BerryDunn

COMMUNITY COLLEGE
system of New Hampshire

(A Component Unit of the State of New Hampshire)

FINANCIAL STATEMENTS

and

REPORTS IN ACCORDANCE WITH THE UNIFORM GUIDANCE

June 30, 2022 and 2021

With Independent Auditor's Reports

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
(A Component Unit of the State of New Hampshire)

Reports on Audits of Financial Statements and Supplementary Information

June 30, 2022 and 2021

Table of Contents

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Community College System of New Hampshire
(A Component Unit of the State of New Hampshire)

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely-presented component unit of the Community College System of New Hampshire (a Component Unit of the State of New Hampshire) (CCSNH) as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise CCSNH's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely-presented component unit of CCSNH as of June 30, 2022 and 2021, and the representative changes in financial position, and where applicable, cash flows thereof for the years then ended in accordance with U.S. generally accepted accounting principles.

We did not audit the financial statements of the discretely-presented component unit, which statements reflect 3 percent of assets, 53 percent and 34 percent of net position and 2 percent of revenues, respectively, as of June 30, 2022 and 2021, and the respective changes in financial position, and where applicable, cash flows for the year then ended. Those statements were audited by another auditor whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the discretely-presented component unit, is based solely on the report of the other auditor. The financial statements of the discretely-presented component unit were not audited in accordance with *Government Auditing Standards*.

Basis for Opinions

We conducted out audits in accordance with U.S. generally accepted auditing standards (U.S. GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CCSNH and to meet our 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 opinions.

Changes in Accounting Principle

As discussed in Note 2 to the basic financial statements, CCSNH adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* in 2022. Our opinion is not modified with respect to that matter.

As discussed in Note 3 to the basic financial statements, CCSNH adopted GASB Statement No, 100, *Accounting Changes and Error Corrections* in 2022. Our opinion is not modified with respect to that matter.

Correction of Error

As discussed in Note 3 to the basic financial statements, certain errors resulting in overstatement of amounts previously reported for other postemployment benefit liabilites as of June 30, 2021, were discovered by management of CCSNH subsequent to the issuance of the June 30, 2022 financial statements. Accordingly, amounts reported related to other postemployment benefits have been restated in the 2021 financial statements now presented, and an adjustment has been made to net position as of June 30, 2021, to correct the error. Our opinion was not modified with respect to that matter.

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CCSNH's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CCSNH's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CCSNH'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.

Required Supplementary Information

U.S. generally accepted accounting principles require that Management's Discussion and Analysis on pages 4 through 22 and the required supplementary information on pages 61 through 69 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information, in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2023 on our consideration of CCSNH's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of CCSNH's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CCSNH's internal control over financial reporting and compliance.

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire
April 20, 2023

INTRODUCTION

The following Management's Discussion and Analysis (MD&A) includes the strategic vision and economic outlook, as well as an analysis of the financial position and operations for the Community College System of New Hampshire (CCSNH) for the fiscal years ended June 30, 2022, 2021 and 2020. This discussion is provided by the management of CCSNH and should be read in conjunction with the financial statements and notes.

The New Hampshire State Legislature, through the passage of Chapter 361, Laws of 2007, established CCSNH as a body politic and corporate for the purpose of providing a well-coordinated system of public community college education. Governance of CCSNH was placed with a single Board of Trustees which serves as its policy-making and operating authority.

CCSNH is a state-wide system of seven independently accredited institutions including White Mountains Community College (WMCC), Lakes Region Community College (LRCC), River Valley Community College (RVCC), NHTI – Concord's Community College, Manchester Community College (MCC), Nashua Community College (NCC) and Great Bay Community College (GBCC), as well as five academic centers in Keene, Littleton, Rochester, North Conway and Lebanon, New Hampshire.

The financial statements include the activity of the Community Colleges of New Hampshire Foundation (the Foundation), which is a separate legal entity established as a 501(c)(3) corporation and is a discretely-presented non-major component unit of CCSNH. The Foundation's mission is to provide greater access to educational opportunities through financial assistance for student scholarships, program development, and enhancements to college facilities. The MD&A includes information only for CCSNH, not its component unit. Complete financial statements of the Foundation can be obtained from CCSNH's system office.

STRATEGIC VISION AND ECONOMIC OUTLOOK

<u>CCSNH Mission, Vision and Goals</u>

CCSNH is dedicated to enhancing the lives of its students by providing an affordable, and accessible, portfolio of educational and training opportunities that are designed to foster the personal, educational, and professional growth of our students. This mission has never been more evident than over the last few years, as the impact of the COVID-19 pandemic created a multitude of challenges for our students, Colleges, and industries across the State of New Hampshire (the State). Throughout fiscal year 2022, CCSNH was able to flex its operations by being nimble in responding to the changing needs of our students as the impact of the pandemic waned. This agile response allowed CCSNH to pinpoint key focus areas within our program offerings, to meet the elasticity of enrollment, for the changing demographics of our student body. Maintaining an entrepreneurial approach is a critically important step for CCSNH to ensure its financial sustainability and to provide the necessary resources to support our students. Furthermore, 2022 saw CCSNH maintain a decade long practice of operating without increasing the cost of tuition; further reinforcing the goal of ensuring affordable and accessible educational pathways for student across the state. To maintain this practice, CCSNH continues to review the effectiveness of its operations by focusing our efforts to optimize expenses through the oversight of the organization's shared services and administrative practices.

To maintain New Hampshire's positive historical economic indicators, including low unemployment and high per capita income, the State of New Hampshire (the State) will need 65% of adults with education beyond high school. CCSNH is committed to achieving this vision by 2025. CCSNH acts as an engine for the State's economy, graduating students with certificates and degrees of economic value to New Hampshire. The more students who attend, particularly from the existing workforce, the more quickly our State moves towards educational attainment rates required to meet new labor and economic needs.

Our Colleges are poised to meet these workforce challenges. By launching careers, facilitating job mobility and promotions, and building seamless transfer to continued education at the baccalaureate level, CCSNH is in the business of making successful alumni. In order to maintain and grow our improved rates of student completion and achieve 65 by 25, we need to:

1. Assure clear pathways for students to credentials that lead to strong career prospects and continuing education, secured through partnerships with industry, four-year universities, and high schools; and,
2. Strategically meet postsecondary education needs for the state, including addressing the unique needs of our rural communities. Meeting the needs of rural communities requires CCSNH to close equity gaps between metro areas and less densely populated parts of the state, where educational attainment and income levels are not nearly as high.

CCSNH will enable student success and academic operations in support of the above goals through strong financial operations and conscientious stewardship of our assets and resources. We will accomplish this by:

1. Maintaining strong internal financial and facility controls and sustainability through sound budget, accounting, investment and procurement operations;
2. Establishing CCSNH as an employer of choice; and,
3. Using data and technology to support our attainment goals.

Curriculum with Economic and Transfer Value

As the impact of the pandemic has waned, CCSNH continues to research the needs of the State's labor market and how to best position our students to succeed by providing pathways to meet those needs. During 2022, CCSNH continued to see a slight shift in the ages of our student body (20-24 and 25+) and the trend to meet student needs by delivering more flexible, non-traditional, modalities to accommodate the demands facing today's community college students. By taking a nimble approach to program delivery, CCSNH is able to provide academic access to students who need flexibility to address their individual work – life balance; this approach increases the economic value of a CCSNH credential for students as they do not have to sacrifice their educational goals while managing life's demands. These shifting efforts continue to drive CCSNH to remain nimble, and to flex with the market, by continuing to provide local opportunities for learners that meet their needs through degree programs, customized training programs for employers, professional certificates, microcredentials, and high school pathways through dual enrollment programs. Implementing these strategies will allow CCSNH to adjust to the changing needs of the labor market in a post-pandemic world.

Teaching and learning are the bedrock of CCSNH's success, and students being employed with living wages or better in their area of study indicates whether we succeed here, as does transfer to baccalaureate at junior standing. In order to meet these goals, CCSNH must strive to keep its curriculum fresh and relevant through constant updates based on four-year university, employer and industry input. This demands an unprecedented rate of collaboration with the New Hampshire Department of Employment Security to ensure we stay abreast of weekly labor market fluctuations. All program descriptions, modifications, eliminations and introductions must consider the following attributes for ultimate approval:

- Career opportunities associated with program
- Data quantifying need for program change, elimination or introduction, including from labor economics sources such as NH Employment Security, EMSI (Labor Market Statistics), Bureau of Labor Statistics
- Job openings and wage information
- Proposed career steps upon workforce entry
- Evidence of early employer partnership
- List of job titles associated with program
- Evidence of early four-year partnership
- Narrative of community impact / need
- Baccalaureate institutions to which a program transfers
- Proposed student outcomes
- Semester-by-semester listing of courses students should take
- Similarities to other programs at CCSNH and potential enrollment impact

Our students also must be ready across multiple majors to transfer majority or all credits to nearby destinations. Our transfer strategy to four-year institutions builds on partnership with the University System, though not at the expense of other popular destinations for our students, including Southern New Hampshire University, Colby-Sawyer College, Rivier University, New England College, and St. Anselm College.

To promote transfer to four-year institutions, CCSNH will continue to make strides in four areas in particular:

- **Pathways and articulation:** We will create clear, 8-semester, 2+2 maps to every program for which it makes sense at each four-year institution. Course equivalency and bolstering general education transfer across all degree types complements this effort.
- **Transfer support:** We will mitigate transfer shock for students moving from associate to baccalaureate level by creating connections between student services and faculty across CCSNH and USNH.
- **Data exchange:** CCSNH will facilitate information sharing at the transcript level to better understand student readiness for baccalaureate and to bolster reverse transfer of credit efforts.
- **Transfer mindset:** Staff across all programs will promote transfer fairs, campus tours, classroom visits, transfer advising, and related activity to increase awareness and attainment of baccalaureate success.

By accomplishing these four complementary aims, alongside continuing to strengthen vocationally oriented programs, CCSNH alumni will be successful in work and life.

Student Success Performance

While many aspects of the pandemic have receded, families across the state are still continuing to juggle basic needs related to childcare and food insecurities – both issues remain considerable barriers of going to and succeeding in college. After the initial waive of pandemic driven enrollment decline of -15.6%, between AY20 and AY21 , CCSNH's enrollment realized an aggregated net decline of -4.3% in credits sold and an -6.4% decline in headcount across all student cohorts, this includes traditional students and dual/concurrent student population during the 2022 year. Furthermore, New Hampshire community college students that have persisted, have shown their continued resilience by following their academic journeys as 2,179 students graduated during the 2022 year. These individual achievements are a result of student persistence rates that have begun to shifting upward, toward pre-pandemic levels (currently at 79%). These rates are a measure of student progress as it highlights the number of students that are working to remain on pace toward graduation.

During the course of the pandemic, CCSNH has been the recipient of three (3) federal stimulus packages, totaling nearly $44 million, to be used in two distinct buckets: student aid and institutional support. The latest round, the American Rescue Plan Act (ARPA), is the most generous package ($24.1 million total) to date and contains four (4) specific spending criteria that we must follow:

1. Student support: direct emergency aid or student grants
2. Institutional support including personal protective equipment (PPE), training, technology, and lost revenue

3. Implement best practices aimed at mitigating the spread of COVID-19
4. Direct outreach to students around possible changes in their financial aid packages

This unprecedented level of federal funding positioned CCSNH to provide the necessary resources to our students in need, through direct student aid awards (totaling $11.2mm allocated in 2022), allowed our seven Colleges to invest in the necessary technological infrastructure needed to continue the shift to online (synchronous and asynchronous) and hybrid modalities, and to procure appropriate safeguards to protect the faculty and staff that were essential for campus operations (totaling $12.5mm allocated in 2022). A significant portion of the institutional funds were used to enhance the overall student experience, as it afforded CCSNH to continue to implement technologies that allowed for technical, hands-on, courses to be taught online. This technology allowed students to containing their training needs in new and creative ways that ensured they could complete their degrees on time.

FINANCIAL STATEMENTS

CCSNH reports its activity as a business-type activity using the full accrual basis of accounting. The accrual basis of accounting ensures that all amounts owed to CCSNH and all pending obligations are accounted for in the appropriate period.

The three financial statements presented are the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position are also presented for June 30, 2021 by individual campus. The assets and liabilities and net position as well as the revenues and expenses of the Chancellor’s office are allocated to the individual campuses based on each campus' relative percentage of student full-time equivalents (FTEs).

CHANGE IN ACCOUNTING PRINCIPLE AND CORRECTION OF ERROR

As disclosed in Note 1 to the basic financial statements, in 2021 CCSNH adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. There were no significant changes made to the basic financial statements to comply with the new accounting standard.

As disclosed in Note 2 to the basic financial statements, CCSNH adopted new accounting guidance, GASB Statement No. 87, *Leases* during the year ended June 30, 2022. The adoption of the standard at July, 1, 2020, required recognition of $36,867 of short-term lease receivables, $438,201 of long-term lease receivables, $475,068 in deferred inflows of resources, $1,008,278 in short-term lease liabilities, $6,194,326 of long-term lease liabilities, and $7,202,604 in right-to-use assets. At June 30, 2021, those balances related to leases in which CCSNH was the lessor were short-term lease receivables of $137,912, long-term lease receivables of $301,212, and deferred inflows of resources net of accumulated amortization of $437,766. At June 30, 2021, those balances related to leases in which CCSNH was the lessee were short-term lease liabilities of $730,445, long-term lease liabilities of $5,567,206, and right to use assets net of accumulated amortization of $6,244,884. The impact of the adoption of the standard for the year ended June 30, 2021 was a reduction in net position of $51,409.

As disclosed in Note 3 to the basic financial statements, CCSNH adopted new accounting guidance, GASB Statement No. 100, *Accounting Changes and Error Corrections* during the year ended June 30, 2022. The adoption of the standard was directly resulting from CCSNH identifying a material error in the covered population which impacted the calculations related to the other postemployment benefits liability (OPEB liability). This error was identified by CCSNH's management subsequent to the issuance of the June 30, 2022 financial statements.

The correction of the error was corrected as of the measurement date of July 1, 2021 due to the availability of the actuarial valuation and data. The cumulative effect of the correction of error at July, 1, 2021 resulted in a prior period restatement of net position in the amount of $20,721,331. The impact of correction of error at July 1, 2021 is summarized below:

	Restated July 1, 2021	Original July 1, 2021	Difference
Deferred outflows	$ 15,890,083	$ 21,330,650	$ 5,440,567
OPEB liability	73,888,588	98,667,767	(24,779,179)
Deferred inflows	16,597,680	21,720,566	(5,122,886)
Beginning net position	3,282,921	(17,438,410)	20,721,331

The correction of the error also resulted in a restatement of the change in net position for the year ended June 30, 2022. The impact of correction of error for the year ended June 30, 2022 is summarized below:

	Restated June 30, 2022	Original June 30, 2022	Difference
Employee compensation and benefits	$ 52,596,999	$ 56,337,166	$ (3,740,167)
Increase in net position	32,782,826	29,042,659	3,740,167

STATEMENT OF NET POSITION

The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of CCSNH at the end of the fiscal year. Net position is a residual amount equal to assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is presented in four categories. The first category, “invested in capital assets, net of related debt,” consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets. The next category is “restricted net position,” which consists of restricted assets reduced by liabilities related to those assets. Restricted net position balances are further classified as nonexpendable or expendable. Nonexpendable balances consist of loan funds and permanent endowments (available for investment purposes only). Expendable balances are available for expenditure by CCSNH, but must be spent for purposes determined by external entities. Unrestricted net position balances are not subject to externally imposed restrictions and may be designated for specific purposes by management of CCSNH.

A summarized Statement of Net Position is as follows:

	June 30,		
	2022	2021 Restated	2020
Assets			
Current	**$ 62,173,383**	$ 54,300,709	$ 43,873,176
Capital assets, net	**100,262,621**	104,568,144	108,215,937
Other noncurrent assets	**34,249,680**	37,650,668	24,218,091
Total assets	**196,685,684**	196,519,521	176,307,204
Deferred outflows of resources	**28,098,327**	34,485,617	10,343,620
Liabilities			
Current	**16,035,638**	13,543,614	12,068,083
Noncurrent	**139,030,753**	199,820,892	160,450,547
Total liabilities	**155,066,391**	213,364,506	172,518,630
Deferred inflows of resources	**33,651,873**	35,079,042	48,224,767
Net position (deficit)			
Invested in capital assets, net of related debt	**89,117,701**	92,606,092	94,624,683
Restricted nonexpendable	**20,937,783**	18,722,735	18,060,888
Restricted expendable	**5,138,716**	10,652,266	4,287,899
Unrestricted	**(79,128,453)**	(139,419,503)	(151,066,043)
Total net position (deficit)	**$ 36,065,747**	$ (17,438,410)	$ (34,092,573)

Current assets

Current assets consist of $51.89 million in cash, cash equivalents, and short-term investments; $7.25 million in accounts, notes, leases, and contracts receivable; $1.12 million due from the State; and $1.91 million in other current assets.

The $7.87 million increase in current assets was primarily attributable to a $15.03 million increase in cash, cash equivalents, and short-term investments, netted against a decrease in grants and contracts receivable of $7.4 million. The increase in cash was primarily attributable to earnings and to the collection of receivables on contracts. The decrease in grants and contracts receivable was mainly due to decreases in federal accounts receivable of $7.23 million related to Higher Education Emergency Relief Funds (HEERF).

In 2021, current assets increased by $10.43 million from 2020 and was primarily attributable to increases in grants and contracts receivable and student receivables of $8.83 million and $1.17 million respectively.

Capital assets, net of accumulated depreciation

The overall decrease in net capital assets of $4.3 million for 2022 was due to net additions of $3.37 million, net of depreciation expense of $7.67 million. General equipment and building and land improvement net additions amounted to $1.49 million and $1.88 million, respectively.

The increase in general equipment was primarily attributable to purchases of equipment related to classroom instruction of $764 thousand, vehicles of $112 thousand, major IT equipment of $231 thousand, and general other equipment of $385 thousand. The increase in building and land improvements was primarily due to critical maintenance projects at LRCC and NHTI of $496 thousand and $576 thousand respectively along with renovations and asbestos abatement at NCC of $385 thousand, construction of a new facility in Littleton for WMCC of $700 thousand netted against a sale of land at WMCC of $302 thousand.

The decrease in capital assets from 2020 to 2021 of $3.65 million was due to fixed asset purchases of $3.96 million, net of depreciation expense of $7.61 million.

Other noncurrent assets

Other noncurrent assets consist of $25.94 million in long-term investments; $6.42 million in right-of-use assets related to GASB 87; $1.59 million in the long-term portion of a note receivable held on the property in Stratham, New Hampshire sold in fiscal year 2015; $173 thousand in non-current lease receivables and $124 thousand for the long-term portion of student loans receivable.

The decrease in other noncurrent assets from the prior year of $3.4 million is mainly attributable to an decrease in long-term investments of $3.3 million. The decrease is mostly attributable to net unrealized losses of $4.55 million, investment fees of $74 thousand and distributions of $896 thousand netted against contributions of $2.2 million. This investment account maintains cash received from the State under the UNIQUE scholarship program. Under this program, the State remits cash to CCSNH of which a portion is paid out to students, using a defined formula, for tuition expenses, and the remainder is reinvested for future use. Only the earnings on the reinvested funds may be used for future use. The principal portion is held within the restricted nonexpendable portion of net position.

The increase in other noncurrent assets from 2020 to 2021 of $6.89 million was primarily attributable to an increase in investments of $7.01 million This increase was mostly attributable to net unrealized gains of $7.24 million.

Deferred outflows of resources

The financial statement deferred outflows of resources category is used to report consumption of resources applicable to a future reporting period. The balance reported for fiscal years 2022, 2021 and 2020 include amounts for certain pension and other postemployment benefit changes.

Current liabilities

Current liabilities include accounts payable and accrued liabilities of $2.16 million, deferred revenue of $6.21 million, current portions of long-term debt of $1.39 million, current portion of GASB 87 lease liability of $967 thousand and accrued salaries and benefits of $5.30 million.

Current liabilities increased by $2.5 million in 2022, primarily due to an increase in accounts payable and accrued expenses of $1.1 million, mostly due to an increase in capital asset payables of $700 thousand and other payable of $400 thousand. Increases were also seen in deferred revenue of $1.8 million, mostly brought on by increases in prepaid revenue on grants of $2.8 million, net of $1 million decrease in prepaid tuition deposits. The remainder of the change within current liabilities was due to a decrease in accrued salaries and benefits of $591 thousand due to the timing of payroll tax payments and an increase in the current portion of GASB 87 lease liability of $236 thousand.

Current liabilities increased by $1.45 million from fiscal year 2020 to 2021. The increase was mainly due to an increase in GASB 87 lease liability of $709 thousand due to the retrospective implementation of the standard in 2021 and to an increase in deferred revenue of $915 thousand mostly caused by an increase in prepaid tuition deposits.

Noncurrent liabilities

Noncurrent liabilities include liabilities for unfunded pension obligations and unfunded other postemployment benefit (OPEB) obligations of $46.62 million and $73.89 million, respectively. Also included in noncurrent liabilities are noncurrent portions of long-term debt of $8.96 million, noncurrent portion of GASB 87 lease liability of $5.59 million, long-term employee benefits accruals of $3.72 million, refundable advances of $232 thousand, and funds due to the state of New Hampshire of $21 thousand.

Noncurrent liabilities decreased by $61 million in 2022. The decrease was primarily due to decreases in CCSNH unfunded liabilities for pensions and OPEB of $21.75 million and $16.85 million, respectively. These unfunded liabilities, calculated by an independent actuary, fluctuate based on several variables, including, but not limited to, financial markets, employee demographics and life expectancies. Moreover, the correction of an error in reporting by an outside entity reduced our unfunded OPEB liability by an additional $20.72 million, which flowed through the beginning net position. Lastly, overall, long-term debt declined by $1.39 million due to normal amortization of the debt.

Noncurrent liabilities increased by $39.37 million from fiscal year 2020 to 2021. The increase was primarily due to increases in CCSNH unfunded liabilities for pensions and OPEB of $15.42 million and $20.04 million, respectively along with an increase in non-current GASB 87 lease liability of $5.57 million related to the retrospective implementation of the standard in 2021. The remainder of the change in non-current liabilities was due to a decrease in the non-current portion of long-term debt of $1.43 million due to normal amortization.

Deferred inflows of resources

Deferred inflows of resources are used to report acquisition of resources applicable to a future reporting period. The balance in fiscal year 2022, 2021, and 2020 reflects certain amounts related to OPEB, pensions, leases receivable, and refunding of bond debt.

Net position

Overall net position increased by $32.78 million during the fiscal year. The increase is due to net operating and nonoperating income over expenses of $27.76 million and other changes in net position of $5.02 million.

CCSNH’s net investment in capital assets decreased by $3.5 million during the current fiscal year. The decrease was attributable to an overall decline in net capital assets of $4.3 million netted against a decrease in capital asset related debt of $1.38 million, a decrease in deferred gains on bond refundings of $48 thousand, and an increase in payables on capital assets of $609 thousand.

Statements of Net Position - 2022

	Consolidated	WMCC	RVCC	NHTI	LRCC	MCC	NCC	GBCC
Assets								
Current assets								
Cash and cash equivalents	$ 38,886,021	$ 5,494,791	$ 6,826,695	$ 5,821,834	$ 4,991,154	$ 3,027,616	$ 5,225,813	$ 7,498,118
Student accounts receivable, net	2,230,517	155,956	219,010	771,470	52,434	436,240	248,548	346,859
Current portion of leases receivable	128,747	128,747	-	-	-	-	-	-
Other current assets	1,908,230	148,428	112,177	521,550	209,202	426,182	223,944	266,747
Current portion of note and contributions receivable	116,682	7,705	8,525	33,986	7,427	25,686	14,996	18,357
Grants and contracts receivable	4,773,215	972,292	355,123	270,459	547,451	1,057,181	871,891	698,818
Operating investments	13,005,193	858,774	950,156	3,788,035	827,759	2,862,899	1,671,470	2,046,100
Due from State of NH for capital appropriations	1,124,778	502,681	3,314	550,689	2,887	14,555	43,516	7,136
Total current assets	62,173,383	8,269,374	8,475,000	11,758,023	6,638,314	7,850,359	8,300,178	10,882,135
Noncurrent assets								
Student loans receivable, net	123,633	-	14,664	2,750	3,374	92,779	7,356	2,710
Leases receivable, net of current portion	172,464	172,464	-	-	-	-	-	-
Note and contributions receivable, net	1,593,088	105,197	116,392	464,020	101,397	350,693	204,749	250,640
Investments	25,939,342	1,712,856	1,895,122	7,555,375	1,650,996	5,710,159	3,333,810	4,081,024
Right-of-use-assets	6,421,153	154,886	134,110	91,351	789,062	63,683	14,414	5,173,647
Capital assets, net	100,262,621	4,850,199	7,452,936	18,874,030	14,419,469	26,056,682	15,718,067	12,891,238
Total noncurrent assets	134,512,301	6,995,602	9,613,224	26,987,526	16,964,298	32,273,996	19,278,396	22,399,259
Total assets	$ 196,685,684	$ 15,264,976	$ 18,088,224	$ 38,745,549	$ 23,602,612	$ 40,124,355	$ 27,578,574	$ 33,281,394
Deferred outflows of resources								
Pension	$ 12,208,244	$ 806,148	$ 891,932	$ 3,555,907	$ 777,034	$ 2,687,463	$ 1,569,044	$ 1,920,716
Other postemployment benefits	15,890,083	1,049,272	1,160,926	4,628,319	1,011,377	3,497,964	2,042,246	2,499,979
Total deferred outflows of resources	$ 28,098,327	$ 1,855,420	$ 2,052,858	$ 8,184,226	$ 1,788,411	$ 6,185,427	$ 3,611,290	$ 4,420,695

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
(A Component Unit of the State of New Hampshire)

Management's Discussion and Analysis (Unaudited)

June 30, 2022 and 2021

Statements of Net Position - 2022 (Concluded)

	Consolidated	WMCC	RVCC	NHTI	LRCC	MCC	NCC	GBCC
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	$ 1,410,113	$ 79,850	$ 88,231	$ 315,130	$ 278,353	$ 222,597	$ 163,012	$ 262,940
Accounts payable for capital assets	755,103	33,654	98	324,610	363,753	4,866	27,911	211
Accrued salaries and benefits	5,298,557	375,202	398,401	1,576,391	359,268	1,108,470	663,474	817,351
Unearned revenue and deposits	6,217,011	440,112	284,535	963,562	220,687	952,863	2,808,465	546,787
Current portion of lease liability	967,175	135,915	119,792	26,704	296,367	23,932	13,656	350,809
Current portion of bonds payable	1,337,952	56,745	-	200,375	-	355,865	229,873	495,094
Current portion of notes payable	49,727	-	23,229	11,939	14,559	-	-	-
Total current liabilities	16,035,638	1,121,478	914,286	3,418,711	1,532,987	2,668,593	3,906,391	2,473,192
Noncurrent liabilities								
Due to State of New Hampshire	20,560	-	-	-	17,510	3,050	-	-
Accrued salaries and benefits	3,723,214	233,500	229,700	1,165,873	209,710	815,227	521,873	547,331
Refundable advances	231,655	-	17,526	105,294	4,700	84,389	14,962	4,784
Net pension liability	46,623,713	3,078,709	3,406,318	13,580,132	2,967,521	10,263,514	5,992,233	7,335,286
Lease liability, net of current portion	5,587,645	20,075	13,199	61,560	515,841	39,589	-	4,937,381
Bonds payable	7,504,153	216,615	-	813,097	-	1,898,400	929,080	3,646,961
Other postemployment benefits	73,888,588	4,122,001	2,882,344	25,121,460	4,628,637	16,354,656	10,230,342	10,549,148
Notes payable, net of current portion	1,451,225	-	1,438,673	12,552	-	-	-	-
Total noncurrent liabilities	139,030,753	7,670,900	7,987,760	40,859,968	8,343,919	29,458,825	17,688,490	27,020,891
Total liabilities	$ 155,066,391	$ 8,792,378	$ 8,902,046	$ 44,278,679	$ 9,876,906	$ 32,127,418	$ 21,594,881	$ 29,494,083
Deferred inflows of resources								
Pension	$ 16,616,836	$ 1,097,262	$ 1,214,022	$ 4,840,001	$ 1,057,634	$ 3,657,948	$ 2,135,650	$ 2,614,319
Other postemployment benefits	16,597,680	1,095,997	1,212,623	4,834,422	1,056,414	3,653,731	2,133,189	2,611,304
Deferred gain from advance bond refunding	141,615	4,703	-	65,208	-	1,413	70,026	265
Leases receivable	295,742	295,742	-	-	-	-	-	-
Total deferred inflows of resources	$ 33,651,873	$ 2,493,704	$ 2,426,645	$ 9,739,631	$ 2,114,048	$ 7,313,092	$ 4,338,865	$ 5,225,888
Net position (deficit), restated								
Invested in capital assets, net of related liabilities	$ 89,117,701	$ 4,538,482	$ 5,990,936	$ 17,497,904	$ 14,084,356	$ 23,796,137	$ 14,461,177	$ 8,748,709
Restricted nonexpendable	20,937,783	1,379,374	1,574,818	6,084,393	1,329,558	4,598,428	2,684,738	3,286,474
Restricted expendable	5,138,716	338,559	374,585	1,493,378	326,332	1,128,657	658,953	818,252
Unrestricted	(79,128,453)	(422,101)	872,052	(32,164,210)	(2,340,177)	(22,653,950)	(12,548,750)	(9,871,317)
Total net position (deficit)	$ 36,065,747	$ 5,834,314	$ 8,812,391	$ (7,088,535)	$ 13,400,069	$ 6,869,272	$ 5,256,118	$ 2,982,118

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The purpose of the Statement of Revenues, Expenses and Changes in Net Position is to present operating and nonoperating revenues received by the institution, operating and nonoperating expenses incurred, and any other revenues, expenses, gains and losses. Changes in net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Position.

A summarized Statement of Revenues, Expenses and Changes in Net Position follows:

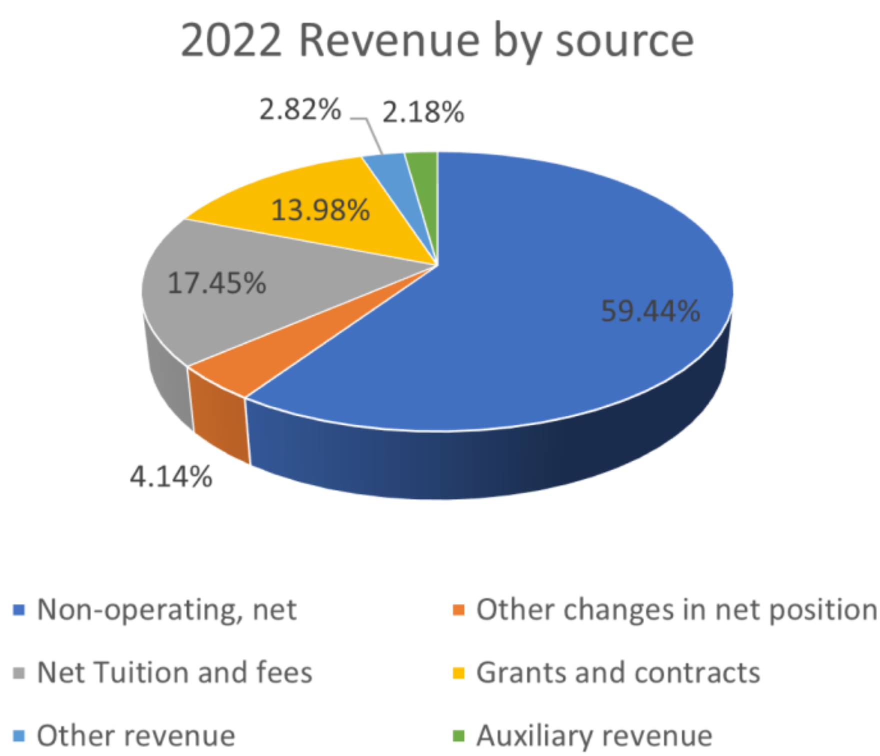
	Years Ended June 30,		
	2022	2021 Restated	2020
Operating revenues			
Net tuition and fees	**$ 21,179,583**	$ 28,691,160	$ 39,157,918
Other operating revenues	**23,032,891**	20,316,717	26,209,018
Total operating revenues	**44,212,474**	49,007,877	65,366,936
Operating expenses			
Employee compensation and benefits	**52,596,999**	86,503,583	81,714,133
Other operating expenses	**35,999,578**	35,554,760	32,074,649
Total operating expenses	**88,596,577**	122,058,343	113,788,782
Operating loss	**(44,384,103)**	(73,050,466)	(48,421,846)
Nonoperating revenues (expenses) and other changes			
State appropriations - operating	**56,000,000**	55,360,000	57,255,000
State appropriations - capital	**2,290,942**	1,940,544	2,063,720
Capital grants and contracts	**524,093**	885,666	176,133
Lease revenue	**145,488**	38,225	-
COVID-19 funding	**23,102,359**	24,256,194	5,435,377
Investment (loss) return used for operations	**(1,014,369)**	824,199	1,133,885
Investment (loss) return net of amount used for operations	**(5,513,550)**	6,364,366	150,565
Nonexpendable contributions	**2,208,985**	653,374	1,715,005
Interest expense on capital debt	**(451,735)**	(514,614)	(598,632)
Interest expense on leases	**(125,284)**	(103,325)	-
Nonoperating revenues and other changes, net	**77,166,929**	89,704,629	67,331,053
Increase in net position	**32,782,826**	16,654,163	18,909,207
Net position (deficit), beginning of year, as previously stated	**(17,438,410)**	(34,092,573)	(53,001,780)
Cumulative effect of correction of an error	**20,721,331**	-	-
Net position (deficit), beginning of year, restated	**3,282,921**	(34,092,573)	(53,001,780)
Net position (deficit), end of year	**$ 36,065,747**	$ (17,438,410)	$ (34,092,573)

Statements of Revenues, Expenses and Changes in Net Position - 2022

	Consolidated	WMCC	RVCC	NHTI	LRCC	MCC	NCC	GBCC
Operating revenues								
Tuition and fees	$ 52,513,733	$ 3,694,175	$ 3,851,660	$ 14,649,198	$ 3,442,190	$ 11,388,945	$ 6,625,757	$ 8,861,808
Less scholarships	(31,334,150)	(2,660,592)	(2,601,567)	(8,071,465)	(2,197,024)	(7,807,328)	(3,658,336)	(4,337,838)
Net tuition and fees	21,179,583	1,033,583	1,250,093	6,577,733	1,245,166	3,581,617	2,967,421	4,523,970
Grants and contracts	16,969,565	1,921,816	993,346	5,062,626	1,363,087	3,028,950	2,144,284	2,455,456
Other auxiliary enterprises	2,643,492	32,712	-	2,105,140	504,275	1,365	-	-
Other operating revenue	3,419,834	546,949	194,119	1,027,378	296,129	672,030	306,087	377,142
Total operating revenues	44,212,474	3,535,060	2,437,558	14,772,877	3,408,657	7,283,962	5,417,792	7,356,568
Operating expenses								
Employee compensation and benefits	52,596,999	5,010,163	5,150,914	12,904,574	4,956,537	10,308,231	6,924,348	7,342,232
Other operating expenses	24,404,967	3,028,524	1,740,470	6,453,601	3,594,970	2,687,393	3,192,033	3,707,976
Utilities	2,997,477	307,077	220,750	756,207	366,453	548,627	429,471	368,892
Depreciation	8,597,134	638,560	679,753	2,279,532	701,812	1,712,652	1,001,806	1,583,019
Total operating expenses	88,596,577	8,984,324	7,791,887	22,393,914	9,619,772	15,256,903	11,547,658	13,002,119
Operating loss	(44,384,103)	(5,449,264)	(5,354,329)	(7,621,037)	(6,211,115)	(7,972,941)	(6,129,866)	(5,645,551)

Statements of Revenues, Expenses and Changes in Net Position - 2022 (Concluded)

	Consolidated	WMCC	RVCC	NHTI	LRCC	MCC	NCC	GBCC
Nonoperating revenues (expenses)								
State appropriations - operating	56,000,000	6,307,903	6,581,493	11,072,527	7,344,147	9,036,173	8,029,797	7,627,960
COVID-19 funding	23,102,359	2,092,424	1,445,475	6,112,279	1,911,274	4,689,603	3,114,913	3,736,391
Lease revenue	145,488	145,488	-	-	-	-	-	-
Investment loss used for operations	(1,014,369)	(72,630)	(98,070)	(281,551)	(61,775)	(222,784)	(120,835)	(156,724)
Investment loss excluding amount used for operations	(5,513,550)	(364,077)	(402,819)	(1,605,937)	(350,928)	(1,213,726)	(708,620)	(867,443)
Interest expense on leases	(125,284)	(1,063)	(1,002)	(1,229)	(2,172)	(437)	(116)	(119,265)
Interest expense on capital debt	(451,735)	(10,682)	(53,436)	(34,564)	(1,260)	(95,925)	(42,709)	(213,159)
Nonoperating revenues, net	72,142,909	8,097,363	7,471,641	15,261,525	8,839,286	12,192,904	10,272,430	10,007,760
Income before other changes in net position	27,758,806	2,648,099	2,117,312	7,640,488	2,628,171	4,219,963	4,142,564	4,362,209
Other changes in net position								
State appropriations - capital	2,290,942	1,078,857	53,434	670,827	1,361	124,689	307,783	53,991
Capital grants and contracts	524,093	43,792	21,211	54,706	56,165	111,592	166,715	69,912
Nonexpendable contributions	2,208,985	145,866	161,388	643,413	140,598	486,275	283,906	347,539
Total other changes in net position	5,024,020	1,268,515	236,033	1,368,946	198,124	722,556	758,404	471,442
Increase in net position	32,782,826	3,916,614	2,353,345	9,009,434	2,826,295	4,942,519	4,900,968	4,833,651
Net position (deficit), beginning of year, restated	(17,438,410)	549,405	4,945,150	(22,133,490)	9,254,896	(2,634,738)	(2,308,024)	(5,111,609)
Cumulative effect of correction of error	20,721,331	1,368,295	1,513,896	6,035,521	1,318,878	4,561,491	2,663,174	3,260,076
Net position (deficit), beginning of year, restated	3,282,921	1,917,700	6,459,046	(16,097,969)	10,573,774	1,926,753	355,150	(1,851,533)
Net position (deficit), end of year	$ 36,065,747	$ 5,834,314	$ 8,812,391	$ (7,088,535)	$ 13,400,069	$ 6,869,272	$ 5,256,118	$ 2,982,118



<u>Operating revenues</u>

Overall operating revenue declined by $4.8 million in fiscal year 2022 relative to fiscal year 2021.

Fiscal year 2022 net tuition and fees decreased by $7.51 million relative to fiscal year 2021. Gross tuition decreased in fiscal year 2022 by approximately $2.34 million (5.43%) relative to fiscal year 2021, while student fees declined by about $204 thousand (2.14%) for the same time frame. The decrease is attributable to a decline in credits sold in FY 2022 relative to FY 2021 of 6.8%. Lastly, fiscal year 2022 saw an increase in scholarship expenses of about $5.26 million (20.2%) relative to fiscal year 2021. The remainder of the change was due to an increase in non-credit revenue in 2022 of $291 thousand (13.4%) relative to 2021.

With regard to tuition and fees, CCSNH continues to struggle with declining enrollment, albeit at a slower pace than in years past. The decline in 2022 relative to 2021 of 5.43% is significantly lower than the decline in 2021 relative to 2020 of 11.75%. Declining high school populations coupled with significantly increases in wages for positions not requiring a college degree are the largest factors in the enrollment challenges.

Fiscal year 2022 saw an increase in other operating revenue of $2.71 million (13.3%) relative to fiscal year 2021. Auxiliary revenue, mostly in the areas of student housing and board plans, saw increases of $700 thousand and $299 thousand respectively. Additional increases were seen in private local revenue of $827 thousand mostly fueled by the Foundation for CCSNH's "Class of 2021 scholarship". White Mountains Community College sold land in 2022, for which they realized a gain of $222 thousand. The remainder of the increase was due to smaller increases across various other revenue sources such as donations, indirect cost revenue and other miscellaneous revenue sources.

Between 2021 and 2020 other operating revenue declined by about $5.89 million. This was primarily due to decreases in Auxiliary revenue, mostly in the areas of student housing and board plans, of $2.29 million due to the COVID 19 pandemic. Additional declines were seen in federal and grant revenue of $3.6 million.

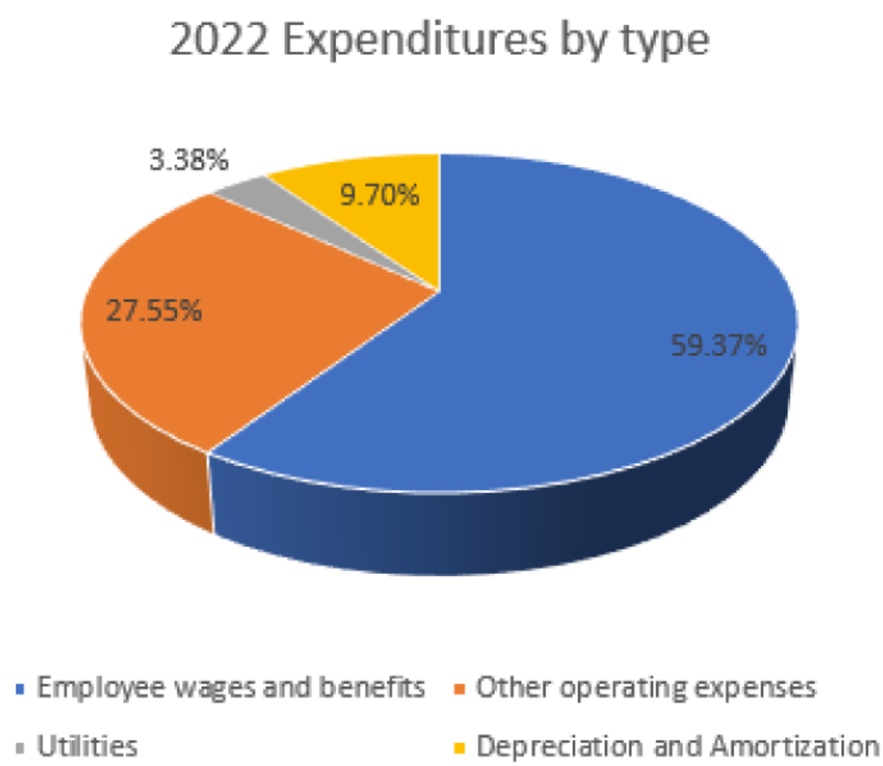
<u>Nonoperating revenues and other changes</u>

Total nonoperating revenues and other changes in net position decreased by $12.56 million in fiscal year 2022 relative to fiscal year 2021. Net nonoperating revenue decreased by $14.1 million, while other changes in net position increased by $1.54 million.

The primary reason for the decrease in net nonoperating revenue in fiscal year 2022 relative to fiscal year 2021 was a decrease in investment returns of $13.69 million and a decrease in pandemic related grant monies received from the federal government of $1.15 million. These 2 declines were partially offset by an increase in state appropriations of $640 thousand. The reason for the sharp decline in investment returns were unrealized losses in the investment portfolios. In 2021, we achieved unrealized gains of approximately $7.24 million while in 2022 we suffered unrealized losses of about $6.46 million.

The increase in other changes to net position in 2022 of $1.54 million was due to an increase in state funding for the UNIQUE endowment scholarship program of about $1.55 million in 2022 relative to 2021.

The increase in net nonoperating revenues and other changes in net position from 2020 to 2021 of $22.4 was primarily due to an increase in investment returns not used for operations of $6.21 million and pandemic related grant monies received from the federal government of $18.82 million net of reduced general appropriations from the state in the amount of $1.89 million and reduced Unique endowment funding of $1.06 million.



Operating expenses

In fiscal year 2022, operating expenses decreased by $33.46 million from 2021. While salaries decreased by about $1.95 million, employee benefits cost decreased by $31.76 million. The primary driver of the decrease in employee benefits were the adjustments to decrease the unfunded liabilities for Pension and OPEB in fiscal year 2022 beyond what these same adjustments were in 2021. In 2022, the pension and OPEB adjustments were $25.94 million while in 2021 they were considerably less at only $2.39 million. Employee benefits other than pension and OPEB decreased by $1.16 million. The adjustments related to the Pension and OPEB liabilities resulted in a reduction in operating expenses.

Other operating expenses were relatively stable in 2022 relative to 2021, increasing by only $465 thousand (1.13%). This amount consists of multiple relatively immaterial changes across a wide variety of operating expenses.

Operating expenses increased by $3.48 million in 2021 from 2020. The primary factors for the increase were seen in increases in current expenses of $2.46 million, information technology (IT) expenses of $1.39 million and consulting expenses of $1.17 million, netted against declines in rental expenses of $1.08 million and food costs of $587 thousand.

STATEMENTS OF CASH FLOWS

The statements of cash flows summarize transactions involving cash and cash equivalents during each fiscal year. The statements provide an additional tool to assess the financial health of the institution and its ability to generate future cash flows to meet its obligations.

	Years Ended June 30,		
	2022	2021 Restated	2020
Net cash used - operating activities	**$ (48,257,998)**	$ (65,202,219)	$ (50,357,761)
Net cash provided - noncapital financing activities	**69,947,568**	68,905,792	63,152,900
Net cash used - capital and related financing activities	**(3,619,999)**	(4,077,627)	(2,581,748)
Net cash used - investing activities	**(6,794,068)**	297,200	(769,455)
Net (decrease) increase in cash and cash equivalents	**11,275,503**	(76,854)	9,443,936
Cash and cash equivalents, beginning of year	**27,610,518**	27,687,372	18,243,436
Cash and cash equivalents, end of year	**$ 38,886,021**	$ 27,610,518	$ 27,687,372

CCSNH maintains the cash position necessary to meet its obligations. The amount of cash on hand fluctuates during the year due to the timing of tuition receipts and federal financial aid payments.

Cash and cash equivalents increased by $11 million during 2022, decreased by $77 thousand during 2021, and increased by $9.4 million during 2020, primarily due to fluctuations in the appropriations from the State and federal funding received through COVID-related relief funds.

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
(A Component Unit of the State of New Hampshire)

Statements of Net Position

June 30, 2022 and 2021

	Community College System of New Hampshire		Community Colleges of New Hampshire Foundation	
	2022	Restated 2021	**2022**	2021
Assets				
Current assets				
Cash and cash equivalents	**$ 38,886,021**	$ 27,610,518	**$ 476,957**	$ 280,831
Student accounts receivable, net	**2,230,517**	2,979,467	**-**	-
Current portion of leases receivable	**128,747**	137,912	.	.
Other current assets	**1,908,230**	1,921,274	**-**	-
Current portion of note and contributions receivable	**116,682**	113,238	**-**	4,000
Grants and contracts receivable	**4,773,215**	12,179,244	**-**	-
Operating investments	**13,005,193**	9,245,589	**-**	-
Due from State of New Hampshire for capital appropriations	**1,124,778**	113,467	**-**	-
Total current assets	**62,173,383**	54,300,709	**476,957**	284,831
Noncurrent assets				
Student loans receivable, net	**123,633**	150,895	**-**	-
Leases receivable, net of current portion	**172,464**	301,212	**-**	-
Note and contributions receivable, net of current portion	**1,593,088**	1,709,770	**-**	-
Investments	**25,939,342**	29,243,907	**5,621,820**	5,726,087
Right-of-use asset, nets	**6,421,153**	6,244,884	.	.
Capital assets, net	**100,262,621**	104,568,144	**-**	-
Total noncurrent assets	**134,512,301**	142,218,812	**5,621,820**	5,726,087
Total assets	**196,685,684**	196,519,521	**6,098,777**	6,010,918
Deferred outflows of resources				
Pension	**12,208,244**	17,985,947	-	-
Other postemployment benefits	**15,890,083**	16,499,670	-	-
Total deferred outflows of resources	**28,098,327**	34,485,617	-	-
Liabilities				
Current liabilities				
Accounts payable and accrued expenses	**1,410,113**	1,060,027	**6,157**	2,153
Accounts payable for capital assets	**755,103**	51,573	**-**	-
Current portion of accrued salaries and benefits	**5,298,557**	5,891,807	**-**	-
Unearned revenue and deposits	**6,217,011**	4,432,332	**-**	-
Current portion of lease liability	**967,175**	730,445	.	.
Current portion of bonds payable	**1,337,952**	1,329,918	**-**	-
Current portion of notes payable	**49,727**	47,512	**-**	-
Total current liabilities	**16,035,638**	13,543,614	**6,157**	2,153
Noncurrent liabilities				
Due to the State of New Hampshire	**20,560**	-	**-**	-
Accrued salaries and benefits, net of current portion	**3,723,214**	3,790,454	**-**	-
Refundable advances	**231,655**	285,529	**-**	-
Net pension liability	**46,623,713**	68,376,494	**-**	-
Lease liability, net of current portion	**5,587,645**	5,567,206	.	.
Bonds payable, net of current portion	**7,504,153**	8,842,104	**-**	-
Other postemployment benefits	**73,888,588**	111,458,152	**-**	-
Notes payable, net of current portion	**1,451,225**	1,500,953	**-**	-
Total noncurrent liabilities	**139,030,753**	199,820,892	**-**	-
Total liabilities	**155,066,391**	213,364,506	**6,157**	2,153
Deferred inflows of resources				
Pension	**16,616,836**	5,902,034	**-**	-
Other postemployment benefits	**16,597,680**	28,549,249	**-**	-
Deferred gain from advance bond refunding	**141,615**	189,993	**-**	-
Lease receivables	**295,742**	437,766	**-**	-
Total deferred inflows of resources	**33,651,873**	35,079,042	**-**	-
Net position (deficit), as restated				
Invested in capital assets, net of related liabilities	**89,117,701**	92,606,092	**-**	-
Restricted nonexpendable	**20,937,783**	18,722,735	**3,033,694**	1,902,451
Restricted expendable	**5,138,716**	10,652,266	**2,334,195**	3,302,751
Unrestricted	**(79,128,453)**	(139,419,503)	**724,731**	803,563
Total net position (deficit)	**$ 36,065,747**	$ (17,438,410)	**$ 6,092,620**	$ 6,008,765

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

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
(A Component Unit of the State of New Hampshire)

Statements of Revenues, Expenses and Changes in Net Position

Years Ended June 30, 2022 and 2021

	Community College System of New Hampshire		Community Colleges of New Hampshire Foundation	
	2022	Restated 2021	**2022**	2021
Operating revenues				
Tuition and fees	**$ 52,513,733**	$ 54,764,389	**$ -**	$ -
Less scholarships	**(31,334,150)**	(26,073,229)	**-**	-
Net tuition and fees	**21,179,583**	28,691,160	**-**	-
Grants and contracts	**16,969,565**	16,750,221	**-**	-
Contributions	**-**	-	**1,823,788**	1,071,014
Auxiliary enterprises	**2,643,492**	1,544,707	**-**	-
Other operating revenue	**3,419,834**	2,021,789	**-**	-
Total operating revenues	**44,212,474**	49,007,877	**1,823,788**	1,071,014
Operating expenses				
Employee compensation and benefits	**52,596,999**	86,503,583	**-**	-
Other operating expenses	**24,404,967**	24,340,949	**1,756,952**	1,067,598
Utilities	**2,997,477**	2,646,734	**-**	-
Depreciation and amortization	**8,597,134**	8,567,077	**-**	-
Total operating expenses	**88,596,577**	122,058,343	**1,756,952**	1,067,598
Operating (loss) income	**(44,384,103)**	(73,050,466)	**66,836**	3,416
Nonoperating revenues (expenses)				
State of New Hampshire appropriations	**56,000,000**	55,360,000	**-**	-
Lease revenue	**145,488**	38,225	**-**	-
COVID funding	**23,102,359**	24,256,194	**-**	-
Investment (loss) return for operations	**(1,014,369)**	824,199	**181,718**	150,381
Investment (loss) return excluding amount for operations	**(5,513,550)**	6,364,366	**(1,260,942)**	1,259,399
Interest expense on leases	**(125,284)**	(103,325)	**-**	-
Interest expense on capital debt	**(451,735)**	(514,614)	**-**	-
Nonoperating revenues, net	**72,142,909**	86,225,045	**(1,079,224)**	1,409,780
Income (loss) before other changes in net position	**27,758,806**	13,174,579	**(1,012,388)**	1,413,196
Other changes in net position				
State of New Hampshire capital appropriation	**2,290,942**	1,940,544	**-**	-
Capital grants and contracts	**524,093**	885,666	**-**	-
Nonexpendable contributions	**2,208,985**	653,374	**1,096,243**	172,979
Total other changes in net position	**5,024,020**	3,479,584	**1,096,243**	172,979
Increase in net position	**32,782,826**	16,654,163	**83,855**	1,586,175
Net position, beginning of year, as previously stated	**(17,438,410)**	(34,092,573)	**6,008,765**	4,422,590
Cumulative effect of correction of an error	**20,721,331**	-	**-**	-
Net position (deficit), beginning of year, restated	**3,282,921**	(34,092,573)	**6,008,765**	4,422,590
Net position (deficit), end of year	**$ 36,065,747**	$ (17,438,410)	**$ 6,092,620**	$ 6,008,765

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

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
(A Component Unit of the State of New Hampshire)

Statements of Cash Flows

Years Ended June 30, 2022 and 2021

	Community College System of New Hampshire	
	2022	Restated 2021
Cash flows from operating activities		
Receipts from tuition and fees	**$ 20,951,207**	$ 28,638,118
Receipts from grants and contracts	**38,474,763**	18,970,034
Receipts from auxiliary enterprises	**2,643,492**	1,544,707
Payments to suppliers	**(27,052,358)**	(27,316,477)
Payments to employees	**(86,707,980)**	(88,508,504)
Other cash receipts	**3,432,878**	1,469,903
Net cash used for operating activities	**(48,257,998)**	(65,202,219)
Cash flows from noncapital financing activities		
State of New Hampshire appropriations	**56,000,000**	55,360,000
COVID funding received	**11,738,583**	12,892,418
Contributions for long-term purposes	**2,208,985**	653,374
Net cash provided by noncapital financing activities	**69,947,568**	68,905,792
Cash flows from capital and related financing activities		
Appropriations from the State of New Hampshire for capital expenditures	**1,279,631**	2,164,098
Payments made to the State of New Hampshire for capital accounts payable	**20,560**	-
Capital grants and contracts received	**524,093**	885,666
Purchase of capital assets	**(2,711,314)**	(4,953,409)
Payments received on note receivable	**113,238**	109,895
Principal on bonds payable, other long-term liabilities and leases	**(2,220,810)**	(1,611,570)
Interest on bonds payable, other long-term liabilities and leases	**(625,397)**	(672,307)
Net cash used for capital and related financing activities	**(3,619,999)**	(4,077,627)
Cash flows from investing activities		
Proceeds from sales and maturities of investments	**896,337**	3,954,021
Purchase of investments	**(7,780,284)**	(3,795,791)
Interest and dividends received	**89,879**	138,970
Net cash provided by (used for) investing activities	**(6,794,068)**	297,200
Net increase (decrease) in cash and cash equivalents	**11,275,503**	(76,854)
Cash and cash equivalents, beginning of year	**27,610,518**	27,687,372
Cash and cash equivalents, end of year	**$ 38,886,021**	$ 27,610,518

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

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
(A Component Unit of the State of New Hampshire)

Statements of Cash Flows (Concluded)

Years Ended June 30, 2022 and 2021

	Community College System of New Hampshire	
	2022	Restated 2021
Reconciliation of operating loss to net cash used for operating activities		
Operating loss	**$ (44,384,103)**	$ (73,050,466)
Adjustments to reconcile operating loss to net cash used for operating activities		
Depreciation and amortization	**8,597,134**	8,567,077
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources		
Student accounts receivable	**748,950**	(1,172,881)
Other current assets	**13,044**	(551,886)
Student loans receivable	**27,262**	18,022
Grants and contracts receivable	**18,769,805**	2,535,977
Deferred outflows of resources - pension	**5,777,703**	(10,847,469)
Deferred outflows of resources - OPEB	**609,587**	(13,294,528)
Accounts payable and accrued expenses	**350,086**	(328,794)
Accrued salaries and benefits	**(660,490)**	199,827
Unearned revenue and deposits	**1,784,679**	914,735
Other postemployment benefits	**(37,569,564)**	20,044,485
Net pension liability	**(21,752,781)**	15,421,887
Refundable advances	**(53,874)**	(129,082)
Deferred inflows of resources - pension	**10,714,802**	(3,477,122)
Deferred inflows of resources - OPEB	**8,769,762**	(10,052,001)
Net cash used for operating activities	**$ (48,257,998)**	$ (65,202,219)
Reconciliation of noncash activity		
Acquisition of capital assets	**$ 3,367,331**	$ 4,829,650
Less: Acquisition of capital assets included in accounts payable at year-end	**(755,103)**	(51,573)
Add: Acquisition of capital assets included in accounts payable at prior year-end	**51,573**	14,836
Add: Payments on long-term liabilities used to finance the acquisitions of capital assets	**47,513**	160,496
Payments for the acquisition of capital assets	**$ 2,711,314**	$ 4,953,409

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

Nature of Business

The Community College System of New Hampshire (CCSNH or the System) is comprised of the following colleges:

NHTI - Concord's Community College (NHTI);
Manchester Community College (MCC);
Nashua Community College (NCC);
Great Bay Community College (GBCC);
Lakes Region Community College (LRCC);
White Mountains Community College (WMCC); and
River Valley Community College (RVCC).

CCSNH's main purpose is to provide a well-coordinated system of public community college education. CCSNH is governed by a single board of trustees with 22 voting members appointed by the Governor and Executive Council and two voting members who are full time students enrolled within CCSNH and are elected by the student body. CCSNH funds its operations through tuition, room and board, fees, grants, legacies and gifts, and State of New Hampshire (the State) appropriations.

Community Colleges of New Hampshire Foundation (the Foundation) is a separate legal entity established as a 501(c)(3) corporation. The Foundation is structured to seek and secure private funds and/or grants in order to supplement the traditional revenue sources of CCSNH. The Foundation’s mission is to support CCSNH and make higher education more accessible by providing student scholarship assistance, facility and staff support programs, and improved education facilities. These assets and all activity of the Foundation are included in the financial statements of CCSNH as a discretely-presented component unit.

1. Summary of Significant Accounting Policies

Recently Adopted Accounting Pronouncement

During the year ended June 30, 2022, CCSNH adopted new accounting guidance, GASB Statement No. 87, *Leases*. The retrospective adjustments made to the basic financial statements to comply with the new accounting standards have been reported as an adjustment of prior periods, and the financial statements presented for the periods affected have been restated.

During the year ended June 30, 2022, CCSNH adopted new accounting guidance, GASB Statement No. 100, *Accounting Changes and Error Corrections*. The adoption of the statement and related guidance during the year ended June 30, 2022 did not have a material impact of the financial statements of CCSNH.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, *Fiduciary Activities*, to improve guidance regarding the identification of fiduciary activities to accounting and financial reporting purposes and how those activities should be reported. The adoption of the statement and related guidance during the year ended June 30, 2021 did not have a material impact of the financial statements of CCSNH.

Basis of Presentation

The accompanying financial statements have been prepared using the economic resources focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (U.S. GAAP), as prescribed by the Governmental Accounting Standards Board (GASB). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

CCSNH has determined that it functions as a business-type activity, as defined by GASB. The effect of interfund activity has been eliminated from these financial statements.

CCSNH's policy is to define operating activities in the statement of revenues, expenses and changes in net position as those that generally result from exchange transactions, such as charges for services provided to students and for the purchase of goods and services. Certain other transactions are reported as nonoperating revenues (expenses). These nonoperating revenues (expenses) include CCSNH's operating appropriations from the State lease revenue, COVID funding, net investment income (loss), and interest expense. The other changes in net position include capital appropriations from the State, grant and contract revenue used for capital, gifts received by the Foundation restricted for long-term purposes, and contributions received related to the UNIQUE scholarship program restricted for long-term purposes.

Cash and Cash Equivalents

Cash and cash equivalents in the statement of cash flows include unrestricted cash which is either held in demand deposit or short-term money market accounts, and highly-liquid savings deposits and investments with original maturities of three months or less when purchased.

Student Accounts and Loans Receivable

The Federal Perkins Student Loan Program has provisions for deferment, forbearance, and cancellation of the individual loans. Principal payments, interest, and losses due to cancellation are shared by the College and the U.S. Government in proportion to their share of funds provided. Amounts advanced by the federal government under this program are ultimately refundable and are classified as refundable advances.

Both student accounts receivable and student loans receivable are stated at their unpaid principal balances adjusted for charge-offs and the allowance for loan losses. Fees and interest income on these receivables are recorded when received. For both student accounts and student loans receivable, CCSNH provides for probable uncollectible amounts through a charge to expense and a credit to the allowance account based on its assessment of the current status of individual accounts. Student accounts receivables that are still outstanding after CCSNH has used reasonable collection efforts are written off through a charge to the allowance for bad debts and a credit to student accounts receivable. There was no allowance for bad debts for student accounts receivable at June 30, 2022 and 2021. Student loan receivables that are still outstanding after CCSNH has used reasonable collection efforts are written off through a charge to the allowance for loan losses and a credit to student loans receivable. Student loans receivable at June 30, 2022 and 2021 are reported net of an allowance for loan losses of $213,605 and $294,184, respectively.

Collections of the student loans receivable may not be used to pay current liabilities. Accordingly, the student loans receivable are recorded in the accompanying statements of net position as noncurrent assets.

Investments

CCSNH and the Foundation carry investments at their fair value. Fair value is estimated using the methods described in Note 11. 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 in the investment portfolio are allocated on a specific-identification basis.

Capital Assets

Capital assets are recorded at cost when purchased or constructed and at fair value at the date of donation. In accordance with CCSNH's capitalization policy, only equipment (including equipment acquired under capital leases), capital projects and internally-generated intangibles with a projected cost of $5,000 or more are capitalized. Costs for maintenance, repairs and minor renewals and replacements are expensed as incurred. The costs of library materials are expensed as incurred.

Depreciation of assets acquired are recorded on a straight-line basis over the estimated useful lives of the related assets, principally as follows:

Buildings	40 years
Building and land improvements	20 years
Equipment and vehicles	5 years

When capital assets are retired or otherwise disposed of, the asset and accumulated depreciation accounts are adjusted and any resulting gain or loss is reflected in the statement of revenues, expenses and changes in net position.

Note Receivable

During the year ended June 30, 2015, GBCC sold its former Stratham, New Hampshire Campus for $2,750,000. The buyer paid cash of $250,000 at closing and signed a note receivable to CCSNH for $2,500,000. The note receivable is expected to be paid in monthly installments of $13,865, including interest at 3%, through September 14, 2024. All remaining outstanding principal and interest is expected to be repaid on October 14, 2024, which is expected to amount to approximately $1,500,000. The note receivable balance as of June 30, 2022 and 2021 was $1,709,770 and $1,823,008, respectively. Management determined a reserve was not required at June 30, 2022 and 2021.

Unearned Revenue and Deposits

Unearned revenue and deposits consist primarily of deposits and advance payments received for tuition and fees related to certain summer programs and tuition received for the following academic year. Revenue from summer programs is recognized ratably over the applicable academic periods.

Compensated Absences

Employees earn the right to be compensated during certain absences. The accompanying statements of net position reflect an accrual for the amounts earned, including related benefits ultimately payable for such benefit. A portion of this liability is classified as current and represents CCSNH's estimate of vacation time that will be paid during the next fiscal year to employees.

Refundable Advances

CCSNH participates in the Federal Perkins Loan Program, which is funded through a combination of federal and institutional resources. The portion of this program that has been funded with federal funds is ultimately refundable to the U.S. Government upon termination of CCSNH's participation in the program. The portion that would be refundable if the programs were terminated as of June 30, 2022 and 2021 has been included in the accompanying statements of net position as a noncurrent liability. The portion of this program that has been funded with institutional funds has been classified as restricted - nonexpendable since these funds can only be used for loans during the time CCSNH participates in the Federal Perkins Loan Program. CCSNH is no longer issuing new loans and the funds are not available for general operations.

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Hampshire Retirement System (NHRS), and additions to/deductions from the NHRS's fiduciary net position has been determined on the same basis as it is reported by the NHRS. Detailed information about the Pension Plan's fiduciary net position is available in the separately issued NHRS annual report available from the NHRS website at https://www.nhrs.org. NHRS's financial statements are prepared using the accrual basis of accounting. Both plan member and employer contributions are recognized in the period in which contributions are legally due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Investments in both domestic and non-U.S. securities are valued at current market prices and expressed in U.S. dollars. NHRS uses a trade-date accounting basis for these investments. Investments in non-registered commingled funds are valued at net asset value as a practical expedient to estimate fair value.

Other Postemployment Benefits

For the purposes of measuring the net liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits (OPEB), and OPEB expense, information about the fiduciary net position of the NHRS OPEB Plan and the State of New Hampshire OPEB Plan (the State OPEB Plan) (collectively, the OPEB Plans) has been determined on the same basis as it is reported by NHRS and the State OPEB Plan.

Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Net Position

GASB requires that resources be classified for accounting purposes into the following four net position categories:

Invested in capital assets, net of related debt: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, repair or improvement of those assets, and increased or reduced by deferred inflows and deferred outflows related to those assets.

Restricted - nonexpendable: Net assets subject to externally-imposed conditions that CCSNH must maintain them in perpetuity.

Restricted - expendable: Net assets whose use is subject to externally-imposed conditions that can be fulfilled by the actions of CCSNH or by the passage of time.

Unrestricted: All other categories of net position. Unrestricted net position may be designated by actions of the CCSNH's Board of Trustees.

CCSNH has adopted a policy of generally utilizing restricted, expendable resources, when available, prior to unrestricted resources.

Net Student Fees

Student tuition, dining, residence, and other fees are presented net of scholarships applied to students' accounts.

Contributions

Contributions are recorded at their fair value at the date of gift. Promises to donate to CCSNH are recorded as receivables and revenues when the CCSNH has met all applicable eligibility and time requirements. Contributions to be used for endowment purposes are categorized as restricted nonexpendable. Other gifts are categorized as unrestricted. Because of uncertainties with regard to their realizability and valuation, bequests and other intentions to give and conditional promises are not recognized as assets until the specified conditions are met.

Operating Revenues and Expenses

Operating revenues consist of tuition and fees; federal, state and other grants and contracts; sales and services of education activities; and auxiliary enterprises revenues. Operating expenses include instruction, public service, academic support, student services, institutional support, operations and maintenance, student aid, auxiliary enterprises, and residential life and depreciation. Capital items represent all other changes in long-term plant and endowment net assets. Revenues are recognized when earned and expenses are recognized when incurred. Restricted grant revenue is recognized only to the extent expended for expenditure driven grants or, in the case of fixed-price contracts, when the contract terms are met or completed.

Income Taxes

The Internal Revenue Service has determined that CCSNH is a wholly-owned instrumentality of the State of New Hampshire and, as such, is generally exempt from federal income tax. The Foundation is exempt from income taxes because it is a 501(c)(3) organization.

If an exempt organization regularly carries on a trade or business not substantially related to its exempt purpose, except that it provides funds to carry out that purpose, the organization is subject to tax on its income from that unrelated trade or business. The System has evaluated the positions taken on its business activities and has concluded no unrelated business income tax exists at June 30, 2022 and 2021.

Use of Estimates in Financial Statement Preparation

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

2. Change in Accounting Principle

During the year ended June 30, 2022, CCSNH adopted new accounting guidance, GASB Statement No. 87, *Leases*. The retrospective adjustments made to the basic financial statements to comply with the new accounting standards have been reported as an adjustment of prior periods, and the financial statements presented for the periods affected have been restated.

The adoption of the standard at July, 1, 2020, required recognition of $36,867 of short-term lease receivables, $438,201 of long-term lease receivables, $475,068 in deferred inflows of resources, $1,008,278 in short-term lease liabilities, $6,194,326 of long-term lease liabilities, and $7,202,604 in right-to-use assets. At June 30, 2021, those balances related to leases in which CCSNH was the lessor were short-term lease receivables of $137,912, long-term lease receivables of $301,212, and deferred inflows of resources net of accumulated amortization of $437,766. At June 30, 2021, those balances related to leases in which CCSNH was the lessee were short-term lease liabilities of $730,445, long-term lease liabilities of $5,567,206, and right to use assets net of accumulated amortization of $6,244,884. The impact of the adoption of the standard for the year ended June 30, 2021 was a reduction in net position of $51,409.

3. Correction of Error

CCSNH identified a material error in the covered population which impacted the calculations related to the amounts recorded for the OPEB liability. This error was identified by CCSNH's management subsequent to the issuance of the June 30, 2022 financial statements.

The correction of the error was corrected as of the measurement date of July 1, 2021 due to the availability of the actuarial valuation and data. The cumulative effect of the correction of error at July, 1, 2021 resulted in a prior period restatement of net position in the amount of $20,721,331. The impact of correction of error at July 1, 2022 is summarized below:

	Restated July 1, 2021	Original July 1, 2021	Difference
Deferred outflows	$ 15,890,083	$ 21,330,650	$ 5,440,567
OPEB liability	73,888,588	98,667,767	(24,779,179)
Deferred inflows	16,597,680	21,720,566	(5,122,886)
Beginning net position	3,282,921	(17,438,410)	20,721,331

The correction of the error also resulted in a restatement of the change in net position for the year ended June 30, 2022. The impact of correction of error for the year ended June 30, 2022 is summarized below:

	Restated June 30, 2022	Original June 30, 2022	Difference
Employee compensation and benefits	$ 52,596,999	$ 56,337,166	$ (3,740,167)
Increase in net position	32,782,826	29,042,659	3,740,167

4. Cash and Cash Equivalents

Custodial credit risk is the risk that, in the event of bank failure, CCSNH’s deposits may not be returned. Deposits are considered uninsured and uncollateralized if they are not covered by depository insurance and are (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the pledging financial institution’s trust department or agent but not in CCSNH’s name.

As of June 30, 2022 and 2021, CCSNH's uncollateralized uninsured cash and cash equivalents were approximately $21,150,000 and $27,200,000, respectively. Deposits held in noninterest-bearing transaction accounts are aggregated with any interest-bearing deposits, and the combined total amounts are insured up to the first $250,000 per financial institution.

5. Capital Assets

Capital asset activity for the year ended June 30, 2022 is summarized below:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Land	**$ 915,187**	**$ -**	**$ (302,200)**	**$ -**	**$ 612,987**
Construction-in-process	**366,961**	**2,176,847**	**-**	**(378,969)**	**2,164,839**
Total non-depreciable assets	**1,282,148**	**2,176,847**	**(302,200)**	**(378,969)**	**2,777,826**
Land improvements	**7,149,771**	**-**	**-**	**-**	**7,149,771**
Buildings and improvements	**200,008,789**	**68,050**	**(130,263)**	**378,969**	**200,325,545**
Equipment and vehicles	**20,610,424**	**1,486,387**	**(461,505)**	**-**	**21,635,306**
Total depreciable assets	**227,768,984**	**1,554,437**	**(591,768)**	**378,969**	**229,110,622**
Accumulated depreciation	**(124,482,988)**	**(7,672,855)**	**530,016**	**-**	**(131,625,827)**
Capital assets, net	**$ 104,568,144**	**$ (3,941,571)**	**$ (363,952)**	**$ -**	**$ 100,262,621**

Capital asset activity for the year ended June 30, 2021 is summarized below:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Land	$ 915,187	$ -	$ -	$ -	$ 915,187
Construction-in-process	461,509	1,734,671	-	(1,829,219)	366,961
Total non-depreciable assets	1,376,696	1,734,671	-	(1,829,219)	1,282,148
Land improvements	7,149,771	-	-	-	7,149,771
Buildings and improvements	197,479,208	700,362	-	1,829,219	200,008,789
Equipment and vehicles	19,759,525	1,536,359	(685,460)	-	20,610,424
Total depreciable assets	224,388,504	2,236,721	(685,460)	1,829,219	227,768,984
Accumulated depreciation	(117,549,263)	(7,609,357)	675,632	-	(124,482,988)
Capital assets, net	$ 108,215,937	$ (3,637,965)	$ (9,828)	$ -	$ 104,568,144

6. Long-Term Liabilities

Changes in long-term liabilities during the year ended June 30, 2022 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Accrued salaries and benefits	$ 9,682,261	$ -	$ (660,490)	$ 9,021,771	$ 5,298,557
Due to the State	-	-	-	20,560	-
Refundable advances	285,529	-	(53,874)	231,655	-
Net pension liability	68,376,494	-	(21,752,781)	46,623,713	-
Bonds payable	10,172,022	-	(1,329,917)	8,842,105	1,337,952
OPEB	111,458,152	-	(37,569,564)	73,888,588	-
Lease liabilities	6,297,651	1,100,549	(843,380)	6,554,820	967,175
Notes payable	1,548,465	-	(47,513)	1,500,952	49,727
Long-term liabilities	$ 207,820,574	$ 1,100,549	$ (62,257,519)	$ 146,684,164	$ 7,653,411

Changes in long-term liabilities during the year ended June 30, 2021 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Accrued salaries and benefits	$ 9,482,434	$ 199,827	$ -	$ 9,682,261	$ 5,891,807
Refundable advances	414,611	-	(129,082)	285,529	-
Net pension liability	52,954,607	15,421,887	-	68,376,494	-
Bonds payable	11,623,096	-	(1,451,074)	10,172,022	1,329,918
OPEB	91,413,667	20,044,485	-	111,458,152	-
Lease liabilities	-	7,202,604	(904,953)	6,297,651	730,445
Notes payable	1,708,961	59,844	(220,340)	1,548,465	47,512
Long-term liabilities	$ 167,597,376	$ 42,928,647	$ (2,705,449)	$ 207,820,574	$ 7,999,682

Notes payable

Future minimum payments of notes payable as of June 30 are as follows:

Year ending June 30,	Principal	Interest	Total
2023	$ 49,727	$ 54,324	$ 104,051
2024	36,639	52,399	89,038
2025	24,973	50,867	75,840
2026	25,894	49,946	75,840
2027	26,848	48,992	75,840
2028 - 2032	149,835	229,365	379,200
2033 - 2037	179,561	199,639	379,200
2038 - 2042	215,183	164,017	379,200
2043 - 2047	257,873	121,328	379,201
2048 - 2052	309,032	70,168	379,200
2053 - 2056	225,387	13,451	238,838
	$ 1,500,952	$ 1,054,496	$ 2,555,448

During 2016, RVCC entered into an agreement with USDA in the amount of $1,600,000 to finance the purchase a building in Lebanon, New Hampshire. The note payable is to be repaid over 40 years at a fixed interest rate of 3.625%. As of June 30, 2022 and 2021 the balance due to USDA was $1,461,903 and $1,484,306, respectively.

7. **Bonds Payable**

Bonds payable consisted of the following at June 30:

	2022	2021
2009 Series A General Obligation Bonds (original principal of $5,000,000) Serial bonds maturing through 2029 with annual principal payments from $200,000 to $300,000 and interest rates from 4.00% to 5.50%.	**$ 1,400,000**	$ 1,700,000
2010 Series A General Obligation Bonds (original principal of $1,996,995) Serial bonds maturing through 2025 with annual principal payments from $0 to $666,111 and coupon interest rates from 2.00% to 5.00%.	**262,788**	293,361
2012 Series B General Obligation Bonds (original principal of $6,000,000) Serial bonds maturing through 2032 with annual principal payments from $160,000 to $240,000 and interest rates from 2.64% to 4.15%. A portion of these bonds were refunded as part of the issuance of the 2017 Series A General Obligation bonds.	**1,595,875**	1,835,336
2013 Series B General Obligation Bonds (original principal of $2,000,000) Serial bonds maturing through 2033 with annual principal payments from $79,763 to $133,446 and interest rates from 4.00% to 4.68%. A portion of these bonds were refunded as part of the issuance of the 2017 Series A General Obligation bonds.	**772,904**	906,181

	2022	2021
2014 Series A General Obligation Refunding Bonds (original principal of $2,762,813) maturing through 2028 with annual principal payments ranging from $34,564 to $102,325 and interest rates from 1.50% to 5.00%.	**1,919,452**	2,278,303
2016 Series A General Obligation Refunding Bonds (original principal of $921,602) maturing through 2028 with annual principal payments ranging from $36,734 to $192,626 and interest rates from 1.88% to 2.50%.	**214,793**	214,793
2017 Series A General Obligation Bonds (original principal of $4,015,070) maturing through 2036 with annual principal payments ranging from $160,464 to $267,756 and interest rates from 2.25% to 4.80%.	**2,676,293**	2,944,048
	$ 8,842,105	$ 10,172,022

During the year ended June 30, 2015, CCSNH advance refunded selected bonds. The difference between the reacquisition price and the net carrying amount of the old debt of approximately $523,000 was recorded as a deferred inflow of resources and will be recognized in the statement of revenues, expenses and changes in net position on an annual basis through the year 2028 using the effective-interest method. At June 30, 2022 and 2021 the unamortized deferred gain from advance refunding of the bonds was $141,615 and $189,993, respectively.

Principal and interest payments on bonds payable for the next five years and in subsequent five-year periods are as follows at June 30:

Year ending June 30,	Principal	Interest	Total
2023	$ 1,337,952	$ 374,508	$ 1,712,460
2024	901,433	315,342	1,216,775
2025	1,078,481	268,296	1,346,777
2026	1,109,823	221,226	1,331,049
2027	912,213	169,527	1,081,740
2028 - 2032	2,620,943	375,100	2,996,043
2033 - 2037	881,260	57,535	938,795
	$ 8,842,105	$ 1,781,534	$ 10,623,639

Interest expense related to the bonds for the years ended June 30, 2022 and 2021 was $395,195 and $450,050, respectively.

8. Leases

Lessor

In instances in which CCSNH is the lessor, GASB Statement No. 87 requires the recording of a lease receivable asset and a deferred inflow of resources by lessors even in the case of a lease which does not transfer ownership of the leased asset.

The total lease receivables were $301,211 and $439,124 as of June 30, 2022 and 2021, respectively. During the years ended June 30, 2022 and 2021, CCSNH recognized $3,464 and $922, respectively, in interest revenue related to lease receivables.

The resource inflows represent principal payments received. The total deferred inflows of resources amounted to $295,742 and $437,766 as of June 30, 2022 and 2021, respectively. During the years ended June 30, 2022 and 2021, CCSNH recognized $142,024 and $37,303, respectively, in rental revenue amortized from the deferred inflows of resources.

Long-term lease agreements existing prior to the implementation date of July 1, 2020 were valued at the discounted value of future expected scheduled lease payments as of the implementation date. Long-term lease agreements entered into subsequent to the implementation date of July 1, 2020 were valued at the discounted value of future expected scheduled lease payments as of the commencement date of the individual lease. The discount rate for leases as of June 30, 2022 and 2021 was 3%. The expected future payments include extension option periods as their exercise is reasonably certain.

At June 30, 2022, the projected minimum future revenue and interest from noncancelable rental agreements is approximately:

Year ending June 30,	Principal	Interest
2023	$ 128,747	$ 2,184
2024	84,006	1,246
2025	40,361	724
2026	40,361	280
2027	7,736	3
	$ 301,211	$ 4,437

Lessee

In instances in which CCSNH is the lessee, GASB Statement No. 87 requires the recording as a right-to-use asset and lease liability even in the case that the lease does not transfer ownership of the leased asset.

The total lease liabilities were $6,554,820 and $6,297,651 as of June 30, 2022 and 2021, respectively. During the years ended June 30, 2022 and 2021, CCSNH incurred $125,284 and $103,325, respectively, in interest expenses related to lease liabilities.

The right-of-use assets represent lease payments made. The total right-of-use asset value net of accumulative amortization amounted to $6,421,153 and $6,244,884 as of June 30, 2022 and 2021, respectively. During the years ended June 30, 2022 and 2021, CCSNH recognized $924,280 and $957,720, respectively, in amortization expense from the right-of-use assets.

Long-term lease agreements existing prior to the implementation date of July 1, 2020 were valued at the discounted value of future expected scheduled lease payments as of the implementation date. Long-term lease agreements entered into subsequent to the implementation date of July 1, 2020 were valued at the discounted value of future expected scheduled lease payments as of the commencement date of the individual lease. The discount rate for leases as of June 30, 2022 and 2021 was 3%. The expected future payments include extension option periods as their exercise is reasonably certain.

At June 30, 2022, the projected minimum future amortization and interest from noncancelable lease agreements is approximately:

Year ending June 30,	Principal	Interest	Amortization of Right-of-Use Asset
2023	$ 967,175	$ 115,448	$ 971,554
2024	721,502	103,338	724,978
2025	634,774	91,716	659,988
2026	251,387	85,026	263,253
2027	98,623	82,697	125,358
2028 to 2032	515,398	382,294	617,382
2033 to 2037	571,220	326,472	617,215
2038 to 2042	633,088	264,603	617,215
2043 to 2047	701,657	196,034	617,215
2048 to 2052	777,653	120,039	617,215
2053 to 2056	682,343	35,812	589,783
	$ 6,554,820	$ 1,803,479	$ 6,421,156

9. Defined Benefit Pension Plan

CCSNH participates in the NHRS, which, as governed by Revised Statutes Annotated (RSA) 100-A, is a public employee retirement system that administers a cost-sharing, multiple-employer pension plan (Pension Plan). NHRS is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters and permanent police officers within the State are eligible and required to participate in the NHRS. The pension plan is divided into two membership groups; State and local employees and teachers belong to Group I and police and firefighters belong to Group II. All of CCSNH's employees are part of Group I. The provisions of the Pension Plan can be amended only by legislative action taken by the New Hampshire State Legislature, pursuant to the authority granted it under the New Hampshire State Constitution.

The NHRS pension plan and trust was established in 1967 by RSA 100-A:2. The Pension Plan is a contributory, defined benefit plan providing service, disability, death, and vested retirement benefits to members and their beneficiaries. Although benefits are funded by member contributions, employer contributions and trust fund assets, NHRS computes benefits on the basis of members' Average Final Compensation (AFC) and years of creditable service. Unlike a defined contribution plan, NHRS benefits provided to members are not dependent upon the amount of contributions paid into the NHRS or the investment return on trust assets.

To qualify for a normal service retirement, Group I members must have attained 60 years of age. However, a member who commenced service on or after July 1, 2011 shall not receive a service retirement allowance until attaining 65 years of age. The member may receive a reduced allowance after age 60 if the member has at least 30 years of creditable service. The allowance shall be reduced for each month by which the date on which benefits commence precedes the month after which the member attains 65 years of age, by ¼ of one percent.

For members retiring prior to the age of 65, the yearly pension amount is 1.67% of AFC multiplied by years of creditable service. For members retiring at 65 or older, the yearly pension amount is 1.52% of AFC multiplied by years of creditable service. For members vested prior to January 1, 2012, AFC is based on the highest three years of creditable service. For members not vested prior to January 1, 2012, or hired on or after July 1, 2011, AFC is based on a member's highest five years of creditable service. At age 65, the yearly pension amount is recalculated with an appropriate graduated reduction based on years and months of creditable service that the member has at the time of retirement.

Contributions Required and Made

The Pension Plan is financed by contributions from the members and participating employers and investment earnings. Contributions required to cover that amount of cost not met by the members' contributions are determined by a biennial actuarial valuation by the Pension Plan's actuary. By statute, the Board of Trustees of NHRS is responsible for the certification of employer contribution rates, which are determined through the preparation of biennial valuations of NHRS's assets by NHRS's actuary using the entry-age normal cost method.

Commencing July 1, 2011, all Group I employees are responsible to accrue contributions at 7.00% of covered payroll.

In terms of the employer share of contributions made to the Retirement Plan, the pension contribution rate for Group I employees was 10.88% for the two-year period ended June 30, 2021. Effective July 1, 2021, the employer share was increased to 13.75% and will remain fixed through June 30, 2023.

For the years ended June 30, 2022 and 2021, CCSNH contributions to the Pension Plan were $6,033,129 and $5,146,499, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022 and 2021, respectively, CCSNH reported a liability of $46,623,713 and $68,376,494 for its proportionate share of the net pension liability. The 2022 net pension liability is based on an actuarial valuation performed as of June 30, 2020 and a measurement date of June 30, 2021. The net pension liability was rolled forward from June 30, 2020 to June 30, 2021. CCSNH's proportion of the net pension liability was based on a projection of CCSNH's long-term share of contributions to the Pension Plan relative to the projected contributions of all participating employers, as actuarially determined. At June 30, 2022 and 2021, CCSNH's proportion of the net pension liability was 1.0520% and 1.0690%, respectively.

During the years ended June 30, 2022 and 2021, CCSNH recognized pension expense of $772,853 and $6,243,795, respectively.

At June 30, 2022, CCSNH reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,305,531	$ 488,118
Changes in assumptions	4,869,584	-
Net difference between projected and actual investment earnings on pension plan investments	-	13,039,584
Changes in proportion and differences between employer contributions and share of contributions	-	3,089,134
Contributions subsequent to the measurement date	6,033,129	-
Balances as of June 30, 2022	$ 12,208,244	$ 16,616,836

Amounts reported as deferred outflows of resources related to pensions resulting from CCSNH contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	
2023	$ (2,954,796)
2024	(1,495,392)
2025	(1,592,283)
2026	(4,399,250)
	$ (10,441,721)

At June 30, 2021, CCSNH reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,846,496	$ 734,168
Changes in assumptions	6,763,792	-
Net difference between projected and actual investment earnings on pension plan investments	4,229,160	-
Changes in proportion and differences between employer contributions and share of contributions	-	5,167,866
Contributions subsequent to the measurement date	5,146,499	-
Balances as of June 30, 2021	$ 17,985,947	$ 5,902,034

Actuarial Assumptions

The total pension liability was determined by a roll-forward of the actuarial valuations as of June 30, 2021 using the following actuarial assumptions, which, accordingly, apply to 2019 and 2020 measurements:

Actuarial cost method	Entry age normal
Inflation	2.00% per year
Salary increases	5.60% average, including inflation per year
Wage inflation	2.75% per year (2.25% for teachers)
Investment rate of return	6.75%, net of investment expense, including inflation, per year

Mortality rates used in the June 30, 2020 measurement were based on the Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2019, based on the results of the most recent actuarial experience study, which was for the period of July 1, 2016 – June 30, 2019.

Long-Term Rates of Return

The long-term expected rate of return on pension plan investments was selected from a best-estimate range determined using the building-block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation.

The following table presents target allocations and the geometric real rates of return for 2021 and 2020:

Asset Class	Target Allocation		Weighted Average Long-Term Expected Real Rate of Return	
	2021	2020	2021	2020
Large cap equities	22.50 %	22.50 %	6.46 %	3.71 %
Small/mid cap equities	7.50	7.50	1.14	4.15
Total domestic equity	30.00	30.00		
International equities (unhedged)	14.00	13.00	5.53	3.96
Emerging international equities	6.00	7.00	2.37	6.20
Total international equities	20.00	20.00		
Core bonds	25.00	9.00	3.60	0.42
Global multi-sector fixed income	-	10.00	-	1.66
Absolute return fixed income	-	6.00	-	0.92
Total fixed income	25.00	25.00		
Private equity	10.00	10.00	8.85	7.71
Private debt	5.00	5.00	7.25	4.81
Total alternative investments	15.00	15.00		
Real estate	10.00	10.00	6.60	2.95
Total	100.00 %	100.00 %		

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2022 and 2021 was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the pension plan's actuarial funding policy and as required by RSA 100-A:16. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

The following presents CCSNH's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what CCSNH's proportionate share of the pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
CCSNH's proportionate share of the net pension liability	$ 66,677,244	$ 46,623,713	$ 29,895,794

Change in Assumption for Purpose of Contribution Rate

On July 1, 2016, the Board of Trustees of NHRS announced a change to adopt revised actuarial assumptions based on the results of a five-year experience study conducted by the retirement systems consulting actuary. Included in these changes will be the lowering of the assumed rate of return from 7.75% to 7.25%. This rate will be used in September to set employer contribution rates for fiscal years 2019, 2020 and 2021. On June 9, 2020, the Board of Trustee voted to reduce the retirement system's investment assumptions, lowering the assumed rate of return from 7.25% to 6.75%. By statute, this valuation will determine employer contribution rates for fiscal years 2022 and 2023.

10. Other Postemployment Benefits

Plan Description - NHRS OPEB

In addition to providing pension benefits, NHRS administers a cost-sharing multiple-employer defined benefit postemployment medical subsidy healthcare plan designated in statute (RSA 100-A:52, RSA 100-A:52a and RSA 100-A:52-b) by membership type. The membership types are Group I Teachers, Group I Political Subdivision Employees, Group I State Employees, and Group II Police Officer and Firefighters. All CCSNH employees are Group I participants. The NHRS OPEB Plan provides a medical insurance subsidy to qualified retired members. The medical subsidy is a payment made by NHRS to the former employer or their insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certifiably dependent children with a disability who are living in the household and being cared for by the retiree. Under specific conditions, the qualified beneficiaries of members who die while in service may also be eligible for the medical subsidy. For qualified retirees not eligible for Medicare the subsidy amounts are $375.56 for a single-person plan and $751.12 for a two-person plan. For those qualified retirees eligible for Medicare, the amounts are $236.84 for a single-person plan and $473.68 for a two-person plan. There have been no increases in the monthly maximum subsidy amounts since July 1, 2007. The plan is closed to new entrants.

For CCSNH (Group) I members, substantially all employees who were hired on or before June 30, 2003 and have 10 years of service may become eligible for these benefits if they reach normal retirement age while working for the State and receive their pensions on a periodic basis rather than a lump sum. During fiscal year 2004, legislation was passed that requires State Group I employees hired on or after July 1, 2003 to have 20 years of State service in order to qualify for health coverage benefits. These and similar benefits for active employees are authorized by state law and administered through the Employee and Retiree Benefit Risk Management Fund, which is the State's self-insurance fund, implemented in October 2003, for active State employees and retirees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Contributions Required and Made

The State Legislature has indicated it plans to only partially fund (on a pay-as-you-go basis) the annual required contribution (ARC), an actuarially determined rate.

Plan members are not required to contribute to the OPEB Plans. CCSNH makes annual contributions to the OPEB Plans equal to the amount required by RSA 100-a: 52. For all Group I employees, effective July 1, 2019 the annual contribution rate was decreased from 1.07% to 1.05% and remained fixed through June 30, 2021. Effective July 1, 2021, the contribution rate decreased to 0.78% and will remain fixed through June 30, 2023. For Group II employees, effective July 1, 2019 the annual contribution rate was decreased from 4.10% to 3.66% and remained fixed through June 30, 2021. Effective July 1, 2021, the contribution rate decreased to 3.21% and will remain fixed through June 30, 2023. CCSNH's contributions for the NHRS OPEB Plan for the years ended June 30, 2022 and 2021 were $327,786 and $460,247, respectively, which were equal to its ARC.

NHRS OPEB Liabilities, NHRS OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to NHRS OPEB

At June 30, 2022, CCSNH reported a liability of $3,886,793 for its proportionate share of the net NHRS OPEB liability. The net NHRS OPEB liability as of June 30, 2022 is based on an actuarial valuation performed as of June 30, 2020 and a measurement date of June 30, 2021. The net OPEB liability was rolled forward from June 30, 2020 to June 30, 2021.

At June 30, 2021, CCSNH reported a liability of $4,322,066 for its proportionate share of the net NHRS OPEB liability. The net NHRS OPEB liability as of June 30, 2021 is based on an actuarial valuation performed as of June 30, 2019 and a measurement date of June 30, 2020. The net NHRS OPEB liability was rolled forward from June 30, 2020 to June 30, 2021.

CCSNH's proportion of the net NHRS OPEB liability was based on a projection of the CCSNH's long-term share of contributions to NHRS relative to the projected contributions of all participating employers as actuarially determined. At June 30, 2022 and 2021, CCSNH's proportion of the net NHRS OPEB liability was 0.9706% and 0.9874%, respectively.

For the years ended June 30, 2022 and 2021, CCSNH recognized OPEB expense of $98,330 and $298,263, respectively, related to the NHRS OPEB Plan.

At June 30, 2022, CCSNH reported deferred outflows of resources and deferred inflows of resources related to NHRS OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 811
Net difference between projected and actual investment earnings on NHRS OPEB plan investments	-	48,553
Changes in proportion	-	617
Contributions subsequent to the measurement date	327,786	-
Balances as of June 30, 2022	$ 327,786	$ 49,981

Amounts reported as deferred outflows related to pensions resulting from CCSNH contributions subsequent to the measurement date will be recognized as a reduction of the net NHRS OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to NHRS OPEB will be recognized in NHRS OPEB expense as follows:

Year ending June 30,		
2023	$	(12,534)
2024		(10,201)
2025		(11,435)
2026		(15,811)
	$	(49,981)

At June 30, 2021, CCSNH reported deferred outflows of resources and deferred inflows of resources related to NHRS OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 27,790	$ -
Difference between expected and actual experience	-	12,523
Net difference between projected and actual investment earnings on NHRS OPEB plan investments	16,171	14,232
Contributions subsequent to the measurement date	460,247	-
Balances as of June 30, 2021	$ 504,208	$ 26,755

Actuarial Assumptions

The collective total NHRS OPEB liability was determined by a roll forward of the actuarial valuation as of June 30, 2020, using the following actuarial assumptions, which apply to the 2020 and 2021 measurements:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage-of-payroll, closed
Remaining amortization period	Not applicable, under statutory funding
Investment rate of return	6.75% net of investment expenses, including inflation per year
Salary rate increase	5.60% average, including inflation per year
Price inflation	2.00% per year
Wage inflation	2.75% per year (2.25% for Teachers)
Healthcare cost trend rates	Not applicable, given the benefits are fixed stipends
Aging factors	Not applicable, given the benefits are fixed stipends

Mortality rates used in the June 30, 2021 and 2020 measurement were based on the Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2019, based on the results of the most recent actuarial experience study, which was for the period of July 1, 2016 – June 30, 2019.

Long-Term Rates of Return

The long-term expected rate of return on NHRS OPEB plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation.

Following is a table presenting target allocations and the geometric real rates of return for each asset class:

Asset Class	Target Allocation		Weighted Average Long-Term Expected Real Rate of Return	
	2021	2020	2021	2020
Large cap equities	22.50 %	22.50 %	6.46 %	4.25 %
Small/mid cap equities	7.50	7.50	1.14	4.50
Total domestic equity	30.00	30.00		
International equities (unhedged)	14.00	13.00	5.53	4.50
Emerging international equities	6.00	7.00	2.37	6.00
Total international equities	20.00	20.00		
Core bonds	25.00	9.00	3.60	1.12
Global multi-sector fixed income	-	10.00	-	2.46
Absolute return fixed income	-	6.00	-	1.50
Total fixed income	25.00	25.00		
Private equity	10.00	10.00	8.85	7.90
Private debt	5.00	5.00	7.25	4.86
Total alternative investments	15.00	15.00		
Real estate	10.00	10.00	6.60	3.00
Total	100.00 %	100.00 %		

Discount Rate

The discount rate used to measure the total NHRS OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made under the current statute by RSA 100-A:16. Based on those assumptions, the NHRS OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on NHRS OPEB plan investments was applied to all periods of projected benefit payments to determine the collective total NHRS OPEB liability.

Sensitivity Analysis

The following presents CCSNH's proportionate share of the net NHRS OPEB liability calculated using the discount rate of 6.75%, as well as what CCSNH's proportionate share of the NHRS OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
CCSNH's proportionate share of the net OPEB liability	$ 4,225,250	$ 3,886,793	$ 3,592,314

NHRS OPEB Plan Fiduciary Net Position

Detailed information about the NHRS OPEB Plans' fiduciary net position is available in the separately issued NHRS annual report available from NHRS' website at https://www.nhrs.org.

The NHRS OPEB plan's fiduciary net position has been determined on the same basis used by NHRS. NHRS's financial statements are prepared using the accrual basis of accounting. Both plan member and employer contributions are recognized in the period in which contributions are legally due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Investments in both domestic and non-U.S. securities are valued at current market prices and expressed in U.S. dollars. NHRS uses a trade-date accounting basis for these investments. Investments in non-registered commingled funds are valued at net asset value as a practical expedient to estimate fair value.

Plan Description - State OPEB Plan

RSA 21-I:30 specifies that the State provide certain health care benefits for retired employees and their spouses through a single-employer (primary government and component units) defined benefit plan. These benefits include group hospitalization, hospital medical care, surgical care, and other medical care. Substantially all of the State's employees who were hired on or before June 30, 2003 and have 10 years of service may become eligible for these benefits if they reach normal retirement age while working for the State and receive their pensions on a periodic basis rather than in a lump sum. During fiscal year 2004, legislation was passed that requires State Group I employees hired on or after July 1, 2003 to have 20 years of state service in order to qualify for retiree health benefits. All CCSNH employees fall into the Group I category. Additionally, during fiscal year 2012, legislation was passed requiring Group I employees hired after July 1, 2011 to have 25 years of State service and increased the normal retirement age for Group I employees hired after July 1, 2011. The CCSNH liability does not include individuals that retired as CCSNH employees prior to 2012.

These and similar benefits for active employees and retirees are authorized by RSA 21-I:30 and provided through the Employee and Retiree Benefit Risk Management Fund which is the State's self-insurance internal service fund. The State OPEB Plan funds the cost of medical and prescription drug claims by charging actuarially developed working rates to State agencies for participating employees, retirees, and eligible spouses. An additional major source of funding for retiree benefits is from the NHRS medical subsidy payment described previously in this footnote. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The State administers the plan. It does not issue a separate stand-alone financial report.

Contributions Required and Made

The State Legislature has indicated it currently plans to continue to require contributions on a pay-as-you-go basis to fund benefits paid. CCSNH's contributions to the State for the years ended June 30, 2022 and 2021 were $1,140,474 and $1,441,057, respectively.

State OPEB Plan Liabilities, State OPEB Plan Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to State OPEB Plan

At June 30, 2022, CCSNH reported a liability of $70,001,795 for its proportionate share of the State OPEB Plan liability. The State OPEB Plan liability at June 30, 2022 was determined by an actuarial valuation as of December 31, 2020 adjusted forward to a measurement date of June 30, 2020. The State OPEB Plan liability was rolled forward from December 31, 2020 to June 30, 2021.

At June 30, 2021, CCSNH reported a liability of $107,136,086 for its proportionate share of the State OPEB Plan liability. The State OPEB Plan liability at June 30, 2021 was determined by an actuarial valuation as of December 31, 2018 adjusted forward to a measurement date of June 30, 2020. The State OPEB Plan liability was rolled forward from December 31, 2018 to June 30, 2020.

CCSNH's proportion of the State OPEB Plan liability was based on a projection of CCSNH's long-term share of contributions to the State relative to the projected contributions of all participating employers as actuarially determined. At June 30, 2020 and 2020, CCSNH's proportion of the State OPEB Plan's liability was 3.422% and 4.813%, respectively.

For the years ended June 30, 2022 and 2021, CCSNH recognized OPEB income of $26,814,116 and $1,705,892, respectively, related to the State OPEB Plan.

At June 30, 2022, CCSNH reported deferred outflows of resources and deferred inflows of resources related to State OPEB Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	**$ 14,262,326**	**$ 9,585,928**
Differences between expected and actual experience	**-**	**1,674,405**
Changes in proportion	**193,971**	**5,292,528**
Proportionate share of contributions subsequent to the measurement date	**1,106,000**	**-**
Balances as of June 30, 2022	**$ 15,562,297**	**$ 16,552,861**

Amounts reported as deferred outflows related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total State OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to State OPEB Plan will be recognized in State OPEB Plan expense as follows:

Year ending June 30,	
2023	$ (4,856,990)
2024	(532,866)
2025	2,697,884
2026	595,408
	$ (2,096,564)

At June 30, 2021, CCSNH reported deferred outflows of resources and deferred inflows of resources related to State OPEB Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 13,796,519	$ 23,369,606
Differences between expected and actual experience	-	1,415,070
Changes in proportion	387,943	2,506,143
Unamortized difference between employer contributions and proportionate share of contributions	-	1,231,675
Proportionate contributions subsequent to the measurement date	1,811,000	-
Balances as of June 30, 2021	$ 15,995,462	$ 28,522,494

Actuarial Assumptions

The collective total State OPEB Plan liability was determined by a roll forward of the actuarial valuation as of December 31, 2018, using the following actuarial assumptions, which apply to the 2019 and 2020 measurements:

Actuarial cost method	Entry age normal
Amortization method	Level percent of pay, open
Remaining amortization period	30 years
Investment rate of return	Not applicable as there are no invested assets
Salary rate increase - Group I	14.75% decreasing over 12 years to an ultimate level of 3.25%, including inflation
Discount rate	2.16% as of June 30, 2021 measurement and 2.21% as of June 30, 2020 valuation
Price inflation	3.25% per year
Wage inflation	2.75% per year

Contributions:

Retiree contributions are expected to increase with a blended medical and prescription drug trend.

Mortality rates were based on the following:

- Pre-retirement – PubG-2010 Headcount-Weighted Employee General Mortality Tables for Group 1 for the 2020 valuation; RP-2014 mortality tables for the 2019 valuation.

Postretirement mortality rates:

- Healthy: PubG-2010 Headcount-Weighted Healthy Retiree General Mortality Tables for Group I for the 2020 valuation; RP-2014 mortality tables for the 2019 valuation.
- Disabled: PubNS-2010 Headcount-Weighted Non-Safety Disabled Retiree Mortality Tables for Group I for the 2020 valuation; RP-2014 mortality tables for the 2019 valuation.

The following scale factors for each member classification are applied to all mortality tables:

	2021	2020
Scale - Male	101 %	101 %
Scale - Female	109 %	109 %

As of January 1, 2019, the State implemented a Medicare Advantage plan which contributed to the reduction in the overall plan liability in the year of implementation.

Healthcare trend rates are based on the following:

Medical:

- Non-Medicare: 0% for one year, then 5.50% decreasing by 0.25% each year to an ultimate level of 4.5% per year. For 2020, (17.05%) for one year, then 17.20% for one year, then 5.50% decreasing by 0.25% per year to 4.5% per year.
- Medicare: n/a through contract period, then 4.5% per year. For 2020, (12.2%) for one year then 4.5% per year.

Prescription Drug:

- Non-Medicare: 15.0% for one year, then 7.50% decreasing by 0.25% each year to an ultimate level of 4.5% per year. For the 2020 valuation, (12.17%) for one year, 3.30% for one year then 7.5% decreasing by 0.25% each year to 4.5% per year.
- Medicare: 9.5% for one year, decreasing by 0.5% each year to an ultimate level of 4.5% per year. For 2020 valuation, 9.75% for one year, 6.20% for one year then 6.5%, decreasing by 0.25% each year to an ultimate level of 4.5% per year.

The actuarial assumptions used in the June 30, 2021 and 2020 valuations were based on the results of the most recent actuarial experience study, which was for the period of July 1, 2010 to June 30, 2015.

Discount Rate

Because the State OPEB Plan is not funded, the discount rate is based on the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rate of AA/Aa or higher as shown in the Bond Buyer 20-Bond General Obligation Index.

Changes in Assumptions

The discount rate was decreased from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021. The trend assumptions were revised to reflect known changes in claims experience and future expectations. Per capita health costs and administrative expenses were recalculated based on more recent data.

Sensitivity Analysis

The following presents CCSNH's proportionate share of the total State OPEB liability calculated using the discount rate of 2.16%, as well as what CCSNH's proportionate share of the State OPEB Plan liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
CCSNH's proportionate share of the total State OPEB liability	$ 83,706,798	$ 70,001,795	$ 59,255,480

The following presents CCSNH's proportionate share of the total State OPEB liability calculated using the current trend rates, as well as what CCSNH's proportionate share of the State OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates:

	1% Decrease	Current Trend Rates	1% Increase
CCSNH's proportionate share of the total State OPEB liability	$ 57,541,995	$ 70,001,795	$ 86,416,430

11. Contingencies and Commitments

Union Contracts

Substantially all of CCSNH's employees are covered by a collective bargaining agreement, except for executive officers and confidential personnel. As of March 2017, CCSNH full-time faculty were represented by the NH Higher Education Union (NHHEU), which is part of the International Brotherhood of Electrical Workers, Local 2320. In May, 2022 The CCSNH and NHHEU, Local 2320 entered into a Memorandum of Understanding, that provided for the extension of the 2020-2021 Collective Bargaining Agreement through June 30, 2023; an across-the-board salary increase of 3% effective August 12, 2022, and a two day reduction in days of responsibilities for 10 month and 11 month faculty. It is anticipated that CCSNH and the NHHEU will engage in contract negotiations in the Fall, 2022.

Certain adjunct faculty of CCSNH are covered by a collective bargaining agreement, separate from the agreement described in the previous paragraph, and are represented by the State Employees' Association of New Hampshire, Inc., which is part of the SEIU 1984, CTW, CLC. The current collective bargaining agreement has a period of July 14, 2022 through June 30, 2022. CCSNH and the SEIU will engage in contract negotiations for the adjunct faculty bargaining unit in the Spring of 2023.

CCSNH staff are covered by a collective bargaining agreement, separate from the agreement described previously, also currently represented by the State Employees' Association of New Hampshire, Inc. (SEA), which is part of the Service Employees International Union Local 1984, CTW, CLC (SEIU). In August, 2022 The CCSNH and SEA, Local 1984 entered into a Memorandum of Understanding, that provided for the extension of the 2020-2021 Collective Bargaining Agreement through September 30, 2023; an across-the-board salary increase of 3% effective August 12, 2022, and recognition of the Juneteenth (June 19) holiday. It is anticipated that CCSNH and the NHHEU are expected to engage in contract negotiations in the Fall, 2022.

Contingencies

CCSNH participates in various federally-funded programs. These programs are subject to financial and compliance audits and resolution of identified questioned costs. The amount, if any, of expenditures which may be disallowed by the granting agency cannot be determined at this time.

CCSNH is involved in various claims and legal actions arising in the ordinary course of business. The ultimate disposition of these matters is indeterminable but, in the opinion of management, the amount of ultimate liability would not have a significant impact on CCSNH's financial condition.

Commitments

CCSNH has entered into various construction contracts. The following commitments are ongoing projects at June 30, 2022:

	Expended through June 30, 2022	Committed Future Costs	Total Committed Costs of Project
NHTI	$ 560,970	$ 617,368	$ 1,178,338
MCC	16,130	60,551	76,681
NCC	390,891	205,972	596,863
LRCC	487,611	537,534	1,025,145
WMCC	704,107	1,120,660	1,824,767
RVCC	5,130	23,000	28,130
Total	$ 2,164,839	$ 2,565,085	$ 4,729,924

12. Investments

Fair Value Measurement

GASB Statement No. 72, *Fair Value Measurement and Application*, establishes a fair value hierarchy for investments 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 the 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 its investments, listed on national exchanges, at the last sales price as of the day of the valuation.

Level 2: Inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets which 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 asset of liability. The fair values are therefore determined using model-based techniques that incorporate these inputs.

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 discounted cash flow models and similar techniques.

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

CCSNH Investments

CCSNH operating investments consist of an investment in a short-term bond mutual fund. The fund targets a dollar-weighted average maturity of 0.75 years or less and invests in U.S dollar-denominated money market and high-quality, investment-grade debt securities, primarily in the financial service industry. The fund's investments in fixed-rate securities have a maximum maturity of two years and investments in floating-rate securities have a maximum maturity of three years.

Long-term investments include the UNIQUE endowment funds assets and other unrestricted investments. The State Uniform Prudent Management of Institutional Funds Act requires the preservation of the original gift (corpus value) of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The System classifies as permanently restricted net position: (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) 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.

Subject to the intent of a donor expressed in the gift instrument, the System may appropriate for expenditure or accumulate so much of an endowment fund as the System determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. 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. Cumulative appreciation on these funds was $5,127,109 and $10,640,659 at June 30, 2022 and 2021, respectively and is reported in restricted expendable net position.

The System manages interest rate risk according to its investment policy by maintaining investments that are both liquid, as determined by a readily available market, and highly diversified, using institutional class mutual funds or exchange-traded funds.

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, CCSNH will not be able to recover the value of the investment or collateral securities that are in possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of CCSNH, and are held by either the counterparty or the counterparty's trust department or agency, but not in CCSNH's name. As of June 30, 2022 and 2021, CCSNH's investments included in the statements of net position were not exposed to custodial credit risk. The investments were held by the counterparty, in the name of CCSNH.

Investments held by CCSNH were comprised of the following at June 30, 2022:

	Level 1	**Level 2**	**Level 3**
Cash and cash equivalents	**$ 458,333**	**$ -**	**$ -**
Equity mutual funds	**25,126,019**	**-**	**-**
Fixed-income mutual funds	**13,360,183**	**-**	**-**
Total	**$ 38,944,535**	**$ -**	**$ -**

Investments held by CCSNH were comprised of the following at June 30, 2021:

	Level 1	Level 2	Level 3
Equity mutual funds	$ 22,420,825	$ -	$ -
Fixed-income mutual funds	16,068,671	-	-
Total	$ 38,489,496	$ -	$ -

A summary of fixed-income mutual fund maturities as of June 30, 2022 and 2021 is as follows:

2022		2021	
Amount	**Maturities**	Amount	Maturities
$ 1,027,071	**More than 3 years**	$ 161,542	More than 3 years
741,725	**Less than 3 year**	9,245,589	Less than 3 years
11,591,387	**N/A**	6,661,540	N/A
$ 13,360,183		$ 16,068,671	

The maturities are the weighted averages of the debt securities in which the funds invest.

CCSNH has not defined a limit in its investment policies regarding the amount that can be placed with one issuer. However, the investment policy defines that the portfolio should be well diversified as to limit exposure to one issuer or security. As of June 30, 2022 individual investments representing more than 5% of the CCSNH's investments were as follows:

	Percentage of Investments
Strategic Advisors Large Cap Fund	31.3%
Strategic Advisors International Fund	10.0%
Strategic Advisors Core Income Fund	15.9%

Community Colleges of New Hampshire Foundation

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 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 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.

Investments held by the Foundation were comprised of the following at June 30, 2022:

	Level 1	**Level 2**	**Level 3**
Cash and cash equivalents	**$ 296,938**	**$ -**	**$ -**
Equities	**4,565,916**	**-**	**-**
Fixed-income	**1,055,904**	**-**	**-**
Total	**$ 5,918,758**	**$ -**	**$ -**

Investments held by the Foundation were comprised of the following at June 30, 2021:

	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 146,433	$ -	$ -
Equities	4,682,580	-	-
Fixed-income	1,043,507	-	-
Total	$ 5,872,520	$ -	$ -

13. Risk Management

CCSNH is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; and natural disaster for which CCSNH carried insurance.

CCSNH has insurance coverage that includes automotive, crime, employment practices, fire, general liability, pollution, theft, and workers' compensation. There have been no significant changes in insurance coverage during the past fiscal year. Settlements did not exceed coverage amounts during fiscal years 2022 and 2021.

14. COVID-19 Considerations and Relief Funding

On March 11, 2020, the World Health Organization declared coronavirus disease (COVID-19) a global pandemic. Local, U.S., and world governments encouraged self-isolation to curtail the spread of COVID-19 by mandating the temporary shut-down of business in many sectors and imposing limitations on travel and the size and duration of group gatherings. Most sectors are experiencing disruption to business operations. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and additional government actions to mitigate them. Accordingly, while management expects this matter to impact operating results, the related financial impact and duration cannot be reasonably estimated.

The U.S. government has responded with relief legislation as a response to the COVID-19 outbreak. The U.S government has enacted three statues into law to address the economic impact of the COVID-19 outbreak; the first on March 27, 2020, called the Coronavirus Aid, Relief, and Economic Security Act (CARES Act); the second on December 27, 2020, called the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA); and the third on March 11, 2021 called the American Rescue Plan Act (ARPA). The CARES Act, CRRSAA and ARPA, among other things, 1) authorize emergency loans to distressed businesses by establishing, and providing funding for, forgivable bridge loans; 2) provide additional funding for grants and technical assistance; 3) delay due dates for employer payroll taxes and estimated tax payments for organizations; and 4) revise provisions of the Code, including those related to losses, charitable deductions, and business interest. Management has evaluated the impact of the CARES Act on CCSNH, including its potential benefits and limitations that may result from additional funding.

In April 2020, CCSNH was awarded approximately $6,000,000 of CARES Act Higher Education Emergency Relief Funds (HEERF I). Under the terms of the HEERF I grant agreement, 50% of the award is to be awarded to students as emergency financial aid for student expenses incurred related to COVID-19. The remaining 50% is to be used to cover certain costs CCSNH incurred as a result of the financial impact of COVID-19. During the years ended June 30, 2022 and 2021, CCSNH had expended $221,910 and $3,836,851. As of June 30, 2021, $447,986 was recorded in grants and contracts receivable. The full amount had been received as of June 30, 2022.

In June 2020, the System was awarded a grant from the State of New Hampshire's Governor's Office for Emergency Relief and Recovery (GOFERR). CCSNH was awarded $11,000,000 total of which $6,000,000 was to be awarded to student for additional aid and $5,000,000 to cover certain expenses incurred through December 30, 2020 as a result of the pandemic. During the year ended June 30, 2021, the System had expended $7,662,134 of the funding. There was a remaining amount of $2,900,000 that was sent back to the State. As of June 30, 2021, the full amount incurred had been recognized as revenue and received by CCSNH.

In April 2020, the NHTI campus was designated an alternative care site for COVID-19 patients. Funding is expected to be received from FEMA to reimburse costs with setting up the alternative care site. During the year ended June 30, 2021, the System incurred $28,502 of expenses that included the costs to prepare the site for use and to store items previously used in the space. As of June 30, 2021, the full amount incurred had been recognized as revenue and received by CCSNH.

In January 2021, the University was awarded approximately $13,700,000 of CRRSAA Higher Education Emergency Relief Funds (HEERF II). Under the terms of the HEERF II grant agreement, at least the minimum student award from HEERF I was to be awarded to students as emergency financial aid for student expenses incurred and lost earnings related to COVID-19. The remaining amounts are to be used to cover certain costs CCSNH incurred as a result of the financial impact of COVID-19. At June 30, 2021, CCSNH had satisfied the terms and conditions of the grant agreement and recognized the revenue in the amount of $12,999,823. As of June 30, 2021, $8,601,862 was recorded in grants and contracts receivable. As of June 30, 2022, CCSNH had satisfied the terms and conditions of the grant agreement to recognize the revenue for the remaining $701,681. As of June 30, 2022, $302,644 was recorded in grants and contracts receivable.

In March 2021, CCSNH was awarded approximately $24,100,000 of ARPA Higher Education Emergency Relief Funds (HEERF III). Under the terms of the HEERF III grant agreement, 50% of the award is to be awarded to students as emergency financial aid for student expenses incurred and lost earnings related to COVID-19. The remaining 50% is to be used to cover certain costs CCSNH incurred as a result of the financial impact of COVID-19. At June 30, 2021, CCSNH had satisfied the terms and conditions of the grant agreement and recognized the revenue in the amount of $1,648,009. As of June 30, 2021, $1,056,224 was recorded in grants and contracts receivable. As of June 30, 2022, CCSNH had satisfied the terms and conditions of the grant agreement and recognized the revenue in the amount of $21,999,306. As of June 30, 2022, $3,572,211 was recorded in grants and contracts receivable. CCSNH has the remaining award of $413,241 to expend during fiscal year 2023.

In July 2022, White Mountain Community College was awarded approximately $176,874 of ARPA Community Colleges and Rural IHEs Serving a High percentage of Low Income students and experiencing Enrollment Decline (HEERF IV). As of June 30, 2022, the System had not received or expended any of the HEERF IV award.

REQUIRED SUPPLEMENTARY INFORMATION

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
(A Component Unit of the State of New Hampshire)

Required Supplementary Information (Unaudited)

June 30

Schedule of Collective Net Pension Liability *

	June 30, 2021	2020	2019	2018	2017	2016	2015	2014
Employer proportion of the collective net pension liability	1.0520 %	1.0690 %	1.1005 %	1.1181 %	1.2800 %	1.3580 %	1.5230 %	1.5521 %
Employer's proportionate share of the collective net pension liability	$46,623,713	$68,376,494	$52,954,607	$53,837,038	$62,962,418	$72,213,216	$60,334,154	$58,259,797
Employer's covered-employee payroll	$47,302,381	$45,456,756	$44,474,567	$45,853,123	$40,724,800	$40,875,944	$46,847,155	$35,091,551
Employer's proportionate share of the collective net pension liability as a percentage of the employer's covered employee-payroll	99 %	150 %	119 %	117 %	155 %	177 %	129 %	166 %
Plan fiduciary net position as a percentage of the total pension liability	72.22 %	58.72 %	65.59 %	64.73 %	56.22 %	58.30 %	65.47 %	66.32 %

** Schedule is intended to show 10 years. Additional years will be added as they become available.*
Information above is presented as of the measurement date for the respective reporting periods.

Required Supplementary Information (Unaudited)

Years Ended June 30

Schedule of Employer Contributions (Pension Plan) *

	Years ended June 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Required employer contribution**	$ 6,033,129	$ 5,146,499	$ 4,945,695	$ 4,927,782	$ 5,080,526	$ 5,090,600	$ 5,109,493	$ 4,923,636	$ 3,688,122
Actual employer contribution**	$ 6,033,129	$ 5,146,499	$ 4,945,695	$ 4,927,782	$ 5,080,526	$ 5,090,600	$ 5,109,493	$ 4,923,636	$ 3,688,122
Difference	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered-employee payroll	$ 43,877,302	$47,302,381	$45,456,756	$44,474,567	$45,853,123	$40,724,800	$40,875,944	$46,847,155	$35,091,551
Employer contribution as a percentage of the employer's covered-employee payroll	13.75 %	10.88 %	10.88 %	11.08 %	11.08 %	12.50 %	12.50 %	10.51 %	10.51 %

** Schedule is intended to show 10 years. Additional years will be added as they become available.*
*** Contributions above are annual contributions subsequent to the measurement date.*
Information above is presented as of CCSNH's fiscal year end for the respective reporting periods.

Notes to the Required Supplementary Information-Pension

Changes of assumptions:	The roll-forward of the total pension liability from June 30, 2020 to June 30, 2021 reflects expected service and interest costs reduced by actual benefit payments. The roll-forward of the total pension liability from June 30, 2019 to June 30, 2020 reflects expected service and interest costs reduced by actual benefit payments. The roll-forward of the total pension liability from June 30, 2018 to June 30, 2019 reflects expected service and interest costs reduced by actual benefit payments. The roll-forward of the total pension liability from June 30, 2017 to June 30, 2018 reflects expected service and interest costs reduced by actual benefit payments. The roll-forward of the total pension liability from June 30, 2016 to June 30, 2017 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year. The roll-forward of the total pension liability from June 30, 2015 to June 30, 2016 reflects expected service cost and interest reduced by actual benefit payments. Actuarially determined contribution rates for the 2010-2011 biennium were determined based on the June 30, 2009 actuarial valuation. Actuarially determined contribution rates for the 2012-2013 biennium were determined based on the June 30, 2011 actuarial valuation. Actuarially determined contribution rates for the 2014-2015 biennium were determined based on the June 30, 2013 actuarial valuation. Actuarially determined contribution rates for the 2016-2017 biennium were determined based on the June 30, 2015 actuarial valuation. Actuarially determined contribution rates for the 2018-2019 biennium were determined based on the June 30, 2017 actuarial valuation. Actuarially determined contribution rates for the 2020-2021 biennium were determined based on the June 30, 2019 actuarial valuation. Actuarially determined contribution rates for the 2022-2023 biennium were determined based on the June 30, 2021 actuarial valuation.

Schedule of Collective Net OPEB Liability (NHRS OPEB Plan) *

	June 30, 2021	2020	2019	2018	2017	2016
Employer proportion of the collective net NHRS OPEB Plan liability	0.971 %	0.987 %	1.014 %	1.032 %	1.195 %	1.264 %
Employer's proportionate share of the collective net NHRS OPEB Plan liability	$ 3,886,793	$ 4,322,066	$ 4,322,066	$ 4,723,754	$ 5,462,993	$ 6,118,030
Employer's covered-employee payroll	$ 43,833,048	$ 44,212,095	$ 43,131,776	$ 45,010,854	$ 45,010,854	$ 44,776,463
Employer's proportionate share of the collective net NHRS OPEB Plan liability as a percentage of the employer's covered employee-payroll	8.87 %	9.78 %	10.02 %	10.49 %	12.14 %	13.66 %
Plan fiduciary net position as a percentage of the total NHRS OPEB Plan liability	11.06 %	7.74 %	7.75 %	7.53 %	7.91 %	5.21 %

** Schedule is intended to show 10 years. Additional years will be added as they become available.*
Information above is presented as of the measurement date for the respective reporting periods.

Required Supplementary Information (Unaudited)

Years Ended June 30

Schedule of Employer Contributions (NHRS OPEB Plan) *

	Years ended June 30,					
	2022	2021	2020	2019	2018	2017
Required employer contributions**	$ 466,418	$ 460,247	$ 464,227	$ 461,510	$ 465,916	$ 738,178
Actual employer contributions**	$ 466,418	$ 460,247	$ 464,227	$ 461,510	$ 465,916	$ 738,178
Employer's covered-employee payroll	$ 59,797,179	$ 43,833,048	$ 44,212,095	$ 43,131,776	$ 42,702,430	$ 45,010,854
Employer contribution as a percentage of the employer's covered-employee payroll	0.78 %	1.05 %	1.05 %	1.07 %	1.09 %	1.64 %

** Schedule is intended to show 10 years. Additional years will be added as they become available.*
*** Contributions above are annual contributions during the measurement date.*
Information above is presented as of CCSNH's fiscal year end for the respective reporting periods.

Notes to the Required Supplementary Information (NHRS OPEB Plan)

Changes of assumptions:	The roll-forward of the total OPEB liability from June 30, 2020 to June 30, 2021 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.
	The roll-forward of the total OPEB liability from June 30, 2019 to June 30, 2020 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.
	The roll-forward of the total OPEB liability from June 30, 2018 to June 30, 2019 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.
	The roll-forward of the total OPEB liability from June 30, 2017 to June 30, 2018 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.
	The roll-forward of the total OPEB liability from June 30, 2016 to June 30, 2017 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

Required Supplementary Information (Unaudited)

June 30

Schedule of Changes in the Total OPEB Liability (State OPEB Plan) *

	Years ended June 30,				
	2022	2021	2020	2019	2018
Total State OPEB Plan liability					
Service cost	$ 88,855,352	$ 62,882,134	$ 63,316,502	$ 76,699,396	$ 111,333,637
Interest	50,667,474	64,136,527	75,264,960	81,507,353	84,314,931
Change in benefit terms	(498,097,828)	-	-	-	-
Differences between expected and actual experience	(36,352,537)	(10,281,706)	(24,532,584)	(7,652,967)	(7,885,961)
Changes of assumptions	252,239,520	358,302,338	(177,242,643)	(235,526,750)	(784,281,319)
Changes in benefit terms	-	-	-	(182,835,031)	-
Benefits	(37,624,000)	(44,600,000)	(51,332,000)	(51,625,000)	(49,772,000)
Net change in total State OPEB Plan liability	(180,312,019)	430,439,293	(114,525,765)	(319,432,999)	(646,290,712)
Total State OPEB Plan liability, beginning of year	2,225,901,154	1,795,461,861	1,909,987,626	2,229,420,625	2,875,711,337
Total State OPEB Plan liability, end of year	$ 2,045,589,135	$ 2,225,901,154	$ 1,795,461,861	$ 1,909,987,626	$ 2,229,420,625

Schedule of Collective Total OPEB Liability (State OPEB Plan) - Restated *

	June 30, 2022	2021	2020	2019	2018	2017
Employer proportion of the collective total State OPEB Plan liability	3.4220 %	4.8132 %	4.8440 %	4.9304 %	4.9660 %	4.9255 %
Employer's proportionate share of the collective total State OPEB Plan liability	$ 70,001,795	$107,136,086	$ 86,970,326	$ 94,170,836	$ 110,713,469	$ 141,644,569
Employer's covered-employee payroll	$ 47,302,381	$ 45,456,756	$ 45,456,756	$ 45,853,123	$ 40,724,800	$ 40,875,944
Employer's proportionate share of the collective total State OPEB Plan liability as a percentage of its covered employee payroll	148 %	236 %	191 %	205 %	272 %	347 %

** Schedule is intended to show 10 years. Additional years will be added as they become available.*
Information above is presented as of the measurement date for the respective reporting periods.

Notes to the Required Supplementary Information (State OPEB Plan)

There are no assets accumulated in a trust that meets the criteria in GASB 75 paragraph 4 to pay related benefits.

Changes of assumptions:	Changes in assumptions reflect trend assumption revisions to reflect current experience and future expectations. The discount rate decreased from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021. The discount rate decreased from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020. The discount rate decreased from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019. The discount rate increased from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018. The discount rate increased from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017. The roll-forward of the total OPEB liability from December 31, 2020 to June 30, 2021 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year. The roll-forward of the total OPEB liability from December 31, 2018 to June 30, 2020 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year. The roll-forward of the total OPEB liability from December 31, 2018 to June 30, 2019 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

BerryDunn

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Community College System of New Hampshire
(A Component Unit of the State of New Hampshire)

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely-presented component unit of the Community College System of New Hampshire (a Component Unit of the State of New Hampshire) (CCSNH), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise CCSNH's basic financial statements, and have issued our report thereon dated November 29, 2022. We did not audit the financial statements of the discretely-presented component unit. Those financial statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it related to the amounts included for the discretely-presented component unit, was based solely on the report of the other auditor. The financial statements of the discretely-presented component unit were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include reporting on internal control over financial reporting or compliance associated with the discretely-presented component unit.

Report Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered CCSNH's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CCSNH's internal control. Accordingly, we do not express an opinion on the effectiveness of CCSNH's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Board of Trustees
Community College System of New Hampshire
(A Component Unit of the State of New Hampshire)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether CCSNH's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of CCSNH's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CCSNH's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire
November 29, 2022

BerryDunn

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
Community College System of New Hampshire
(A Component Unit of the State of New Hampshire)

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Community College System of New Hampshire's (CCSNH) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of CCSNH's major federal programs for the year ended June 30, 2022. CCSNH's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, CCSNH complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*, *Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of CCSNH and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of CCSNH's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to CCSNH's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on CCSNH's compliance based on our audit. 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. generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about CCSNH's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with U.S. generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 CCSNH's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of CCSNH's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of CCSNH's internal control over compliance. Accordingly, no such opinion is expressed.

We did not audit CCSNH's compliance with the billing, collections and due-diligence compliance requirements specified by the Federal Perkins Loan Program and described in the Uniform Guidance. These functions were performed by Educational Computer Systems, Inc. (ECSI). ECSI's compliance with the billing, collections, and due-diligence compliance requirements was examined by other independent accountants, as described in the following paragraph. The report of those accountants has been furnished to us, and our opinion, expressed herein, insofar as it relates to CCSNH's compliance with those requirements, is based solely on the report of the other independent accountants.

ECSI's compliance with the requirements governing the functions that it performs for CCSNH was examined by other independent accountants whose report has been furnished to us. The report of the other independent accountants indicates that compliance with those requirements was examined in accordance with the *Guide for Audits of Proprietary Schools and for Compliance Attestation Engagements for Third-Party Services Adminstering Title IV Programs* issued by the U.S. Department of Education, Office of Inspector General.

Based on our review of the service organization's independent accountants' report, we have determined that all of the compliance requirements included in the Uniform Guidance that are applicable to the major programs in which CCSNH participates are addressed in either our audit or the report of the service organization's accountants. Further, based on our review of the service organization's independent accountants' report, we have determined that it does not contain any findings of noncompliance that would have a direct and material effect on one or more of CCSNH's major federal programs' compliance with the requirements described in the first paragraph of this report.

We believe that our audit and the report of the other independent accountants provide a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of CCSNH's compliance.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above, however, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Board of Trustees
Community College System of New Hampshire
(A Component Unit of the State of New Hampshire)

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the basic financial statements of CCSNH as of and for the year ended June 30, 2022, and the related notes to the financial statements and have issued our report thereon dated April 22, 2023, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire
November 29, 2022

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
(A Component Unit of the State of New Hampshire)

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
United States Department of Agriculture			
Community Facilities Loans and Grants - Direct	10.766		$ 1,548,365
Rural Energy for America Program - Direct	10.868		24,944
Total United States Department of Agriculture			1,573,309
United States Department of Labor			
Apprenticeship USA Grants - Direct	17.285		1,051,375
Southern New Hampshire Services - Passed-Through			
Workforce Investment Act Dislocated Worker National Reserve Demonstration Grants	17.280	N/A	510
Total United States Department of Labor			1,051,885
Department of Treasury			
State of New Hampshire - Passed-Through			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	150,961
Research and Development Cluster			
National Science Foundation - Direct			
Education and Human Resources	47.076		133,635
Integrative Activities	47.083		69,367
Total National Science Foundation			203,002
United States Department of Education			
Student Financial Assistance Cluster - Direct			
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		719,523
Federal Work-Study Program (FWS)	84.033		88,472
Federal Perkins Loan Program (Perkins)	84.038		445,079
Federal Pell Grant Program (Pell)	84.063		10,573,621
Federal Direct Student Loans (NDSL)	84.268		20,733,124
Total Student Financial Assistance Cluster			32,559,819

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

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
New Hampshire Department of Education - Passed-Through			
Career and Technical Education - Basic Grants to States			
	84.048	20210795	74,501
	84.048	20220099	877,936
	84.048	20203141	11,057
	84.048	20220525	61,197
	84.048	V048A170029	34,800
	84.048	20211649	102,948
	84.048	20220867	48,073
	84.048	N/A	14,158
Total CFDA number 84.048			1,224,670
HEERF Education Stabilization Funds - Direct			
COVID-19 - Education Stabilization Fund (Part A)	84.425 E		11,329,009
COVID-19 - Education Stabilization Fund (Part B)	84.425 F		6,284,469
Total HEERF Education Stabilization Funds			17,613,478
Total U.S. Department of Education			51,397,967
Japan - U.S. Friendship Commission - Passed-Through			
Northern Border Regional Development	90.601		7,958
United States Department of Health and Human Services			
New Hampshire Department of Health and Human Services- Passed-Through			
Child Care and Development Block Grant	93.575	G1401NHCCDF	129,538
Mental and Behavioral Health Education and Training Grants - Passed-Through	93.732	M01HP31271	13,673
Trustees of Dartmouth College- Passed-Through			
Biomedical Research and Research Training	93.859	FY21# 5P20GM103506-09	95,459
Total U.S. Department of Health and Human Services			238,670

Schedule of Expenditures of Federal Awards (Concluded)

Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
United States Department of Homeland Security			
Disaster Grants - Public Assistance (Presidentially Declared Disasters) - Direct	97.036		28,502
Total Expenditures of Federal Awards			$ 54,652,254

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of the Community College System of New Hampshire (CCSNH) for the year ended June 30, 2022. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)*.* Because the Schedule presents only a portion of the operations of CCSNH, it is not intended to, and does not, present the financial position, changes in net position or cash flows of CCSNH*.*

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Office of Management and Budget Circular A-21, Cost Principles for Educational Institutions, for federal agreements entered into before December 26, 2014, and the Uniform Guidance for federal agreements entered into on or after December 26, 2014, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

CCSNH has not elected to use the 10% de minimis indirect cost rate.

3. Federal Perkins Loan Program

The Federal Perkins loan program is administered directly by CCSNH and balances and transactions relating to the program are included in the System's financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of Perkins loans outstanding at June 30, 2022 was $339,238.

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
(A Component Unit of the State of New Hampshire)

Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:		Unmodified		
Internal control over financial reporting:				
Material weakness(es) identified?	_____	Yes	X	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____	Yes	X	None Reported
Noncompliance material to financial statements noted?	_____	Yes	X	No

Federal Awards

Internal control over major programs:				
Material weakness(es) identified?	_____	Yes	X	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____	Yes	X	None Reported
Type of auditor's report issued on compliance for major programs:		Unmodified		
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	_____	Yes	X	No

Identification of Major Programs:

AL Number(s)	Name of Federal Program or Cluster
17.285	U.S. Department of Education Apprenticeship USA Grants
84.007, 84.033, 84.038, 84.063, 84.268	U.S. Department of Education Student Financial Assistance Cluster
84.425E	U.S. Department of Education - COVID-19 - Education Stabilization Fund (Part A)
84.425F	U.S. Department of Education - COVID-19 - Education Stabilization Fund (Part B)

Dollar threshold used to distinguish between Type A and Type B programs:		$750,000		
Auditee qualified as low-risk auditee?	X	Yes	_____	No

Schedule of Findings and Questioned Costs (Concluded)

Year Ended June 30, 2022

Section II. **Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with *Government Auditing Standards***

NONE

Section III. **Findings for Each Major Federal Program**

NONE