

LBA Financial Audit Report Summary:

Department of Regional Community-Technical Colleges Financial And Compliance Audit Report For The Fiscal Year Ended June 30, 2007

Reporting Entity And Scope

The reporting entity of this audit and audit report is the New Hampshire Department of Regional Community-Technical Colleges, excluding the Police Standards and Training Council, the Christa McAuliffe Planetarium, and the New Hampshire Community-Technical Colleges Foundation. The scope of this audit and audit report includes the financial activity of that portion of the Department of Regional Community-Technical Colleges (Department) noted above for the fiscal year ended June 30, 2007. The Department was reestablished as the CCSNH, effective July 17, 2007. Reference to College or Colleges refers to the colleges within the Department including the college campuses in Berlin, Claremont, Concord, Laconia, Manchester, Nashua, and Stratham.

Organization

The Department of Regional Community-Technical Colleges is established in RSA 188-F:2. During fiscal year 2007, the Department was a State agency consisting of an Office of the Commissioner, the New Hampshire Regional Community-Technical Institute in Concord, and colleges in Berlin, Claremont, Laconia, Manchester, Nashua, and Stratham, and associated off-campus programs. Also included in the organization of the Department are the Police Standards and Training Council and the Christa McAuliffe Planetarium which, as noted above, are not included in the scope of this audit. A Board of Trustees governs the Department.

At June 30, 2007, the Department had a payroll of 811 full-time, 256 part-time, and 1,181 adjunct faculty employees.

Responsibilities

The Department's mission states: "The Community College System of New Hampshire will provide comprehensive, market-driven, accessible, quality programs of higher education and services that respond to the changing needs of students, businesses and communities."

The Department offers various day and evening educational programs, both degree and nondegree, at its seven Colleges. Additionally, the Department offers continuing education courses and provides customized training to businesses.

Funding

The financial activity of the Department is accounted for in the General, Capital Projects, and Agency Funds of the State of New Hampshire. A summary of the Department's revenues and expenditures in the General and Capital Projects Funds for the fiscal year ended June 30, 2007 is shown in the following schedule.

**Summary Of Revenues And Expenditures
For The Fiscal Year Ended June 30, 2007**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Total Revenues	\$ 58,977,379	\$ -0-	\$ 58,977,379
Total Expenditures	<u>86,794,005</u>	<u>16,434,826</u>	<u>103,228,831</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>(27,816,626)</u>	<u>(16,434,826)</u>	<u>(44,251,452)</u>
Other Financing Sources (Uses)			
Net Appropriations	<u>27,816,626</u>	<u>16,434,826</u>	<u>44,251,452</u>
Excess (Deficiency) Of Revenues And Other Financing Sources Over (Under) Expenditures And Other Financing Uses	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

The auditor's report on the Department of Regional Community-Technical Colleges' financial statements was qualified, as the governmental fund financial statement does not constitute a complete financial presentation of the Department.

The audit report includes the auditor's report on internal control over financial reporting and on compliance and other matters. The following is a list of the comments in the report.

Internal Control Comments

Significant Deficiencies - Material Weaknesses

- Improve Internal Controls
- Improve Control Environment
- Establish A Risk Assessment Process
- Establish Effective Control Activities

- Improve Information And Communication
- Establish An Effective Control Monitoring Process

Compliance Comments

- Federal Financial Reporting Should Be Accurate And Timely
- Controls Over Changes To Financial Aid Information System Should Be Improved