments give rise to the deferred taxes.

10. Funds Held by Others

The Foundation has the right to recommend grant distributions from a donor-advised fund maintained at the New Hampshire Charitable Foundation (NHCF). Pursuant to the terms of the resolution establishing this fund, property contributed by unrelated parties to NHCF is held as a separate fund designated for the benefit of the Foundation. The Board of Directors of NHCF has been granted the power to re-designate the funds contributed by unrelated parties if the Foundation is incapable of fulfilling its mission.

The fund is not included in these consolidated financial statements since the fund is not an asset of the Foundation and NHCF has the ability to re-designate funds contributed by unrelated parties. The total market value of the fund was approximately \$533,214 and \$610,779 at September 30, 2022 and 2021, respectively. During 2022 and 2021, no funds were distributed from this fund.

11. Endowment Funds

The State of New Hampshire enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) effective July 1, 2008, the provisions of which apply to endowment funds existing on or established after that date. The Foundation's endowment consists of a donor-restricted fund established for improving the health of the people of New Hampshire. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

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 to be 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.

ENDOWMENT FOR HEALTH, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (held in perpetuity) (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual 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 net assets with donor restrictions (held in perpetuity) is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by 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 fund, (2) the purpose of the 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 Foundation, and (7) the investment policies of the Foundation.

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. The Foundation's spending policy permits spending from underwater endowment funds, subject to the intent of the donor as expressed in the gift instrument. As of September 30, 2022, there were no deficiencies of this nature associated with the individual donor-restricted endowment fund.

Investment Return Objectives, Risk Parameters and Strategies

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds, while also maintaining the purchasing power of those endowment assets over the long term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income and capital appreciation, which exceeds the annual distribution with acceptable levels of risk. The real return objective for the Foundation is 5% over a long-time horizon, net of any fees. In order to have a reasonable probability of earning this return, the Board of Directors adopts asset allocation policies each year based on the current market conditions. The Foundation's target allocation range is approximately 77% in equity securities including private equity and flexible capital, 13% in fixed income and 10% in real assets. 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 in order to avoid exposing the fund to unacceptable levels of risk.

Spending Policy

The Foundation has a spending policy which limits the amount spent from accumulated earnings on funds maintained in perpetuity functioning as endowment as no greater than 6% of the fair market value of the assets of the Foundation's endowment funds (calculated on the basis of market values determined at least quarterly and averaged over a period of 3 or more years). Spending greater than 6% requires approval of at least seventy percent (70%) of the entire Board of Directors and thirty (30) days' prior written notice to the Director of Charitable Trusts, Charitable Trusts Unit, Office of the New Hampshire Attorney General. This is consistent with the Foundation's objective to preserve and grow its assets over the long term.

ENDOWMENT FOR HEALTH, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

Changes in endowment net assets for the year ended September 30, 2022 are as follows:

	<u>Board- Designated</u>	<u>Funds Subject to Use or Time Restriction</u>	<u>Funds of Perpetual Duration</u>	<u>Total</u>
Endowment net assets, September 30, 2021	\$ 99,049,153	\$ 460,475	\$ 1,950,395	\$101,460,023
Investment loss, net	(11,649,789)	(279,365)	-	(11,929,154)
Endowment assets appropriated for expenditure	124,442	(124,442)	-	-
Withdrawal	<u>(3,850,000)</u>	<u>-</u>	<u>-</u>	<u>(3,850,000)</u>
Endowment net assets, September 30, 2022	<u>\$ 83,673,806</u>	<u>\$ 56,668</u>	<u>\$ 1,950,395</u>	<u>\$ 85,680,869</u>

Changes in endowment net assets as of September 30, 2021 are as follows:

	<u>Board- Designated</u>	<u>Funds Subject to Use or Time Restriction</u>	<u>Funds of Perpetual Duration</u>	<u>Total</u>
Endowment net assets, September 30, 2020	\$ 81,099,621	\$ 46,066	\$ 1,950,395	\$ 83,096,082
Investment return, net	21,744,566	519,375	-	22,263,941
Appropriation of endowment assets for expenditure	104,966	(104,966)	-	-
Withdrawal	<u>(3,900,000)</u>	<u>-</u>	<u>-</u>	<u>(3,900,000)</u>
Endowment net assets, September 30, 2021	<u>\$ 99,049,153</u>	<u>\$ 460,475</u>	<u>\$ 1,950,395</u>	<u>\$101,460,023</u>

ENDOWMENT FOR HEALTH, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

12. Net Assets with Donor Restrictions

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

	<u>2022</u>	<u>2021</u>
Funds maintained with donor restrictions temporary in nature:		
Restricted for a specific purpose	\$ 125,990	\$ 88,201
Accumulated earnings on the Forward Fund, to be used to promote aid to health care providers servicing medically under served populations	<u>56,668</u>	<u>460,475</u>
Total funds maintained with donor restrictions temporary in nature	182,658	548,676
Funds maintained in perpetuity:		
Forward fund	<u>1,950,395</u>	<u>1,950,395</u>
Total net assets with donor restrictions	<u>\$ 2,133,053</u>	<u>\$ 2,499,071</u>

13. Pandemic Relief Funding

In August 2020, Health Strategies was awarded approximately \$625,000 from the Governor's Office for Emergency Relief and Recovery (GOFERR). The GOFERR grant is a pass-through grant provided to the State of New Hampshire through the CARES Act. The GOFERR grant was to be used by Health Strategies to cover eligible costs outlined in the grant agreement that were incurred through December 30, 2020. During the year ended September 30, 2021, Health Strategies satisfied the terms and conditions of the grant agreement and recognized revenue of \$601,961 which is included with grant and contribution income in the consolidated statement of activities.

SUPPLEMENTARY INFORMATION

ENDOWMENT FOR HEALTH, INC. AND SUBSIDIARY

Consolidating Statement of Financial Position

September 30, 2022

ASSETS

	Endowment for Health, Inc.	Health Strategies of New Hampshire, Inc.	Eliminations	Consolidated Total
Cash and cash equivalents	\$ 422,888	\$ 299,575	\$ -	\$ 722,463
Investments	85,680,869	-	-	85,680,869
Mission related investments	1,500,000	-	-	1,500,000
Grants and contributions receivable	6,926,155	100,000	-	7,026,155
Prepaid federal excise tax	24,765	-	-	24,765
Prepaid expenses and other current assets	<u>46,624</u>	<u>-</u>	<u>-</u>	<u>46,624</u>
Total assets	<u>\$ 94,601,301</u>	<u>\$ 399,575</u>	<u>\$ -</u>	<u>\$ 95,000,876</u>

LIABILITIES AND NET ASSETS

Grants payable	\$ 1,594,975	\$ -	\$ -	\$ 1,594,975
Accounts payable and accrued expenses	196,190	31,358	-	227,548
Deferred tax liability	<u>256,608</u>	<u>-</u>	<u>-</u>	<u>256,608</u>
Total liabilities	<u>2,047,773</u>	<u>31,358</u>	<u>-</u>	<u>2,079,131</u>
Net assets				
Without donor restrictions	90,546,465	242,227	-	90,788,692
With donor restrictions - temporary in nature	56,668	125,990	-	182,658
With donor restrictions - Forward Fund, held in perpetuity	<u>1,950,395</u>	<u>-</u>	<u>-</u>	<u>1,950,395</u>
Total net assets with donor restrictions	<u>2,007,063</u>	<u>125,990</u>	<u>-</u>	<u>2,133,053</u>
Total net assets	<u>92,553,528</u>	<u>368,217</u>	<u>-</u>	<u>92,921,745</u>
Total liabilities and net assets	<u>\$ 94,601,301</u>	<u>\$ 399,575</u>	<u>\$ -</u>	<u>\$ 95,000,876</u>

ENDOWMENT FOR HEALTH, INC. AND SUBSIDIARY

Consolidating Statement of Activities

Year Ended September 30, 2022

	Endowment for Health, Inc.	Health Strategies of New Hampshire, Inc.	Eliminations	Consolidated Total
Net assets without donor restrictions				
Revenue and net investment (loss) income				
Income (loss) on investments				
Interest and dividends	\$ 829,320	\$ 1,079	\$ -	\$ 830,399
Investment management and custodial fees	(153,323)	-	-	(153,323)
Realized gain on investments	5,953,120	-	-	5,953,120
Unrealized loss on investments	(18,253,712)	-	-	(18,253,712)
Grant income	6,941,155	324,298	(291,793)	6,973,660
Releases from restriction	-	75,711	-	75,711
Endowment spending draw for operations	<u>124,442</u>	<u>-</u>	<u>-</u>	<u>124,442</u>
Total revenue and net investment (loss) income	<u>(4,558,998)</u>	<u>401,088</u>	<u>(291,793)</u>	<u>(4,449,703)</u>
Expenses				
Program services				
Grant expense	4,194,991	-	(291,793)	3,903,198
Salaries and benefits	720,408	-	-	720,408
Professional services	22,533	613,057	-	635,590
Building and related expenses	45,054	3,000	-	48,054
Program support	26,230	18,065	-	44,295
Program operating expenses	<u>48,012</u>	<u>10,325</u>	<u>-</u>	<u>58,337</u>
Total program services	<u>5,057,228</u>	<u>644,447</u>	<u>(291,793)</u>	<u>5,409,882</u>
Management and general				
Salaries and benefits	270,383	-	-	270,383
Professional services	80,293	1,999	-	82,292
Building and related expenses	15,018	-	-	15,018
Administrative support	9,991	-	-	9,991
General operating expenses	43,953	-	-	43,953
Federal excise tax (benefit) expense	<u>(142,434)</u>	<u>17</u>	<u>-</u>	<u>(142,417)</u>
Total management and general	<u>277,204</u>	<u>2,016</u>	<u>-</u>	<u>279,220</u>
Total expenses	<u>5,334,432</u>	<u>646,463</u>	<u>(291,793)</u>	<u>5,689,102</u>
Change in net assets without donor restrictions	<u>(9,893,430)</u>	<u>(245,375)</u>	<u>-</u>	<u>(10,138,805)</u>
Net assets with donor restrictions				
Contributions	-	113,500	-	113,500
Investment loss	(279,365)	-	-	(279,365)
Release from restriction	-	(75,711)	-	(75,711)
Endowment spending draw for operations	<u>(124,442)</u>	<u>-</u>	<u>-</u>	<u>(124,442)</u>
Change in net assets with donor restrictions	<u>(403,807)</u>	<u>37,789</u>	<u>-</u>	<u>(366,018)</u>
Total change in net assets	<u>(10,297,237)</u>	<u>(207,586)</u>	<u>-</u>	<u>(10,504,823)</u>
Net assets, beginning of year	<u>102,850,765</u>	<u>575,803</u>	<u>-</u>	<u>103,426,568</u>
Net assets, end of year	<u>\$ 92,553,528</u>	<u>\$ 368,217</u>	<u>\$ -</u>	<u>\$ 92,921,745</u>

ENDOWMENT FOR HEALTH, INC. AND SUBSIDIARY

Consolidating Statement of Financial Position

September 30, 2021

ASSETS

	Endowment for Health, Inc.	Health Strategies of New Hampshire, Inc.	Eliminations	Consolidated Total
Cash and cash equivalents	\$ 255,036	\$ 588,153	\$ -	\$ 843,189
Investments	101,460,023	-	-	101,460,023
Mission related investments	2,500,000	-	-	2,500,000
Prepaid federal excise tax	12,084	-	-	12,084
Prepaid expenses and other current assets	<u>41,615</u>	<u>-</u>	<u>-</u>	<u>41,615</u>
 Total assets	 <u>\$ 104,268,758</u>	 <u>\$ 588,153</u>	 <u>\$ -</u>	 <u>\$ 104,856,911</u>

LIABILITIES AND NET ASSETS

Grants payable	\$ 770,900	\$ -	\$ -	\$ 770,900
Accounts payable and accrued expenses	153,210	12,350	-	165,560
Deferred tax liability	<u>493,883</u>	<u>-</u>	<u>-</u>	<u>493,883</u>
 Total liabilities	 <u>1,417,993</u>	 <u>12,350</u>	 <u>-</u>	 <u>1,430,343</u>
 Net assets				
Without donor restrictions	100,439,895	487,602	-	100,927,497
With donor restrictions - temporary in nature	460,475	88,201	-	548,676
With donor restrictions - Forward Fund, held in perpetuity	<u>1,950,395</u>	<u>-</u>	<u>-</u>	<u>1,950,395</u>
 Total net assets with donor restrictions	 <u>2,410,870</u>	 <u>88,201</u>	 <u>-</u>	 <u>2,499,071</u>
 Total net assets	 <u>102,850,765</u>	 <u>575,803</u>	 <u>-</u>	 <u>103,426,568</u>
 Total liabilities and net assets	 <u>\$ 104,268,758</u>	 <u>\$ 588,153</u>	 <u>\$ -</u>	 <u>\$ 104,856,911</u>

ENDOWMENT FOR HEALTH, INC. AND SUBSIDIARY

Consolidating Statement of Activities

Year Ended September 30, 2021

	Endowment for Health, Inc.	Health Strategies of New Hampshire, Inc.	Eliminations	Consolidated Total
Net assets without donor restrictions				
Revenue and net investment income				
Income on investments				
Interest and dividends	\$ 720,925	\$ 1,336	\$ -	\$ 722,261
Investment management and custodial fees	(133,199)	-	-	(133,199)
Realized gain on investments	4,490,138	-	-	4,490,138
Unrealized loss on investments	16,706,461	-	-	16,706,461
Grant income	-	1,184,763	(573,094)	611,669
Other income	20,000	3,152	-	23,152
Endowment spending draw for operations	<u>104,966</u>	<u>-</u>	<u>-</u>	<u>104,966</u>
Total revenue and net investment income	<u>21,909,291</u>	<u>1,189,251</u>	<u>(573,094)</u>	<u>22,525,448</u>
Expenses				
Program services				
Grant expense	2,969,040	-	(573,094)	2,395,946
Salaries and benefits	692,357	-	-	692,357
Professional services	29,648	730,282	-	759,930
Building and related expenses	42,565	-	-	42,565
Program support	13,065	3,751	-	16,816
Program operating expenses	<u>44,431</u>	<u>215,678</u>	<u>-</u>	<u>260,109</u>
Total program services	<u>3,791,106</u>	<u>949,711</u>	<u>(573,094)</u>	<u>4,167,723</u>
Management and general				
Salaries and benefits	285,593	-	-	285,593
Professional services	66,698	3,670	-	70,368
Building and related expenses	14,188	-	-	14,188
Administrative support	982	-	-	982
General operating expenses	35,194	197	-	35,391
Federal excise tax expense	<u>305,790</u>	<u>17</u>	<u>-</u>	<u>305,807</u>
Total management and general	<u>708,445</u>	<u>3,884</u>	<u>-</u>	<u>712,329</u>
Total expenses	<u>4,499,551</u>	<u>953,595</u>	<u>(573,094)</u>	<u>4,880,052</u>
Change in net assets without donor restrictions	<u>17,409,740</u>	<u>235,656</u>	<u>-</u>	<u>17,645,396</u>
Net assets with donor restrictions				
Contributions	-	88,201	-	88,201
Investment income, net	519,375	-	-	519,375
Endowment spending draw for operations	<u>(104,966)</u>	<u>-</u>	<u>-</u>	<u>(104,966)</u>
Change in net assets with donor restrictions	<u>414,409</u>	<u>88,201</u>	<u>-</u>	<u>502,610</u>
Total change in net assets	17,824,149	323,857	-	18,148,006
Net assets, beginning of year	<u>85,026,616</u>	<u>251,946</u>	<u>-</u>	<u>85,278,562</u>
Net assets, end of year	<u>\$ 102,850,765</u>	<u>\$ 575,803</u>	<u>\$ -</u>	<u>\$ 103,426,568</u>