



Board of Trustees Audit and Risk Committee

Thursday, April 20, 2023, 8:30 am – 9:00 am

Great Bay Community College – 320 Corporate Drive, Portsmouth, NH 03801

Attendees: Chair Tricia H. Lucas, Trustee Todd Emmons, Trustee John T. Stevens, Trustee Stephen J. Ellis, Director Ann-Marie Hartshorn

Regrets:

Guests: Chancellor Mark Rubinstein, Robert Smalley of BerryDunn and Katharine Balukas of BerryDunn

Meeting Minutes:

Chair Lucas opened the meeting with introductions at 8:30am. After introductions Chair Lucas had Director Hartshorn introduce the guests from BerryDunn who would be presenting the audited financial statement and uniform guidance audit information to the committee.

Mr. Smalley and Ms. Balukas went over why they were re-presenting what was approved in November of 2022. While attempting to assess future liabilities regarding retiree healthcare it was realized that there were names on the list being reviewed that CCSNH should not have been liable for. When CCSNH separated from the state it was agreed that the state would be responsible for retiree costs for anyone that had retired prior to 7/1/2011 and CCSNH would be responsible for anyone retiring after 7/1/2011. This equated to CCSNH's liability being overstated by approximately \$25mm. BerryDunn was able to do what is called a correction of an error to restate the 2022 financial statement which increased our net position and decreased our liability.

Trustee Emmons wanted to know if there were any external implications or bond issues, Mr. Smalley said there are not. In previous years there were bond discrepancies, but not currently.

The Audit Committee would like to ensure that the agreement of where the responsibility for liability lies is added as a footnote to the financial statements for historical significance. BerryDunn will be adding a footnote regarding the date that liability for CCSNH started.

BerryDunn also noted that this is a very complicated area of accounting, and it was miraculous that Chief Operating Office Fields and Controller Harrington were able to find this error before it spiraled further out of control.

Vote:

1. Accept FY22 Audited Financial Statement and Uniform Guidance Audits



- a. Trustee Ellis motioned to accept the audited FY 2022 Financial Statement and Uniform Guidance Audits; Trustee Stevens seconded the motion. Motion passed unanimously.

The Audit Committee wanted to recognize Controller Harrington for all his work on this project as he had a tight deadline to pull the information together after the error was realized. The submission of our audits to the US Department of Education, Student Financial Aid deadline for this report was 3/31/2023, however, CCSNH was told they could submit it after that date with a letter of explanation. They would not have been able to submit a correction if it was submitted as approved in November of 2022.

Trustee Ellis motioned to adjourn the meeting, Trustee Stevens seconded the motion, all were in favor, meeting adjourned at 8:44am.

Respectfully submitted,
Cassandra Hoefs

Executive Assistant to the Chancellor and the Board of Trustees