Blue Ridge Community and Technical College

Financial Statements as of and for the
Years Ended June 30, 2017 and 2016, and Independent
Auditor’s Reports

BLUE RIDGE COMMUNITY AND TECHNICAL COLLEGE

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CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

To the Governing Board
Blue Ridge Community and Technical College
Martinsburg, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Blue Ridge Community and Technical College (the College) (a component unit of the State of West Virginia), as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Blue Ridge Community and Technical College Foundation, Inc. were not audited in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

To the Governing Board
Blue Ridge Community and Technical College

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the discretely presented component unit of the College as of June 30, 2017 and 2016, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3-12 and the Schedule of Proportionate Share of Net Pension Liability and Contributions on page 45, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2017, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
October 6, 2017

The Blue Ridge Community and Technical College

Management Discussion and Analysis

Fiscal Year 2017

About Blue Ridge Community and Technical College

Blue Ridge Community and Technical College (the "College") is a State-supported institution within the West Virginia System of Higher Education Policy. The College is under the authority of the West Virginia Council for Community and Technical College Education (the "Council").

The College offers associate degrees, workforce development programs, and collaborative programs in the government, business and industry sectors. The College achieved separate accreditation during fiscal year 2005, and became a completely separate entity for financial reporting purposes on July 1, 2006.

Overview of the Financial Statements and Financial Analysis

There are three financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. The discussion and analysis of the College's financial statements provides an overview of its financial activities for the three years ended June 30, 2017, with a focus on 2017, and is required supplemental information.

Statement of Net Position

The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the College as of the end of the fiscal year. The Statement of Net Position is a point-of-time financial statement. The Statement of Net Position presents end-of-year data concerning assets (current and noncurrent), liabilities (current and noncurrent), deferred inflows and outflows of resources, and net position (assets and deferred outflows of resources minus liabilities and deferred inflows of resources). From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the College. They are also able to determine how much the College owes vendors, employees, lenders and others. Finally, the Statement of Net Position provides a snapshot of the net position (assets and deferred outflows of resources minus liabilities and deferred inflows of resources) and their availability for expenditure by the College.

Net position is divided into three major categories. The first category, net investment in capital assets, provides equity in property, plant, and equipment owned by the College, net of any debt related to the acquisition of the capital assets. The second category is restricted net position, which is divided into two categories, nonexpendable and expendable. The College does not currently have nonexpendable restricted assets. Expendable restricted net position resources are available for expenditure by the College but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The third category is unrestricted net position. Unrestricted net position is available to the College for any lawful purpose of the College.

Condensed Schedules of Net Position
As of June 30, 2017, 2016, and 2015
(In thousands of dollars)

	2017	2016	2015
Assets			
Cash	$ 12,181	$ 10,166	$ 8,990
Other Current Assets	763	958	856
Other Noncurrent Assets	27	32	38
Capital Assets	17,737	18,316	18,752
Total Assets	30,708	29,472	28,636
Deferred Outflows of Resources	40	17	10
Liabilities			
Current Liabilities	5,485	4,728	4,010
Noncurrent Liabilities	1,831	1,737	1,617
Total Liabilities	7,316	6,465	5,627
Deferred Inflows of Resources	23	45	66
Net Position			
Investment in Capital Assets	17,737	18,316	18,752
Restricted	2,631	2,376	2,045
Unrestricted	3,041	2,287	2,156
Total Net Position	$ 23,409	$ 22,979	$ 22,953

The liquidity position of the College remains strong as cash exceeds total current and noncurrent liabilities. The College's quick ratio (cash to current liabilities) is 2.22, 2.15, and 2.24 as of June 30, 2017, 2016 and 2015, respectively. The working capital (current assets to current liabilities) is 2.36, 2.35, and 2.46 as of June 30, 2017, 2016 and 2015, respectively.

Other items of interest related to assets are as follows:

- Approximately 40% of the assets as of June 30, 2017 were held in cash and cash equivalents, compared to 34% and 31% in cash and cash equivalents as of June 30, 2016 and 2015, respectively. The increase in cash and cash equivalents is primarily attributable to an increase in federal, state, and local grant award receipts, and accumulation of capital fees.
- Other current assets include due from the Council/Commission; net accounts receivable, which is a combination of student accounts receivable, grants receivable, unbilled charges and other receivable; and prepaid expenses.
    - The amount in Due from the Council/Commission as of June 30, 2017 represents $89,771 related to grants and $10,291 in interest receivable from interagency funds.
    - The net student accounts receivable is $67,419, $185,579, and $194,936 at June 30, 2017, 2016 and 2015, respectively. The bad debt reserve is $1,137,982, $1,502,338 and $1,408,261 as of June 30, 2017, 2016 and 2015, respectively. In 2017, the College assessed the collectability trend of accounts that remained outstanding from a third party agency to determine the need to write off accounts deemed uncollectable in prior years,

totaling $638,225. The decrease in the allowance is a combination of the bad debt write off and the continued efforts made to collect outstanding balances.
    - Grants receivable consists of $214,377, $92,694 and $95,455 at June 30, 2017, 2016 and 2015, respectively. The current year balance primarily represents various amounts due to the College from third party agencies for financial aid disbursed to students.
    - Unbilled charges were $7,326, $86,026 and $251,012 at June 30, 2017, 2016 and 2015, respectively. These balances represent amounts due to the College as a result of federal grant activities which have not been billed. It also includes amounts not drawn for the federal direct loan program.
    - Other receivables represent amounts due for private grant matches and workforce development contracted training.
    - Prepaid expenses of $186,870, $63,770 and $74,695 at June 30, 2017, 2016 and 2015, respectively, include expenditures that span a minimum period of six months. Much of this amount represents costs for workforce development training.
- Noncurrent assets are other receivable and capital assets.
    - Other receivable is the amount due from employees that were converted from a non-arrears pay cycle to an arrears pay cycle. Nine employees received a “no hardship payment” on 9/30/14 equal to their then-current gross wages, which will be collected from the employee when he or she separates from the College.
    - Construction in Process (CIP) balances at June 30, 2017, 2016 and 2015 were $50,000, $0, and $185,341, respectively. The current CIP balance of $50,000 is for costs accrued for the expansion of the Pines Opportunity Center in Morgan County, WV. The CIP during 2016 was completed as of the end of the year resulting in a $0 balance. The CIP balance for 2015 was for costs accrued for the expansion at the Technology Center. The 7,000 square foot space includes faculty offices, classrooms and Chemical Technology program lab.
    - Fixed asset additions, inclusive of CIP transfers, total $422,045 for fiscal year 2017. Over half of the additions, or 68%, were grant funded. Operations provided for 10% of the additions. Capital fees were used for 5% of the purchases. Two business donations represent 16% of the additions. Student fees provided for the remaining additions of 1%.

Items of interest related to liabilities are as follows:

- Current liabilities of $5,484,890, $4,728,117 and $4,009,681 at June 30, 2017, 2016 and 2015 increased by $756,773 in fiscal year 2017, $718,436 in fiscal year 2016 and $1,374,219 in fiscal year 2015.
    - Non-construction accounts payable of $261,912, $210,051 and $486,650 at June 30, 2017, 2016 and 2015, respectively, represent typical operating expenses such as supplies and utilities. The 2015 balance contained a temporary spike resulting from contractual invoices for workforce training of $102,000 and approximately $87,500 in technology computer lab and administrative office upgrades.
    - Accrued payroll of $543,486, $448,547 and $416,457 at June 30, 2017, 2016 and 2015, respectively, increased each year. Annual promotions were not provided in 2017. However, annual years of service increase of $60 for each year served was provided by the State. This, combined with increased grant activity at year end, can be attributed to the payroll increase for 2017. The 2016 increase is attributed to annual promotions and step increases. Each year, an increased cost to the institution is evidenced by more employees qualifying for the benefit, in addition to those employees already receiving the benefit.
    - Due to Council/Commission and State agencies amounts reported of $32,723, $12,978 and $201 at June 30, 2017, 2016 and 2015, respectively, represent a combination of

amounts due for services the state provides the College and for West Virginia financial aid grants. The 2017 balance includes unused grant funds of $22,716 from HEAPS and $7,897 from WVDHHR that are returned to the state. The 2016 balance includes unused grant funds of $7,331 from WV Higher Education and $4,653 from HEAPS that are returned to the state.

  - Accrued annual leave, or compensated absences, total $542,356, $545,110 and $583,967 at June 30, 2017, 2016 and 2015, respectively.
  - Unearned revenues were $4,036,575, $3,507,414 and $2,331,040 at June 30, 2017, 2016 and 2015, respectively. The balance is largely driven by grants awarded to the College by the Council. The College applies for these grants on behalf of local businesses for workforce training and for creating and sustaining technical programs. Grant awards vary from year to year depending on market demand and the school's desire to create new programs. The major driver of unearned revenue is related to new grants awarded to the College. During FY17, the college received new state grants totaling $1,647,790 and expended $1,253,435 in total state grants. This resulted in a net increase in unearned state grant revenue of $394,355. The summer school component of unearned revenue for FY17 is $222,335, which is approximately 45% of the total summer term revenue. The deferral calculation is driven by the dates of the three summer terms.

- Noncurrent Liabilities include:
  - Other post-employment benefits (OPEB) accrued at June 30, 2017, 2016 and 2015 total $1,723,457, $1,657,329 and $1,540,897, respectively. The liability is a product of the number of employees enrolled in the health insurance program and the PEIA actuarially determined amount per person.
  - The net pension liability at June 30, 2017 totals $107,695 and has increased from the 2016 balance by $28,202. The net pension liability at June 30, 2016 totaled $79,493 and has increased from the 2015 balance by $3,595. The net pension liability at June 30, 2015 totaled $75,898. The College implemented GASB Statement 68 during fiscal 2015. The liability is reliant on the number of employees continuing on the West Virginia Teachers' Retirement System (TRS) which was closed to new participants effective July 1, 1991. TRS is a cost-sharing, defined benefit, public employee retirement system with contribution rates established annually by the West Virginia State Legislature.

Statement of Revenues, Expenses, and Changes in Net Position

Changes in total net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. The purpose of this statement is to present the revenues received by the College, both operating and non-operating, and the expenses paid by the College, operating and non-operating, and any other revenues, expenses, gains, and losses received or expended by the College.

In general, operating revenues are received for goods and services rendered to customers and constituencies of the College. Operating expenses are those expenses paid to acquire or produce the goods and services provided resulting in operating revenues, and to accomplish the mission of the College. Revenues received for which goods and services are not provided are reported as non-operating revenues. For example, state appropriations are provided by the legislature to the College without the legislature directly receiving commensurate goods and services for those revenues and are, therefore reported as non-operating revenues.

Condensed Schedules of
Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2017, 2016, and 2015
(In thousands of dollars)

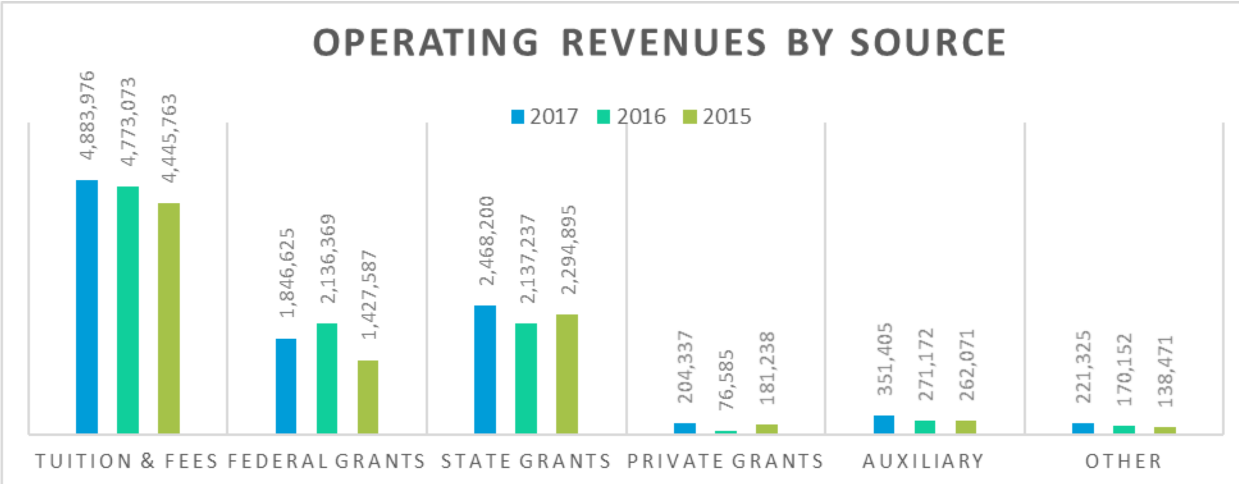
	2017	2016	2015
Operating Revenues	$ 9,976	$ 9,565	$ 8,750
Operating Expenses	18,630	18,479	18,831
Operating Loss	(8,654)	(8,914)	(10,081)
Nonoperating Revenues - Net	9,036	8,938	9,673
Increase (Decrease) in Net Position	382	24	(408)
Capital Payments Made/ Expenses Incurred on Behalf of College	48	2	4
Increase (Decrease) in Net Position	430	26	(404)
Net Position - Beginning of Year	22,979	22,953	23,442
Cumulative Effect of Change in Accounting Princip	-	-	(85)
Net Position - Beginning of Year restated	22,979	22,953	23,357
Net Position - End of Year	$ 23,409	$ 22,979	$ 22,953

Operating Revenues

Nearly half, 48.9%, of the operating revenue for the College is derived from tuition and fee assessments. Federal grants provide funding for varying degrees of technical education support and grant funds for students. State grants provide funding for new technical program activities, business and industry workforce development, and sustainability funds for high cost programs. The following is an overview of revenues and their sources:

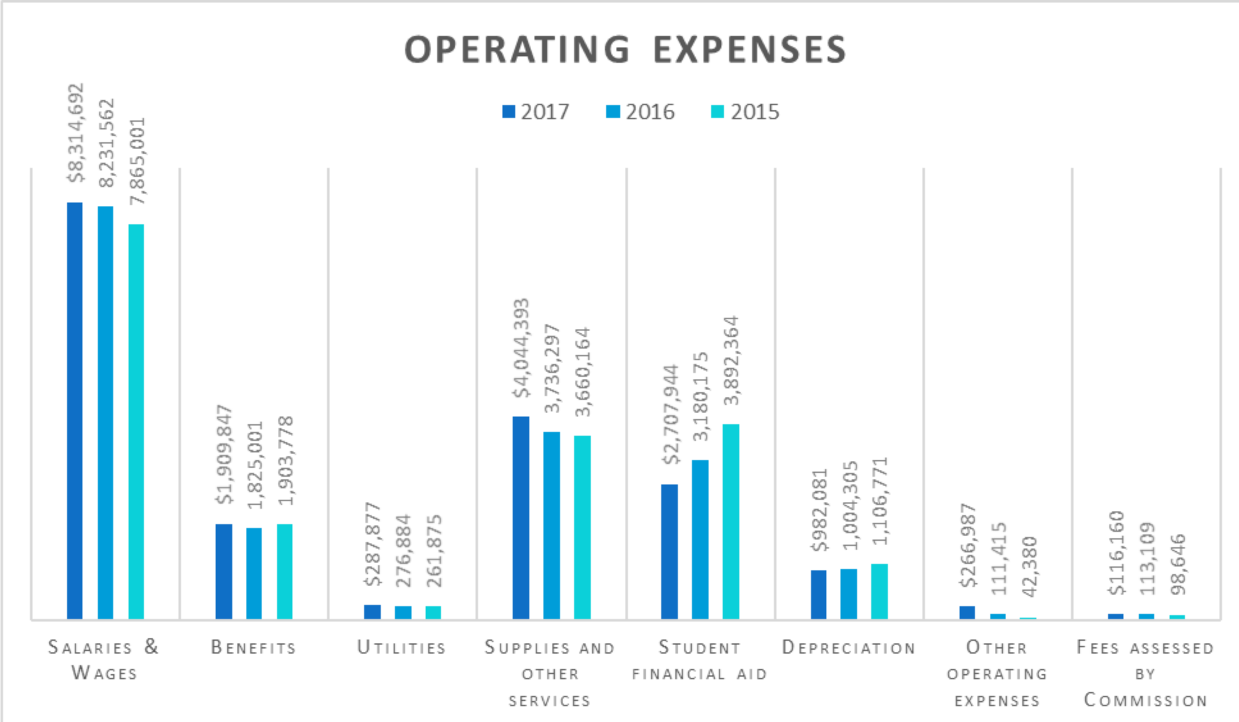
- Student tuition and fees – net of scholarship allowance increased 2.3% from 2016 and 9.9% from 2015. This revenue category can be segregated by two types of tuition and fee revenues – academic and workforce development. The academic revenues decreased by approximately $76,000, or 2%, from 2016. Academic revenues have increased approximately $153,000 since 2015. The fiscal year 2017 tuition rate increased by 4.55%. Workforce development revenue, which is generated by Career Advancement courses and contracted training with local employers, increased by $186,578 and $98,324 from 2016 and 2015, respectively, and continues to show measurable growth.
- Revenues from federal sources totaling $1,846,625 consists of 43% Department of Labor project, *Bridging the Gap* funds, 35% Department of Labor project, *Heroes for Hire* funds, 14% Carl D. Perkins Act funds, 5% student financial aid grants, 2% Department of Health and Human Resources, and 1% Department of Agriculture.
- State grants in the form of WV student financial aid grants make up approximately 53%, or $1,303,290 of total revenues reported as State Contracts and Grants. WV Advance, Technical Program, and HB3009 grants make up the remaining 47%, or $1,164,910.

Operating revenues are up 4.3%, primarily due to state grants. Blue Ridge CTC's FY17 Fall FTEs decreased from the FY16 Fall FTEs by 101 full time equivalent students. The FTEs for FY17 and FY16 Fall semesters were 1,840 and 1,941, respectively. Even with a 5% decrease in FTE, revenue increased in large part due to a 4.55% increase in tuition rate, along with gains in Career Advancement, state grants, private grants, and auxiliary enterprise revenues.



Operating Expenses

Operating expenses increased by 1% from 2016 to 2017. The 2017 expenses represent the fourth year of stable activity with all locations remaining constant and fully functional. The slight increase in operating expense is represented by a combined increase of $476,072 in salaries, benefits, and supplies, with a decrease in student financial aid by $472,231 or 15%. Expenses related to student financial aid has now decreased for three consecutive years. Student scholarships account for 15%, 17% and 21% of the operating expenses in fiscal years 2017, 2016 and 2015, respectively. Over half of the fiscal year 2017 operating expenses were incurred for personnel services and benefits. Supplies and other services increased by $308,096 or 1% from fiscal year 2016 to 2017. Utilities experienced a slight increase of nearly $11,000 or 4% from year-to-year. Rental expense also slightly increased in 2017 by $6,775 or 2%. Other operating expense represents the estimated bad debt expense that is accrued annually and additional amounts from student account balances that were written off during the year. The 2017 accrual decreased the allowance for doubtful accounts balance by approximately 24%. The decrease is a result of bad debt write off of $638,225. This calculation is an analysis of the financial aid that the College returns to the Department of Education when the College determines that the student is no longer entitled to the funds. The return of aid results in a receivable balance on the student’s account. Fees assessed by the Commission are funds remitted to Higher Education Policy Commission (HEPC) for the Higher Education Resource Assessment (HERA). This fee is a percentage of the previous year’s tuition and fee revenues.



Non-operating Revenue (Expense)

The net non-operating revenues in fiscal year 2017 increased by $97,679 from fiscal year 2016, largely in part to an increase in the State appropriation of $457,267 and a decrease in Federal Pell Grant funds of $405,334.

Investment income in fiscal year 2017 increased by $49,976 from 2016. Fees assessed by the Commission decreased by $6,580 from 2016 and a loss on disposal increased by $10,810 brings the total to $97,679. The non-operating Commission fees are remitted to HEPC for a capital assessment.

Capital Payments Made on Behalf of College

Payments have been made on behalf of the College nine of the last eleven fiscal years. Payments amounted to $332 in 2017, $1,885 in 2016, and $3,820 in 2015. All payments have been in conjunction with the acquisition of a permanent main campus. The funds originated from the 2009 bonds issued by HEPC. A total of $13,500,000 was available from this source for the construction and furnishing of this facility. Total payments to date made on behalf of the College equal $13,096,264.

The College received two donations totaling $48,000 in fiscal year 2017. A drone with a value of $23,000 and a bucket truck valued at $25,000 were donated to support technical academic programs.

Statement of Cash Flows

The Statement of Cash Flows presents detailed information about the cash activities of the College during the year. The statement is divided into five parts. The first part deals with operating cash flows and shows the net cash used by the operating activities of the College. The second section reflects cash flows from non-capital financing activities. This section reflects the cash received and spent for non-operating, noninvesting, and non-capital financing purposes. The third section deals with cash flows from capital related financing activities. This section deals with cash used for the acquisition and construction of capital assets and related items, and related funding received. The fourth section reflects the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The fifth section reconciles the net cash provided by (used in) operating activities to the operating income (loss) reflected in the Statement of Revenues, Expenses, and Changes in Net Position.

Condensed Schedules of Cash Flows
For the Year Ended June 30, 2017, 2016 and 2015
(In thousands of dollars)

	2017	2016	2015
Cash Provided by (Used in):			
Operating Activities	$ (6,731)	$ (6,999)	$ (8,017)
Noncapital Financing Activities	8,975	8,923	9,767
Capital and Related Financing Activities	(310)	(779)	(195)
Investing Activities	81	31	9
Increase(Decrease) in Cash and Cash Equivalents	2,015	1,176	1,564
Cash and Cash Equivalents - Beginning of Year	10,166	8,990	7,426
Cash and Cash Equivalents - End of Year	$ 12,181	$ 10,166	$ 8,990

Cash used in 2017 operating activities was less than 2016 and 2015 by $268,000 and $1,286,000, respectively. Cash inflows increased by approximately $33,000 and cash outflows in the form of payments to suppliers, utilities and employees increased by $234,906. Payments for scholarships and fellowships decreased by $472,231. This decrease was driven by the Pell expense decrease of $405,334. Cash expenditures for the purchase of capital assets was less in 2017 due to acquiring fewer assets and payments for capital assets not yet complete as of June 30, 2017.

Cash used in 2016 operating activities was less than 2015 by $1,018,000. Cash inflows increased by approximately $1,384,000 and cash outflows in the form of payments to suppliers and employees increased by approximately $1,063,000. Payments for scholarships and fellowships decreased by $712,189. This decrease was driven by the Pell expense decrease of $626,991. Cash expenditures for the purchase of capital assets was more in 2016 due to acquiring more assets and payments for capital assets accrued in prior year.

Capital Asset Activity

2017:

CIP projects converted to capitalized assets during 2017 include leasehold improvements for the Bruin Café, Mechatronics office, Area L at the Technology Center, and leasehold improvements for the greenhouse at the main campus totaling $78,169. Significant fixed asset additions during fiscal year 2017 totaling $293,544 were added at the Technology Center and main campus. These fixed assets are primarily for classroom and lab use. Computer equipment totaling $54,878 was purchased to support administrative IT equipment and distance learning support services. Computer software totaling $630 was funded by the Department of Labor *Heroes for Hire* grant. Research and education totaling $157,406, all funded through state or local grants, were used to support technology programming and labs. Other capital equipment totaling $32,630 was purchased to support academic labs, marketing, and facilities at the main campus. The remaining fixed asset additions were drone donation ($23,000), bucket truck donation ($25,000), and land improvements ($332). The final $50,000 for CIP is for construction at the Morgan County Pines Opportunity Center.

2016:

CIP projects converted to capitalized assets during 2016 include leasehold improvements at the Technology Center, leasehold improvements for the Human Resources Department at the main campus, and fixed assets for the Chemical Technology program lab totaling $378,664. Significant fixed asset additions during fiscal year 2016 totaling $380,348 were added to the Technology Center and main campus. These fixed assets are primarily for classroom and lab use. Computer equipment totaling $50,082 was purchased to support administrative IT equipment and the Chemical Technology program lab. Computer software totaling $27,515 was purchased to support the Information Technology programs NetLab and software license funded by the Department of Labor *Heroes for Hire* grant. The remaining fixed asset additions were culinary equipment ($21,902), SimMan ($4,735), Health Information Lab equipment ($2,143), Mechatronics lab equipment ($173,264), Chemical Technology lab equipment ($85,707), solar heating/cooling package ($15,000), and land improvements ($1,885).

Economic Outlook

The fiscal year began with the College receiving an increase in state appropriations of $500,000, but then experienced a 2% or nearly $100,000 decrease in state funding. The net result was an increase of state funding of greater than $400,000 for fiscal 2017. This increase in state appropriation is budgeted to continue for fiscal 2018.

The current fiscal year marked the end of the Department of Labor's *Bridging the Gap* grant program activities and brought the College into the final year of Department of Labor's *Heroes for Hire* grant programming activities for fiscal 2018. With significant services and academic programming added to the College as a result of the two Department of Labor grants, the College sought to maintain much of these activities upon completion through a two-tiered approach of (1) increasing tuition and fees and (2) securing other state grant awards. The College will need to determine a plan of action for fiscal 2018, as the funding for the *Heroes for Hire* programming activities will conclude on March 31, 2018. The College experienced productive relationship-building with the Procter and Gamble (P&G) leadership team throughout fiscal 2017. The much anticipated optimism surrounding the P&G site selection in the Eastern Panhandle of West Virginia has become a reality and several state grant projects have been awarded to fund related activities. These grant activities will continue through fiscal 18, with potential for this relationship to be very active through fiscal 2019.

The federally-imposed Heightened Cash Monitoring 1 (HCM1) sanction issued by the Department of Education was a substantial focus for all 19 public colleges and universities in the state. This sanction requires all colleges and universities to distribute federal student aid prior to completing the draw process from the federal government. As a result, the College must ensure its cash balance is adequate to process financial aid. Fortunately, the College made a consistent effort each year to strengthen its cash position, and as a result does not foresee financial obstacles to meeting the HCM1 requirements.

The College continues to have a sense of optimism for fiscal 2018 with continued interaction with P&G at both off-site locations, the Tech Center and Morgan County campus. Additionally, the College continues to meet with representatives in Morgan County to discuss strategies for increasing the college-going rate of the county and as well as overall enrollment at the Morgan County campus through contracted training, degree programs, and other types of continuing education. Moreover, in a continued effort to increase enrollment and expand opportunities for the community, the College added five new academic programs, including Applied Laboratory Technician, Human Services, Software Development Engineering, Digital Media Specialist and Agribusiness. Finally, the College anticipates to enroll its greatest class of high school students through the new JumpStart dual-enrollment programming that created several career and degree pathways for high school students to get a head start on their college experience, taking advantage of a discounted tuition rate and opportunities in seven diverse academic program options.

Requests for information may be directed to:

Chief Financial Officer
Blue Ridge Community and Technical College
13650 Apple Harvest Drive
Martinsburg, WV 25403

BLUE RIDGE COMMUNITY AND TECHNICAL COLLEGE
STATEMENTS OF NET POSITION
AS OF JUNE 30, 2017 AND 2016

	2017	2016
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS:		
Cash and cash equivalents	$ 12,180,926	$ 10,166,126
Due from the Council/Commission	100,062	342,955
Accounts receivable — net	475,926	551,875
Prepaid expenses	186,870	63,770
Total current assets	12,943,784	11,124,726
NONCURRENT ASSETS:		
Other receivable	27,083	31,570
Capital assets — net	17,737,254	18,315,902
Total noncurrent assets	17,764,337	18,347,472
Total assets	30,708,121	29,472,198
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	39,824	17,319
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 30,747,945	$ 29,489,517
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable	$ 327,741	$ 210,051
Accrued liabilities	543,486	448,547
Due to the Council/Commission	32,723	12,978
Compensated absences	542,356	545,110
Service concession arrangement liability	2,009	4,017
Unearned revenue	4,036,575	3,507,414
Total current liabilities	5,484,890	4,728,117
NONCURRENT LIABILITIES:		
Other postemployment benefits liability	1,723,457	1,657,329
Net pension liability	107,695	79,493
Total noncurrent liabilities	1,831,152	1,736,822
Total liabilities	7,316,042	6,464,939
DEFERRED INFLOWS OF RESOURCES:		
Service concession arrangement	17,991	35,983
Pension related	4,659	9,460
Total deferred inflows of resources	22,650	45,443
NET POSITION:		
Investment in capital assets	17,737,254	18,315,902
Restricted for — expendable — other	2,630,947	2,375,824
Unrestricted	3,041,052	2,287,409
Total net position	23,409,253	22,979,135
TOTAL	$ 30,747,945	$ 29,489,517

The Accompanying Notes Are An Integral Part Of These Financial Statements

BLUE RIDGE COMMUNITY AND TECHNICAL COLLEGE
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
OPERATING REVENUES:		
Student tuition and fees — net of scholarship allowance of $2,870,679 and $2,848,189 in 2017 and 2016, respectively	$ 4,883,976	$ 4,773,073
Contracts and grants:		
Federal	1,846,625	2,136,369
State	2,468,200	2,137,237
Private	204,337	76,585
Auxiliary enterprise revenue	351,405	271,172
Other operating revenues	221,325	170,152
Total operating revenues	9,975,868	9,564,588
OPERATING EXPENSES:		
Salaries and wages	8,314,692	8,231,562
Benefits	1,909,847	1,825,001
Utilities	287,877	276,884
Supplies and other services	4,044,393	3,736,297
Student financial aid — scholarships and fellowships	2,707,944	3,180,175
Depreciation	982,081	1,004,305
Other operating expenses	266,987	111,415
Fees assessed by the Commission for operations	116,160	113,109
Total operating expenses	18,629,981	18,478,748
OPERATING LOSS	(8,654,113)	(8,914,160)
NONOPERATING REVENUES (EXPENSES):		
State appropriations	4,880,509	4,423,242
Federal Pell Grant	4,094,498	4,499,832
Investment income	81,289	31,313
Fees assessed by the Commission	(1,784)	(8,364)
Loss on disposals	(18,613)	(7,803)
Net nonoperating revenues	9,035,899	8,938,220
INCREASE IN NET POSITION BEFORE OTHER REVENUE, EXPENSES, GAINS, OR LOSSES	381,786	24,060
OTHER REVENUES:		
Capital Asset Donations	48,000	-
Capital Payments made and expenses incurred on behalf of the College	332	1,885
Total other revenues	48,332	1,885
INCREASE IN NET POSITION	430,118	25,945
NET POSITION — Beginning of year	22,979,135	22,953,190
NET POSITION — End of year	$ 23,409,253	$ 22,979,135

The Accompanying Notes Are An Integral Part Of These Financial Statements

BLUE RIDGE COMMUNITY AND TECHNICAL COLLEGE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Student tuition and fees	$ 4,815,210	$ 4,678,637
Contracts and grants	5,173,431	5,402,106
Payments to and on behalf of employees	(10,046,191)	(9,940,317)
Payments to suppliers	(4,095,888)	(3,977,849)
Payments to utilities	(287,877)	(276,884)
Payments for scholarships and fellowships	(2,707,944)	(3,180,175)
Auxiliary enterprise charges	351,405	271,172
Fees retained by Commission	(116,160)	(113,109)
Other receipts - net	182,186	137,284
Net cash used in operating activities	(6,731,828)	(6,999,135)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State appropriations	4,880,509	4,423,242
Federal Pell Grant	4,094,498	4,499,832
Federal student loan program - direct lending receipts	5,526,494	6,550,904
Federal student loan program - direct lending payments	(5,526,494)	(6,550,904)
Net cash provided by noncapital financing activities	8,975,007	8,923,074
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Purchases of capital assets	(307,884)	(770,358)
Fees assessed by the Commission	(1,784)	(8,364)
Net cash used in capital financing activities	(309,668)	(778,722)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on investments	81,289	31,313
INCREASE IN CASH AND CASH EQUIVALENTS	2,014,800	1,176,530
CASH AND CASH EQUIVALENTS - Beginning of year	10,166,126	8,989,596
CASH AND CASH EQUIVALENTS - End of year	$ 12,180,926	$ 10,166,126
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	$ (8,654,113)	$ (8,914,160)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	982,081	1,004,305
Amortization of Service Concession Arrangement	(20,000)	(20,000)
Bad debt expense	(364,356)	94,077
Effect of changes in operating assets and liabilities:		
Accounts receivable, net	444,792	48,009
Due from Council/Commission	242,893	(249,566)
Prepaid expenses	(123,100)	10,923
Accounts payable	51,860	(265,253)
Accrued liabilities	94,939	32,090
Due to Council/Commission	19,745	12,777
Compensated absences	(2,754)	(38,857)
Net pension liability	896	(6,287)
Other postemployment benefits liability	66,128	116,432
Unearned revenue	529,161	1,176,375
Net cash used in operating activities	$ (6,731,828)	$ (6,999,135)
NONCASH TRANSACTIONS:		
Capital expenses in accounts payable	$ 65,831	$ -
Capital Asset Donations	$ 48,000	$ -
Capital payments made and expenses incurred on behalf of the College	$ 332	$ 1,885

The Accompanying Notes Are An Integral Part of These Financial Statements

BLUE RIDGE COMMUNITY AND TECHNICAL COLLEGE FOUNDATION, INC.
A COMPONENT UNIT OF BLUE RIDGE COMMUNITY AND TECHNICAL COLLEGE
STATEMENTS OF FINANCIAL POSITION
As of June 30, 2017 and 2016

ASSETS

	2017	2016
ASSETS		
Cash and Cash Equivalents	$ 467,523	$ 678,365
Investments	258,425	-
Pledges Receivable	15,000	17,000
Other Assets	5,498	5,000
TOTAL ASSETS	$ 746,446	$ 700,365

LIABILITIES AND NET ASSETS

	2017	2016
LIABILITIES		
Deferred Revenue	$ 80	$ 1,500
NET ASSETS		
Unrestricted	115,328	109,151
Temporarily Restricted	131,038	89,714
Permanently Restricted	500,000	500,000
Total Net Assets	746,366	698,865
TOTAL LIABILITIES AND NET ASSETS	$ 746,446	$ 700,365

The Accompanying Notes Are An Integral Part Of These Financial Statements

BLUE RIDGE COMMUNITY AND TECHNICAL COLLEGE FOUNDATION, INC.
A COMPONENT UNIT OF BLUE RIDGE COMMUNITY AND TECHNICAL COLLEGE
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2017 AND 2016

	Year Ended June 30, 2017				Year Ended June 30, 2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS, AND PUBLIC SUPPORT								
Contributions	$ 1,521	$ 38,220	$ -	$ 39,741	$ 1,681	$ 35,418	$ 500,000	$ 537,099
Special Events Income, Net of Direct Costs of $9,711 and $28,239 in 2017 and 2016, Respectively	9,425	-	-	9,425	4,755	640	-	5,395
Contributed Goods and Services	6,160	29,000	-	35,160	22,039	-	-	22,039
Investment Income	-	10,904	-	10,904	108	-	-	108
Net Assets Released from Restriction	36,800	(36,800)	-	-	30,101	(30,101)	-	-
Total Revenues, Gains and Public Support	53,906	41,324	-	95,230	58,684	5,957	500,000	564,641
EXPENSES								
Program Services:								
Benefits Paid To or For Members	101	-	-	101	58	-	-	58
Support to College	30,621			30,621	-	-	-	-
Scholarships	16,391	-	-	16,391	23,048	-	-	23,048
Awards	-	-	-	-	4,962	-	-	4,962
Total Program Services	47,113	-	-	47,113	28,068	-	-	28,068
Management and General	616	-	-	616	544	-	-	544
Total Expenses	47,729	-	-	47,729	28,612	-	-	28,612
CHANGES IN NET ASSETS	6,177	41,324	-	47,501	30,072	5,957	500,000	536,029
NET ASSETS, BEGINNING OF YEAR	109,151	89,714	500,000	698,865	79,079	83,757	-	162,836
NET ASSETS, END OF YEAR	$ 115,328	$ 131,038	$ 500,000	$ 746,366	$ 109,151	$ 89,714	$ 500,000	$ 698,865

The Accompanying Notes Are An Integral Part Of These Financial Statements

1. ORGANIZATION

Blue Ridge Community and Technical College (the "College") is governed by Blue Ridge Technical College Board of Governors (the "Board"). The Board was established by Senate Bill 448 ("S.B. 448").

Powers and duties of the Board include, but are not limited to, the power to determine, control, supervise, and manage the financial, business, and educational policies and affairs of the College under its jurisdiction, the duty to develop a master plan for the College, the power to prescribe the specific functions and College's budget request, the duty to review, at least every five years, all academic programs offered at the College, and the power to fix tuition and other fees for the different classes or categories of students enrolled at the College.

S.B. 448 also gives the West Virginia Council for Community and Technical College Education (the "Council") the responsibility of developing, overseeing, and advancing the State of West Virginia's (the "State") public policy agenda as it relates to community and technical college education.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the College have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by Governmental Accounting Standards Board standards (GASB). The financial statement presentation required by GASB provides a comprehensive, entity-wide perspective of the College's assets, liabilities, deferred inflows and outflows of resources, net position, revenues, expenses, changes in net position, and cash flows and replaces the fund-group perspective previously required.

Reporting Entity — The College is a component unit of the State of West Virginia and an operating unit of the West Virginia Higher Education Fund and represents separate funds of the State that are not included in the State's general fund. The College is a separate entity that, along with all State institutions of higher education, the Council, the West Virginia Higher Education Policy Commission (the "Commission"), which includes West Virginia Network for Educational Telecomputing (WVNET), form the Higher Education Fund of the State. The Higher Education Fund is considered a component unit of the State, and its financial statements are discretely presented in the State's comprehensive annual financial report.

The accompanying financial statements present all funds under the authority of the College. The basic criterion for inclusion in the accompanying financial statements is the exercise of oversight responsibility derived from the College's ability to significantly influence operations and accountability for fiscal matters of related entities.

The accompanying financial statements include the discretely presented Blue Ridge Community and Technical College Foundation because, based on the criteria provided by GASB Statements No. 39 and 61, the economic resources received or held by the related Foundation to which the College, or its component units, is entitled or has the ability to otherwise access, is significant to the College.

The audited financial statements of Blue Ridge Community and Technical College Foundation, Inc. (the "Foundation") are discretely presented here with the College's financial statements for the fiscal years ended June 30, 2017 and 2016. No modifications have been made to the Foundation's audited financial information as it is presented herein (see also Note 16).

Financial Statement Presentation — GASB establishes standards for external financial reporting for public colleges and universities and requires that financial statements be presented on a combined basis to focus on the College as a whole. Net Position is defined as an organization's worth after all debts and liabilities have been deducted from its gross assets. Net position is classified into three categories according to external restrictions or availability of assets for satisfaction of College obligations. The College's net position is classified as follows:

Investment in Capital Assets — This represents the College's total investment in capital assets, net of accumulated depreciation and outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted Net Position — This category is comprised of two components, *Expendable* and *Nonexpendable.*

Expendable — This includes resources for which the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

The West Virginia State Legislature, as a regulatory body outside the reporting entity, has restricted the use of certain funds by Article 10, *Fees, and Other Money Collected at State Institutions of Higher Education*, of the West Virginia State Code. House Bill No. 101 passed in March 2004, simplified the tuition and fee restrictions to auxiliaries and capital items. These activities are fundamental to the normal ongoing operations of the College. These restrictions are subject to change by future actions of the West Virginia State Legislature.

Nonexpendable — This includes endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principle. The College does not have any restricted nonexpendable net position at June 30, 2017 and 2016.

Unrestricted Net Position— Unrestricted net position represents resources derived from student tuition and fees, state appropriations, and sales and services of educational activities. These resources are used for transactions relating to the educational and general operations of the College, and may be used at the discretion of the Board to meet current expenses for any purpose.

Basis of Accounting — For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been prepared on the accrual basis of accounting with a flow of economic resources measurement focus. Revenues are reported when earned and expenses when materials or services are received.

Cash and Cash Equivalents — For purposes of the statements of net position and cash flows, the College considers all highly liquid investments with an original maturity of three months or less at the time of purchase to be cash.

Appropriations Due from Primary Government — For financial reporting purposes, appropriations due from the State are presented separate from cash and cash equivalents, as amounts are not specific deposits with the State Treasurer but are obligations of the State.

Allowance for Doubtful Accounts — It is the College's policy to provide for future losses on uncollectible accounts, contracts, and grants receivable based on an evaluation of the underlying account, contract, and grant balances, the historical collectability experienced by the College on such balances and such other factors which, in the College's judgment, require consideration in estimating doubtful accounts.

Noncurrent Due From Primary Government — An appropriation due from primary government, that is (1) externally restricted to make debt service payments, long-term loans to students, or to maintain sinking or reserve funds, (2) to purchase capital or other noncurrent assets, or (3) held for permanently restricted net position, is classified as a noncurrent asset in the statements of net position.

Capital Assets — Capital assets include land, land improvements, buildings and leasehold improvements, and equipment. Capital assets are stated at cost at the date of acquisition or construction, or fair market value at the date of donation in the case of gifts. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 20 years for library books, 50 years for buildings and 3–10 years for furniture and equipment. Leasehold improvements are amortized over the period of the lease. The College uses a capitalization threshold of $5,000 for capital assets.

Unearned Revenue — Revenues for programs or activities to be conducted primarily in the next fiscal year are classified as unearned revenue. Financial aid and other deposits are separately classified as deposits.

Compensated Absences and Other Postemployment Benefits (OPEB)— GASB provides standards for the measurement, recognition, and display of other postemployment benefit (OPEB) expenditures, assets, and liabilities, including applicable note disclosures and required supplementary information. During fiscal year 2006, House Bill No. 4654 was established to create a trust fund for postemployment benefits for the State. Effective July 1, 2007, the College was required to participate in this multiple employer cost-sharing plan, the West Virginia Retiree Health Benefit Trust Fund, sponsored by the State of WV. Details regarding this plan and its stand-alone financial statements can be obtained by contacting the West Virginia Public Employees Insurance Agency (PEIA), State Capitol Complex, Building 5, Room 1001, 1900 Kanawha Boulevard East, Charleston, WV 25305–0710, or http://www.wvpeia.com.

GASB requires entities to accrue for employees' rights to receive compensation for vacation leave, or payments in lieu of accrued vacation or sick leave, as such benefits are earned, and payment becomes probable. The College's full-time employees earn up to two vacation leave days for each month of service and are entitled to compensation for accumulated, unpaid vacation leave upon termination. Full-time employees also earn 1 1/2 sick leave days for each month of service and are entitled to extend their health or life insurance coverage upon retirement in lieu of accumulated, unpaid sick leave. Generally, two days of accrued sick leave extend health insurance for one month of single coverage and three days extend health insurance for one month of family coverage. For employees hired after 1988 or who were hired before 1988 but did not choose such coverage until after 1988 but before July 1, 2001, the employee shares in the cost of the extended benefit coverage to the extent of 50% of the premium required for the extended coverage. Employees hired July 1, 2001, or later, no longer receive sick leave credit toward insurance premiums when they retire. Additionally, all retirees have the option to purchase continued coverage regardless of their eligibility for premium credits. This liability is now provided for under the multiple employer cost-sharing plan approved by the State.

Certain faculty employees (generally those with less than a 12-month contract) earn a similar extended health or life insurance coverage retirement benefit based on years of service. Generally 3 1/3 years of teaching service extend health insurance for one year of single coverage and five years extend health insurance for one year of family coverage. Employees hired after July 1, 2010 receive no health insurance premium subsidy from the College. Two groups of employees hired after July 1, 2010 will not be required to pay the unsubsidized rate: 1) active employees who were originally hired before July 1, 2010, who have a break in service of fewer than two years after July 1, 2010; and 2) retired employees who retired before July 1, 2010, return to active service after July 1, 2010, and then go back into retirement. In those cases, the original hire date will apply.

The estimated expense incurred for vacation leave or OPEB benefits is recorded as a component of benefits expense on the statements of revenues, expenses, and changes in net position.

Net Pension Liability – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the West Virginia Teachers' Retirement System (TRS), administered by the West Virginia Consolidated Public Retirement Board (CPRB), and additions to/reductions from the TRS fiduciary net position have been determined on the same basis as they are reported in the TRS financial statements, which can be found at https://www.wvretirement.com/Publications.html#CAFR. The plan schedules of TRS are prepared using the accrual basis of accounting and economic resources measurement focus in accordance with U.S. GAAP as prescribed by GASB. Employer contributions are recognized when due and the employer has a legal requirement to provide the contributions. Investments are reported at fair value. Detailed information on investment valuation can be found in the TRS financial statements. Management of TRS has made certain estimates and assumptions relating to employer allocation schedules, and actual results could differ. (See Note 12)

Deferred Outflows of Resources – Consumption of net position by the College that is applicable to a future fiscal year is reported as a deferred outflow of resources on the statement of net position. The College had deferred outflows of resources related to pensions of $39,824 and $17,319 as of June 30, 2017, and 2016, respectively (see Note 12).

Deferred Inflows of Resources – Acquisition of net position by the College that is applicable to a future fiscal year is reported as a deferred inflow of resources on the statement of net position. As of June 30, 2017, and 2016, the College had deferred service concession arrangements of $17,991, and $35,983, respectively (see Note 14) and deferred inflows related to pensions of $4,659 and $9,460, respectively (see Note 12).

Risk Management — The State's Board of Risk and Insurance Management (BRIM) provides general, property, casualty, and liability coverage to the College and its employees. Such coverage may be provided to the College by BRIM through self-insurance programs maintained by BRIM or policies underwritten by BRIM that may involve experience-related premiums or adjustments to BRIM.

BRIM engages an independent actuary to assist in the determination of its premiums so as to minimize the likelihood of premium adjustments to the College or other participants in BRIM's insurance programs. As a result, management does not expect significant differences between the premiums the College is currently charged by BRIM and the ultimate cost of that insurance based on the College's actual loss experience. In the event such differences arise between estimated premiums currently charged by BRIM to the College and the College's ultimate actual loss experience, the difference will be recorded as the change in estimate becomes known.

In addition, through its participation in PEIA and third-party insurers, the College has obtained health, life, prescription drug coverage, and coverage for job-related injuries for its employees. In exchange for payment of premiums to PEIA and the third-party insurers, the College has transferred its risks related to health, life, prescription drug coverage, and job-related injuries.

Classification of Revenues — The College has classified its revenues according to the following criteria:

Operating Revenues — Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, (3) most federal, state, local, and nongovernmental grants and contracts, and (4) sales and services of educational activities.

Nonoperating Revenues — Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenues that are defined as nonoperating revenues by GASB such as state appropriations, federal Pell grants, investment income, and sale of capital assets (including natural resources).

Other Revenues — Other revenues consist primarily of capital grants and gifts.

Use of Restricted Net Position — The College has not adopted a formal policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Generally, the College attempts to utilize restricted net position first when practicable.

Federal Financial Assistance Programs — The College facilitates borrowing opportunities to students through the Federal Direct Student Loan Program. Under this program, the U.S. Department of Education makes interest subsidized and nonsubsidized loans directly to students, through institutions like the College. Direct student loan receivables are not included in the College's statements of net position as the loans are repayable directly to the U.S. Department of Education. In 2017 and 2016, the College received and disbursed $5,526,494 and $6,550,904, respectively, under the Federal Direct Student Loan Program on behalf of the U.S. Department of Education, which is not included as revenue and expense on the statements of revenues, expenses, and changes in net position.

The College also distributes other student financial assistance funds on behalf of the federal government to students under the Federal Pell Grant, Supplemental Educational Opportunity Grant, and College Work Study programs. The activity of these programs is recorded in the accompanying financial statements. In 2017 and 2016, the College received and disbursed $4,195,018 and $4,624,141, respectively, under these federal student aid programs.

Scholarship Allowances — Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship allowances in the statements of revenues, expenses, and changes in net position. Scholarship allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the student's behalf.

Financial aid to students is reported in the financial statements under the alternative method as prescribed by the National Association of College and College Business Officers. Certain aid, such as loans, funds provided to students as awarded by third parties and Federal Direct Lending is accounted for as a third-party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses, or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed by allocating the cash payments to students, excluding payments for services, on the ratio of total aid to the aid not considered to be third-party aid.

Government Grants and Contracts — Government grants and contracts normally provide for the recovery of direct and indirect costs, subject to audit. The College recognizes revenue associated with direct costs as the related costs are incurred. Recovery of related indirect costs is generally recorded at fixed rates negotiated for a period of one to five years.

Income Taxes — The College is exempt from income taxes, except for unrelated business income, as a nonprofit organization under federal income tax laws and regulations of the Internal Revenue Service.

Cash Flows — Any cash and cash equivalents escrowed, restricted for noncurrent assets, or in funded reserves have not been included as cash and cash equivalents for the purpose of the statements of cash flows.

Use of Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Risk and Uncertainties — Investments are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain securities, it is reasonably possible that changes in risk and values will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Newly Adopted Statements Issued by the Governmental Accounting Standards Board(GASB)

The GASB has issued Statement No. 80, *Blending Requirements for Certain Component Units*, which is effective for fiscal years beginning after June 15, 2016. This statement amends the blending requirements for the financial presentation of component units of all state and local governments established in Statement No. 14, *The Financial Reporting Entity*, as amended. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The College has determined that Statement No. 80 does not apply to its component unit and has no effect on its financial statements.

The GASB has also issued Statement No. 81, *Irrevocable Split-Interest Agreements*, which is effective for fiscal years beginning after December 15, 2016. This statement establishes recognition and measurement requirements for irrevocable split-interest agreements created through trusts – or other legally enforceable agreements with characteristics that are equivalent to irrevocable split-interest agreements – in which a donor irrevocably transfers resources to an intermediary. The intermediary administers these resources for the unconditional benefit of a government or at least one other beneficiary. The College has determined it has no irrevocable split-interest agreements.

The GASB has also issued Statement No. 86, *Certain Debt Extinguishment Issues*, which is effective for fiscal years beginning after June 15, 2017. Statement No. 86 provides guidance for transactions in which cash and other monetary assets acquired with existing resources are placed in an irrevocable trust for the sole purpose of extinguishing debt. The adoption of this standard had no effect on the College's financial statements.

Recent Statements Issued by the Governmental Accounting Standards Board(GASB) – The GASB has also issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is effective for fiscal years beginning after June 15, 2017. This statement establishes standards of accounting and financial reporting for defined benefit other postemployment benefits and defined contribution other postemployment benefits that are provided to the employees of state and local governmental employers through other postemployment benefit plans that are administered through trusts or equivalent arrangements that meet certain criteria. This statement also establishes standards of accounting and financial reporting for defined benefit other postemployment benefits and defined contribution other postemployment benefits that are provided to the employees of state and local governmental employers through other postemployment benefit plans that are not administered through trusts that meet certain criteria. The College has not yet determined the effect that the adoption of GASB Statement No. 75 may have on its financial statements.

The GASB has also issued Statement No. 83, *Certain Asset Retirement Obligations*, which is effective for fiscal years beginning after June 15, 2018. Statement No. 83 establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for legally enforceable liabilities associated with the retirement of tangible capital assets. Examples of asset retirements covered under this standard are the decommissioning of a nuclear reactor or the dismantling and removal of sewage treatment plants as required by law. The College has not yet determined the effect that the adoption of GASB Statement No. 83 may have on its financial statements.

The GASB has also issued Statement No. 84, *Fiduciary Activities*, which is effective for fiscal years beginning after December 15, 2018. Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments to determine whether an activity should be reported in a fiduciary fund in the financial statements. The College has not yet determined the effect that the adoption of GASB Statement No. 84 may have on its financial statements.

The GASB has also issued Statement No. 85, *Omnibus 2017*, which is effective for fiscal years beginning after June 15, 2017. Statement No. 85 addresses practice issues that have been identified during implementation of certain GASB statements. The College has not yet determined the effect that the adoption of GASB Statement No. 85 may have on its financial statements.

The GASB has also issued Statement No. 87, *Leases*, which is effective for fiscal years beginning after December 15, 2019. Statement No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. In other words, most leases currently classified as operating leases will be accounted for and reported in the same manner as capital leases. The College has not yet determined the effect that the adoption of GASB Statement No. 87 may have on its financial statements.

3. CASH AND CASH EQUIVALENTS

The composition of cash and cash equivalents was held as follows:

	June 30, 2017		
	Current	Noncurrent	Total
State Treasurer	$ 11,800,853	$ -	$ 11,800,853
In Bank	380,073	-	380,073
Total	$ 12,180,926	$ -	$ 12,180,926

	June 30, 2016		
	Current	Noncurrent	Total
State Treasurer	$ 9,530,120	$ -	$ 9,530,120
In Bank	636,006	-	636,006
Total	$ 10,166,126	$ -	$ 10,166,126

The combined carrying amount of cash in bank at June 30, 2017 and 2016, was $380,073 and $636,006 as compared with the combined bank balance of $470,252 and $704,829, respectively. The difference is primarily caused by outstanding checks and items in transit. The bank balances were covered by federal depository insurance as noted below or were collateralized by securities held by the State's agent. Regarding federal depository insurance, interest-bearing accounts are insured by the Federal Deposit Insurance Corporation up to $250,000. Non-interest-bearing accounts are 100% insured through December 31, 2017.

Amounts with the State Treasurer as of June 30, 2017 and 2016, are comprised of three investment pools: the WV Money Market Pool, the WV Government Money Market Pool and the WV Short Term Bond Pool, and certain amounts of uninvested cash.

Cash on deposit with the Treasurer includes deposits in the State Treasury bank account, the WV Money Market Pool, the WV Government Money Market Pool, and the WV Short Term Bond Pool. Deposits in the bank account are insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by securities held by the bank in the name of the State. Deposits in the WV Money Market Pool, the WV Government Money Market Pool, and the WV Short Term Bond Pool are pooled by the Treasurer with other available funds of the State for investment purposes by the West Virginia Board of Treasury Investments (the BTI). These funds are transferred to the BTI, and then the BTI invests in accordance with West Virginia Code, policies set by the BTI, provisions of bond indentures and trust agreements when applicable. Fair value and investment income are allocated to participants in the pools based upon the funds that have been invested. Balances in the investment pools are recorded at fair value or amortized cost which approximates fair value. Fair value is determined by a third-party pricing service based on asset portfolio pricing models and other sources in accordance with GASB. The BTI was established by the Legislature and is subject to oversight by the Legislature. Fair value and investment income are allocated to participants in the pools based upon the funds that have been invested. The amounts on deposit are available for immediate withdrawal and, accordingly, are presented as cash and cash equivalents in the accompanying financial statements.

The BTI maintains the Consolidated Fund investment fund, which consists of eight investment pools and participant-directed accounts, three of which the College may invest in. These pools have been structured as multi-participant variable net position funds to reduce risk and offer investment liquidity diversification to the Fund participants. Funds not required to meet immediate disbursement needs are invested for longer periods. A more detailed discussion of the BTI's investment operations pool can be found in its annual audited financial report. A copy of that annual audited financial report can be obtained from the following address: 1900 Kanawha Blvd. East, Room E-122, Charleston, WV 25305 or http://www.wvbti.com.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The following table provides information on the Standard & Poor's rating of the investment pools as of June 30:

	2017		2016	
External Pool	Carrying Value	S & P Rating	Carrying Value	S & P Rating
WV Money Market Pool	$ 10,960,621	AAAm	$ 8,904,571	AAAm
WV Government Money Market Pool	$ 0	AAAm	$ 0	AAAm
WV Short Term Bond Pool	$ 252,291	Not Rated	$ 209,983	Not Rated

A Fund rated "AAAm" has extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market, and/or liquidity risks. "AAAm" is the highest principal stability fund rating assigned by Standard & Poor's.

Interest Rate Risk — Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. All the amounts with the State Treasurer are subject to interest rate risk. The following table provides information on the weighted-average maturities for the WV Money Market Pool and the WV Government Money Market Pool:

	2017		2016	
External Pool	Carrying Value	WAM (Days)	Carrying Value	WAM (Days)
WV Money Market Pool	$ 10,960,621	36	$ 8,904,571	49
WV Government Money Market Pool	$ 0	35	$ 0	50

The following table provides information on the effective duration for the WV Short Term Bond Pool:

External Pool	2017 Carrying Value	2017 Effective Duration (Days)	2016 Carrying Value	2016 Effective Duration (Days)
WV Short Term Bond Pool	$ 252,291	426	$ 209,983	462

Other Investment Risks — Other investment risks include concentration of credit risk, custodial credit risk, and foreign currency risk. None of the BTI's Consolidated Fund's investment pools or accounts is exposed to these risks as described below.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss arising from a large position in a single asset or market exposure. The College has no risk exposure.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the College will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The College has no risk exposure.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The College has no securities with foreign currency risk.

4. ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2017 and 2016, is as follows:

	2017	**2016**
Student tuition and fees — net of allowance for doubtful accounts of $1,137,982 and $1,502,338 in 2017 and 2016, respectively	$ 67,419	$ 185,579
Other receivables	186,804	187,576
Unbilled charges	7,326	86,026
Financial aid grants receivable	214,377	92,694
	$ 475,926	$ 551,875

5. CAPITAL ASSETS

Summary of capital assets transactions for the College as of June 30, 2017 and 2016, is as follows:

	2017			
	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Land	$ 1,605,550	$ -	$ -	$ 1,605,550
Construction in progress	-	128,169	(78,169)	50,000
Total capital assets not being depreciated	$ 1,605,550	$ 128,169	$ (78,169)	$ 1,655,550
Capital assets being depreciated:				
Land Improvements	$ 665,108	$ 332	$ -	$ 665,440
Buildings/Leasehold improvements	17,601,386	78,169	(27,067)	17,652,488
Library books	1,492	-	-	1,492
Equipment	4,081,513	293,544	(199,111)	4,175,946
Total capital assets being depreciated	22,349,499	372,045	(226,178)	22,495,366
Less accumulated depreciation for:				
Land Improvements	111,040	44,232	-	155,272
Buildings/Leasehold improvements	2,548,198	589,971	(12,631)	3,125,538
Library books	1,492	-	-	1,492
Equipment	2,978,417	347,877	(194,934)	3,131,360
Total accumulated depreciation	5,639,147	982,080	(207,565)	6,413,662
Capital assets being depreciated — net	$ 16,710,352	$ (610,035)	$ (18,613)	$ 16,081,704
Capital assets — net	$ 18,315,902	$ (481,866)	$ (96,782)	$ 17,737,254

CAPITAL ASSETS (Continued)

	2016			
	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Land	$ 1,605,550	$ -	$ -	$ 1,605,550
Construction in progress	185,341	193,323	(378,664)	-
Total capital assets not being depreciated	$ 1,790,891	$ 193,323	$ (378,664)	$ 1,605,550
Capital assets being depreciated:				
Land Improvements	$ 663,223	$ 1,885	$ -	$ 665,108
Buildings/Leasehold improvements	17,222,722	378,664	-	17,601,386
Library books	1,492	-	-	1,492
Equipment	3,822,971	380,348	(121,806)	4,081,513
Total capital assets being depreciated	21,710,408	760,897	(121,806)	22,349,499
Less accumulated depreciation for:				
Land Improvements	66,808	44,232	-	111,040
Buildings/Leasehold improvements	1,995,424	552,774	-	2,548,198
Library books	1,445	47	-	1,492
Equipment	2,685,168	407,252	(114,003)	2,978,417
Total accumulated depreciation	4,748,845	1,004,305	(114,003)	5,639,147
Capital assets being depreciated — net	$ 16,961,563	$ (243,408)	$ (7,803)	$ 16,710,352
Capital assets — net	$ 18,752,454	$ (50,085)	$ (386,467)	$ 18,315,902

6. LONG-TERM LIABILITIES

Summary of long-term obligation transactions for the College for the years ended June 30, 2017 and 2016, is as follows:

	2017				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
OPEB liability	$ 1,657,329	$ 270,347	$ 204,219	$ 1,723,457	$ -

	2016				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
OPEB liability	$ 1,540,897	$ 318,681	$ 202,249	$ 1,657,329	$ -

7. OTHER POSTEMPLOYMENT BENEFITS

In accordance with GASB, OPEB costs are accrued based upon invoices received from PEIA based upon actuarially determined amounts. At June 30, 2017, 2016 and 2015 the noncurrent liability related to OPEB costs was $1,723,457, $1,657,329 and $1,540,897 respectively. The total OPEB expense incurred and the amount of OPEB expense that relates to retirees was $270,347 and $204,219, respectively, during 2017, or 76%. The total OPEB expense incurred and the amount of OPEB expense that relates to retirees was $318,681 and $202,249, respectively, during 2016, or 63%. The total OPEB expense incurred and the amount of OPEB expense that relates to retirees was $300,566 and $195,542, respectively, during 2015, or 65%. As of and for the years ended June 30, 2017, 2016 and 2015 there were three, three, and two, respectively, retirees receiving these benefits. During the 2012 Legislative session, the State took proactive measures to address the unfunded liability, which will take effect in future fiscal years and fully fund the liability by 2037.

8. STATE SYSTEM OF HIGHER EDUCATION INDEBTEDNESS

The College is a State institution of higher education, and the College receives a State appropriation to finance its operations. In addition, it is subject to the legislative and administrative mandates of the State government. Those mandates affect all aspects of the College's operations, its tuition and fee structure, its personnel policies, and its administrative practices.

The State has chartered the Commission with the responsibility to construct or renovate, finance, and maintain various academic and other facilities of the State's universities and colleges, including certain facilities of the College. Financing for these facilities was provided through revenue bonds issued by the former Board of Regents or the former Boards of the University and College Systems (the "Boards"). These obligations administered by the Commission are the direct and total responsibility of the Municipal Bond Commission, as successor to the former Boards.

The Municipal Bond Commission has the authority to assess each public institution of higher education for payment of debt service on these system bonds. The tuition and registration fees of the members of the former State University System are generally pledged as collateral for the Commission's bond indebtedness. Student fees collected by the institution in excess of the debt service allocation are retained by the institution. Although the bonds remain as capital obligations of the Commission, an estimate of the obligation of each institution was reported as a long-term payable by each institution and as a receivable by the Commission, The College has no liability to the Commission at June 30, 2017 and 2016.

9. LEASE AND AMOUNT DUE TO BERKELEY BUSINESS PARK ASSOCIATES, L.C.

The College leases space at one location as of June 30, 2017, which is accounted for as an operating lease.

Future annual scheduled lease payments on operating leases for the 5 years subsequent to June 30, 2017 and then remaining in increments of 5 years, are as follows:

Year Ending June 30,	Berkeley Business Park
2018	272,693
2019	61,023
2020	61,846
2021	62,685
2022	63,540
2023-2025	195,929
Total	$ 717,716

Total lease expense for the years ended June 30, 2017 and 2016, was $371,378 and $364,453, respectively.

The College does not have any non-cancellable leases.

10. UNRESTRICTED NET POSITION

The College did not have any designated unrestricted net position as of June 30, 2017 or 2016.

	2017	2016
Total unrestricted net position before OPEB liability	$ 4,764,509	$ 3,944,738
Less OPEB liability	(1,723,457)	(1,657,329)
Total unrestricted net position	$ 3,041,052	$ 2,287,409

11. DEFINED CONTRIBUTION PLANS

Substantially, all full-time employees of the College participate in either the West Virginia Teachers' Retirement System (TRS) or the Teachers' Insurance and Annuities Association — College Retirement Equities Fund (TIAA-CREF). Previously, upon full-time employment, all employees were required to make an irrevocable selection between the TRS and TIAA-CREF. Effective July 1, 1991, the TRS was closed to new participants. Current participants in the TRS are permitted to make a one-time election to cease their participation in that plan and commence contributions to the West Virginia Teachers' Defined Contribution Plan. Contributions to and participation in the West Virginia Teachers' Defined Contribution Plan by College employees have not been significant to date.

Effective January 1, 2003, higher education employees enrolled in the basic 401(a) retirement plan with TIAA-CREF have an option to switch to the New Educators Money 401(a) basic retirement plan ("Educators Money"). New hires have the choice of either plan.

The TIAA-CREF and Educators Money are defined contribution benefit plans in which benefits are based solely upon amounts contributed, plus investment earnings. Employees who elect to participate in this plan are required to make a contribution equal to 6% of total annual compensation. The College matches the employees' 6% contribution. Contributions are immediately and fully vested. In addition, employees may elect to make additional contributions to TIAA-CREF and Educators Money, which are not matched by the College.

DEFINED CONTRIBUTION PLANS

	Educators Money		
Source of contributions:	2017	2016	2015
Employee	$ 1,650	$ 1,715	$ 1,612
Employer	1,650	1,715	1,612
Total contributions	$ 3,300	$ 3,430	$ 3,224

	TIAA-CREF		
Source of contributions:	2017	2016	2015
Employee	$ 418,028	$ 411,039	$ 398,628
Employer	418,028	411,039	398,628
Total contributions	$ 836,056	$ 822,078	$ 797,256

The following is the covered payroll by plan for the year ended June 30:

BENEFITS ELIGIBLE PAYROLL

	2017	2016	2015
Employees' Salaries-TIAA-CREF	$ 6,967,137	$ 6,850,651	$ 6,643,796
Employees' Salaries-Educators Money	27,494	28,588	26,872
Total	$ 6,994,631	$ 6,879,239	$ 6,670,668

12. DEFINED BENEFIT PENSION PLAN

Some employees of the College are enrolled in a defined benefit pension plan, the West Virginia Teachers' Retirement System (TRS), which is administered by the West Virginia Consolidated Public Retirement Board (CPRB).

Following is the College's pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, revenues, and the pension expense and expenditures for the fiscal years ended June 30, 2017 and 2016, respectively:

TRS	2017	2016
Net Pension Liability	$ 107,695	$ 79,493
Deferred Outflows of Resources	$ 39,824	$ 17,319
Deferred Inflows of Resources	$ 4,659	$ 9,460
Revenues	$ 19,139	$ 12,868
Pension Expense	$ 20,035	$ 6,581
Contributions Made by BRCTC	$ 10,109	$ 10,159

TRS

Plan Description

TRS is a multiple employer defined benefit cost sharing public employee retirement system providing retirement benefits as well as death and disability benefits. It covers all full-time employees of the 55 county public school systems in the State of West Virginia (the State) and certain personnel of the 13 State-supported institutions of higher education, State Department of Education and the Higher Education Policy Commission hired prior to July 1, 1991. Employees of the State-supported institutions of higher education and the Higher Education Policy Commission hired after June 30, 1991, are required to participate in the Higher Education Retirement System. TRS closed membership to new hires effective July 1, 1991.

TRS is considered a component unit of the State of West Virginia for financial reporting purposes, and, as such, its financial report is also included in the State of West Virginia's Comprehensive Annual Financial Report. TRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the plan. A copy of the report may be obtained from the TRS website at
https://www.wvretirement.com/Publications.html#CAFR

Benefits Provided

TRS provides retirement, death, and disability benefits. A member is eligible for normal retirement at age 60 with five years of service, age 55 with 30 years of service or any age with 35 years of service. A member may retire with 30 years of credited service at any age with the pension reduced actuarially if the member retires before age 55. Terminated members with at least five, but less than 20, years of credited service who do not withdraw their accumulated contributions are entitled to a deferred retirement commencing at age 62. Retirement benefits are equivalent to 2% of average annual salary multiplied by years of service. Average salary is the average of the 5 highest fiscal years of earnings during the last 15 fiscal years of earnings. Chapter 18, Article 7A of the West Virginia State Code assigns the authority to establish and amend the provisions of the plan, including contribution rates, to the State Legislature.

Contributions

The funding objective of the CPRB pension trust funds is to meet long-term benefit requirements through contributions, which remain relatively level as a percent of member payroll over time, and through investment earnings. Contribution requirements are set by CPRB. A member who withdraws from service for any cause other than death or retirement may request that the accumulated employee contributions plus interest be refunded.

Member Contributions: TRS funding policy provides for member contributions based on 6% of members' gross salary. Contributions as a percentage of payroll for members and employers are established by State law and are not actuarially determined.

Employer Contributions: Employers make the following contributions:

The State (including institutions of higher education) contributes:

1. 15% of gross salary of their State-employed members hired prior to July 1, 1991;
2. 15% of School Aid Formula (SAF) covered payroll of county-employed members;
3. 7.5% of SAF-covered payroll of members of the TDCRS;
4. a certain percentage of fire insurance premiums paid by State residents; and
5. under WV State code section 18-9-A-6a, beginning in fiscal year 1996, an amount determined by the State Actuary as being needed to eliminate the TRS unfunded liability

within 40 years of June 30, 1994. As of June 30, 2016 and 2015, the College's proportionate share attributable to this special funding subsidy was $107,695 and $79,493, respectively.

The College's contributions to TRS for the years ended June 30, 2017, 2016 and 2015, were $10,109, $10,159 and $10,429, respectively.

Assumptions

The total pension liabilities for financial reporting purposes were determined by actuarial valuations as of July 1, 2015 and 2014 and rolled forward to June 30, 2016 and 2015, respectively. The following actuarial assumptions were used and applied to all periods included in the measurement:

- Actuarial cost method: Entry age normal cost with level percentage of payroll.
- Asset valuation method: Investments are reported at fair (market) value.
- Amortization method and period: Level dollar, fixed period over 40 years, from July 1, 1994 through fiscal year 2034.
- Investment rate of return of 7.50%, net of pension plan administrative and investment expenses.
- Projected salary increases: Teachers 3.00-6.00% and 3.75–5.25%, respectively, and non-teachers 3.00-6.50% and 3.40–6.50%, respectively, based on age.
- Inflation rate of 3.0% and 1.9%, respectively.
- Discount rate of 7.50%
- Mortality rates based on RP-2000 Mortality Tables.
- Withdrawal rates: Teachers 1.2-35% and non-teachers 1.4-24.75% and 1.4-22.5%, respectively.
- Disability rates: 0-.704% and 0-0.88%, respectively
- Retirement age: An age-related assumption is used for participants not yet receiving payments.
- Retirement rates: 0-100%
- *Ad hoc* cost-of-living increases in pensions are periodically granted by the State Legislature. However, the retirement system makes no automatic provision for such increases.

Experience studies are performed at least once in every five-year period. The most recent experience study covered the period from July 1, 2010 to June 30, 2015. These assumptions will remain in effect for valuation purposes until such time as the CPRB adopts revised assumptions.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the long-term arithmetic real rates of return for each major asset class included in TRS' target asset allocation as of June 30, 2016 and 2015, are summarized below.

June 30, 2016

Asset Class	Long-term Expected Real Rate of Return	Target Allocation
US equity	7.0%	27.5%
International equity	7.7%	27.5%
Core fixed income	2.7%	7.5%
High-yield fixed income	5.5%	7.5%
TIPS	2.7%	0.0%
Real estate	7.0%	10.0%
Private equity	9.4%	10.0%
Hedge funds	4.7%	10.0%

June 30, 2015

Asset Class	Long-term Expected Real Rate of Return	Target Allocation
US equity	7.0%	27.5%
International equity	7.7%	27.5%
Core fixed income	2.7%	7.5%
High-yield fixed income	5.5%	7.5%
Real estate	5.6%	10.0%
Private equity	9.4%	10.0%
Hedge funds	4.7%	10.0%
Cash	1.5%	0.0%

Discount rate. The discount rate used to measure the total TRS pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that State contributions will continue to follow the current funding policy. Based on those assumptions, TRS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on TRS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the College's proportionate share of the TRS net pension liability as of June 30, 2017 and 2016, respectively, calculated using the discount rate of 7.50%, as well as what the College's TRS net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate.

	2017		
	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
Net Pension Liability	$ 136,221	$ 107,695	$ 83,280

	2016		
	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
Net Pension Liability	$ 103,056	$ 79,493	$ 59,260

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

The TRS net pension liability was measured as of June 30, 2016 and 2015. The total pension liability was determined by an actuarial valuation as of June 30, 2015 and 2014 and rolled forward to the measurement date.

At June 30, 2017 and 2016, the College's proportionate share of the TRS net pension liability was $312,826 and $260,835, respectively. Of this amount, the College recognized approximately $107,695 and $79,493, respectively as its proportionate share on the Statement of Net Position. The remainder of $205,131 and $181,342, respectively denotes the College's proportionate share of net pension liability attributable to the special funding situation.

The allocation percentage assigned to each participating employer and non-employer contributing entity is based on their proportionate share of employer and non-employer contributions to TRS for each of the fiscal years ended June 30, 2016, 2015 and 2014. Employer contributions are recognized when due. At June 30, 2016, the College's proportion was 0.002620%, an increase of 0.00033% from its proportion of 0.002294% calculated as of June 30, 2015. At June 30, 2015, the College's proportion was 0.002294%, an increase of 0.00022% from its proportion of 0.002074% calculated as of June 30, 2014.

For the year ended June 30, 2017 and 2016, the College recognized TRS pension expense of $20,035 and $6,581, respectively. Of this amount, $896 and $(6,287), respectively, was recognized as the College's proportionate share of the TRS expense and $19,139 and $12,868, respectively, as the amount of pension expense attributable to special funding from a non-employer contributing entity. The College also recognized revenue of $19,139 and $12,868, respectively, for support provided by the State.

At June 30, 2017 and 2016, deferred outflows of resources and deferred inflows of resources related to the TRS pension are as follows:

Deferred Outflows of Resources	2017	2016
Changes in proportion and difference between employer contributions and proportionate share of contributions	$ 15,606	$ 7,160
Contributions after the measurement date	10,109	10,159
Differences between expected and actual experience	986	-
Changes in assumptions	4,260	-
Net difference between projected and actual investment earnings	8,863	-
Total	$ 39,824	$ 17,319

Deferred Inflows of Resources	2017	2016
Changes in proportion and difference between employer contributions and proportionate share of contributions	$ 4,030	$ 5,417
Net difference between projected and actual investment earnings	-	3,355
Differences between expected and actual experience	629	688
Total	$ 4,659	$ 9,460

The College will recognize the $10,109 reported as 2017 deferred outflows of resources resulting from pension contributions after the measurement date as a reduction of the TRS net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in TRS pension expense as follows.

Fiscal Year Ended	Amortization
June 30, 2018	$ 4,257
June 30, 2019	4,257
June 30, 2020	6,746
June 30, 2021	6,884
June 30, 2022	2,912
	$ 25,056

Payables to the pension plan

The College did not report any amounts payable for normal contributions to the TRS as of June 30, 2017 or 2016.

13. CONTINGENCIES

The nature of the educational industry is such that, from time-to-time, claims will be presented against the College on account of alleged negligence, acts of discrimination, breach of contract, or disagreements arising from the interpretation of laws or regulations. While some of these claims may be for substantial amounts, they are not unusual in the ordinary course of providing educational services in a higher education system. In the opinion of management, all known claims are covered by insurance or are such that an award against the College would not have a significant financial impact on the financial position of the College.

Under the terms of federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. The College's management believes disallowances, if any, will not have a significant financial impact on the College's financial position.

14. SERVICE CONCESSION ARRANGEMENTS

The College has adopted GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. The College has identified one contract for services that meet the four criteria of a service concession arrangement. SCAs are defined as a contract between a government and an operator, another government or a private entity, in which the operator provides services, the operator collects and is compensated by fees from third parties, the government still has control over the services provided and the government retains ownership of the assets at the end of the contract. The contract is with Barnes & Noble College Booksellers, LLC (Barnes & Noble).

The College contracts with Barnes & Noble to operate the bookstore located on the main campus. These services provide the College community with a professional bookstore to meet the needs of students, faculty and staff. The College receives commission payments calculated as a contractually agreed percentage of bookstore revenue. The current contract began on May 1, 2013 and allows for five annual renewals.

15. NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

Operating expenses within both natural and functional classifications for the years ended June 30, 2017 and 2016 are as follows:

	2017	2016
Instruction	$ 6,865,236	$ 6,789,723
Academic support	712,819	570,863
Student services	1,514,969	1,633,204
General institutional support	4,026,009	3,713,998
Operations and maintenance of plant	1,407,805	1,269,995
Student financial aid	2,707,944	3,186,308
Depreciation	982,081	1,004,305
Auxiliary	296,958	197,243
Other	116,160	113,109
Total	$ 18,629,981	$ 18,478,748

16. COMPONENT UNIT'S DISCLOSURES

The notes taken directly from the audited financial statements of the Foundation are as follows:

BLUE RIDGE COMMUNITY AND TECHINCAL COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Blue Ridge Community and Technical College Foundation, Inc. (the Foundation) was incorporated under the laws of West Virginia on January 14, 2011 and commenced operations on June 1, 2011. The Foundation was formed for the purposes of providing scholarships to students, administering funds restricted for special college programs, and providing special awards and grants to students attending Blue Ridge Community and Technical College (the College) located in Martinsburg, West Virginia.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted Net Assets

Net assets that are not subject to donor stipulations.

Temporarily Restricted Net Assets
Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Permanently Restricted Net Assets
Net assets subject to donor-imposed stipulations that will be maintained permanently by the Foundation. The donors of these assets generally permit the Foundation to use the income earned on the related investments for specific purposes.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

Cash and Cash Equivalents

The Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less at date of purchase to be cash equivalents. At June 30, 2017, this included $1,262 of money market funds.

Investments

The Foundation's investments are available-for-sale and are carried at fair value. Realized and unrealized gains and losses and investment income are recorded on the Statement of Activities as either unrestricted or temporarily restricted depending upon whether the terms of the gift impose restrictions on the current use of the net income or net gains.

Contributions

Contributions receivable represent unconditional promises to give from various contributors including individuals, local businesses and state and local governments. Contributions receivable in excess of one year have been discounted and all contributions receivable are recorded at fair value as of June 30, 2017 and 2016.

Contributions of temporarily restricted net assets that are received and expended in the same fiscal year are treated as temporarily restricted revenue and net assets released from restriction in that year.

Permanently Restricted Contributions
Contributions subject to donor-imposed stipulations that must be maintained in perpetuity by the Foundation are included in permanently restricted net assets. Generally, the donors of these assets permit the Foundation to use all or part of the income earned and capital gains on related investments, if any, for general or specific purposes.

Temporarily Restricted Contributions
Contributions subject to donor-imposed stipulations that may or will be met by actions of the Foundation and/or the passage of time are included in temporarily restricted net assets.

Unrestricted Contributions
Contributions not subject to donor-imposed stipulations, or whose restrictions have been satisfied, are recorded as unrestricted net assets.

Deferred Revenue

The Foundation holds events each year in July and September. All donations and fees paid for these events prior to year-end are recognized as deferred revenue.

Tax Status
The Foundation has been recognized by the IRS as a tax-exempt organization as defined by Section 501(c)(3) of the Internal Revenue Code.

The Foundation follows generally accepted accounting principles, which provides guidance on accounting for uncertainty in income taxes recognized in an organization's financial statements. The Foundation's policy is to charge penalties and interest to income tax expense as incurred. The Foundation's federal and state income tax returns are subject to examination by the IRS and state tax authorities, generally for a period of three years after the returns are filed.

Contributed Services

The College has allowed the Foundation to utilize office space on its campus. The utilities, water, and the space are provided at no cost to the Foundation and are not deemed significant. There are no amounts for utilities, water and the space reflected in the financial statements.

NOTE 2 CONCENTRATIONS OF CREDIT RISK

The Foundation maintains all of its cash in one commercial bank located in Martinsburg, West Virginia. Balances on deposit are insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. Balances in excess of FDIC limits are uninsured. The Foundation continually assesses the financial strength of this institution to mitigate its credit risk.

NOTE 3 ENDOWMENTS

The Foundation's endowments consist of a fund established to support a variety of scholarships at Blue Ridge Community and Technical College. The endowments include donor restricted funds. Net assets associated with endowment funds are classified and reported as permanently restricted net assets based on the donor-imposed restrictions. The classification is based on the board's interpretation of West Virginia's statutes that govern such endowments and its interpretations of donor intent and the related endowment bylaws.

The Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Consequently, the Foundation classifies permanently restricted net assets as:

- The original value of gifts donated to the permanent endowment, and
- The original value of subsequent gifts to the permanent endowment.

The remaining portion of the donor-restricted endowment fund not classified as permanently restricted is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation's Board. In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund;
2. The purpose of the Foundation and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Foundation;
7. The investment policies of the Foundation.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the programs supported by the endowments. The endowment assets are invested in a manner that is intended to produce results similar to the S&P 500 index while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives

The Foundation relies on a total return strategy in which investment returns are achieved through capital appreciation and current yield (interest and dividends). The Foundation targets a diversified asset allocation that emphasizes fixed income securities to achieve its long-term objectives within prudent risk constraints.

The endowment asset was contributed in 2016, and held in a low yield deposit account. The endowment assets earned $58 for the year ended June 30, 2016 which are recorded in the Statement of Activities. During 2017, the Foundation invested a portion of the endowment funds in an investment account within the guidelines of donor's restrictions. The endowment assets earned $10,904 for the year ended June 30, 2017 which are recorded as temporarily restricted in the Statement of Activities.

NOTE 4 INVESTMENTS

The following is a summary of available-for-sale securities as of June 30, 2017:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Equity Securities and Mutual Funds	$ 200,606	$ 7,606	$ -	$ 208,212
Corporate Bonds	49,781	432	-	50,213
	$ 250,387	$ 8,038	$ -	$ 258,425

The Foundation did not have any investments as of June 30, 2016.

NOTE 5 FAIR VALUE OF FINANCIAL INSTRUMENTS

In determining fair value, the Foundation uses the valuation approaches within FASB's *Fair Value Measurements*. As defined in *Fair Value Measurements*, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). Management utilizes market data or assumptions that market participants would use in pricing the asset and liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique.

These inputs can be readily observable, market corroborated or generally unobservable. Management primarily applies the market approach for recurring fair value measurements and attempts to utilize the best available information.

Fair Value Measurements establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and lowest priority to unobservable inputs (Level 3 measurements).

The three Levels of fair value hierarchy defined by Fair Value Measurements are as follows:

Level 1: Quoted prices are available in active markets for identical assets or liabilities as of the reporting date.

Level 2: Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices which are observable for the assets or liabilities;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Pricing inputs include significant inputs that are generally not observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

Following is a description of the valuation methodologies used for instruments measured at fair value and their classification in the valuation hierarchy.

Equity securities and mutual funds, corporate bonds and money market funds are listed on a national market or exchange and are valued at the last sales price, or, if there is no sale and the market is still considered active, at the mean of the last bid and asked prices on such exchange.

As of June 30, 2016, the Foundation did not have any assets or liabilities measured at fair value.

The following table presents assets and liabilities measured at fair value by classification within the fair value hierarchy as of June 30, 2017:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Money Market	$ 1,262	$ -	$ -	$ 1,262
Total Money Market	$ 1,262	$ -	$ -	$ 1,262
Investments				
Equity Securities and Mutual Funds				
Equity International	$ 34,443	$ -	$ -	$ 34,443
Equity Domestic Large Cap	70,441	-	-	70,441
Equity Domestic Mid Cap	5,369	-	-	5,369
Equity Domestic Small Cap	9,319	-	-	9,319
Equity Index Funds	32,052	-	-	32,052
Fixed Income	50,704	-	-	50,704
Fixed Income US Government	5,884	-	-	5,884
Corporate Bonds	50,213	-	-	50,213
Total Investments	$ 258,425	$ -	$ -	$ 258,425

NOTE 6 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30 are restricted for the following purposes:

	2017	2016
Scholarships	$ 131,038	$ 89,714

Net assets released from restrictions were as follows:

	2017	2016
Scholarships	$ 36,800	$ 30,101

NOTE 7 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through September 21, 2017, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2017, but prior to September 21,2017, that provided additional evidence about conditions that existed at June 30, 2017 have been recognized in the financial statements for the year ended June 30, 2017. Events or transactions that provided evidence about conditions that did not exist at June 30, 2017, but arose before the financial statements were available to be issued, have not been recognized in the financial statements for the year ended June 30, 2017.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND CONTRIBUTIONS

Schedule of Proportionate Share of TRS Net Pension Liability:

Measurement Date	College's Proportionate Share as a Percentage of Net Pension Liability	College's Proportionate Share	State's Proportionate Share	Total Proportionate Share	College's Covered Employee Payroll	College's Proportionate Share as a Percentage of Covered Payroll	College's Plan Fiduciary Net Position as a Percentage of Total Pension
June 30, 2016	0.002620%	$ 107,695	$ 205,131	$ 312,826	$ 67,725	159.02%	61.42%
June 30, 2015	0.002294%	$ 79,493	$ 181,342	$ 260,835	$ 69,526	114.34%	66.25%
June 30, 2014	0.002074%	$ 75,898	$ 171,484	$ 247,382	$ 67,561	112.34%	65.95%

Schedule of Employer Contributions:

Year End	Actuarily Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a percentage of Covered Payroll
June 30, 2017	$ 10,109	$ 10,109	$ -	$ 67,392	15.00%
June 30, 2016	$ 10,157	$ 10,159	$ (2)	$ 67,725	15.00%
June 30, 2015	$ 10,431	$ 10,429	$ 2	$ 69,526	15.00%
June 30, 2014	$ 9,436	$ 10,134	$ (698)	$ 67,561	15.00%

These schedules are intended to show information for ten years. Additional years will be displayed as they become available.

Notes to Required Supplementary Information For the Years Ended June 30, 2017 and 2016

There are no factors that affect trends in the amounts reported, such as change in benefit terms or assumptions. With only three years reported in the required supplementary information, there is no additional information to include in notes. Information, if necessary, can be obtained from the CPRB Comprehensive Annual Financial Report.

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INDEPENDENT AUDITORS' REPORT

To the Governing Board
Blue Ridge Community and Technical College
Martinsburg, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Blue Ridge Community and Technical College (the College) (a component unit of the State of West Virginia), as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Blue Ridge Community and Technical College Foundation, Inc. were not audited in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

To the Governing Board
Blue Ridge Community and Technical College

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the discretely presented component unit of the College as of June 30, 2017 and 2016, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3-12 and the Schedule of Proportionate Share of Net Pension Liability and Contributions on page 45, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2017, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
October 6, 2017