

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

We have audited 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 have issued our report thereon dated November 13, 2025. Professional standards require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards (U.S. GAAS), Government Auditing Standards and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)

As stated in our engagement letter dated May 21, 2025, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles (U.S. GAAP). Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered CCSNH's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on each major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

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 grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with the Uniform Guidance, we examined, on a test basis, evidence about compliance with the types of compliance requirements described in the Office of Management and Budget's *Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on CCSNH's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on CCSNH's compliance with those requirements.

U.S. GAAP provides for certain required supplemental information (RSI) to supplement the basic financial statements. Our responsibility with respect to management's discussion and analysis on pages 4 through 19 and the required supplemental information on pages 60 through 69, which supplement the basic financial statements, is to apply certain limited procedures in accordance with U.S. GAAS. However, the RSI was not audited and, because the limited procedures, do not provide us with sufficient evidence to express an opinion or provide any assurance, we do not express an opinion or provide any assurance on the RSI.

Our responsibility for the schedule of expenditures of federal awards (supplementary information) accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope and Timing of the Audits

We conducted our audits consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks

In our engagement letter, we identified the risks we expected would meet the definition of “significant risks” pursuant to U.S. generally accepted auditing standards, which are risks toward the upper end of the risk spectrum based on their likelihood and potential magnitude. Through conclusion of our audit of the financial statements, we have not identified any additional significant risks.

Qualitative Aspects of CCSNH’s Significant Accounting Practices

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by CCSNH are described in Note 1 to the financial statements. As disclosed in Note 2 to CCSNH’s financial statements, CCSNH adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* during the year ended June 30, 2025. At June 30, 2023, CCSNH recognized additional liabilities related to sick accruals amounted to \$3,590,762, which are reported within nonconcurrent liabilities, with an offsetting decrease in net position. The impact of the adoption of the standard for the year ended June 30, 2023 was a decrease in net position of \$3,590,762. The impact of the adoption of the standard was an increase in noncurrent liabilities of \$3,596,628 as of June 30, 2024 and an increase in personnel services and benefits of \$5,866 during the year ended June 30, 2024.

As disclosed in Note 1 to CCSNH’s financial statements, CCSNH also adopted new accounting guidance, GASB Statement No. 102, *Certain Risk Disclosures* during the year ended June 30, 2025. The adoption of the statement and related guidance did not have a material impact on the financial statements of CCSNH.

No other new accounting policies were adopted and the application of existing policies was not otherwise changed during the year ended June 30, 2025. We noted no transactions entered into by CCSNH during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive estimates affecting the financial statements were:

- The estimates used in the calculation of the OPEB liability, deferred inflows of resources and deferred outflows of resources related to the OPEB plans. The net OPEB liability and related deferred inflows of resources and deferred outflows of resources related to the OPEB plan administered by the State of New Hampshire (the State) are based on information provided by Segal Consulting, the actuary engaged by the State. The net OPEB liability and related deferred inflows of resources and deferred outflows of resources related to the OPEB plan administered by the New Hampshire Retirement System (NHRS) are based on actuarial information provided by the NHRS and audited by Plante Moran, PLLC.
- The estimates used in the calculation of the net pension liability, deferred inflows of resources and deferred outflows of resources related to the pension plan, which are based on actuarial information provided by the New Hampshire Retirement System and audited by Plante Moran, PLLC.
- The estimated useful lives of capital assets used in the calculation of depreciation expense, which are based on the perceived life of the related capital assets.

We have evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting CCSNH's financial statements relate to:

- The disclosure of the cost-sharing multiple-employer defined benefit pension plan required by GASB Statement No. 68 in Note 8.
- The disclosures of other postemployment benefits (OPEB) required by GASB Statement No. 75 in Note 9.
- The disclosure of the COVID-19 considerations and specific federal relief funding received by and awarded to CCSNH in Note 14.

The financial statement disclosures are neutral, consistent, and clear.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. We did not identify any significant unusual transactions as a result of our audit procedures.

Identified or Suspected Fraud

We have not identified or obtained any information that indicates that fraud may have occurred.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Representations Requested from Management

We have requested certain representations from management that are included in the management representation letter dated November 13, 2025.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the CCSNH's auditor.

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. GAAP, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

PART II – INTERNAL CONTROL MATTERS

In planning and performing our audit of the financial statements of CCSNH as of and for the year ended June 30, 2025, in accordance with U.S. GAAS, we considered CCSNH’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes 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.

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. 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 may exist that have not been identified.

* * * * *

We appreciate the cooperation and assistance of the management of CCSNH during the course of our audit.

This communication is intended solely for the information and use of the Audit Committee, Board of Trustees, and management of CCSNH and is not intended to be, and should not be, used by anyone other than these specified parties.

BSP Assurance, LLP

Manchester, New Hampshire
November 13, 2025