



(A Component Unit of the State of New Hampshire)

FINANCIAL STATEMENTS

and

REPORTS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* AND THE  
UNIFORM GUIDANCE

June 30, 2024 and 2023

With Independent Auditor's Report

**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, 2024 and 2023**

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## 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, 2024 and 2023, 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, based on our audit and the report of the other auditor, 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, 2024 and 2023, 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 (U.S. GAAP).

We did not audit the financial statements of the discretely-presented component unit, which statements reflect 4 percent and 3 percent of assets, respectively, 13 percent and 14 percent of net position, respectively, as of June 30, 2024 and 2023 and 2 percent of revenues for the years 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 our 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.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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. GAAP require that Management's Discussion and Analysis on pages 4 through 20 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 Governmental Accounting Standards Board (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. GAAS, 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 November 21, 2024 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  
November 21, 2024

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

**Management's Discussion and Analysis (Unaudited)**

**June 30, 2024 and 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, 2024, 2023 and 2022. 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 statewide 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**

**CCSNH Mission, Vision and Goals**

Since we were established, the Community College System of New Hampshire (CCSNH) has been marked by the steady evolution of our mission, name, geographic coverage, programs, enrollment, and governance. From our post-World War II origin as two trade schools serving a few hundred students, we have evolved into an independent statewide system of seven comprehensive community colleges and five learning centers serving about 22,000 students annually.

With campuses in every region of the state and most of our students in-state residents, CCSNH plays a dominant role in educating New Hampshire's population and workforce. The colleges offer a broad range of high-quality associate degree and certificate programs as well as more specific workforce offerings that provide pathways to skilled employment and transfer to four-year colleges and universities, and that build strong communities of educated and civically engaged residents. The System Office provides leadership, coordination, and support to optimize the work of the seven community colleges, and is designed to create organizational efficiencies to ensure that CCSNH meets its statutory obligation to "operate as a well-coordinated system of public community college education."

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Our well-coordinated system is dedicated to the educational, professional, and personal success of our students; a skilled workforce for our state's businesses; and a strong New Hampshire economy. These efforts aim to ensure that our students will attain their educational and professional goals.

**Student Success & Demographics**

Using the Strategic Plan as a guiding influence, CCSNH continues to create new and innovative pathways to help our students succeed. Leadership teams across the System, including the System Office and the Colleges, are reviewing a number of core services and educational opportunities to improve student success and outcomes. Throughout FY24, CCSNH has dedicated significant resources to implement innovative short-term programs focused on meeting critical industry needs across the state of New Hampshire, improving transferability to 4-year institutions, researching OER (open educational resources) to help reduce cost of textbooks/course materials for students, and to review our online learning model to improve accessibility to classes for students, regardless of their geographic location. By addressing these needs, and many others, CCSNH is facilitating student success by removing barriers to ensure that students can be fully engaged in their educational journey. Pillar I of the Strategic Plan is focused on reducing barriers that are financial, academic and externally facing (i.e. food and housing insecurities) to keep the cost of an education affordable for matriculated students and for those in workforce focused credential programs.

CCSNH successfully lobbied for additional state appropriations during the FY24 – FY25 biennium. These additional funds from the State of New Hampshire were geared toward supporting specific segments of our student population; examples of this support came in the form of a Promise Program that provided aid that covered additional resources above a student's federal Pell grant, industry specific support for early childhood educational professionals, and first responders. Furthermore, CCSNH also received appropriations to support those students seeking workforce development skills and funding to continue the successful Dual and Concurrent Enrollment Program geared at opening access to high school students at an affordable price.

Our efforts to provide student-centered, wrap-around services, and support, can be seen when comparing the data on the number of students that receive a credential from CCSNH. During FY24, CCSNH supported 1,941 students through the completion of their educational journey; this is a 5.8% increase in total graduates from FY23. While credential attainment is one factor of student success, another core metric is student persistence; CCSNH improved the number of students that persisted from FY23 to FY24. Last year, more than 435 students, ~3.5%, continued on their educational journey toward attaining a credential from their first year to their second compared to the prior year. These are but two measurements that can be viewed when thinking about student success.

In FY24, CCSNH served nearly 22,000 students, ~1.8%, encompassing all program offerings across the state. We also saw changes across our student populations in terms of ethnicity with four underserved populations growing in numbers when compared to FY23. Following the IPEDS designations for race and ethnicity; American Indian or Alaska Native students grew by 82 (+40%), Asian American students by 145 (+41%), African American students by 89 (+44%), and Hispanic American students grew by 213 (+41%). Our student population remained largely the same in terms of age groups (16-19, 20-24, and 25+) as well as gender. Each of these data points fluctuated by less than 1% in the year-over-year analysis.

**COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE**  
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CCSNH will continue to drive positive student success and outcomes by following a set of guiding principles that are the foundational component of our current strategic plan. The plan shall:

- Provide strategic direction for the colleges, Foundation, and system office
- Prioritize innovation and areas for increased collaboration as a system of coordinated colleges
- Use data to guide and inform decision-making, improve the student experience, and guide future planning
- Complement and align with individual college strategic plans
- Highlight and embrace the importance of partnering with internal and external stakeholders
- Commit to understanding, celebrating, and effectively fostering an inclusive environment for our community, where individuals of any background can thrive

These core tenants will position CCSNH to support our mission, vision, and goals through sound leadership and decision making.

Curriculum with Economic and Transfer Value

CCSNH continues to invest in our teaching and learning outcomes as we seek to prepare our students to become active participants in the broader New Hampshire workforce ecosystem. This means providing high quality, and industry relevant, programming that will lead to students being employed, with sustainable wages, or preparing them to continue their educational pathway by transferring to a 4-year institution. A component of this continued investment is directly tied to innovative initiatives that seek to improve access to educational opportunities throughout the state by researching and developing a shared on-line infrastructure that will allow CCSNH students seamlessly take online classes at any of our institutions across the state. These types of efforts encourage us to maintain a curriculum that is fresh while meeting the needs of our students and industry partners. We continue to work in collaboration with the New Hampshire Department of Employment Security and the University System of New Hampshire to meet these ever-changing needs. All program descriptions, modifications, eliminations and introductions must consider the following attributes for ultimate approval:

- |                                                                                                                                                                                                            |                                                                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| • Career opportunities associated with program                                                                                                                                                             | • Evidence of early employer partnership                                  |
| • 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 | • List of job titles associated with program                              |
| • Job openings and wage information                                                                                                                                                                        | • Evidence of early four-year partnership                                 |
| • Proposed career steps upon workforce entry                                                                                                                                                               | • Narrative of community impact / need                                    |
|                                                                                                                                                                                                            | • Transfer to baccalaureate programs                                      |
|                                                                                                                                                                                                            | • Proposed student outcomes                                               |
|                                                                                                                                                                                                            | • Semester-by-semester listing of courses students should take            |
|                                                                                                                                                                                                            | • Similarities to other programs at CCSNH and potential enrollment impact |



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As mentioned above, our students also must be ready across multiple majors to transfer majority or all credits to nearby destinations. CCSNH continues to build on our current transfer strategy, to four-year institutions, by increasing collaboration with the University System, in an effort to improve the pathways between our two systems as we leverage our shared interest of serving the citizenry of the state of New Hampshire. CCSNH is continuing to reinvest in developing additional pathways with other institutions of higher education throughout the state, including Southern New Hampshire University, ColbySawyer College, Rivier University, New England College, and St. Anselm College.

**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, 2024 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**

During 2023, CCSNH adopted GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The adoption of GASB Statements No. 94 did not have a material impact on the basic financial statements of CCSNH.

As disclosed in Note 2 to the basic financial statements, CCSNH adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* during the year ended June 30, 2023. The adoption of the standard at July 1, 2021, required recognition of \$1,439,126 of long-term subscription assets, \$746,552 of short-term subscription liabilities, and \$673,757 of subscription liabilities. At June 30, 2022, those balances related to subscription leases amounted to \$3,232,555 of long-term subscription assets, \$1,266,228 in short-term subscription liabilities, and \$1,202,888 of long-term subscription liabilities. The impact of the adoption of the standard as of July 1, 2021 was an increase in net position of \$18,817.

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**June 30, 2024 and 2023**

**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:

	<b>June 30,</b>		
	<b>2024</b>	<b>2023</b>	<b>2022 Restated</b>
<b>Assets</b>			
Current	\$ 60,911,663	\$ 56,957,331	\$ 62,173,383
Capital assets, net	107,008,759	106,401,909	100,262,621
Other noncurrent assets	<u>40,626,755</u>	<u>38,921,209</u>	<u>37,482,235</u>
Total assets	<u>208,547,177</u>	<u>202,280,449</u>	<u>199,918,239</u>
Deferred outflows of resources	<u>17,488,667</u>	<u>24,172,568</u>	<u>28,098,327</u>
<b>Liabilities</b>			
Current	13,800,787	16,054,434	17,304,984
Noncurrent	<u>110,823,616</u>	<u>133,916,661</u>	<u>140,809,877</u>
Total liabilities	<u>124,624,403</u>	<u>149,971,095</u>	<u>158,114,861</u>
Deferred inflows of resources	<u>34,711,371</u>	<u>25,933,475</u>	<u>33,651,873</u>
<b>Net position (deficit)</b>			
Invested in capital assets, net of related debt	98,315,372	96,237,727	89,117,701
Restricted nonexpendable	22,323,649	21,616,929	20,937,783
Restricted expendable	13,376,526	7,057,947	5,138,716
Unrestricted	<u>(67,315,477)</u>	<u>(74,364,156)</u>	<u>(78,944,368)</u>
Total net position	<u>\$ 66,700,070</u>	<u>\$ 50,548,447</u>	<u>\$ 36,249,832</u>

**COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE  
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**Management's Discussion and Analysis (Unaudited)**

**June 30, 2024 and 2023**

Current assets

Current assets consist of \$51.94 million in cash, cash equivalents, and short-term investments; \$6.87 million in accounts, notes, leases, and contracts receivable; \$709 thousand due from the State; and \$1.39 million in other current assets.

The \$3.96 million increase in current assets was primarily attributable to a \$3.1 million increase in cash, cash equivalents, and short-term investments. The increase was due to normal fluctuations associated with business activities and changes in market conditions. The remainder of the increase in current assets was due to an increase in the current portion of notes receivable of about \$1.35 million. The note receivable has a balloon payment due in October 2024, so the remaining balance of the note receivable was moved from noncurrent assets to current assets as of June 30, 2024.

In 2023, current assets decreased by \$5.22 million from 2022 and was primarily attributable to a decrease in cash of \$3.01 million coupled with additional decreases in grants and contracts receivable of about \$1.76 million.

Capital assets, net of accumulated depreciation

The overall increase in net capital assets of \$607 thousand for 2024 was due to net additions of \$8.4 million, net of depreciation expense of \$7.8 million. General equipment increased by approximately \$846 thousand resulting from net additions and disposals of \$2.23 million net of depreciation of \$1.39 million. Buildings and improvements, including construction in progress, decreased by about \$240 thousand. The decrease resulted from net additions of \$6.16 million netted against depreciation expense of \$6.4 million.

Gross general equipment purchases in fiscal year 2024 were in equipment related to classroom instruction of \$915 thousand, vehicles of \$101 thousand, major IT equipment of \$673 thousand, and general other equipment of \$540 thousand. The decrease in building and land improvements was primarily due to increases in college funded deferred maintenance at the campuses of about \$4.24 million, other critical maintenance of \$1.2 million, renovations in the aviation tech program at Nashua Community College of \$1.79 million, a roofing project also at Nashua Community College of \$305 thousand and various other smear projects of \$247 thousand netted against net sales of land and buildings of \$1.61 million netted against depreciation expense of \$6.4 million.

The increase in capital assets in 2023 from 2022 of \$6.14 million was due to net additions of \$13.82 million, net of depreciation expense of \$7.68 million.

Other noncurrent assets

Other noncurrent assets consist of \$32.67 million in long-term investments; \$5.54 million in right-of-use assets related to GASB 87; \$2.06 million in SBITA assets related to GASB 96; \$365.55 thousand in noncurrent lease receivables and (\$6.4) thousand for the long-term portion of student loans receivable.

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**Management's Discussion and Analysis (Unaudited)**

**June 30, 2024 and 2023**

The increase in other noncurrent assets from the prior year of \$1.7 million is mainly attributable to an increase in long-term investments of \$4.14 million, and in non-current student loans and leases receivable of \$180 thousand with combined net of decreases in right-of-use and subscription assets of \$423 thousand and \$720 thousand, respectively, along with decreases in the non-current portion of notes receivable of \$1.47 million. The 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 from the reinvested funds may be used for future use. The principal portion is held within the restricted nonexpendable portion of net position.

Other noncurrent assets increased by \$1.44 million in 2023 from 2022 due primarily to an increase in investments of \$2.59 million and decreases in right-of-use and subscription assets of \$916 thousand combined with decreases in student loans, leases receivable and notes receivable of \$207 thousand combined.

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 balances reported for fiscal years 2024, 2023 and 2022 include amounts for certain pension and other postemployment benefit changes.

Current liabilities

As of June 30, 2024, current liabilities include accounts payable and accrued liabilities of \$2.2 million, deferred revenue of \$2.54 million, current portion of long-term debt of \$1.17 million, current portion of the lease liability of \$830 thousand, current portion of subscription liability of \$718 thousand, other current liabilities of \$450 thousand and accrued salaries and benefits of \$5.88 million.

Current liabilities decreased by \$2.25 million in 2024, primarily due to a decrease in deferred revenue of \$2.33 million. About \$1.8 million of the decrease in deferred revenue was from revenue earned on the aviation program capital improvement project at Nashua Community College. Revenue is earned as the project progresses and incurs expenditures. The remaining decrease in deferred and prepaid revenue was smaller declines across multiple funds.

Current liabilities decreased by \$1.25 million in fiscal year 2023 from 2022. The decrease was mainly due to decreases in deferred revenue and current portion long-term debt of \$1.34 million and \$386 thousand respectively netted against an increase in accrued salaries and benefits of \$479 thousand.

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Noncurrent liabilities

Noncurrent liabilities include liabilities for unfunded pension obligations and unfunded other postemployment benefit (OPEB) obligations of \$56.30 million and \$37.58 million, respectively. Also included in noncurrent liabilities are noncurrent portion of long-term debt of \$7.08 million, noncurrent portion of the lease liability of \$4.91 million, noncurrent portion of subscription liability of \$1.06 million, long-term employee benefits accruals of \$3.89 million, and funds due to the state of New Hampshire of \$3 thousand.

Noncurrent liabilities decreased by \$23.1 million in 2024. The overall decrease was primarily due to a decrease in CCSNH unfunded OPEB and pension liabilities of \$20.27 million and \$970 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. Additional decreases were seen in the noncurrent portions of long-term debt of \$903 thousand, subscription liability of \$140 thousand and in lease liability of \$458 thousand.

Noncurrent liabilities decreased by \$6.89 million in fiscal year 2023 from 2022. The decrease was primarily due to a decrease in CCSNH unfunded OPEB liability of \$16.04 million netted against an increase in the unfunded pension liability of \$10.64 million. Additional decreases were seen in long term debt of \$700 thousand and in subscription liabilities of \$576 thousand.

Deferred inflows of resources

Deferred inflows of resources are used to report acquisition of resources applicable to a future reporting period. The balances in fiscal year 2024, 2023, and 2022 reflects certain amounts related to OPEB, pensions, leases receivable, and deferred gain from advance bond refunding.

Net position

Overall net position increased by \$16.15 million during the fiscal year. The increase is due to net operating and nonoperating income over expenses of \$16.15 million.

CCSNH's net investment in capital assets increased by \$2.08 million during the current fiscal year. The increase was attributable to an overall increase in net capital assets of \$607 thousand along with a decrease in capital asset related debt of \$1 million and a decrease in payables on capital assets of \$434 thousand.

**COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE  
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**Management's Discussion and Analysis (Unaudited)**

**June 30, 2024 and 2023**

**Statements of Net Position - 2024**

	<u>Consolidated</u>	<u>WMCC</u>	<u>RVCC</u>	<u>NHTI</u>	<u>LRCC</u>	<u>MCC</u>	<u>NCC</u>	<u>GBCC</u>
<b>Assets</b>								
Current assets								
Cash and cash equivalents	\$ 24,332,641	\$ 1,978,126	\$ 7,808,793	\$ 1,786,983	\$ 5,750,347	\$ 1,360,575	\$ (903,257)	\$ 6,551,074
Student accounts receivable, net	2,202,959	246,778	263,080	517,767	103,452	453,442	263,583	354,857
Current portion of leases receivable	304,943	125,247	-	179,696	-	-	-	-
Other current assets	1,393,867	119,815	570,485	227,718	50,937	183,305	144,958	96,649
Current portion of note and contributions receivable	1,472,857	101,480	103,851	398,180	98,668	313,067	239,996	217,615
Grants and contracts receivable	2,883,250	162,240	320,977	690,238	235,643	663,845	453,053	357,254
Operating investments	27,611,272	1,902,418	1,946,876	7,464,578	1,849,705	5,868,981	4,499,139	4,079,575
Due from State of NH for capital appropriations	709,874	20,479	20,957	331,060	19,911	63,177	205,525	48,765
Total current assets	<u>60,911,663</u>	<u>4,656,583</u>	<u>11,035,019</u>	<u>11,596,220</u>	<u>8,108,663</u>	<u>8,906,392</u>	<u>4,902,997</u>	<u>11,705,789</u>
Noncurrent assets								
Leases receivable, net of current portion	365,548	365,548	-	-	-	-	-	-
Investments	32,667,109	2,250,764	2,303,364	8,831,400	2,188,401	6,943,637	5,322,967	4,826,576
Right-of-use-assets, net	5,538,548	53,448	164,662	37,942	281,368	18,901	59,309	4,922,918
Subscription assets, net	2,055,550	141,628	144,937	555,708	137,704	436,922	334,943	303,708
Capital assets, net	<u>107,008,759</u>	<u>12,817,606</u>	<u>7,163,950</u>	<u>18,366,223</u>	<u>13,855,499</u>	<u>23,762,904</u>	<u>20,081,766</u>	<u>10,960,811</u>
Total noncurrent assets	<u>147,635,514</u>	<u>15,628,994</u>	<u>9,776,913</u>	<u>27,791,273</u>	<u>16,462,972</u>	<u>31,162,364</u>	<u>25,798,985</u>	<u>21,014,013</u>
Total assets	<u>\$ 208,547,177</u>	<u>\$ 20,285,577</u>	<u>\$ 20,811,932</u>	<u>\$ 39,387,493</u>	<u>\$ 24,571,635</u>	<u>\$ 40,068,756</u>	<u>\$ 30,701,982</u>	<u>\$ 32,719,802</u>
Deferred outflows of resources								
Pension	\$ 10,096,456	\$ 695,646	\$ 711,903	\$ 2,729,530	\$ 676,371	\$ 2,146,077	\$ 1,645,175	\$ 1,491,754
Other postemployment benefits	<u>7,392,211</u>	<u>509,323</u>	<u>521,225</u>	<u>1,998,450</u>	<u>495,211</u>	<u>1,571,269</u>	<u>1,204,529</u>	<u>1,092,204</u>
Total deferred outflows of resources	<u>\$ 17,488,667</u>	<u>\$ 1,204,969</u>	<u>\$ 1,233,128</u>	<u>\$ 4,727,980</u>	<u>\$ 1,171,582</u>	<u>\$ 3,717,346</u>	<u>\$ 2,849,704</u>	<u>\$ 2,583,958</u>

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

**Management's Discussion and Analysis (Unaudited)**

**June 30, 2024 and 2023**

**Statements of Net Position - 2024 (Concluded)**

	<u>Consolidated</u>	<u>WMCC</u>	<u>RVCC</u>	<u>NHTI</u>	<u>LRCC</u>	<u>MCC</u>	<u>NCC</u>	<u>GBCC</u>
<b>Liabilities</b>								
Current liabilities								
Accounts payable and accrued expenses	\$ 1,816,428	\$ 146,624	\$ 154,338	\$ 413,604	\$ 199,832	\$ 347,790	\$ 301,413	\$ 252,827
Accounts payable for capital assets	388,635	6,924	7,086	295,462	6,732	21,360	31,374	19,697
Accrued salaries and benefits	5,880,577	441,234	411,203	1,585,130	428,229	1,228,903	890,076	895,802
Unearned revenue and deposits	2,543,242	218,138	151,947	1,017,570	107,326	427,245	294,766	326,250
Current portion of lease liability	830,430	15,682	101,916	33,944	232,883	18,716	18,477	408,812
Current portion of bonds payable	1,148,046	68,715	-	177,439	-	153,469	273,166	475,257
Current portion of notes payable	24,973	-	24,973	-	-	-	-	-
Current portion of subscription liability	718,456	49,502	50,658	194,231	48,130	152,713	117,069	106,153
Other current liabilities	450,000	-	450,000	-	-	-	-	-
Total current liabilities	<u>13,800,787</u>	<u>946,819</u>	<u>1,352,121</u>	<u>3,717,380</u>	<u>1,023,132</u>	<u>2,350,196</u>	<u>1,926,341</u>	<u>2,484,798</u>
Noncurrent liabilities								
Due to State of New Hampshire	3,050	-	-	-	-	3,050	-	-
Accrued salaries and benefits	3,891,352	264,927	259,440	1,121,168	252,634	818,307	588,330	586,546
Net pension liability	56,296,557	2,678,834	2,969,481	18,219,511	2,671,360	13,766,251	7,673,285	8,317,835
Lease liability, net of current portion	4,912,009	41,249	65,269	10,890	29,758	4,732	45,853	4,714,258
Bonds payable, net of current portion	5,692,387	208,562	-	439,811	-	1,646,777	652,286	2,744,951
Other postemployment benefits	37,577,090	1,789,062	1,749,568	12,408,790	1,767,325	9,187,290	5,123,027	5,552,028
Notes payable, net of current portion	1,389,614	-	1,389,614	-	-	-	-	-
Subscription liabilities, net of current portion	1,061,557	73,141	74,851	286,987	71,115	225,642	172,976	156,845
Total noncurrent liabilities	<u>110,823,616</u>	<u>5,055,775</u>	<u>6,508,223</u>	<u>32,487,157</u>	<u>4,792,192</u>	<u>25,652,049</u>	<u>14,255,757</u>	<u>22,072,463</u>
Total liabilities	<u>\$ 124,624,403</u>	<u>\$ 6,002,594</u>	<u>\$ 7,860,344</u>	<u>\$ 36,204,537</u>	<u>\$ 5,815,324</u>	<u>\$ 28,002,245</u>	<u>\$ 16,182,098</u>	<u>\$ 24,557,261</u>
Deferred inflows of resources								
Pension	\$ 2,266,908	\$ 156,190	\$ 159,840	\$ 612,848	\$ 151,862	\$ 481,848	\$ 369,383	\$ 334,937
Other postemployment benefits	31,635,823	2,179,709	2,230,648	8,552,597	2,119,314	6,724,429	5,154,923	4,674,203
Deferred gain from advance bond refunding	141,487	2,128	-	29,104	-	78,177	32,032	46
Lease receivables	667,153	484,147	-	183,006	-	-	-	-
Total deferred inflows of resources	<u>\$ 34,711,371</u>	<u>\$ 2,822,174</u>	<u>\$ 2,390,488</u>	<u>\$ 9,377,555</u>	<u>\$ 2,271,176</u>	<u>\$ 7,284,454</u>	<u>\$ 5,556,338</u>	<u>\$ 5,009,186</u>
Net position (deficit)								
Invested in capital assets, net of related liabilities	\$ 98,315,372	\$ 12,531,276	\$ 5,742,277	\$ 17,496,313	\$ 13,848,767	\$ 21,863,121	\$ 19,107,907	\$ 7,725,711
Restricted nonexpendable	22,323,649	1,533,702	1,633,376	6,017,837	1,491,206	4,731,489	3,627,143	3,288,896
Restricted expendable	13,376,526	859,513	873,367	3,785,634	837,832	2,932,808	2,101,094	1,986,278
Unrestricted	<u>(67,315,477)</u>	<u>(2,258,713)</u>	<u>3,545,208</u>	<u>(28,766,403)</u>	<u>1,478,912</u>	<u>(21,028,015)</u>	<u>(13,022,894)</u>	<u>(7,263,572)</u>
Total net position (deficit)	<u>\$ 66,700,070</u>	<u>\$ 12,665,778</u>	<u>\$ 11,794,228</u>	<u>\$ (1,466,619)</u>	<u>\$ 17,656,717</u>	<u>\$ 8,499,403</u>	<u>\$ 11,813,250</u>	<u>\$ 5,737,313</u>

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

**Management's Discussion and Analysis (Unaudited)**

**June 30, 2024 and 2023**

**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:

	<b>Years Ended June 30,</b>		
	<b>2024</b>	<b>2023</b>	<b>2022 Restated</b>
Operating revenues			
Net tuition and fees	\$ 29,986,724	\$ 33,693,835	\$ 21,179,583
Other operating revenues	<u>25,526,962</u>	<u>23,321,069</u>	<u>23,032,891</u>
Total operating revenues	<u>55,513,686</u>	<u>57,014,904</u>	<u>44,212,474</u>
Operating expenses			
Employee compensation and benefits	85,013,075	78,893,326	52,596,999
Other operating expenses	<u>39,349,385</u>	<u>36,853,522</u>	<u>35,811,272</u>
Total operating expenses	<u>124,362,460</u>	<u>115,746,848</u>	<u>88,408,271</u>
Operating loss	<u>(68,848,774)</u>	<u>(58,731,944)</u>	<u>(44,195,797)</u>
Nonoperating revenues (expenses) and other changes			
State appropriations - operating	64,753,723	56,000,000	56,000,000
State appropriations - capital	2,683,245	8,431,950	2,290,942
Capital grants and contracts	2,370,819	744,617	524,093
Lease revenue	312,790	129,761	145,488
COVID funding	2,566,541	1,922,533	23,102,359
Investment return (loss) used for operations	5,800,427	3,668,024	(1,014,369)
Investment return (loss) net of amount used for operations	3,437,838	1,919,231	(5,513,550)
Nonexpendable contributions	699,136	671,562	2,208,985
Restricted unexpended appropriations	2,880,741	-	-
Interest expense on subscriptions	(30,293)	(40,289)	(4,221)
Interest expense on leases	(122,667)	(127,780)	(125,284)
Interest expense on capital debt	<u>(351,903)</u>	<u>(289,050)</u>	<u>(451,735)</u>
Nonoperating revenues and other changes, net	<u>85,000,397</u>	<u>73,030,559</u>	<u>77,162,708</u>
Increase in net position	<u>16,151,623</u>	<u>14,298,615</u>	<u>32,966,911</u>
Net position (deficit), beginning of year, as previously stated	50,548,447	36,249,832	(17,438,410)
Cumulative effect of correction of an error	-	-	20,721,331
Net position, beginning of year, restated	<u>50,548,447</u>	<u>36,249,832</u>	<u>3,282,921</u>
Net position, end of year	<u>\$ 66,700,070</u>	<u>\$ 50,548,447</u>	<u>\$ 36,249,832</u>



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

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**Statements of Revenues, Expenses and Changes in Net Position - 2024**

	<u>Consolidated</u>	<u>WMCC</u>	<u>RVCC</u>	<u>NHTI</u>	<u>LRCC</u>	<u>MCC</u>	<u>NCC</u>	<u>GBCC</u>
Operating revenues								
Tuition and fees	\$ 53,219,580	\$ 3,679,001	\$ 4,034,199	\$ 14,201,647	\$ 3,689,456	\$ 11,713,816	\$ 7,342,018	\$ 8,559,443
Less scholarships	<u>(23,232,856)</u>	<u>(2,080,425)</u>	<u>(1,934,166)</u>	<u>(6,458,039)</u>	<u>(1,815,724)</u>	<u>(4,664,646)</u>	<u>(3,097,245)</u>	<u>(3,182,611)</u>
Net tuition and fees	29,986,724	1,598,576	2,100,033	7,743,608	1,873,732	7,049,170	4,244,773	5,376,832
Grants and contracts	19,410,253	1,681,709	2,465,304	4,920,504	1,495,738	3,757,707	2,623,547	2,465,744
Auxiliary enterprises	2,932,923	42,853	-	2,174,556	575,262	140,252	-	-
Other operating revenue	<u>3,183,786</u>	<u>332,018</u>	<u>(206,474)</u>	<u>960,191</u>	<u>881,479</u>	<u>738,468</u>	<u>237,640</u>	<u>240,464</u>
Total operating revenues	<u>55,513,686</u>	<u>3,655,156</u>	<u>4,358,863</u>	<u>15,798,859</u>	<u>4,826,211</u>	<u>11,685,597</u>	<u>7,105,960</u>	<u>8,083,040</u>
Operating expenses								
Employee compensation and benefits	85,013,075	7,596,225	7,648,852	21,402,581	7,506,946	17,356,787	11,758,516	11,743,168
Other operating expenses	25,714,633	2,021,586	3,144,378	6,661,046	2,704,354	4,357,914	3,788,947	3,036,408
Utilities	3,615,220	281,455	224,847	981,967	444,783	689,341	523,124	469,703
Depreciation	<u>10,019,532</u>	<u>660,949</u>	<u>757,642</u>	<u>2,501,462</u>	<u>885,285</u>	<u>1,969,169</u>	<u>1,502,370</u>	<u>1,742,655</u>
Total operating expenses	<u>124,362,460</u>	<u>10,560,215</u>	<u>11,775,719</u>	<u>31,547,056</u>	<u>11,541,368</u>	<u>24,373,211</u>	<u>17,572,957</u>	<u>16,991,934</u>
Operating loss	<u>(68,848,774)</u>	<u>(6,905,059)</u>	<u>(7,416,856)</u>	<u>(15,748,197)</u>	<u>(6,715,157)</u>	<u>(12,687,614)</u>	<u>(10,466,997)</u>	<u>(8,908,894)</u>

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

**Management's Discussion and Analysis (Unaudited)**

**June 30, 2024 and 2023**

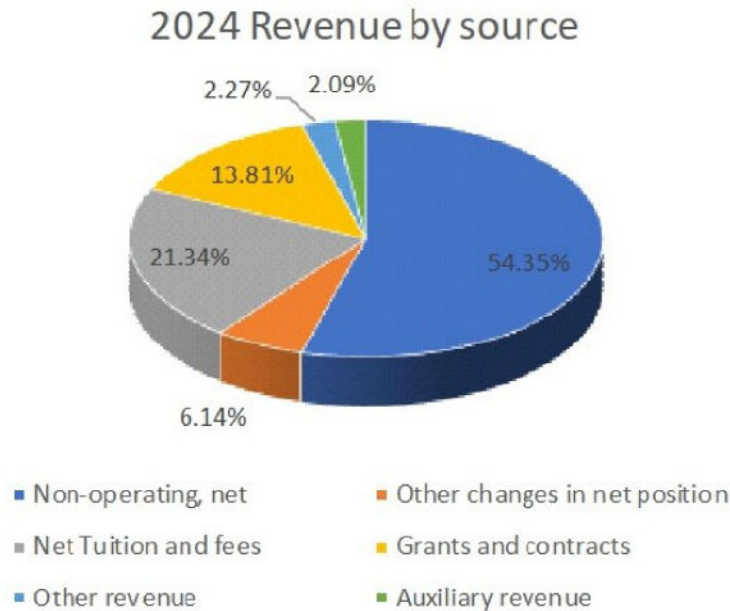
**Statements of Revenues, Expenses and Changes in Net Position - 2024 (Concluded)**

	<u>Consolidated</u>	<u>WMCC</u>	<u>RVCC</u>	<u>NHTI</u>	<u>LRCC</u>	<u>MCC</u>	<u>NCC</u>	<u>GBCC</u>
Nonoperating revenues (expenses)								
State appropriations - operating	64,753,723	6,997,521	6,997,397	13,299,779	8,148,801	10,798,978	9,630,227	8,881,020
COVID funding	2,566,541	122,194	119,497	847,529	120,710	627,498	349,906	379,207
Lease revenue	312,790	134,530	-	178,260	-	-	-	-
Investment return used for operations	5,800,427	385,097	392,661	1,598,749	403,145	1,239,807	911,113	869,855
Investment return excluding amount used for operations	3,437,838	236,867	242,403	929,403	230,304	730,738	560,181	507,942
Interest expense on subscriptions	(30,293)	(2,087)	(2,136)	(8,190)	(2,029)	(6,439)	(4,936)	(4,476)
Interest expense on leases	(122,667)	(1,572)	(6,117)	(389)	(10,252)	(347)	(1,607)	(102,383)
Interest expense on capital debt	<u>(351,903)</u>	<u>(11,034)</u>	<u>(51,754)</u>	<u>(22,203)</u>	<u>-</u>	<u>(67,195)</u>	<u>(38,470)</u>	<u>(161,247)</u>
Nonoperating revenues, net	<u>76,366,456</u>	<u>7,861,516</u>	<u>7,691,951</u>	<u>16,822,938</u>	<u>8,890,679</u>	<u>13,323,040</u>	<u>11,406,414</u>	<u>10,369,918</u>
Income before other changes in net position	<u>7,517,682</u>	<u>956,457</u>	<u>275,095</u>	<u>1,074,741</u>	<u>2,175,522</u>	<u>635,426</u>	<u>939,417</u>	<u>1,461,024</u>
Other changes in net position								
State capital appropriations	2,683,245	115,209	282,830	983,303	123,080	196,500	751,307	231,016
Capital grants and contracts	2,370,819	219,517	34,780	52,278	33,954	117,909	1,822,111	90,270
Nonexpendable contributions	699,136	48,171	49,296	189,008	46,836	148,606	113,921	103,298
Restricted unexpended appropriations	<u>2,880,741</u>	<u>137,153</u>	<u>134,126</u>	<u>951,285</u>	<u>135,487</u>	<u>704,318</u>	<u>392,742</u>	<u>425,630</u>
Total other changes in net position	<u>8,633,941</u>	<u>520,050</u>	<u>501,032</u>	<u>2,175,874</u>	<u>339,357</u>	<u>1,167,333</u>	<u>3,080,081</u>	<u>850,214</u>
Increase in net position	16,151,623	1,476,507	776,127	3,250,615	2,514,879	1,802,759	4,019,498	2,311,238
Net position (deficit), beginning of year	<u>50,548,447</u>	<u>11,189,271</u>	<u>11,018,101</u>	<u>(4,717,234)</u>	<u>15,141,838</u>	<u>6,696,644</u>	<u>7,793,752</u>	<u>3,426,075</u>
Net position (deficit), end of year	<u>\$ 66,700,070</u>	<u>\$ 12,665,778</u>	<u>\$ 11,794,228</u>	<u>\$ (1,466,619)</u>	<u>\$ 17,656,717</u>	<u>\$ 8,499,403</u>	<u>\$ 11,813,250</u>	<u>\$ 5,737,313</u>

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

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Operating revenues

Overall operating revenue increased by \$1.5 million in fiscal year 2024 relative to fiscal year 2023.

Fiscal year 2024 gross tuition and fees grew by about \$1.08 million (2.07%) relative to fiscal year 2023. However, net tuition and fees fell by about \$3.71 million in 2024 relative to 2023. There was an increase in scholarships netted against gross tuition and fees of about \$4.79 million in FY24. This increase was mainly caused by increases in Pell grants of \$1.74 million, the Promise program of \$650 thousand, dual and concurrent enrollment of \$642 thousand and \$951 thousand for scholarships in career programs in high demand within the state of New Hampshire. The remaining increase was from smaller increase across multiple types of scholarship funds.

The Promise program, new to CCSNH in fiscal year 2024 helps eligible students bridge the gap between other grants and scholarships and the cost of tuition. This program is funded through state of New Hampshire appropriations. The state of New Hampshire also funds through appropriations dual enrollment scholarships for students still in high school who wish to take some college courses at CCSNH. Lastly, the state of New Hampshire also funds scholarships for careers in high demand within the state of New Hampshire such as first responders, early childhood education and nursing.

Increases of \$1.70 million were seen in 2024 in grants and contracts. These increases were due to the increased funding for the scholarship programs explained previously. An increase of \$562 thousand was also seen in other operating revenue in fiscal year 2024 due to a legal settlement at Lakes Region Community College of \$600 thousand.

**COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE  
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Between 2023 and 2022 operating revenues increased by about \$12.8 million. This increase was primarily the result of decreases in HEERF pandemic-related scholarships of about \$13.35 million netted against increases in other types of scholarships of about \$451 thousand. These scholarships were netted against gross tuition and fees in 2022. We did not see a corresponding increase in operating grants and contracts as HEERF scholarships were funded within non-operating revenues in 2022.

Nonoperating revenues and other changes

Total nonoperating revenues and other changes in net position increased by \$11.97 million in fiscal year 2024 relative to fiscal year 2023. Net nonoperating revenue increased by \$13.18 million, while other changes in net position decreased by \$1.21 million.

The primary reasons for the increase in net nonoperating revenue in fiscal year 2024 relative to fiscal year 2023 were increases in state of New Hampshire appropriations of \$8.75 million and increases in investment returns of \$912 thousand net of a decline in COVID 19 stimulus funding of \$1.92 million.

The decrease in other changes to net position in 2024 of \$1.21 million was primarily due to an increases in capital grants and contracts and in non-expendable contributions of \$1.63 million and \$2.88 million respectively netted against declines in capital appropriations of \$5.75 million.

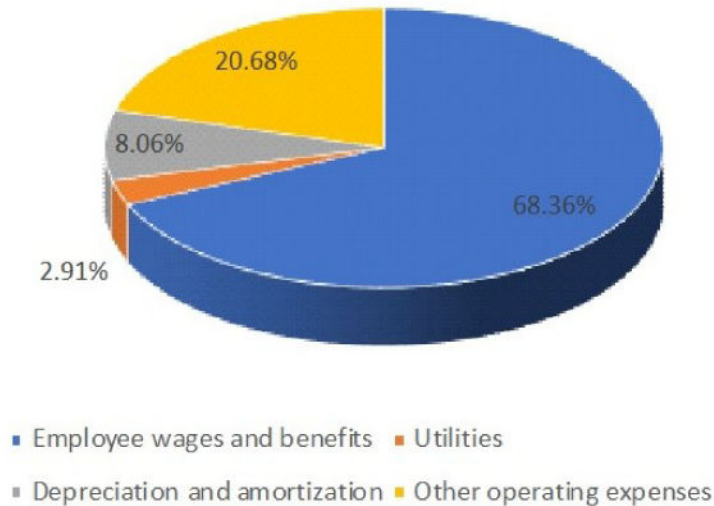
The decrease in net nonoperating revenues and other changes in net position from 2022 to 2023 of \$4.13 million was primarily due to decreases in pandemic related funding of \$21.18 million and in non-expendable contributions of \$1.54 million offset partially by increases in state capital appropriations of \$6.14 million and in investment returns of \$12.11 million.

**COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE  
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**2024 Expenditures by type**



**Operating expenses**

In fiscal year 2024, operating expenses increased by \$8.61 million from 2023 of which the salary and benefits accounted for \$7.12 million. Regarding salaries and benefits, salaries alone in FY24 increased by about \$2.48 (3.9%) million over FY23 mostly the result of merit increases and cost of living adjustments. Employee benefits costs increased by \$3.64 million. The primary driver of the increase in employee benefits were the increases in Pension and OPEB expenses of \$2.46 million and \$211 thousand respectively. Most of the increase in both were due to the actuarially calculated adjustments that were different than in fiscal year 2023. We also saw an increase in health insurance expenses in 2024 of about \$668 thousand.

Other operating expenses increased by about \$2.65 million in 2024 relative to 2023. The primary causes of the increase were increases in supplies and current expenses of about \$2.36 million and in utilities of \$290 thousand. As for supplies and current expenses, we saw increases in general supply needs and miscellaneous other operating expenses of about \$475 thousand and in minor equipment purchases of \$461 thousand. We also saw increases in consultants' expenses of \$542 thousand, in licensing and service agreements of \$210 thousand and in building maintenance of \$151 thousand. The remaining increase was due to smaller increases across various account types. Regarding the increase in utilities expenses, the sharp increase in electricity rates caused a jump of about \$326 thousand.

Operating expenses increased by \$27.34 million in 2023 from 2022. \$25.14 million of this increase was within the employee benefits line resulting mainly from the differences in the adjustments necessary to change our unfunded pension and OPEB liabilities from 2022 to 2023. Salaries also increased by \$1.16 million in 2023 relative to 2022. The remaining increase was from multiple smaller changes across various account types.

**COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE**  
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**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.

	<b>Years Ended June 30,</b>		
	<b>2024</b>	<b>2023</b>	<b>2022 Restated</b>
Net cash used - operating activities	<b>\$ (62,079,087)</b>	\$ (52,642,219)	\$ (47,491,526)
Net cash provided - noncapital financing activities	<b>67,026,594</b>	54,720,548	69,947,568
Net cash used - capital and related financing activities	<b>(6,832,324)</b>	(7,094,795)	(4,386,471)
Net cash provided (used) - investing activities	<b><u>1,649,082</u></b>	<u>(9,301,179)</u>	<u>(6,794,068)</u>
Net (decrease) increase in cash and cash equivalents	<b>(235,735)</b>	(14,317,645)	11,275,503
Cash and cash equivalents, beginning of year	<b><u>24,568,376</u></b>	<u>38,886,021</u>	<u>27,610,518</u>
Cash and cash equivalents, end of year	<b><u>\$ 24,332,641</u></b>	<b><u>\$ 24,568,376</u></b>	<b><u>\$ 38,886,021</u></b>

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 decreased by \$236 thousand in 2024, decreased by \$14.32 million during 2023, and increased by \$11.28 million during 2022, 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, 2024 and 2023**

	Community College System of New Hampshire		Community Colleges of New Hampshire Foundation	
	2024	2023	2024	2023
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 24,332,641	\$ 24,568,376	\$ 186,211	\$ 317,957
Student accounts receivable, net	2,202,959	2,613,537	-	-
Current portion of leases receivable	304,943	87,125	-	-
Other current assets	1,393,867	1,260,196	-	-
Current portion of note and contributions receivable	1,472,857	120,231	-	-
Grants and contracts receivable	2,883,250	3,013,238	-	-
Operating investments	27,611,272	24,285,777	-	-
Due from State of New Hampshire	709,874	1,008,851	-	-
Total current assets	60,911,663	56,957,331	186,211	317,957
Noncurrent assets				
Student loans receivable, net	-	94,516	-	-
Leases receivable, net of current portion	365,548	85,559	-	-
Note and contributions receivable, net of current portion	-	1,472,857	-	-
Investments	32,667,109	28,530,135	8,211,782	6,708,317
Right-of-use asset, net	5,538,548	5,962,127	-	-
Subscription assets, net	2,055,550	2,776,015	-	-
Capital assets, net	107,008,759	106,401,909	-	-
Total noncurrent assets	147,635,514	145,323,118	8,211,782	6,708,317
Total assets	208,547,177	202,280,449	8,397,993	7,026,274
Deferred outflows of resources				
Pension	10,096,456	12,447,823	-	-
Other postemployment benefits	7,392,211	11,724,745	-	-
Total deferred outflows of resources	17,488,667	24,172,568	-	-
<b>Liabilities</b>				
Current liabilities				
Accounts payable and accrued expenses	1,816,428	1,344,943	9,236	3,847
Accounts payable for capital assets	388,635	987,116	-	-
Current portion of accrued salaries and benefits	5,880,577	5,777,522	-	-
Unearned revenue and deposits	2,543,242	4,877,551	-	-
Current portion of lease liability	830,430	796,775	-	-
Current portion of bonds payable	1,148,046	964,990	-	-
Current portion of note payable	24,973	36,638	-	-
Current portion of subscription liability	718,456	1,268,899	-	-
Other current liabilities	450,000	-	-	-
Total current liabilities	13,800,787	16,054,434	9,236	3,847
Noncurrent liabilities				
Due to the State of New Hampshire	3,050	9,087	-	-
Accrued salaries and benefits, net of current portion	3,891,352	3,861,486	-	-
Refundable advances	-	104,013	-	-
Net pension liability	56,296,557	57,266,361	-	-
Lease liability, net of current portion	4,912,009	5,372,105	-	-
Bonds payable, net of current portion	5,692,387	6,840,433	-	-
Other postemployment benefits	37,577,090	57,845,701	-	-
Note payable, net of current portion	1,389,614	1,414,587	-	-
Subscription liability, net of current portion	1,061,557	1,202,888	-	-
Total noncurrent liabilities	110,823,616	133,916,661	-	-
Total liabilities	124,624,403	149,971,095	9,236	3,847
Deferred inflows of resources				
Pension	2,266,908	3,654,355	-	-
Other postemployment benefits	31,635,823	21,934,749	-	-
Deferred gain from advance bond refunding	141,487	176,280	-	-
Lease receivables	667,153	168,091	-	-
Total deferred inflows of resources	34,711,371	25,933,475	-	-
<b>Net position (deficit)</b>				
Invested in capital assets, net of related liabilities	98,315,372	96,237,727	-	-
Restricted nonexpendable	22,323,649	21,616,929	3,519,614	3,203,729
Restricted expendable	13,376,526	7,057,947	2,766,859	2,475,204
Unrestricted	(67,315,477)	(74,364,156)	2,102,284	1,343,494
Total net position	\$ 66,700,070	\$ 50,548,447	\$ 8,388,757	\$ 7,022,427

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, 2024 and 2023**

	Community College System of New Hampshire		Community Colleges of New Hampshire Foundation	
	2024	2023	2024	2023
Operating revenues				
Tuition and fees	\$ 53,219,580	\$ 52,137,532	\$ -	\$ -
Less scholarships	(23,232,856)	(18,443,697)	-	-
Net tuition and fees	29,986,724	33,693,835	-	-
Grants and contracts	19,410,253	17,719,996	-	-
Contributions	-	-	1,752,847	1,658,529
Auxiliary enterprises	2,932,923	2,979,100	-	-
Other operating revenue	3,183,786	2,621,973	-	-
Total operating revenues	55,513,686	57,014,904	1,752,847	1,658,529
Operating expenses				
Employee compensation and benefits	85,013,075	78,893,326	-	-
Other operating expenses	25,714,633	23,351,173	1,585,540	1,512,398
Utilities	3,615,220	3,325,352	-	-
Depreciation and amortization	10,019,532	10,176,997	-	-
Total operating expenses	124,362,460	115,746,848	1,585,540	1,512,398
Operating (loss) income	(68,848,774)	(58,731,944)	167,307	146,131
Nonoperating revenues (expenses)				
State of New Hampshire appropriations	64,753,723	56,000,000	-	-
Lease revenue	312,790	129,761	-	-
COVID funding	2,566,541	1,922,533	-	-
Investment return for operations	5,800,427	3,668,024	199,085	189,195
Investment return excluding amount for operations	3,437,838	1,919,231	693,195	474,686
Interest expense on leases	(122,667)	(127,780)	-	-
Interest expense on subscriptions	(30,293)	(40,289)	-	-
Interest expense on capital debt	(351,903)	(289,050)	-	-
Nonoperating revenues, net	76,366,456	63,182,430	892,280	663,881
Income before other changes in net position	7,517,682	4,450,486	1,059,587	810,012
Other changes in net position				
State of New Hampshire capital appropriation	2,683,245	8,431,950	-	-
Capital grants and contracts	2,370,819	744,617	-	-
Nonexpendable contributions	699,136	671,562	306,743	119,795
Restricted unexpended appropriations	2,880,741	-	-	-
Total other changes in net position	8,633,941	9,848,129	306,743	119,795
Increase in net position	16,151,623	14,298,615	1,366,330	929,807
Net position, beginning of year	50,548,447	36,249,832	7,022,427	6,092,620
Net position, end of year	\$ 66,700,070	\$ 50,548,447	\$ 8,388,757	\$ 7,022,427

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, 2024 and 2023**

	<b>Community College System of New Hampshire</b>	
	<b>2024</b>	<b>2023</b>
Cash flows from operating activities		
Receipts from tuition and fees	\$ 30,114,020	\$ 32,848,093
Receipts from grants and contracts	21,353,264	22,378,257
Receipts from auxiliary enterprises	2,932,923	2,979,100
Payments to suppliers	(28,408,368)	(26,741,695)
Payments to employees	(91,121,041)	(87,375,981)
Other cash receipts	<u>3,050,115</u>	<u>3,270,007</u>
Net cash used for operating activities	<u>(62,079,087)</u>	<u>(52,642,219)</u>
Cash flows from noncapital financing activities		
State of New Hampshire appropriations	64,753,723	56,000,000
COVID funding received	(1,307,006)	(1,951,014)
Contributions for long-term purposes	<u>3,579,877</u>	<u>671,562</u>
Net cash provided by noncapital financing activities	<u>67,026,594</u>	<u>54,720,548</u>
Cash flows from capital and related financing activities		
Appropriations from the State of New Hampshire for capital expenditures	2,982,222	8,547,877
Change in accounts payable to the State of New Hampshire for capital assets	(6,037)	(11,473)
Capital grants and contracts received	2,370,819	744,617
Purchase of capital assets, net of disposals	(9,027,098)	(13,878,480)
Payments received on note receivable	120,231	116,682
Principal on bonds payable, other long-term liabilities, leases and subscriptions	(2,732,805)	(2,191,564)
Interest on bonds payable, other long-term liabilities, leases and subscriptions	<u>(539,656)</u>	<u>(422,454)</u>
Net cash used for capital and related financing activities	<u>(6,832,324)</u>	<u>(7,094,795)</u>
Cash flows from investing activities		
Proceeds from sales and maturities of investments	2,468,217	2,672,487
Purchase of investments	<u>(819,135)</u>	<u>(11,973,666)</u>
Net cash provided by (used for) investing activities	<u>1,649,082</u>	<u>(9,301,179)</u>
Net decrease in cash and cash equivalents	<u>(235,735)</u>	<u>(14,317,645)</u>
Cash and cash equivalents, beginning of year	<u>24,568,376</u>	<u>38,886,021</u>
Cash and cash equivalents, end of year	<u>\$ 24,332,641</u>	<u>\$ 24,568,376</u>

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, 2024 and 2023**

	<b>Community College System of New Hampshire</b>	
	<b>2024</b>	Restated <b>2023</b>
Reconciliation of operating loss to net cash used for operating activities		
Operating loss	<b>\$ (68,848,774)</b>	\$ (58,731,944)
Adjustments to reconcile operating loss to net cash used for operating activities		
Depreciation and amortization	<b>10,019,532</b>	10,176,997
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources		
Student accounts receivable	<b>410,578</b>	(383,020)
Other current assets	<b>(133,671)</b>	648,034
Student loans receivable	<b>94,516</b>	29,117
Grants and contracts receivable	<b>4,003,535</b>	5,633,524
Deferred outflows of resources - pension	<b>2,351,367</b>	(239,579)
Deferred outflows of resources - OPEB	<b>4,332,534</b>	4,165,338
Accounts payable and accrued expenses	<b>471,485</b>	(65,170)
Accrued salaries and benefits	<b>132,921</b>	617,237
Unearned revenue and deposits	<b>(2,334,309)</b>	(1,339,460)
Other current liabilities	<b>450,000</b>	-
Other postemployment benefits	<b>(20,268,611)</b>	(16,042,887)
Net pension liability	<b>(969,804)</b>	10,642,648
Refundable advances	<b>(104,013)</b>	(127,642)
Deferred inflows of resources - pension	<b>(1,387,447)</b>	(12,962,481)
Deferred inflows of resources - OPEB	<b>9,701,074</b>	5,337,069
Net cash used for operating activities	<b>\$ (62,079,087)</b>	<b>\$ (52,642,219)</b>
Reconciliation of noncash activity		
Acquisition of capital assets	<b>\$ 8,403,644</b>	\$ 14,073,855
Less: Acquisition of capital assets included in accounts payable at year-end	<b>(388,635)</b>	(987,116)
Add: Acquisition of capital assets included in accounts payable at prior year-end	<b>987,116</b>	755,103
Add: Payments on long-term liabilities used to finance the acquisitions of capital assets	<b>24,973</b>	36,638
Payments for the acquisition of capital assets	<b>\$ 9,027,098</b>	<b>\$ 13,878,480</b>

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)**

**Notes to Financial Statements**

**June 30, 2024 and 2023**

**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, 2023, CCSNH adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The adoption of the statement and related guidance during the year ended June 30, 2023 did not have a material impact of the financial statements of CCSNH.

During the year ended June 30, 2023, CCSNH adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. 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.

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

**Notes to Financial Statements**

**June 30, 2024 and 2023**

**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 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 statements 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.

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

**Notes to Financial Statements**

**June 30, 2024 and 2023**

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, 2024 and 2023. 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, 2023 was reported net of an allowance for loan losses of \$7,772. The student loan receivables were assigned to the Department of Education prior to June 30, 2024, therefore there is no loan receivable or allowance noted at June 30, 2024.

**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 statements of revenues, expenses and changes in net position.

**Subscription-Based Information Technology Arrangements**

CCSNH is party to 18 subscription-based information technology arrangements (SBITAs). CCSNH recognizes a subscription liability and an intangible right of use subscription asset (subscription asset) in the statements of net position. CCSNH reports SBITA current expenditures in the statements of revenues, expenditures, and changes in net position. CCSNH recognizes subscription liabilities with an initial term greater than twelve months. Remaining subscription terms range from 1 to 5 years with fixed payments due monthly, quarterly and annually. For SBITAs with a maximum possible term of twelve months or less at commencement, CCSNH recognizes expenses based on the provisions of the arrangement.

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

**Notes to Financial Statements**

**June 30, 2024 and 2023**

At the commencement of a SBITA, CCSNH initially measures the subscription liability at the present value of expected subscription payments to be made over the SBITA term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial measurement of the subscription liability, adjusted for payments associated with the SBITA contract made to the vendor at the commencement of the subscription term, plus any capitalizable initial implementation costs, less any vendor incentives received at the commencement of the subscription term. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the useful life of the IT asset or subscription term.

Key estimates and judgments related to SBITAs include how CCSNH determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) the subscription term, and (3) subscription payments.

CCSNH uses prime rate at the commencement date of the contract as the discount rate. The subscription term includes the noncancellable period during which CCSNH has a noncancellable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend if reasonably certain CCSNH or vendor will exercise that option or to terminate if it is reasonably certain that CCSNH or vendor will not exercise that option. Subscription payments included in the measurement of the subscription liability are composed of fixed payments only.

CCSNH monitors changes in circumstances that would require a remeasurement of a SBITA and will remeasure the subscription asset and subscription liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with noncurrent assets and subscription liabilities are reported with current liabilities and long-term liabilities on the statements of 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. The note receivable balance as of June 30, 2024 and 2023 was \$1,472,857 and \$1,593,088, respectively. Management determined a reserve was not required at June 30, 2024 and 2023. Subsequent to year end, the note receivable balance was paid in full.

**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.

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

**Notes to Financial Statements**

**June 30, 2024 and 2023**

**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, 2023 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. During fiscal years 2023 and 2024, CCSNH completed the close-out activities related to the Federal Perkins Loan Program.

**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.

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

**Notes to Financial Statements**

**June 30, 2024 and 2023**

**Deferred Outflows and Deferred 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.



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

**Notes to Financial Statements**

**June 30, 2024 and 2023**

**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, 2024 and 2023.

**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. Changes in Accounting Principle**

During the year ended June 30, 2023, CCSNH adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. 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 period affected has been restated.

The adoption of the standard at July, 1, 2021, required recognition of \$1,439,126 of long-term subscription assets, \$746,552 of short-term subscription liabilities, and \$673,757 of subscription liabilities. At June 30, 2022, those balances related to subscription leases amounted to \$3,232,555 of long-term subscription assets, \$1,266,228 in short-term subscription liabilities, and \$1,202,888 of long-term subscription liabilities. The impact of the adoption of the standard for the year ended June 30, 2021 was an increase in net position of \$18,817.

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**3. 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, 2024 and 2023, CCSNH's uncollateralized uninsured cash and cash equivalents were approximately \$28,360,000 and \$22,460,000, 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.

**4. Capital Assets**

Capital asset activity for the year ended June 30, 2024 is summarized below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Ending Balance</u>
Land	\$ 612,987	\$ -	\$ -	\$ -	\$ 612,987
Construction-in-process	<u>12,886,857</u>	<u>7,553,401</u>	<u>-</u>	<u>(14,582,750)</u>	<u>5,857,508</u>
Total non-depreciable assets	<u>13,499,844</u>	<u>7,553,401</u>	<u>-</u>	<u>(14,582,750)</u>	<u>6,470,495</u>
Land improvements	9,064,180	-	(4,382)	65,049	9,124,847
Buildings and improvements	201,137,837	236,672	(3,064,254)	14,517,701	212,827,956
Equipment and vehicles	<u>22,004,304</u>	<u>2,236,781</u>	<u>(1,058,051)</u>	<u>-</u>	<u>23,183,034</u>
Total depreciable assets	<u>232,206,321</u>	<u>2,473,453</u>	<u>(4,126,687)</u>	<u>14,582,750</u>	<u>245,135,837</u>
Less accumulated depreciation for:					
Land improvements	(4,724,211)	(393,656)	3,068	-	(5,114,799)
Buildings and improvements	(114,741,299)	(6,012,414)	1,448,422	-	(119,305,291)
Equipment and vehicles	<u>(19,838,746)</u>	<u>(1,390,724)</u>	<u>1,051,987</u>	<u>-</u>	<u>(20,177,483)</u>
Total accumulated depreciation	<u>(139,304,256)</u>	<u>(7,796,794)</u>	<u>2,503,477</u>	<u>-</u>	<u>(144,597,573)</u>
Capital assets, net	<u>\$ 106,401,909</u>	<u>\$ 2,230,060</u>	<u>\$ (1,623,210)</u>	<u>\$ -</u>	<u>\$ 107,008,759</u>

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Capital asset activity for the year ended June 30, 2023 is summarized below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Ending Balance</u>
Land	\$ 612,987	\$ -	\$ -	\$ -	\$ 612,987
Construction-in-process	<u>2,164,839</u>	<u>13,420,793</u>	<u>-</u>	<u>(2,698,775)</u>	<u>12,886,857</u>
Total non-depreciable assets	<u>2,777,826</u>	<u>13,420,793</u>	<u>-</u>	<u>(2,698,775)</u>	<u>13,499,844</u>
Land improvements	7,149,771	-	-	1,914,409	9,064,180
Buildings and improvements	200,325,545	27,926	-	784,366	201,137,837
Equipment and vehicles	<u>21,635,306</u>	<u>622,036</u>	<u>(253,038)</u>	<u>-</u>	<u>22,004,304</u>
Total depreciable assets	<u>229,110,622</u>	<u>649,962</u>	<u>(253,038)</u>	<u>2,698,775</u>	<u>232,206,321</u>
Less accumulated depreciation for:					
Land improvements	<u>(4,333,588)</u>	<u>(390,623)</u>	<u>-</u>	<u>-</u>	<u>(4,724,211)</u>
Buildings and improvements	<u>(108,525,888)</u>	<u>(6,215,411)</u>	<u>-</u>	<u>-</u>	<u>(114,741,299)</u>
Equipment and vehicles	<u>(18,766,351)</u>	<u>(1,328,533)</u>	<u>256,138</u>	<u>-</u>	<u>(19,838,746)</u>
Total accumulated depreciation	<u>(131,625,827)</u>	<u>(7,934,567)</u>	<u>256,138</u>	<u>-</u>	<u>(139,304,256)</u>
Capital assets, net	<u>\$ 100,262,621</u>	<u>\$ 6,136,188</u>	<u>\$ 3,100</u>	<u>\$ -</u>	<u>\$ 106,401,909</u>

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**5. Long-Term Liabilities**

Changes in long-term liabilities during the year ended June 30, 2024 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Accrued salaries and benefits	\$ 9,639,008	\$ -	\$ 132,921	\$ 9,771,929	\$ 5,880,577
Due to the State	9,087	-	(6,037)	3,050	-
Refundable advances	104,013	-	(104,013)	-	-
Net pension liability	57,266,361	-	(969,804)	56,296,557	-
Bonds payable	7,805,423	-	(964,990)	6,840,433	1,148,046
OPEB	57,845,701	-	(20,268,611)	37,577,090	-
Lease liability	6,168,880	441,570	(868,011)	5,742,439	830,430
Notes payable	1,451,225	-	(36,638)	1,414,587	24,973
Subscription liability	<u>2,471,787</u>	<u>669,757</u>	<u>(1,361,531)</u>	<u>1,780,013</u>	<u>718,456</u>
Long-term liabilities	<u>\$142,761,485</u>	<u>\$ 1,111,327</u>	<u>\$ (24,446,714)</u>	<u>\$119,426,098</u>	<u>\$ 8,602,482</u>

Changes in long-term liabilities during the year ended June 30, 2023 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Accrued salaries and benefits	\$ 9,021,771	\$ -	\$ 617,237	\$ 9,639,008	\$ 5,777,522
Due to the State	20,560	-	(11,473)	9,087	-
Refundable advances	231,655	-	(127,642)	104,013	-
Net pension liability	46,623,713	10,642,648	-	57,266,361	-
Bonds payable	8,842,105	390,348	(1,427,030)	7,805,423	964,990
OPEB	73,888,588	-	(16,042,887)	57,845,701	-
Lease liability	6,554,820	-	(385,940)	6,168,880	796,775
Notes payable	1,500,952	-	(49,727)	1,451,225	36,638
Subscription liability	<u>3,045,352</u>	<u>-</u>	<u>(573,565)</u>	<u>2,471,787</u>	<u>1,268,899</u>
Long-term liabilities	<u>\$149,729,516</u>	<u>\$11,032,996</u>	<u>\$ (18,001,027)</u>	<u>\$142,761,485</u>	<u>\$ 8,844,824</u>

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**Note Payable**

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, 2024 and 2023 the balance due to USDA was \$1,414,587 and \$1,451,225, respectively.

Future minimum payments of the note payable as of June 30 are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 24,973	\$ 50,867	\$ 75,840
2026	25,894	49,946	75,840
2027	26,848	48,992	75,840
2028	27,838	48,002	75,840
2029	28,864	46,976	75,840
2030 - 2034	161,084	218,116	379,200
2035 - 2039	193,041	186,159	379,200
2040 - 2044	231,338	147,862	379,200
2045 - 2049	277,233	101,967	379,200
2050 - 2054	332,232	46,968	379,200
2055 - 2056	<u>85,242</u>	<u>1,918</u>	<u>87,160</u>
	<u>\$ 1,414,587</u>	<u>\$ 947,773</u>	<u>\$ 2,362,360</u>

**6. Bonds Payable**

Bonds payable consisted of the following at June 30:

	<u>2024</u>	<u>2023</u>
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%.	<b>\$ 1,000,000</b>	\$ 1,200,000
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.	<b>1,436,772</b>	1,436,772

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	<u><b>2024</b></u>	<u><b>2023</b></u>
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%.	<b>1,261,047</b>	1,585,334
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%.	<b>36,734</b>	138,883
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%.	<b>2,140,780</b>	2,408,536
General Obligation Bonds (original principal of \$485,348) maturing through 2031 with annual principal payments ranging from \$41,401 to \$157,324 and interest rate of 5%.	<b>414,550</b>	485,348
2023 Series B General Obligation Bonds (original principal of \$550,550) maturing through 2033 with annual principal payments ranging from \$68,247 to \$69,433 and interest rates of 5%.	<u><b>550,550</b></u>	<u>550,550</u>
	<u><b>\$ 6,840,433</b></u>	<u><b>\$ 7,805,423</b></u>

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 statements of revenues, expenses and changes in net position on an annual basis through the year 2028 using the effective-interest method. At June 30, 2024 and 2023 the unamortized deferred gain from advance refunding of the bonds was \$141,487 and \$176,280, respectively. During the year ended June 30, 2023, the State refunded selected bonds that CCSNH holds. The difference between the reacquisition price and the net carrying amount of the old debt of \$639,628 which was recognized through debt service expenses.

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

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,148,046	\$ 284,839	\$ 1,432,885
2026	1,139,370	234,994	1,374,364
2027	942,615	181,000	1,123,615
2028	851,954	137,444	989,398
2029	631,954	98,022	729,976
2030 - 2034	1,805,567	204,538	2,010,105
2035 - 2039	<u>320,927</u>	<u>15,645</u>	<u>336,572</u>
	<u><b>\$ 6,840,433</b></u>	<u><b>\$ 1,156,482</b></u>	<u><b>\$ 7,996,915</b></u>

Interest expense related to the bonds for the years ended June 30, 2024 and 2023 was \$299,502 and \$234,744, respectively.

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**7. Leases and Software Subscriptions**

**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 \$670,491 and \$172,684 as of June 30, 2024 and 2023, respectively. During the years ended June 30, 2024 and 2023, CCSNH recognized \$12,347 and \$2,110, respectively, in interest revenue related to lease receivables.

The deferred inflow of resources represent principal payments received. The total deferred inflows of resources amounted to \$667,153 and \$168,091 as of June 30, 2024 and 2023, respectively. During the years ended June 30, 2024 and 2023, CCSNH recognized \$300,443 and \$127,651, respectively, in rental revenue amortized from the deferred inflows of resources.

As most of the leases do not provide an implicit rate, CCSNH uses its incremental borrowing rate based on the information available at the commencement date to determine the present value of lease payments. The incremental borrowing rates used to determine the present value of lease payments were derived by reference to the secured-debt yields CCSNH would receive to finance each lease transaction or needed to borrow the amount of the undiscounted future payments over the term of the lease. The expected future payments include extension option periods as their exercise is reasonably certain.

At June 30, 2024, the projected minimum future revenue and interest from noncancelable rental agreements is approximately:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 304,943	\$ 13,089
2026	129,263	7,109
2027	92,266	4,680
2028	88,902	2,432
2029	<u>55,117</u>	<u>344</u>
	<u>\$ 670,491</u>	<u>\$ 27,654</u>

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Lessee

In instances in which CCSNH is the lessee, GASB Statement No. 87 requires the recording as a right-of-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 \$5,742,439 and \$6,168,880 as of June 30, 2024 and 2023, respectively. During the years ended June 30, 2024 and 2023, CCSNH incurred \$122,667 and \$127,780, respectively, in interest expenses related to lease liabilities.

The total right-of-use asset value, net of accumulated amortization, amounted to \$5,538,548 and \$5,962,127 as of June 30, 2024 and 2023, respectively. During the years ended June 30, 2024 and 2023, CCSNH recognized \$865,150 and \$987,609, respectively, in amortization expense from the right-of-use assets.

As most of the leases do not provide an implicit rate, CCSNH uses its incremental borrowing rate based on the information available at the commencement date to determine the present value of lease payments. The incremental borrowing rates used to determine the present value of lease payments were derived by reference to the secured-debt yields CCSNH would receive to finance each lease transaction or needed to borrow the amount of the undiscounted future payments over the term of the lease. The expected future payments include extension option periods as their exercise is reasonably certain.

At June 30, 2024 the projected minimum future amortization and interest from noncancelable lease agreements is approximately:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Amortization of Right-of-Use Asset</u>
2025	\$ 830,430	\$ 110,777	\$ 822,393
2026	335,430	100,317	339,569
2027	164,357	95,760	193,886
2028	159,709	91,785	184,715
2029	129,194	88,148	154,429
2030 to 2034	601,485	403,929	691,840
2035 to 2039	666,632	338,783	691,840
2040 to 2044	738,834	266,581	691,840
2045 to 2049	818,856	186,559	691,840
2050 to 2054	907,545	97,870	691,840
2055 to 2056	<u>389,967</u>	<u>12,197</u>	<u>384,356</u>
	<u>\$ 5,742,439</u>	<u>\$ 1,792,706</u>	<u>\$ 5,538,548</u>



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**Software Subscriptions**

The total subscription assets were \$2,055,550 and \$2,776,015, net of accumulated amortization of \$3,190,575 and \$1,832,987, as of June 30, 2024 and 2023, respectively. During the year ended June 30, 2024 and 2023, CCSNH incurred \$1,357,588 and \$1,254,821, respectively, in SBITA amortization expense.

The following is a schedule by year of future minimum SBITA payments as of June 30, 2024:

<u>Year</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>
2025	\$ 718,456	\$ 40,356	\$ 678,100
2026	529,380	25,263	504,117
2027	502,624	13,824	488,800
2028	56,678	2,895	53,783
2029	<u>56,679</u>	<u>1,466</u>	<u>55,213</u>
Total minimum lease payments	<u>\$ 1,863,817</u>	<u>\$ 83,804</u>	<u>\$ 1,780,013</u>

**8. 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.

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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  $\frac{1}{4}$  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 13.75% for the two-year period beginning July 1, 2021 and ending June 30, 2023 and 13.27% the two-year period beginning July 1, 2023 and ending June 30, 2025.

For the years ended June 30, 2024 and 2023, CCSNH contributions to the Pension Plan were \$6,068,520 and \$6,156,601, respectively.

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

At June 30, 2024 and 2023, respectively, CCSNH reported a liability of \$56,296,557 and \$57,266,361 for its proportionate share of the net pension liability. The 2024 net pension liability is based on an actuarial valuation performed as of June 30, 2022 and a measurement date of June 30, 2023. The net pension liability was rolled forward from June 30, 2022 to June 30, 2023. 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, 2024 and 2023, CCSNH's proportion of the net pension liability was 1.0056% and 0.9983%, respectively.

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During the years ended June 30, 2024 and 2023, CCSNH recognized pension expense of \$6,062,627 and \$3,600,037, respectively.

At June 30, 2024, CCSNH reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 1,438,502	\$ 22,625
Changes in assumptions	1,481,696	-
Net difference between projected and actual investment earnings on pension plan investments	814,144	-
Changes in proportion and differences between employer contributions and share of contributions	293,594	2,244,283
Contributions subsequent to the measurement date	<u>6,068,520</u>	<u>-</u>
Balances as of June 30, 2024	<b><u>\$ 10,096,456</u></b>	<b><u>\$ 2,266,908</u></b>

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, 2025. 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,

2025	\$ 951,696
2026	(1,717,862)
2027	2,568,992
2028	<u>(41,798)</u>
	<b><u>\$ 1,761,028</u></b>

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**June 30, 2024 and 2023**

At June 30, 2023, CCSNH reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,074,788	\$ 219,836
Changes in assumptions	3,046,113	-
Net difference between projected and actual investment earnings on pension plan investments	2,170,321	-
Changes in proportion and differences between employer contributions and share of contributions	-	3,434,519
Contributions subsequent to the measurement date	<u>6,156,601</u>	<u>-</u>
Balances as of June 30, 2023	<u>\$ 12,447,823</u>	<u>\$ 3,654,355</u>

**Actuarial Assumptions**

The total pension liability was determined by a roll-forward of the actuarial valuations as of June 30, 2023 using the following actuarial assumptions, which, accordingly, apply to 2022 measurements:

Actuarial cost method	Entry age normal
Inflation	2.00% per year
Salary increases	5.40% average, including inflation, 2023 and 2022 valuations, respectively
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, 2023 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, 2015 – 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.

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The following table presents target allocations and the geometric real rates of return for 2023 and 2022:

<u>Asset Class</u>	<u>Target Allocation 2022</u>	<u>Target Allocation 2023</u>	<u>Weighted Average Long- Term Expected Real Rate of Return</u>	
			<u>2022</u>	<u>2023</u>
Broad US Equity (1)	30.00 %	30.00 %	7.60 %	5.40 %
Global Ex-US Equity (2)	<u>20.00</u>	<u>20.00</u>	7.90	5.65
Total Public Equity	<u>50.00</u>	<u>50.00</u>		
Core US Fixed Income	<u>25.00</u>	<u>25.00</u>	3.60	2.15
Real Estate Equity	10.00	10.00	6.60	4.00
Private Equity	<u>10.00</u>	<u>10.00</u>	8.85	6.65
Total Private Market Equity	<u>20.00</u>	<u>20.00</u>		
Private Debt	<u>5.00</u>	<u>5.00</u>	7.25	5.05
Inflation	<u>-</u>	<u>-</u>	2.25	2.50
	<u>100.00 %</u>	<u>100.00 %</u>		

**Discount Rate**

The discount rate used to measure the total pension liability as of June 30, 2024 and 2023 was 6.75% for the 2023 and 2022 valuations. 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.

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**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 <u>(5.75%)</u>	Current Discount Rate <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
CCSNH's proportionate share of the net pension liability	\$ <u>76,387,612</u>	\$ <u>56,296,557</u>	\$ <u>39,129,979</u>

**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 2022, 2023, and 2024. On June 9, 2020, the Board of Trustees 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 2023 and 2024.

**9. 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.

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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. Effective July 1, 2023, the contribution rate was 0.58% and will remain fixed through June 30, 2025. Effective July 1, 2021, the contribution rate was 0.70% and will remain fixed through June 30, 2023. CCSNH's contributions for the NHRS OPEB Plan for the years ended June 30, 2024 and 2023 were \$247,195 and \$328,265, 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, 2024, CCSNH reported a liability of \$2,678,379 for its proportionate share of the net NHRS OPEB liability. The net NHRS OPEB liability as of June 30, 2024 is based on an actuarial valuation performed as of June 30, 2022 and a measurement date of June 30, 2023. The net OPEB liability was rolled forward from June 30, 2022 to June 30, 2023.

At June 30, 2023, CCSNH reported a liability of \$2,942,729 for its proportionate share of the net NHRS OPEB liability. The net NHRS OPEB liability as of June 30, 2023 is based on an actuarial valuation performed as of June 30, 2021 and a measurement date of June 30, 2022. The net NHRS OPEB liability was rolled forward from June 30, 2021 to June 30, 2022.

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, 2024 and 2023, CCSNH's proportion of the net NHRS OPEB liability was 0.7838% and 0.7787%, respectively.

For the years ended June 30, 2024 and 2023, CCSNH recognized OPEB expense (gain) of \$83,511 and \$(674,010), respectively, related to the NHRS OPEB Plan.

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At June 30, 2024, CCSNH reported deferred outflows of resources and deferred inflows of resources related to NHRS OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings on NHRS OPEB plan investments	\$ 3,219	\$ -
Contributions subsequent to the measurement date	<u>247,195</u>	<u>-</u>
Balances as of June 30, 2024	<u>\$ 250,414</u>	<u>\$ -</u>

Amounts reported as deferred outflows related to NHRS OPEB 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, 2025. 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:

<u>Year ending June 30,</u>	
2025	\$ (533)
2026	(4,067)
2027	8,701
2028	<u>(882)</u>
	<u>\$ 3,219</u>

At June 30, 2023, CCSNH reported deferred outflows of resources and deferred inflows of resources related to NHRS OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings on NHRS OPEB plan investments	8,042	-
Contributions subsequent to the measurement date	<u>328,265</u>	<u>-</u>
Balances as of June 30, 2024	<u>\$ 336,307</u>	<u>\$ -</u>



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**Actuarial Assumptions**

The collective total NHRS OPEB liability was determined by a roll forward of the actuarial valuation as of June 30, 2023, using the following actuarial assumptions, which apply to 2022 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	5.40% average, including inflation, 2023 and 2022 valuations, respectively
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, 2022 and 2021 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, 2015 – 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.

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

<u>Asset Class</u>	Target Allocation <u>2022</u>	Target Allocation <u>2023</u>	Weighted Average Long- Term Expected Real Rate of Return	
			<u>2022</u>	<u>2023</u>
Broad US Equity (1)	30.00 %	30.00 %	7.60 %	5.40 %
Global Ex-US Equity (2)	<u>20.00</u>	<u>20.00</u>	7.90	5.65
Total Public Equity	<u>50.00</u>	<u>50.00</u>		
Core US Fixed Income	<u>25.00</u>	<u>25.00</u>	3.60	2.15
Real Estate Equity	10.00	10.00	6.60	4.00
Private Equity	<u>10.00</u>	<u>10.00</u>	8.85	6.65
Total Private Market Equity	<u>20.00</u>	<u>20.00</u>		
Private Debt	<u>5.00</u>	<u>5.00</u>	7.25	5.05
Inflation	<u>-</u>	<u>-</u>	2.25	2.50
	<u>100.00 %</u>	<u>100.00 %</u>		

Discount Rate

The discount rate used to measure the total NHRS OPEB liability was 6.75%, for the 2023 and 2022 valuations. 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.

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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	\$ <u>2,908,983</u>	\$ <u>2,678,379</u>	\$ <u>2,477,183</u>

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.

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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, 2024 and 2023 were \$1,325,918 and \$1,359,096, 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, 2024, CCSNH reported a liability of \$34,898,711 for its proportionate share of the State OPEB Plan liability. The State OPEB Plan liability at June 30, 2024 as determined by an actuarial valuation as of December 31, 2022 adjusted forward to a measurement date of June 30, 2023. The State OPEB Plan liability was rolled forward from December 31, 2022 to June 30, 2023.

At June 30, 2023, CCSNH reported a liability of \$54,902,972 for its proportionate share of the State OPEB Plan liability. The State OPEB Plan liability at June 30, 2023 was determined by an actuarial valuation as of December 31, 2020 adjusted forward to a measurement date of June 30, 2022. The State OPEB Plan liability was rolled forward from December 31, 2020 to June 30, 2022.

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, 2024 and 2023, CCSNH's proportion of the State OPEB Plan's liability was 3.370% and 3.403%, respectively.

For the years ended June 30, June 30, 2024 and 2023, CCSNH recognized OPEB income of \$4,730,628 and \$4,183,980, respectively, related to the State OPEB Plan.

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At June 30, 2024, CCSNH reported deferred outflows of resources and deferred inflows of resources related to State OPEB Plan from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Changes in assumptions	\$ 5,815,879	\$ 26,594,132
Differences between expected and actual experience	-	2,290,576
Changes in proportion	-	2,751,115
Proportionate share of contributions subsequent to the measurement date	<u>1,325,918</u>	<u>-</u>
Balances as of June 30, 2024	<u><u>\$ 7,141,797</u></u>	<u><u>\$ 31,635,823</u></u>

Amounts reported as deferred outflows related to State OPEB Plan 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, 2025. 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:

<u>Year ending June 30,</u>	
2025	\$ (5,524,248)
2026	(7,590,763)
2027	(8,163,868)
2028	<u>(4,541,065)</u>
	<u><u>\$ (25,819,944)</u></u>

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**June 30, 2024 and 2023**

At June 30, 2023, CCSNH reported deferred outflows of resources and deferred inflows of resources related to State OPEB Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 10,029,342	\$ 16,638,960
Differences between expected and actual experience	-	1,338,842
Changes in proportion	-	3,956,947
Proportionate contributions subsequent to the measurement date	<u>1,359,096</u>	<u>-</u>
Balances as of June 30, 2023	<u><u>\$ 11,388,438</u></u>	<u><u>\$ 21,934,749</u></u>

**Actuarial Assumptions**

The collective total State OPEB Plan liability was determined by a roll forward of the actuarial valuation as of December 31, 2022, using the following actuarial assumptions, which apply to the 2023 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	3.65% as of June 30, 2023 measurement and 3.54% as of June 30, 2022 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 2022 and 2021 valuations.

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Postretirement mortality rates:

- Healthy: PubG-2010 Headcount-Weighted Healthy Retiree General Mortality Tables for Group I for the 2022 and 2021 valuations.
- Disabled: PubNS-2010 Headcount-Weighted Non-Safety Disabled Retiree Mortality Tables for Group I for the 2022 and 2021 valuations.

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

	<u>2022</u>	<u>2021</u>
Scale - Male	101 %	101 %
Scale - Female	109 %	101 %

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: 7.50% decreasing by 0.25% each year to an ultimate level of 4.5% per year. For the 2021 valuation, 0% for one year, then 17.1% for one year, then 5.25% decreasing by 0.25% each year to an ultimate level of 4.5% per year.
- Medicare: N/A through contract period, then 6.75% in 2026 decreasing by 0.25% per year to an ultimate level of 4.5% per year.

Prescription Drug:

- Non-Medicare: 10.50% decreasing by 0.50% each year to an ultimate level of 4.5% per year. For the 2021 valuation, 15.0% for one year, 25.70% for one year, then 7.25% decreasing by 0.25% each year to an ultimate level of 4.5% per year.
- Medicare: N/A through contract period, then 6.75% in 2026 decreasing by 0.25% per year to an ultimate level of 4.5% per year. For 2022 valuation, 9.5% for one year, (2.6%) for one year, then 8.5% decreasing by 0.5% each year to an ultimate level of 4.5% per year.

The actuarial assumptions used in the December 31, 2023 and 2022 valuations were based on the results of the most recent actuarial experience study, which was for the period of July 1, 2015 to June 30, 2019.

**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.

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Changes in Assumptions

The discount rate was increased from 3.54% as of June 30, 2022 to 3.65% as of June 30, 2023. 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 3.65%, 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 (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
CCSNH's proportionate share of the total State OPEB liability	\$ <u>40,209,851</u>	\$ <u>34,898,711</u>	\$ <u>30,600,454</u>

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	\$ <u>29,664,582</u>	\$ <u>34,898,711</u>	\$ <u>41,582,020</u>

**10. 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.

Full-time Faculty Bargaining Unit

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. The current collective bargaining agreement for full-time faculty expired on June 30, 2023. The current Agreement remains in place under the evergreen provisions.



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The CCSNH and NH Higher Education Union, IBEW Local 2320 began the bargaining process for a successor agreement on May 9, 2023. In September, 2023, the CCSNH and NHHEU/IBEW Full-time Faculty bargaining teams decided to move forward with the use of an independent mediator. The mediation session was held on December 13, 2023 and was unsuccessful. With negotiations at an impasse, the Parties proceeded to fact-finding. A day long fact-finding session was held on May 22, 2024. On August 26, the Factfinder provided a set of non-binding recommendations to CCSNH and the IBEW/HEU for consideration. On August 29, after careful review of those recommendations, including our shared interest in respect, equity, and sustainability, the CCSNH Board of Trustees (the Board) concluded that it could not accept that set of recommendations.

On August 30, the NHHEU filed an unfair labor practice complaint with the NH Public Employee Labor Relations Board against CCSNH. The complaint alleges that CCSNH violated RSA 273-A:12 when it shared the Factfinder's report with the CCSNH Board of Trustees on August 29, 3 days after the report was issued, thereby making the report "public." The complaint also alleges that the Board's action to reject the Factfinder's report was improper because it occurred within the 10 day timeline for the negotiating team's consideration of the report. The decision to bring the matter to the Board within the 10-day window was made in consultation with external labor counsel, predicated on the belief that this was appropriate and compliant with RSA 273. The hearing for this matter is pending.

RSA 273-A:12 (b) states, "If the impasse is not resolved, a neutral party chosen by the parties, or failing agreement, appointed by the board, shall undertake to mediate the issues remaining in dispute. If the parties so choose, or if mediation does not result in agreement within 45 days, or in the case of state employees 75 days, prior to the budget submission date, a neutral party chosen by the parties, or failing agreement, appointed by the board, shall make and report findings of fact together with recommendations for resolving each of the issues remaining in dispute, which findings and recommendations shall not be made public until the negotiating teams shall have considered them for 10 days."

Adjunct Faculty

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 parties negotiated a successor collective bargaining agreement effective August 24, 2023 through June 30, 2025. The successor agreement includes a salary adjustments for Fall, 2023 (average 5.3%) and Fall, 2024 (average 6%).

Covered Staff

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). The collective bargaining agreement for expired on September 30, 2023, which remained in place under the evergreen provisions until a successor agreement was negotiated and ratified.

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The CCSNH and State Employees' Association (SEA) began the bargaining process for a successor agreement for covered staff on March 23, 2023. On November 17, 2023 Parties reached a tentative agreement for a successor collective bargaining agreement. The Agreement was ratified by Parties for a collective bargaining agreement effective January 4, 2024 through September 30, 2025. The terms of the Agreement include a 4% across-the-board increases effective January 12, 2024 and a 4% across-the-board increases effective January 10, 2025 and increases to the employee premium contributions for medical and dental.

**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, 2024:

	Expended through June 30, 2024	Committed Future Costs	Total Committed Costs of Project
NHTI	\$ 557,524	\$ 237,434	\$ 794,958
MCC	-	-	-
NCC	4,712,593	68,065	4,780,658
GBCC	97,000	7,501	104,501
LRCC	-	-	-
WMCC	-	-	-
RVCC	-	-	-
Total	\$ <u>5,367,117</u>	\$ <u>313,000</u>	\$ <u>5,680,117</u>

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**11. 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 or 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.

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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 \$10,484,178 and \$7,046,340 at June 30, 2024 and 2023, 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, 2024 and 2023, 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, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and cash equivalents	\$ 549,218	\$ -	\$ -
Equity mutual funds	40,762,999	-	-
Fixed-income mutual funds	<u>18,966,164</u>	-	-
Total	<u>\$ 60,278,381</u>	<u>\$ -</u>	<u>\$ -</u>

Investments held by CCSNH were comprised of the following at July 01, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and cash equivalents	\$ 1,631,610	\$ -	\$ -
Equity mutual funds	32,946,936	-	-
Fixed-income mutual funds	<u>18,237,366</u>	-	-
Total	<u>\$ 52,815,912</u>	<u>\$ -</u>	<u>\$ -</u>

A summary of fixed-income mutual fund maturities as of June 30, 2024 and 2023 is as follows:

<u>2024</u>		<u>2023</u>	
<u>Amount</u>	<u>Maturities</u>	<u>Amount</u>	<u>Maturities</u>
\$ 1,188,486	More than 3 years	\$ 517,187	More than 3 years
2,413,871	Less than 3 year	1,622,869	Less than 3 years
<u>15,363,807</u>	N/A	<u>16,097,310</u>	N/A
<u>\$ 18,966,164</u>		<u>\$ 18,237,366</u>	

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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, 2024, individual investments representing more than 5% of the CCSNH's investments were as follows:

	<u>Percentage of Investments</u>
Strategic Advisors Fidelity US Fund	46.2%
Strategic Advisors International Fund	14.0%
Strategic Advisors Core Income Fund	25.5%
Strategic Advisors Fidelity Emerging Markets Fund	5.8%

**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, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equities	\$ 6,783,565	\$ -	\$ -
Fixed-income	<u>1,428,217</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 8,211,782</u>	<u>\$ -</u>	<u>\$ -</u>

Investments held by the Foundation were comprised of the following at June 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equities	\$ 5,351,177	\$ -	\$ -
Fixed-income	<u>1,357,140</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 6,708,317</u>	<u>\$ -</u>	<u>\$ -</u>

**COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE**  
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**June 30, 2024 and 2023**

**12. 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 2024 and 2023.

**13. COVID-19 Considerations and Relief Funding**

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. As of June 30, 2023, the remaining balance of \$413,241 was recognized in revenue and grants and contracts receivable.

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, 2023, CCSNH had satisfied the terms and conditions of the grant agreement to recognize the full grant in revenue. As of June 30, 2023, \$67,470 was recorded in grants and contracts receivable. There were no HEERF funds expended during fiscal year 2024.

In July 2021, CCSNH was awarded a grant from the State of New Hampshire's Governor's Office for Emergency Relief and Recovery ("GOFERR") under the American Rescue Plan Act's ("ARPA") State and Local Fiscal Recovery Funds ("SLFRF") in the amount of \$2,550,000. The funds were to be spent on renovations at Nashua Community College as outlined in the grant agreement. The funds were paid up front to CCSNH. During the years ended June 30, 2024 and 2023, CCSNH expended and recognized as revenue \$1,789,506 and \$609,534, respectively. At June 30, 2023, there was \$1,789,506 in unearned revenue and deposits. The funds were fully expended as of June 30, 2024. In July 2022, an additional \$2,611,704 was awarded to CCSNH under the SLFRF. The grants were to be spent to expand LPN programs throughout the System as outlined in the grant agreements. At June 30, 2024 and 2023, CCSNH has expended and recognized as revenue \$777,035 and the \$619,036 was in grants and contracts revenue. At June 30, 2024 and 2022, CCSNH had \$142,813 and \$619,036, respectively, in grants and contracts receivable.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE  
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**Required Supplementary Information (Unaudited)**

**Years Ended June 30**

**Schedule of Collective Net Pension Liability \***

	June 30,									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employer proportion of the collective net pension liability	1.0056 %	0.9983 %	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	\$56,296,557	\$57,266,361	\$46,623,713	\$68,376,494	\$52,954,607	\$53,837,038	\$62,962,418	\$72,213,215	\$60,334,154	\$58,259,797
Employer's covered-employee payroll	\$44,775,280	\$43,877,302	\$47,302,381	\$45,456,756	\$44,474,567	\$45,853,123	\$40,724,800	\$40,857,944	\$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	126 %	131 %	99 %	150 %	119 %	117 %	155 %	177 %	129 %	166 %
Plan fiduciary net position as a percentage of the total pension liability	67.18 %	65.12 %	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.*



**COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE  
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**Required Supplementary Information (Unaudited)**

**Years Ended June 30**

**Schedule of Employer Contributions (Pension Plan)**

	Years ended June 30,									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Required employer contribution*	\$ 6,068,520	\$ 6,156,601	\$ 6,033,129	\$ 5,146,499	\$ 4,945,695	\$ 4,927,782	\$ 5,080,526	\$ 5,090,600	\$ 5,109,493	\$ 4,923,636
Actual employer contribution*	\$ 6,068,520	\$ 6,156,601	\$ 6,033,129	\$ 5,146,499	\$ 4,945,695	\$ 4,927,782	\$ 5,080,526	\$ 5,090,600	\$ 5,109,493	\$ 4,923,636
Difference	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered-employee payroll	\$ 45,731,123	\$ 44,775,280	\$ 43,877,302	\$ 47,302,381	\$ 45,456,756	\$ 44,474,567	\$ 45,853,123	\$ 40,724,800	\$ 40,875,944	\$ 46,847,155
Employer contribution as a percentage of the employer's covered-employee payroll	13.27 %	13.75 %	13.75 %	10.88 %	10.88 %	11.08 %	11.08 %	12.50 %	12.50 %	10.51 %

\* 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.

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**Required Supplementary Information (Unaudited)**

**June 30, 2024**

**Notes to the Required Supplementary Information-Pension**

**Changes of  
assumptions:**

The roll-forward of the total pension liability from June 30, 2022 to June 30, 2023 reflects expected service and interest costs reduced by actual benefit payments.

The roll-forward of the total pension liability from June 30, 2021 to June 30, 2022 reflects expected service and interest costs reduced by actual benefit payments.

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.

Actuarially determined contribution rates for the 2024-2025 biennium were determined based on the June 30, 2023 actuarial valuation.

**COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE  
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**Required Supplementary Information (Unaudited)**

**Years Ended June 30**

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

	June 30,							
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Employer proportion of the collective net NHRS OPEB Plan liability	0.784 %	0.779 %	0.971 %	0.987 %	1.014 %	1.032 %	1.195 %	1.264 %
Employer's proportionate share of the collective net NHRS OPEB Plan liability	\$ 2,678,379	\$ 2,942,729	\$ 3,886,793	\$ 4,322,066	\$ 4,322,066	\$ 4,723,754	\$ 5,462,993	\$ 6,118,030
Employer's covered-employee payroll	\$42,085,256	\$59,797,179	\$ 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 percentage of the employer's covered employee-payroll	6.36 %	4.92 %	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	12.80 %	10.64 %	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.*

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**Required Supplementary Information (Unaudited)**

**Years Ended June 30**

**Schedule of Employer Contributions (NHRS OPEB Plan) \***

	Years ended June 30,							
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Required employer contributions**	\$ 247,195	\$ 328,265	\$ 466,418	\$ 460,247	\$ 464,227	\$ 461,510	\$ 465,916	\$ 738,178
Actual employer contributions**	\$ 247,195	\$ 328,265	\$ 466,418	\$ 460,247	\$ 464,227	\$ 461,510	\$ 465,916	\$ 738,178
Employer's covered-employee payroll	\$42,619,828	\$42,085,256	\$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	0.58 %	0.78 %	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.

**COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE  
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**Required Supplementary Information (Unaudited)**

**June 30, 2024**

**Notes to the Required Supplementary Information (NHRS OPEB Plan)**

Changes of  
assumptions:

The roll-forward of the total OPEB liability from June 30, 2023 to June 30, 2024 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, 2022 to June 30, 2023 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, 2021 to June 30, 2022 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, 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.

**COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE**  
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**Required Supplementary Information (Unaudited)**

**Years Ended June 30**

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

	Years ended June 30,						
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total State OPEB Plan liability							
Service cost	\$ 54,781,225	\$ 84,307,513	\$ 88,855,352	\$ 62,882,134	\$ 63,316,502	\$ 76,699,396	\$ 111,333,637
Interest	58,421,205	45,621,988	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	(57,427,101)	(9,036,656)	(36,352,537)	(10,281,706)	(24,532,584)	(7,652,967)	(7,885,961)
Changes of assumptions	(598,035,443)	(517,692,461)	252,239,520	358,302,338	(177,242,643)	(235,526,750)	(784,281,319)
Changes in benefit terms	-	-	-	-	-	(182,835,031)	-
Benefits	<u>(35,364,000)</u>	<u>(35,726,000)</u>	<u>(37,624,000)</u>	<u>(44,600,000)</u>	<u>(51,332,000)</u>	<u>(51,625,000)</u>	<u>(49,772,000)</u>
Net change in total State OPEB Plan liability	(577,624,114)	(432,525,616)	(180,312,019)	430,439,293	(114,525,765)	(319,432,999)	(646,290,712)
Total State OPEB Plan liability, beginning of year	<u>1,613,063,519</u>	<u>2,045,589,135</u>	<u>2,225,901,154</u>	<u>1,795,461,861</u>	<u>1,909,987,626</u>	<u>2,229,420,625</u>	<u>2,875,711,337</u>
Total State OPEB Plan liability, end of year	<u>\$ 1,035,439,405</u>	<u>\$ 1,613,063,519</u>	<u>\$ 2,045,589,135</u>	<u>\$ 2,225,901,154</u>	<u>\$ 1,795,461,861</u>	<u>\$ 1,909,987,626</u>	<u>\$ 2,229,420,625</u>

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

**Required Supplementary Information (Unaudited)**

**Years Ended June 30**

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

	June 30,							
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Employer proportion of the collective total State OPEB Plan liability	3.3700 %	3.4030 %	3.4220 %	4.8132 %	4.8440 %	4.9304 %	4.9660 %	4.9255 %
Employer's proportionate share of the collective total State OPEB Plan liability	\$34,898,711	\$54,902,972	\$70,001,795	\$ 107,136,086	\$86,970,326	\$94,170,836	\$ 110,713,469	\$41,644,569
Employer's covered-employee payroll	\$44,775,280	\$43,877,302	\$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	78 %	125 %	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.*

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

**Required Supplementary Information (Unaudited)**

**June 30, 2024**

**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 increased from 3.54% as of June 30, 2022 to 3.65% as of June 30, 2023.

The discount rate increased from 2.16% as of June 30, 2021 to 3.54% as of June 30, 2022.

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, 2022 to June 30, 2023 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, 2020 to June 30, 2022 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, 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.





**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, 2024, and the related notes to the financial statements, which collectively comprise CCSNH's basic financial statements, and have issued our report thereon dated November 21, 2024. 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.

## **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 21, 2024

**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 Office of Management and Budget (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, 2024. 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, 2024.

***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 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.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on each major federal program is not modified with respect to that matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on CCSNH's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. CCSNH's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### ***Report on Internal Control Over Compliance***

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 and therefore material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

*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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a significant deficiency.

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.

*Government Auditing Standard* requires the auditor to perform limited procedures on the CCSNH's responses to the internal control over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. CCSNH's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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.

***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, 2024, and the related notes to the financial statements and have issued our report thereon dated November 21, 2024, 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 21, 2024

**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, 2024**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal AL Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>
<u>United States Department of Agriculture</u>			
Community Facilities Loans and Grants - Direct	10.766		\$ 1,451,225
Rural Energy for America Program - Direct	10.868		<u>24,293</u>
Total United States Department of Agriculture			<u>1,475,518</u>
<u>United States Department of Housing and Urban Development</u>			
<i>Community Development Economic Authority - Passed-Through</i>			
Community Development Block Grants/Entitlement Grants	14.218	24-410-CDMC	<u>31,111</u>
<u>United States Department of Labor</u>			
Apprenticeship USA Grants - Direct	17.285		2,455,468
Soldering/Assembly Workforce Solutions - Direct	17.289		85,541
<i>Dartmouth Hitchcock Medical Center - Passed-Through</i>			
H-1B Job Training Grants	17.268	N/A	<u>239,011</u>
Total United States Department of Labor			<u>2,780,020</u>
<u>United States Department of Transportation</u>			
Aviation Maintenance Technical Workforce Grant Program - Direct	20.112		<u>275,948</u>
<u>United States Department of Treasury</u>			
<i>State of New Hampshire - Passed-Through</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	<u>2,566,540</u>
<u>Research and Development Cluster</u>			
National Science Foundation - Direct			
Integrative Activities	47.083		<u>38,224</u>

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)**

**Schedule of Expenditures of Federal Awards (Concluded)**

**Year Ended June 30, 2024**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal AL Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>
<u>United States Department of Education</u>			
Student Financial Assistance Cluster - Direct			
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		471,076
Federal Work-Study Program	84.033		211,079
Federal Perkins Loan Program	84.038		102,288
Federal Pell Grant Program	84.063		11,733,933
Federal Direct Student Loans	84.268		<u>18,838,616</u>
Total Student Financial Assistance Cluster			<u>31,356,992</u>
Funds for the Improvement of Postsecondary Education - Direct	84.116		<u>275,825</u>
<i>New Hampshire Department of Education - Passed-Through</i>			
Career and Technical Education - Basic Grants to States	84.048	20230400	<u>1,100,628</u>
Total United States Department of Education			<u>32,733,445</u>
<u>Japan - U.S. Friendship Commission - Passed-Through</u>			
Northern Border Regional Development	90.601		<u>244,275</u>
<u>United States Department of Health and Human Services</u>			
Child Care and Development Block Grant - Direct	93.575		455,505
<i>University of New Hampshire - Passed-Through</i>			
Certified Health IT Surveillance Capacity and Infrastructure Improvement Cooperative Agreement Program	93.355	90PH00001/01- 04	5,272
Every Student Success Act/Preschool Development Grants	93.434	90TP0110-01-00	129,430
<i>Trustees of Dartmouth College - Passed-Through</i>			
Biomedical Research and Research Training	93.859	5P20GM103506- 14	<u>176,290</u>
Total United States Department of Health and Human Services			<u>766,497</u>
Total Expenditures of Federal Awards			<u>\$ 40,911,578</u>

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)**

**Notes to Schedule of Expenditures of Federal Awards**

**Year Ended June 30, 2024**

**1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule or SEFA) includes the federal grant activity of the Community College System of New Hampshire (CCSNH) for the year ended June 30, 2024. 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited 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. There were no remaining balances of Perkins loans outstanding at June 30, 2024.

**4. Federal Perkins Loan Program Close Out Audit**

The compliance audit performed over CCSNH included the audit of the liquidation procedures for the Federal Perkins Loan Program for the following colleges:

1. Manchester Community College
2. Nashua Community College
3. River Valley Community College

**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, 2024**

**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?   X   Yes \_\_\_\_\_ 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?   X   Yes \_\_\_\_\_ No

Identification of Major Programs:

AL Number(s)

Name of Federal Program or Cluster

21.027

U.S. Department of Treasury  
Coronavirus State and Local Fiscal  
Recovery Funds

84.048

Career and Technical Education - Basic  
Grants to States: Carl D. Perkins Career  
and Technical Education Act of 2006

84.007, 84.033, 84.038,  
84.063, 84.268

U.S. Department of Education Student  
Financial Assistance Cluster

Dollar threshold used to distinguish  
between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes   X   No

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

**Schedule of Findings and Questioned Costs (Continued)**

**Year Ended June 30, 2024**

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

None noted

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

Finding Number: 2024-001

Information on the  
Federal Program: Federal Agency: United States Department of Treasury  
Program Names: Coronavirus State and Local Fiscal Recovery Funds  
AL: 21.027  
Federal Award Year: 2024

Criteria: Required by 2 CFR, Part 200 for federally funded programs, when an institution enters into a covered transaction with an entity or individual, an institution must verify that the vendor or employee is not suspended or debarred or otherwise excluded from participating in federal programs. Generally, a covered transaction is a transaction expected to equal or exceed \$25,000 and be funded with federal dollars. This verification may be accomplished by checking the System for Award Management (SAM), formerly the Excluded Parties List System, maintained by the General Services Administration, collecting a certification from the vendor, or by adding a clause or condition to the covered transaction.

Condition Found: During our audit, we noted CCSNH did not consistently review the SAM for vendors and employees meeting the covered transaction threshold.

Context: Based on our testing, we noted that none of the vendors and employees selected in our testing that were charged to the grant were included in the SAM listing. Although we did note CCSNH has a process to review grant-funded employees upon hire and on a monthly basis to the SAM and to grant-funded vendors prior to payment, this review did not occur for the vendors and employees charged to this specific grant.

Questioned Costs: None noted

Cause and Effect: CCSNH is aware of the requirement to verify vendors and employees against the SAM. Given the nature and timing of when these grant funds were awarded, the employees and vendors were not hired specifically to work on this grant and therefore the reviews were not performed. Since this process was not performed on employees and vendors, there was a risk that employees and vendors who may be included on the SAM were included in the expenditures for this federal program.

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

**Schedule of Findings and Questioned Costs (Concluded)**

**Year Ended June 30, 2024**

Identification as a  
Repeat Finding,  
if applicable:

A repeat of prior year finding 2023-001.

Recommendation:

We recommend CCSNH implement a process to verify any employees that are charged to a grant subsequent to their initial hire, whether through allocations or journal entries, are reviewed against the SAM. We also recommend CCSNH provide additional training to all individual at the System and the individual college involved in the accounts payable, procurement and payroll processes on the importance of the SAM reviews and the existing System policies and procedures regarding suspension and debarment.

Views of a  
Responsible  
Official and  
Corrective  
Action Plan:

Management agrees with the finding and the recommendation. See Corrective Action Plan on page 83.

Responsible party: John Harrington, Controller, (603) 230-3505

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

**Summary Schedule of Prior Audit Findings**

**Year Ended June 30, 2024**

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

None noted

**Section II. Prior Year Findings for Each Major Federal Program**

Finding Number: 2023-001

Condition Found: During our audit, we noted CCSNH did not consistently review the SAM for vendors and employees meeting the covered transaction threshold.

Recommendation: We recommend CCSNH implement a process to verify any employees that are charged to a grant subsequent to their initial hire, whether through allocations or journal entries, are reviewed against the SAM. We also recommend CCSNH provide additional training to all individual at the System and the individual college involved in the accounts payable, procurement and payroll processes on the importance of the SAM reviews and the existing System policies and procedures regarding suspension and debarment.

Status: Uncorrected; See Finding 2024-001.

Finding 2024-001

The Community College System of New Hampshire agrees with the finding and the recommendation to implement a process to verify any vendor or employee that is charged to a grant prior to their initial hire (and monthly thereafter), contract or purchase, whether through allocations or journal entries, are reviewed against the System for Award Management (SAM.gov) suspension and debarred database.

CCSNH has revised grant policies (904.7) and procedures to ensure compliance with the federal requirement. Every vendor and employee, charged against a grant will be checked against the SAM database. The verification process will be done regardless of the amount of the contractual engagement. CCSNH's Sponsored Programs Department will conduct SAM.gov trainings at the seven colleges and will be doing the same training for the Human Resource Officers at the colleges and system office.

In addition, CCSNH is in the process of contracting with a third-party vendor which will perform monthly checks of all employees and vendors to ensure compliance with this requirement. CCSNH will also perform annual checks against SAM.gov for vendors and employees charged to a grant.

Responsible Party: Ann-Marie Hartshorn  
Title: Director of Internal Audit  
Phone: (603) 230-3595

Anticipated Completion Date: March 31, 2025