

2021

# Financial Statements

**INCLUDING**

Required Supplementary Information  
Additional Supplemental Information

**June 30, 2021**



**Connecticut Community  
College**

## Connecticut Community Colleges Mission Statement

As part of the Connecticut State Colleges & Universities (CSCU) system, the twelve Connecticut Community Colleges share a mission to make excellent higher education and lifelong learning affordable and accessible. Through unique and comprehensive degree and certificate programs, non-credit life-long learning opportunities and job skills training programs, they advance student aspirations to earn career-oriented degrees and certificates and to pursue their further education. The Colleges nurture student learning and success to transform students and equip them to contribute to the economic, intellectual, civic, cultural and social well-being of their communities. In doing so, the Colleges support the state, its businesses and other enterprises and its citizens with a skilled, well-trained and educated workforce.



### **Members of the Board of Regents for Higher Education (Between 7/1/20 and 6/30/21)**

- Thirteen members: nine appointed by the Governor; four appointed by legislative leaders
- Two students chosen by their peers (Chair and Vice Chair of Student Advisory Committee)
- Six non-voting, ex-officio members:
  - Four CT commissioners appointed by the Governor from the Departments of Public Health, Education, Economic and Community Development, and Labor
  - Chair and Vice Chair of the Faculty Advisory Committee

#### **REGENTS AS OF 6/30/21**

*(Four vacancies: two legislative appointees and two Student Regent vacancies.)*

Matt Fleury, Chair  
Merle W. Harris, Vice Chair  
Richard J. Balducci  
Aviva D. Budd  
Naomi K. Cohen  
Felice Gray-Kemp  
Holly Howery  
David R. Jimenez  
JoAnn Ryan  
Ari Santiago  
Elease E. Wright

#### **EX-OFFICIO, NON-VOTING MEMBERS**

David Blitz – Chair of the Faculty Advisory Committee  
Colena Sesanker – Vice Chair of the Faculty Advisory Committee  
Kurt Westby – Commissioner of the CT Department of Labor  
Charlene Russell-Tucker – Acting Commissioner of the State Department of Education  
David Lehman – Commissioner of Department of Economic and Community Development  
Dr. Deidre Gifford – Acting Commissioner CT Dept. of Public Health

#### Former Board members (who served between 7/1/20 – 6/30/21)

Monica Maldonado, SAC, Chair  
Elena Ruiz, Vice Chair of Student Advisory Committee  
Dr. Miguel A. Cardona – (Former) Commissioner of the State Department of Education

**Connecticut Community College Presidents/CEOs 7/1/2020 through 6/30/2021**

Asnuntuck Community College  
170 Elm Street  
Enfield, CT 06082  
Dr. Michelle Coach, Campus CEO

Naugatuck Valley Community College  
750 Chase Parkway  
Waterbury, CT 06708  
Dr. Lisa Dresdner, President

Capital Community College  
950 Main Street  
Hartford, CT 06103  
Dr. Duncan Harris, Campus CEO

Northwestern Connecticut  
Community College  
Park Place East, Winsted, CT 06098  
Dr. Michael Rooke, President

Gateway Community College  
20 Church Street  
New Haven, CT 06510  
Dr. William (Terry) Brown, Campus CEO

Norwalk Community College  
188 Richards Avenue  
Norwalk, CT 06854  
Cheryl De Vonish, J.D., Campus CEO

Housatonic Community College  
900 Lafayette Boulevard  
Bridgeport, CT 06604  
Dr. Dwyane Smith, Campus CEO

Quinebaug Valley Community College  
742 Upper Maple Street  
Danielson, CT 06239  
Dr. Rose Ellis, Campus CEO

Manchester Community College  
Great Path  
Manchester, CT 06045-1046  
Dr. Nicole Esposito, Campus CEO

Three Rivers Community College  
574 New London Turnpike  
Norwich, CT 06360  
Dr. Mary Ellen Jukoski, President

Middlesex Community College  
100 Training Hill Road  
Middletown, CT 06457  
Dr. Steven Minkler, Campus CEO

Tunxis Community College  
271 Scott Swamp Road  
Farmington, CT 06032  
Dr. Darryl Reome, Campus CEO

System Office, Connecticut State Colleges & Universities (CSCU)  
61 Woodland Street, Hartford, CT 06105  
Mark E. Ojakian, CSCU President (Until December 31, 2020)  
Terrence Cheng, CSCU President (Beginning July 2, 2021)

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## **Introduction**

Management's Discussion and Analysis (MD&A) provides an overview of the financial position and activities of the Connecticut Community Colleges ("CCC" or "The System") and its component units for the fiscal year ended June 30, 2021. This discussion has been prepared by and is the responsibility of management, and should be read in conjunction with the financial statements and footnote disclosures which follow this section.

The Board of Regents for Higher Education was established by the Connecticut General Assembly in 2011 (via Public Act 11-48 as amended by Public Act 11-61) bringing together the governance structure for the four Connecticut State Universities, twelve Connecticut Community Colleges and Charter Oak State College, effective July 1, 2011. The new Board of Regents for Higher Education is authorized under the provisions of this public act to "serve as the Board of Trustees for Community-Technical Colleges".

The Connecticut Community Colleges is a state-wide system of twelve regional community colleges. During the fall 2020 semester, 45,905 students enrolled in credit courses and Full-Time Equivalent ("FTE") enrollment was 26,418. During calendar year 2020, approximately 13,665 students also took a variety of non-credit skill-building programs. The CCC offer two-year associate degrees and transfer programs, short-term certificates, and individual coursework in both credit and non-credit programs, often through partnerships with business and industry. In total, CCC employed approximately 2,800 full time employees at June 30, 2021.

The CCC system is composed of twelve institutions that make up the primary reporting entity. The primary reporting entity is financially accountable for the organizations that make up its legal entity. The System's twelve primary institutions include the following community colleges:

- Asnuntuck Community College ("Asnuntuck") in Enfield
- Capital Community College ("Capital") in Hartford
- Gateway Community College ("Gateway") in New Haven and North Haven
- Housatonic Community College ("Housatonic") in Bridgeport
- Manchester Community College ("Manchester") in Manchester
- Middlesex Community College ("Middlesex") in Middletown and Meriden
- Naugatuck Valley Community College ("Naugatuck Valley") in Waterbury and Danbury
- Northwestern Connecticut Community College ("Northwestern") in Winsted
- Norwalk Community College ("Norwalk") in Norwalk
- Quinebaug Valley Community College ("Quinebaug Valley") in Danielson and Willimantic
- Three Rivers Community College ("Three Rivers") in Norwich
- Tunxis Community College ("Tunxis") in Farmington and Bristol

The CCC serve an important role in the State's economy, providing convenient, accessible and flexible access to higher education for many of the State's residents, including "non-traditional" students age 22 or older. Open admission to all individuals who have a high school degree or equivalency, an emphasis on low student tuition and fees, and a policy goal of making financial aid available to meet the direct costs of attendance for students who demonstrate financial need, help to ensure access to all students regardless of income. In addition to the twelve primary locations, several of the CCC have satellite locations in city centers affording even easier access to students who may not have transportation to attend the main campus. Satellite locations include downtown Danbury, Meriden, and Willimantic. The financial results of these satellite locations are included in the reports of the main campus, or Naugatuck Valley, Middlesex, and Quinebaug Valley, respectively.

## **Using the Financial Statements**

The CCC financial report includes the following financial statements: the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows. These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as defined by the Governmental Accounting Standards Board ("GASB"). GASB Statement No. 35 established standards for external financial reporting for public colleges and universities, and requires that financial statements be presented on a basis to focus on the financial condition, results of operations, and cash flows of the System as a whole. As required by GASB Statements No. 34 and 35, fiscal year 2021 and 2020 financial statements and footnotes are presented for the CCC *primary institution*, as well as for certain other organizations that have a significant related party relationship with CCC (the "component units").

The component units are the twelve college foundations (the "Foundations") for fiscal year 2021 and 2020 and the Great Path Academy ("GPA"), a magnet high school at Manchester Community College ("MCC") for fiscal year 2020. Magnet high schools which are operating on CCC campuses are legally separate, tax-exempt non-profit organizations. Each magnet school established is evaluated for inclusion within the System financial statements as a component unit. The Great Path Academy at MCC met the criteria for inclusion as a component unit in the financial statements of CCC in fiscal 2020 and is discretely presented and identified in a single column on the face of the CCC financial statements. Effective July 1, 2020, GPA no longer meets the criteria for inclusion as a component unit in the financial statements and therefore only fiscal year 2020 is presented. Foundations are legally independent, tax-exempt non-profit organizations separate from College control, founded to foster and promote the growth, progress and general welfare of the Colleges and to solicit, receive and administer donations for such purposes. The Foundations manage the majority of the Colleges' endowments. However, the assets of these component units are not available to CCC for use at its discretion. The MD&A discusses the CCC financial statements only and not those of its component units.

## **Financial Highlights**

The Connecticut Community Colleges had total assets of \$877.2 million, liabilities of \$2.2 billion, and a total net position balance of (\$968.2) million at June 30, 2021. Of the total net position balance, (\$1.7) billion is classified as unrestricted net position, a \$112.1 million decrease from 2020. The large negative balance in unrestricted net position is a result of the adoption of GASB 68 (Pensions) in fiscal year 2015 and GASB 75 (Other Post-Employment Benefits) in fiscal year 2018. Adoption of GASB 68 required the System to recognize a net liability for pension plans, which was previously disclosed only at the State level. The adoption of GASB 75 required the System to recognize the net liability for other post-employment benefits (OPEB). The offset to the net pension and OPEB liabilities was a reduction in unrestricted net position as further discussed below.

Cash and cash equivalents were \$130.8 million at June 30, 2021, including \$12.5 million of cash equivalents in the form of unspent State bond appropriations administered by the CCC, and \$16.1 million of unspent State bond appropriations administered by the Department of Administrative Services (DAS) on behalf of the System. Total current assets were \$196.9 million at June 30, 2021, an increase of \$20.8 million. The current ratio identifies the amount of resources available to meet current obligations. This ratio of unrestricted current assets of \$166.3 million to unrestricted current liabilities of \$68.9 million is 2.4:1 in 2021, and was 2.1:1 in 2020. The current ratio reflects a financial position sufficient to provide short-term liquidity. However, as the State continues to address the effects of the coronavirus pandemic, management will continue to carefully monitor liquidity metrics. Non-current liabilities increased \$47.3 million from \$2.09 billion at June 30, 2020 to \$2.13 billion at June 30, 2021. This significant liability includes \$917.1 million for the CCC allocation of the state pension plan obligation, \$1.2 billion for the CCC allocation of the state's OPEB obligation and \$38.1 million for the long-term portion of the accrued value of benefits, other than pension and OPEB, earned by employees which must be paid out when they retire or otherwise terminate service in the future (net of the estimated amounts to be paid out in the upcoming year).

Total operating revenues from student tuition and fees, grants and contracts, and other college activities (net of scholarship allowances) were \$117.0 million, a 6.5% decrease from the previous year. The decrease of tuition and fees, net of 15.6% was offset by an increase in grants and contracts of 22.5%. The decline in tuition and fees is directly related to the decline in enrollment because tuition and fees remained flat for the year. The average decline

in enrollment for Fall 2020 through Spring 2021 semesters was approximately 14.1% due to the ongoing effects of the coronavirus pandemic. Operating expenses were \$721.7 million, an increase of 4.4% from the previous year, resulting in an operating loss of \$604.7 million during the year ended June 30, 2021. Net non-operating revenues and expenses and other changes were \$463.5 million, up 13.4% from the previous year, which was primarily the result of approximately \$68.8 million in directly awarded Federal emergency grant revenue, which the System received from the Higher Education Emergency Relief Fund (HEERF), \$12.3 million in federal pass-through grants from COVID-related funding sources (HEERF, Coronavirus Relief Fund (CRF), and Governor's Emergency Education Relief Fund (GEERF)), and an increase in appropriations of \$29.9 million. Also during fiscal 2021, the CCC discharged outstanding student receivables as an allowable lost revenue expense (student reengagement expense) under the HEERF programs, which totaled \$16.6 million. Overall the CCC experienced a decrease in net position of \$143.3 million during fiscal year 2021.

### Statement of Net Position

The Statement of Net Position presents the overall financial position of the System at the end of the fiscal year, and includes all assets and liabilities of the Connecticut Community Colleges, including capital assets net of accumulated depreciation. The change in Net Position is one indicator of whether the overall financial condition of CCC has improved or worsened during the year.

### Condensed Statements of Net Position June 30, 2021 and 2020 (in thousands)

	2021	2020	% Change
<b>ASSETS</b>			
Current assets	\$ 196,915	\$ 176,139	11.8%
Non-current assets	680,263	707,232	-3.8%
Total assets	<u>877,178</u>	<u>883,371</u>	-0.7%
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	537,890	558,096	-3.6%
<b>LIABILITIES</b>			
Current liabilities	72,711	71,098	2.3%
Non-current liabilities	2,133,325	2,086,073	2.3%
Total liabilities	<u>2,206,036</u>	<u>2,157,171</u>	2.3%
<b>DEFERRED INFLOWS OF RESOURCES</b>	177,224	109,161	62.4%
<b>NET POSITION</b>			
Invested in capital assets	679,901	706,804	-3.8%
Restricted nonexpendable	20	20	0.0%
Restricted expendable	31,411	35,724	-12.1%
Unrestricted	(1,679,524)	(1,567,414)	-7.2%
Total net position	<u>\$ (968,192)</u>	<u>\$ (824,866)</u>	-17.4%

*Current assets* consist of cash and cash equivalents and accounts receivable. The \$20.8 million increase in current assets from the previous year is attributable to a \$23.1 million increase in grants receivable, which is largely due from HEERF. The increase in grants receivable is offset somewhat by a \$15.2 million decrease in student accounts receivable due to the CCC discharging \$16.6 million in outstanding student receivables as an allowable lost revenue

expense under the HEERF programs. Cash and cash equivalents increased by \$5.8 million which fluctuate as sizeable building projects are funded and then expended over a period of two to three years. Investment of cash is handled by the State of Connecticut Treasurer's Office, which invests cash balances in a Short Term Investment Fund ("STIF") on behalf of State agencies. The CCC do not carry any other separate investments.

*Non-current assets* decreased 3.8% from \$707.2 million at June 30, 2020, to \$680.3 million at June 30, 2021. Net capital assets account for all but \$0.4 million of non-current assets, which represents student loan receivables. At June 30, 2021, capital assets in service totaled \$1.1 billion, offset by \$458.7 million in accumulated depreciation. There were \$8.3 million in additions to Construction in Progress, including \$4.1 million in Norwalk renovation and additions, \$2.3 million in Naugatuck Valley renovations, and various other site improvements across the colleges. Completed projects were \$81.9 million, including Northwestern's Joyner building (\$27.5 million), Housatonic's Lafayette building addition and renovation (\$34.2 million), Naugatuck Valley site improvements (\$7.6 million), and Housatonic parking garage repairs (\$3.3 million), and other various projects.

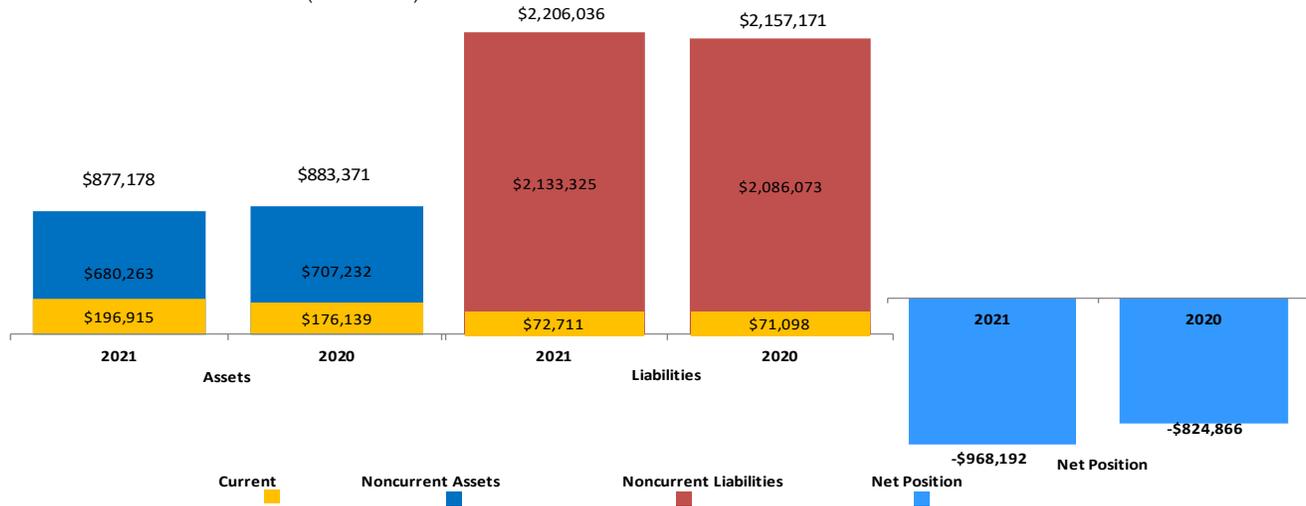
*Current liabilities* consist primarily of accrued payroll and related benefits of \$46.6 million and unearned tuition, fees and grant revenue of \$12.9 million, primarily collected in advance for late-summer and fall 2021 academic terms. Additional significant current liabilities include vendor accounts payable of \$5.1 million, \$3.9 million for the estimated value of accrued compensated absences that will be paid within the coming year to employees who terminate or retire, and \$2.9 million in agency and loan fund liabilities.

*Non-current liabilities* consist almost exclusively of \$917.1 million in pension liability, \$1.2 billion in OPEB liability and \$38.1 million of long-term accrued compensated absences ("ACA") to be paid out to terminating employees over time in the future beyond one year. *Pension liabilities* represent the System's proportionate share of the State Employee Retirement System's (SERS) and the Teachers Retirement System's (TRS) net pension liability. *Other post-employment benefits* liability represents the System's proportionate share of the State's OPEB liability as a whole. The pension liability decreased by \$3.8 million while the OPEB liability increased significantly by \$50.0 million due to changes in valuation assumptions reflecting known changes to the Medicare Advantage plan rates and a lowering of the discount rate.

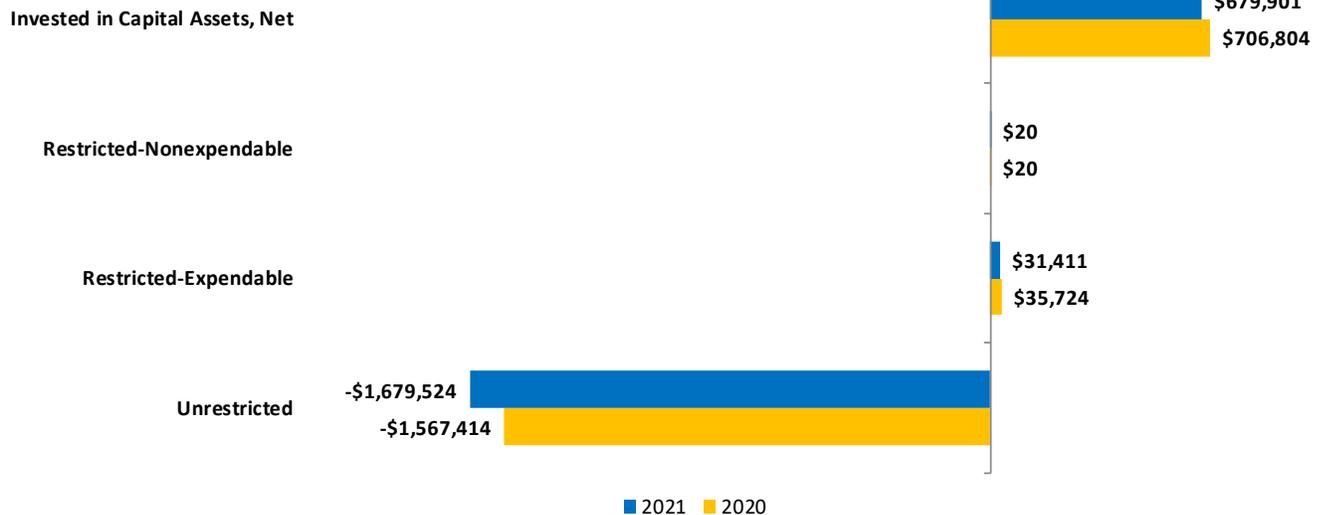
*Total liabilities* were \$2.2 billion at the end of fiscal year 2021, a 2.3% increase from fiscal year 2020 due to the aforementioned increase in OPEB liability. The total ACA liability of \$42.1 million (long-term and current), pension liability of \$917.1 million and OPEB liability of \$1.2 billion, represents approximately twelve times the existing unrestricted current assets that are available to pay for these previously earned employee benefits, and causes the reported unrestricted net position balance to be negative. In practice, however, much of these payouts are funded through current-year revenues rather than through existing net position.

*Deferred inflows and outflows of resources* are related to future periods. In the colleges financial statements this is primarily related to the impact of recognizing net pension and net OPEB liabilities. They reflect differences between projected and actual assumptions and earnings, changes in actuarial assumptions, changes in proportion and differences between contributions and the proportionate share of contributions and employer contributions subsequent to the measurement date.

THE CCC's FINANCIAL POSITION (in thousands)



THE CCC's NET POSITION (in thousands)



The *total net position* includes \$679.9 million *Invested in capital assets* net of depreciation. The Connecticut Community Colleges do not carry any capital debt, as property acquisitions, facility construction and major renovations are financed by capital appropriations made to one or more of the CCC. Bonding and debt repayment are the responsibility of the State of Connecticut and are not reflected in the CCC financial statements. The Connecticut Community Colleges continue to implement a long-range capital plan to provide for new and renovated campus facilities necessary to meet academic program needs.

The CCC have a minimal level of *Restricted-Nonexpendable* net position as the colleges do not generally carry any permanent endowment as a direct activity which is generally held by the supporting foundations. *Restricted-Expendable* net position here represents primarily bond fund appropriation balances at June 30, 2021 (\$11.0 million in funds managed by the CCC and \$16.0 million for projects managed by DAS), funds held in restricted accounts pending distribution under the terms of the Board's collective bargaining agreement with its professional unions, as well as private gifts and donations, mostly for scholarships, whose revenues have been recognized but not yet



expended. Changes in restricted-expendable net position are related primarily to the change in bond fund appropriation revenues and expenses in connection with various facility projects.

*Unrestricted net position* ("UNP") has shifted to a negative balance with the recognition of the pension and OPEB liabilities. Excluding the activity related to the actuarially determined net pension and OPEB liabilities, UNP increased by \$22.4 million to \$55.0 million during fiscal year 2021. The table below illustrates the fluctuations in aggregate CCC UNP over the past six years adjusted for net pension liability beginning in fiscal year 2015 and net OPEB liability beginning in fiscal year 2017:

	FY15	FY16	FY17	FY18	FY19	FY20	FY21
UNP Adjusted	\$ 25.7	\$ 37.7	\$ 45.7	\$ 44.9	\$ 39.9	\$ 32.6	\$ 55.0
UNP	\$ (475.9)	\$ (466.0)	\$ (1,374.8)	\$ (1,366.8)	\$ (1,567.4)	\$ (1,567.4)	\$ (1,679.5)

**Statement of Revenues, Expenses and Changes in Net Position**

The Statement of Revenues, Expenses and Changes in Net Position presents the CCC results of operations, as well as the non-operating revenues and expenses.

**Condensed Statements of Revenues, Expenses and Changes in Net Position  
For the Years Ended June 30, 2021 and 2020  
(in thousands)**

	2021	2020	% Change
<b>OPERATING REVENUES</b>			
Tuition and fees, net	\$ 78,232	\$ 92,690	-15.6%
Grants and contracts	35,318	28,831	22.5%
Other revenues	3,483	3,645	-4.4%
Total operating revenues	<u>117,033</u>	<u>125,166</u>	<u>-6.5%</u>
<b>OPERATING EXPENSES</b>			
Expenses before depreciation	684,620	661,298	3.5%
Depreciation	37,110	30,156	23.1%
Total operating expenses	<u>721,730</u>	<u>691,455</u>	<u>4.4%</u>
Operating loss	<u>(604,697)</u>	<u>(566,288)</u>	<u>6.8%</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
State appropriations - general fund	330,863	300,940	9.9%
State appropriations - bond fund	9,565	22,412	-57.3%
Pell grant revenue	58,539	75,036	-22.0%
Federal non-operating grant revenue	68,806	9,201	647.8%
Federal non-operating pass-through grant revenue	12,292	-	N/A
Student reengagement expense	(16,583)	-	N/A
Other non-operating revenue, net	60	1,213	-95.1%
Total non-operating revenues	<u>463,542</u>	<u>408,802</u>	<u>13.4%</u>
<b>OTHER CHANGES IN NET POSITION</b>			
Other deductions	(2,171)	-	N/A
Total other changes in net position	<u>(2,171)</u>	<u>-</u>	<u>N/A</u>
<b>NET POSITION</b>			
Change in net position	(143,326)	(157,487)	9.0%
Net position, beginning of year	<u>(824,866)</u>	<u>(667,379)</u>	<u>-23.6%</u>
Net position, end of year	<u>\$ (968,192)</u>	<u>\$ (824,866)</u>	<u>-17.4%</u>

Total *operating revenues* for fiscal year 2021 were \$117.0 million after the reduction for scholarship allowances, a decrease of 6.5% from \$125.2 million in fiscal year 2020. *Student tuition and fees* represent the largest portion of operating revenue on a gross basis, but are offset by student financial aid and waivers resulting in net tuition and

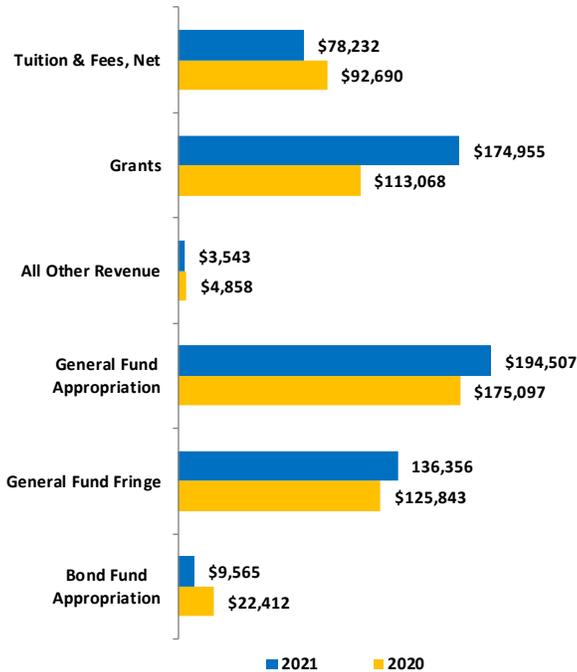
fee revenue of \$78.2 million. This differs from budgetary practices, which recognize revenues on a gross basis without offset for scholarship allowances. On a gross basis, fiscal year 2021 tuition revenues decreased by 14.3% from the previous year, or \$25.3 million due to the decline in enrollment resulting from the coronavirus pandemic. These revenues reflect an FTE credit enrollment decrease of 14.1% in fiscal year 2021.

*Total operating expenses* for fiscal year 2021 were \$721.7 million, after reductions for the amount of student financial aid and waivers applied to student tuition and fees. This reflects an increase of \$30.3 million or 4.4% from fiscal 2020. Salaries and wages remained relatively flat, with a \$3.0 million, or 1.2% increase overall. The \$8.2 million increase in fringe benefits in fiscal year 2021 is mainly a result of the \$8.6 million increase in the OPEB fringe expense, from \$64.3 million in fiscal year 2020 to \$72.9 million in fiscal 2021. In addition, operating expenses include \$44.4 million in net scholarship aid expense provided to students, \$37.1 million in depreciation expense and \$71.3 million for all other service and supply costs. Supplies and services include non-capital telecommunications and information technology-related services and supplies; premises and property-related expenses including utilities, security, maintenance and repairs, custodial and grounds, and all other non-personnel costs of operating the colleges. Other operating supplies and expenses increased by \$6.2 million, mainly due to technology and other expenses funded by various COVID-related grants for pandemic-related supplies and non-capital equipment. Depreciation expense increased by \$7.0 million mainly due to the catch-up recording of depreciation for construction in progress projects that were substantially complete in prior years but not capitalized until fiscal year 2021 (see Note 1).

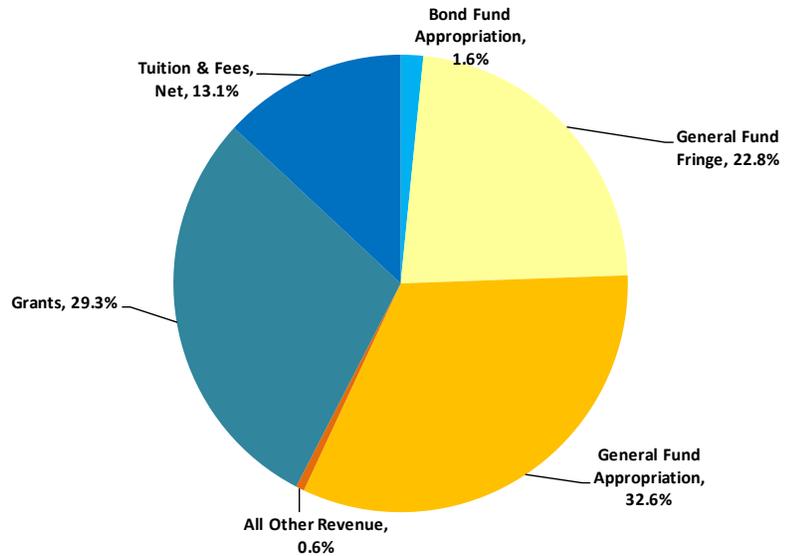
The Connecticut Community Colleges recorded an operating loss of \$604.7 million during the year ended June 30, 2021. This results primarily from the fact that the State general fund appropriation and related fringe benefits, as well as State bond fund appropriations are classified as *non-operating revenues*, although the expenditure of these resources on personnel, non-capital equipment and depreciation are considered to be operating expenses.

*Nonoperating revenue and expenses* includes certain federal grants including HEERF, CRF, and GEERF grants, private gifts and donations, investment income earned on cash balances invested by the State treasurer's office, and non-mandatory transfers between individual colleges and the System Office. The State general fund appropriation for salaries increased to \$194.5 million and the associated revenues to cover fringe benefit costs increased to \$136.4 million, a total increase of \$29.9 million. Bond fund appropriation revenues decreased from \$22.4 million in 2020 to \$9.6 million in 2021. The \$9.6 million in bond fund appropriations in fiscal year 2021 was for System administered projects, repairs, and equipment. The System-administered dollars funded a variety of small projects and IT initiatives. Total directly awarded HEERF grant expense during fiscal year 2021 was \$68.8 million and indirectly awarded federal grants was \$12.3 million. Pell grant revenue declined by \$16.5 million due to the decline in overall enrollment. This year, the CCC discharged \$16.6 million in unpaid student receivables as an allowable lost revenue expense under the HEERF programs, shown as student reengagement expense. *Other changes in net position* is a reduction of available projects funds held by, and administered by, DAS on behalf of the CCC.

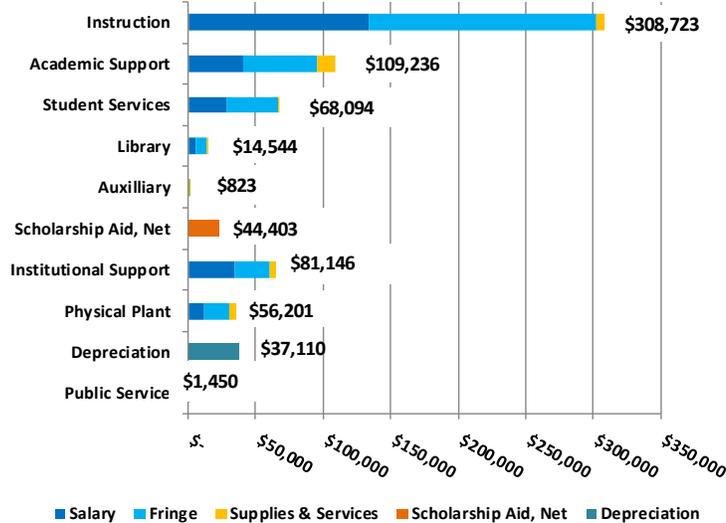
REVENUE SUMMARY (in thousands)



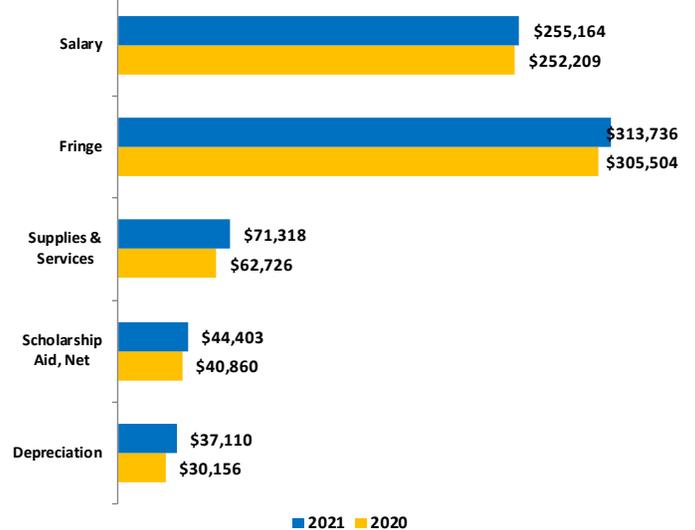
REVENUE DISTRIBUTION (FY 2021)



OPERATING EXPENSES (in thousands)  
 By Program and Account Type  
 For The Year Ended June 30, 2021



EXPENSE BY NATURAL CLASSIFICATION (in thousands)



**Statement of Cash Flows**

The statement of cash flows presents the significant sources and uses of cash.

**Condensed Statements of Cash Flows**

Year Ended June 30, 2021 and 2020

(in thousands)

	2021	2020	% Change
<b>NET CASH PROVIDED BY (USED IN)</b>			
Operating activities	\$ (445,321)	\$ (408,336)	9.1%
Noncapital financing activities	460,048	399,040	-15.3%
Capital and related financing activities	(9,302)	(4,673)	99.0%
Investing activities	<u>415</u>	<u>1,942</u>	<u>-78.6%</u>
Net change in cash and cash equivalents	5,840	(12,028)	148.5%
<b>CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents, beginning of year	<u>124,984</u>	<u>137,012</u>	<u>-8.8%</u>
Cash and cash equivalents, end of year	<u>\$ 130,824</u>	<u>\$ 124,984</u>	<u>4.7%</u>

Major sources of *operating activity* cash inflows include receipts of student tuition and fees of \$72.9 million, down \$14.1 million from 2020, and receipts from government grants and contracts of \$26.1 million, up \$2.1 million from 2020. Cash is also received from private grants and contracts, miscellaneous auxiliary and educational sales, and other activities. The largest operating cash outflows include salaries paid to employees of \$252.3 million, which is up 1.6% from 2020, fringe benefits paid on behalf of employees of \$176.6 million, up 5.7% from 2020, vendor payments of \$77.4 million, up 8.5% from 2020 and payments to students of \$50.6 million, up 18.1% from 2020. Payments to students includes financial aid grants and loans (in excess of the amounts applied to tuition and fee charges), student work study or other employment, and tuition and fee refunds. The increase this year is due to the HEERF Student Grants, which totaled \$10.5 million in 2021. Overall, net cash used by operating activities increased 9.1% during fiscal year 2021.

The largest inflow of cash related to *non-capital financing* is State appropriations, which were \$334.2 million, including general fund appropriations to cover salaries and related fringe benefits, and the portion of bond appropriations expended for non-capitalized equipment, deferred maintenance and other non-capital items. Other non-capital financing cash inflows include Pell grants and Federal COVID-related grants of \$118.6 million, private gift receipts of \$2.0 million and Federal Family Education Loan Program (FFELP) receipts of \$5.3 million.

*Capital financing* cash flows result primarily from the receipt or reallocation of capital appropriations and from cash outlays made to purchase capital assets either by the CCC directly, or by DAS on the System's behalf. During fiscal year 2021, capital financing net cash inflows of \$3.8 million reflected the receipt of bond appropriations. The amount spent on college facility projects administered by DAS was \$5.6 million, and \$7.5 million for capital asset initiatives at the colleges and System office.

Cash provided by *investing activities* represents interest income earned on operating fund cash balances invested by the State treasurer on behalf of the System, and distributed quarterly. Cash inflows from the Short Term

Investment Fund ("STIF") decreased from \$1.9 million in fiscal year 2020 to \$0.4 million in fiscal year 2021 due to the decline in interest rates.

### **Economic Outlook**

While the national and state economies have improved as the severity of the pandemic recedes, the disruption to public higher education – and specifically to CSCU – has worsened and threatens to persist beyond the expiration of federal pandemic relief.

The State of Connecticut has shown strong economic and fiscal conditions during 2021, including reduced unemployment claims, strong growth in withholding taxes, and job growth. This strong labor market is one driver of inflation that the US has experienced starting in the fall of 2021, and it will also exacerbate skill mismatches between Connecticut employers and job seekers. CSCU institutions are uniquely well positioned to help ensure that employers can continue to find qualified workers to support their growth. At the same time the state is well positioned to support CSCU in this effort.

Unfortunately, the same labor force conditions that are driving overall economic success, including strong wage increases for low-skilled labor, tend to reduce enrollment at public regional universities and community colleges that make up CSCU. Overall enrollment is down nearly 20% below pre-pandemic levels in both of those sectors nationally and in Connecticut. The corresponding drop in tuition and fee revenue is likely to take years to recover and creates short-term fiscal challenges that the System and the State of Connecticut will need to resolve.

Fortunately, federal assistance through the Higher Education Emergency Relief Fund and the State-directed Coronavirus Relief Fund have made up for lost revenue during the first two years of the pandemic, while also supporting unusual costs related to the pandemic, especially testing.

CSCU will continue to face fiscal headwinds as the state's economy and labor market enjoy strong recovery. This challenge is mitigated by the extraordinary opportunities to partner with public and private sector entities to meet growing workforce and social equity challenges in a fast-growing economy.

### **Additional Information**

This financial report is designed to provide a general overview of the CCC finances and to show accountability for the funds it receives. Questions about this report or requests for additional financial information should be directed to the CSCU Chief Financial Officer, Connecticut State Colleges & Universities (860-723-0251). College-specific questions may also be directed to the Dean of Administration and/or Director of Finance at each individual college.

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## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Regents of  
Connecticut State Colleges and Universities

### Report on the financial statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Connecticut Community Colleges, an enterprise fund of the State of Connecticut (collectively, the "System") as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditor's responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of the aggregated discretely presented component units (the affiliated foundations (the "Foundations")), which statements reflect total assets of \$82.2 million and \$68.7 million, and total net assets of \$80.1 million and \$66.5 million as of June 30, 2021 and 2020, respectively, and total revenues, capital gains and losses, and other support of \$20.0 million and \$14.1 million for the years then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundations, is based solely on the reports of other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the System's preparation and fair presentation of the financial statements 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 the System's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Connecticut Community Colleges as of June 30, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of matter**

As discussed in Note 1, the financial statements present only the System, an enterprise fund of the State of Connecticut and do not purport to, and do not present fairly, the financial position of the State of Connecticut as of June 30, 2021 or June 30, 2020, the changes in its financial position or where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### **Other matters**

#### *Required supplementary information*

Accounting principles generally accepted in the United States of America require that the accompanying Management's Discussion and Analysis on pages 1 through 11 and the Schedule of Net Pension Liability and Related Ratios, Schedule of Net Other Post-Employment Benefits and Related Ratios, and Schedule of Contributions on pages 45 through 47 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board 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. This required supplementary information is the responsibility of management. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These limited procedures 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.

*Supplementary information*

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the System's basic financial statements. The supplemental Combining Statement of Net Position, Combining Statement of Revenues, Expenses, and Changes in Net Position, Combining Statement of Cash Flows, and Combining Statement of Revenues, Expenses and Changes in Net Position by Fund Group included on pages 49 through 59 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary 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. These additional procedures included comparing and reconciling the 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 auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Grant Thornton LLP*

Boston, Massachusetts  
January 25, 2022

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 130,823,954	\$ 124,984,361
Accounts receivable, due from the State	35,403,536	33,608,127
Accounts receivable other, net	30,534,521	17,218,964
Prepaid expenses and other current assets	153,011	327,526
Total current assets	<u>196,915,022</u>	<u>176,138,978</u>
Non-current assets		
Investment in plant	1,138,597,405	1,129,852,592
Accumulated depreciation	<u>(458,696,386)</u>	<u>(423,048,898)</u>
Investment in plant, net of accumulated depreciation	679,901,019	706,803,694
Student loans, net	362,395	428,307
Total non-current assets	<u>680,263,414</u>	<u>707,232,001</u>
Total assets	<u>\$ 877,178,436</u>	<u>\$ 883,370,979</u>
Deferred outflows of resources		
Deferred pension	\$ 222,986,296	\$ 265,264,534
Deferred other post employment benefits	314,903,354	292,831,066
Total deferred outflows of resources	<u>\$ 537,889,650</u>	<u>\$ 558,095,600</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	\$ 5,069,154	\$ 5,075,780
Accrued expenses - salary and fringe benefits	46,566,566	43,738,441
Accrued compensated absences - current portion	3,937,063	3,282,959
Unearned tuition and grant revenue	12,901,090	15,020,483
Retainage	116,935	495,701
Agency and loan fund liabilities	2,944,889	2,464,589
Other liabilities	1,175,408	1,020,046
Total current liabilities	<u>72,711,105</u>	<u>71,097,999</u>
Non-current liabilities		
Pension liability, net	917,110,893	920,928,258
Other post employment benefits liability net	1,178,083,367	1,128,067,973
Accrued compensated absences - long term portion	38,131,062	37,077,217
Total non-current liabilities	<u>2,133,325,322</u>	<u>2,086,073,448</u>
Total liabilities	<u>\$ 2,206,036,427</u>	<u>\$ 2,157,171,447</u>
Deferred inflows of resources		
Deferred pension	\$ 41,878,430	\$ 18,776,641
Deferred other post employment benefits	135,345,284	90,384,212
Total deferred inflows of resources	<u>\$ 177,223,714</u>	<u>\$ 109,160,853</u>
<b>Net position</b>		
Invested in capital assets, net	\$ 679,901,019	\$ 706,803,694
Restricted		
Nonexpendable	20,000	20,000
Expendable	31,410,823	35,724,382
Unrestricted	<u>(1,679,523,898)</u>	<u>(1,567,413,797)</u>
Total net position	<u>\$ (968,192,056)</u>	<u>\$ (824,865,721)</u>



	<u>2020</u>
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 2,733,185
Accounts receivable, due from the State	<u>15,078</u>
Total current assets	<u>2,748,263</u>
Non-current assets	
Investment in plant	32,322,939
Accumulated depreciation	<u>(9,663,222)</u>
Investment in plant, net of accumulated depreciation	22,659,717
Total assets	<u>\$ 25,407,980</u>
<b>Liabilities</b>	
Current liabilities	
Accounts payable	\$ 358,345
Accrued expenses - salary and fringe benefits	50,517
Accrued compensated absences - current portion	<u>4,796</u>
Total current liabilities	<u>413,658</u>
Non-current liabilities	
Accrued compensated absences - long term portion	<u>53,060</u>
Total non-current liabilities	<u>53,060</u>
Total liabilities	<u>\$ 466,718</u>
<b>Net position</b>	
Invested in capital assets, net	\$ 22,659,717
Unrestricted	<u>2,281,545</u>
Total net position	<u>\$ 24,941,262</u>



	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 8,211,661	\$ 5,913,534
Accounts receivable, net	25,712	34,300
Contributions receivable, net	280,329	435,510
Prepaid expenses and other assets	48,306	56,388
Investments	<u>73,584,508</u>	<u>64,345,522</u>
<b>Total assets</b>	<u><u>\$ 82,150,516</u></u>	<u><u>\$ 70,785,254</u></u>
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 808,539	\$ 731,199
Grants payable	1,101,107	1,292,042
Annuities payable	33,708	35,521
Scholarships payable	57,103	88,642
Other liabilities	<u>60,485</u>	<u>110,000</u>
<b>Total liabilities</b>	<u>2,060,942</u>	<u>2,257,404</u>
<b>Net Assets</b>		
Without donor restrictions	17,320,834	15,151,705
With donor restrictions	<u>62,768,740</u>	<u>53,376,145</u>
<b>Total net assets</b>	<u>80,089,574</u>	<u>68,527,850</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 82,150,516</u></u>	<u><u>\$ 70,785,254</u></u>

**Connecticut Community Colleges**

## Combined Statements of Revenues, Expenses, and Changes in Net Position

For the Years Ended June 30, 2021 and 2020

CSCU

	<u>2021</u>	<u>2020</u>
Operating revenues		
Student tuition and fees	\$ 151,153,976	\$ 176,460,816
Less: Scholarship discounts and allowances	<u>(72,922,008)</u>	<u>(83,771,167)</u>
Net tuition and fees	78,231,968	92,689,649
Federal grants and contracts	19,030,247	12,114,800
State and local grants and contracts	10,584,351	11,901,055
Nongovernment grants and contracts	5,703,257	4,815,529
Auxiliary revenues	72,971	415,126
Other operating revenues	<u>3,410,818</u>	<u>3,230,081</u>
Total operating revenues	<u>117,033,610</u>	<u>125,166,240</u>
Operating expenses		
Salaries and wages	255,163,763	252,209,342
Fringe benefits	313,735,661	305,503,637
Professional services and fees	8,220,917	9,491,192
Educational services and support	14,251,017	8,705,604
Travel expenses	862,769	2,075,633
Operation of facilities	26,478,307	27,102,684
Other operating supplies and expenses	21,510,128	15,350,696
Scholarship aid, net	44,397,532	40,859,546
Depreciation expense	<u>37,110,482</u>	<u>30,156,387</u>
Total operating expenses	<u>721,730,579</u>	<u>691,454,721</u>
Operating loss	<u>(604,696,968)</u>	<u>(566,288,481)</u>
Nonoperating revenues and expenses		
State appropriation - general fund	330,862,935	300,940,479
State appropriation - bond fund	9,564,781	22,411,768
Pell grant revenue	58,538,443	75,035,663
Federal non-operating grant revenue	68,806,217	9,201,051
Federal non-operating pass-through grant revenue	12,291,923	-
Other non-operating revenue, net	59,993	1,212,724
Student reengagement expense	<u>(16,582,530)</u>	<u>-</u>
Total nonoperating revenues (expenses), net	<u>463,541,764</u>	<u>408,801,686</u>
Loss before other changes in net position	<u>(141,155,205)</u>	<u>(157,486,795)</u>
Other changes in net position		
Other deductions	<u>(2,171,130)</u>	<u>-</u>
Total other changes in net position	<u>(2,171,130)</u>	<u>-</u>
Change in net position	<u>(143,326,335)</u>	<u>(157,486,795)</u>
Net position, beginning of year	<u>(824,865,721)</u>	<u>(667,378,926)</u>
Net position, end of year	<u>\$ (968,192,056)</u>	<u>\$ (824,865,721)</u>

**Connecticut Community Colleges**

## Combined Statements of Revenues, Expenses, and Changes in Net Position

For the Years Ended June 30, 2021 and 2020

CSCU

	<u>2021</u>	<u>2020</u>
Operating revenues		
Student tuition and fees	\$ 151,153,976	\$ 176,460,816
Less: Scholarship discounts and allowances	<u>(72,922,008)</u>	<u>(83,771,167)</u>
Net tuition and fees	78,231,968	92,689,649
Federal grants and contracts	19,030,247	12,114,800
State and local grants and contracts	10,584,351	11,901,055
Nongovernment grants and contracts	5,703,257	4,815,529
Auxiliary revenues	72,971	415,126
Other operating revenues	<u>3,410,818</u>	<u>3,230,081</u>
Total operating revenues	<u>117,033,610</u>	<u>125,166,240</u>
Operating expenses		
Salaries and wages	255,163,763	252,209,342
Fringe benefits	313,735,661	305,503,637
Professional services and fees	8,220,917	9,491,192
Educational services and support	14,251,017	8,705,604
Travel expenses	862,769	2,075,633
Operation of facilities	26,478,307	27,102,684
Other operating supplies and expenses	21,510,128	15,350,696
Scholarship aid, net	44,397,532	40,859,546
Depreciation expense	<u>37,110,482</u>	<u>30,156,387</u>
Total operating expenses	<u>721,730,579</u>	<u>691,454,721</u>
Operating loss	<u>(604,696,968)</u>	<u>(566,288,481)</u>
Nonoperating revenues and expenses		
State appropriation - general fund	330,862,935	300,940,479
State appropriation - bond fund	9,564,781	22,411,768
Pell grant revenue	58,538,443	75,035,663
Federal non-operating grant revenue	68,806,217	9,201,051
Federal non-operating pass-through grant revenue	12,291,923	-
Other non-operating revenue, net	59,993	1,212,724
Student reengagement expense	<u>(16,582,530)</u>	<u>-</u>
Total nonoperating revenues (expenses), net	<u>463,541,764</u>	<u>408,801,686</u>
Loss before other changes in net position	<u>(141,155,205)</u>	<u>(157,486,795)</u>
Other changes in net position		
Other deductions	<u>(2,171,130)</u>	<u>-</u>
Total other changes in net position	<u>(2,171,130)</u>	<u>-</u>
Change in net position	<u>(143,326,335)</u>	<u>(157,486,795)</u>
Net position, beginning of year	<u>(824,865,721)</u>	<u>(667,378,926)</u>
Net position, end of year	<u>\$ (968,192,056)</u>	<u>\$ (824,865,721)</u>

**Connecticut Community Colleges**  
 Statement of Revenue, Expense, and Changes in Net Position  
 Component Unit – Magnet School  
 June 30, 2020



	<u>2020</u>
Operating revenues	
Federal grants and contracts	\$ 3,382,700
Other operating revenues	<u>1,042,951</u>
Total operating revenues	<u>4,425,651</u>
Operating expenses	
Salaries and wages	2,795,407
Fringe benefits	1,123,929
Other operating supplies and expenses	369,806
Depreciation expense	<u>830,701</u>
Total operating expenses	<u>5,119,843</u>
Operating loss	<u>(694,192)</u>
Nonoperating revenues	
State appropriation - general fund	<u>615,815</u>
Total nonoperating revenues	<u>615,815</u>
Change in net position	<u>(78,377)</u>
Net position, beginning of year	<u>25,019,639</u>
Net position, end of year	\$ <u>24,941,262</u>

**Connecticut Community Colleges**  
 Combined Statements of Activities – Component Unit - Foundations  
 For the Years Ended June 30, 2021 and 2020



	<u>2021</u>	<u>2020</u>
Revenue		
Gifts and grants	\$ 6,380,013	\$ 8,811,273
Events and activities	668,697	682,950
Investment return, net	12,916,155	4,735,920
Total revenue	<u>19,964,864</u>	<u>14,230,143</u>
Expenses		
Program services	\$ 3,483,085	\$ 3,849,313
Scholarships, awards, and financial aid	2,426,730	2,762,361
Fundraising events	636,646	793,094
Management and general	992,181	1,105,185
College advancement	864,499	1,028,082
Total expenses	<u>8,403,141</u>	<u>9,538,035</u>
Change in net assets	11,561,724	4,692,108
Net assets at beginning of year	<u>\$ 68,527,850</u>	<u>\$ 63,835,742</u>
Net assets at end of year	<u>\$ 80,089,574</u>	<u>\$ 68,527,850</u>

**Connecticut Community Colleges**  
**Combined Statements of Cash Flows**  
June 30, 2021 and 2020



	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Student tuition and fees	\$ 72,863,294	\$ 87,000,100
Government grants and contracts	26,055,905	23,944,104
Private grants and contracts	3,242,698	3,773,307
Sales and services of educational departments	445,238	618,474
Payments to employees	(252,260,332)	(248,378,963)
Payments for fringe benefits	(176,617,356)	(167,165,887)
Payments to students	(50,649,969)	(42,895,744)
Payments to vendors	(77,359,713)	(71,268,694)
Payments by Department of Construction Services (DCS)	-	(20,000)
Other receipts, net	<u>8,959,376</u>	<u>6,057,287</u>
Net cash used in operating activities	<u>(445,320,860)</u>	<u>(408,336,017)</u>
Cash flows from investing activities		
Interest income	<u>414,647</u>	<u>1,941,785</u>
Net cash provided by investing activities	<u>414,647</u>	<u>1,941,785</u>
Cash flows from capital and related financing activities		
State appropriations	3,793,743	17,253,418
Payments by Department of Construction Services (DCS)	(5,547,320)	(8,625,104)
Purchase of capital assets	<u>(7,548,843)</u>	<u>(13,301,782)</u>
Net cash used in capital and related financing activities	<u>(9,302,420)</u>	<u>(4,673,468)</u>
Cash flows from noncapital financing activities		
State appropriations	334,169,233	302,011,130
Nonoperating federal grants	118,617,467	85,516,937
Private gifts	2,000,945	1,835,084
Federal Family Education Loan Program (FFELP)	<u>5,260,581</u>	<u>9,676,540</u>
Net cash provided by noncapital financing activities	<u>460,048,226</u>	<u>399,039,691</u>
Net increase (decrease) in cash and cash equivalents	5,839,594	(12,028,009)
Cash and cash equivalents at beginning of year	\$ <u>124,984,361</u>	\$ <u>137,012,369</u>
Cash and cash equivalents at end of year	\$ <u><u>130,823,954</u></u>	\$ <u><u>124,984,361</u></u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (604,696,968)	\$ (566,288,481)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation expense	37,110,482	30,156,387
Loss on disposal of capital assets, net	53,991	766,403
Operating application of FFELP receipts	(5,260,581)	(9,676,540)
Changes in operating assets and liabilities:		
Accounts receivable, net	(13,315,936)	(3,203,125)
Prepaid expenses and other assets	174,515	29,885
Accrued compensation and other	4,536,075	4,797,596
Pension liability, net	(3,817,365)	125,165,989
Other post-employment benefits liability	50,015,394	298,272,646
Accounts payable and other liabilities	2,256,424	627,266
Unearned tuition, fees and grant revenue	(645,702)	24,013
Changes in deferred outflows and inflows of resources:		
Deferred pension outflows	42,278,238	(48,796,029)
Deferred other post-employment benefits outflows	(22,072,288)	(247,013,171)
Deferred pension inflows	23,101,789	(6,318,727)
Deferred other post-employment benefits inflows	<u>44,961,072</u>	<u>13,119,871</u>
Net cash used in operating activities	\$ <u><u>(445,320,860)</u></u>	\$ <u><u>(408,336,017)</u></u>

## **1. Summary of Significant Accounting Policies**

### **Organization**

The Connecticut State Colleges and Universities System (“CSCU”) was established by the State of Connecticut (the “State”) in 2011 via Public Act 11-48 as amended by Public Act 11-61. This brought together the governance structure for the Connecticut State University System (“CSU”), the Connecticut Community College System (“CCC” or “the Colleges”) and Charter Oak State College (“COSC”) under the newly formed Board of Regents for Higher Education. The financial statements presented herein represent only the financial activities of the CCC. Separate financial statements are issued for CSU and COSC.

CSCU consists of seventeen separate institutions including four state universities, twelve community colleges and Charter Oak State College. The CSCU system offers associate degrees, baccalaureate, graduate and certificate programs, applied doctoral degree programs in education as well as short-term certificates and individual coursework in both credit and noncredit programs.

### **Basis of Presentation**

The financial statements for the CCC institutions have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”), as prescribed by the Government Accounting Standards Board (“GASB”). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The primary institutions that make up the financial statements include the CCC System Office (“SO”) and the following community colleges: Asnuntuck Community College (“Asnuntuck”), Capital Community College (“Capital”), Gateway Community College (“Gateway”), Housatonic Community College (“Housatonic”), Manchester Community College (“Manchester”), Middlesex Community College (“Middlesex”), Naugatuck Valley Community College (“Naugatuck”), Northwestern Connecticut Community College (“Northwestern”), Norwalk Community College (“Norwalk”), Quinebaug Valley Community College (“Quinebaug”), Three Rivers Community College (“Three Rivers”), and Tunxis Community College (“Tunxis”), and their aggregate discretely presented component units.

The CCC financial statements include three statements: 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 present information on all of the system’s assets, liabilities, deferred outflows and inflows, and net position.
- The statement of revenues, expenses and changes in net position present information showing how the incumbent system’s net position changed during the fiscal years presented. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, certain revenues and expenses are reported in these statements for items that will only result in cash flows in future fiscal periods (e.g., the accrual for compensated absences).
- The statement of cash flows are presented using the direct method. The direct method of cash flow reporting portrays net cash flow from operations by major class of operating receipts and expenditures (e.g., payments to employees for salaries and benefits).

### **Component Units**

There are several legally separate, tax-exempt, affiliated organizations (the “Foundations” and the “magnet high school”) which must be reported as component units of the CCC and are presented discretely in these financial statements. The Foundations act primarily as fund-

raising organizations to supplement the resources that are available to the Colleges in support of their programs. The majority of resources or income thereon that the Foundations hold and invest is restricted to the activities of the Colleges by the donors. Since these restricted resources held by the Foundations can only be used by, or for the benefit of, the Colleges, the Foundations are considered component units of the CCC primary institutions.

The Foundations are private nonprofit organizations that report under Financial Accounting Standards Board ("FASB") standards, which include guidelines for *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the CCC financial reporting entity for these differences. The disclosures included in the financial statements address only the CCC and the magnet high school and not the related Foundations. Each of the foundations issues a separate audited financial statement which may be obtained by contacting the System Office at 61 Woodland Street, Hartford, CT 06105.

Great Path Academy is an inter-district magnet high school located on the Manchester Community College campus. For fiscal year 2020, GPA is discretely presented and identified in a single column as a component unit on the face of the CCC statement of net position and statement of revenues, expenses and changes in net position. Effective July 1, 2020, GPA no longer meets the criteria of a component unit. The CCC do not consider other magnet high schools to be component units of CCC primary institutions, because they are legally separate entities from the CCC and they are separately managed and accounted for.

#### **Net Position**

Resources are classified for reporting purposes into the following four net position categories:

- **Invested in Capital Assets, Net**  
Capital assets, at historical cost or fair market value on date of gift, net of accumulated depreciation. Similar net assets are included in net assets without donor restrictions in the statements of the foundation component units.
- **Restricted Nonexpendable**  
Net position subject to externally imposed stipulations that they be maintained in perpetuity by the CCC. Similar net assets are referred to as net assets with donor restrictions in the statements of the foundation component units.
- **Restricted Expendable**  
Net position whose use by the CCC is subject to externally imposed stipulations that can be fulfilled by actions of the CCC pursuant to those stipulations or that expire by the passage of time. Similar net assets are referred to as net assets with donor restrictions in the statements of the foundation component units.
- **Unrestricted**  
Net position that is not subject to externally imposed stipulations is considered unrestricted. Unrestricted net position may be designated for the specific purpose by actions of management or the Board of Regents ("BOR") or may otherwise be utilized to satisfy certain contractual agreements with outside parties. Substantially all unrestricted net position will be utilized for support for academic and research programs and initiatives, and capital programs.

**Classification of Assets and Liabilities**

The CCC present short-term and long-term assets and liabilities in the statement of net position. Short-term assets include balances with maturities of one year or less, and assets expected to be received or used within one year or less, from June 30. Long-term assets represent balances with maturities of greater than one year, and assets expected to be received or used after one year, from June 30. Cash and cash equivalents and investments presented as short-term in the statement of net position include balances with a maturity of one year or less from June 30. Long-term cash and cash equivalents and investments include balances with a maturity of greater than one year from June 30 and balances that have externally imposed restrictions as to use.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of cash held by the state treasurer in a Short-Term Investment Fund (“STIF”), state general fund and capital appropriations, and petty cash. The STIF, stated at market value, is held on behalf of the CCC by the State Treasurer and has original maturities of three months or less (see Note 2).

The largest inflow of cash related to non-capital financing is State appropriations and the portion of bond appropriations expended for non-capitalized equipment, deferred maintenance and other non-capital items. The appropriation is treated as a cash equivalent for accounting and reporting purposes, and is included in the cash flow statement.

**Fair Value of Financial Instruments**

Fair value approximates carrying value for cash and cash equivalents, notes and accounts receivable, accounts payable, accrued interest and deposits.

**Investment in Plant**

Capital assets of the primary institutions and magnet school are stated at historical cost or, in the case of donated property, at acquisition value at the date of the gift. Land, capitalized collections, and construction in progress are not depreciated. Depreciation of capital assets is calculated on a straight-line basis over the respective asset’s estimated useful life.

Useful lives assigned to assets are as follows:

<u>Asset Class Description</u>	<u>Useful Life</u>
Buildings	40 years
Site & Building Improvements	20 years
Technology	5 years
Library Materials	10 years
Vehicles	10 years
Software	5 years
Non-Collectible Artwork	10 years
Other Equipment	10 years

The CCC do not capitalize works of art or historical treasures that are held for exhibition, education, research and public service. These collections are neither disposed of for financial gain nor encumbered in any means. Accordingly, such collections are not recognized or capitalized for financial statement purposes.

Major construction projects for new physical plant and original equipment financed by the State capital outlay appropriations are managed and controlled by the Division of Construction Services of the State of Connecticut (“DCS”).

Title to all assets, whether purchased, constructed or donated, is held physically by the State.

**Accrued Compensated Absences (ACA)**

Employees earn the right to be compensated during absences for vacation leave, sick leave and related fringe benefits. The accompanying statement of net position reflects the accrual for the amounts earned as of year-end.

**Pension & Other Post Employment Obligations**

The System records pension and other post-employment benefit obligations equal to the net liability for its defined benefit and retiree health plans. These net liabilities are measured as the total pension and health liability, less the amount of the respective plan's fiduciary net position. The total liability is determined based upon discounting projected benefit payments based on the benefit terms and legal agreements existing at the plan's fiscal year end. Projected benefit payments are required to be discounted using a single rate that reflects the expected rate of return on investments, to the extent that plan assets are available to pay benefits, and a tax-exempt, high-quality municipal bond rate when plan assets are not available. Because there are other state entities participating in the plans, the net liability recorded by the CCC is based on an allocation of the total net liability, as determined by an independent actuary.

Pension and other post-employment benefit expenses are recognized for benefits earned during the period, interest on the unfunded liability and changes in benefit terms. The differences between expected and actual experience and changes in assumptions about future economic or demographic factors are reported as deferred inflows or outflows of resources and are recognized over the average expected remaining service period for employees eligible for pension benefits. The differences between expected and actual returns are reported as deferred inflows or outflows and are recognized over five years.

**Unearned Tuition, Fees and Grant Revenue**

Unearned revenue consists primarily of tuition and fees collected as of year-end for the upcoming summer or fall semesters.

The CCC were awarded a total of \$208.2 million from the Higher Education Emergency Relief Fund (HEERF) to address the unprecedented COVID-19 challenges. Of that total award, \$122.0 million is the institutional portion of the award and \$86.2 million is the student portion of the award. The CCC have disbursed \$19.6 million and \$9.1 million of the Emergency Financial Aid Grants to students during fiscal year 2021 and 2020, respectively. This amount is included in student aid expenses and is shown in non-operating revenue. During fiscal year 2021, the CCC spent \$48.9 million of the institutional portion under the grant, including \$29.4 million for reimbursement of lost revenue, \$16.5 million for discharging of student debt, and \$3.0 million for other pandemic-related expenses. During October 2021, the CCC disbursed additional student awards totaling \$16.7 million. The remaining balances from the HEERF funds will be drawn down and spent in 2022.

**Tuition and Fees Revenue**

Student tuition and fee revenues are recognized in the period earned. Student tuition and fee revenue is presented net of scholarship aid applied to student accounts, while other financial aid refunded directly to students is presented as scholarship aid expense. Student tuition, college services fees, student activity fees, extension credit and non-credit program fees, and other miscellaneous student fees are recorded as gross tuition and fee revenues, represent the largest portion of operating revenue, but are offset by student financial aid grants from federal, state, local and private sources as well as by institutional aid in the form of tuition remission and statutory and other tuition and fee waivers, used to pay off student tuition and fee charges, resulting in net tuition and fee revenue after scholarship allowances. The revenue for a summer session is split between the two fiscal years, with appropriate amounts being recognized in the accounting period in which they are earned or incurred and become measurable.

### **Operating Activities**

Operating activities as reported on the statement of revenue, expenses and changes in net position are those that generally result from exchange transactions such as payments received for providing services and payments made for services or goods received. Nearly all of the CCC expenses are from exchange transactions. Certain significant revenue streams relied upon for operations are recorded as non-operating revenues, including state appropriations, certain emergency federal grants related to the coronavirus pandemic, Pell grants, gifts and investment income.

### **Income Taxes**

The CCC are a component unit of the State and is exempt from federal and state income taxes under the doctrine of intergovernmental tax immunity found in the U.S. Constitution. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements. The CCC qualify as a public charity eligible to receive charitable contributions under Section 170(b)(1)(A)(ii) of the Internal Revenue Code, as amended (the "Code").

### **Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes at June 30 and revenues and expenses recognized during the reporting period. Major estimates include the accrual for employee compensated absences, pension and other post-employment benefit liabilities, estimated lives of capital assets and the allowances for doubtful accounts. Actual results could differ from those estimates.

### **GASB Pronouncements Effective in Fiscal Year 2021**

In January 2017, GASB released Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019, with earlier application encouraged. This standard was adopted in fiscal year 2021 and there was no material impact as a result of the adoption.

### **GASB Pronouncements Effective in Future Fiscal Years**

In June 2017, GASB released Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021 in accordance with GASB 95, with earlier application encouraged.

In June 2018, GASB released Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020 in accordance with GASB 95, with earlier application encouraged.

In May 2019, GASB released Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021 in accordance with GASB 95.

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The objective of this Statement is to improve comparability in financial reporting for leases, pensions, OPEB, and asset retirement obligations. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to provide accounting and financial reporting guidance for arrangements in which the governmental entity (the transferor) contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset. The requirement of this Statement is effective for reporting periods beginning after June 15, 2022.

In May 2020 GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. The objective of this Statement is to provide accounting and financial reporting guidance for transactions in which a governmental entity contracts with another party for the right to use their software. A right-to-use-asset and a corresponding liability would be recognized for SBITAs. The requirement of this Statement is effective for reporting periods beginning after June 15, 2022.

In June 2020 GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457, Deferred Compensation Plans*. The objective of this Statement is to provide financial reporting consistency in which the potential component unit does not have a governing board and the primary government performs the duties that a governing board would perform. In the absences of a governing board of the potential component unit, the situation should be treated the same as the primary government appointing a majority of the potential component unit's governing board. The requirement of this Statement is effective for reporting periods beginning after June 15, 2021.

Management has not completed its review of the requirements of these statements and their applicability.

#### **Correction of Immaterial Errors**

In 2021, the CCC recorded certain adjustments to correct immaterial errors not previously reported in fiscal year 2018 through 2020 related to completed construction projects. The net impact on the Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2021 was a \$6.5 million decrease in net position for depreciation expense and accumulated depreciation.

#### **Reclassifications**

Certain amounts in Footnote 3 Accounts Receivable Other, Net have been reclassified to conform to the current year's presentation. There was no effect on net position.

#### **Subsequent Events**

In accordance with generally accepted accounting principles, CCC has evaluated subsequent events for the period after June 30, 2021, through January 25, 2022, the date the financial statements were issued and no items needing to be reported were noted

## 2. Cash and Cash Equivalents

Cash and cash equivalents are invested in the State Treasurer's STIF, a combined investment pool of high quality, short-term money market instruments. The CCC may add or withdraw monies on a daily basis with interest earned from date of deposit to date of withdrawal. The primary investment objectives of the STIF are the preservation of principal and the provision of liquidity to meet participants' daily cash flow requirements.

The STIF is managed by investment managers in accordance with the investment guidelines established by the State Treasurer. These guidelines prohibit investment in derivative securities other than floating rate securities which vary in the same direction as individual short-term money market indices, and limit the ability to enter into reverse repurchase agreements in amounts not to exceed five percent (5%) of the STIF's net assets at the time of execution.

Cash and cash equivalents also include operating funds held by the State in a pooled, interest credit program which earns interest at a rate determined monthly by the Office of the State Treasurer. The interest rate at June 30, 2021 and 2020 was 0.03% and 0.35%, respectively.

Cash and cash equivalents at June 30 are as follows:

	<u>2021</u>	<u>2020</u>
Cash	\$ 102,201,249	\$ 89,637,172
Cash equivalents	<u>28,622,705</u>	<u>35,347,195</u>
Cash and cash equivalents	<u>\$ 130,823,954</u>	<u>\$ 124,984,367</u>

Investments are pooled by the State and separate accounting is maintained as to the amounts allocable to the various funds and programs.

*Credit Risk* – Credit risk is the risk that an investor will lose money because of the default of the security issuer or investment counterparty. The CCC are only invested in the State Treasurer's STIF, which is a combined investment pool of high quality, short-term money market instruments. There is low risk to these types of investments.

*Concentration of Credit Risk* – Concentration of credit risk is assumed to arise when the amount of investments with one issuer exceeds 5% or more of the total value of investments. 100% of the CCC total cash, cash equivalents and investments were invested in the STIF or consist of State general fund and capital bond fund appropriations allocated to the CCC as of June 30, 2021 and 2020.

*Interest Rate Risk* – Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. Interest rate risk is managed by establishing targets for the preferred duration of the fixed income component of the investment portfolio by asset class by limiting investments through target allocations to different asset classes.

**3. Accounts Receivable Other, Net**

Accounts receivable other, net consists of the following at June 30:

	<u>2021</u>	<u>2020</u>
Tuition and fees	\$ 1,737,473	\$ 16,961,614
Less: allowance for doubtful accounts	<u>(1,603,326)</u>	<u>(7,993,559)</u>
Student tuition and fee receivables, net	134,147	8,968,055
Third-party contracts	1,423,434	1,877,690
Government and private grants and contracts	29,037,868	5,947,343
Other receivables	<u>869,346</u>	<u>2,283,711</u>
Subtotal	31,330,648	10,108,743
Less: allowance for doubtful accounts	<u>(930,274)</u>	<u>(1,857,834)</u>
Other receivables, net	30,400,374	8,250,909
Accounts receivable other, net	<u>\$ 30,534,521</u>	<u>\$ 17,218,964</u>

**4. Capital Assets**

Capital assets consist of the following at June 30:

	Balance at June 30, 2020	Additions	Disposals and Adjustments	Transfers	Balance at June 30, 2021
Land and land/site improvements	\$ 31,113,855	\$ 115,006	\$ (78,076)	\$ 12,317,534	\$ 43,468,319
Building and building improvements	901,294,907	582,830	(1,392,855)	68,910,921	969,395,803
Furniture and equipment	92,200,776	2,596,485	(729,812)	670,869	94,738,318
Library books	3,795,309	192,529	(848,330)	-	3,139,508
Software	289,711	-	-	-	289,711
	<u>1,028,694,558</u>	<u>3,486,850</u>	<u>(3,049,073)</u>	<u>81,899,324</u>	<u>1,111,031,659</u>
Less: accumulated depreciation	<u>(423,048,898)</u>	<u>(37,110,482)</u>	<u>1,462,994</u>	<u>-</u>	<u>(458,696,386)</u>
	605,645,660	(33,623,632)	(1,586,079)	81,899,324	652,335,273
Construction in progress	101,158,034	8,307,036	-	(81,899,324)	27,565,746
Capital assets, net	<u>\$ 706,803,694</u>	<u>\$ (25,316,596)</u>	<u>\$ (1,586,079)</u>	<u>\$ -</u>	<u>\$ 679,901,019</u>

**Connecticut Community Colleges**  
Notes to the Financial Statements  
June 30, 2021 and 2020

	Balance at June 30, 2019	Additions	Disposals and Adjustments	Transfers	Balance at June 30, 2020
Land and land/site improvements	\$ 30,929,230	\$ 2,869,084	\$ (2,684,459)	\$ -	\$ 31,113,855
Building and building improvements	899,198,629	2,985,790	(1,782,722)	893,210	901,294,907
Furniture and equipment	92,756,451	3,633,878	(4,429,024)	239,471	92,200,776
Library books	5,061,121	155,615	(1,421,427)	-	3,795,309
Software	283,871	26,160	(20,320)	-	289,711
	<u>1,028,229,302</u>	<u>9,670,527</u>	<u>(10,337,953)</u>	<u>1,132,681</u>	<u>1,028,694,558</u>
Less: accumulated depreciation	<u>(399,026,754)</u>	<u>(30,156,387)</u>	<u>6,134,244</u>	<u>-</u>	<u>(423,048,898)</u>
	629,202,548	(20,485,860)	(4,203,709)	1,132,681	605,645,660
Construction in progress	88,858,747	13,431,968	-	(1,132,681)	101,158,034
Capital assets, net	<u>\$ 718,061,295</u>	<u>\$ (7,053,892)</u>	<u>\$ (4,203,709)</u>	<u>\$ -</u>	<u>\$ 706,803,694</u>

**5. Accrued Compensated Absences**

Accrued compensated absences consist of the following at June 30:

	<u>2021</u>	<u>2020</u>
Accrued vacation	\$ 19,541,534	\$ 17,882,981
Accrued sick leave	9,516,356	10,547,368
Other accrued fringe benefits	<u>13,010,236</u>	<u>11,929,827</u>
Total accrued compensated absences	42,068,126	40,360,176
Less: current portion	<u>(3,937,063)</u>	<u>(3,282,959)</u>
Accrued compensated absences - non-current portion	<u>\$ 38,131,062</u>	<u>\$ 37,077,217</u>

Activity for compensated absences as of June 30 includes:

Balance as of June 30, 2019	\$ 38,700,158
Additions in 2020	4,663,726
Benefits paid to participants in 2020	<u>(3,003,708)</u>
Balance as of June 30, 2020	<u>\$ 40,360,176</u>
Additions in 2021	6,181,833
Benefits paid to participants in 2021	<u>(4,473,883)</u>
Balance as of June 30, 2021	<u>\$ 42,068,126</u>

These accruals represent amounts earned by all eligible employees through the end of the fiscal year. These accrued compensated absences ("ACA") will be settled over a number of years and are not expected to have a significant impact on the future annual cash flows of the System. The current portion of ACA is estimated based on recent past history.

**6. Related Parties**

Periodically, public acts may be signed into law by the Governor stating that the Secretary of the Office of Policy and Management may approve monies to be transferred from CSCU's operating reserves to the State's General Fund. The CCC made no transfers to the State during fiscal year 2021 or 2020.

The System Office administers certain activities centrally for the provision of management information systems and services to the Colleges. Primary among these activities are administration of certain system-wide information systems, telecommunications, capital projects planning and budgeting and technical support. Costs of such activities, including the allocation of funds to the Colleges from bond proceeds, are included in the activity of the System Office and supported by revenues from State appropriations and Colleges' tuition and fee revenues, which are allocated to the System Office through the budget allocation process.

Accrued salaries and related fringe benefit costs for CSCU employees within the CCC, whose salaries will be charged to the State General Fund represent a related party balance. The CCC have also recorded a receivable from the State related to allocated bond financing for capital projects when allotted by the Governor.

Amounts due from the State for the year ended June 30 are as follows:

	<u>2021</u>	<u>2020</u>
Receivable for accrued salaries, interest and fringe benefits to be paid by State General Fund	\$ 35,403,536	\$ 33,608,127

The accompanying statements of net position includes balances among related parties. Significant balances for the year ended June 30 are as follows:

	<u>2021</u>	<u>2020</u>
Cash balances held with the State on behalf of the CCC	\$ 102,203,775	\$ 89,639,692

## **7. Commitments, Contingencies and Leases**

The CCC make expenditures in connection with restricted government grants and contracts which are subject to final audit by government agencies. The CCC are of the opinion that the amount of disallowances, if any, sustained through such audits would not materially affect the financial position of the CCC.

The CCC are a defendant in various legal actions arising out of the normal course of its operations. Although the final outcome of such actions cannot be determined now, management is of the opinion that eventual liability, if any, will not have a material effect on the CCC financial position.

The CCC had outstanding purchase orders and related commitments for materials, services and capital expenditures that had not been received as of June 30. These commitments are not recorded as liabilities until materials or services are received.

**Connecticut Community Colleges**

## Notes to the Financial Statements

June 30, 2021 and 2020

The commitments of total net position balances at June 30 were as follows:

	<u>2021</u>	<u>2020</u>
Asnuntuck Community College	\$ 565,465	\$ 5,917,989
Capital Community College	576,067	1,029,442
Gateway Community College	1,221,636	205,197
Housatonic Community College	738,944	1,487,341
Manchester Community College	902,588	1,016,843
Middlesex Community College	482,010	494,354
Naugatuck Valley Community College	928,033	764,010
Northwestern Connecticut Community College	333,661	806,677
Norwalk Community College	2,682,101	892,887
Quinebaug Valley Community College	153,344	1,228,679
System Office	16,228,137	654,018
Three Rivers Community College	647,244	343,245
Tunxis Community College	903,395	472,059
	<u>\$ 26,362,625</u>	<u>\$ 15,312,740</u>

The CCC are party to one non-cancellable operating lease contract entered into on July 1, 2012 by Gateway with the City of New Haven for parking in the Temple Street Parking Garage for \$861,300 per year for the next 11 years.

Future minimum lease payments, all due over the next five fiscal years and thereafter under all existing operating lease contracts (cancellable and non-cancellable), are as follows:

Year ending June 30	
2022	\$ 1,787,876
2023	1,747,878
2024	1,754,952
2025	1,754,952
2026	1,430,952
Thereafter	<u>5,453,763</u>
	\$ 13,930,373

Rental and lease expense was \$3.1 million and \$3.2 million for the years ended June 30, 2021 and 2020, respectively.

**8. Unearned Tuition, Fees and Grant Revenue**

Unearned tuition and fees and grants and contracts revenue for the year ended June 30 are as follows:

	<u>2021</u>	<u>2020</u>
Unearned tuition and fees	\$ 4,235,799	\$ 4,862,714
Grants and contracts	8,264,796	9,738,119
Unapplied payments and other	400,495	419,651
Total unearned tuition and grant revenue	<u>\$ 12,901,090</u>	<u>\$ 15,020,483</u>

## 9. Pension Plans

### *Plan Description*

All regular full-time employees participate in one of two retirement plans. The State is statutorily responsible for the pension benefits of CSCU employees who participate in the State Employees' Retirement System ("SERS"). SERS is the administrator of a single employer defined benefit public employee retirement system ("PERS"). SERS provides retirement, disability, death benefits and cost of living adjustments to plan members and their beneficiaries. Plan benefits, cost of living adjustments, contribution requirements of plan members and the State and other plan provisions are described in agreements between the State and the State Employee Bargaining Agent Coalition ("SEBAC") as authorized by the General Statutes. SERS does not issue standalone financial reports. Information on the plan is currently publicly available in the State's Comprehensive Annual Financial Report prepared by the Office of the State Comptroller, and in annual actuarial valuations prepared by the State Retirement Commission.

Employees hired before July 1, 2011 participate in Tier I, Tier II, Tier IIA, or Teachers Retirement System (TRS) depending on several factors.

Employees hired after July 1, 2011 but before July 31, 2017 were eligible to participate in Tier III or the Hybrid Plan, the 2 primary SERS plan options available (some employees are eligible to elect the TRS). The Hybrid Plan, which became effective July 1, 2011 under the 2011 agreement between the SEBAC, provides a retirement plan option for employees hired on or after July 1, 2011 in a position statutorily defined as a state teacher or a professional staff member in higher education. The Hybrid Plan is a defined benefit plan that provides members with a life-time defined benefit the same as the benefit provided under SERS Tier III with the option at the time of retirement to elect to receive a lump sum payment of their contributions with a 5% employer match and 4% interest in lieu of a defined benefit.

Employees hired after July 1, 2017 are eligible to participate in Tier IV as a result of the 2017 SEBAC agreement. The SERS Tier IV plan is comprised of both a traditional Defined Benefit component and a new Defined Contribution component. The Tier IV Defined Benefit component provides a pre-defined monthly retirement income for life, with the amount being affected by years of service, retirement age, and the member's final average earnings for members that satisfy the Tier IV minimum age and service eligibility requirements. The Tier IV Defined Contribution component establishes an account consisting of an accumulation of employee and employer contributions both set equal to 1%, as well as investment gains or losses. Each Tier IV member will have an account with the third party administrator of the State Alternate Retirement Program ("ARP"). CSCU makes contributions on behalf of the employees in SERS plans through a fringe benefit charge assessed by the State.

Alternatively, employees may choose to participate in the ARP, which is a defined contribution plan managed by Prudential. Under this arrangement, plan participants contribute 6.5% of their pay, or they can opt out of the 6.5% and contribute 5% and the State contributes 6.5% to individual participants' investment accounts managed by Prudential. CSCU pays a fringe benefit charge to the State, which includes the 6.5% employer contribution, employee health benefits and an administrative charge.

Funding Policy

The contribution requirements of plan members and the State are established and may be amended by the State legislature subject to the contractual rights established by collective bargaining.

Tier I Plan B regular and Plan B Hazardous Duty members are required to contribute 2% and 4% of their annual salary up to the Social Security Taxable Wage Base, respectively, plus 5% above that level. Tier I Plan C and Hybrid Plan members are required to contribute 5% of their annual salary. Tier IIA Plan and Tier III Plan regular and Hazardous Duty members are required to contribute 2% and 5% of their annual salaries, respectively. Tier IV employees contribute 5% of their salary (8% for hybrid and hazardous duty members) plus 1% into the defined contribution component.

The State is required to contribute at an actuarially determined rate, which may be reduced or increased by an act of the State legislature. The State contributed \$61.0 million and \$1.6 million, on behalf of the System, for SERS and TRS, respectively, for fiscal year 2021, equal to 100.0% and 120%, respectively, of the required contributions that year. The State contributed \$61.5 million and \$2.0 million, on behalf of the System, for SERS and TRS, respectively, for fiscal year 2020, equal to 100.0% and 79.2%, respectively, of the required contributions that year.

Net Pension Liability

The Systems' net pension liability is valued one year in arrears. The net pension liability recorded in the financial statements as of June 30, 2021 and 2020 was measured and valued as of June 30, 2020 and 2019, respectively and the total pension liability used to calculate the net pension liability was determined by the most current actuarial valuation as of those dates. The System's proportion of the net pension liability was based on a projection of the System's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities and the State, actuarially determined. For the TRS plan, the CCC System's proportion was 0.11% and 0.19% as of June 30, 2021 and 2020, respectively. For the SERS plan, the CCC System's proportion was 3.78% and 3.89% as of June 30, 2021 and 2020, respectively.

All SERS and TRS assets are available to pay any participants benefits. However, the portion of each plan's net pension liability attributable to the CCC System is calculated separately. The net pension liability for the CCC System as of June 30, 2021 for SERS and TRS was \$895.8 million and \$21.3 million, respectively. The net pension liability for the CCC System as of June 30, 2020 for SERS and TRS was \$888.2 million and \$32.7 million, respectively.

Actuarial Assumptions for SERS:

The total pension liability was determined using the following actuarial assumptions, applied to all periods:

<b>Measurement Year</b>	<b>2020</b>	<b>2019</b>
Inflation	2.50%	2.50%
Salary increases including inflation	3.50% to 19.50%	3.50% to 19.50%
Investment rate of return net of pension plan investment expense, including inflation	6.90%	6.90%

Mortality rates were based on the RP-2014 White Collar Mortality Table projected to 2020 by scale BB at 100% for males and 95% for females.

The actuarial assumptions used in the June 30, 2020 valuation (which was the basis for recording the June 30, 2021 financial statement liabilities) were based on the results of the

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actuarial experience study as of June 30, 2020. The actuarial assumptions used in the June 30, 2019 valuation (which was the basis for recording the June 30, 2020 financial statement liabilities) were based on the results of the actuarial experience study as of June 30, 2019.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage.

The best estimates of geometric rates of return for each major asset class as of the 2020 and 2019 measurement dates are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Equity Fund	20.0%	5.6%
Developed Market Intl. Stock Fund	11.0%	6.0%
Emerging Market Intl. Stock Fund	9.0%	7.9%
Core Fixed Income Fund	16.0%	2.1%
Inflation Linked Bond Fund	5.0%	1.1%
Emerging Market Debt Fund	5.0%	2.7%
High Yield Bond Fund	6.0%	4.0%
Real Estate Fund	10.0%	4.5%
Private Equity	10.0%	7.3%
Alternative Investments	7.0%	2.9%
Liquidity Fund	1.0%	0.4%
	100.0%	

Actuarial Assumptions for TRS:

The total pension liability was determined using the following actuarial assumptions, applied to all periods:

<b>Measurement Year</b>	<b>2020</b>	<b>2019</b>
Inflation	2.50%	2.50%
Salary increases including inflation	3.25% to 6.50%	3.25% to 6.50%
Investment rate of return net of pension plan	6.90%	6.90%

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females as ages 82 and above), projected generationally with MP-2019 for the period after service retirement. The PubT-2010 Disabled Retiree Table projected generationally with MP-2019 was used for the period after disability retirement. The PubT-2010 Contingent Survivor Table projected generationally with MP-2019 and set forward 1 year for both males and females was used for survivors and beneficiaries. The PubT-2010 Employee Table projected generationally with MP-2019 was used for active members.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of the 2020 measurement date are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Equity Fund	20.0%	5.6%
Developed Market Intl. Stock Fund	11.0%	6.0%
Emerging Market Intl. Stock Fund	9.0%	7.9%
Core Fixed Income Fund	16.0%	2.1%
Inflation Linked Bond Fund	5.0%	1.1%
Emerging Market Debt Fund	5.0%	2.7%
High Yield Bond Fund	6.0%	4.0%
Real Estate Fund	10.0%	4.5%
Private Equity	10.0%	7.3%
Alternative Investments	7.0%	2.9%
Liquidity Fund	1.0%	0.4%
	100.0%	

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of the 2019 measurement date are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Public Equity - US Equity	20.0%	8.1%
Public Equity - International Developed Equity	11.0%	8.5%
Public Equity - Emerging Markets Equity	9.0%	10.4%
Fixed Income - Core Fixed Income	16.0%	4.6%
Fixed Income - Inflation Linked Bonds	5.0%	3.6%
Fixed Income - High Yield	6.0%	6.5%
Fixed Income - Emerging Market Debt	5.0%	5.2%
Private Equity	10.0%	9.8%
Real Estate	10.0%	7.0%
Alternative Investments - Real Assets	4.0%	8.2%
Alternative Investments - Hedge Funds	3.0%	5.4%
Liquidity Fund	1.0%	2.9%
	100.0%	

**Discount Rate for SERS:**

The discount rate used to measure the total pension liability was 6.9% in the 2020 and 2019 measurement years. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the State's contributions will be made at rates equal to the difference between actuarially determined contributions rates and the member rates. Based on those assumptions, the net position was projected to be available to make all projected future benefit payments of 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.

**Discount Rate for TRS:**

The discount rate used to measure the total pension liability was 6.9% in the 2020 and 2019 measurement years. 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 State

contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of 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.

Sensitivity of Net Pension Liability to Changes in Discount Rate

The following table presents the current-period net pension liability of the CCC System calculated using the current-period discount rate assumption of 6.9% for SERS and 6.9% for TRS, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<b>1% Decrease (SERS - 5.9%) (TRS - 5.9%)</b>	<b>Current Discount (SERS - 6.9%) (TRS - 6.9%)</b>	<b>1% Increase (SERS - 7.9%) (TRS - 7.9%)</b>
SERS	\$ 1,064,310,628	\$ 895,827,874	\$ 755,021,031
TRS	26,687,345	21,337,732	16,896,456

The following table presents the June 30, 2019 measurement date net pension liability of the CCC System calculated using the current-period discount rate assumption of 6.9% for SERS and 6.9% for TRS, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<b>1% Decrease (SERS - 5.9%) (TRS - 5.9%)</b>	<b>Current Discount (SERS - 6.9%) (TRS - 6.9%)</b>	<b>1% Increase (SERS - 7.9%) (TRS - 7.9%)</b>
SERS	\$ 1,060,711,199	\$ 888,169,892	\$ 744,242,753
TRS	40,862,160	32,757,768	25,944,401

Pension Expense, Deferred Outflows and Deferred Inflows of Resources Related to Defined Benefit Pension Plan

For the year ended June 30, 2021 and 2020, the CCC System recognized pension expense of \$60.2 and \$66.0 million for SERS and \$1.3 and \$4.1 million for TRS, respectively. A schedule of deferred outflows and inflows of resources as of June 30, 2021 and 2020 is presented in Note 13. The net amount of deferred outflows and deferred inflows of resources related to the pensions attributed to the CCC System that will be recognized in pension expense during the next five years is as follows:

<b>Fiscal Year Ending</b>					
<b>June 30,</b>	<b>SERS</b>		<b>TRS</b>		<b>Total</b>
2022	\$ 45,499,167	\$	1,106,402	\$	46,605,569
2023	24,317,613		1,203,218		25,520,831
2024	24,834,884		1,133,968		25,968,852
2025	13,213,239		(126,431)		13,086,808
2026	(1,393,000)		(1,182,160)		(2,575,160)
Thereafter	-		(586,223)		(586,223)
Total	\$ 106,471,903	\$	1,548,774	\$	108,020,677

## 10. Other Post-Employment Benefits

The State provides post-retirement health care and life insurance benefits to eligible CSCU employees, in accordance with Sections 5-257(d) and 5-259(a) of the Connecticut General Statutes. When employees retire, the State pays up to 100% of their health care insurance premium cost (including the cost of dependent coverage). This benefit is available to retirees of the State Employees' Retirement System and participants in the Connecticut Alternate Retirement Program who meet certain age and service criteria.

The State also pays 100% of the premium cost for a portion of the employee's life insurance continued after retirement. The amount of life insurance continued at no cost to the retiree is determined in a formula based on the number of years of State service that the retiree had at the time of retirement. The State finances the cost of post-retirement health care and life insurance benefits.

There is a single State sponsored defined benefit OPEB plan open to CSCU employees, the State Employee OPEB Plan ("SEOPEBP"). The State Comptroller's Healthcare Policy and Benefits Division under the direction of the Connecticut State Employees Retirement Commission administers the SEOPEBP. The membership of the commission is composed of the State Treasurer or designee, who is a nonvoting ex-officio member; fifteen trustees, including six trustees representing state employees; six trustees representing state management; two trustees who are professional actuaries and one neutral trustee who serves as chairman. Also, the State Comptroller, ex officio, serves as the nonvoting secretary. The Governor makes all appointments except the employee trustees, who are selected by employee bargaining agents. Management and employee trustees make the appointments of the chairman and the actuarial trustee positions.

### Plan Description

SEOPEBP is a single-employer defined benefit OPEB plan that covers retired employees of CSCU who are receiving benefits from any State-sponsored retirement system. The plan provides healthcare and life insurance benefits to eligible retirees and their spouses. Plan benefits, required contributions of plan participants and the State, and other plan provisions are described in Sections 5-257 and 5-259 of the General Statutes.

### Funding Policy

The contribution requirements of the plan members and the State are established and may be amended by the State legislature, or by agreement between the State and employees' unions, upon approval by the State legislature. The cost of providing plan benefits is financed 100% by the State on a pay-as-you-go basis through an annual appropriation in the General fund outside of the CSCU entities. CSCU contributes and helps fund the annual appropriation based upon a designated fringe rate established by the State.

### Investments

The State Treasurer employs several outside consulting firms as external money and investment managers, to assist the State's Chief Investment Officer, as they manage the investment programs of the SEOPEBP. Plan assets are managed primarily through assets allocation decisions with the main objective being to maximize investment returns over the long term at an acceptable level of risk. There is no concentration of investments in any one organization that represents 5.0% or more of plan net position available for benefits.

The following is the asset allocation policy as of June 30, 2021 and 2020:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Equity Fund	20%	5.6%
Developed Market International Stock Fund	11%	6.0%
Emerging Markets International Stock Fund	9%	7.9%
Core Fixed Income	16%	2.1%
Inflation Linked Bond Fund	5%	1.1%
Emerging Market Debt Fund	5%	2.7%
High Yield Bond Fund	6%	4.0%
Real Estate Fund	10%	4.5%
Private Equity	10%	7.3%
Alternative Investments	7%	2.9%
Liquidity Fund	1%	0.4%
	100%	

*Net OPEB Liability*

The Systems' net OPEB liability is valued one year in arrears. The net OPEB liability recorded in the financial statements as of June 30, 2021 of \$1.2 billion was measured and valued as of June 30, 2020 and the total liability used to calculate the net liability was determined by the most current actuarial valuation as of that date. The net OPEB liability recorded in the financial statements as of June 30, 2020 of \$1.1 billion was measured and valued as of June 30, 2019 and the total liability used to calculate the net liability was determined by the most current actuarial valuation as of that date. The System's proportion of the net OPEB liability was based on a projection of the System's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating entities and the State, actuarially determined.

For the SEOPEBP plan, at June 30, 2021 and 2020, the System's proportion was 5.0% and 5.5%, respectively. All plan assets are available to pay any participants benefits. However, the portion of each plan's net liability attributable to CCC is calculated separately.

*Actuarial Assumptions:*

The total OPEB liability was determined by actuarial valuations as of June 30, 2020 and 2019, using the following actuarial assumptions:

<b>Measurement Year</b>	<b>2020</b>
Payroll growth rate	3.50%
Salary increases	3.25% to 4.50% varying by years of service and retirement system
Discount rate	2.38%
Healthcare cost trend rates:	
Medical	6.0% graded to 4.5% over 6 years
Prescription drug	3.00%
Dental and Part B	4.50%
Administrative expense	3.00%

<b>Measurement Year</b>	<b>2019</b>
Payroll growth rate	3.50%
Salary increases	3.25% to 19.50% varying by years of service and retirement system
Discount rate	3.58%
Healthcare cost trend rates:	
Medical	6.0% graded to 4.5% over 6 years
Prescription drug	3.00%
Dental and Part B	4.50%
Administrative expense	3.00%

**Mortality Rates**

Pre-Retirement:	RP-2014 White Collar Employee Mortality Table projected to 2020 with Scale BB at 60% for males and 55% for females
Healthy Annuitant:	RP-2014 White Collar Employee Mortality Table projected to 2020 with Scale BB at 100% for males and 95% for females
Disabled Annuitant:	RP-2014 Disabled Retiree Mortality Table at 65% for males and 85% for females

The projection of cash flows used to determine the discount rate was performed in accordance with GASB pronouncements.

The following presents the current period net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate and healthcare cost trend rate that is 1% lower or 1% higher than the current rate utilized:

For measurement date of June 30, 2020:

**Discount rate comparison:**

	1% Decrease in Discount Rate (1.38%)	Current Discount Rate (2.38%)	1% Increase in Discount Rate (3.38%)
Net OPEB Liability	\$ 1,385,767,823	\$ 1,178,083,372	\$ 1,011,129,730

**Health care trend rate comparison:**

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Net OPEB Liability	\$ 987,618,643	\$ 1,178,083,372	\$ 1,423,017,848

For measurement date of June 30, 2019:

**Discount rate comparison:**

	1% Decrease in Discount Rate (2.58%)	Current Discount Rate (3.58%)	1% Increase in Discount Rate (4.58%)
Net OPEB Liability	\$ 1,312,895,145	\$ 1,128,067,973	\$ 978,030,010

**Health care trend rate comparison:**

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Net OPEB Liability	\$ 967,033,757	\$ 1,128,067,973	\$ 1,331,323,079

**OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2021 and 2020, the CCC System recognized OPEB expense of \$72.9 million and \$64.3 million, respectively. A schedule of deferred outflows and inflows of resources as of June 30, 2021 and 2020 is presented in Note 13. The net amount of deferred outflows and deferred inflows of resources related to OPEB attributed to the CCC System that will be recognized in pension expense during the next five years is as follows:

Fiscal Years Ending June 30,	OPEB
2022	\$ 33,757,364
2023	39,660,133
2024	48,999,209
2025	14,540,887
2026	688,839
Thereafter	-
Total	\$ 137,646,432

**11. Natural Classification with Functional Classification**

The operating expenses by functional classification for the years ended June 30, 2021 and 2020 are summarized as follows:

	Year Ended June 30, 2021									
	Salaries and wages	Fringe benefits	Professional services and fees	Educational services and support	Travel expenses	Operation of facilities	Other operating supplies and expenses	Scholarship aid, net	Depreciation expense	Total operating expenses
Academic support	\$ 41,224,371	\$ 54,362,839	\$ 1,375,789	\$ 5,859,795	\$ 601,680	\$ 1,894,547	\$ 3,917,325	\$ -	\$ -	\$ 109,236,346
Auxilliary enterprises	97,628	88,284	5,000	628,343	135	3,567	-	-	-	822,956
Institutional support	34,027,238	26,397,047	4,951,623	516,304	64,462	(311,115)	15,500,446	-	-	81,146,005
Instruction	133,538,737	168,528,498	546,149	5,056,566	105,527	183,488	764,398	-	-	308,723,363
Library	6,058,710	7,434,410	261,856	640,790	4,606	5,471	137,862	-	-	14,543,706
Physical plant	11,438,007	18,942,606	592,905	47,230	32,009	24,626,584	521,572	-	37,110,482	93,311,396
Public service	193,975	293,030	120,427	417,525	3,601	340	421,094	-	-	1,449,992
Scholarship aid	-	-	5,000	-	-	600	-	44,397,532	-	44,403,132
Student services	28,585,097	37,688,946	362,168	1,084,464	50,750	74,824	247,432	-	-	68,093,681
	<u>\$ 255,163,763</u>	<u>\$ 313,735,661</u>	<u>\$ 8,220,917</u>	<u>\$ 14,251,017</u>	<u>\$ 862,769</u>	<u>\$ 26,478,307</u>	<u>\$ 21,510,128</u>	<u>\$ 44,397,532</u>	<u>\$ 37,110,482</u>	<u>\$ 721,730,579</u>

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<b>Year Ended June 30, 2020</b>										
	Salaries and wages	Fringe benefits	Professional services and fees	Educational services and support	Travel expenses	Operation of facilities	Other operating supplies and expenses	Scholarship aid, net	Depreciation expense	Total operating expenses
Academic support	\$ 39,463,760	\$ 52,213,107	\$ 2,120,077	\$ 2,424,739	\$ 1,423,134	\$ 1,002,998	\$ 4,328,879	\$ -	\$ -	\$ 102,976,694
Auxilliary enterprises	128,468	85,137	126,922	-	-	22,032	101,848	-	-	464,408
Institutional support	32,625,614	35,381,368	4,824,018	518,953	272,509	377,161	9,118,235	-	-	83,117,860
Instruction	135,246,525	155,898,283	613,401	4,175,280	204,597	308,233	322,416	-	-	296,768,735
Library	5,991,941	7,215,141	328,545	614,586	6,156	11,688	127,200	-	-	14,295,257
Physical plant	11,679,903	18,879,480	984,535	15,720	22,371	25,300,523	937,139	-	30,156,387	87,976,058
Public service	219,865	274,427	43,542	171,625	6,542	5,283	133,210	-	-	854,493
Scholarship aid	-	-	-	-	-	-	-	40,859,546	-	40,859,546
Student services	26,853,266	35,556,694	450,151	784,700	140,324	74,765	281,769	-	-	64,141,669
	<u>\$ 252,209,342</u>	<u>\$ 305,503,637</u>	<u>\$ 9,491,192</u>	<u>\$ 8,705,604</u>	<u>\$ 2,075,633</u>	<u>\$ 27,102,684</u>	<u>\$ 15,350,696</u>	<u>\$ 40,859,546</u>	<u>\$ 30,156,387</u>	<u>\$ 691,454,720</u>

**12. Bonds Payable**

The State, through acts of its legislature, provides funding for certain major plant facilities of the System. The State obtains its funds for these construction projects from general obligation bonds, which it issues from time to time. The State is responsible for all repayments of the bonds in accordance with bond indentures.

Debt service on bonds issued by the State to finance educational and general facilities is funded by the general fund of the State, which is in the custody of the State Treasurer. These bonds do not require repayment by the CCC and, accordingly, the State's debt obligation attributable to the CCC educational and general facilities is not reported as the CCC debt in the accompanying financial statements.

### 13. Deferred Outflows and Inflows of Resources

Deferred outflows and deferred inflows of resources consisted of the following as of June 30, 2021 and 2020:

As of June 30, 2021	SERS	TRS	OPEB	Total
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Difference between expected and actual experience	\$ 48,349,443	\$ -	\$ -	\$ 48,349,443
Changes of assumptions or other inputs	23,861,845	4,661,928	195,549,927	224,073,700
Net difference between projected and actual earnings on pension plan investments	15,099,542	876,820	2,323,021	18,299,383
Changes in proportion and differences between employer contributions and proportionate share of contributions	49,941,802	7,107,730	75,118,771	132,168,303
Employer contributions after measurement date	71,276,495	1,810,692	41,911,635	114,998,822
<b>Total</b>	<b>\$ 208,529,127</b>	<b>\$ 14,457,170</b>	<b>\$ 314,903,354</b>	<b>\$ 537,889,650</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Difference between expected and actual experience	\$ -	\$ 640,771	\$ 27,193,056	\$ 27,833,827
Changes of assumptions or other inputs	-	-	22,877,457	22,877,457
Changes in proportion and differences between employer contributions and proportionate share of contributions	30,780,726	10,456,933	85,274,771	126,512,430
<b>Total</b>	<b>\$ 30,780,726</b>	<b>\$ 11,097,704</b>	<b>\$ 135,345,284</b>	<b>\$ 177,223,714</b>
<b>As of June 30, 2020</b>				
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Difference between expected and actual experience	\$ 60,343,823	\$ -	\$ -	\$ 60,343,823
Changes of assumptions or other inputs	58,300,923	8,028,965	150,694,994	217,024,882
Net difference between projected and actual earnings on pension plan investments	-	544,071	-	544,071
Changes in proportion and differences between employer contributions and proportionate share of contributions	66,450,317	8,915,392	98,736,714	174,102,423
Employer contributions after measurement date	61,038,647	1,642,396	43,399,359	106,080,402
<b>Total</b>	<b>\$ 246,133,710</b>	<b>\$ 19,130,824</b>	<b>\$ 292,831,067</b>	<b>\$ 558,095,601</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Difference between expected and actual experience	\$ -	\$ 816,224	\$ 28,466,466	\$ 29,282,690
Changes of assumptions or other inputs	-	-	37,361,074	37,361,074
Net difference between projected and actual earnings on pension plan investments	2,113,332	-	244,752	2,358,084
Changes in proportion and differences between employer contributions and proportionate share of contributions	13,658,879	2,188,306	24,311,820	40,159,005
<b>Total</b>	<b>\$ 15,772,211</b>	<b>\$ 3,004,530</b>	<b>\$ 90,384,112</b>	<b>\$ 109,160,853</b>

**REQUIRED SUPPLEMENTARY INFORMATION**

**Connecticut Community Colleges**

Schedule of Net Pension and Net Pension and OPEB Liability and Related Ratios (Unaudited)

Years Ended June 30, 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014



**State Employee Retirement System Plan**

Last 10 Fiscal Years <sup>1</sup>

(in thousands)

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
CCC System's proportion of the net pension liability	3.78%	3.89%	3.55%	3.55%	3.61%	3.60%	3.38%	3.24%
CCC System's proportionate share of the net pension liability	\$ 895,828	\$ 888,170	\$ 770,504	\$ 747,249	\$ 829,328	\$ 594,978	\$ 540,627	\$ 537,772
CCC System's covered payroll	\$ 138,687	\$ 143,525	\$ 121,796	\$ 136,569	\$ 134,378	\$ 130,285	\$ 117,737	\$ 108,775
CCC System's proportionate share of the net pension liability as a percentage of its covered payroll	646%	619%	633%	547%	617%	457%	459%	494%
Plan Fiduciary net position as a percentage of the total pension liability	35.84%	36.79%	36.62%	36.25%	31.69%	39.23%	39.54%	N/A <sup>1</sup>

**Teachers Retirement System Plan**

Last 10 Fiscal Years <sup>1</sup>

(in thousands)

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
CCC System's proportion of the net pension liability	0.11%	0.19%	0.19%	0.09%	0.09%	0.11%	0.11%	0.11%
CCC System's proportionate share of the net pension liability	\$ 21,338	\$ 32,758	\$ 25,258	\$ 12,130	\$ 12,798	\$ 12,018	\$ 11,109	\$ 12,253
State's proportionate share of the net pension liability associated with the System	\$ 21,351	\$ 32,758	\$ 25,258	\$ 12,130	\$ 12,798	\$ 12,018	\$ 11,094	N/A <sup>1</sup>
Total	\$ 42,689	\$ 65,516	\$ 50,516	\$ 24,260	\$ 25,596	\$ 24,036	\$ 22,203	\$ 12,253
CCC System's covered payroll	\$ 5,348	\$ 5,559	\$ 6,578	\$ 3,549	\$ 3,549	\$ 4,327	\$ 4,197	\$ 4,001
CCC System's proportionate share of the net pension liability as a percentage of its covered payroll	399%	589%	384%	342%	361%	278%	265%	306%
Plan Fiduciary net position as a percentage of the total pension liability	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.56%	N/A <sup>1</sup>

**Other Post Employment Benefits**

Last 10 Fiscal Years <sup>1</sup>

(in thousands)

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
System's proportion of the net OPEB liability	5.00%	5.45%	4.81%	3.90%	4.03%
System's proportionate share of the net OPEB liability	1,178,083	1,128,068	834,514	841,978	869,279
System's covered payroll	187,455	197,396	194,412	200,796	206,023
System's proportionate share of the net OPEB liability as a percentage of its covered payroll	628%	571%	429%	419%	N/A
Plan Fiduciary net position as a percentage of the total OPEB liability	6.13%	5.40%	4.69%	3.03%	1.94%

<sup>1</sup> Until a full 10-year trend is compiled, the System is presenting only information for years for which information is available.



**State Employee Retirement System Plan**

Last 10 Fiscal Years <sup>1</sup>  
(in thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	61,039	61,450	\$ 51,270	\$ 55,136	\$ 54,676	\$ 49,636	\$ 42,837	\$ 34,343
Contributions in relation to the contractually required contribution	(61,039)	(61,450)	(51,270)	(54,695)	(54,239)	(49,388)	(42,837)	(34,309)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 441</u>	<u>\$ 437</u>	<u>\$ 248</u>	<u>\$ -</u>	<u>\$ 34</u>
CCC System's covered payroll	\$ 138,687	\$ 139,212	\$ 121,796	\$ 136,569	\$ 136,569	\$ 130,285	\$ 117,737	\$ 108,775
Contributions as a percentage of covered payroll	44.01%	44.14%	42.09%	40.05%	39.72%	37.91%	36.38%	31.54%

**Teachers Retirement System Plan**

Last 10 Fiscal Years <sup>1</sup>  
(in thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,370	\$ 2,480	\$ 2,441	\$ 909	\$ 876	\$ 1,078	\$ 1,039
Contributions in relation to the contractually required contribution	(1,642)	(1,963)	(1,296)	(551)	(1,613)	(1,970)	(1,927)
Contribution deficiency (excess)	<u>\$ (273)</u>	<u>\$ 517</u>	<u>\$ 1,145</u>	<u>\$ 358</u>	<u>\$ (737)</u>	<u>\$ (892)</u>	<u>\$ (888)</u>
CCC System's covered payroll	\$ 5,348	\$ 5,559	\$ 6,578	\$ 3,549	\$ 3,549	\$ 4,327	\$ 4,197
Contributions as a percentage of covered payroll	30.71%	35.31%	19.70%	15.53%	45.45%	45.53%	45.91%

**Other Post Employment Benefits**

Last 10 Fiscal Years <sup>1</sup>  
(in thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	43,399	41,067	38,542	32,590	30,682
Contributions in relation to the contractually required contribution	(43,399)	(41,067)	(38,542)	(32,590)	(30,682)
Contribution deficiency (excess)	<u>\$ -</u>				
CCC System's covered payroll	\$ 187,455	\$ 197,396	\$ 194,412	\$ 200,796	\$ 206,023
Contributions as a percentage of covered payroll	23.15%	20.80%	19.83%	16.23%	14.89%

<sup>1</sup> Until a full 10-year trend is compiled, the System is presenting only information for years for which information is available.

## 1. Supplementary Information

### Pension Plans

#### Changes of benefit terms:

- Beginning July 1, 2019, annual interest credited on mandatory contributions set at 4.0%.
- For members retiring on or after July 1, 2019 with a partial refund option election (Plan N), if 50% of the benefits paid prior to death do not exceed the Member's mandatory contributions plus interest frozen at the date of the benefit commencement, the difference is paid to the Member's beneficiary.

#### Changes of assumptions:

##### For measurement year 2020:

- Decrease the annual rate of real wage increase assumption from 0.75% to 0.50%
- Decrease payroll growth assumption from 3.25% to 3.00%
- Rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

##### For measurement year 2019:

- Reduce the inflation assumption from 2.75% to 2.50%.
- Reduce the real rate of return assumption from 5.25% to 4.40% which, when combined with the inflation assumption change results in a decrease in the investment rate of return assumption from 8.00% to 6.90%.
- Increase the annual rate of wage increase assumption from 0.50% to 0.75%.
- Phase in to a level dollar amortization method for the June 30, 2024 valuation.

### State Employee OPEB Plan

#### Changes of benefit terms: none

#### Changes of assumptions:

- The discount rate was updated in accordance with GASB Statement No. 75 to 2.38% as of June 30, 2020 and 3.58% as of June 30, 2019
- The trends for Medicare-eligible retiree costs were updated to reflect final negotiated changes in Medicare Advantage rates for calendar year 2022.

**SUPPLEMENTARY SCHEDULES**

**Connecticut Community Colleges**  
 Combining Statement of Net Position  
 Year Ended June 30, 2021



	Asnuntuck Community College	Capital Community College	Gateway Community College	Housatonic Community College	Manchester Community College	Middlesex Community College	Naugatuck Valley Community College	Northwestern Connecticut Community College	Norwalk Community College	Quinebaug Valley Community College	Three Rivers Community College	Tunxis Community College	System Office	Combined Total
<b>Assets</b>														
<b>Current assets</b>														
Cash and cash equivalents	\$ 4,340,753	\$ (957,505)	\$ 866,471	\$ 15,429,088	\$ 13,444,159	\$ 4,613,944	\$ 15,592,397	\$ 2,178,635	\$ 15,810,664	\$ 9,211,337	\$ 12,314,620	\$ 5,333,273	\$ 32,646,118	\$ 130,823,954
Accounts receivable, due from the State	1,362,026	2,739,928	3,771,471	2,779,499	4,241,072	1,686,452	4,452,123	1,203,245	3,280,416	1,220,772	2,296,254	2,223,175	4,147,103	35,403,536
Accounts receivable other, net	2,444,350	3,510,960	3,617,649	3,666,664	3,689,295	1,406,625	2,919,615	567,967	2,705,903	959,520	1,400,094	3,045,042	600,837	30,534,521
Prepaid expenses and other current assets	360	1,162	2,149	1,346	26,438	17,294	7,804	888	750	820	5,020	3,103	85,876	153,011
<b>Total current assets</b>	<b>8,147,490</b>	<b>5,294,546</b>	<b>8,257,739</b>	<b>21,876,596</b>	<b>21,400,964</b>	<b>7,724,315</b>	<b>22,971,940</b>	<b>3,950,736</b>	<b>21,797,732</b>	<b>11,392,448</b>	<b>16,015,988</b>	<b>10,604,593</b>	<b>37,479,934</b>	<b>196,915,022</b>
<b>Non-current assets</b>														
Investment in plant	48,577,617	74,198,761	198,738,728	152,628,731	114,191,025	23,049,718	171,735,386	62,549,675	76,693,516	29,775,682	100,639,736	63,965,172	21,853,659	1,138,597,405
Accumulated depreciation	(13,597,544)	(36,916,465)	(52,552,759)	(47,243,051)	(65,573,242)	(15,105,392)	(83,665,775)	(19,889,322)	(32,231,779)	(12,611,888)	(36,433,787)	(23,980,796)	(18,894,586)	(458,696,386)
Investment in plant, net of accumulated depreciation	34,980,073	37,282,296	146,185,969	105,385,680	48,617,783	7,944,326	88,069,611	42,660,353	44,461,737	17,163,794	64,205,949	39,984,376	2,959,073	679,901,019
Student loans, net	307,900	-	2,396	(6,996)	-	(6,025)	(400)	8	-	-	-	65,512	-	362,395
<b>Total non-current assets</b>	<b>35,287,973</b>	<b>37,282,296</b>	<b>146,188,365</b>	<b>105,378,684</b>	<b>48,617,783</b>	<b>7,938,301</b>	<b>88,069,211</b>	<b>42,660,361</b>	<b>44,461,737</b>	<b>17,163,794</b>	<b>64,205,949</b>	<b>40,049,887</b>	<b>2,959,073</b>	<b>680,263,414</b>
<b>Total assets</b>	<b>\$ 43,435,463</b>	<b>\$ 42,576,842</b>	<b>\$ 154,446,104</b>	<b>\$ 127,255,280</b>	<b>\$ 70,018,747</b>	<b>\$ 15,662,616</b>	<b>\$ 111,041,151</b>	<b>\$ 46,611,097</b>	<b>\$ 66,259,469</b>	<b>\$ 28,556,242</b>	<b>\$ 80,221,937</b>	<b>\$ 50,654,480</b>	<b>\$ 40,439,007</b>	<b>\$ 877,178,436</b>
<b>Deferred outflows of resources</b>														
Deferred pension	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 222,986,296	\$ 222,986,296
Deferred other post employment benefits	-	-	-	-	-	-	-	-	-	-	-	-	314,903,354	314,903,354
<b>Total deferred outflows of resources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 537,889,650</b>	<b>\$ 537,889,650</b>
<b>Liabilities</b>														
<b>Current liabilities</b>														
Accounts payable	\$ 50,466	\$ 76,189	\$ 33,960	\$ 1,089,487	\$ 250,282	\$ 287,663	\$ 232,759	\$ 59,075	\$ 616,756	\$ 91,923	\$ 177,505	\$ 194,274	\$ 1,908,816	\$ 5,069,154
Accrued expenses - salary and fringe benefits	1,919,886	3,503,935	5,422,639	3,759,012	5,072,513	2,453,871	5,705,302	1,388,186	4,889,631	1,493,352	3,266,347	3,294,485	4,397,408	46,566,566
Accrued compensated absences - current portion	157,413	243,691	359,094	204,923	318,402	160,838	358,681	125,614	280,205	103,271	208,498	273,996	1,142,438	3,937,063
Unearned tuition and grant revenue	198,531	1,370,319	665,598	1,073,189	1,584,651	778,932	1,402,523	133,150	1,077,499	308,289	594,142	890,344	2,823,922	12,901,090
Retainage	-	-	-	-	-	-	100,278	-	16,656	-	-	-	-	116,935
Agency and loan fund liabilities	59,981	153,792	355,115	210,517	345,168	234,957	532,299	83,367	423,350	90,473	210,346	202,552	42,972	2,944,889
Other liabilities	26,440	105,989	315,893	79,171	137,185	58,948	86,869	24,984	122,495	21,317	107,211	82,262	6,644	1,175,408
<b>Total current liabilities</b>	<b>2,412,718</b>	<b>5,453,915</b>	<b>7,152,298</b>	<b>6,416,299</b>	<b>7,708,200</b>	<b>3,975,207</b>	<b>8,418,711</b>	<b>1,814,376</b>	<b>7,426,593</b>	<b>2,108,625</b>	<b>4,564,049</b>	<b>4,937,913</b>	<b>10,322,200</b>	<b>72,711,105</b>
<b>Non-current liabilities</b>														
Pension liability, net	-	-	-	-	-	-	-	-	-	-	-	-	917,110,893	917,110,893
Other post employment benefits liability net	-	-	-	-	-	-	-	-	-	-	-	-	1,178,083,367	1,178,083,367
Accrued compensated absences - long term portion	1,536,269	2,421,349	3,553,459	2,100,644	3,178,879	1,614,929	3,602,751	1,242,983	2,840,099	1,060,855	2,116,138	2,681,044	10,181,663	38,131,062
<b>Total non-current liabilities</b>	<b>1,536,269</b>	<b>2,421,349</b>	<b>3,553,459</b>	<b>2,100,644</b>	<b>3,178,879</b>	<b>1,614,929</b>	<b>3,602,751</b>	<b>1,242,983</b>	<b>2,840,099</b>	<b>1,060,855</b>	<b>2,116,138</b>	<b>2,681,044</b>	<b>2,105,375,923</b>	<b>2,133,325,322</b>
<b>Total liabilities</b>	<b>\$ 3,948,987</b>	<b>\$ 7,875,264</b>	<b>\$ 10,705,756</b>	<b>\$ 8,516,943</b>	<b>\$ 10,887,080</b>	<b>\$ 5,590,136</b>	<b>\$ 12,021,462</b>	<b>\$ 3,057,360</b>	<b>\$ 10,266,692</b>	<b>\$ 3,169,481</b>	<b>\$ 6,680,187</b>	<b>\$ 7,618,957</b>	<b>\$ 2,115,698,123</b>	<b>\$ 2,206,036,427</b>
<b>Deferred inflows of resources</b>														
Deferred pension	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,878,430	\$ 41,878,430
Deferred other post employment benefits	-	-	-	-	-	-	-	-	-	-	-	-	135,345,284	135,345,284
<b>Total deferred inflows of resources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 177,223,714</b>	<b>\$ 177,223,714</b>
<b>Net position</b>														
Invested in capital assets, net	\$ 34,980,073	\$ 37,282,296	\$ 146,185,969	\$ 105,385,680	\$ 48,617,783	\$ 7,944,326	\$ 88,069,611	\$ 42,660,353	\$ 44,461,737	\$ 17,163,794	\$ 64,205,949	\$ 39,984,376	\$ 2,959,073	\$ 679,901,019
Restricted														
Nonexpendable	-	-	-	20,000	-	-	-	-	-	-	-	-	-	20,000
Expendable	2,082,348	5,375,044	302,329	1,887,646	82,476	401,283	1,852,175	848,191	4,947,715	415,708	(10,039)	385,951	12,839,996	31,410,823
Unrestricted	2,424,055	(7,955,762)	(2,747,950)	11,445,011	10,431,409	1,726,871	9,097,903	45,193	6,583,326	7,807,260	9,345,840	2,665,197	(1,730,392,249)	(1,679,523,898)
<b>Total net position</b>	<b>\$ 39,466,476</b>	<b>\$ 34,701,578</b>	<b>\$ 143,740,348</b>	<b>\$ 118,738,338</b>	<b>\$ 59,131,667</b>	<b>\$ 10,072,480</b>	<b>\$ 99,019,689</b>	<b>\$ 43,553,737</b>	<b>\$ 55,992,777</b>	<b>\$ 25,386,761</b>	<b>\$ 73,541,750</b>	<b>\$ 43,035,524</b>	<b>\$ (1,714,593,181)</b>	<b>\$ (968,192,056)</b>

**Connecticut Community Colleges**  
**Combining Statement of Net Position**  
**Year Ended June 30, 2020**



	Asnuntuck Community College	Capital Community College	Gateway Community College	Housatonic Community College	Manchester Community College	Middlesex Community College	Naugatuck Valley Community College	Northwestern Connecticut Community College	Norwalk Community College	Quinebaug Valley Community College	Three Rivers Community College	Tunxis Community College	System Office	Combined Total
<b>Assets</b>														
<b>Current assets</b>														
Cash and cash equivalents	\$ 4,201,551	\$ 1,263,801	\$ 578,409	\$ 14,453,230	\$ 10,778,360	\$ 4,981,720	\$ 13,798,708	\$ 2,799,649	\$ 14,609,235	\$ 9,411,835	\$ 10,715,646	\$ 3,022,112	\$ 34,370,104	\$ 124,984,361
Accounts receivable, due from the State	1,315,167	2,777,953	3,885,436	2,856,389	4,281,610	1,849,188	4,523,657	1,334,744	3,116,965	1,279,639	2,378,586	2,354,703	1,654,090	33,608,127
Accounts receivable other, net	980,451	2,007,180	1,727,195	2,001,658	1,435,645	741,992	2,129,849	359,524	738,208	524,589	1,318,982	2,193,104	1,060,588	17,218,964
Prepaid expenses and other current assets	1,073	1,445	1,714	19,113	13,851	12,385	7,149	2,000	2,684	260	1,023	6,990	257,839	327,526
<b>Total current assets</b>	<b>6,498,242</b>	<b>6,050,379</b>	<b>6,192,755</b>	<b>19,330,390</b>	<b>16,509,466</b>	<b>7,585,284</b>	<b>20,459,363</b>	<b>4,495,917</b>	<b>18,467,093</b>	<b>11,216,322</b>	<b>14,414,237</b>	<b>7,576,909</b>	<b>37,342,620</b>	<b>176,138,978</b>
<b>Non-current assets</b>														
Investment in plant	47,816,917	73,680,486	198,620,309	151,587,351	113,925,914	22,147,637	169,125,298	62,539,838	74,998,940	29,591,138	100,104,274	63,837,176	21,877,314	1,129,852,592
Accumulated depreciation	(11,586,553)	(35,064,110)	(47,353,371)	(39,501,747)	(62,662,447)	(14,593,728)	(79,185,214)	(16,533,680)	(30,485,948)	(11,760,040)	(33,672,507)	(22,520,979)	(18,128,573)	(423,048,898)
Investment in plant, net of accumulated depreciation	36,230,364	38,616,376	151,266,938	112,085,603	51,263,467	7,553,910	89,940,083	46,006,158	44,512,992	17,831,098	66,431,767	41,316,197	3,748,741	706,803,694
Student loans, net	112,216	-	8,093	(1,206)	-	(6,647)	-	-	32,519	-	(32,526)	315,858	-	428,307
Total non-current assets	36,342,580	38,616,376	151,275,031	112,084,397	51,263,467	7,547,263	89,940,083	46,006,158	44,545,511	17,831,098	66,399,241	41,632,055	3,748,741	707,232,001
<b>Total assets</b>	<b>\$ 42,840,822</b>	<b>\$ 44,666,756</b>	<b>\$ 157,467,786</b>	<b>\$ 131,414,787</b>	<b>\$ 67,772,933</b>	<b>\$ 15,132,547</b>	<b>\$ 110,399,447</b>	<b>\$ 50,502,074</b>	<b>\$ 63,012,604</b>	<b>\$ 29,047,420</b>	<b>\$ 80,813,478</b>	<b>\$ 49,208,964</b>	<b>\$ 41,091,361</b>	<b>\$ 883,370,979</b>
<b>Deferred outflows of resources</b>														
Deferred pension	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 265,264,534	\$ 265,264,534
Deferred other post employment benefits	-	-	-	-	-	-	-	-	-	-	-	-	292,831,066	292,831,066
<b>Total deferred outflows of resources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 558,095,600</b>	<b>\$ 558,095,600</b>
<b>Liabilities</b>														
<b>Current liabilities</b>														
Accounts payable	\$ 47,524	\$ 142,888	\$ 413,712	\$ 498,466	\$ 260,482	\$ 18,512	\$ 160,804	\$ 45,424	\$ 250,340	\$ 24,824	\$ 121,546	\$ 433,812	\$ 2,657,446	\$ 5,075,780
Accrued expenses - salary and fringe benefits	1,791,736	3,573,489	5,523,215	3,774,994	5,302,475	2,378,176	5,532,408	1,519,088	4,431,817	1,472,989	3,297,772	3,279,147	1,861,137	43,738,441
Accrued compensated absences - current portion	146,754	247,663	340,486	241,812	313,889	167,937	370,561	131,497	305,102	116,524	225,223	267,154	408,359	3,282,959
Unearned tuition and grant revenue	218,265	2,254,702	793,842	931,390	1,394,332	1,815,628	1,240,300	151,371	1,371,780	276,123	625,546	710,031	3,237,174	15,020,483
Retainage	-	-	-	-	-	-	495,701	-	-	-	-	-	-	495,701
Agency and loan fund liabilities	54,725	129,283	340,088	120,201	275,643	228,857	403,408	64,466	371,586	72,057	195,116	209,158	-	2,464,589
Other liabilities	36,000	110,873	149,486	78,846	132,082	60,216	81,256	11,041	123,491	12,021	137,765	86,969	-	1,020,046
<b>Total current liabilities</b>	<b>2,295,005</b>	<b>6,458,898</b>	<b>7,560,829</b>	<b>5,645,708</b>	<b>7,678,904</b>	<b>4,669,324</b>	<b>8,284,438</b>	<b>1,922,887</b>	<b>6,854,117</b>	<b>1,974,538</b>	<b>4,602,968</b>	<b>4,986,271</b>	<b>8,164,115</b>	<b>71,097,999</b>
<b>Non-current liabilities</b>														
Pension liability, net	-	-	-	-	-	-	-	-	-	-	-	-	920,928,258	920,928,258
Other post employment benefits liability net	-	-	-	-	-	-	-	-	-	-	-	-	1,128,067,973	1,128,067,973
Accrued compensated absences - long term portion	1,645,242	2,789,490	3,857,659	2,737,027	3,560,656	1,901,522	4,203,389	1,470,105	3,461,441	1,329,573	2,560,926	2,984,808	4,575,379	37,077,217
<b>Total non-current liabilities</b>	<b>1,645,242</b>	<b>2,789,490</b>	<b>3,857,659</b>	<b>2,737,027</b>	<b>3,560,656</b>	<b>1,901,522</b>	<b>4,203,389</b>	<b>1,470,105</b>	<b>3,461,441</b>	<b>1,329,573</b>	<b>2,560,926</b>	<b>2,984,808</b>	<b>2,053,571,610</b>	<b>2,086,073,448</b>
<b>Total liabilities</b>	<b>\$ 3,940,246</b>	<b>\$ 9,248,387</b>	<b>\$ 11,418,488</b>	<b>\$ 8,382,734</b>	<b>\$ 11,239,560</b>	<b>\$ 6,570,846</b>	<b>\$ 12,487,827</b>	<b>\$ 3,392,992</b>	<b>\$ 10,315,558</b>	<b>\$ 3,304,111</b>	<b>\$ 7,163,894</b>	<b>\$ 7,971,079</b>	<b>\$ 2,061,735,725</b>	<b>\$ 2,157,171,447</b>
<b>Deferred inflows of resources</b>														
Deferred pension	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,776,641	\$ 18,776,641
Deferred other post employment benefits	-	-	-	-	-	-	-	-	-	-	-	-	90,384,212	90,384,212
<b>Total deferred inflows of resources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 109,160,853</b>	<b>\$ 109,160,853</b>
<b>Net position</b>														
Invested in capital assets, net	\$ 36,230,364	\$ 38,616,376	\$ 151,266,938	\$ 112,085,603	\$ 51,263,467	\$ 7,553,909	\$ 89,940,083	\$ 46,006,158	\$ 44,512,992	\$ 17,831,098	\$ 66,431,767	\$ 41,316,197	\$ 3,748,741	\$ 706,803,694
Restricted	-	-	-	20,000	-	-	-	-	-	-	-	-	-	20,000
Nonexpendable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expendable	2,105,087	5,438,987	279,585	1,981,362	176,517	441,712	3,546,376	1,648,007	5,841,282	678,511	161,541	587,276	12,838,138	35,724,382
Unrestricted	565,125	(8,636,995)	(5,497,226)	8,945,087	5,093,390	566,080	4,425,160	(545,083)	2,342,771	7,233,700	7,056,276	(665,588)	(1,588,296,494)	(1,567,413,797)
<b>Total net position</b>	<b>\$ 38,900,576</b>	<b>\$ 35,418,368</b>	<b>\$ 146,049,297</b>	<b>\$ 123,032,053</b>	<b>\$ 56,533,373</b>	<b>\$ 8,561,701</b>	<b>\$ 97,911,620</b>	<b>\$ 47,109,082</b>	<b>\$ 52,697,046</b>	<b>\$ 25,743,309</b>	<b>\$ 73,649,584</b>	<b>\$ 41,237,885</b>	<b>\$ (1,571,709,616)</b>	<b>\$ (824,865,721)</b>

**Connecticut Community Colleges**  
Combining Statement of Revenues, Expenses and Changes in Net Position  
Year Ended June 30, 2021



	Asnuntuck Community College	Capital Community College	Gateway Community College	Housatonic Community College	Manchester Community College	Middlesex Community College	Naugatuck Valley Community College	Northwestern Connecticut Community College	Norwalk Community College	Quinebaug Valley Community College	Three Rivers Community College	Tunxis Community College	System Office	Combined Total
<b>Operating revenues</b>														
Student tuition and fees	\$ 5,696,876	\$ 10,183,068	\$ 23,104,714	\$ 13,672,128	\$ 17,165,470	\$ 8,650,742	\$ 19,889,381	\$ 4,402,543	\$ 17,752,165	\$ 4,439,651	\$ 12,668,060	\$ 13,408,161	\$ 121,017	\$ 151,153,976
Less: Scholarship discounts and allowances	(2,271,581)	(5,512,528)	(11,388,794)	(7,269,089)	(7,979,216)	(3,440,521)	(9,602,086)	(2,400,502)	(7,524,135)	(2,408,729)	(6,502,519)	(6,622,308)	-	(72,922,008)
Net tuition and fees	3,425,295	4,670,541	11,715,921	6,403,040	9,186,254	5,210,220	10,287,295	2,002,041	10,228,030	2,030,922	6,165,541	6,785,852	121,017	78,231,968
Federal grants and contracts	764,191	1,567,425	1,161,909	1,231,362	1,484,179	879,338	3,930,985	686,101	1,638,979	175,139	887,383	1,656,011	2,967,243	19,030,247
State and local grants and contracts	257,447	783,151	2,284,938	1,105,459	1,076,324	412,598	1,676,673	206,658	917,818	334,395	668,733	786,734	73,324	10,584,351
Nongovernment grants and contracts	265,791	434,680	51,925	249,196	111,469	18,871	150,605	591,480	2,110,743	399,037	484,538	63,021	771,901	5,703,257
Auxiliary revenues	-	-	72,731	-	-	-	-	-	-	-	240	-	-	72,971
Other operating revenues	122,650	173,852	749,892	376,362	171,597	94,758	358,684	15,760	498,450	30,832	373,952	155,121	288,907	3,410,818
Total operating revenues	4,835,374	7,629,649	16,037,315	9,365,419	12,029,823	6,615,785	16,404,243	3,502,040	15,394,120	2,970,325	8,580,386	9,446,740	4,222,392	117,033,610
<b>Operating expenses</b>														
Salaries and wages	10,680,860	18,849,520	31,376,190	21,329,798	26,195,021	12,759,762	31,461,727	8,748,541	24,611,360	8,380,941	18,249,545	18,637,834	23,882,662	255,163,763
Fringe benefits	7,850,990	14,139,020	21,533,022	15,259,593	19,388,447	8,875,428	23,254,609	6,195,804	15,020,777	6,038,034	12,252,052	12,998,582	150,929,304	313,735,661
Professional services and fees	407,996	284,386	799,765	553,143	409,803	348,404	592,006	180,796	456,382	282,108	251,300	508,599	3,146,229	8,220,917
Educational services and support	402,160	646,499	847,750	535,114	1,333,911	1,068,426	922,813	289,596	773,370	661,843	724,908	1,205,711	4,838,916	14,251,017
Travel expenses	25,963	81,451	109,096	91,614	114,161	49,903	52,376	26,612	101,359	7,844	94,459	62,894	45,039	862,769
Operation of facilities	1,034,801	2,283,681	4,872,606	3,802,296	1,495,566	1,183,323	2,499,249	733,433	4,078,595	623,331	1,695,542	1,871,073	304,810	26,478,307
Other operating supplies and expenses	398,585	397,906	1,034,903	531,262	817,497	604,265	1,843,417	135,066	1,107,177	312,681	456,877	525,768	13,344,725	21,510,128
Scholarship aid, net	1,583,400	2,956,910	6,427,160	4,910,122	4,686,521	1,888,846	6,142,252	986,126	5,532,193	1,580,811	3,491,063	3,762,884	449,244	44,397,532
Depreciation expense	2,048,816	1,909,601	5,274,442	8,043,675	3,026,826	683,903	4,636,019	3,410,511	1,819,867	1,030,195	2,905,281	1,556,483	764,863	37,110,482
Total operating expenses	24,433,572	41,548,973	72,274,934	55,056,618	57,467,753	27,462,260	71,404,467	20,706,485	53,501,080	18,917,789	40,121,027	41,129,829	197,705,793	721,730,579
Operating loss	(19,598,198)	(33,919,324)	(56,237,619)	(45,691,199)	(45,437,930)	(20,846,474)	(55,000,224)	(17,204,445)	(38,106,960)	(15,947,464)	(31,540,641)	(31,683,089)	(193,483,401)	(604,696,968)
<b>Nonoperating revenues and expenses</b>														
State appropriation - general fund	15,032,898	23,908,799	39,304,073	28,467,199	35,025,855	16,304,366	40,165,829	12,166,539	28,867,799	12,083,198	23,112,141	23,639,789	32,784,451	330,862,935
State appropriation - bond fund	115,615	274,243	18,291	57,149	237,016	335,374	1,345,041	204,773	27,576	361,225	324,079	192,437	6,071,963	9,564,781
Pell grant revenue	1,680,446	4,575,656	9,426,160	6,832,086	5,862,002	2,659,101	7,914,760	1,595,329	6,082,240	1,835,973	4,909,038	5,165,651	-	58,538,443
Federal non-operating grant revenue	3,556,458	5,725,625	8,914,787	7,180,153	9,784,658	3,110,692	9,207,618	1,125,094	7,963,507	1,958,853	3,960,300	6,318,472	-	68,806,217
Federal non-operating pass-through grant revenue	101,024	(25,171)	548,010	402,350	560,786	91,722	328,781	58,923	254,784	24,721	197,223	90,335	9,658,437	12,291,923
Other non-operating revenue, net	388	-	-	10,495	10,144	2,539	7,579	1,319	6,872	8,094	8,050	427	4,086	59,993
Student reengagement expense	(814,824)	(1,510,928)	(2,953,093)	(1,714,671)	(2,255,225)	(890,158)	(2,238,323)	(361,505)	(976,145)	(564,915)	(720,343)	(1,582,399)	-	(16,582,530)
Total nonoperating revenues (expenses), net	19,672,004	32,948,225	55,258,228	41,234,761	49,225,236	21,613,635	56,731,283	14,790,472	42,226,634	15,707,149	31,790,487	33,824,712	48,518,937	463,541,764
Loss before other changes in net position	73,806	(971,099)	(979,391)	(4,456,438)	3,787,306	767,161	1,731,059	(2,413,973)	4,119,674	(240,315)	249,846	2,141,623	(144,964,464)	(141,155,205)
<b>Other changes in net position</b>														
Capital and other additions (deductions)	791,405	448,983	(54,958)	1,147,699	(61,916)	1,020,334	224,660	11,217	673,645	97,892	58,077	158,411	(4,515,450)	-
Other deductions	-	-	(30,500)	(178,922)	(12,883)	(14,775)	42,406	(1,264,107)	(14,935)	(263,464)	2,827	1	(436,778)	(2,171,130)
Interagency transfers	(279,311)	(194,675)	(1,244,101)	(806,053)	(1,114,213)	(261,941)	(890,056)	111,519	(1,482,653)	49,340	(418,584)	(502,397)	7,033,125	-
Total other changes in net position	512,094	254,308	(1,329,559)	162,724	(1,189,012)	743,618	(622,990)	(1,141,372)	(823,943)	(116,232)	(357,680)	(343,985)	2,080,897	(2,171,130)
Change in net position	585,901	(716,791)	(2,308,949)	(4,293,714)	2,598,294	1,510,779	1,108,069	(3,555,345)	3,295,731	(356,548)	(107,833)	1,797,638	(142,883,567)	(143,326,335)
Net position, beginning of year	38,900,576	35,418,369	146,049,297	123,032,052	56,533,373	8,561,701	97,911,620	47,109,082	52,697,046	25,743,309	73,649,584	41,237,885	(1,571,709,614)	(824,865,721)
Net position, end of year	\$ 39,486,476	\$ 34,701,578	\$ 143,740,348	\$ 118,738,338	\$ 59,131,667	\$ 10,072,480	\$ 99,019,689	\$ 43,553,737	\$ 55,992,777	\$ 25,386,762	\$ 73,541,751	\$ 43,035,524	\$ (1,714,593,181)	\$ (968,192,056)

**Connecticut Community Colleges**  
 Combining Statement of Revenues, Expenses and Changes in Net Position  
 Year Ended June 30, 2020



	Asnuntuck Community College	Capital Community College	Gateway Community College	Housatonic Community College	Manchester Community College	Middlesex Community College	Naugatuck Valley Community College	Northwestern Connecticut Community College	Norwalk Community College	Quinebaug Valley Community College	Three Rivers Community College	Tunxis Community College	System Office	Combined Total
<b>Operating revenues</b>														
Student tuition and fees	\$ 7,538,343	\$ 12,245,917	\$ 25,817,359	\$ 16,745,982	\$ 21,784,829	\$ 9,397,067	\$ 23,275,883	\$ 4,477,930	\$ 20,871,724	\$ 5,079,021	\$ 13,819,226	\$ 15,407,534	\$ -	\$ 176,460,816
Less: Scholarship discounts and allowances	(3,603,996)	(7,253,434)	(12,873,313)	(9,721,116)	(9,148,136)	(3,519,990)	(10,046,927)	(2,383,131)	(8,825,240)	(2,438,198)	(7,124,845)	(6,832,840)	-	(83,771,167)
Net tuition and fees	3,934,347	4,992,484	12,944,046	7,024,866	12,636,693	5,877,077	13,228,957	2,094,799	12,046,483	2,640,823	6,694,381	8,574,694	-	92,689,649
Federal grants and contracts	734,081	1,534,806	898,681	1,177,976	865,959	287,073	2,325,260	716,503	1,628,045	215,608	512,616	1,072,200	145,991	12,114,800
State and local grants and contracts	400,940	863,725	2,247,979	1,408,686	1,260,220	512,413	1,798,990	197,599	989,771	355,070	772,026	897,930	195,707	11,901,055
Nongovernment grants and contracts	266,545	528,168	112,317	371,175	233,590	54,014	383,169	332,629	1,599,828	380,051	346,925	64,035	143,084	4,815,529
Auxiliary revenues	-	-	130,591	-	57,533	-	-	-	-	-	227,003	-	-	415,126
Other operating revenues	386,063	151,718	601,529	394,516	252,605	134,948	362,615	33,913	278,219	108,442	283,232	152,325	89,956	3,230,081
Total operating revenues	5,721,977	8,070,901	16,935,144	10,377,219	15,306,599	6,865,525	18,098,991	3,375,443	16,542,345	3,699,994	8,836,182	10,761,183	574,738	125,166,240
<b>Operating expenses</b>														
Salaries and wages	11,738,849	19,444,880	31,826,102	22,538,875	27,143,214	12,812,269	31,781,658	9,040,006	25,771,494	8,904,982	18,783,602	19,077,977	13,345,435	252,209,342
Fringe benefits	8,063,543	13,986,547	20,743,039	15,216,541	19,439,482	8,560,354	23,136,909	6,345,216	15,484,537	6,256,927	12,390,483	12,618,539	143,261,521	305,503,637
Professional services and fees	395,251	324,228	731,513	524,412	436,467	337,055	593,817	174,742	501,589	287,719	392,626	453,422	4,338,350	9,491,192
Educational services and support	333,510	670,253	495,817	568,100	819,130	740,047	767,181	305,153	485,725	372,920	873,869	656,022	1,617,875	8,705,604
Travel expenses	115,567	108,629	232,507	209,875	238,816	87,062	118,659	114,077	177,120	89,266	103,008	191,152	289,895	2,075,633
Operation of facilities	1,098,655	2,366,064	5,051,988	3,932,760	1,930,057	867,739	2,611,462	775,119	3,814,900	711,915	1,640,442	2,145,116	156,467	27,102,684
Other operating supplies and expenses	468,670	384,895	1,082,062	634,505	1,674,605	686,192	985,775	56,524	871,387	374,526	634,648	877,610	6,619,296	15,350,696
Scholarship aid, net	1,386,828	3,146,350	5,698,807	4,594,820	4,465,010	1,810,196	6,312,606	714,194	4,775,853	1,117,961	3,075,869	3,315,025	446,027	40,859,546
Depreciation expense	2,272,460	1,991,159	5,315,223	2,979,555	3,110,342	843,455	3,542,879	1,139,345	2,026,110	1,053,545	2,923,753	1,561,708	1,396,851	30,156,387
Total operating expenses	25,873,334	42,423,006	71,177,058	51,199,445	59,257,123	26,744,369	69,850,946	18,664,377	53,908,714	19,169,760	40,818,301	40,896,570	171,471,718	691,454,721
Operating loss	(20,151,357)	(34,352,105)	(54,241,914)	(40,822,226)	(43,950,524)	(19,878,844)	(51,751,955)	(15,288,934)	(37,366,369)	(15,469,766)	(31,982,119)	(30,135,387)	(170,896,980)	(566,288,481)
<b>Nonoperating revenues</b>														
State appropriation - general fund	14,246,832	21,592,670	36,290,500	26,551,763	32,615,420	15,169,491	37,698,636	11,955,345	27,795,213	12,054,430	21,711,458	21,585,369	21,673,353	300,940,479
State appropriation - bond fund	154,330	479,416	209,912	190,736	728,989	824,571	8,867,339	61,578	491,774	62,155	1,008,158	677,023	8,655,788	22,411,768
Pell grant revenue	3,011,066	6,421,763	11,484,844	9,476,263	7,721,997	3,157,311	9,899,791	1,876,848	7,936,008	2,024,348	5,921,672	6,103,751	-	75,035,663
Federal emergency grant revenue	398,551	773,778	1,463,128	1,230,535	959,214	387,206	1,179,258	169,968	885,769	292,852	760,154	700,639	-	9,201,051
Investment income	15,383	-	5,832	206,172	167,989	56,721	103,757	25,413	135,634	132,038	148,610	25,196	189,980	1,212,724
Total nonoperating revenues	17,826,162	29,267,627	49,454,215	37,655,469	42,193,609	19,595,300	57,748,780	14,089,152	37,244,398	14,565,822	29,550,053	29,091,978	30,519,121	408,801,686
Loss before other changes in net position	(2,325,196)	(5,084,478)	(4,787,699)	(3,166,757)	(1,756,916)	(283,544)	5,996,825	(1,199,782)	(121,971)	(903,944)	(2,432,066)	(1,043,409)	(140,377,858)	(157,486,795)
<b>Other changes in net position</b>														
Capital and other additions (deductions)	1,452,388	727,039	(56,434)	2,518,530	4,083	20,801	980,577	1,856,395	2,027,270	24,044	114,062	112,499	(9,781,255)	-
Interagency transfers	(285,616)	(700,800)	(1,731,989)	(1,211,870)	(1,508,743)	(538,731)	(1,685,827)	(131,567)	(1,422,612)	(326,991)	(811,111)	(885,902)	11,241,757	-
Total other changes in net position	1,166,773	26,239	(1,788,422)	1,306,660	(1,504,660)	(517,930)	(705,250)	1,724,828	604,658	(302,946)	(697,049)	(773,403)	1,460,502	-
Change in net position	(1,158,423)	(5,058,239)	(6,576,121)	(1,860,097)	(3,261,576)	(801,474)	5,291,575	525,046	482,687	(1,206,890)	(3,129,115)	(1,816,812)	(138,917,356)	(157,486,795)
Net position, beginning of year	40,058,999	40,476,607	152,625,418	124,892,149	59,794,949	9,363,174	92,620,045	46,584,036	52,214,359	26,950,200	76,778,699	43,054,698	(1,432,792,258)	(667,378,926)
Net position, end of year	\$ 38,900,576	\$ 35,418,369	\$ 146,049,297	\$ 123,032,052	\$ 56,533,373	\$ 8,561,701	\$ 97,911,620	\$ 47,109,082	\$ 52,697,046	\$ 25,743,309	\$ 73,649,584	\$ 41,237,885	\$ (1,571,709,614)	\$ (824,865,721)

	Asnuntuck Community College	Capital Community College	Gateway Community College	Housatonic Community College	Manchester Community College	Middlesex Community College	Naugatuck Valley Community College	Northwestern Connecticut Community College	Norwalk Community College	Quinebaug Valley Community College	Three Rivers Community College	Tunxis Community College	System Office	Combined Total
<b>Cash flows from operating activities</b>														
Student tuition and fees	\$ 2,660,406	3,837,751	10,716,237	5,350,587	9,425,157	4,932,580	10,910,515	1,724,240	9,849,120	1,735,552	5,984,352	5,496,299	240,498	72,863,294
Government grants and contracts	971,683	1,894,770	2,421,343	2,568,377	2,006,066	1,115,413	4,571,388	891,326	2,714,686	504,645	1,557,949	2,302,384	2,535,875	26,055,905
Private grants and contracts	156,756	566,727	51,964	167,379	194,943	6,049	137,317	72,499	759,517	168,904	459,706	24,637	476,300	3,242,698
Sales and services of educational departments	363	5,704	7,240	89,798	(30)	4,266	102,672	-	171,156	-	-	64,069	-	445,238
Payments to employees	(10,587,733)	(19,145,745)	(31,585,338)	(21,709,138)	(26,632,315)	(12,743,581)	(31,607,239)	(8,930,192)	(24,733,591)	(8,605,544)	(18,382,378)	(18,934,157)	(18,663,381)	(252,260,332)
Payments for fringe benefits	(7,822,090)	(14,277,916)	(21,341,243)	(15,378,015)	(19,558,718)	(8,825,293)	(23,411,193)	(6,311,611)	(15,118,915)	(6,073,692)	(12,405,423)	(13,144,138)	(12,949,109)	(176,617,356)
Payments to students	(2,623,179)	(3,596,437)	(6,863,209)	(4,855,229)	(5,904,565)	(2,548,372)	(6,848,797)	(1,175,290)	(6,517,111)	(1,362,880)	(3,892,632)	(4,246,667)	(215,601)	(50,649,969)
Payments to vendors	(2,345,928)	(4,085,839)	(8,439,090)	(5,120,437)	(5,207,235)	(3,163,191)	(6,104,821)	(1,418,482)	(6,602,820)	(1,931,495)	(3,754,338)	(4,668,998)	(24,517,039)	(77,359,713)
Other receipts, net	133,409	798,115	1,199,636	378,739	1,203,302	(78,914)	69,197	98,955	520,709	402,853	411,042	605,638	3,216,695	8,959,376
Net cash used in operating activities	<u>(19,456,313)</u>	<u>(34,002,870)</u>	<u>(53,832,460)</u>	<u>(38,507,939)</u>	<u>(44,473,395)</u>	<u>(21,301,043)</u>	<u>(52,180,961)</u>	<u>(15,048,555)</u>	<u>(38,957,249)</u>	<u>(15,161,657)</u>	<u>(30,021,722)</u>	<u>(32,500,933)</u>	<u>(49,875,763)</u>	<u>(445,320,860)</u>
<b>Cash flows from investing activities</b>														
Interest income	3,593	-	-	75,525	66,132	21,311	27,307	10,006	54,639	49,428	50,885	8,276	47,545	414,647
Net cash provided by investing activities	<u>3,593</u>	<u>-</u>	<u>-</u>	<u>75,525</u>	<u>66,132</u>	<u>21,311</u>	<u>27,307</u>	<u>10,006</u>	<u>54,639</u>	<u>49,428</u>	<u>50,885</u>	<u>8,276</u>	<u>47,545</u>	<u>414,647</u>
<b>Cash flows from capital and related financing activities</b>														
State appropriations	-	-	18,291	24,381	140,599	44,455	563,622	141,786	14,652	238,746	162,957	46,747	2,397,507	3,793,743
Payments by Department of Construction Services (DCS)	-	-	(30,500)	(189,133)	(14,200)	(14,775)	(2,828,047)	(1,264,107)	(835,291)	(264,466)	3,102	1,950	(111,853)	(5,547,320)
Purchase of capital assets	(7,744)	(153,280)	(294,629)	(238,982)	(539,120)	(48,122)	(70,234)	(53,412)	(222,538)	(268,031)	(603,552)	(78,252)	(4,970,947)	(7,548,843)
Net cash (used in) provided by capital and related financing activities	<u>(7,744)</u>	<u>(153,280)</u>	<u>(306,838)</u>	<u>(403,734)</u>	<u>(412,721)</u>	<u>(18,442)</u>	<u>(2,334,659)</u>	<u>(1,175,733)</u>	<u>(1,043,177)</u>	<u>(293,751)</u>	<u>(437,493)</u>	<u>(29,555)</u>	<u>(2,685,293)</u>	<u>(9,302,420)</u>
<b>Cash flows from noncapital financing activities</b>														
State appropriations	15,088,522	24,212,487	39,129,760	28,495,988	35,129,981	16,620,509	41,000,870	12,355,528	28,716,956	12,235,422	23,334,040	23,907,893	33,941,277	334,169,233
Nonoperating federal grants	4,264,670	7,529,364	16,428,756	11,968,536	13,415,927	4,452,379	15,820,982	2,376,220	12,773,695	2,693,606	8,516,967	9,503,638	8,872,727	118,617,467
Private gifts	248,709	750	-	-	-	30,869	767	556,686	900,380	240,786	21,786	212	-	2,000,945
Federal Family Education Loan Program (FFELP)	341,109	497,193	281,643	267,354	199,234	156,046	510,340	254,971	262,658	-	557,800	1,932,233	-	5,260,581
Interagency transfers	(343,344)	(304,950)	(1,412,799)	(919,872)	(1,259,359)	(329,405)	(1,050,957)	49,863	(1,506,473)	35,668	(423,289)	(510,603)	7,975,520	-
Net cash provided by noncapital financing activities	<u>19,599,666</u>	<u>31,934,844</u>	<u>54,427,360</u>	<u>39,812,006</u>	<u>47,485,783</u>	<u>20,930,398</u>	<u>56,282,002</u>	<u>15,593,268</u>	<u>41,147,216</u>	<u>15,205,482</u>	<u>32,007,304</u>	<u>34,833,373</u>	<u>50,789,524</u>	<u>460,048,226</u>
Net increase (decrease) in cash and cash equivalents	139,202	(2,221,306)	288,062	975,858	2,665,799	(367,776)	1,793,689	(621,014)	1,201,429	(200,498)	1,598,974	2,311,161	(1,723,987)	5,839,594
Cash and cash equivalents at beginning of year	<u>4,201,551</u>	<u>1,263,801</u>	<u>578,409</u>	<u>14,453,230</u>	<u>10,778,360</u>	<u>4,981,720</u>	<u>13,798,708</u>	<u>2,799,649</u>	<u>14,609,236</u>	<u>9,411,835</u>	<u>10,715,646</u>	<u>3,022,112</u>	<u>34,370,104</u>	<u>124,984,361</u>
Cash and cash equivalents at end of year	<u>\$ 4,340,753</u>	<u>\$ (957,505)</u>	<u>\$ 866,471</u>	<u>\$ 15,429,088</u>	<u>\$ 13,444,159</u>	<u>\$ 4,613,944</u>	<u>\$ 15,592,397</u>	<u>\$ 2,178,635</u>	<u>\$ 15,810,665</u>	<u>\$ 9,211,337</u>	<u>\$ 12,314,620</u>	<u>\$ 5,333,273</u>	<u>\$ 32,646,118</u>	<u>\$ 130,823,954</u>

**Connecticut Community Colleges**  
Combining Statement of Cash Flows  
Year Ended June 30, 2020



	Asnuntuck Community College	Capital Community College	Gateway Community College	Housatonic Community College	Manchester Community College	Middlesex Community College	Naugatuck Valley Community College	Northwestern Connecticut Community College	Norwalk Community College	Quinebaug Valley Community College	Three Rivers Community College	Tunxis Community College	System Office	Combined Total
<b>Cash flows from operating activities</b>														
Student tuition and fees	\$ 3,428,005	\$ 5,047,108	\$ 12,024,016	\$ 6,710,378	\$ 11,913,746	\$ 5,266,442	\$ 11,693,351	\$ 1,879,054	\$ 12,190,767	\$ 2,502,378	\$ 6,942,766	\$ 7,089,038	\$ 313,051	\$ 87,000,100
Government grants and contracts	833,793	2,203,967	3,346,663	2,654,483	1,886,864	989,032	4,702,130	930,893	2,778,714	580,503	1,146,346	1,606,057	284,659	23,944,104
Private grants and contracts	347,855	517,638	91,144	426,015	476,124	19,000	429,769	74,042	637,149	121,210	240,311	18,050	375,000	3,773,307
Sales and services of educational departments	5,342	16,260	20,530	71,566	164,904	7,106	93,923	-	142,444	-	-	96,399	-	618,474
Payments to employees	(11,610,809)	(18,965,983)	(31,210,200)	(22,195,154)	(26,647,001)	(12,554,576)	(31,525,059)	(8,953,421)	(25,772,089)	(8,902,154)	(18,494,902)	(18,817,239)	(12,730,376)	(248,378,963)
Payments for fringe benefits	(7,884,846)	(13,572,734)	(20,141,089)	(14,902,998)	(18,960,295)	(8,357,216)	(22,678,115)	(6,226,113)	(15,463,776)	(6,125,655)	(12,295,764)	(12,323,430)	(8,233,856)	(167,165,887)
Payments to students	(2,199,022)	(3,602,996)	(5,480,679)	(4,542,550)	(4,452,283)	(2,081,027)	(6,250,355)	(1,004,652)	(4,939,733)	(914,448)	(3,673,693)	(3,696,128)	(58,178)	(42,895,744)
Payments to vendors	(3,750,731)	(4,666,473)	(8,042,156)	(6,646,211)	(5,644,660)	(3,436,076)	(5,897,886)	(1,685,084)	(6,896,756)	(2,067,348)	(4,393,389)	(5,250,295)	(12,891,629)	(71,268,694)
Payments by Department of Construction Services (DCS)	-	-	-	-	-	-	-	-	-	-	-	(20,000)	-	(20,000)
Other receipts, net	262,306	308,387	604,677	425,769	432,599	112,139	281,422	96,386	383,424	126,670	426,247	728,927	1,868,334	6,057,287
Net cash used in operating activities	(20,568,107)	(32,714,826)	(48,787,094)	(37,998,702)	(40,830,002)	(20,035,176)	(49,150,820)	(14,888,895)	(36,939,857)	(14,678,844)	(30,102,078)	(30,568,621)	(31,072,995)	(408,336,017)
<b>Cash flows from investing activities</b>														
Interest income	19,556	-	24,344	306,714	251,841	90,195	224,021	37,195	203,876	186,025	240,990	36,330	320,698	1,941,785
Net cash provided by investing activities	19,556	-	24,344	306,714	251,841	90,195	224,021	37,195	203,876	186,025	240,990	36,330	320,698	1,941,785
<b>Cash flows from capital and related financing activities</b>														
State appropriations	11,437	5,399	137,800	59,125	23,094	361,234	8,505,609	-	12,072	1,296	700,937	-	7,435,415	17,253,418
Payments by Department of Construction Services (DCS)	(6,000)	-	-	(1,770,911)	-	-	(5,962,071)	(323,034)	(486,221)	(16,546)	-	(50,264)	(10,057)	(8,625,104)
Purchase of capital assets	(164,355)	(118,958)	(370,643)	(222,982)	(166,816)	(490,171)	(355,229)	(15,232)	(25,802)	(15,193)	(1,365,515)	(56,453)	(9,934,433)	(13,301,782)
Net cash (used in) provided by capital and related financing activities	(158,918)	(113,559)	(232,843)	(1,934,768)	(143,722)	(128,937)	2,188,309	(338,266)	(499,951)	(30,443)	(664,578)	(106,717)	(2,509,075)	(4,673,468)
<b>Cash flows from noncapital financing activities</b>														
State appropriations	14,250,177	21,644,818	35,818,969	26,396,578	32,720,886	15,459,437	37,418,806	11,915,794	28,379,857	12,011,160	21,912,539	21,941,346	22,140,763	302,011,130
Nonoperating federal grants	3,470,431	8,362,358	12,853,170	10,412,269	8,687,728	4,477,996	11,056,414	2,046,371	8,632,645	2,424,590	6,665,755	6,427,210	-	85,516,937
Private gifts	87,347	42,400	-	-	-	54,706	54,954	228,045	1,055,064	237,432	74,593	543	-	1,835,084
Federal Family Education Loan Program (FFELP)	1,774,551	950,908	529,578	484,339	697,240	470,992	1,161,050	399,814	438,551	-	1,116,261	1,653,256	-	9,676,540
Interagency transfers	(285,618)	(654,627)	(1,731,989)	(1,211,870)	(1,508,740)	(538,732)	(1,685,827)	(131,567)	(1,422,613)	(326,990)	(811,491)	(885,903)	11,195,967	-
Net cash provided by noncapital financing activities	19,296,888	30,345,857	47,469,728	36,081,316	40,597,114	19,924,399	48,005,397	14,458,457	37,083,504	14,346,192	28,957,657	29,136,452	33,336,730	399,039,691
Net increase (decrease) in cash and cash equivalents	(1,410,581)	(2,482,528)	(1,525,865)	(3,545,440)	(124,769)	(149,519)	1,266,907	(731,509)	(152,428)	(177,070)	(1,568,009)	(1,502,556)	75,358	(12,028,009)
Cash and cash equivalents at beginning of year	5,612,132	3,746,329	2,104,274	17,998,670	10,903,129	5,131,239	12,531,801	3,531,158	14,761,663	9,588,905	12,283,655	4,524,668	34,294,746	137,012,369
Cash and cash equivalents at end of year	\$ 4,201,551	\$ 1,263,801	\$ 578,409	\$ 14,453,230	\$ 10,778,360	\$ 4,981,720	\$ 13,798,708	\$ 2,799,649	\$ 14,609,236	\$ 9,411,835	\$ 10,715,646	\$ 3,022,112	\$ 34,370,104	\$ 124,984,361

**Connecticut Community Colleges**  
Combining Statement of Net Position by Fund Group  
As of June 30, 2021



	Operating and General Funds	Endowment, Loan, and Agency Funds	Agency Administered Bond Funds	DCS Administered Bond Funds	Invested in Capital Assets	Total
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	\$ 100,469,464	\$ 2,556,415	\$ 11,692,235	\$ 16,105,839	\$ -	\$ 130,823,954
Accounts receivable, due from the State	35,403,536	-	-	-	-	35,403,536
Accounts receivable other, net	30,351,825	77,824	104,872	-	-	30,534,521
Prepaid expenses and other current assets	93,751	-	59,260	-	-	153,011
Total current assets	<u>166,318,576</u>	<u>2,634,239</u>	<u>11,856,368</u>	<u>16,105,839</u>	<u>-</u>	<u>196,915,022</u>
<b>Non-current assets</b>						
Investment in plant	-	-	-	-	1,138,597,405	1,138,597,405
Accumulated depreciation	-	-	-	-	(458,696,386)	(458,696,386)
Investment in plant, net of accumulated depreciation	-	-	-	-	679,901,019	679,901,019
Student loans, net	-	362,395	-	-	-	362,395
Total non-current assets	<u>-</u>	<u>362,395</u>	<u>-</u>	<u>-</u>	<u>679,901,019</u>	<u>680,263,414</u>
Total assets	<u>\$ 166,318,576</u>	<u>\$ 2,996,634</u>	<u>\$ 11,856,368</u>	<u>\$ 16,105,839</u>	<u>\$ 679,901,019</u>	<u>\$ 877,178,436</u>
<b>Deferred outflows of resources</b>						
Deferred pension	\$ 222,986,296	\$ -	\$ -	\$ -	\$ -	\$ 222,986,296
Deferred other post employment benefits	314,903,354	-	-	-	-	314,903,354
Total deferred outflows of resources	<u>\$ 537,889,650</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 537,889,650</u>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Accounts payable	\$ 4,278,986	\$ -	\$ 790,168	\$ -	\$ -	\$ 5,069,154
Accrued expenses - salary and fringe benefits	46,566,566	-	-	-	-	46,566,566
Accrued compensated absences - current portion	3,937,063	-	-	-	-	3,937,063
Unearned tuition and grant revenue	12,901,090	-	-	-	-	12,901,090
Retainage	-	-	31,028	85,906	-	116,935
Agency and loan fund liabilities	-	2,944,889	-	-	-	2,944,889
Other liabilities	1,175,408	-	-	-	-	1,175,408
Total current liabilities	<u>68,859,113</u>	<u>2,944,889</u>	<u>821,197</u>	<u>85,906</u>	<u>-</u>	<u>72,711,105</u>
<b>Non-current liabilities</b>						
Pension liability, net	917,110,893	-	-	-	-	917,110,893
Other post employment benefits liability net	1,178,083,367	-	-	-	-	1,178,083,367
Accrued compensated absences - long term portion	38,131,062	-	-	-	-	38,131,062
Total non-current liabilities	<u>2,133,325,322</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,133,325,322</u>
Total liabilities	<u>\$ 2,202,184,436</u>	<u>\$ 2,944,889</u>	<u>\$ 821,197</u>	<u>\$ 85,906</u>	<u>\$ -</u>	<u>\$ 2,206,036,427</u>
<b>Deferred inflows of resources</b>						
Deferred pension	\$ 41,878,430	\$ -	\$ -	\$ -	\$ -	\$ 41,878,430
Deferred other post employment benefits	135,345,284	-	-	-	-	135,345,284
Total deferred inflows of resources	<u>\$ 177,223,714</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 177,223,714</u>
<b>Net position</b>						
Invested in capital assets, net	\$ -	\$ -	\$ -	\$ -	\$ 679,901,019	\$ 679,901,019
<b>Restricted</b>						
<b>Nonexpendable</b>						
Expendable	4,323,974	31,745	11,035,172	16,019,933	-	31,410,823
Unrestricted	(1,679,523,898)	-	-	-	-	(1,679,523,898)
Total net position	<u>\$ (1,675,199,924)</u>	<u>\$ 51,745</u>	<u>\$ 11,035,172</u>	<u>\$ 16,019,933</u>	<u>\$ 679,901,019</u>	<u>\$ (968,192,056)</u>

**Connecticut Community Colleges**  
Combining Statement of Net Position by Fund Group  
As of June 30, 2020



	Primary Institution					Total
	Operating and General Funds	Endowment, Loan, and Agency Funds	Agency Administered Bond Funds	DCS Administered Bond Funds	Invested in Capital Assets	
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	\$ 88,628,332	\$ 2,039,036	\$ 12,664,875	\$ 21,652,118	\$ -	\$ 124,984,361
Accounts receivable, due from the State	33,608,127	-	-	-	-	33,608,127
Accounts receivable other, net	16,734,765	48,991	435,208	-	-	17,218,964
Prepaid expenses and other current assets	72,159	-	255,368	-	-	327,526
<b>Total current assets</b>	<b>139,043,382</b>	<b>2,088,027</b>	<b>13,355,450</b>	<b>21,652,118</b>	<b>-</b>	<b>176,138,978</b>
<b>Non-current assets</b>						
Investment in plant	-	-	-	-	1,129,852,592	1,129,852,592
Accumulated depreciation	-	-	-	-	(423,048,898)	(423,048,898)
Investment in plant, net of accumulated depreciation	-	-	-	-	706,803,694	706,803,694
Student loans, net	-	428,307	-	-	-	428,307
<b>Total non-current assets</b>	<b>-</b>	<b>428,307</b>	<b>-</b>	<b>-</b>	<b>706,803,694</b>	<b>707,232,001</b>
<b>Total assets</b>	<b>\$ 139,043,382</b>	<b>\$ 2,516,334</b>	<b>\$ 13,355,450</b>	<b>\$ 21,652,118</b>	<b>\$ 706,803,694</b>	<b>\$ 883,370,979</b>
<b>Deferred outflows of resources</b>						
Deferred pension	\$ 265,264,534	\$ -	\$ -	\$ -	\$ -	\$ 265,264,534
Deferred other post employment benefits	292,831,066	-	-	-	-	292,831,066
<b>Total deferred outflows of resources</b>	<b>\$ 558,095,600</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 558,095,600</b>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Accounts payable	\$ 3,710,500	\$ -	\$ 1,365,280	\$ -	\$ -	\$ 5,075,780
Accrued expenses - salary and fringe benefits	43,738,441	-	-	-	-	43,738,441
Accrued compensated absences - current portion	3,282,959	-	-	-	-	3,282,959
Unearned tuition and grant revenue	15,020,483	-	-	-	-	15,020,483
Retainage	-	-	-	495,701	-	495,701
Agency and loan fund liabilities	-	2,464,589	-	-	-	2,464,589
Other liabilities	1,020,046	-	-	-	-	1,020,046
<b>Total current liabilities</b>	<b>66,772,429</b>	<b>2,464,589</b>	<b>1,365,280</b>	<b>495,701</b>	<b>-</b>	<b>71,097,999</b>
<b>Non-current liabilities</b>						
Pension liability, net	920,928,258	-	-	-	-	920,928,258
Other post employment benefits liability net	1,128,067,973	-	-	-	-	1,128,067,973
Accrued compensated absences - long term portion	37,077,217	-	-	-	-	37,077,217
<b>Total non-current liabilities</b>	<b>2,086,073,448</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,086,073,448</b>
<b>Total liabilities</b>	<b>\$ 2,152,845,877</b>	<b>\$ 2,464,589</b>	<b>\$ 1,365,280</b>	<b>\$ 495,701</b>	<b>\$ -</b>	<b>\$ 2,157,171,447</b>
<b>Deferred inflows of resources</b>						
Deferred pension	\$ 18,776,641	\$ -	\$ -	\$ -	\$ -	\$ 18,776,641
Deferred other post employment benefits	90,384,212	-	-	-	-	90,384,212
<b>Total deferred inflows of resources</b>	<b>\$ 109,160,853</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 109,160,853</b>
<b>Net position</b>						
Invested in capital assets, net	\$ -	\$ -	\$ -	\$ -	\$ 706,803,694	\$ 706,803,694
Restricted						
Nonexpendable	-	20,000	-	-	-	20,000
Expendable	2,546,050	31,745	11,990,170	21,156,417	-	35,724,382
Unrestricted	(1,567,413,797)	-	-	-	-	(1,567,413,797)
<b>Total net position</b>	<b>\$ (1,564,867,746)</b>	<b>\$ 51,745</b>	<b>\$ 11,990,170</b>	<b>\$ 21,156,417</b>	<b>\$ 706,803,694</b>	<b>\$ (824,865,721)</b>

**Connecticut Community Colleges**  
Combining Statement of Revenues, Expenses and Changes in Net Position by Fund Group  
Year Ended June 30, 2021



	Operating and General Funds	Endowment, Loan, and Agency Funds	Agency Administered Bond Funds	DCS Administered Bond Funds	Invested in Capital Assets	Total
<b>Operating revenues</b>						
Student tuition and fees	\$ 151,153,976	\$ -	\$ -	\$ -	\$ -	\$ 151,153,976
Less: Scholarship discounts and allowances	(72,922,008)	-	-	-	-	(72,922,008)
Net tuition and fees	78,231,968	-	-	-	-	78,231,968
Federal grants and contracts	19,030,247	-	-	-	-	19,030,247
State and local grants and contracts	10,584,351	-	-	-	-	10,584,351
Nongovernment grants and contracts	5,657,300	-	-	-	45,956	5,703,257
Auxiliary revenues	72,971	-	-	-	-	72,971
Other operating revenues	3,404,588	-	-	-	6,230	3,410,818
Total operating revenues	116,981,424	-	-	-	52,186	117,033,610
<b>Operating expenses</b>						
Salaries and wages	255,163,763	-	-	-	-	255,163,763
Fringe benefits	313,735,661	-	-	-	-	313,735,661
Professional services and fees	7,824,542	-	396,375	-	-	8,220,917
Educational services and support	14,081,786	-	169,231	-	-	14,251,017
Travel expenses	849,710	-	13,060	-	-	862,769
Operation of facilities	24,876,501	-	1,601,806	-	-	26,478,307
Other operating supplies and expenses	18,333,292	-	3,176,837	-	-	21,510,128
Scholarship aid, net	44,397,532	-	-	-	-	44,397,532
Depreciation expense	-	-	-	-	37,110,482	37,110,482
Total operating expenses	679,262,786	-	5,357,309	-	37,110,482	721,730,579
Operating loss	(562,281,362)	-	(5,357,309)	-	(37,058,296)	(604,696,968)
<b>Nonoperating revenues and expenses</b>						
State appropriation - general fund	330,862,935	-	-	-	-	330,862,935
State appropriation - bond fund	-	-	9,564,781	-	-	9,564,781
Pell grant revenue	58,538,443	-	-	-	-	58,538,443
Federal non-operating grant revenue	68,806,217	-	-	-	-	68,806,217
Federal non-operating pass-through grant revenue	12,291,923	-	-	-	-	12,291,923
Other non-operating revenue, net	59,993	-	-	-	-	59,993
Student reengagement expense	(16,582,530)	-	-	-	-	(16,582,530)
Total nonoperating revenues (expenses), net	453,976,982	-	9,564,781	-	-	463,541,763
Gain/(Loss) before other changes in net position	(108,304,380)	-	4,207,472	-	(37,058,296)	(141,155,205)
<b>Other changes in net position</b>						
Capital additions (deductions)	(2,027,798)	-	(5,162,471)	(2,965,353)	10,155,621	-
Other deductions	-	-	-	(2,171,130)	-	(2,171,130)
Total other changes in net position	(2,027,798)	-	(5,162,471)	(5,136,484)	10,155,621	(2,171,130)
Change in net position	(110,332,178)	-	(954,998)	(5,136,484)	(26,902,675)	(143,326,335)
Net position, beginning of year	(1,564,867,746)	51,745	11,990,170	21,156,417	706,803,694	(824,865,721)
Net position, end of year	\$ (1,675,199,924)	\$ 51,745	\$ 11,035,172	\$ 16,019,933	\$ 679,901,019	\$ (968,192,056)

**Connecticut Community Colleges**  
 Combining Statement of Revenues, Expenses and Changes in Net Position by Fund Group  
 Year Ended June 30, 2020



	Primary Institution					Total
	Operating and General Funds	Endowment, Loan, and Agency Funds	Agency Administered Bond Funds	DCS Administered Bond Funds	Invested in Capital Assets	
<b>Operating revenues</b>						
Student tuition and fees	\$ 176,460,816	\$ -	\$ -	\$ -	\$ -	\$ 176,460,816
Less: Scholarship discounts and allowances	(83,771,167)	-	-	-	-	(83,771,167)
Net tuition and fees	92,689,649	-	-	-	-	92,689,649
Federal grants and contracts	12,114,800	-	-	-	-	12,114,800
State and local grants and contracts	11,901,055	-	-	-	-	11,901,055
Nongovernment grants and contracts	4,803,727	-	-	-	11,803	4,815,529
Auxiliary revenues	415,126	-	-	-	-	415,126
Other operating revenues	3,179,529	-	-	-	50,551	3,230,081
<b>Total operating revenues</b>	<b>125,103,886</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,354</b>	<b>125,166,240</b>
<b>Operating expenses</b>						
Salaries and wages	252,209,342	-	-	-	-	252,209,342
Fringe benefits	305,503,637	-	-	-	-	305,503,637
Professional services and fees	8,530,826	-	960,366	-	-	9,491,192
Educational services and support	7,988,264	-	717,339	-	-	8,705,604
Travel expenses	2,072,687	-	2,946	-	-	2,075,633
Operation of facilities	24,511,372	-	2,591,312	-	-	27,102,684
Other operating supplies and expenses	10,870,191	-	4,480,505	-	-	15,350,696
Scholarship aid, net	40,859,546	-	-	-	-	40,859,546
Depreciation expense	-	-	-	-	30,156,387	30,156,387
<b>Total operating expenses</b>	<b>652,545,866</b>	<b>-</b>	<b>8,752,467</b>	<b>-</b>	<b>30,156,387</b>	<b>691,454,721</b>
<b>Operating loss</b>	<b>(527,441,980)</b>	<b>-</b>	<b>(8,752,467)</b>	<b>-</b>	<b>(30,094,033)</b>	<b>(566,288,481)</b>
<b>Nonoperating revenues</b>						
State appropriation - general fund	300,940,479	-	-	-	-	300,940,479
State appropriation - bond fund	-	-	13,887,716	8,524,052	-	22,411,768
Pell grant revenue	75,035,663	-	-	-	-	75,035,663
Federal emergency grant revenue	9,201,051	-	-	-	-	9,201,051
Investment income	1,212,724	-	-	-	-	1,212,724
<b>Total nonoperating revenues</b>	<b>386,389,918</b>	<b>-</b>	<b>13,887,716</b>	<b>8,524,052</b>	<b>-</b>	<b>408,801,686</b>
<b>Loss before other changes in net position</b>	<b>(141,052,062)</b>	<b>-</b>	<b>5,135,249</b>	<b>8,524,052</b>	<b>(30,094,033)</b>	<b>(157,486,795)</b>
<b>Other changes in net position</b>						
Capital and other additions (deductions)	(1,025,378)	-	(12,053,997)	(5,757,058)	18,836,432	-
<b>Total other changes in net position</b>	<b>(1,025,378)</b>	<b>-</b>	<b>(12,053,997)</b>	<b>(5,757,058)</b>	<b>18,836,432</b>	<b>-</b>
<b>Change in net position</b>	<b>(142,077,440)</b>	<b>-</b>	<b>(6,918,747)</b>	<b>2,766,994</b>	<b>(11,257,601)</b>	<b>(157,486,795)</b>
<b>Net position, beginning of year</b>	<b>(1,422,790,306)</b>	<b>51,745</b>	<b>18,908,918</b>	<b>18,389,423</b>	<b>718,061,295</b>	<b>(667,378,926)</b>
<b>Net position, end of year</b>	<b>\$ (1,564,867,746)</b>	<b>\$ 51,745</b>	<b>\$ 11,990,170</b>	<b>\$ 21,156,417</b>	<b>\$ 706,803,694</b>	<b>\$ (824,865,721)</b>

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**1. Basis of Presentation of Supplemental Information**

The supplementary schedules are presented to provide information from the stand-alone books and records of the colleges and system office. The supplementary schedules exclude certain eliminating entries necessary to prepare the consolidated financial statements of the CCC. The supplementary schedules also do not include the impact of the adoption of GASB 68, *Pensions*, or GASB 75, *Other Post-employment Benefits*, on the individual colleges as reported in the financial statements of the CCC because the liability has not been allocated to the colleges but rather is reflected only at the CCC system level in the basic financial statements.