76

Frank Edelblut
Commissioner

Christine M. Brennan
Deputy Commissioner

STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
25 Hall Street
Concord, NH 03301

January 17, 2025

Her Excellency, Governor Kelly A. Ayotte
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the New Hampshire Department of Education to enter into a **sole source** contract with College Board (VC#164060) New York, NY, in an amount not to exceed $50,000 to administer Advanced Placement® exams in order to assist income-eligible high school students to participate in the Advanced Placement® program with test fee reductions, effective upon Governor and Council approval through June 30, 2025. 100% General Funds.

Funds to support this request are available as follows:

06-56-56-562010-73740000 ADVANCED PLACEMENT FEE

Fiscal Year	Class/Account	Class Title	Total Amount
2025	073-500583	Grants Non Federal	$50,000

EXPLANATION

The NHED is requesting a **sole source** contract because the Advanced Placement® (AP®) program is administered by the College Board, and they are the singular provider of AP® exams.

The New Hampshire state legislature has included funding in the budget to assist economically disadvantaged students by providing financial support for the AP exam fees. Students will have the opportunity to take the AP® exam after they complete the Advanced Placement® course in high school. By receiving a passing score on the AP® exams, students who then go on to enroll in an institute of higher education can do so with advanced college credit. That credit gives them the opportunity to enroll in higher level courses in their chosen field of study, which gives them an edge in their studies and also serves to reduce the cost of their higher education.

Respectfully submitted,

Frank Edelblut
Commissioner of Education

Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name New Hampshire Department of Education (NHED)		1.2 State Agency Address 25 Hall Street Concord, NH 03301	
1.3 Contractor Name College Board		1.4 Contractor Address 250 Vesey Street New York, NY 10281	
1.5 Contractor Phone Number 212-713-8000	1.6 Account Unit and Class See Exhibit C	1.7 Completion Date 06/30/2025	1.8 Price Limitation $50,000
1.9 Contracting Officer for State Agency Nathaniel Greene, Administrator Division of Education Analytics and Resources		1.10 State Agency Telephone Number 603-573-6556	
1.11 Contractor Signature Jeremy Singer Jeremy Singer (Jan 16, 2025 13:33 EST) Date: 01/16/25		1.12 Name and Title of Contractor Signatory Jeremy Singer, President	
1.13 State Agency Signature Date: 2/5/2025		1.14 Name and Title of State Agency Signatory Frank Edelblut, Commissioner of Education	
1.15 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)* By: Director, On:			
1.16 Approval by the Attorney General (Form, Substance and Execution) *(if applicable)* By: Elizabeth Brown, Attorney On: 2/5/2025			
1.17 Approval by the Governor and Executive Council *(if applicable)* G&C Item number: G&C Meeting Date:			

2. SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT B which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.13 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed.

3.3 Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds. In no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds by any state or federal legislative or executive action that reduces, eliminates or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope for Services provided in EXHIBIT B, in whole or in part, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT C which is incorporated herein by reference.

5.2 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8. The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 The State's liability under this Agreement shall be limited to monetary damages not to exceed the total fees paid. The Contractor agrees that it has an adequate remedy at law for any breach of this Agreement by the State and hereby waives any right to specific performance or other equitable remedies against the State.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal employment opportunity laws and the Governor's order on Respect and Civility in the Workplace, Executive order 2020-01. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of age, sex, sexual orientation, race, color, marital status, physical or mental disability, religious creed, national origin, gender identity, or gender expression, and will take affirmative action to prevent such discrimination, unless exempt by state or federal law. The Contractor shall ensure any subcontractors comply with these nondiscrimination requirements.

6.3 No payments or transfers of value by Contractor or its representatives in connection with this Agreement have or shall be made which have the purpose or effect of public or commercial bribery, or acceptance of or acquiescence in extortion, kickbacks, or other unlawful or improper means of obtaining business.

6.4. The Contractor agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with this Agreement and all rules, regulations and orders pertaining to the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 The Contracting Officer specified in block 1.9, or any successor, shall be the State's point of contact pertaining to this Agreement.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) calendar days from the date of the notice; and if the Event of Default is not timely cured, terminate this Agreement, effective two (2) calendar days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 give the Contractor a written notice specifying the Event of Default and set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.

9. TERMINATION.

9.1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) calendar days written notice to the Contractor that the State is exercising its option to terminate the Agreement.

9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, deliver to the Contracting Officer, not later than fifteen (15) calendar days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. In addition, at the State's discretion, the Contractor shall, within fifteen (15) calendar days of notice of early termination, develop and submit to the State a transition plan for Services under the Agreement.

10. PROPERTY OWNERSHIP/DISCLOSURE.

10.1 As used in this Agreement, the word "Property" shall mean all data, information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

10.2 All data and any Property which has been received from the State, or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

10.3 Disclosure of data, information and other records shall be governed by N.H. RSA chapter 91-A and/or other applicable law. Disclosure requires prior written approval of the State.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

12.1 Contractor shall provide the State written notice at least fifteen (15) calendar days before any proposed assignment, delegation, or other transfer of any interest in this Agreement. No such assignment, delegation, or other transfer shall be effective without the written consent of the State.

12.2 For purposes of paragraph 12, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.

12.3 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State.

12.4 The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

13. INDEMNIFICATION. The Contractor shall indemnify, defend, and hold harmless the State, its officers, and employees from and against all actions, claims, damages, demands, judgments, fines, liabilities, losses, and other expenses, including, without limitation, reasonable attorneys' fees, arising out of or relating to this Agreement directly or indirectly arising from death, personal injury, property damage, intellectual property infringement, or other claims asserted against the State, its officers, or employees caused by the acts or omissions of negligence, reckless or willful misconduct, or fraud by the Contractor, its employees, agents, or subcontractors. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the State's sovereign immunity, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.
14.1 The Contractor shall, at its sole expense, obtain and continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:
14.1.1 commercial general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than $1,000,000 per occurrence and $2,000,000 aggregate or excess; and
14.1.2 special cause of loss coverage form covering all Property subject to subparagraph 10.2 herein, in an amount not less than 80% of the whole replacement value of the Property.
14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire..
14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or any successor, a certificate(s) of insurance for all insurance required under this Agreement. At the request of the Contracting Officer, or any successor, the Contractor shall provide certificate(s) of insurance for all renewal(s) of insurance required under this Agreement. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

15. WORKERS' COMPENSATION.
15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A *("Workers' Compensation").*
15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. The Contractor shall furnish the Contracting Officer identified in block 1.9, or any successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. A State's failure to enforce its rights with respect to any single or continuing breach of this Agreement shall not act as a waiver of the right of the State to later enforce any such rights or to enforce any other or any subsequent breach.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

19. CHOICE OF LAW AND FORUM.
19.1 This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire except where the Federal supremacy clause requires otherwise. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.
19.2 Any actions arising out of this Agreement, including the breach or alleged breach thereof, may not be submitted to binding arbitration, but must, instead, be brought and maintained in the Merrimack County Superior Court of New Hampshire which shall have exclusive jurisdiction thereof.

20. CONFLICTING TERMS. In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and any other portion of this Agreement including any attachments thereto, the terms of the P-37 (as modified in EXHIBIT A) shall control.

21. THIRD PARTIES. This Agreement is being entered into for the sole benefit of the parties hereto, and nothing herein, express or implied, is intended to or will confer any legal or equitable right, benefit, or remedy of any nature upon any other person.

22. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

23. SPECIAL PROVISIONS. Additional or modifying provisions set forth in the attached EXHIBIT A are incorporated herein by reference.

24. FURTHER ASSURANCES. The Contractor, along with its agents and affiliates, shall, at its own cost and expense, execute any additional documents and take such further actions as may be reasonably required to carry out the provisions of this Agreement and give effect to the transactions contemplated hereby.

25. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

26. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

EXHIBIT A
Special Provisions

Confidential Information

In performing its obligations under this Agreement, the contractor may gain access to Confidential Information of the State. Confidential Information includes any and all information owned or managed by the State of NH - created, received from or on behalf of any Agency of the State or accessed in the course of performing contracted Services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes but is not limited to Protected Health Information (PHI), Personally Identifiable Information (PII), Personal Financial Information (PFI), Social Security Numbers (SSN), Family Educational Rights and Privacy Act (FERPA), and or other sensitive and Confidential Information. The contractor shall not use the Confidential Information developed or obtained during the performance of, or acquired, or developed by reason of the Agreement, except as directly connected to and necessary for the performance of the Agreement. The contractor shall maintain the confidentiality of and protect from unauthorized use, disclosure, publication, and reproduction (collectively "release"), all Confidential Information.

The terms outlined in the P-37 General Provisions are modified as set forth below:

Provision 10, Property Ownership/Disclosure, is amended to include:

10.4 Ownership of Intellectual Property.

State acknowledges and agrees that the AP® Exam, and all information collected under this Agreement, including but not limited to items (questions) contained therein, including all copies thereof, all exam materials, and all data included is at all times exclusively owned by College Board, who is the exclusive owner of all rights therein, in and to the AP® Exam, including, without limitation, all copyrights, trademarks, trade secrets, patents, and other similar proprietary rights, and all renewals and extensions thereof. Nothing in this Agreement should be interpreted to indicate that College Board is passing its proprietary rights in and to the AP®

EXHIBIT B
Scope of Services

STATE DIRECT-BILLING AGREEMENT

This state direct-billing agreement constitutes an agreement (this "Agreement") by and between College Board and the New Hampshire Department of Education (the "State") for the State to pay for College Board's 2025 Advanced Placement® (AP®) Exams on behalf of its students.

I. SCOPE OF WORK

A. AP® Exam Administration.

The Advanced Placement Exams will be furnished by College Board to students in May of 2025 ("2025 AP® Exam"). In connection with College Board's administration of the 2025 AP® Exams:

i. College Board and the New Hampshire Department of Education (State) will implement this direct billing arrangement for the State to pay for 2025 AP® Exams on behalf of its students; and

ii. College Board will provide an online participation form ("AP® Participation Form") for e-signature to each of State's schools, which authorizes each school to order and administer AP® Exams for students who have registered to take a 2025 AP® Exam.

iii. College Board Provision of Data and Licensure.
Upon the State's request, College Board will provide participation and performance data ("AP® Participation and Performance Data Reports") for New Hampshire students who took AP® Exams under this contract. The AP Participation and Performance Data Reports will be presented to the Commissioner or designee prior to public release, when applicable, by College Board.

College Board hereby grants the State a limited, nonexclusive, nontransferable, non-assignable right to use the AP® Participation and Performance Data Reports for the legitimate educational purposes of internal analysis, which includes training sessions, as long as the data used during training preserves the confidentiality of students. The State may not use or distribute the score reports externally or to third parties without the expressed written consent of College Board.

iv. College Board's standard fee for each 2025 AP® Exam is $99.00 (ninety-nine dollars), except for AP® Seminar Exams and AP® Research Exams. College Board's standard fee for each 2025 AP® Seminar Exam and each 2025 AP® Research Exam is $147.00 (one-hundred and forty-seven dollars) per exam. The exam fee includes a $9.00 (nine dollars) rebate per exam that schools can retain to offset exam administration costs. College Board provides a $37.00 (thirty-seven dollars) fee reduction per exam for eligible students with financial need ("College Board AP® Exam fee reduction").

This Agreement covers the direct billing arrangement between College Board and the State for fee-reduced exams taken by students who have registered with College Board to take the AP® Exam, as described in Section B (Direct Billing Arrangement for AP® Exams) below.

Contractor Initials: JES
Date: 01/16/25

EXHIBIT B
Scope of Services
Continued

B. Direct Billing Arrangement for AP® Exams.

1) For each 2025 AP® Exam, except for AP® Seminar Exams and AP® Research Exams, taken by students who attend State's public and non-public schools, and who qualify for the College Board AP® Exam fee reduction ("Fee-Reduced Exams"), as indicated by the applicable school's AP® coordinator, the following will occur:

   i. College Board will provide a $37.00 (thirty-seven dollars) fee reduction per exam on behalf of students;

   ii. The applicable school will forego collecting its $9.00 (nine dollars) rebate per exam from the student;

   iii. The State will pay $53.00 (fifty-three dollars) per exam to College Board on behalf of its students; and

   iv. Students will not be required to pay any fee to College Board or the State.

2) For each 2025 AP® Seminar Exam and each 2025 AP® Research Exam taken by students who attend State's public and non-public schools, and who qualify for the College Board AP® Exam fee reduction ("Fee-Reduced Exams"), as indicated by the applicable school's AP® coordinator, the following will occur:

   i. College Board will provide a $37.00 (thirty-seven dollars) fee reduction per exam on behalf of students;

   ii. The applicable school will forego collecting its $9.00 (nine dollars) rebate per exam from the student;

   iii. The State will pay $101.00 (one-hundred and one dollars) per exam on behalf of its students to College Board; and

   iv. Students will not be required to pay any fee to College Board or the State.

College Board will bill the State directly on behalf of its students, based on the number of Fee-Reduced Exams administered, as determined by each school and indicated by the applicable school's AP® coordinator in the AP® Registration and Ordering system.

C. Invoicing & Payment.

College Board will bill the State on behalf of its students for the 2025 AP® Exams by June 30, 2025. The State shall remit payment to the address on the invoice of the amount indicated within thirty (30) days upon receipt of such invoice.

If the State is using federal funds to pay for all or a portion of the services and deliverables furnished by College Board under this Agreement, State acknowledges and agrees that College Board shall not be categorized as a "subrecipient" receiving a federal award as defined by OMB Circular Subpart A.210(c) of

EXHIBIT B
Scope of Services
Continued

Circular No. A-133. College Board shall be defined as a "vendor" that provides good and services within normal business operations, provides similar goods or services to other purchasers and operates in a competitive environment. State acknowledges and agrees that the substance of the relationship with College Board is that of a vendor not a subrecipient.

Contractor Initials: JES
Date: 01/16/25

EXHIBIT C
Method of Payment

Fee-Reduced Exam List

Product	Discounted Unit Price	Not to Exceed
2025 AP® Exam	$53.00	$50,000
2025 AP® Seminar Exam	$101.00	
2025 AP® Research Exam	$101.00	

Limitation on Price: In no case shall the total budget exceed the price limitation of $50,000.

College Board will bill the state directly based on the number of exams administered. College Board will track all estimated expenditures to ensure the costs do not exceed $50,000.

Funding Source: Funds to support this request are available in Fiscal Year 2025 as follows:

06-56-56-562010-73740000 ADVANCED PLACEMENT FEE

Fiscal Year	Class/Account	Class Title	Total Amount
2025	073-500583	Grants Non Federal	$50,000

Method of Payment: College Board will provide a single invoice to the State, not to exceed $50,000, for the 2025 AP® Exams by June 30, 2025. If otherwise correct and acceptable, a one-time payment will be made for 100% of the expenditures listed. Invoice shall be submitted to:

DEAR@doe.nh.gov

Contractor Initials: JES
Date: 01/16/25

CERTIFICATE OF ATTESTATION

Corporation

I, Dr. Kedra Ishop, **hereby certify** that I am the duly appointed Secretary of
(Name of Clerk of Corporation)

College Board. I hereby certify that Jeremy Singer,
(Corporation Name) (Name of Contract Signatory)

President, is duly authorized to execute contracts on behalf of
(Title of Contract Signatory)

College Board and may bind the company thereby.
(Corporation Name)

I hereby certify that said authority has not been amended or repealed and remains in full force and effect as of the date of the contract to which this certificate is attached. This authority **remains valid for thirty (30)** days. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

DATED: 01/16/25 **ATTEST:** Kedra Ishop (Jan 16, 2025 09:35 MST), Senior Vice President
(Signature of Clerk of Corporation) (Title of Clerk of Corporation)

State of New Hampshire

Department of State

CERTIFICATE

I, David M. Scanlan, Secretary of State of the State of New Hampshire, do hereby certify that COLLEGE BOARD is a New York Nonprofit Corporation registered to transact business in New Hampshire on May 17, 1988. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: **132063**

Certificate Number: **0006795488**

IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 21st day of October A.D. 2024.

David M. Scanlan

Secretary of State

Client#: 353512 COLLEBOARD

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 12/31/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer any rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Conner Strong & Buckelew
PO Box 99106
Camden, NJ 08101

CONTACT NAME: Chelsea Miller
PHONE (A/C, No, Ext): 856-479-2069 FAX (A/C, No):
E-MAIL ADDRESS: cmiller@connerstrong.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Liberty Insurance Corporation	42404
INSURER B : Liberty Mutual Fire Insurance Company	23035
INSURER C : AIG Specialty Insurance Company	26883
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
College Board
250 Vesey Street
New York, NY 10281

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC OTHER:			[redacted]	01/01/2025	01/01/2026	EACH OCCURRENCE	$1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$1,000,000
							MED EXP (Any one person)	$10,000
							PERSONAL & ADV INJURY	$1,000,000
							GENERAL AGGREGATE	$2,000,000
							PRODUCTS - COMP/OP AGG	$2,000,000
								$
B	AUTOMOBILE LIABILITY ANY AUTO OWNED AUTOS ONLY SCHEDULED AUTOS X HIRED AUTOS ONLY X NON-OWNED AUTOS ONLY			[redacted]	01/01/2025	01/01/2026	COMBINED SINGLE LIMIT (Ea accident)	$1,000,000
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
A	X UMBRELLA LIAB X OCCUR EXCESS LIAB CLAIMS-MADE DED RETENTION $			[redacted]	01/01/2025	01/01/2026	EACH OCCURRENCE	$25,000,000
							AGGREGATE	$25,000,000
								$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N (Mandatory In NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A		[redacted]	01/01/2025	01/01/2026	X PER STATUTE OTH-ER	
							E.L. EACH ACCIDENT	$1,000,000
							E.L. DISEASE - EA EMPLOYEE	$1,000,000
							E.L. DISEASE - POLICY LIMIT	$1,000,000
C	Professional Liability			[redacted]	01/01/2025	01/01/2026	$10,000,000 Claim/Agg.	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
RE: Contract #CB-00036673

CERTIFICATE HOLDER

New Hampshire Department of Education
25 Hall Street
Concord, NH 03301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

W. Michael Tagmond

© 1988-2015 ACORD CORPORATION. All rights reserved.

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

CollegeBoard

October 21, 2024

New Hampshire Department of Education
101 Pleasant Street
Concord, NH 03301-3852

Regarding: Contracts document request received October 16, 2024, via email

To Whom It May Concern:

College Board is a mission-driven, not-for-profit organization that connects students to college success and opportunity. Founded in 1900, the College Board was created to expand access to higher education. Today, the membership association is made up of over 6,000 of the world's leading educational institutions and is dedicated to promoting excellence and equity in education.

Each year, the College Board helps more than seven million students prepare for a successful transition to college through programs and services in college readiness and college success — including the SAT® and AP® programs. The organization also serves the education community through research and advocacy on behalf of students, educators, and schools.

Our Mission Statement

College Board is a not-for-profit membership organization committed to excellence and equity in education.

The Key personnel that will be working on this contract:

Name	Job Title	>$25.00/hr.
Dena Johnson	Senior Director, K12	x
Mike Barry	Senior Director, Contracts & Grants	x

Enclosed you will also find the following requested information:

- 2022 Financial Statement
- List of Board Directors
- Resumes of key personnel

We look forward to working with you on this important endeavor.

Sincerely,

Signed by:
Matthew Wagner
A8403E967B134FB...

Matthew Wagne
Interim President

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

College Board

Consolidated Financial Statements
December 31, 2022 and 2021

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

College Board
Index
December 31, 2022 and 2021

	Page(s)
Report of Independent Auditors	1–2
Consolidated Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Changes in Net Assets	5
Statements of Cash Flows	6
Notes to Financial Statements	7–23

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

pwc

Report of Independent Auditors

To the Board of Trustees College Board

Opinion

We have audited the accompanying consolidated financial statements of College Board (the "Company"), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, of changes in net assets and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Notes 2 and Note 7 to the consolidated financial statements, the Company changed the manner in which it records leases as a result of the adoption of a new accounting pronouncement in 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

PricewaterhouseCoopers LLP, 300 Madison Avenue, New York, NY 10017-6204
T: (646) 471 3000, www.pwc.com/us

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

pwc

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PricewaterhouseCoopers LLP

New York, New York
May 19, 2023

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

College Board
Consolidated Statements of Financial Position
December 31, 2022 and 2021

(in thousands of dollars)	2022	2021
Assets		
Current assets		
Cash and cash equivalents	$ 384,586	$ 253,250
Investments (Note 3)	561,183	811,875
Accounts and other receivables	79,074	113,131
Due from Educational Testing Service	32,887	30,424
Grants receivable	1,499	2,685
Prepaid expenses and other current assets	18,100	15,900
Total current assets	1,077,329	1,227,265
Investments, net of current portion (Note 3)	654,010	628,722
Property and equipment, net (Note 4)	31,310	40,797
Capitalized website costs and internal use software, net of accumulated amortization of $32,293 and $32,484 in 2022 and 2021, respectively (Note 4)	63,435	48,372
Right of use assets, net of accumulated amortization (Note 7)	178,102	-
Deferred charges and other assets	8,865	9,254
Total assets	$ 2,013,051	$ 1,954,410
Liabilities and Net Assets		
Current liabilities		
Accounts payable, accrued expenses and other	$ 82,059	$ 92,426
Deferred revenue	87,639	64,257
Lease liabilities (Note 7)	21,741	3,631
Accrued postretirement benefits (Note 6)	1,449	1,454
Total current liabilities	192,888	161,768
Deferred revenue, net of current portion	9,355	13,366
Accrued postretirement benefits, net of current portion (Note 6)	34,658	48,173
Lease liabilities, net of current portion (Note 7)	210,704	53,712
Other long-term liabilities	9,949	9,841
Total liabilities	457,554	286,860
Net assets		
Without donor restrictions	1,552,066	1,666,554
With donor restrictions (Note 8)	3,431	996
Total net assets	1,555,497	1,667,550
Total liabilities and net assets	$ 2,013,051	$ 1,954,410

The accompanying notes are an integral part of these consolidated financial statements.

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

College Board
Consolidated Statements of Activities
Years Ended December 31, 2022 and 2021

(in thousands of dollars)	2022	2021
Operating revenue		
Fees from programs and services, net	$ 906,474	$ 881,383
Membership dues and meetings	3,577	3,110
Net assets released from restrictions	5,502	3,440
Total operating revenue	915,553	887,933
Operating expenses		
Program services (Note 5)		
Advanced Placement and Instruction	444,023	395,446
Assessments	298,067	317,274
BigFuture	98,407	98,859
State and District Partnerships	27,076	28,079
Puerto Rico and Latin American programs	12,476	12,066
Total program services	880,049	851,724
Membership services	5,572	3,871
Total operating expenses	885,621	855,595
Operating surplus	29,932	32,338
Nonoperating income		
Investment (loss) gain, net	(157,493)	242,428
(Deficiency) excess of revenues over expenses	(127,561)	274,766
Pension-related changes other than net periodic pension cost	13,118	3,267
Change in net assets without donor restrictions	$ (114,443)	$ 278,033

The accompanying notes are an integral part of these consolidated financial statements.

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

College Board
Consolidated Statements of Changes in Net Assets
Years Ended December 31, 2022 and 2021

	2022			2021		
(in thousands of dollars)	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Net assets at beginning of period	$ 1,666,554	$ 996	$ 1,667,550	$ 1,388,529	$ 1,030	$ 1,389,559
Change in net assets without donor restrictions	(114,443)		(114,443)	278,033	-	278,033
Foreign currency translation adjustment	(45)		(45)	(8)	-	(8)
Grants and contracts with donor restrictions		7,937	7,937	-	3,406	3,406
Net assets released from restrictions		(5,502)	(5,502)	-	(3,440)	(3,440)
Change in net assets	(114,488)	2,435	(112,053)	278,025	(34)	277,991
Net assets at end of period	$ 1,552,066	$ 3,431	$ 1,555,497	$ 1,666,554	$ 996	$ 1,667,550

The accompanying notes are an integral part of these consolidated financial statements.

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

College Board
Consolidated Statements of Cash Flows
Years Ended December 31, 2022 and 2021

(in thousands of dollars)	2022	2021
Cash flows from operating activities		
Change in net assets	$ (112,053)	$ 277,991
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	20,199	23,339
Loss from disposal of property and equipment	5,744	12,226
Net realized and unrealized loss/(gain) on investments	166,211	(247,216)
Pension-related changes other than net periodic pension cost	(13,118)	(3,267)
Recovery for bad debts	(2,033)	896
Changes in operating assets and liabilities		
Due from Educational Testing Service	(2,463)	(15,783)
Accounts and other receivables	36,090	(48,727)
Grants receivable	1,186	(940)
Prepaid expenses and other current assets	(2,200)	1,400
Right of use assets, net of accumulated amortization	(178,102)	-
Deferred charges and other assets	389	(1,728)
Accounts payable, accrued expenses and other	(10,367)	12,360
Accrued postretirement benefits	(402)	(81)
Lease liabilities	175,102	(3,879)
Deferred revenue and other long-term liabilities	19,479	(14,964)
Net cash provided by (used in) operating activities	103,662	(8,373)
Cash flows from investing activities		
Purchases of property and equipment and expenditures for capitalized website and other software development costs	(31,519)	(24,419)
Purchases of investments	(249,029)	(288,867)
Net proceeds from sales of investments	308,222	302,983
Net cash provided by (used in) investing activities	27,674	(10,303)
Net increase (decrease) in cash and cash equivalents	131,336	(18,676)
Cash and cash equivalents		
Beginning of period	253,250	271,926
End of period	$ 384,586	$ 253,250

The accompanying notes are an integral part of these consolidated financial statements.

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

(in thousands of dollars)

1. Organization and Basis of Presentation

College Board is a not-for-profit membership association of colleges and universities, secondary schools, collegiate and school systems and educational associations (6,174 members) founded in 1900. College Board's mission is to connect students to college success and opportunity by developing curriculum, tests, and guidance tools to prepare students for college and help them choose a college where they can succeed. College Board is a Section 501(c)(3) not-for-profit organization exempt from U.S. Federal income taxes under Section 501(a) of the Internal Revenue Code (the "IRC") and has been classified as an organization that is not a private foundation under Section 509(a) of the IRC.

The accompanying consolidated financial statements include the accounts of College Board and two wholly owned for-profit subsidiaries, College Board Holdings LLC, and CollegeBoard India Global Alliance, LLP and are collectively hereafter referred to as the Board (the "Board"). All intercompany balances and accounts have been eliminated in consolidation.

The Board has contracted with Educational Testing Service ("ETS"), an independent not-for-profit corporation founded by the members of the Board in 1947, to provide test development, test administration, customer service, and publications printing and fulfillment services and various administrative functions for certain Board programs. Expenses for services provided by ETS totaled $312,427 and $274,464 or 35% and 32% of total expenses for the years ended December 31, 2022 and 2021, respectively.

2. Significant Accounting Policies

The Board's significant accounting policies follow:

Net Assets
The Board reports information regarding its financial position and activities according to the following two classes of net assets:

Net Assets without Donor Restrictions
Net assets without donor restrictions include expendable resources over which the Board's Board of Trustees have discretionary control and are used to carry out the Board's operations in accordance with its bylaws. Net assets without donor restrictions also include property and equipment acquisitions and improvements and any other activities that are not restricted by donor-imposed stipulations.

Net Assets With Donor Restrictions
Net assets with donor restrictions include resources expendable only for those purposes specified by a donor or grantor. The restrictions are satisfied by expenditures of the Board in accordance with the terms of the donation or grant.

Measure of Operations
The consolidated statements of activities include excess of revenues over expenses. Changes in net assets without donor restrictions which are included in excess of revenues over expenses include investment returns. The Board includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities and excludes investment returns and adjustments to net assets without donor restrictions related to the Board's

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

post retirement liability. This definition reflects the way in which the Board manages its ongoing activities.

Revenue Recognition
Revenue related to exchange transactions is recognized under the provisions of ASC Topic 606, *Revenue from Contracts with Customers*. This standard implements a single framework for recognition of all revenue earned from customers. This framework ensures that entities appropriately reflect the consideration to which they expect to be entitled in exchange for goods and services by allocating transaction price to identified performance obligations and recognizing revenue as performance obligations are satisfied.

The Board records revenues from exams as performance obligations are satisfied. Revenue from exams is recognized as the tests are administered and scored. In an effort to ensure accessibility, the Board provides implicit price concessions to eligible students, recorded as a direct reduction to fees from programs and services revenue. Implicit price concessions totaling $78,300 and $69,444 were recorded for the years ended December 31, 2022 and 2021, respectively.

The Board licenses certain software under noncancelable term licenses and provides services in conjunction with the initial agreement, including training, installation, data conversion and maintenance. Maintenance consists of product support services and periodic unspecified updates. Revenue from the annual maintenance agreements is deferred and recognized ratably over the related one-year period.

The Board offers subscriptions for recruitment services and recognizes revenue over time based on the terms of the contract. The Board records revenue from publications such as study guides and textbooks, upon delivery. The Board conducts workshops, conferences, and professional development in support of its programs and recognizes revenue upon completion of the event. The Board offers financial aid services and recognizes revenue upon delivery.

The Board allocates the transaction price for multiple performance obligations based on the standalone prices of the services at the inception of the contract.

Deferred revenue represents payments received upfront for maintenance contracts, subscriptions, test units bought but not yet consumed, and multi-year arrangements for which revenue will be recognized as the passage of time elapses and performance obligations are met.

There is no significant financing component associated with these advance payments as the difference between the promised consideration and the cash selling price of the good or service arose for reasons other than the provision of finance.

Accounts and other receivables are presented net of an allowance of $4,047 and $6,080 in 2022 and 2021, respectively. The Accounts and other receivables balance of $79,074 in 2022 and $113,131 in 2021 is made up of trade receivables for programs and exams of $56,233 and $82,808 including investment receivables of $22,841 and $30,323 in 2022 and 2021, respectively.

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

(in thousands of dollars)

The sources of revenue recognized is depicted below:

	2022	2021
Exam fees and related	$ 735,348	$ 698,334
Subscriptions	67,484	74,758
Publications	30,047	33,873
Financial aid services	21,434	24,738
Workshops & conferences	6,602	4,861
Professional development	6,850	7,318
Software licenses and maintenance	32,008	31,867
Grants	6,701	5,634
	$ 906,474	$ 881,383

The Board generally has payment terms with its customers of one year or less and has elected the practical expedient applicable to such contracts not to consider the time value of money.

Grants Revenue
The Board receives funding for sponsored programs from various government agencies, foundations, and corporations. The funding may represent a reciprocal transaction in exchange for an equivalent benefit in return, or it may be a nonreciprocal nonexchange transaction in which the funding provided is for the benefit of the Board, the funding organization's mission, or the public at large. Revenues from nonexchange transactions may be subject to conditions, in the form of both a barrier to entitlement and a refund of amounts paid (or a release from obligation to make future payments). For grants that are conditional nonexchange transactions, revenues are recognized when expenses are incurred, which allow the Board to meet the conditions. Unspent conditional contributions from grants total $4,608 and $4,270 at December 31, 2022 and 2021, respectively. Revenues from unconditional nonexchange transactions are recognized in the period awarded. In the event private grant amounts restricted for a certain purpose are advanced to the Board, such amounts are recorded within net assets with donor restrictions and are released to net assets without donor restrictions when expenses are incurred.

Cash and Cash Equivalents
The Board considers all highly liquid financial instruments purchased with a maturity of three months or less, other than those temporarily held from time-to-time in the investment portfolio, to be cash equivalents. The Board maintains its cash and cash equivalents in various accounts which, at times, may exceed federally insured limits and therefore potentially subject the Board to a concentration of credit risk.

The Board's working capital and cash flows have seasonal variations during the year attributable to the annual cash receipts for its products and a concentration of program revenue received in the Spring. To manage liquidity the Board maintains a line of credit with several banks that may be drawn upon as needed during the year to manage cash flow, as discussed in Note 7.

The following reflects the Board's financial assets as of the consolidated statements of financial position date, reduced by amounts not available for general use within one year of the consolidated statement of financial position date because of donor restrictions.

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

(in thousands of dollars)

	2022	2021
Current assets	$ 1,077,329	$ 1,227,265
Less: Donor restrictions for specific purposes	(3,431)	(996)
Financial assets available to meet cash needs for one year	$ 1,073,898	$ 1,226,269

Leases
In February 2016, the FASB issued ASU, 2016-02 *Leases* (Topic 842). Under the new standard lessees will be required to recognize in the consolidated statements of financial position the following for all leases at the application date: (a) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and (b) a right of use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. Leases are classified as either operating or financing, and the lease classification determines the pattern of expense recognition in the consolidated statements of activities. Operating leases result in straight-line expense, over the term of the lease, in the consolidated statements of activities.

The Board adopted this ASU on January 1, 2022, using a modified retrospective approach, that allows for application of the standard at the adoption date rather than at the beginning of the earliest comparative period presented in the consolidated financial statements. The Board has adopted this ASU as a lessee. The Board has operating leases primarily for real estate, including office buildings and office equipment. As permitted under the transition guidance in ASC 842, the Board has applied the transitional package of practical expedients allowed by the standard relating to the carry forward of historical lease identification, classification, and initial direct costs of leases. The Board has also applied the practical expedient to use the risk-free rate for a period comparable to the lease term in lease classification or measurement. The Company elected as a policy, as permitted under the guidance, to exclude short-term leases that have a remaining lease term of twelve months or less from the application of this ASU.

Upon adoption the Board recognized the operating lease right of use assets of $189,989 with corresponding operating lease obligations of $232,885 at January 1, 2022 in the consolidated statements of financial position. There was no impact to the opening net assets (as of January 1, 2022). The adoption of ASU 2016-02 did not have a material impact on the Board's operating surplus or cash flows, other than disclosure.

Investments
Investments are recorded at fair value. Investment income, including realized and unrealized gains and losses, is recorded within the consolidated statements of activities. Purchase and sale transactions are recorded on a trade date basis. Dividends are recorded when declared. Interest income is recorded on an accrual basis. Gains and losses on the sale of investment securities are recognized when realized and are computed on an average cost basis.

Income Taxes
Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

(in thousands of dollars)

The Board recognizes in the consolidated financial statements only those tax positions determined to be more likely than not of being sustained upon examination, based on the technical merits of the positions under the presumption that the taxing authorities have full knowledge of all relevant facts. The determination of which tax positions are more likely than not of being sustained requires the use of significant judgments and estimates by management, which may or may not be borne out by actual results. As of December 31, 2022 and 2021, the Board had no reserves for uncertain tax provisions.

Property and Equipment
Property and equipment are recorded at cost, less accumulated depreciation and amortization. Provisions for depreciation and amortization are recorded on a straight-line basis over the following time periods:

Property and improvements	up to 35 years
Furnishings, computer equipment and software	3 to 8 years

Leasehold improvements are amortized on a straight-line basis over the shorter of the lives of the assets or the terms of the leases.

Capitalized Website Costs and Internal Use Software
Website development costs and costs incurred for the development of internal use software are capitalized and amortized using the straight-line method over the estimated 5 year useful life of the website or related software applications. The Board reassesses the estimated useful lives on a periodic basis considering the effects of obsolescence, technology and other economic factors.

Accounting for the Impairment of Long-Lived Assets
The Board reviews property and equipment for impairment whenever events or changes in circumstances indicate that the related carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to future net cash flows, undiscounted and without interest, expected to be generated by the asset. If assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the asset. During the years ended December 31, 2022 and 2021, there were no events or changes in circumstances indicating that the carrying amount of the property and equipment may not be recoverable.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("US GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. The more significant estimates made relate to the valuation of investments, account receivable reserves, and actuarial assumptions used in the calculation of postretirement benefits. Actual results could differ from those estimates and the differences could be material.

Pension and Postretirement
The Board recognizes the overfunded or underfunded status of its defined benefit postretirement plan as an asset or liability in its consolidated statements of financial position and recognizes changes in the funded status in the year in which the changes occur.

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

(in thousands of dollars)

Accounting Pronouncements Not Yet Adopted by the Board
In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments. The previous standard delays the recognition of a credit loss on a financial asset until the loss is probable of occurring. The new standard removes the requirement that a credit loss be probable of occurring for it to be recognized, and requires entities to use historical experience, current conditions, and reasonable and supportable forecasts to estimate their future expected credit losses. The standard is required to be applied using the modified retrospective approach with a cumulative-effect adjustment to net assets, if any, upon adoption. This ASU is effective for the Board for fiscal years beginning after December 15, 2022. The Board is currently evaluating the impact of the new standard on the consolidated financial statements.

Reclassification
Certain amounts in the 2021 consolidated financial statements have been reclassified to conform to the current year's presentation. These changes are due to restructuring among the various divisions reflected in the operating expenses of the consolidated statements of activities.

3. Investments

The Board follows guidance with respect to accounting and reporting for the fair value of its financial assets and liabilities. The guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between participants on the measurement date. Fair value requires an organization to determine the unit of account, the mechanism of transfer, and the appropriate markets for the asset or liability being measured.

The guidance establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entity's own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last is considered unobservable.

The Board categorizes the financial assets and liabilities, based on the priority of inputs to the valuation technique, into a three-tiered hierarchy which maximizes the use of observable inputs, and minimizes the use of unobservable inputs as follows:

Level 1 — Unadjusted quoted prices in active markets for identical assets or liabilities. Investments in Level 1 may include certain equity and fixed income securities, registered mutual funds and exchange traded funds.

Level 2 — Observable inputs other than those included in Level 1, such as quoted prices for similar assets and liabilities, and quoted prices in markets that are not active. Included in Level 2 are certain fixed income, equity investments, and commodities for which observable inputs exist and trade in markets is not considered to be active.

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

(in thousands of dollars)

Level 3 Unobservable inputs which trade infrequently or not at all and are supported by little or no market activity and are significant to the fair value of the asset or liability.

For alternative investments, the Board uses the net asset value ("NAV"), provided by external investment managers, as a practical expedient to determine the fair value of investments which (a) do not have a readily determinable fair value and (b) either have the attributes of an investment company or prepare their financial statements consistent with the measurement principles of an investment company.

The value represents the ownership interest in the hedge fund or respective partnership. The NAV of the investments held by limited partnerships and hedge funds that do not have readily determinable fair values are determined by the general partner or hedge fund manager and are based on appraisals, or other estimates that require varying degrees of judgment. The Board has performed due diligence around these investments to ensure NAV is an appropriate measure of fair value as of December 31, 2022 and 2021. The Board's estimate of fair value may differ significantly from the values that would have been used had a ready market for the investments existed because of the inherent uncertainty of valuing these investments and certain underlying investments held by them. These investments may be illiquid, and there can be no assurance that the Board will be able to realize the value of such investments in a timely manner. For partnership interests, gains and losses are dependent upon the general partners' distributions during the life of each partnership.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Board believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, liquidity statistics and other factors. The Board considers observable data to be that market data which is readily available and reliable and provided by independent sources. The categorization of a financial instrument within the hierarchy is therefore based upon the pricing transparency of the instrument and does not necessarily correspond to the Board's perceived risk of that investment.

The Board's total investments at December 31, 2022 and 2021 are composed of the following current and noncurrent balances:

	2022	2021
Investments, current portion	$ 561,183	$ 811,875
Investments, noncurrent portion	654,010	628,722
Total investments	$ 1,215,193	$ 1,440,597

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

(in thousands of dollars)

The Board's investment return for the years ended December 31, 2022 and 2021 are as follows:

	2022	2021
Interest and dividends	$ 19,770	$ 11,838
Realized gains	107,186	84,869
Unrealized (losses) gains	(273,397)	162,348
Investment (losses) gains	(146,441)	259,055
Investment expenses	(11,052)	(16,627)
Total investment (losses) gains, net	$ (157,493)	$ 242,428

Investments, both current and noncurrent combined are comprised of the following balances at December 31, 2022 and 2021:

	2022	2021
Equity investments	$ 151,720	$ 211,767
Equity commingled funds	240,774	416,284
Fixed income	44,782	47,048
Hedge funds	258,869	335,280
Private equity funds	386,944	362,284
Real estate funds	79,341	67,934
Short-term fixed income securities	52,763	-
	$ 1,215,193	$ 1,440,597

The Board's consolidated statements of financial position at December 31, 2022 and 2021 include the following assets that are measured at fair value on a recurring basis:

	Assets at Fair Value as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Equity investments	$ 146,220	$ -	$ -	$ 146,220
Fixed income	-	44,782	-	44,782
Short-term fixed income securities	-	52,763	-	52,763
Subtotal	$ 146,220	$ 97,545	$ -	243,765
Investments measured at net asset value				965,928
Investments measured at cost				5,500
Total investments				$ 1,215,193

College Board
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

(in thousands of dollars)

	Assets at Fair Value as of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Equity investments	$ 210,267	$ -	$ -	$ 210,267
Fixed income	-	47,048	-	47,048
Subtotal	$ 210,267	$ 47,048	$ -	257,315
Investments measured at net asset value				1,181,782
Investments measured at cost				1,500
Total investments				$ 1,440,597

The Board's assets with a fair value estimated using NAV as a basis at December 31, 2022 and 2021 are as follows:

	Fair Value Estimated Using Net Asset Value Per Share December 31, 2022				
	Fair Value	Unfunded Commitment	Settlement Terms *	Redemption Frequency *	Redemption Notice Period*
Hedge funds	$ 258,869	$ 1,768	Generally 90% - 95% paid within 10 business days -45 days, remainder generally paid upon completion of the next annual audit	Monthly-Illiquid	45 days-5 months
Private equity funds	386,944	179,322	None	Fund end date	None
Equity commingled funds	240,774	-	Generally 90% - 95% paid within 10 business days -45 days, remainder generally paid upon completion of the next annual audit	Monthly-Illiquid	30 days - 12 months
Real estate funds	79,341	33,849	None	Fund end date	None
	$ 965,928	$ 214,939			

* Amounts noted herein are general descriptions. Specific terms and conditions for each fund can vary.

	Fair Value Estimated Using Net Asset Value Per Share December 31, 2021				
	Fair Value	Unfunded Commitment	Settlement Terms *	Redemption Frequency *	Redemption Notice Period*
Hedge funds	$ 335,280	$ 6,565	Generally 90% - 95% paid within 10 business days -45 days, remainder generally paid upon completion of the next annual audit	Monthly-Illiquid	45 days-5 months
Private equity funds	362,284	139,124	None	Fund end date	None
Equity commingled funds	416,284	-	Generally 90% - 95% paid within 10 business days -45 days, remainder generally paid upon completion of the next annual audit	Monthly-Illiquid	30 days - 12 months
Real estate funds	67,934	38,916	None	Fund end date	None
	$ 1,181,782	$ 184,605			

* Amounts noted herein are general descriptions. Specific terms and conditions for each fund can vary.

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

(in thousands of dollars)

4. Property and Equipment

Property and equipment consisted of the following at December 31, 2022 and 2021:

	2022	2021
Leasehold improvements	$ 36,995	$ 45,486
Construction in progress	392	15
Furnishings, computer equipment and software	16,585	23,575
	53,972	69,076
Less: Accumulated depreciation and amortization	22,662	28,279
Net property and equipment	$ 31,310	$ 40,797

Depreciation expense was $7,299 and $9,173 for Property and Equipment, and $12,900 and $14,166 for Capitalized Website Costs and Internal Use Software for the years ended December 31, 2022 and 2021, respectively.

5. Functional Expenses

Included in program services are allocations of general and administrative expenses ("G&A expenses"), including certain administrative, information technology, facilities and related depreciation, and other support expenses. Expenses are allocated to programs based on various allocation methodologies, including program revenues, headcount, and level of effort for the years ended December 31, 2022 and 2021.

Direct expenses are defined as program specific expenses for the years ended December 31, 2022 and 2021. The following tables provide a reconciliation of the direct program service expenses to the program by function:

	2022								
	Advanced Placement and Instruction	Assessments	BigFuture	State and District Partnerships	Puerto Rico and Latin American programs	Subtotal Direct Expenses	General and Administrative Expense Allocations	Expenses After Allocations	Membership
Salaries and benefits	$ 63,463	$ 12,283	$ 11,656	$ 16,718	$ 5,433	$ 109,553	$ 186,879	$ 296,432	$ 1,624
Consulting	4,049	2,110	1,712	860	395	9,126	36,071	45,197	18
Contract vendor expenses	217,923	139,564	6,778	-	9	364,274	7,628	371,902	-
Furniture, office expenses and other	1,130	748	338	197	216	2,629	2,761	5,390	294
Awards and contributions	678	4,111	4,134	-	-	8,923	220	9,143	-
Travel	3,702	645	294	1,385	75	6,101	2,910	9,011	300
Committee, meeting and conference	1,380	302	275	902	50	2,909	1,170	4,079	2,075
Exam development and program operations	17,547	8,834	702	730	2,150	29,963	(197)	29,766	337
Publications	8,309	3,260	60	5	1	11,635	116	11,751	163
Marketing	1,268	445	1,961	1	46	3,721	2,053	5,774	12
IT costs	1,595	2,248	1,955	12	139	5,949	32,894	38,843	27
Grants and contracts expense	931	533	567	3,437	21	5,489	521	6,010	-
Occupancy costs	988	372	100	1,305	919	3,684	23,592	27,276	-
Depreciation and amortization expense	8,721	3,838	40	127	402	13,128	7,071	20,199	-
Chargebacks	17,025	55,935	50,202	1,394	(36)	124,520	(125,244)	(724)	722
	$ 348,709	$ 235,228	$ 80,774	$ 27,073	$ 9,820	$ 701,604	$ 178,445	$ 880,049	$ 5,572

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

(in thousands of dollars)

	2021								
	Advanced Placement and Instruction	Assessments	BigFuture	State and District Partnerships	Puerto Rico and Latin American programs	Subtotal Direct Expenses	General and Administrative Expense Allocations	Expenses After Allocations	Membership
Salaries and benefits	$ 57,641	$ 12,772	$ 11,890	$ 17,660	$ 4,765	$ 104,728	$ 192,765	$ 297,493	$ 1,418
Consulting	6,051	1,435	1,280	596	249	9,611	29,606	39,217	-
Contract vendor expenses	174,101	142,680	6,857	-	2	323,640	6,920	330,560	-
Furniture, office expenses and other	3,655	45	371	174	266	4,511	4,962	9,473	793
Awards and contributions	623	3,109	4,578	3	1	8,314	155	8,469	-
Travel	270	111	77	73	32	563	503	1,066	47
Committee, meeting and conference	135	46	189	417	27	814	174	988	415
Exam development and program operations	18,035	8,223	768	656	2,020	29,702	(222)	29,480	448
Publications	7,537	3,573	9	2	-	11,121	70	11,191	42
Marketing	1,212	884	1,359	1	30	3,486	1,077	4,563	-
IT costs	3,418	2,768	1,229	11	389	7,815	32,251	40,066	7
Grants and contracts expense	84	46	1,312	3,541	2	4,985	-	4,985	-
Occupancy costs	980	394	211	2,694	902	5,181	46,237	51,418	1
Depreciation and amortization expense	6,912	6,735	54	373	372	14,446	8,894	23,340	-
Chargebacks	15,881	56,909	49,957	1,879	22	124,648	(125,233)	(585)	700
	$ 296,535	$ 239,730	$ 80,141	$ 28,080	$ 9,079	$ 653,565	$ 198,159	$ 851,724	$ 3,871

6. Pension and Other Retirement Benefits Organization

The Board has a defined contribution retirement 401(a) plan through Teachers Insurance and Annuity Association ("TIAA") covering substantially all employees. The Board contributes a percentage of each eligible employee's base salary to the plan after a contribution has been made by the employee to a separate, tax-deferred annuity 403(b) plan. Pension costs are funded as accrued. Benefits under the plan vest according to plan provisions. Pension expense amounted to $23,489 and $22,904 for the years ended December 31, 2022 and 2021, respectively.

The Board has an active 457B deferred compensation plan which is offered to select management. The employee contributions are capped at the annual Federal limit for deferred compensation. The assets related to this plan are included in deferred charges and other assets in the consolidated statements of financial position and amounted to $6,514 and $7,709 as of December 31, 2022 and 2021, respectively. The assets primarily consist of money market funds and other marketable securities which are considered Level 1 based on the fair value hierarchy described in Note 3. The liabilities that relate to these plans are included in other long-term liabilities.

In addition to providing pension benefits, the Board provides certain health care and life insurance benefits for retired employees who meet certain minimum age and length of service requirements. These postretirement benefits are accounted for on an accrual basis as employees render services.

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

(in thousands of dollars)

The following table provides a reconciliation of the changes in the plan's benefit obligation and a statement of the funded status of the plan as of December 31, 2022 and 2021:

	2022	2021
Change in benefit obligation		
Benefit obligation at beginning of year	$ 49,627	$ 52,975
Service cost	967	1,292
Interest cost	1,511	1,449
Participant contributions	715	677
Actuarial gain	(14,629)	(2,478)
Benefits paid	(2,084)	(2,050)
Curtailment gain	-	(2,264)
Special/contractual termination benefits	-	26
Benefit obligation at end of year	$ 36,107	$ 49,627
Funded status		
Unfunded status at end of year	$ 36,107	$ 49,627

Net periodic postretirement benefit cost for the years ended December 31, 2022 and 2021 includes the following components:

	2022	2021
Service cost	$ 967	$ 1,292
Interest cost	1,511	1,449
Actuarial loss	160	617
Net periodic postretirement benefit cost	2,638	3,358
Special/contractual termination benefits	-	26
Disclosed net benefit cost	$ 2,638	$ 3,384

	2022	2021
Amounts recognized in non-operating activity in net assets without donor restrictions		
Net actuarial (gain)/loss	$ (8,824)	$ 5,965
Amounts recognized in nonoperating activity in net assets without donor restrictions	$ (8,824)	$ 5,965

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

(in thousands of dollars)

	2022	2021
Change in net assets without donor restrictions		
Actuarial gain amortized during the year	$ 160	$ 617
Actuarial gain	14,629	2,478
Curtailment gain	-	2,264
Total change in net assets without donor restrictions	$ 14,789	$ 5,359

Assumed discount rates have a significant effect on the amounts reported, and changes in the discount rate from year to year can result in material fluctuations in the amounts reported.

	2022	2021
Assumptions and dates used for accrued postretirement benefits		
Discount rate	5.60 %	3.06 %
Current year medical trend	7 %	6 %
Ultimate year medical trend	5 %	5 %
Year of ultimate medical trend rate	2031	2026
Current year dental trend	5 %	5 %
Ultimate year dental trend	5 %	5 %
Year of ultimate dental trend rate	2022	2021
Measurement date	12/31/2022	12/31/2021
Census date	1/1/2022	1/1/2021
Assumptions used to determine expense		
Discount rate	3.06 %	2.80 %
Current year medical trend	6 %	6.25 %
Ultimate year medical trend	5 %	5 %
Year of ultimate medical trend rate	2026	2026
Current year dental trend	5 %	5 %
Ultimate year dental trend	5 %	5 %
Year of ultimate dental trend rate	2021	2020

The expected benefits to be paid in each of the next five fiscal years and in the aggregate for the five fiscal years thereafter are:

2023	$ 1,489
2024	1,660
2025	1,744
2026	1,914
2027	2,092
2028 through 2032	12,636

The employer contribution for the fiscal year ending December 31, 2023 is projected to be $1,135.

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

(in thousands of dollars)

7. Leases, Commitments and Contingencies

Leases and Commitments

The Board leases certain office spaces ("real estate"), as well as other equipment, which expire at various dates through 2034. Occupancy costs relating to these operating leases amounted to $20,240 and $24,219 in fiscal years 2022 and 2021, respectively. The Board considers various factors such as market conditions and the terms of any renewal options that may exist to determine whether we may renew or replace a real estate lease. Real estate agreements often include renewal options, either at fixed rents or subject to a fair value assessment at the time of exercise. Real estate renewal options are included in the measurement of right of use asset and lease liabilities when the exercise of such options is reasonably certain. Equipment renewal options are excluded from the lease term because they are not reasonably certain to be renewed due to rapid technology changes. There is generally no readily determinable discount rate implicit in the Board's leases. Accordingly, the Board uses the Risk-Free Rate throughout the terms of the lease, unless there is a lease modification, at which time, the rate may be updated with a more current Risk-Free Rate.

The Board includes the following as lease components when determining its real estate lease payments: fixed rent, predetermined rent escalations, rent-free periods, and certain incentives for leasehold improvements. The Board recognizes rent expense on a straight-line basis over the related terms of such leases, beginning from when the Board takes possession of the asset. Variable rents resulting from adjustments to consumer price indices are recorded in the periods such amounts are adjusted and determined. Variable expenses are considered non-lease components and are expensed as incurred.

Equipment lease agreements, contain one fixed payment amount associated with the lease of the equipment, as well as maintenance, repairs, customer support, and training. Expense is recognized on a straight-line basis over the related terms of such agreements.

In accordance with ASC 842 *Leases*, lease liabilities are initially and subsequently measured at the present value of the remaining lease payments. The right-of-use assets are initially recognized at the amount of the lease liabilities initially recognized less lease incentives received, plus initial direct costs and prepaid lease payments, if any. The Board will not apply recognition requirements to short-term leases, terms less than 12 months, and instead recognize lease expense for such leases on a straight-line basis over the lease term. Note, there are leases at the initial measurement date that will be expiring in less than a year that either do not have a renewal option or if there is a renewal option the Board is reasonably certain it will not be exercised.

Upon the adoption of ASC 842, at January 1, 2022, the right of use asset and lease liability were $189,989 and $232,885, respectively. The right-of-use asset and lease liability at December 31, 2022 as presented in the consolidated statements of financial position were $178,102 and $219,549, respectively.

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

(in thousands of dollars)

The following table reconciles the undiscounted cash flows expected to be paid in each of the next five years and thereafter to the lease liability recorded on the consolidated statement of financial position for operating leases existing as of December 31, 2022 (in thousands):

Years ending December 31,		
2023	$	25,918
2024		23,189
2025		22,936
2026		22,738
2027		22,650
Thereafter		140,067
	$	257,498
Less: Imputed Interest		(25,053)
Present Value of Lease Liabilities		232,445
Less: Current Portion of Lease Liabilities		(21,741)
Long-term Lease Liabilies, Net of Current Portion	$	210,704

Certain leases are subject to escalation clauses relating to increases in building operating expenses, real estate taxes and utilities. Minimum lease commitments after 2034 include nothing associated with renewal options that are reasonably certain to be exercised.

Prior to adoption of ASC 842, minimum rental commitments consist of the following at December 31, 2021:

Years ending December 31,		
2022	$	25,188
2023		24,569
2024		24,537
2025		25,397
2026		25,540
2027		180,453
	$	305,684

The Company's operating and finance leases costs recorded in the consolidated statement of operations for the year ended December 31, 2022 are as follows:

Lease Cost	**Statement of Activities Classification**		**2022**
Finance lease cost			
Amortization of right-of-use assets	Depreciation and amortization	$	54
Interest on finance lease obligations	Interest		1
Operating lease cost	Occupancy costs		18,985
Operating lease cost	Furniture, office expenses and other		680
Total lease cost		$	19,720

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

(in thousands of dollars)

Prior to the adoption of ASC 842, operating lease expense was $14,805 for the year ended December 31, 2021.

The following table includes other information related to the Company's operating and finance leases as of and for the year ended December 31, 2022:

		2022
Other Information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows for operating leases	$	24,848
Operating cash flows for finance leases		-
Weighted-average remaining lease term		
Operating leases		11 years
Finance leases		2 years
Weighted-average discount rate		
Operating leases		9.63 %
Finance leases		1.07 %

The Board signed sublease arrangements for part of its office space in 2022 which resulted in $6,140 for disposals of property and equipment. The Board signed a lease termination agreement and sublease arrangements for part of its office space in 2021 which resulted in $26,160 in additional expenses which includes $11,992 for disposals of property and equipment.

The Board subleases certain office space to third parties. Future sublease rental payments pursuant to these subleases are as follows:

Years ending December 31,		
2023	$	9,494
2024		9,782
2025		9,738
2026		9,982
2027		9,915
Thereafter		30,878
	$	79,789

Office space sublease rental income was $2,489 and $1,801 for 2022 and 2021, respectively.

The Board has a committed operating line of credit not to exceed $55,000, an uncommitted line not to exceed $25,000, and another irrevocable standby letter of credit for $710, with variable interest rates. At December 31, 2022 and 2021, there were no balances outstanding under these lines. The Board was in compliance with the financial covenants related to the line of credit at December 31, 2022 and 2021.

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

(in thousands of dollars)

Certain private equity and real estate funds are subject to periodic capital calls over the life of the funds, as determined by the funds' management. The Board is committed to fund $214,939 and $184,605 of additional capital to private equity and real estate funds as of December 31, 2022 and 2021, respectively; these commitments are callable over the next 12 years.

Contingencies
There are various lawsuits and claims pending against the Board which arose in the ordinary course of business. In the opinion of management, claims and lawsuits pending against the Board will not have a material effect on the Board's consolidated financial position, activities, or cash flows.

8. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of December 31:

	2022	2021
Educational/public service	$ 3,431	$ 996
	$ 3,431	$ 996

Net assets with donor restrictions were released from restrictions during the year ended December 31 in fulfillment of the following purposes:

	2022	2021
Educational/public service	$ 5,502	$ 3,440
	$ 5,502	$ 3,440

9. Subsequent Events

The Board has evaluated subsequent events through the issuance of these consolidated financial statements on May 19, 2023, which is the date the consolidated financial statements were available to be issued.

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

CollegeBoard

BOARD OF TRUSTEES OF
COLLEGE BOARD

January 12, 2024

RESOLUTION APPROVING THE OFFICERS OF THE CORPORATION

WHEREAS, the Board of Trustees of the College Board (the "Corporation") is authorized by the Bylaws to appoint certain officers of the Corporation;

WHEREAS, the individuals listed below hold positions with roles and responsibilities customarily held by officers or otherwise required by the Bylaws; and

WHEREAS, the Chair and Vice Chair are elected by the Membership as officers of corporation.

THEREFORE, IT IS RESOLVED that the following persons be, and they hereby are, appointed to the office or offices set forth opposite their names, to hold such office or offices until their respective successor shall have been appointed or until their earlier resignation or removal:

Name	Office
Thomas Moore	Chair, Board of Trustees
Susan Enfield	Vice Chair, Board of Trustees
David Coleman	Chief Executive Officer
Jeremy Singer	President
Daniela Berger Pollack	Chief Financial Officer
James Montoya	Secretary/Chief of Membership, Governance, and Global Higher Education
Jeff Olson	Chief Data Officer and Senior Vice President, Technology Strategy
Peter Schwartz	Chief Legal & Risk Officer
Martha Stratis	Chief Accounting Officer & Treasurer

FURTHER, IT IS RESOLVED, that the officers of the Corporation be, and each of them hereby is, authorized, empowered and directed, in the name of and on behalf of the Corporation, to act on and represent, to do or cause to be done all such acts and things, to exercise actual or apparent authority consistent with the duties and responsibilities of such position, and to act in any manner consistent with the duties and responsibilities of such position, such determination being conclusively evidenced by such action; and

FURTHER, IT IS RESOLVED that the persons holding the titles set forth on the Approval and Signing Authority chart, attached hereto as Exhibit A, be, and they hereby are, authorized to approve certain

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

CollegeBoard

activities and transactions of the Corporation, and to sign contracts and documents on behalf of the Corporation, and to do so to until their earlier resignation or removal; and

FURTHER, IT IS RESOLVED, that the persons holding the titles set forth on the Approval and Signing Authority chart be, and each of them hereby is, authorized, empowered and directed, in the name of and on behalf of the Corporation within the limits and structure presented on the Approval and Signing Authority chart, to do or cause to be done all such acts and things necessary in connection with the act required, and to act in any manner consistent with the Approval and Signing Authority chart.

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

CollegeBoard

Michael H. Barry, Esq.

[redacted] • [redacted]

SUMMARY

Attorney/Business and Legal Affairs professional with more than 20 years of experience in the not-for-profit education sector. Expert in drafting and negotiating a wide variety of contracts. Reliable, cross- functional collaborator with the proven ability to achieve results and build highly effective partnerships with both business and legal stakeholders.

BAR ADMISSION

Admitted, New York (2011)

EDUCATION

New York Law School – New York, NY Juris Doctor, May 2010
(Evening Division)
Honors:

- *New York Law School Law Review*, Senior Editor
- John Marshall Harlan Scholar, Harlan Affiliate: Institute for Information Law and Policy

Skidmore College - Saratoga Springs, NY

Bachelor of Arts, English Literature, May 2003

University of Westminster - London, UK

Semester Abroad, January 2002 - June 2002

PROFESSIONAL EXPERIENCE

College Board, Advanced Placement Program (AP Program) - New York, NY

***Senior Director, Contracts and Grants*, June 2013 - Present**

- Collaborate with the College Board Legal Department to draft, negotiate, and execute the Advanced Placement Program's portfolio of strategic business contracts with key partners, including state education agency contracts, school district contracts, and vendor contracts.
- Secure over $100 million each year in federal, state and district funding for AP Exam fees, particularly for low-income students, by establishing strong partnerships with internal staff as well as the U.S. Department of Education, state education agencies, and school districts.
- Collaborate with state education agency staff to execute direct-billing contracts and implement billing processes for states to pay for students' AP Exam fees.

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

- Create and deliver presentations to key internal staff and external constituents to provide critical information about federal and state funding for AP Exams.

***Director, Federal, State and Strategic Alliances*, October 2012 – May 2013**

- Developed and sustained productive relationships with state education agency staff to secure funding for AP Exams.
- Coordinated the execution of contracts with these states to pay for AP Exam fees for students.

***Director, AP Operations and Finance*, May 2011 – September 2012**

- Managed contracts administration from drafting through execution for AP Program contracts.
- Led the development of new licensing policies and procedures for licensing agreements with external parties to license the AP Program's content and data.
- Drafted, negotiated, and executed the AP Program's licensing agreements.

***Associate Director, AP Business Management*, March 2007 – April 2011**

- Managed the AP Program's annual budget.
- Supervised external vendor activities including the ordering, distribution, and scoring of AP Exams.
- Designed annual changes and supervised the release of key AP Program web applications, including the AP Exam Online Ordering website, AP Potential, and the AP Online Score Reporting website.
- Recognized by an AP Impact Award for performing work duties at an exceptionally high level while simultaneously attending and completing law school at night.

***Assistant Director, AP Publications and Operations*, September 2006 – March 2007**

- Wrote and edited AP Program publications sent to students, parents and schools.
- Wrote content for AP professionals and AP students via the AP Central website and collegeboard.org.
- Wrote national e-mail campaigns, letters, and newsletters sent to AP constituents.

***Assistant Director, AP Equity and Access Initiatives*, April 2006 – September 2006**

- Delivered presentations at external meetings and conferences to raise awareness of the AP Program's initiatives for increasing equity and access in education.
- Interviewed staff at schools successfully closing the achievement gap in AP courses to develop national strategies for increasing access to AP.
- Coordinated the National AP Equity Colloquium and College Board AP Fellows Grant Program.
- Planned, supervised and delivered speeches at regional Small Schools Summits to

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

provide administrators, teachers, and counselors from small and rural schools with tools and information to facilitate expansion of AP.

***Coordinator, AP Equity and Access Initiatives*, September 2004 – April 2006**

- Managed the application process, selection committee, and payment procedures for the College Board AP Fellows Grant Program, a program that awards professional development scholarships to teachers at high schools serving students from ethnic, racial and socioeconomic groups that have been traditionally underserved.
- Coordinated the National AP Equity Colloquium, a forum for over two hundred educators to share best practices for encouraging minority student awareness and enrollment in AP courses.

***Program Associate,* September 2003 – September 2004**

- Served as the assistant to the Executive Director of the AP Program.
- Coordinated copyright permissions for AP publications.
- Wrote cease and desist letters to websites and businesses inappropriately using the AP trademark and conducted monitoring to ensure compliance.

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

CollegeBoard

Dena Soled Johnson

[redacted] • [redacted] • [redacted] • [redacted]

RELEVANT EXPERIENCE

Senior Director, State and District Partnerships, August 2019 – Present | Director, State and District Partnerships, January 2012 – August 2019, The College Board, Waltham, MA

- Develop and manage implementation of strategic college and career readiness plans for two states and several key, influential districts
- Generate, cultivate, and maintain long-term relationships with schools, districts, and state agencies to promote educational equity, access, and excellence for all students.
- Lead the formulation and execution of comprehensive implementation plans, communication and outreach strategies, and statewide partnership proposals in New Hampshire and Rhode Island.
- Manage and shape statewide adoption of the SAT School Day to fulfill federal accountability requirements in collaboration with Programs, Government Relations, and Policy and Advocacy.
- Regularly develop, customize, and facilitate professional development workshops, presentations, trainings, and engage in best practices consulting for K-12 constituents.

Director of Advanced Placement, October 2009 – January 2012, Boston Public Schools, Boston, MA

- Developed, directed, managed, and implemented BPS' AP Access, Retention, and Achievement Program in conjunction with administering a three-year, $2.3 million Department of Education Advanced Placement Incentive Program (APIP) grant.
- Oversaw operation of district's Pre-AP and AP program including the establishment of targets and focused diagnostics for 32 high schools and 9 middle schools.
- Created an AP pipeline skill development *AP Mentor* curriculum to strengthen students' problem solving, reasoning, critical thinking, and analytical abilities.
- Instituted and supervised a network of teacher leaders to serve as *AP Content Specialists* to aid classroom teachers and enhance instruction.
- Regularly visited and observed AP teachers' classrooms to provide feedback, promote best practices, and determine individual professional development needs.
- Increased communication and outreach through the development of an *AP Teachers' Wiki*, the delivery of a monthly electronic *AP Newsletter* for teachers, counselors, administrators and families, and the establishment of an annual *AP Conference* for families and students.

Social Studies Teacher, August 2008 – May 2009, Roosevelt High School, Sioux Falls, SD

- Taught multi-level AP United States Government and Politics, Government, and Geography.

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

- Developed and implemented differentiated curriculum aligned with state and district standards that emphasized a cross-curricular focus with adaptability to meet and cultivate diverse student needs.
- Part of a two-person team that rewrote the AP and Government curriculum for the district.
- All students passed the AP exam with 4s and 5s – the highest overall average scores in the school.

Social Studies Teacher, August 1998 – June 2008, Hayfield Secondary School, Alexandria, VA

- As Lead AP US History teacher, conducted district-wide professional development workshops for teachers in Fairfax and nearby counties.
- In 10 years of teaching AP in a low-income, minority school, consistently had pass rates over 60%.
- Taught 9th grade World History and Geography I, 9th grade World History and Geography I Learning Disabilities Inclusion classes, 9th grade World Civilizations Honors, 10th grade World History and Geography II Learning Disabilities Inclusion classes, and 11th grade United States History.
- Designed an elective course, Comparative Religion, in which enrollment increased by approximately 50% in two years.

HONORS

Third Annual Rhode Island Education Summit, Providence, RI; October 2014: Panelist in a session entitled: *Increasing and Supporting Minority Enrollment and Retention in Post Secondary Education*

3rd Annual AP® District Honor Roll, Fall 2012: Out of the 539 U.S. public school districts recognized for increasing access to AP courses and improving the rate at which students earned scores of 3 or higher, BPS was one of only 28 districts that had 30% or greater enrollment of minority and low-income students.

Governor's School Outstanding Educator, Richmond, VA; July 2001; July 2005: Nominated by former students for excellence in the classroom.

Who's Who Among America's Teachers, 2002; 2005; 2006: Recommended by former students for making "a difference in his/her life."

National Honor Roll Outstanding American Teachers, 2006: Selected by a former student for having the "most influence on his life."

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

CollegeBoard

PROFESSIONAL DEVELOPMENT

New Hampshire Statewide SAT School Day User Group, Concord, NH; Summer 2016 – Present: In conjunction with the New Hampshire Department of Education, regularly convene a group of educators from across the state who serve as experts and contacts for their regional colleagues to ensure an improved SAT School Day implementation and experience.

Children and Youth Cabinet, Providence, RI; Fall 2014 – Winter 2016: Served on the *High School to College and Career Work Group* to increase FAFSA completion rates and determine a strategy to drive better outcomes for Providence students.

Providence Scholarship Selection Committee, Providence, RI; Spring 2014 – Present: As a member of the Providence educational community, selected to review scholarship applications and interview students.

Rhode Island's Destination College/Destino Universidad, Providence, RI: May 2013: In conjunction with the Rhode Island Department of Education and Providence School District, organized a free, bi-lingual seminar for underserved, under-resourced students and their families featuring workshops about the college process including how to plan, prepare, and pay for college.

Blackstone Valley Prep Mayoral Academy Advisory Committee, Providence, RI; January 2013 – June 2013: Part of a small group of educational leaders that shaped the development of a new high school.

Boston Public School's AP Conference, Boston, MA; Spring 2010 – Spring 2011: Instituted an annual event for Boston's students and their families to promote advanced learning opportunities and encourage student participation in AP courses.

Table Leader, Advanced Placement US History Reading, Louisville, KY; June 2007 – June 2009: Supervised and trained between six and ten college professors and high school teachers to grade the document-based and free-response essay portions of the AP US History exam.

Faculty Consultant, Advanced Placement US History Reading, San Antonio, TX; June 2001 – June 2006: Adhered to College Board standards to score the essay portions of the AP exam.

Docusign Envelope ID: 59C0A261-3FE0-4082-A99C-E04E22F0EB2F

CollegeBoard

EDUCATION

George Mason University, Fairfax, VA; June 2000 – July 2002, Summa Cum Laude
Master of Arts in Education (Initiatives in Educational Transformation)

James Madison University, Harrisonburg, VA; August 1994 – May 1998, Summa Cum Laude
Bachelor of Arts in History and Double Minor in Secondary Education and English