



(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, 2025 and 2024

With Independent Auditor's Reports

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

Reports on Audits of Financial Statements and Supplementary Information

June 30, 2025 and 2024

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BDMP Assurance, LLP

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 year ended June 30, 2025, 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 2025 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, 2025, and the representative changes in financial position, and where applicable, cash flows thereof for the year 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 of assets and 14 percent of net position as of June 30, 2025 and 3 percent of revenues for the year ended June 30, 2025. 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 audit 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Changes in Accounting Principles

As discussed in Note 3 to the basic financial statements, CCSNH adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* and GASB Statement No.102, *Certain Risk Disclosures* during the year ended June 30, 2025. Our opinion is not modified with respect to those matters.

Prior Period Financial Statements

The financial statements of CCSNH as of and for the year ended June 30, 2024 were audited by Berry, Dunn, McNeil & Parker, LLC, whose report, dated November 21, 2024, expressed an unmodified opinion on those statements.

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 19 and the required supplementary information on pages 60 through 69 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information, in accordance with U.S. 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 13, 2025 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.

BMP Assurance, LLP

Manchester, New Hampshire
November 13, 2025

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

June 30, 2025 and 2024

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 the establishment of the first technical colleges that would evolve into the Community College System of New Hampshire (CCSNH), the organization has been anchored by mission while steadily evolving its portfolio of academic and technical programs, its geographic reach, and its contributions to the postsecondary educational opportunity and workforce in New Hampshire. Over the past 80 years, CCSNH has grown from two trade schools serving a few hundred students to a statewide public system of seven comprehensive community colleges and four learning centers now serving approximately 25,000 students in the most recently completed year through Dual Enrollment, Undergraduate, and Workforce programs.

With campuses in every region of the state and about 94% of our students drawn from New Hampshire, CCSNH plays a critical role in serving New Hampshire's population and strengthening the State's workforce. The colleges offer a broad range of high quality associate degree and certificate programs that provide pathways to skilled employment, transfer access to four year colleges and universities, as well as more specific workforce offerings, all of which support well-educated and civically engaged residents who contribute to strong communities. The System Office provides leadership, coordination,

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and support to optimize the work of the seven community colleges and is designed to create organizational efficiencies to help ensure that CCSNH meets its statutory obligation to “operate as a well coordinated system of public community college education.” CCSNH's mission requires dedication to the educational, professional, and personal success of our students; a skilled workforce for our state’s businesses; and a strong New Hampshire economy.

Current Year Results

In the most recently completed year (FY25), CCSNH served 24,665 students, representing approximately 3.66% growth over FY24. While core undergraduate enrollment served approximately 70 fewer students (13,837 in FY25 compared to 13,906 in FY24), increased credit intensity allowed CCSNH to generate nearly 2% growth in credit activity, and a commensurate increase in tuition revenue. Dual and concurrent enrollment of high school students through CCSNH's Early College programs saw 9.4% growth in the number of students served in FY25 (11,012), with those students participating in more than 18,000 course enrollments, accounting for more than 60,000 credits in FY25. Supported through a targeted \$2,500,000 investment by the State of New Hampshire, students and families received the benefit of more than \$14,000,000 in postsecondary educational value, contributing to the affordability of college in the future. Finally, CCSNH served 3,181 students through workforce and non-credit training programs, reflecting a 14% increase in students served and accompanied by a comparable increase in revenue. Although this remains a relatively small component of CCSNH's enrollment and revenue profile, the rate of growth in recent years, recent infusions of state support that have allowed CCSNH to expand this work, and the likely introduction of “Workforce Pell” grant funding in the near future, coupled with demographic shifts described below, all point to the importance of these programs for CCSNH's future.

Changes on the Horizon for Postsecondary Education

Higher education is facing challenges on many fronts. Among the most visible and longstanding are the ones related to demographics, particularly reflected in the declining number of high school graduates in New Hampshire and in New England that are expected to persist well into the next decade. This single factor is creating extraordinary pressure on most colleges and universities in the Northeast where the long history of elite institutions and decades of supportive public policies and federal financial aid programs have contributed to more capacity for “traditional” college learning environments than current and projected demand require. In recent years, this has translated to steadily increasing price competition (“tuition discounting”) at both private and public institutions that is placing more institutions in financial peril each year. Coupled with growing concerns about both the cost and value of postsecondary education—from students, families, and policymakers—this excess capacity is likely to persist into the future, particularly for traditional, residential institutions that focus on serving full-time undergraduate students and that carry the burden of infrastructure associated with that population including housing, dining, health services, and other attributes associated with that model of postsecondary education. Even among institutions with enrollments and revenue diversified through graduate education and research, evolving Federal policy decisions that limit access to loans, lessen international enrollment, and constrain indirect cost recovery for grants are already impeding the efficacy of these strategies and the adverse impacts are likely to grow in the next few years.

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While all of this might suggest a dire future for colleges and universities in the region, CCSNH's planning is predicated on two additional trends that define postsecondary education as a "growth industry" for New Hampshire's future, particularly within the scope of our work. One of these trends relates to some of the unique attributes of New Hampshire's demographic profile and the state's workforce and the other has to do with implications for the adoption of new technologies.

Specific to New Hampshire's demographics, beyond the declining number of high school graduates, we note that the Granite State is the second oldest state in the nation, trailing only neighboring Maine on this measure. New Hampshire also has the nation's highest reliance on workers who are 55 and older, with more than 27% of the State's workforce falling into this category. These data points suggest both an imminent need for succession planning in virtually every occupation that currently contributes to New Hampshire's workforce as well as a growing need to expand the State's healthcare and human services workforce. To the extent that the projection for continuing decline in the number of high school graduates coupled with projections for only moderate growth in in-migration will be insufficient to offset the talent lost through retirement and to account for greater demands in the healthcare and human services needs of an aging population, much of that succession will need to be accomplished by upskilling New Hampshire's incumbent workforce to make optimal use of the talent available across the State.

That will require postsecondary education to be responsive to the needs of adults already engaged in the workforce, to provide "educational bridges" that facilitate career progression and career changes, through relevant academic programs and delivery models that ensure broad access to affordable, high-quality programs in high-demand fields throughout the State of New Hampshire. CCSNH is uniquely positioned to meet that need in every region of the state, and across the broad spectrum of programs in our academic portfolio that align with the occupations in greatest demand, notably in healthcare, but also historically and currently in a broad array of healthcare, technical, and manufacturing programs for which workforce demands are likely to increase.

Beyond succession, innovation represents another force that will drive workforce demand as well as demand for postsecondary education in New Hampshire. While automation will continue to reduce the demand for some occupations in manufacturing, and artificial intelligence (AI) is likely to reduce the demand for some service occupations, those innovations are also creating growing demand for other roles including technicians to build, program, and maintain the infrastructure for automated manufacturing environments and to incorporate and leverage AI in various industries. New Hampshire has also been designated an "innovation hub" for biofabrication, supported by significant federal funding, to establish this region as a leader in regenerative medicine to bring to scale a myriad of life-saving and life-enhancing applications that will require a highly-skilled workforce that will also require the availability of new academic programs, from skills-based technical training to certificates and degrees, that CCSNH is already engaged in delivering.

Importantly, through tangible and increasing investments in our work, the State of New Hampshire has consistently demonstrated support for CCSNH's role in serving students with high-quality academic programs that align with the critical workforce needs of the State. As noted above (in the Current Year Results section), this support has included targeted investments to enable CCSNH to expand workforce-focused, short-term non-credit training programs, delivered by each of our colleges to address both statewide needs for healthcare workforce as well as more unique needs tailored to regional demands throughout New Hampshire. This has allowed us to achieve annual revenue growth

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of ~14% in our non-credit programming, far outpacing the ~2% revenue growth in our traditional undergraduate (credit-based) activity. In turn, this also positions CCSNH well for the anticipated introduction of "Workforce Pell" grants to support short-term training programs in the future. Along with CCSNH's expanding work with asynchronous online learning and four regional hubs for supporting registered apprenticeships, the system is well-prepared to serve adult learners and to help New Hampshire respond to the pressures created by age-driven labor force transitions as well as those created by innovation to deliver a highly skilled workforce for the future.

The emphasis described for CCSNH's efforts to serve adult learners should not be misconstrued as abdicating responsibility for supporting recent high school graduates with more traditional college opportunities. In fact, the declining number of high school graduates coupled with growing concerns about college affordability are what encourage CCSNH to partner with the State of New Hampshire to continue to grow our Dual and Concurrent Enrollment (Early College) programs to encourage students to pursue postsecondary education that will create opportunities for them and the skilled workforce that the State requires. In addition to the affordability described above, CCSNH is working with the University System of New Hampshire (USNH) to create structured pathways that expand the range of outcomes that students can achieve, ideally prompting more New Hampshire students to remain in the Granite State for postsecondary education and for opportunities in New Hampshire's labor market. Given the propensity for the state's college-bound high school students to leave the state to attend college, those structured pathways and complementary experiences that connect high school students to programs and people at CCSNH and USNH represent a critical strategy for the future. In that regard, it was encouraging that the Governor and General Court chose to increase the State's investment in CCSNH's Dual and Concurrent Enrollment programs by \$1,000,000 for the next biennium.

FINANCIAL STATEMENTS

CCSNH reports its activity as a business-type activity using the full accrual basis of accounting. The accrual basis of accounting requires 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, 2025 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).

CHANGES IN ACCOUNTING PRINCIPLES

As disclosed in Note to the basic financial statements, CCSNH adopted new accounting guidance, GASB Statement No.101, *Compensated Absences* during the year ended June 30, 2025. The adoption of the standard at July, 1, 2023 required an increase in the amount recognized for other noncurrent liabilities of \$3,590,762 with a corresponding decrease to net position. The impact of the adoption of the standard for the year ended June 30, 2024 was an increase in noncurrent liabilities of \$3,596,628 with a corresponding decrease in net position and an increase in personnel services and benefits of \$5,866 for the year ended June 30, 2024.

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During 2025, CCSNH adopted GASB Statement No.102, *Certain Risk Disclosures*. The adoption of GASB Statement No. 102 did not have a material impact on the basic financial statements of CCSNH.

STATEMENT OF NET POSITION

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

A summarized Statement of Net Position is as follows:

	June 30,		
	2025	2024 Restated	2023
Assets			
Current	\$ 63,584,040	\$ 60,911,663	\$ 56,957,331
Capital assets, net	104,821,835	107,008,759	106,401,909
Other noncurrent assets	<u>46,133,015</u>	<u>40,626,755</u>	<u>38,921,209</u>
Total assets	<u>214,538,890</u>	<u>208,547,177</u>	<u>202,280,449</u>
Deferred outflows of resources	<u>19,567,420</u>	<u>17,488,667</u>	<u>24,172,568</u>
Liabilities			
Current	16,333,151	13,800,787	16,054,434
Noncurrent	<u>118,864,394</u>	<u>114,420,244</u>	<u>133,916,661</u>
Total liabilities	<u>135,197,545</u>	<u>128,221,031</u>	<u>149,971,095</u>
Deferred inflows of resources	<u>28,992,424</u>	<u>34,711,371</u>	<u>25,933,475</u>
Net position (deficit)			
Invested in capital assets, net of related debt	97,179,978	98,315,372	96,237,727
Restricted nonexpendable	23,088,988	22,323,649	21,616,929
Restricted expendable	16,234,157	13,376,526	7,057,947
Unrestricted	<u>(66,586,782)</u>	<u>(70,912,105)</u>	<u>(74,364,156)</u>
Total net position	<u>\$ 69,916,341</u>	<u>\$ 63,103,442</u>	<u>\$ 50,548,447</u>

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Current assets

Current assets consist of \$54.91 million in cash, cash equivalents, and short term investments; \$4.87 million in accounts, notes, leases, and contracts receivable; \$31 thousand due from the State; and \$3.78 million in other current assets.

The \$2.67 million increase in current assets was primarily attributable to a \$2.96 million increase in cash, cash equivalents, and short term investments along with a \$2.38 million increase in other current assets netted against a \$1.9 million decrease in leases, notes and contracts receivable and a \$678 thousand decrease in due from the state. The increase in cash was due to normal fluctuations associated with business activities and changes in market conditions. The increase in other current assets was due to increases in other receivables including prepaid expenses of about \$2.3 million. The increased receivables were from funds owed to CCSNH by the USNH for renovations made on Farnum Hall on the NHTI campus into which USNH will be moving much of their administrative offices. The increase in prepaid expenses was mainly due to the early payment of the July 2025 health insurance premium. The decrease in accounts, leases, notes and contracts receivable was mainly due to the payoff of a notes receivable of about \$1.47 million. The note receivable had a balloon payment due in October 2024.

In 2024, current assets increased by \$3.96 million from 2023 and was primarily attributable to an increase in cash of \$3.1 million while the remainder of the increase was due to the increase in the current portion of the note receivable due to the balloon payment due in October 2024.

Capital assets, net of accumulated depreciation

The overall decrease in net capital assets of \$2.19 million for 2025 was due to net additions of \$6.3 million, net of depreciation expense of \$8.47 million. General equipment increased by approximately \$684 thousand resulting from net additions and disposals of \$2.30 million and \$473 thousand, net of depreciation of \$1.62 million. Buildings and improvements, including construction in progress, decreased by about \$2.46 million. The decrease resulted from net additions of \$6.29 million netted against depreciation expense of \$8.74 million.

Gross general equipment purchases in fiscal year 2025 were in equipment related to classroom instruction of \$361 thousand, vehicles of \$233 thousand, major IT equipment of \$764 thousand, and general other equipment of \$946 thousand. The decrease in building and land improvements was primarily due to net increases in building improvements in fiscal year 2025 of \$4 million netted against total depreciation of \$6.87 million. Capital projects at NHTI and WMCC accounted for about \$3 million of the addition to building improvements while smaller capital projects at RVCC and NCC accounted for an additional \$909 thousand in additions.

The increase in capital assets in 2024 from 2023 of \$607 thousand was due to net additions of \$8.4 million, net of depreciation expense of \$7.8 million.

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Other noncurrent assets

Other noncurrent assets consist of \$36.23 million in long term investments, \$6.81 million in right of use assets related to GASB 87, \$2.74 million in subscription-based information technology arrangement (SBITA) assets related to GASB 96, and \$348.51 thousand in noncurrent lease receivables.

The increase in other non-current assets from the prior year of \$3.32 million is mainly attributable to an increase in long term investments of \$3.57 million along with increases in right-of-use assets and SBITA assets of \$1.28 million and \$682 thousand respectively. 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. In fiscal year 2025, the fund distributed \$1.16 million to students. The fund received \$757 thousand in non-expendable contributions and achieved market value increase net of investment fees of \$3.97 million. 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. The change in right-of-use and SBITA assets was the result of new contracts net of pardons.

Other noncurrent assets increased by \$1.7 million in 2024 from 2023 due primarily to an increase in investments of \$4.14 million and decreases in right of use and subscription assets of \$1.14 million and decreases in non-current notes receivable of \$1.47 million.

Deferred outflows of resources

The financial statement deferred outflows of resources category is used to report consumption of resources applicable to a future reporting period. The balances reported for fiscal years include amounts for certain pension and other misemployment benefit changes.

Current liabilities

As of June 30, 2025, current liabilities include accounts payable and accrued liabilities of \$1.98 million, deferred revenue of \$4.92 million, current portion of long term debt of \$1.16 million, current portion of the lease liability of \$1 million, current portion of subscription liability of \$1.1 million, and accrued salaries and benefits of \$6.17 million.

Current liabilities increased by \$2.53 million in 2025, primarily due to an increase in deferred revenue of \$2.38 million. About \$920 thousand, the increase in deferred revenue was from prepaid tuition revenue while an additional increase was seen in prepaid revenue of \$1.41 million. An increase in payments on courses after June 30, 2025, accounted for the increase in prepaid tuition deposits while an increase in prepaid grant revenue accounted for the increase in prepaid revenue. Prepaid grant revenue is recognized as expenditures on grants are incurred.

Current liabilities decreased by \$2.25 million in fiscal year 2024 from 2023. The decrease was mainly due to decreases in deferred revenue of about 2.33 million.

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Noncurrent liabilities

Noncurrent liabilities include liabilities for unfunded pension obligations and unfunded other postemployment benefit (OPEB) obligations of \$48.44 million and \$49.33 million, respectively. Also included in noncurrent liabilities are noncurrent portion of long term debt of \$5.91 million, noncurrent portion of the lease liability of \$6.11 million, noncurrent portion of subscription liability of \$1.44 million, long term employee benefits accruals of \$7.62 million, and funds due to the state of New Hampshire of \$3 thousand.

Noncurrent liabilities increased by \$4.44 million in 2025. The overall increase was primarily due to an increase in CCSNH unfunded OPEB and pension liabilities of \$3.91 million. 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.

Noncurrent liabilities decreased by \$19.50 million in fiscal year 2024 from 2023. The decrease was primarily due to a decrease in CCSNH unfunded OPEB and pension liabilities of \$21.24 million. Fiscal year 2024 also saw a large decrease in long-term bond debt of \$1.15 million due to normal amortization.

Within the prior year financial statements, noncurrent liabilities showed a decrease from fiscal year 2023 of \$23.1 million. In fiscal year 2024 for the current year financial statements, CCSNH adopted GASB 101 for compensated absences. This adoption required a restatement of accrued long-term employee salaries and benefits. The increase as a result of this adoption was approximately \$3.59 million as of June 30, 2024 and July 1, 2023.

Deferred inflows of resources

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

Net position

Overall net position increased by \$6.59 million during the fiscal year. The increase is due to net operating and nonoperating income over expenses of \$6.59 million.

CCSNH's net investment in capital assets decreased by \$1.14 million during the current fiscal year. The increase was attributable to an overall decrease in net capital assets of \$2.19 million netted against and overall decrease in capital asset related debt of \$1.05 million.

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Statements of Net Position - 2025

	<u>Consolidated</u>	<u>WMCC</u>	<u>RVCC</u>	<u>NHTI</u>	<u>LRCC</u>	<u>MCC</u>	<u>NCC</u>	<u>GBCC</u>
Assets								
Current assets								
Cash and cash equivalents	\$ 24,222,958	\$ 747,187	\$ 7,324,802	\$ 2,430,889	\$ 6,415,451	\$ 1,921,521	\$ (1,843,146)	\$ 7,226,254
Student accounts receivable, net	2,137,823	236,045	142,032	588,794	83,392	361,843	223,185	502,532
Current portion of leases receivable	157,187	157,187	-	-	-	-	-	-
Other current assets	3,775,809	180,371	612,470	1,807,475	139,229	443,241	286,768	306,255
Grants and contracts receivable	2,574,476	353,836	493,778	504,948	146,283	358,887	507,832	208,912
Operating investments	30,684,852	2,124,083	2,047,619	8,360,830	2,020,045	6,890,076	4,555,547	4,686,652
Due from State of NH for capital appropriations	30,935	462	445	3,462	21,489	1,497	2,562	1,018
Total current assets	<u>63,584,040</u>	<u>3,799,171</u>	<u>10,621,146</u>	<u>13,696,398</u>	<u>8,825,889</u>	<u>9,977,065</u>	<u>3,732,748</u>	<u>12,931,623</u>
Noncurrent assets								
Leases receivable, net of current portion	348,506	348,506	-	-	-	-	-	-
Investments	36,232,467	2,508,103	2,417,815	9,872,411	2,385,255	8,135,756	5,379,159	5,533,968
Right-of-use-assets, net	6,813,979	39,487	629,414	11,073	1,555,243	4,644	44,520	4,529,598
Subscription assets, net	2,738,063	189,536	182,713	746,051	180,252	614,814	406,499	418,198
Capital assets, net	104,821,835	13,365,745	7,153,293	18,892,362	13,003,330	22,602,064	19,791,333	10,013,708
Total noncurrent assets	<u>150,954,850</u>	<u>16,451,377</u>	<u>10,383,235</u>	<u>29,521,897</u>	<u>17,124,080</u>	<u>31,357,278</u>	<u>25,621,511</u>	<u>20,495,472</u>
Total assets	<u>\$ 214,538,890</u>	<u>\$ 20,250,548</u>	<u>\$ 21,004,381</u>	<u>\$ 43,218,295</u>	<u>\$ 25,949,969</u>	<u>\$ 41,334,343</u>	<u>\$ 29,354,259</u>	<u>\$ 33,427,095</u>
Deferred outflows of resources								
Pension	\$ 7,388,786	\$ 511,471	\$ 493,058	\$ 2,013,253	\$ 486,418	\$ 1,659,102	\$ 1,096,957	\$ 1,128,527
Other postemployment benefits	12,178,634	843,036	812,688	3,318,363	801,744	2,734,630	1,808,069	1,860,104
Total deferred outflows of resources	<u>\$ 19,567,420</u>	<u>\$ 1,354,507</u>	<u>\$ 1,305,746</u>	<u>\$ 5,331,616</u>	<u>\$ 1,288,162</u>	<u>\$ 4,393,732</u>	<u>\$ 2,905,026</u>	<u>\$ 2,988,631</u>

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

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

Statements of Net Position - 2025 (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>
Liabilities							
Current liabilities							
Accounts payable and accrued expenses	\$ 1,376,770	\$ 66,623	\$ 122,051	\$ 318,882	\$ 186,126	\$ 242,037	\$ 217,858
Accounts payable for capital assets	598,877	174,869	107,801	294,657	21,050	500	-
Accrued salaries and benefits	6,169,910	460,416	416,198	1,667,272	447,154	866,138	997,102
Unearned revenue and deposits	4,924,192	372,855	277,814	1,314,148	214,911	759,716	618,690
Current portion of lease liability	1,003,862	14,676	126,429	18,639	522,942	9,863	291,622
Current portion of bonds payable	1,137,482	38,184	-	184,817	-	232,458	473,025
Current portion of notes payable	25,894	-	25,894	-	-	-	-
Current portion of subscription liability	1,094,631	75,773	73,045	298,258	72,062	162,512	167,189
Other current liabilities	1,533	-	1,533	-	-	-	-
Total current liabilities	<u>16,333,151</u>	<u>1,203,396</u>	<u>4,096,673</u>	<u>1,464,245</u>	<u>3,369,534</u>	<u>2,283,052</u>	<u>2,765,486</u>
Noncurrent liabilities							
Due to State of New Hampshire	3,050	-	-	-	3,050	-	-
Accrued salaries and benefits	7,625,091	514,749	518,753	2,113,936	478,701	1,104,469	1,240,541
Net pension liability	48,445,535	2,258,707	2,363,339	16,560,220	2,334,397	5,504,151	7,399,331
Lease liability, net of current portion	6,110,092	29,063	515,152	1,364	1,081,588	31,206	4,449,057
Bonds payable, net of current portion	4,544,047	170,013	-	250,039	-	414,289	2,271,927
Other postemployment benefits	49,335,255	2,320,296	2,422,710	17,949,918	2,392,969	5,636,241	7,535,223
Notes payable, net of current portion	1,363,720	-	1,363,720	-	-	-	-
Subscription liabilities, net of current portion	1,437,604	99,515	95,932	391,710	94,640	213,430	219,573
Total noncurrent liabilities	<u>118,864,394</u>	<u>5,392,343</u>	<u>37,267,187</u>	<u>6,382,295</u>	<u>26,523,525</u>	<u>12,903,786</u>	<u>23,115,652</u>
Total liabilities	<u>\$ 135,197,545</u>	<u>\$ 6,595,739</u>	<u>\$ 41,363,860</u>	<u>\$ 7,846,540</u>	<u>\$ 29,893,059</u>	<u>\$ 15,186,838</u>	<u>\$ 25,881,138</u>
Deferred inflows of resources							
Pension	\$ 5,414,387	\$ 374,798	\$ 361,305	\$ 1,475,290	\$ 356,440	\$ 803,833	\$ 826,967
Other postemployment benefits	22,958,941	1,589,276	1,532,064	6,255,719	1,511,433	3,408,539	3,506,635
Deferred gain from advance bond refunding	126,685	1,576	-	21,362	-	23,869	-
Lease receivables	492,411	492,411	-	-	-	-	-
Total deferred inflows of resources	<u>\$ 28,992,424</u>	<u>\$ 2,458,061</u>	<u>\$ 7,752,361</u>	<u>\$ 1,867,873</u>	<u>\$ 6,450,917</u>	<u>\$ 4,236,241</u>	<u>\$ 4,333,602</u>
Net position (deficit)							
Invested in capital assets, net of related liabilities	\$ 97,179,978	\$ 13,020,970	\$ 5,660,938	\$ 18,250,909	\$ 12,982,280	\$ 19,120,716	\$ 7,268,756
Restricted nonexpendable	23,088,988	1,593,335	1,607,393	6,271,694	1,515,292	3,417,244	3,515,590
Restricted expendable	16,234,157	311,054	1,153,928	4,679,307	1,136,255	2,534,507	2,614,001
Unrestricted	(66,586,782)	(2,374,104)	(29,768,220)	(1,889,891)	(20,464,855)	(12,236,261)	(7,197,361)
Total net position (deficit)	<u>\$ 69,916,341</u>	<u>\$ 12,551,255</u>	<u>\$ (566,310)</u>	<u>\$ 17,523,718</u>	<u>\$ 9,384,099</u>	<u>\$ 12,836,206</u>	<u>\$ 6,200,986</u>

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

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

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

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

	Years Ended June 30,		
	2025	2024 Restated	2023
Operating revenues			
Net tuition and fees	\$ 24,197,924	\$ 29,986,724	\$ 33,693,835
Other operating revenues	32,949,341	<u>25,526,962</u>	<u>23,321,069</u>
Total operating revenues	57,147,265	<u>55,513,686</u>	<u>57,014,904</u>
Operating expenses			
Employee compensation and benefits	90,950,741	85,018,941	78,893,326
Other operating expenses	40,578,925	<u>39,349,385</u>	<u>36,853,522</u>
Total operating expenses	131,529,666	<u>124,368,326</u>	<u>115,746,848</u>
Operating loss	(74,382,401)	<u>(68,854,640)</u>	<u>(58,731,944)</u>
Nonoperating revenues (expenses) and other changes			
State appropriations - operating	67,791,504	64,753,723	56,000,000
State appropriations - capital	1,047,532	2,683,245	8,431,950
Addition to State appropriations	1,218,037	-	-
Capital grants and contracts	1,905,584	2,370,819	744,617
Lease revenue	339,530	312,790	129,761
COVID funding	1,136,690	2,566,541	1,922,533
Investment return used for operations	5,277,859	5,800,427	3,668,024
Investment return net of amount used for operations	2,807,603	3,437,838	1,919,231
Nonexpendable contributions	757,755	699,136	671,562
Restricted unexpended appropriations	634,032	2,880,741	-
Restricted appropriations expended in the current year	(1,218,037)	-	-
Interest expense on subscriptions	(63,828)	(30,293)	(40,289)
Interest expense on leases	(128,917)	(122,667)	(127,780)
Interest expense on capital debt	(310,044)	<u>(351,903)</u>	<u>(289,050)</u>
Nonoperating revenues and other changes, net	81,195,300	<u>85,000,397</u>	<u>73,030,559</u>
Increase in net position	6,812,899	<u>16,145,757</u>	<u>14,298,615</u>
Net position, beginning of year, as previously stated	63,103,442	50,548,447	36,249,832
Change in accounting principle	-	<u>(3,590,762)</u>	-
Net position, beginning of year, restated	63,103,442	<u>46,957,685</u>	<u>36,249,832</u>
Net position, end of year	\$ 69,916,341	<u>\$ 63,103,442</u>	<u>\$ 50,548,447</u>

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
(A Component Unit of the State of New Hampshire)
Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

Statements of Revenues, Expenses and Changes in Net Position - 2025

	<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	\$ 55,452,740	\$ 3,862,945	\$ 3,997,256	\$ 14,204,742	\$ 3,863,839	\$ 12,736,324	\$ 7,948,847	\$ 8,838,787
Less scholarships	<u>(31,254,816)</u>	<u>(2,770,179)</u>	<u>(2,336,587)</u>	<u>(8,265,604)</u>	<u>(2,394,700)</u>	<u>(6,657,608)</u>	<u>(4,287,274)</u>	<u>(4,542,864)</u>
Net tuition and fees	24,197,924	1,092,766	1,660,669	5,939,138	1,469,139	6,078,716	3,661,573	4,295,923
Grants and contracts	26,876,077	2,139,976	2,013,288	6,989,924	2,054,206	6,029,259	3,850,910	3,798,514
Auxiliary enterprises	2,574,673	52,709	-	1,943,129	486,388	92,447	-	-
Other operating revenue	<u>3,498,591</u>	<u>232,388</u>	<u>192,743</u>	<u>1,244,659</u>	<u>386,377</u>	<u>716,420</u>	<u>344,144</u>	<u>381,860</u>
Total operating revenues	<u>57,147,265</u>	<u>3,517,839</u>	<u>3,866,700</u>	<u>16,116,850</u>	<u>4,396,110</u>	<u>12,916,842</u>	<u>7,856,627</u>	<u>8,476,297</u>
Operating expenses								
Employee compensation and benefits	90,950,741	8,525,303	8,183,607	22,842,215	7,831,518	18,346,073	12,378,844	12,843,181
Other operating expenses	26,177,827	1,833,240	2,425,018	7,069,541	2,701,553	5,117,521	3,870,744	3,160,210
Utilities	3,750,575	259,900	232,006	975,387	509,089	702,121	579,101	492,971
Depreciation	<u>10,650,523</u>	<u>872,332</u>	<u>968,457</u>	<u>2,294,340</u>	<u>1,366,387</u>	<u>1,732,177</u>	<u>1,547,355</u>	<u>1,869,475</u>
Total operating expenses	<u>131,529,666</u>	<u>11,490,775</u>	<u>11,809,088</u>	<u>33,181,483</u>	<u>12,408,547</u>	<u>25,897,892</u>	<u>18,376,044</u>	<u>18,365,837</u>
Operating loss	<u>(74,382,401)</u>	<u>(7,972,936)</u>	<u>(7,942,388)</u>	<u>(17,064,633)</u>	<u>(8,012,437)</u>	<u>(12,981,050)</u>	<u>(10,519,417)</u>	<u>(9,889,540)</u>

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

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

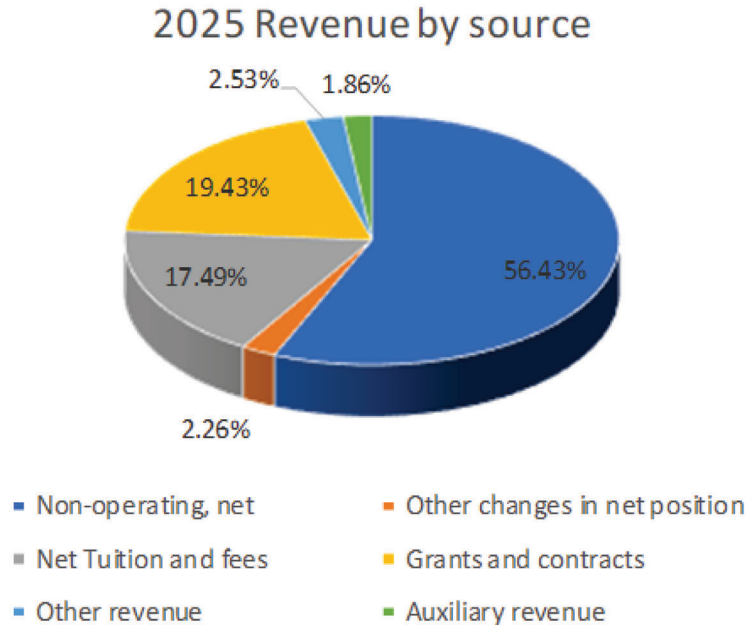
Statements of Revenues, Expenses and Changes in Net Position - 2025 (Concluded)

	<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	67,791,504	6,610,189	6,503,024	15,392,061	7,399,405	12,497,842	9,878,175	9,510,808
Addition to State of New Hampshire appropriations	1,218,037	118,768	116,842	276,555	132,948	224,554	177,485	170,885
COVID funding	1,136,690	259,081	877,609	-	-	-	-	-
Lease revenue	339,530	154,039	-	185,491	-	-	-	-
Investment return used for operations	5,277,859	333,772	347,520	1,468,917	356,825	1,181,741	774,753	814,331
Investment return excluding amount used for operations	2,807,603	194,349	187,353	765,000	184,830	630,428	416,824	428,819
Interest expense on subscriptions	(63,828)	(4,418)	(4,259)	(17,392)	(4,202)	(14,332)	(9,476)	(9,749)
Interest expense on leases	(128,917)	(1,707)	(19,411)	(200)	(7,055)	(177)	(1,872)	(98,495)
Interest expense on capital debt	(310,044)	(12,669)	(54,487)	(31,860)	(3,571)	(76,800)	(37,917)	(92,740)
Nonoperating revenues, net	<u>78,068,434</u>	<u>7,651,404</u>	<u>7,954,191</u>	<u>18,038,572</u>	<u>8,059,180</u>	<u>14,443,256</u>	<u>11,197,972</u>	<u>10,723,859</u>
Income (loss) before other changes in net position	<u>3,686,033</u>	<u>(321,532)</u>	<u>11,803</u>	<u>973,939</u>	<u>46,743</u>	<u>1,462,206</u>	<u>678,555</u>	<u>834,319</u>
Other changes in net position								
State capital appropriations	1,047,532	89,249	41,245	151,905	54,625	140,033	485,330	85,145
Capital grants and contracts	1,905,584	396,661	394,687	636,824	36,719	20,211	364,743	55,739
Nonexpendable contributions	757,755	52,454	50,565	206,468	49,885	170,149	112,498	115,736
Restricted unexpended appropriations	634,032	36,381	50,706	187,716	48,750	124,250	93,279	92,950
Restricted appropriations expended in the current year	<u>(1,218,037)</u>	<u>(118,768)</u>	<u>(116,842)</u>	<u>(276,555)</u>	<u>(132,948)</u>	<u>(224,554)</u>	<u>(177,485)</u>	<u>(170,885)</u>
Total other changes in net position	<u>3,126,866</u>	<u>455,977</u>	<u>420,361</u>	<u>906,358</u>	<u>57,031</u>	<u>230,089</u>	<u>878,365</u>	<u>178,685</u>
Increase in net position	6,812,899	134,445	432,164	1,880,297	103,774	1,692,295	1,556,920	1,013,004
Net position (deficit), beginning of year	<u>63,103,442</u>	<u>12,416,810</u>	<u>11,554,223</u>	<u>(2,446,607)</u>	<u>17,419,944</u>	<u>7,691,804</u>	<u>11,279,286</u>	<u>5,187,982</u>
Net position (deficit), end of year	<u>\$ 69,916,341</u>	<u>\$ 12,551,255</u>	<u>\$ 11,986,387</u>	<u>\$ (566,310)</u>	<u>\$ 17,523,718</u>	<u>\$ 9,384,099</u>	<u>\$ 12,836,206</u>	<u>\$ 6,200,986</u>

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

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024



Operating revenues

Overall operating revenue increased by \$1.63 million in fiscal year 2025 relative to fiscal year 2024.

Fiscal year 2025 gross tuition and fees grew by about \$2.23 million (3.52%) relative to fiscal year 2024. However, net tuition and fees fell by about \$5.79 million in 2025 relative to 2024. There was an increase in scholarships netted against gross tuition and fees of about \$7.54 million in FY25. This increase was mainly caused by increases in Pell grants of \$3.76 million, the Promise program of \$1.53 million and Unique endowed \$1.85 million. 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. The State of New Hampshire committed \$3 million to the program and as of the end of fiscal year 2025, all of these funds have been expended. Increases of \$7.47 million were seen in 2025 in grants and contracts. These increases were due to the increased funding for the scholarship programs explained previously.

Between 2024 and 2023 operating revenues decreased by about \$1.5 million. This decrease was primarily the result of a decrease in net tuition and fee revenue of \$3.7 million netted against an increase in grants and contracts of \$1.7 million and increased miscellaneous revenue of \$560 thousand from a legal settlement at LRCC.

Nonoperating revenues and other changes

Total nonoperating revenues and other changes in net position decreased by \$3.8 million in fiscal year 2025 relative to fiscal year 2024. Net nonoperating revenue was relatively stable, while other changes in net position decreased by \$3.86 million.

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

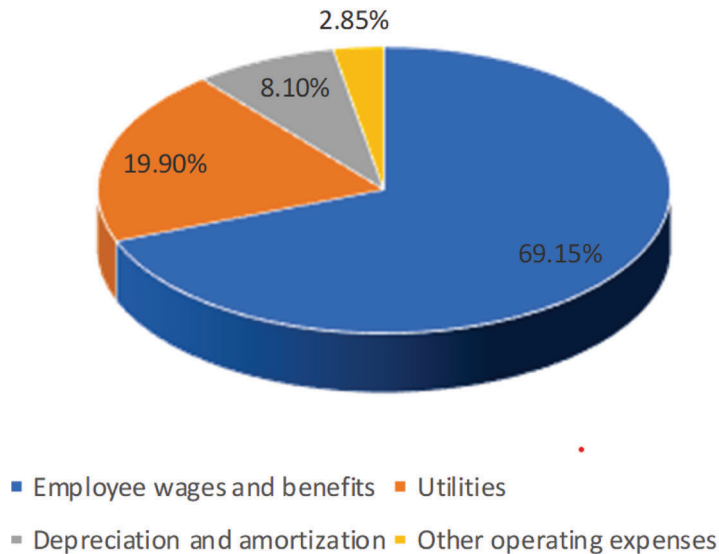
Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

The decrease in other changes to net position in 2025 of \$5.50 million was primarily due to a decreases in capital appropriations of \$1.64 million, in capital grants and contracts of \$465 thousand and in non expendable contributions of \$1.39 million, netted with \$1.22 million of restricted appropriations expended in the current year.

The increase in net nonoperating revenues and other changes in net position from 2023 to 2024 of \$11.97 million was primarily due to increases in state operating appropriations of \$8.75 million, capital grants and contracts of \$1.63 million, investment returns of \$3.65 million and restricted appropriations of \$2.88 million. These increases were netted against a sharp decline in capital appropriations of \$5.75 million.

2025 Expenditures by type



Operating expenses

In fiscal year 2025, operating expenses increased by \$7.16 million from 2024 of which the salary and benefits accounted for \$5.93 million. Regarding salaries and benefits, salaries alone in FY25 increased by about \$2.94 million (4.5%) over FY24 mostly the result of merit increases and cost of living adjustments. Employee benefits costs increased by \$2.99 million. The primary driver of the increase in employee benefits was an increase in OPEB expense of \$4.46 million netted against a decrease in pension expense of \$1.96 million. Changes in these are generally due to the actuarially calculated adjustments that were different than in fiscal year 2024. We also saw an increase in health insurance expenses in 2025 of about \$448 thousand (4.3%).

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

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

Other operating expenses increased by about \$1.23 million (3.12%) in 2025 relative to 2024. The primary drivers of the increase were increases in depreciation and amortization expenses \$631 thousand and in bad debt expense of \$519 thousand. Regarding the increase in depreciation and amortization, the increase was seen in equipment depreciation of \$228 thousand and in building and improvement depreciation of \$450 thousand. These increases were the result of increases in capital investments over the past view years. Regarding the increase in bad debt, we are seeing a general increase in charge offs of student debt across all of our campuses.

Operating expenses increased by \$8.61 million in 2024 from 2023. Salaries and benefit increases amounted to about \$7.12 million while smaller increase were seen in other operating expenses.

STATEMENTS OF CASH FLOWS

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

	Years Ended June 30,		
	2025	2024 Restated	2023
Net cash used - operating activities	\$ (67,521,349)	\$ (62,079,087)	\$ (52,642,219)
Net cash provided - noncapital financing activities	70,319,676	67,026,594	54,720,548
Net cash used - capital and related financing activities	(2,729,646)	(6,832,324)	(7,094,795)
Net cash (used) provided - investing activities	<u>(178,364)</u>	<u>1,649,082</u>	<u>(9,301,179)</u>
Net decrease in cash and cash equivalents	(109,683)	(235,735)	(14,317,645)
Cash and cash equivalents, beginning of year	<u>24,332,641</u>	<u>24,568,376</u>	<u>38,886,021</u>
Cash and cash equivalents, end of year	<u>\$ 24,222,958</u>	<u>\$ 24,332,641</u>	<u>\$ 24,568,376</u>

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 \$109 thousand in 2025, \$236 thousand in 2024, and decreased by \$14.32 million during 2023, 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, 2025 and 2024

	Community College System of New Hampshire		Community Colleges of New Hampshire Foundation	
	2025	2024 Restated	2025	2024
Assets				
Current assets				
Cash and cash equivalents	\$ 24,222,958	\$ 24,332,641	\$ 475,228	\$ 186,211
Student accounts receivable, net	2,137,823	2,202,959	-	-
Current portion of leases receivable	157,187	304,943	-	-
Other current assets	3,775,809	1,393,867	-	-
Note and contributions receivable	-	1,472,857	15,000	-
Grants and contracts receivable	2,574,476	2,883,250	-	-
Operating investments	30,684,852	27,611,272	-	-
Due from State of New Hampshire	30,935	709,874	-	-
Total current assets	<u>63,584,040</u>	<u>60,911,663</u>	<u>490,228</u>	<u>186,211</u>
Noncurrent assets				
Leases receivable, net of current portion	348,506	365,548	-	-
Investments	36,232,467	32,667,109	9,610,051	8,211,782
Right-of-use asset, net	6,813,979	5,538,548	-	-
Subscription assets, net	2,738,063	2,055,550	-	-
Capital assets, net	104,821,835	107,008,759	-	-
Total noncurrent assets	<u>150,954,850</u>	<u>147,635,514</u>	<u>9,610,051</u>	<u>8,211,782</u>
Total assets	<u>214,538,890</u>	<u>208,547,177</u>	<u>10,100,279</u>	<u>8,397,993</u>
Deferred outflows of resources				
Pension	7,388,786	10,096,456	-	-
Other postemployment benefits	12,178,634	7,392,211	-	-
Total deferred outflows of resources	<u>19,567,420</u>	<u>17,488,667</u>	<u>-</u>	<u>-</u>
Liabilities				
Current liabilities				
Accounts payable and accrued expenses	1,376,770	1,816,428	631	9,236
Accounts payable for capital assets	598,877	388,635	-	-
Current portion of accrued salaries and benefits	6,169,910	5,880,577	-	-
Unearned revenue and deposits	4,924,192	2,543,242	-	-
Current portion of lease liability	1,003,862	830,430	-	-
Current portion of bonds payable	1,137,482	1,148,046	-	-
Current portion of note payable	25,894	24,973	-	-
Current portion of subscription liability	1,094,631	718,456	-	-
Other current liabilities	1,533	450,000	-	-
Total current liabilities	<u>16,333,151</u>	<u>13,800,787</u>	<u>631</u>	<u>9,236</u>
Noncurrent liabilities				
Due to the State of New Hampshire	3,050	3,050	-	-
Accrued salaries and benefits, net of current portion	7,625,091	7,487,980	-	-
Net pension liability	48,445,535	56,296,557	-	-
Lease liability, net of current portion	6,110,092	4,912,009	-	-
Bonds payable, net of current portion	4,544,047	5,692,387	-	-
Other postemployment benefits	49,335,255	37,577,090	-	-
Note payable, net of current portion	1,363,720	1,389,614	-	-
Subscription liability, net of current portion	1,437,604	1,061,557	-	-
Total noncurrent liabilities	<u>118,864,394</u>	<u>114,420,244</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>135,197,545</u>	<u>128,221,031</u>	<u>631</u>	<u>9,236</u>
Deferred inflows of resources				
Pension	5,414,387	2,266,908	-	-
Other postemployment benefits	22,958,941	31,635,823	-	-
Deferred gain from advance bond refunding	126,685	141,487	-	-
Lease receivables	492,411	667,153	-	-
Total deferred inflows of resources	<u>28,992,424</u>	<u>34,711,371</u>	<u>-</u>	<u>-</u>
Net position (deficit)				
Invested in capital assets, net of related liabilities	97,179,978	98,315,372	-	-
Restricted nonexpendable	23,088,988	22,323,649	3,751,390	3,519,614
Restricted expendable	16,234,157	13,376,526	3,852,531	2,766,859
Unrestricted	(66,586,782)	(70,912,105)	2,495,727	2,102,284
Total net position	<u>\$ 69,916,341</u>	<u>\$ 63,103,442</u>	<u>\$ 10,099,648</u>	<u>\$ 8,388,757</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 Revenues, Expenses and Changes in Net Position

Years Ended June 30, 2025 and 2024

	Community College System of New Hampshire		Community Colleges of New Hampshire Foundation	
	2025	2024 Restated	2025	2024
Operating revenues				
Tuition and fees	\$ 55,452,740	\$ 53,219,580	\$ -	\$ -
Less scholarships	<u>(31,254,816)</u>	<u>(23,232,856)</u>	<u>-</u>	<u>-</u>
Net tuition and fees	24,197,924	29,986,724	-	-
Grants and contracts	26,876,077	19,410,253	-	-
Contributions	-	-	2,024,612	1,752,847
Auxiliary enterprises	2,574,673	2,932,923	-	-
Other operating revenue	<u>3,498,591</u>	<u>3,183,786</u>	<u>-</u>	<u>-</u>
Total operating revenues	<u>57,147,265</u>	<u>55,513,686</u>	<u>2,024,612</u>	<u>1,752,847</u>
Operating expenses				
Employee compensation and benefits	90,950,741	85,018,941	-	-
Other operating expenses	26,177,827	25,714,633	1,713,588	1,585,540
Utilities	3,750,575	3,615,220	-	-
Depreciation and amortization	<u>10,650,523</u>	<u>10,019,532</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>131,529,666</u>	<u>124,368,326</u>	<u>1,713,588</u>	<u>1,585,540</u>
Operating (loss) income	<u>(74,382,401)</u>	<u>(68,854,640)</u>	<u>311,024</u>	<u>167,307</u>
Nonoperating revenues (expenses)				
State of New Hampshire appropriations	67,791,504	64,753,723	-	-
Addition to State of New Hampshire appropriations	1,218,037	-	-	-
Lease revenue	339,530	312,790	-	-
COVID funding	1,136,690	2,566,541	-	-
Investment return for operations	5,277,859	5,800,427	237,553	199,085
Investment return excluding amount for operations	2,807,603	3,437,838	920,299	693,195
Interest expense on leases	(128,917)	(122,667)	-	-
Interest expense on subscriptions	(63,828)	(30,293)	-	-
Interest expense on capital debt	<u>(310,044)</u>	<u>(351,903)</u>	<u>-</u>	<u>-</u>
Nonoperating revenues, net	<u>78,068,434</u>	<u>76,366,456</u>	<u>1,157,852</u>	<u>892,280</u>
Income before other changes in net position	<u>3,686,033</u>	<u>7,511,816</u>	<u>1,468,876</u>	<u>1,059,587</u>
Other changes in net position				
State of New Hampshire capital appropriation	1,047,532	2,683,245	-	-
Capital grants and contracts	1,905,584	2,370,819	-	-
Nonexpendable contributions	757,755	699,136	242,015	306,743
Restricted unexpended appropriations	634,032	2,880,741	-	-
Restricted appropriations expended in the current year	<u>(1,218,037)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other changes in net position	<u>3,126,866</u>	<u>8,633,941</u>	<u>242,015</u>	<u>306,743</u>
Increase in net position	<u>6,812,899</u>	<u>16,145,757</u>	<u>1,710,891</u>	<u>1,366,330</u>
Net position, beginning of year	63,103,442	50,548,447	8,388,757	7,022,427
Change in accounting principle	<u>-</u>	<u>(3,590,762)</u>	<u>-</u>	<u>-</u>
Net position, beginning of year	<u>63,103,442</u>	<u>46,957,685</u>	<u>8,388,757</u>	<u>7,022,427</u>
Net position, end of year	<u>\$ 69,916,341</u>	<u>\$ 63,103,442</u>	<u>\$ 10,099,648</u>	<u>\$ 8,388,757</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

Years Ended June 30, 2025 and 2024

	Community College System of New Hampshire	
	2025	2024 Restated
Cash flows from operating activities		
Receipts from tuition and fees	\$ 25,228,344	\$ 30,114,020
Receipts from grants and contracts	28,600,822	21,353,264
Receipts from auxiliary enterprises	2,574,673	2,932,923
Payments to suppliers	(30,816,527)	(28,408,368)
Payments to employees	(94,225,310)	(91,121,041)
Other cash receipts	1,116,649	3,050,115
Net cash used for operating activities	(67,521,349)	(62,079,087)
Cash flows from noncapital financing activities		
State of New Hampshire appropriations	69,009,541	64,753,723
COVID funding received (refunded)	1,136,385	(1,307,006)
Contributions for long-term purposes	1,391,787	3,579,877
Restricted appropriations expended in the current year	(1,218,037)	-
Net cash provided by noncapital financing activities	70,319,676	67,026,594
Cash flows from capital and related financing activities		
Appropriations from the State of New Hampshire for capital expenditures	1,726,471	2,982,222
Change in accounts payable to the State of New Hampshire for capital assets	-	(6,037)
Capital grants and contracts received	1,905,584	2,370,819
Purchase of capital assets, net of disposals	(6,103,252)	(9,027,098)
Payments received on note receivable	1,472,857	120,231
Principal on bonds payable, other long-term liabilities, leases and subscriptions	(1,213,715)	(2,732,805)
Interest on bonds payable, other long-term liabilities, leases and subscriptions	(517,591)	(539,656)
Net cash used for capital and related financing activities	(2,729,646)	(6,832,324)
Cash flows from investing activities		
Proceeds from sales and maturities of investments	4,782,203	2,468,217
Purchase of investments	(4,960,567)	(819,135)
Net cash (used for) provided by investing activities	(178,364)	1,649,082
Net decrease in cash and cash equivalents	(109,683)	(235,735)
Cash and cash equivalents, beginning of year	24,332,641	24,568,376
Cash and cash equivalents, end of year	\$ 24,222,958	\$ 24,332,641

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, 2025 and 2024

	Community College System of New Hampshire	
	2025	2024 Restated
Reconciliation of operating loss to net cash used for operating activities		
Operating loss	\$ (74,382,401)	\$ (68,854,640)
Adjustments to reconcile operating loss to net cash used for operating activities		
Depreciation and amortization	10,650,523	10,019,532
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources		
Student accounts receivable	65,136	410,578
Other current assets	(2,381,942)	(133,671)
Student loans receivable	-	94,516
Grants and contracts receivable	309,079	4,003,535
Deferred outflows of resources - pension	2,707,670	2,351,367
Deferred outflows of resources - OPEB	(4,786,423)	4,332,534
Accounts payable and accrued expenses	(439,658)	471,485
Accrued salaries and benefits	426,444	138,787
Unearned revenue and deposits	2,380,950	(2,334,309)
Other current liabilities	(448,467)	450,000
Other postemployment benefits	11,758,165	(20,268,611)
Net pension liability	(7,851,022)	(969,804)
Refundable advances	-	(104,013)
Deferred inflows of resources - pension	3,147,479	(1,387,447)
Deferred inflows of resources - OPEB	(8,676,882)	9,701,074
Net cash used for operating activities	<u>\$ (67,521,349)</u>	<u>\$ (62,079,087)</u>
Reconciliation of noncash activity		
Acquisition of capital assets	\$ 6,287,600	\$ 8,403,644
Less: Acquisition of capital assets included in accounts payable at year-end	(598,877)	(388,635)
Add: Acquisition of capital assets included in accounts payable at prior year-end	388,635	987,116
Add: Payments on long-term liabilities used to finance the acquisitions of capital assets	<u>25,894</u>	<u>24,973</u>
Payments for the acquisition of capital assets	<u>\$ 6,103,252</u>	<u>\$ 9,027,098</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 Financial Statements

June 30, 2025 and 2024

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, 2025, CCSNH adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The retrospective adjustments made to the basic financial statements to comply with the new accounting standards have been reported as an adjustment of prior periods and the financial statements presented for the periods affected have been restated.

During the year ended June 30, 2025, CCSNH adopted new accounting guidance, GASB Statement No. 102, *Certain Risk Disclosures*. The adoption of the statement and related guidance during the year ended June 30, 2025 did not have a material impact of the financial statements of CCSNH.

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

Notes to Financial Statements

June 30, 2025 and 2024

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 CCSNH 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, 2025 and 2024

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, 2025 and 2024. 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.

Investments

CCSNH and the Foundation carry investments at their fair value. Fair value is estimated using the methods described in Note 12. 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, 2025 and 2024

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 at June 30, 2024 was \$1,472,857. The note receivable was paid in full as of June 30, 2025.

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, 2025 and 2024

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 and comp time that will be paid during the next fiscal year to employees. The liability for sick leave is reflected within noncurrent liabilities. The calculation is based on salary rates in effect as of the date of the statements of net position.

Net Pension Liability

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

Other Postemployment Benefits

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

Deferred Outflows and 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.

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

Notes to Financial Statements

June 30, 2025 and 2024

Net Position

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

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

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

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

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

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

Net Student Fees

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

Contributions

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

Operating Revenues and Expenses

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

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

Notes to Financial Statements

June 30, 2025 and 2024

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, 2025 and 2024.

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 Principles

The adoption of GASB Statement No. 101, *Compensated Absences* with an effective date of July 1, 2023 required an increase in the amount recognized for accrued salaries and benefits, net of current portion of \$3,590,762 with a corresponding decrease to net position. The impact of the adoption of the standard as of June 30, 2024 was an increase in noncurrent liabilities of \$3,596,628 with a corresponding decrease in net position and an increase in personnel services and benefits of \$5,866 for the year ended June 30, 2024.

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, 2025 and 2024, CCSNH's uncollateralized uninsured cash and cash equivalents were approximately \$34,580,000 and \$28,360,000, 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.

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4. Capital Assets

Capital asset activity for the year ended June 30, 2025 is summarized below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Ending Balance</u>
Land	\$ 612,987	\$ -	\$ (18,700)	\$ -	\$ 594,287
Construction-in-process	<u>5,857,508</u>	<u>3,428,150</u>	<u>-</u>	<u>(7,752,211)</u>	<u>1,533,447</u>
Total non-depreciable assets	<u>6,470,495</u>	<u>3,428,150</u>	<u>(18,700)</u>	<u>(7,752,211)</u>	<u>2,127,734</u>
Land improvements	9,124,847	-	-	-	9,124,847
Buildings and improvements	212,827,956	575,475	-	7,752,211	221,155,642
Equipment and vehicles	<u>23,183,034</u>	<u>2,304,206</u>	<u>(473,581)</u>	<u>-</u>	<u>25,013,659</u>
Total depreciable assets	<u>245,135,837</u>	<u>2,879,681</u>	<u>(473,581)</u>	<u>7,752,211</u>	<u>255,294,148</u>
Less accumulated depreciation for:					
Land improvements	(5,114,799)	(393,571)	-	-	(5,508,370)
Buildings and improvements	(119,305,291)	(6,462,578)	-	-	(125,767,869)
Equipment and vehicles	<u>(20,177,483)</u>	<u>(1,618,376)</u>	<u>472,051</u>	<u>-</u>	<u>(21,323,808)</u>
Total accumulated depreciation	<u>(144,597,573)</u>	<u>(8,474,525)</u>	<u>472,051</u>	<u>-</u>	<u>(152,600,047)</u>
Capital assets, net	<u>\$ 107,008,759</u>	<u>\$ (2,166,694)</u>	<u>\$ (20,230)</u>	<u>\$ -</u>	<u>\$ 104,821,835</u>

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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	<u>(4,724,211)</u>	<u>(393,656)</u>	<u>3,068</u>	<u>-</u>	<u>(5,114,799)</u>
Buildings and improvements	<u>(114,741,299)</u>	<u>(6,012,414)</u>	<u>1,448,422</u>	<u>-</u>	<u>(119,305,291)</u>
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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5. Long-Term Liabilities

Changes in long-term liabilities during the year ended June 30, 2025 were as follows:

	<u>Restated Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Accrued salaries and benefits	\$ 13,368,557	\$ -	\$ 426,444	\$ 13,795,001	\$ 6,169,910
Due to the State	3,050	-	-	3,050	-
Net pension liability	56,296,557	-	(7,851,022)	48,445,535	-
Bonds payable	6,840,433	-	(1,158,904)	5,681,529	1,137,482
OPEB	37,577,090	11,758,165	-	49,335,255	-
Lease liability	5,742,439	441,570	929,945	7,113,954	1,003,862
Notes payable	1,414,587	-	(24,973)	1,389,614	25,894
Subscription liability	<u>1,780,013</u>	<u>669,757</u>	<u>82,465</u>	<u>2,532,235</u>	<u>1,094,631</u>
Long-term liabilities	<u>\$123,022,726</u>	<u>\$12,869,492</u>	<u>\$ (7,596,045)</u>	<u>\$128,296,173</u>	<u>\$ 9,431,779</u>

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

	<u>Restated Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Restated Ending Balance</u>	<u>Current Portion</u>
Accrued salaries and benefits	\$ 13,229,770	\$ -	\$ 138,787	\$ 13,368,557	\$ 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>\$146,352,247</u>	<u>\$ 1,111,327</u>	<u>\$ (24,440,848)</u>	<u>\$123,022,726</u>	<u>\$ 8,602,482</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, 2025 and 2024 the balance due to USDA was \$1,389,614 and \$1,414,587, 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>
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	29,928	45,912	75,840
2031 - 2035	167,022	172,204	339,226
2036 - 2040	200,157	179,043	379,200
2041 - 2045	239,865	139,335	379,200
2046 - 2050	287,451	91,749	379,200
2051 - 2055	344,478	34,722	379,200
2055	<u>11,269</u>	<u>49</u>	<u>11,318</u>
	<u>\$ 1,389,614</u>	<u>\$ 856,930</u>	<u>\$ 2,246,544</u>

6. Bonds Payable

Bonds payable consisted of the following at June 30:

	<u>2025</u>	<u>2024</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%.	\$ 800,000	\$ 1,000,000
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.	1,277,130	1,436,772
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%, refunded in 2025.	-	1,261,047

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	<u>2025</u>	<u>2024</u>
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%. Repaid in full in 2025.	-	36,734
2016 Series B 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%.	1,873,026	2,140,780
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%.	257,226	414,550
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 rate of 5%.	550,550	550,550
2025 Series B General Obligation Refunding Bonds (original principal of \$2,751,954) maturing through 2028 with annual principal payments ranging from \$214,733 to \$400,435 and interest rate of 5.00%.	<u>923,597</u>	-
	<u>\$ 5,681,529</u>	<u>\$ 6,840,433</u>

During the year ended June 30, 2015, and 2025, CCSNH advance refunded selected bonds. During 2025, CCSNH issued \$923,597 in General Obligation Refunding Bonds with an average interest rate of 5% to advance refund \$934,456 of outstanding 2014 Series A General Obligation Bonds with an average interest rate of 5%. The difference between the reacquisition price and the net carrying amount of the old debt of \$10,859, was recorded as a deferred inflow of resources and will be recognized in the statement of revenues, expenses and changes in net position on annual basis through the year 2028 using the effective interest method. During 2015, 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, 2025 and 2024 the unamortized deferred gain from advance refunding of the bonds was \$126,685 and \$141,487, respectively.

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

<u>Years ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,137,482	\$ 225,593	\$ 1,363,075
2027	939,353	172,841	1,112,194
2028	846,245	131,790	978,035
2029	631,954	98,022	729,976
2030	432,733	69,005	501,738
2031	433,295	53,761	487,056
2032 - 2036	<u>1,260,467</u>	<u>97,419</u>	<u>1,357,886</u>
	<u>\$ 5,681,529</u>	<u>\$ 848,431</u>	<u>\$ 6,529,960</u>

Interest expense related to the bonds for the years ended June 30, 2025 and 2024 was \$259,178 and \$299,502, 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 \$505,693 and \$670,491 as of June 30, 2025 and 2024, respectively. During the years ended June 30, 2025 and 2024, CCSNH recognized \$14,288 and \$12,347, 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 \$492,411 and \$667,153 as of June 30, 2025 and 2024, respectively. During the years ended June 30, 2025 and 2024, CCSNH recognized \$325,242 and \$300,443, 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, 2025, the projected minimum future revenue and interest from noncancelable rental agreements is approximately:

<u>Years ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 157,187	\$ 10,063
2027	122,828	6,971
2028	119,464	4,015
2029	75,013	1,174
2030	<u>31,201</u>	<u>118</u>
	<u>\$ 505,693</u>	<u>\$ 22,341</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 \$7,113,954 and \$5,742,439 as of June 30, 2025 and 2024, respectively. During the years ended June 30, 2025 and 2024, CCSNH incurred \$128,917 and \$122,667, respectively, in interest expenses related to lease liabilities.

The total right-of-use asset value, net of accumulated amortization, amounted to \$6,813,979 and \$5,538,548 as of June 30, 2025 and 2024, respectively. During the years ended June 30, 2025 and 2024, CCSNH recognized \$887,787 and \$865,150, 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, 2025 the projected minimum future principal and interest for noncancelable lease agreements is approximately:

<u>Years ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Amortization of Right-of-Use Asset</u>
2026	\$ 1,003,862	\$ 153,943	\$ 976,860
2027	801,144	131,791	834,565
2028	815,861	109,711	779,782
2029	247,770	93,281	266,823
2030	237,393	87,509	250,761
2031 to 2035	613,984	391,430	691,840
2036 to 2040	680,484	324,931	691,840
2041 to 2045	751,187	251,228	691,840
2046 to 2050	835,872	169,543	691,840
2051 to 2055	926,404	79,011	691,840
2055 to 2056	199,993	4,093	245,988
	<u>\$ 7,113,954</u>	<u>\$ 1,796,471</u>	<u>\$ 6,813,979</u>

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Software Subscriptions

The total subscription assets were \$2,738,063 and \$2,055,550, net of accumulated amortization of \$4,478,787 and \$3,190,575, as of June 30, 2025 and 2024, respectively. During the years ended June 30, 2025 and 2024, CCSNH incurred \$1,288,212 and \$1,357,588, respectively, in SBITA amortization expense.

The following is a schedule by year of future minimum SBITA payments as of June 30, 2025:

<u>Year</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>
2026	\$ 1,160,865	\$ 66,234	\$ 1,094,631
2027	1,078,458	40,224	1,038,234
2028	291,813	13,692	278,121
2029	<u>127,092</u>	<u>5,843</u>	<u>121,249</u>
Total minimum lease payments	<u>\$ 2,658,228</u>	<u>\$ 125,993</u>	<u>\$ 2,532,235</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.

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

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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 13.27% the two-year period beginning July 1, 2023 and ending June 30, 2025.

For the years ended June 30, 2025 and 2024, CCSNH contributions to the Pension Plan were \$6,095,412 and \$6,068,520, respectively.

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

At June 30, 2025 and 2024, respectively, CCSNH reported a liability of \$48,445,535 and \$56,296,557 for its proportionate share of the net pension liability. The net pension liability is based on an actuarial valuation performed as of June 30, 2023 and a measurement date of June 30, 2024. The net pension liability was rolled forward from June 30, 2023 to June 30, 2024. 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, 2025 and 2024, CCSNH's proportion of the net pension liability was 0.9342% and 1.0056%, respectively.

During the years ended June 30, 2025 and 2024, CCSNH recognized pension expense of \$4,099,540 and \$6,062,627, respectively.

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At June 30, 2025, 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	\$ 1,078,473	\$ 9,742
Changes in assumptions	-	566,986
Net difference between projected and actual investment earnings on pension plan investments	-	676,276
Changes in proportion and differences between employer contributions and share of contributions	214,901	4,161,383
Contributions subsequent to the measurement date	<u>6,095,412</u>	<u>-</u>
Balances as of June 30, 2025	<u>\$ 7,388,786</u>	<u>\$ 5,414,387</u>

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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending June 30.

2026	\$ (2,885,580)
2027	1,114,499
2028	(1,278,365)
2029	<u>(1,071,567)</u>
	<u>\$ (4,121,013)</u>

At June 30, 2024, 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	\$ 1,438,502	\$ 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	<u>\$ 10,096,456</u>	<u>\$ 2,266,908</u>

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Actuarial Assumptions

The total pension liability at June 30, 2025 was determined by a roll-forward of the actuarial valuations as of June 30, 2024 using the following actuarial assumptions, which, accordingly, apply to 2023 measurements:

Actuarial cost method	Entry age normal
Inflation	2.25% and 2.00% for 2024 and 2024 valuations, respectively
Salary increases	6.0% and 5.50%, including inflation, 2024 and 2023 valuations, respectively
Wage inflation	3.00% (2.50% for teachers) and 2.75% for 2024 and 2024 valuations, respectively
Investment rate of return	6.75%, net of investment expense, including inflation, per year

Mortality rates 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, 2019 – June 30, 2023.

The actuarial assumptions for contributions made in the year ended June 30, 2024 were based on the results of an actuarial experience study for the period July 1, 2019 – June 30, 2023. The actuarial assumptions for contributions made in the year ended June 30, 2023 were based on the results of an actuarial experience study for the period from 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 2024 and 2023:

<u>Asset Class</u>	Target Allocation <u>2023</u>	Target Allocation <u>2024</u>	Weighted Average Long- Term Expected Real <u>Rate of Return</u>	
			<u>2023</u>	<u>2024</u>
Broad US Equity (1)	30.00 %	24.00 %	5.40 %	5.40 %
Global Ex-US Equity (2)	<u>20.00</u>	<u>16.00</u>	5.65	5.65
Total Public Equity	<u>50.00</u>	<u>40.00</u>		
Core US Fixed Income	<u>25.00</u>	<u>25.00</u>	2.15	2.15
Real Estate Equity	10.00	10.00	4.00	4.00
Private Equity	<u>10.00</u>	<u>10.00</u>	6.65	6.65
Total Private Market Equity	<u>20.00</u>	<u>20.00</u>		
Private Debt	<u>5.00</u>	<u>10.00</u>	5.05	5.05
Infrastructure	<u>-</u>	<u>5.00</u>	-	4.35
Inflation	<u>-</u>	<u>-</u>	2.50	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, 2025 and 2024 was 6.75% for the 2024 and 2023 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>67,732,352</u>	\$ <u>48,445,535</u>	\$ <u>32,379,024</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 Trustee voted to reduce the retirement system's investment assumptions, lowering the assumed rate of return from 7.25% to 6.75%. By statute, this valuation will determine employer contribution rates for fiscal years 2024 and 2025.

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.

CCSNH's contributions for the NHRS OPEB Plan for the years ended June 30, 2025 and 2024 were \$240,189 and \$247,195, 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, 2025, CCSNH reported a liability of \$2,156,346 for its proportionate share of the net NHRS OPEB liability. The net NHRS OPEB liability as of June 30, 2025 is based on an actuarial valuation performed as of June 30, 2023 and a measurement date of June 30, 2024. The net OPEB liability was rolled forward from June 30, 2023 to June 30, 2024.

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 NHRS OPEB liability was rolled forward from June 30, 2022 to June 30, 2023.

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, 2025 and 2024, CCSNH's proportion of the net NHRS OPEB liability was 0.6937% and 0.7838%, respectively.

For the years ended June 30, 2025 and 2024, CCSNH recognized OPEB (gain) expense of \$(272,176) and \$83,511, respectively, related to the NHRS OPEB Plan.

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At June 30, 2025, 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	\$ -	\$ 511
Contributions subsequent to the measurement date	<u>240,189</u>	<u>-</u>
Balances as of June 30, 2025	<u>\$ 240,189</u>	<u>\$ 511</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, 2026. 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>Years ending June 30,</u>	
2026	\$ (4,557)
2027	6,743
2028	(1,739)
2029	<u>(958)</u>
	<u>\$ (511)</u>

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>

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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, 2024, using the following actuarial assumptions, which apply to 2023 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	6.00% and 5.40% averages, including inflation, 2024 and 2023 valuations, respectively
Price inflation	2.25% and 2.00% valuations for 2024 and 2023, respectively
Wage inflation	3.00% and 2.75% (2.50 for Teachers) valuations for 2024 and 2023, respectively
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, 2024 and 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-2021, based on the results of the most recent actuarial experience study, which was for the period of July 1, 2019 – June 30, 2023.

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	Target	Weighted Average Long-	
	Allocation	Allocation	Term Expected Real	Rate of Return
	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>
Broad US Equity (1)	30.00 %	24.00 %	5.40 %	5.40 %
Global Ex-US Equity (2)	<u>20.00</u>	<u>16.00</u>	5.65	5.65
Total Public Equity	<u>50.00</u>	<u>40.00</u>		
Core US Fixed Income	<u>25.00</u>	<u>25.00</u>	2.15	2.15
Real Estate Equity	10.00	10.00	4.00	4.00
Private Equity	<u>10.00</u>	<u>10.00</u>	6.65	6.65
Total Private Market Equity	<u>20.00</u>	<u>20.00</u>		
Private Debt	<u>5.00</u>	<u>10.00</u>	5.05	5.05
Infrastructure	<u>-</u>	<u>5.00</u>	-	4.35
Inflation	<u>-</u>	<u>-</u>	2.50	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 2024 and 2023 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 <u>(5.75%)</u>	Current Discount Rate <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
CCSNH's proportionate share of the net OPEB liability	\$ <u>2,359,008</u>	\$ <u>2,156,346</u>	\$ <u>2,016,327</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, 2025 and 2024 were \$1,276,937 and \$1,325,918, 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, 2025, CCSNH reported a liability of \$47,178,909 for its proportionate share of the State OPEB Plan liability. The State OPEB Plan liability at June 30, 2025 as determined by an actuarial valuation as of December 31, 2022 adjusted forward to a measurement date of June 30, 2024. The State OPEB Plan liability was rolled forward from December 31, 2022 to June 30, 2024.

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 was 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.

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, 2025 and 2024, CCSNH's proportion of the State OPEB Plan's liability was 3.464% and 3.370%, respectively.

For the years ended June 30, June 30, 2025 and 2024, CCSNH recognized OPEB expense (gain) of \$83,094 and \$(4,730,628), respectively, related to the State OPEB Plan.

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At June 30, 2025, 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	\$ 9,451,257	\$ 19,604,126
Differences between expected and actual experience	-	1,959,675
Changes in proportion	1,210,251	1,394,629
Proportionate share of contributions subsequent to the measurement date	<u>1,276,937</u>	<u>-</u>
Balances as of June 30, 2025	<u>\$ 11,938,445</u>	<u>\$ 22,958,430</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, 2026. 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>Years ending June 30,</u>	
2026	\$ (4,930,445)
2027	(5,544,060)
2028	<u>(1,822,417)</u>
	<u>\$ (12,296,922)</u>

At June 30, 2024, 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	\$ 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>\$ 7,141,797</u>	<u>\$ 31,635,823</u>

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Actuarial Assumptions

The collective total State OPEB Plan liability was determined by a roll forward of the actuarial valuation as of December 31, 2023, using the following actuarial assumptions, which apply to the 2024 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	3.93% as of June 30, 2024 measurement and 3.65% as of June 30, 2023 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 2024 and 2023 valuations.

Postretirement mortality rates:

- Healthy: PubG-2010 Headcount-Weighted Healthy Retiree General Mortality Tables for Group I for the 2024 and 2023 valuations.
- Disabled: PubNS-2010 Headcount-Weighted Non-Safety Disabled Retiree Mortality Tables for Group I for the 2024 and 2023 valuations.

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

	<u>2024</u>	<u>2023</u>
Scale - Male	101 %	101 %
Scale - Female	109 %	109 %

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

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Healthcare trend rates are based on the following:

Medical:

- Non-Medicare: 11.20% in 2023, 7.70% in 2024, then 7.00% decreasing by 0.25% each year to an ultimate level of 4.50% per year. For 2023, 7.50% decreasing by 0.25% each year to an ultimate level of 4.50% per year.
- Medicare: 0.00% through 2024, then 40.44% in 2025, 9.38% in 2026, 6.72% in 2027, 7.63% in 2028, 7.34% in 2029, and 7.07% in 2030, then 5.50% decreasing by 0.25% per year to an ultimate level of 4.50% per year. For 2023, N/A through the contract period, then 6.75% in 2026 decreasing by 0.25% per year to an ultimate of 4.50%.

Prescription Drug:

- Non-Medicare: 24.60% in 2023, 3.90% in 2024, then 9.50% decreasing by 0.50% each year to an ultimate level of 4.50% per year. For 2023 valuation, 10.5% decreasing by 0.50% each year to an ultimate level of 4.50% per year.
- Medicare: 0.00% through 2024, then 40.44% in 2025, 9.38% in 2026, 6.72% in 2027, 7.63% in 2028, 7.34% in 2029, and 7.07% in 2030, then 5.50% decreasing by 0.25% per year to an ultimate level of 4.50% per year. For 2023, N/A through the contract period, then 6.75% in 2026 decreasing by 0.25% per year to an ultimate of 4.50%.

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

Discount Rate

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

Changes in Assumptions

The discount rate was increased from 3.65% as of June 30, 2023 to 3.93% as of June 30, 2024. For the 2023 assumptions, the discount rate was increased from 3.54% to 3.65% as of June 30, 2023. The trend assumptions were revised to reflect known changes in claims experience and future expectations. Medicare medical and prescription drug costs were updated to reflect the estimated impact of the Inflation Reduction Act of 2022 on Medicare prescription drug plans.

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Sensitivity Analysis

The following presents CCSNH's proportionate share of the total State OPEB liability calculated using the discount rate of 3.93%, 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 <u>(2.93%)</u>	Current Discount Rate <u>(3.93%)</u>	1% Increase <u>(4.93%)</u>
CCSNH's proportionate share of the total State OPEB liability	\$ <u>54,763,494</u>	\$ <u>47,178,909</u>	\$ <u>41,080,196</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 <u></u>	Current Trend Rates <u></u>	1% Increase <u></u>
CCSNH's proportionate share of the total State OPEB liability	\$ <u>39,640,959</u>	\$ <u>47,178,909</u>	\$ <u>56,818,811</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 previous collective bargaining agreement for full-time faculty expired on June 30, 2023. The previous agreement remained in effect through July 30, 2025 under the evergreen provisions. The Parties negotiated a successor collective bargaining agreement for full-time faculty, which became effective July 21, 2025 through June 30, 2027. The terms of the Agreement includes salary adjustments of 2.25% effective August 8, 2025 and 2.25% effective August 7, 2026.

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Adjunct Faculty

Certain adjunct faculty of CCSNH are covered by a collective bargaining agreement 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 July 1, 2025 through June 30, 2027. The terms of the Agreement includes salary adjustments for Fall, 2025 (average 2.83%) and Fall, 2026 (average 2.83%).

Covered Staff

CCSNH staff are covered by a collective bargaining agreement and are 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 Parties negotiated a successor collective bargaining agreement effective August 1, 2025 through September 30, 2027. The terms of the Agreement includes salary adjustments of 1.20% effective August 8, 2025 and 1.20% effective August 7, 2026.

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, 2025:

	Expended through <u>June 30, 2025</u>	Committed <u>Future Costs</u>	Total Committed <u>Costs of Project</u>
NHTI	\$ 8,708	\$ 12,628	\$ 21,336
MCC	25,512	68,528	94,040
NCC	59,679	23,250	82,929
GBCC	38,153	43,249	81,402
LRCC	21,050	43,750	64,800
WMCC	1,032,149	429,331	1,461,480
RVCC	<u>342,226</u>	<u>963,776</u>	<u>1,306,002</u>
Total	<u>\$ 1,527,477</u>	<u>\$ 1,584,512</u>	<u>\$ 3,111,989</u>

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June 30, 2025 and 2024

11. Certain Risk Disclosures

In accordance with GASB Statement No. 102, *Certain Risk Disclosures*, CCSNH has evaluated its exposure to risks arising from concentrations and constraints that may make CCSNH vulnerable to a substantial impact. The evaluation includes an assessment as to whether a concentration or constraint exists and is known prior to the issuance of the financial statements; the concentration or constraint makes the government vulnerable to the risk of a substantial impact; and an event or events associated with the concentration or constraint has occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. As of June 30, 2025, CCSNH did not identify any concentrations or constraints to which it is exposed.

12. Investments

Fair Value Measurement

GASB Statement No. 72, *Fair Value Measurement and Application*, establishes a fair value hierarchy for investments that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

- Level 1: Inputs are unadjusted, quoted prices in active markets for identical assets at the measurement date. The types of assets carried at Level 1 fair value generally are securities listed in active markets. The Foundation has valued its investments, listed on national exchanges, at the last sales price as of the day of the valuation.
- Level 2: Inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets which are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the asset 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.

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
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Notes to Financial Statements

June 30, 2025 and 2024

CCSNH Investments

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

Long-term investments include the UNIQUE endowment funds assets and other unrestricted investments. The State Uniform Prudent Management of Institutional Funds Act requires the preservation of the original gift (corpus value) of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The System classifies as permanently restricted net position: (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Subject to the intent of a donor expressed in the gift instrument, the System may appropriate for expenditure or accumulate so much of an endowment fund as the System determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 4% while growing the funds, if possible. Cumulative appreciation on these funds was \$13,291,782 and \$10,484,178 at June 30, 2025 and 2024, 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, 2025 and 2024, 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.

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

Notes to Financial Statements

June 30, 2025 and 2024

Investments held by CCSNH were comprised of the following at June 30, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and cash equivalents	\$ 601,138	\$ -	\$ -
Equity mutual funds	44,437,549	-	-
Fixed-income mutual funds	<u>21,878,632</u>	-	-
Total	<u>\$ 66,917,319</u>	<u>\$ -</u>	<u>\$ -</u>

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>

A summary of fixed-income mutual fund maturities as of June 30, 2025 and 2024 is as follows:

	<u>2025</u>		<u>2024</u>
<u>Amount</u>	<u>Maturities</u>	<u>Amount</u>	<u>Maturities</u>
\$ 970,477	More than 3 years	\$ 1,188,486	More than 3 years
2,199,024	Less than 3 year	2,413,871	Less than 3 years
<u>18,709,131</u>	N/A	<u>15,363,807</u>	N/A
<u>\$ 21,878,632</u>		<u>\$ 18,966,164</u>	

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, 2025, individual investments representing more than 5% of the CCSNH's investments were as follows:

	<u>Percentage of Investments</u>
Strategic Advisors Fidelity US Fund	43.3%
Strategic Advisors International Fund	13.7%
Strategic Advisors Core Income Fund	25.7%
Strategic Advisors Fidelity Emerging Markets Fund	6.5%

**COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
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Notes to Financial Statements

June 30, 2025 and 2024

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, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equities	\$ 8,143,465	\$ -	\$ -
Fixed-income	<u>1,466,586</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 9,610,051</u>	<u>\$ -</u>	<u>\$ -</u>

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>

13. Risk Management

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

CCSNH has insurance coverage that includes automotive, crime, employment practices, fire, general liability, pollution, theft, and workers' compensation. There have been no significant changes in insurance coverage during the past fiscal year. Settlements did not exceed coverage amounts during fiscal years 2025 and 2024.

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

Notes to Financial Statements

June 30, 2025 and 2024

14. COVID-19 Considerations and Relief Funding

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 NCC as outlined in the grant agreement. The funds were paid up front to CCSNH. During the years ended June 30, 2025 and 2024, CCSNH expended and recognized as revenue \$259,082 and \$1,789,506, respectively. In July 2022, an additional \$2,611,704 was awarded to CCSNH under the SLFRF. The grants were to be spent to expand licensed practical nurse programs throughout the System as outlined in the grant agreements. During the year ended June 30, 2025 and 2024, CCSNH expended and recognized as revenue \$877,608 and the \$777,035, respectively. At June 30, 2025 and 2024, CCSNH had \$51,359 and \$142,813, respectively, in grants and contracts receivable.

REQUIRED SUPPLEMENTARY INFORMATION

**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 Net Pension Liability *

	<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>
	June 30,									
Employer proportion of the collective net pension liability	0.9342 %	1.0056 %	0.9983 %	1.0520 %	1.0690 %	1.1005 %	1.1181 %	1.2800 %	1.3580 %	1.5230 %
Employer's proportionate share of the collective net pension liability	\$48,445,535	\$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
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	\$40,857,944	\$46,847,155
Employer's proportionate share of the collective net pension liability as a percentage of the employer's covered employee-payroll	106 %	126 %	131 %	99 %	150 %	119 %	117 %	155 %	177 %	129 %
Plan fiduciary net position as a percentage of the total pension liability	70.33 %	67.18 %	65.12 %	72.22 %	58.72 %	65.59 %	64.73 %	56.22 %	58.30 %	65.47 %

* 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)

Years Ended June 30

Schedule of Employer Contributions (Pension Plan)

	Years ended June 30,									
	<u>2025</u>	<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>
Required employer contribution*	\$ 6,095,412	\$ 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
Actual employer contribution*	\$ 6,095,412	\$ 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
Difference	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered-employee payroll	\$ 45,933,783	\$ 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
Employer contribution as a percentage of the employer's covered-employee payroll	13.27 %	13.27 %	13.75 %	13.75 %	10.88 %	10.88 %	11.08 %	11.08 %	12.50 %	12.50 %

* 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.

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

Required Supplementary Information (Unaudited)

June 30, 2025

Notes to the Required Supplementary Information-Pension

Changes of assumptions:

The roll-forward of the total pension liability from June 30, 2023 to June 30, 2024 reflects expected service and interest costs reduced by actual benefit payments.

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
(A Component Unit of the State of New Hampshire)

Required Supplementary Information (Unaudited)

Years Ended June 30

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

	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>
Employer proportion of the collective net NHRS OPEB Plan liability	0.694 %	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	\$ 2,156,346	\$ 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	\$ 42,619,828	\$ 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	5.06 %	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	14.01 %	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.

**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 Employer Contributions (NHRS OPEB Plan) *

	Years ended June 30,								
	<u>2025</u>	<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**	\$ 240,189	\$ 247,195	\$ 328,265	\$ 466,418	\$ 460,247	\$ 464,227	\$ 461,510	\$ 465,916	\$ 465,916
Actual employer contributions**	\$ 240,189	\$ 247,195	\$ 328,265	\$ 466,418	\$ 460,247	\$ 464,227	\$ 461,510	\$ 465,916	\$ 465,916
Employer's covered-employee payroll	\$ 41,411,897	\$ 42,619,828	\$ 42,085,256	\$ 59,797,179	\$ 43,833,048	\$ 44,212,095	\$ 43,131,776	\$ 42,702,430	\$ 42,702,430
Employer contribution as a percentage of the employer's covered-employee payroll	0.58 %	0.58 %	0.78 %	0.78 %	1.05 %	1.05 %	1.07 %	1.09 %	1.09 %

* 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
(A Component Unit of the State of New Hampshire)**

Required Supplementary Information (Unaudited)

June 30, 2025

Notes to the Required Supplementary Information (NHRS OPEB Plan)

Changes of
assumptions:

The roll-forward of the total OPEB liability from June 30, 2024 to June 30, 2025 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, 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.

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

	Years ended June 30,					
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total State OPEB Plan liability						<u>2019</u>
Service cost	\$ 36,324,175	\$ 54,781,225	\$ 84,307,513	\$ 88,855,352	\$ 62,882,134	\$ 63,316,502
Interest	38,576,940	58,421,205	45,621,988	50,667,474	64,136,527	75,264,960
Change in benefit terms	-	-	-	(498,097,828)	-	-
Differences between expected and actual experience	(14,969,479)	(57,427,101)	(9,036,656)	(36,352,537)	(10,281,706)	(24,532,584)
Changes of assumptions	296,499,681	(598,035,443)	(517,692,461)	252,239,520	358,302,338	(177,242,643)
Changes in benefit terms	-	-	-	-	-	-
Benefits	<u>(29,991,000)</u>	<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>
Net change in total State OPEB Plan liability	326,440,317	(577,624,114)	(432,525,616)	(180,312,019)	430,439,293	(114,525,765)
Total State OPEB Plan liability, beginning 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>
Total State OPEB Plan liability, end of year	<u>\$ 1,361,879,722</u>	<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>

**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)

	June 30,							
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Employer proportion of the collective total State OPEB Plan liability	3.4640 %	3.3700 %	3.4030 %	3.4220 %	4.8132 %	4.8440 %	4.9304 %	4.9660 %
Employer's proportionate share of the collective total State OPEB Plan liability	\$47,178,909	\$34,898,711	\$70,001,795	\$107,136,086	\$86,970,326	\$94,170,836	\$110,713,469	\$10,713,469
Employer's covered-employee payroll	\$45,731,123	\$44,775,280	\$47,302,381	\$45,456,756	\$45,456,756	\$45,853,123	\$40,724,800	\$40,724,800
Employer's proportionate share of the collective total State OPEB Plan liability as a percentage of its covered employee payroll	103 %	78 %	148 %	236 %	191 %	205 %	272 %	272 %

* 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, 2025

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.

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

Required Supplementary Information (Unaudited)

June 30, 2025

Changes of assumptions: Changes in assumptions reflect trend assumption revisions to reflect current experience and future expectations.

The discount rate increased from 3.65% as of June 30, 2023 to 3.93% as of June 30, 2024.

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, 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 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.



BDMP Assurance, LLP

**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, 2025, and the related notes to the financial statements, which collectively comprise CCSNH's basic financial statements, and have issued our report thereon dated November 13, 2025. 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.

BMP Assurance, LLP

Manchester, New Hampshire
November 13, 2025



BDMP Assurance, LLP

**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, 2025. 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, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards (U.S. GAAS); 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.

Report on Internal Control Over Compliance

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

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

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

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

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, 2025, and the related notes to the financial statements and have issued our report thereon dated March 12, 2026, 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.

BMP Assurance, LLP

Manchester, New Hampshire
March 12, 2026

**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, 2025

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Pass- through to Subrecipients</u>	<u>Total Federal Expenditures</u>
<u>United States Department of Agriculture</u>				
Community Facilities Loans and Grants - Direct	10.766		-	\$ 1,414,587
Rural Energy for America Program - Direct	10.868		-	8,039
Total United States Department of Agriculture			-	1,422,626
<u>United States Department of Commerce</u>				
<i>University of New Hampshire - Passed-Through Regional Technology and Innovation Hub</i>	11.039	ED24HDQ0G053 3	-	37,192
<i>Southern New Hampshire University - Passed-Through Economic Adjustment Assistance</i>	11.307	01-79-15304	-	54,196
Total United States Department of Commerce			-	91,388
<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	-	11,448
<u>United States Department of Labor</u>				
Apprenticeship USA Grants - Direct	17.285		207,282	3,213,328
Soldering/Assembly Workforce Solutions - Direct	17.289		-	13,127
<i>Dartmouth Hitchcock Medical Center - Passed-Through</i>				
H-1B Job Training Grants	17.268	N/A	-	50,863
Total United States Department of Labor			207,282	3,277,318
<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	-	1,136,690

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 (Continued)

Year Ended June 30, 2025

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Pass- through to Subrecipients</u>	<u>Total Federal Expenditures</u>
<u>Research and Development Cluster</u>				
National Science Foundation - Direct				
Integrative Activities	47.083		-	<u>2,746</u>
<u>United States Department of Education</u>				
Student Financial Assistance Cluster - Direct				
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		-	566,064
Federal Work-Study Program	84.033		-	216,013
Federal Pell Grant Program	84.063		-	15,479,652
Federal Direct Student Loans	84.268		-	<u>16,133,189</u>
Total Student Financial Assistance Cluster			-	<u>32,394,918</u>
Funds for the Improvement of Postsecondary Education - Direct	84.116		-	<u>763,939</u>
<i>New Hampshire Department of Education - Passed-Through</i>				
Career and Technical Education - Basic Grants to States	84.048	20230400	-	<u>1,189,193</u>
Total United States Department of Education			-	<u>34,348,050</u>
<u>Japan - U.S. Friendship Commission - Passed-Through</u>				
Northern Border Regional Development	90.601	N/A	-	<u>195,524</u>
<u>United States Department of Health and Human Services</u>				
Child Care and Development Block Grant - Direct	93.575		-	269,368
Congressional Directives - Direct	93.493		-	883,724
<i>University of New Hampshire - Passed-Through</i>				
Certified Health IT Surveillance Capacity and Infrastructure Improvement Cooperative Agreement Program	93.243	90PH00001/01- 04	-	13,525
<i>Dartmouth Hitchcock Medical Center - Passed-Through</i>				
PPFH Beriatric Education Centers	93.969	1 U1QHP53034- 01-00	-	24,972

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, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Entity Identifying Number	Pass- through to Subrecipients	Total Federal Expenditures
<u>United States Department of Health and Human Services (Continued)</u>				
<i>Trustees of Dartmouth College - Passed-Through</i>				
Biomedical Research and Research Training	93.859	5P20GM103506- 14	-	<u>118,297</u>
Total United States Department of Health and Human Services			-	<u>1,309,886</u>
Total Expenditures of Federal Awards			\$ <u>207,282</u>	\$ <u>41,795,676</u>

**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, 2025

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, 2025. 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.

**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, 2025

Section I. Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of Major Programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
17.285	U.S. Department of Labor Apprenticeship USA Grants
93.493	U.S. Department of Health and Human Services Congressional Directives
84.116	Funds for the Improvement of Postsecondary Education
84.007, 84.033, 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?	<u> X </u> Yes _____ No

**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, 2025

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

None noted

**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, 2025

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: 2024-001

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 System for Award Management reviews and the existing System policies and procedures regarding suspension and debarment.

Status: Resolved.