Blue Ridge Community and Technical College

Financial Statements as of and for the
Years Ended June 30, 2020 and 2019, and Independent
Auditors’ Reports

BLUE RIDGE COMMUNITY AND TECHNICAL COLLEGE

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT

Board of Governors
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, 2020 and 2019, 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 audit. We did not audit the financial statements of Blue Ridge Community and Technical College Foundation, Inc. (Foundation) as of and for the year ended June 30, 2020 which represents 100% of the assets, net assets and revenue of the component unit. We conducted our audit 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 for either of the years presented.

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.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of the College as of June 30, 2020 and 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 19 to the financial statements, the Blue Ridge Community and Technical College Foundation, Inc. restated its financial statements for the year ended June 30, 2019 to correct an error for equipment that was previously reported as donated to Blue Ridge Community and Technical College as reported by other auditors. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-14, the Schedule of Proportionate Share of Net OPEB liability and Contributions on page 58, and the Schedule of Proportionate Share of Net Pension Liability and Contributions on page 59 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 September 30, 2020, 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 solely 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 the effectiveness of the College's 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
September 30, 2020

Blue Ridge Community and Technical College

Management Discussion and Analysis

Fiscal Year 2020

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

The discussion and analysis of the College's financial statements provides an overview of its financial activities for the three years ended June 30, 2020, with a focus on 2020, and is required supplemental information.

The College's annual report consists of 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. These statements provide insight on the financial condition of the College, including operations and cash flow.

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, 2020, 2019 and 2018
(In thousands of dollars)

	2020	2019	2018
Assets			
Cash	$ 12,430	$ 13,156	$ 13,512
Other Current Assets	1,003	1,515	1,031
Other Noncurrent Assets	27	27	27
Capital Assets	19,458	18,111	17,900
Total Assets	32,918	32,809	32,470
Deferred Outflows of Resources	564	447	251
Liabilities			
Current Liabilities	5,210	6,142	6,411
Noncurrent Liabilities	2,082	2,435	2,571
Total Liabilities	7,292	8,577	8,982
Deferred Inflows of Resources	925	624	398
Net Position			
Investment in Capital Assets	19,458	18,111	17,900
Restricted	2,583	2,649	2,704
Unrestricted	3,224	3,295	2,737
Total Net Position	$ 25,265	$ 24,055	$ 23,341

Total assets of the College increased by approximately $109,000, .3%, to a total of approximately $32.9 million as of June 30 2020. While cash decreased by approximately $726,000, or 5.5%, the increase in total assets was largely due to increases in capital assets. 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 2.39, 2.14 and 2.11 as of June 30, 2020, 2019 and 2018, respectively. The working capital (current assets to current liabilities) is 2.58, 2.39 and 2.27 as of June 30, 2020, 2019 and 2018, respectively.

Other items of interest related to assets are as follows:

- Approximately 38% of the assets as of June 30, 2020 were held in cash and cash equivalents, compared to 40% and 42% in cash and cash equivalents as of June 30, 2019 and 2018, respectively. The slight downward trend in cash and cash equivalents is a result of greater spending of state and local grant awards, and acquisitions of capital assets.
- Other current assets include due from the primary government, due from council/commission and due from other state agencies; net accounts receivable, which is a combination of student accounts receivable, grants receivable, unbilled charges and other receivable; and prepaid expenses.

- Due from the primary government is $0 as of June 30, 2020. The majority of the decrease in other current assets is due to fiscal year 2019 included a one-time unexpended balance reappropriated to the College for expenditure during fiscal year 2020 in the amount of $500,000. This balance was fully received and spent in fiscal year 2020.
- The amount in due from the council/commission as of June 30, 2020 represents $173,527 related to grants and $6,142 in interest receivable from interagency funds.
- The amount due from other state agencies as of June 30, 2020 represents $15,000 related to grants.
- The net student accounts receivable is $77,224, $69,902 and $65,050 at June 30, 2020, 2019 and 2018, respectively. The bad debt reserve is $679,055, $647,366 and $983,521 as of June 30, 2020, 2019 and 2018, respectively. In 2018, 2019 and 2020, the College assessed old accounts deemed uncollectible and wrote off $304,172, $518,952 and $125,959, respectively. The slight increase in the allowance is a result of an increase in aging of new accounts due to reduced efforts of collections during the global pandemic.
- Grants and contracts receivable consists of $172,938, $111,926 and $127,494 at June 30, 2020, 2019 and 2018, respectively. The current year balance primarily represents various amounts due to the College from third party agencies for financial aid disbursed to students for tuition, fees, and textbooks.
- Unbilled charges were $100,083, $52,431 and $42,716 at June 30, 2020, 2019 and 2018, respectively. These balances represent amounts due to the College as a result of federal grant activities which have not been billed, and largely consist of activities related to the CARES act. It also includes amounts not drawn for the federal direct loan program.
- Other receivables were $255,089, $477,537 and $609,822 at June 30, 2020, 2019 and 2018, respectively. These balances represent amounts due to the College as a result of private grant matches, catering contracts, and workforce development contracted training.
- Prepaid expenses of $203,560, $116,635 and $53,376 at June 30, 2020, 2019 and 2018, respectively, include expenditures that span a minimum period of six months. The current balance mostly represents expenditures for student lab equipment, software licensing and membership fees.

- Noncurrent assets are other receivable and capital assets.
  - Other receivable in the amount of $27,083 is 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, 2020, 2019 and 2018 were $236,667, $459,733 and $4,537, respectively. The current CIP balance of $236,667 is largely related to costs for an emergency generator at the headquarters building and a deposit for equipment. Other fiscal 2020 CIP additions include land improvements to correct for a sink hole at the headquarters building and building improvements at the Tech Center related to labs. The CIP balance during 2019 of $459,733 was largely related to costs for expansion of the Tech Center which were placed in service during fiscal 2020. Other fiscal 2019 CIP additions included classroom construction at the Morgan County facility, also placed in service during fiscal 2020, and work on an emergency generator addition at the headquarters building. The CIP Balance during 2018 of $4,537 was for costs accrued for the expansion of the Pines Opportunity Center in Morgan County, WV.
  - Fixed asset additions, inclusive of CIP transfers, total $2,670,905 for fiscal year 2020. The majority of the additions, or 77%, were grant funded. Donations provided for 19% of the additions. State appropriations provided for 3% of the additions. Student and Capital fees combines for less than 1% of the remaining additions.

Items of interest related to liabilities are as follows:

- Current liabilities of $5,209,762, $6,142,454 and $6,411,526 at June 30, 2020, 2019 and 2018, respectively, decreased by $932,692 in fiscal year 2020, decreased by $269,072 in fiscal year 2019, and increased $926,636 in fiscal year 2018.
  - Non-capital asset accounts payable of $442,928, $379,487 and $312,202 at June 30, 2020, 2019 and 2018, respectively, represent typical operating expenses such as bookstore, contractual charges, supplies and utilities.
  - Accrued payroll of $767,158, $674,908 and $642,975 at June 30, 2020, 2019 and 2018, respectively, increased each year. Annual years of service increase of $60 for each year served is provided by the State. This, combined with promotions and additional staffing, can be attributed to the slight payroll increase for 2020.
  - Due to council/commission and state agencies amounts reported of $25,002, $20,673 and $21,903 at June 30, 2020, 2019 and 2018, respectively, represent a combination of amounts due for services the state provides the College and for West Virginia financial aid grants. The 2020 balance includes unused grant funds of $14,577 from HEAPS. The 2019 balance includes unused grant funds of $16,552 from HEAPS and $1,360 from WVDHHR that are returned to the state. The 2018 balance includes unused grant funds of $16,081 from HEAPS and $2,678 from WVDHHR that are returned to the state.
  - Accrued annual leave, or compensated absences, total $944,407, $696,965 and $604,343 at June 30, 2020, 2019 and 2018, respectively.
  - Unearned revenues were $3,017,642, $4,336,452 and $4,686,260 at June 30, 2020, 2019 and 2018, 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 college's desire to create new programs. During FY20, the college received new state grants totaling $1,460,191 and expended $2,852,876 in total state grants. This resulted in a net decrease in unearned state grant revenue of $1,392,685. The summer school component of unearned revenue for FY20 is $275,627, which is approximately 47% of the total summer term revenue. The deferral calculation is driven by the dates of the three parts of the summer term. Introduced in FY20, the WV Invest Grant component of unearned revenue is $61,527.
- Noncurrent Liabilities include:
  - Other post-employment benefits (OPEB) accrued at June 30, 2020, 2019 and 2018 total $2,010,279, $2,365,887 and $2,487,633, 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 College implemented GASB Statement 75 during fiscal 2018.
  - The net pension liability at June 30, 2020 totaled $71,940 and has increased from the 2019 balance by $2,782. The net pension liability at June 30, 2019 totaled $69,158 and has decreased from the 2018 balance by $13,796. The net pension liability at June 30, 2018 totaled $82,954 and has decreased from the 2017 balance by $24,741. 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, 2020, 2019 and 2018
(In thousands of dollars)

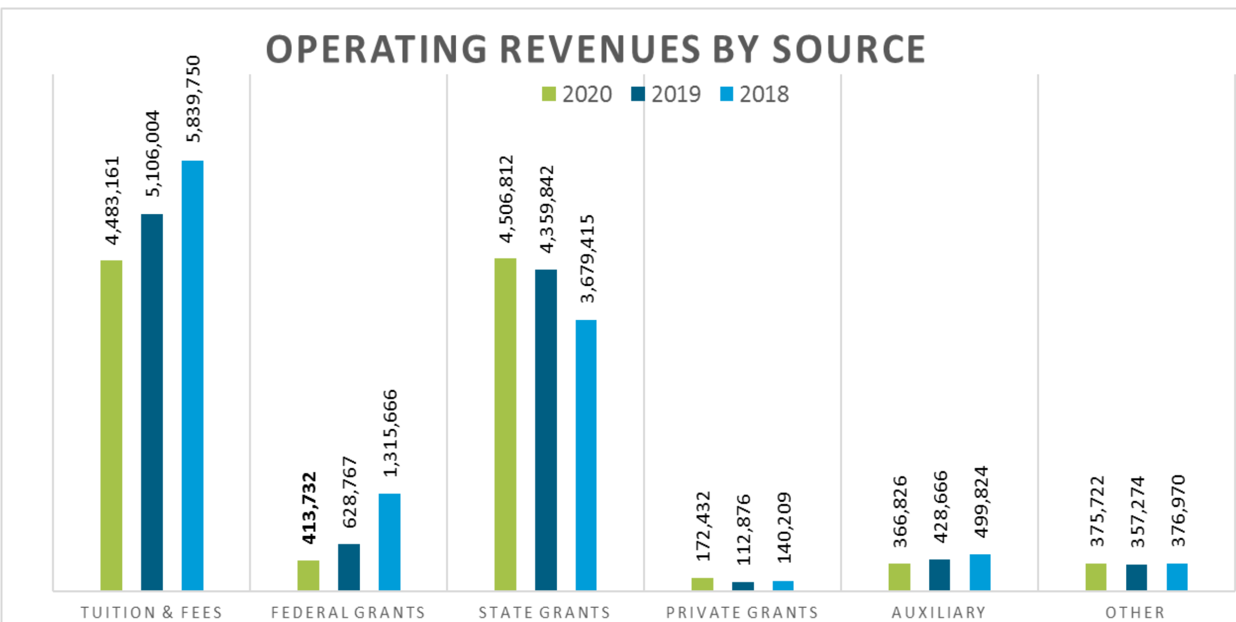
	2020	2019	2018
Operating Revenues	$ 10,319	$ 10,994	$ 11,852
Operating Expenses	21,816	19,539	19,637
Operating Loss	(11,497)	(8,545)	(7,785)
Nonoperating Revenues - Net	12,082	9,242	8,725
Increase in Net Position	585	697	940
Capital Asset Donations	506	-	-
Capital Payments Made/ Expenses Incurred on Behalf of College	119	17	-
Increase in Net Position	1,210	714	940
Net Position - Beginning of Year	24,055	23,341	23,409
Cumulative Effect of Change in Accounting Principle	-	-	(1,008)
Net Position - Beginning of Year restated	24,055	23,341	22,401
Net Position - End of Year	$ 25,265	$ 24,055	$ 23,341

Operating Revenues

Nearly half, 43.5%, 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 as well as grant funds for students. State grants provide funding for new technical program activities, workforce development, and sustainability funds for high-cost programs as well as grant funds for students. The following is an overview of revenues and their sources:

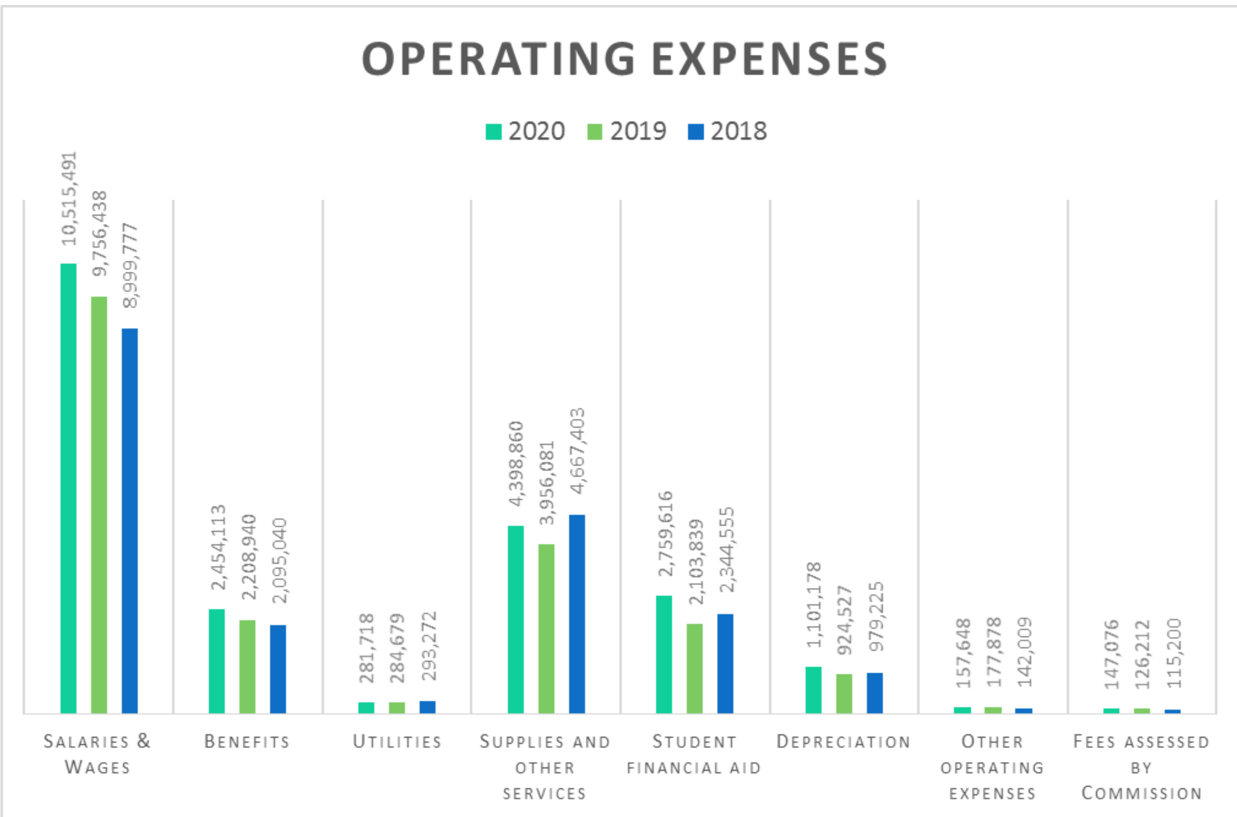
- Student tuition and fees – net of scholarship allowance decreased 12.2% from 2019 and decreased 23.2% from 2018. This revenue category can be segregated by two types of tuition and fee revenues – academic and workforce development. The academic revenues decreased by $207,511, or 5.6%, from 2019 and $232,895, or 6.2%, from 2018. The fiscal year 2020 tuition rate remained unchanged from the previous fiscal year. The fiscal year 2019 tuition rate increased by 2.4%. The fiscal year 2018 tuition rate increased by 4.4%. Workforce development revenue, which is generated by Career Advancement courses and contracted training with local employers, decreased by $415,332, or 29.7%, from 2019 and decreased by $1,123,694, or 53.3% from 2018. The fourth quarter of fiscal 2020 was greatly influenced by regional business partners response to the global pandemic. Fiscal 2018 marked elevated contracted training, specific to a new employer in the Eastern Panhandle, but ended toward the end of the fiscal year. As such, the decrease over the past two fiscal years can be attributed to the combined affect of the global pandemic of 2020 and the conclusion of this business relationship in fiscal 2018.
- Revenues from federal sources – totaling $413,732 consists of 28% student financial aid grants, 58.1% Carl D. Perkins Act funds, and 13.9% Department of Health and Human Resources.
- State grants – WV student financial aid grants make up approximately 36.7%, or $1,653,936 of total revenues reported as State Contracts and Grants. WV Advance, Technical Program, and HB3009 grants make up the remaining 63.3%, or $2,852,876.

Operating revenues are down 6.1%, primarily due to federal grants, contracted training and an increase in scholarship allowance. Blue Ridge CTC's FY20 Fall FTEs decreased from the FY19 Fall end of term FTEs by 89 full time equivalent students. The FTEs for FY20 and FY19 Fall semesters were 2,240 and 2,329, respectively.



Operating Expenses

Operating expenses increased by 11.7% from 2019 to 2020. The increase in operating expense is represented by an increase of $442,779 or 11.2% in supplies and other services. Salaries and benefits increased by $1,004,226 or 8.4%. Expenses related to student financial aid increased by $655,777, or 31.2%. The majority of this increase, $592,706, is related to the federal Cares Act funds for direct emergency aid to students. Student scholarships account for 13%, 11% and 12% of the operating expenses in fiscal years 2020, 2019 and 2018, respectively. Over half, 59.4%, of the fiscal year 2020 operating expenses were incurred for personnel services and benefits. Supplies and other services represent 20.2% of fiscal 2020 operating expenses. Utilities experienced a slight decrease of $2,961 or 1% from year-to-year. Rental expense increased in 2020 by $88,835 or 19.8%. 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 2020 accrual increased the allowance for doubtful accounts balance by approximately 5%. The overall collectability of total accounts receivable decreased, resulting in an increase of the allowance for doubtful accounts. This calculation includes an analysis of collectability trends and 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 2020 increased by $2,840,751 from fiscal year 2019 due to an increase in the State Appropriations of $2,231,596 and CARES Grant Revenue of $691,077. Revenue through Federal Pell Grant decreased by $8,418 from 2019. Investment income decreased by $82,830 from 2019. Fees assessed by the Commission slightly increased by $305 from 2019, and disposals increased by $9,631 from 2019, bringing the net non-operating revenues to $12,082,096 in fiscal year 2020. The non-operating Commission fees are remitted to HEPC for a capital assessment.

Capital Payments Made on Behalf of College

Capital payments have been made on behalf of the College in all but two years since 2009, where the funds originated from bonds issued by the HEPC. A total of $13,500,000 was available from this source for the construction and furnishing of the College's headquarters facility. Payments from the 2009 bonds amounted to $0 in 2020, $0 in 2019 and $51 in 2018. All payments from this bond issue have been in conjunction with the acquisition of a permanent main campus. Total payments to date made on behalf of the College from the 2009 Bond issue equal $13,096,315. The 2009 Bonds were refunded in FY2018 so no further payments on this issue will be made. In 2019 and 2020, capital payments made on behalf totaled $17,178 and $119,091, respectively, originating from the Series 2017 CTC Refinance bonds issued by the HEPC. These payments are related to an emergency generator at the headquarters facility. Total payments to date made on behalf of the College from the 2017 Refinance bonds equal $136,269.

The College received donations to support technical academic programs totaling $505,850 in fiscal year 2020 but did not receive donations for fiscal year 2019 or 2018.

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, non-investing, 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 Years Ended June 30, 2020, 2019 and 2018
(In thousands of dollars)

	2020	2019	2018
Cash Provided by (Used in):			
Operating Activities	$ (11,366)	$ (7,869)	$ (6,329)
Noncapital Financing Activities	12,291	8,475	8,570
Capital and Related Financing Activities	(1,836)	(1,230)	(1,067)
Investing Activities	185	268	157
Increase (Decrease) in Cash and Cash Equivalents	(726)	(356)	1,331
Cash and Cash Equivalents - Beginning of Year	13,156	13,512	12,181
Cash and Cash Equivalents - End of Year	$ 12,430	$ 13,156	$ 13,512

Cash used in 2020 operating activities was greater than 2019 and 2018 by $3,497,000 and $5,037,000, respectively. Cash inflows in the form of payments for student tuition and fees and from contracts and grants decreased by approximately $1,464,000. Cash inflows from auxiliary services and other receipts decreased by approximately $74,000. Cash outflows in the form of payments to suppliers, utilities and employees increased by approximately $1,283,000. Payments for scholarships and fellowships increased by approximately $656,000. This increase was driven by CARES student grants and the first year of WV Invests grants. Cash provided by noncapital and financing activities increased due to state appropriation budget was increased and CARES grants. Cash expenditures for the purchase of capital assets was greater in 2020 due to acquiring more assets and payments for capital assets not yet complete as of June 30, 2020.

Cash used in 2019 operating activities was greater than 2018 by $1,540,000. Cash inflows in the form of payments for student tuition and fees and from contracts and grants decreased by approximately $1,322,000. Cash inflows from auxiliary services and other receipts decreased by approximately $15,000. Cash outflows in the form of payments to suppliers, utilities and employees increased by $431,833. Payments for scholarships and fellowships decreased by $240,716. This decrease was driven by the Pell expense decrease of $314,172. Cash expenditures for the purchase of capital assets was greater in 2019 due to acquiring more assets and payments for capital assets not yet complete as of June 30, 2019.

Capital Asset Activity

2020:

CIP projects that were converted to capitalized assets during 2020 include leasehold improvements for the Technology Center totaling $866,918. These leasehold improvements include the CNC and Fabrication Lab, Plastics Lab, and improvements for a designated parking area for the newly procured Bruin Express Food Truck. Blue Ridge recently leased a new space in the Morgan County Center at the Pines Opportunity Center which was already furnished by Procter and Gamble(P&G). P&G donated the furnishings of the lab area to the Blue Ridge Foundation which were then donated to the college. The furnishings of this space had a fair market value at date of donation of $104,500. Fixed asset equipment additions during fiscal year 2020 totaling $1,699,487 were added at the Technology Center, Pines Opportunity Center and Headquarters campus. These fixed assets are primarily for classroom, academic lab use, administrative technology infrastructure, and auxiliary services. Computer equipment totaling $30,088 was purchased to support administrative technology equipment. The remaining $8,617 of computer equipment purchased was for classroom or academic lab use. Research and education equipment totaling $1,446,616 was used to support Mechatronics and Welding, Culinary Arts and the Nursing labs. During fiscal year 2020, Blue Ridge purchased a custom built food truck for use in the Culinary Arts and Hospitality programs totaling $161,500. In addition, two new vehicles totaling $52,666 were purchased to refresh the Fleet vehicles used by the entire campus faculty and staff for travel. The majority, 77%, of the additions were grant-funded and 19% of additions to fixed assets were donated to the college from the Blue Ridge Foundation. No payments for land improvements occurred this year. The remaining balance in CIP at year-end of $236,667 is for construction at the Technology Center related to the Confined Space Trainer Lab, a potential land improvement from a Karst study at the Headquarters Campus, an equipment deposit on a Husky Injection Mold and engineering and construction services to place an emergency generator at the Headquarters campus.

2019:

CIP projects that were converted to capitalized assets during 2019 include leasehold improvements for the Pines Opportunity Center in Morgan County, West Virginia and building improvements for the Technology Center's culinary patio totaling $13,196. Fixed asset equipment additions during fiscal year 2019 totaling $667,191 were added at the Technology Center, Pines Opportunity Center and Headquarters campus. These fixed assets are primarily for classroom, academic lab use, administrative technology infrastructure, and security. Computer equipment totaling $62,584 was purchased to support administrative technology equipment. Research and education equipment totaling $482,582 was used to support Mechatronics and the Unmanned Aerial Systems (UAS) or "drone" program and labs. Computer equipment to support the Netlabs and Statewide CCNA Program initiative and the Cyber Security program totaling $55,947 was funded by state grants. Office equipment totaling $6,200 was purchased to furnish administrative offices. In addition, two new vehicles totaling $59,878 were purchased for the security teams at the Technology Center and Headquarters campus. The majority, 80%, of the additions were grant-funded. No payments for land improvements occurred this year. The remaining balance in CIP at year-end of $459,733 is for construction at the Technology Center related to the Plastics and CNC Fabrication labs and engineering services to place an emergency generator at the Headquarters campus.

Economic Outlook

The College exhibits a strong financial foundation, significant cash position, steady enrollment, expanding lease space, and a well-maintained headquarters' facility to address the immediate and near term outlook. The expanded lease space is suitable for current and developing academic programming to support new educational offerings for the community. Planned capital and technology projects emphasize both physical and technological infrastructure to meet projects for fiscal 2021 and short-term initiatives.

The College has rapidly adapted programming and student service options to allow for effective execution of digital learning, remote delivery of services, and alternative class options to maintain continuity for students and the community during the coronavirus pandemic. These efforts illustrate an optimistic position and a positive structural design for advancing educational needs in these difficult times.

The unpredictable nature of the state's revenue collection will continue to challenge long-term planning given the college's dependence on state funding as a major source of income. Despite recent increases in state allocation, the college continues to seek opportunities through grants, contracted training and other avenues for enrollment growth that will strengthen the financial position. Relationships with regional business partners will be integral for continual program development, training efforts, and economic development. Additionally, to date, 13 grants from private, state, and federal sources totaling over $4.8 million dollars will begin in fiscal 2021 to support sustainability and development of new educational initiatives.

In the fourth year of the federally-imposed Heightened Cash Monitoring 1 (HCM1) sanction issued by the Department of Education to all 19 public colleges and universities in the state, the college successfully maintained its cash balance and effectively processed financial aid. With the current strength of its cash position, the college does not anticipate any financial obstacles to meeting the HCM1 requirements for the upcoming academic year.

The number of high school students enrolled in the college's dual-enrollment programs, providing career and degree pathways for high school students at a discounted tuition rate, increased slightly with 799 unduplicated headcount for the 2020 academic year. Other positive measures illustrate efforts made to strengthen the organization, including a slight decrease for the three-year default rate. The draft 2017 default rate has decreased over the 2014 rate from 27.4 percent to 20.1 percent.

With attentiveness and careful analysis of business operations during an unprecedented economic environment, it is with optimism and an eye toward critical financial and non-financial metrics that Blue Ridge Community and Technical College enters fiscal 2021.

Requests for information may be directed to:

Chief Financial and Administrative 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, 2020 AND 2019

	2020	2019
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS:		
Cash and cash equivalents	$ 12,429,852	$ 13,156,364
Appropriations due from Primary Government	-	500,000
Due from the Council/Commission	179,669	183,547
Due from other state agencies	15,000	1,951
Accounts receivable — net	605,334	711,796
Prepaid expenses	203,560	116,635
Total current assets	13,433,415	14,670,293
NONCURRENT ASSETS:		
Other receivable	27,083	27,083
Capital assets — net	19,457,895	18,111,235
Total noncurrent assets	19,484,978	18,138,318
Total assets	32,918,393	32,808,611
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	23,020	21,875
OPEB related	540,654	425,346
Total deferred outflows of resources	563,674	447,221
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 33,482,067	$ 33,255,832
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable	$ 455,553	$ 413,456
Accrued liabilities	767,158	674,908
Due to the Council/Commission	14,577	16,552
Due to other state agencies	10,425	4,121
Compensated absences	944,407	696,965
Unearned revenue	3,017,642	4,336,452
Total current liabilities	5,209,762	6,142,454
NONCURRENT LIABILITIES:		
Net OPEB liability	2,010,279	2,365,887
Net pension liability	71,940	69,158
Total noncurrent liabilities	2,082,219	2,435,045
Total liabilities	7,291,981	8,577,499
DEFERRED INFLOWS OF RESOURCES:		
Service concession arrangement	39,583	45,833
Pension related	12,524	16,807
OPEB related	873,291	561,027
Total deferred inflows of resources	925,398	623,667
NET POSITION:		
Investment in capital assets	19,457,895	18,111,235
Restricted for — expendable — other	2,582,809	2,648,957
Unrestricted	3,223,984	3,294,474
Total net position	25,264,688	24,054,666
TOTAL	$ 33,482,067	$ 33,255,832

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, 2020 AND 2019

	2020	2019
OPERATING REVENUES:		
Student tuition and fees — net of scholarship allowance of $3,031,294 and $2,613,703 in 2020 and 2019, respectively	$ 4,483,161	$ 5,106,004
Contracts and grants:		
Federal	413,732	628,767
State	4,506,812	4,359,842
Private	172,432	112,876
Auxiliary enterprise revenue	366,826	428,666
Other operating revenues	375,722	357,274
Total operating revenues	10,318,685	10,993,429
OPERATING EXPENSES:		
Salaries and wages	10,515,491	9,756,438
Benefits	2,454,113	2,208,940
Utilities	281,718	284,679
Supplies and other services	4,398,860	3,956,081
Student financial aid — scholarships and fellowships	2,759,616	2,103,839
Depreciation	1,101,178	924,527
Other operating expenses	157,648	177,878
Fees assessed by the Commission for operations	147,076	126,212
Total operating expenses	21,815,700	19,538,594
OPERATING LOSS	(11,497,015)	(8,545,165)
NONOPERATING REVENUES (EXPENSES):		
State appropriations	7,830,842	5,599,246
Federal Pell Grant	3,367,404	3,375,822
Investment income	185,254	268,084
Fees assessed by the Commission	(2,112)	(1,807)
Gain on disposals	9,631	-
CARES Act Federal Revenue - Student Grant	592,706	-
CARES Act Federal Revenue - Institutional Grant	98,371	-
Net nonoperating revenues	12,082,096	9,241,345
INCREASE IN NET POSITION BEFORE OTHER REVENUES	585,081	696,180
OTHER REVENUES:		
Capital Asset Donations	505,850	-
Capital Payments made and expenses incurred on behalf of the College	119,091	17,178
Total other revenues	624,941	17,178
INCREASE IN NET POSITION	1,210,022	713,358
NET POSITION — Beginning of year	24,054,666	23,341,308
NET POSITION — End of year	$ 25,264,688	$ 24,054,666

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, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Student tuition and fees	$ 4,364,603	$ 4,874,231
Contracts and grants	3,930,738	4,885,242
Payments to and on behalf of employees	(12,647,223)	(11,826,468)
Payments to suppliers	(4,418,014)	(3,953,285)
Payments to utilities	(281,718)	(284,679)
Payments for scholarships and fellowships	(2,759,616)	(2,103,839)
Auxiliary enterprise charges	366,826	428,666
Fees retained by Commission	(147,076)	(126,212)
Other receipts - net	225,485	237,209
Net cash used in operating activities	(11,365,995)	(7,869,135)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State appropriations	8,330,842	5,099,246
Federal Pell Grant	3,367,404	3,375,822
Federal CARES Grant	592,706	-
Federal student loan program - direct lending receipts	3,640,352	4,300,922
Federal student loan program - direct lending payments	(3,640,352)	(4,300,922)
Net cash provided by noncapital financing activities	12,290,952	8,475,068
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Purchases of capital assets	(1,834,611)	(1,228,279)
Fees assessed by the Commission	(2,112)	(1,807)
Net cash used in capital financing activities	(1,836,723)	(1,230,086)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on investments	185,254	268,084
DECREASE IN CASH AND CASH EQUIVALENTS	(726,512)	(356,069)
CASH AND CASH EQUIVALENTS - Beginning of year	13,156,364	13,512,433
CASH AND CASH EQUIVALENTS - End of year	$ 12,429,852	$ 13,156,364
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	$ (11,497,015)	$ (8,545,165)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	1,101,178	924,527
Amortization of Service Concession Arrangement	(6,250)	(4,167)
Bad debt expense	31,689	(336,155)
Effect of changes in operating assets and liabilities:		
Accounts receivable, net	173,144	469,441
Due from Council/Commission/other state agencies	(9,171)	(53,616)
Prepaid expenses	(86,925)	(63,259)
Accounts payable	63,442	67,285
Accrued liabilities	92,250	31,933
Due to Council/Commission/other state agencies	4,329	(1,230)
Compensated absences	247,442	92,622
Net pension liability	(2,646)	(6,138)
Other postemployment benefits liability	(158,652)	(145,405)
Service Concession Arrangement	-	50,000
Unearned revenue	(1,318,810)	(349,808)
Net cash used in operating activities	$ (11,365,995)	$ (7,869,135)
NONCASH TRANSACTIONS:		
Capital expenses in accounts payable	$ 12,624	$ 33,969
Capital payments made and expenses incurred on behalf of the College	$ 119,091	$ 17,178
Capital Asset Donations	$ 505,850	$ -
Appropriations due from Primary Government	$ -	$ 500,000

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
JUNE 30, 2020 AND 2019

ASSETS

	2020	2019
ASSETS		
Cash and Cash Equivalents	$ 204,799	$ 277,142
Investments	714,568	712,804
Pledges and Other Receivables	15,000	36,500
Donated Equipment	-	421,950
Other Assets	6,259	6,116
Total Assets	$ 940,626	$ 1,454,512

LIABILITIES AND NET ASSETS

	2020	2019
LIABILITIES		
Deferred Revenue	$ 625	$ 625
Due to College	-	2,360
Total Liabilities	625	2,985
NET ASSETS		
Without Donor Restrictions	198,612	573,311
With Donor Restrictions	741,389	878,216
Total Net Assets	940,001	1,451,527
Total Liabilities and Net Assets	$ 940,626	$ 1,454,512

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
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	Year Ended June 30, 2020			Year Ended June 30, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND PUBLIC SUPPORT						
Contributions	$ 1,192	$ 31,105	$ 32,297	$ 1,387	$ 274,184	$ 275,571
Special Events Income, Net of Direct Costs of $11,891 and $23,361 in 2020 and 2019, Respectively	18,368	-	18,368	4,159	-	4,159
Contributed Goods and Services	113,383	-	113,383	435,531	-	435,531
Investment Return, Net	3,417	2,445	5,862	2,004	51,431	53,435
Net Assets Released from Restrictions	170,377	(170,377)	-	122,942	(122,942)	-
Total Revenues, Gains, and Public Support	306,737	(136,827)	169,910	566,023	202,673	768,696
EXPENSES						
Program Expenses						
Support to College	510,242	-	510,242	187	-	187
Scholarships	170,377	-	170,377	122,942	-	122,942
Awards	-	-	-	-	-	-
Total Program Services	680,619	-	680,619	123,129	-	123,129
Management and General						
Supplies and Other Expenses	817	-	817	2,105	-	2,105
Total Expenses	681,436	-	681,436	125,234	-	125,234
Changes in Net Assets, as Restated for 2019	(374,699)	(136,827)	(511,526)	440,789	202,673	643,462
Net Assets, Beginning of Year	573,311	878,216	1,451,527	132,522	675,543	808,065
Net Assets, End of Year	$ 198,612	$ 741,389	$ 940,001	$ 573,311	$ 878,216	$ 1,451,527

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, Inc. (the "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 the Foundation are discretely presented here with the College's financial statements for the fiscal years ended June 30, 2020 and 2019. No modifications have been made to the Foundation's audited financial information as it is presented herein (see also Note 19).

The accompanying financial statements exclude Blue Ridge Community and Technical College Research Corporation because, based on the criteria provided by GASB Statement No. 39 and No. 61, the economic resources received or held by the related corporation to which the College, or its component units, is entitled or has the ability to otherwise access, are not significant to the College.

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, 2020 and 2019.

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 acquisition 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 14)

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 $23,020 and $21,875 as of June 30, 2020 and 2019, respectively (see Note 14), and deferred outflows of resources related to OPEB of $540,654 and $425,346, respectively (see Note 9).

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, 2020 and 2019, the College had deferred inflows related to service concession arrangements of $39,583 and $45,833, respectively (see Note 16), deferred inflows related to pensions of $12,524 and $16,807, respectively (see Note 14), and deferred inflows related to OPEB of $873,291 and $561,027, respectively (see Note 9).

Risk Management — The State's Board of Risk and Insurance Management (BRIM) provides general, property, casualty, cyber 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 and CARES Act 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 2020 and 2019, the College received and disbursed $3,640,352 and $4,300,922, 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 2020 and 2019, the College received and disbursed $3,483,266 and $3,516,722, respectively, under these federal student aid programs.

In April and May 2020, the College was awarded Coronavirus Aid, Relief, and Economic Security ("CARES") Act Grants from the U.S. Department of Education. The amount of the grant was determined based on a formula of FTE Pell recipients (75%) and FTE non-Pell recipients (25%). This formula excludes students who were fully online prior to the coronavirus outbreak. There are two parts to this grant, Student Aid of $592,798 and Institutional Aid of $592,798. According to the grant, 50% of the total grant must be used for direct emergency aid to students, the student aid portion. These emergency grants were to be made promptly available to students. In 2020, the College received and disbursed $592,706 of the student aid portion for direct emergency aid to students. In 2020, the College claimed $98,371 of the institutional aid portion to cover costs associated with significant changes to the delivery of instruction due to the coronavirus. No funds for this portion have been received in 2020. Both the student aid portion and the institutional aid portion are recorded on the statement of revenues, expenses, and changes in net position as nonoperating revenues and operating expenses in their respective categories. The institutional aid portion not yet received is included in the statement of net position in accounts receivable.

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.

In March 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the College, the extent of the impact is unknown and will depend on various developments and responses. COVID-19 may impact various parts of its fiscal year 2021 operations and financial results, including, but not limited to, declines in enrollment, loss of contracts or training, loss of auxiliary revenues, additional bad debts, costs for increased use of technology, or potential shortages of personnel. Management believes the College is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

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

The GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which is effective immediately after issue. Statement No. 95's objective is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The adoption of this standard postponed the implementation of certain recently issued GASB statements by one year and some by 18 months.

Recent Statements Issued by the Governmental Accounting Standards Board(GASB) –

The GASB has also issued Statement No. 84, *Fiduciary Activities*, which is effective for fiscal years beginning after December 15, 2019, as postponed by implementation of GASB No. 95. 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. 87, *Leases*, which is effective for fiscal years beginning after June 15, 2021, as postponed by implementation of GASB No. 95. 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.

The GASB has also issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period,* which is effective for fiscal years beginning after December 15, 2020, as postponed by implementation of GASB No. 95. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. Such interest cost includes all interest that was previously accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The College has not yet determined the effect that the adoption of GASB Statement No. 89 may have on its financial statements.

The GASB has also issued Statement No. 90, *Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61*, which is effective for fiscal years beginning after December 15, 2019, as postponed by implementation of GASB No. 95. Statement No. 90's primary objective is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The College has not yet determined the effect that the adoption of GASB Statement No. 90 may have on its financial statements.

The GASB has also issued Statement No. 91, *Conduit Debt Obligations*, which is effective for fiscal years beginning after December 15, 2021, as postponed by implementation of GASB No. 95. Statement No. 91 provides a single method for reporting conduit debt obligations and eliminate diversity in practice by clarifying the existing definition of a conduit debt obligation, establishing that a conduit debt obligation is not a liability of the issuer, establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations and improving required note disclosures. The College has not yet determined the effect that the adoption of GASB Statement No. 91 may have on its financial statements.

The GASB has also issued Statement No. 92, *Omnibus 2020*, which is effective immediately for requirements related to the effective date of Statement No. 87 and Implementation Guide 2019-3. The requirements related to Statement Nos. 73 and 74 and requirements related to Intra-entity transfer of assets are effective for fiscal years beginning after June 15, 2021, as postponed by implementation of GASB No. 95. The objective of Statement No. 92 is to enhance comparability in accounting and financial reporting by improving the consistency in authoritative literature. The College has not yet determined the effect that the adoption of GASB Statement No. 92 may have on its financial statements.

The GASB has also issued Statement No. 93, *Replacement of Interbank Offered Rates*, which is effective for reporting periods ending after December 31, 2022, as postponed by implementation of GASB No. 95, for the removal of LIBOR as an appropriate benchmark interest rate. All other requirements related to Statement No. 93 are effective for reporting periods beginning after June 15, 2021, as postponed by implementation of GASB No. 95. Statement No. 93's objective is to address financial reporting implications related to replacing the London Interbank Offered Rate(LIBOR) with other reference rates since LIBOR is expected to cease to exist in its current form at the end of 2021 due to global reference rate reform. The College has not yet determined the effect that the adoption of GASB Statement No. 93 may have on its financial statements.

The GASB has also issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which is effective for fiscal years beginning after June 15, 2022. Statement No. 94's objective is to improve financial reporting by addressing issues related to public-private or public-public partnerships. The College has not yet determined the effect that the adoption of GASB Statement No. 94 may have on its financial statements.

3. CASH AND CASH EQUIVALENTS

The composition of cash and cash equivalents was held as follows as of June 30, 2020 and 2019:

	2020	2019
State Treasurer	$ 12,091,846	$ 12,931,163
In Bank	338,006	225,201
	$ 12,429,852	$ 13,156,364

The combined carrying amount of cash in bank at June 30, 2020 and 2019, was $338,006 and $225,201 as compared with the combined bank balance of $444,421 and $325,014, 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, 2020.

Amounts with the State Treasurer as of June 30, 2020 and 2019, are comprised of two investment pools: the WV Money Market Pool, and the WV Short Term Bond Pool, and certain amounts of uninvested cash. The amount of uninvested cash at June 30, 2020 and 2019, was $1,177,017, and $1,222,995, respectively. At June 30, 2020 and 2019, the College had $225 and $0, respectively, of deposits in transit to the State Treasurer.

Cash on deposit with the Treasurer includes deposits in the State Treasury bank account, the WV 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, 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 nine 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:

	2020		2019	
External Pool	Carrying Value	S & P Rating	Carrying Value	S & P Rating
WV Money Market Pool	$ 10,655,849	AAAm	$ 11,437,461	AAAm
WV Short Term Bond Pool	$ 258,755	Not Rated	$ 270,707	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:

	2020		2019	
External Pool	Carrying Value	WAM (Days)	Carrying Value	WAM (Days)
WV Money Market Pool	$ 10,655,849	44	$ 11,437,461	42

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

	2020		2019	
External Pool	Carrying Value	Effective Duration (Days)	Carrying Value	Effective Duration (Days)
WV Short Term Bond Pool	$ 258,755	620	$ 270,707	723

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. APPROPRIATIONS DUE FROM PRIMARY GOVERNMENT

West Virginia Legislature, Senate Bill 1027, effective June 24, 2019, gave a supplementary appropriation from the State Fund, General Revenue to numerous agencies for fiscal year 2019. Blue Ridge Community and Technical College received an additional $500,000. Per Enrolled Senate Bill 1027, any unexpended balance at the end of fiscal year 2019 is reappropriated for expenditure during fiscal year 2020. The College did not spend any of this as of June 30, 2019, therefore $500,000 is reflected in the statement of net position as appropriations due from primary government and included as state appropriation revenue on the statement of revenues, expenses, and changes in net position as of June 30, 2019. The College did spend all of this as of June 30, 2020, therefore $0 is reflected in the statement of net position as appropriations due from primary government and $500,000 included as either expenses or capital assets on the statements as of June 30, 2020.

5. DUE FROM STATE AGENCIES

Due from state agencies is reflected in the statements of net position as either due from the council/ commission if from the West Virginia Higher Education Policy Commission (WVHEPC) or the West Virginia Community and Technical College System (WVCTCS), or reflected as due from other state agencies. Due from state agencies as of June 30, 2020 and 2019, is as follows:

	2020	2019
WVHEPC	$ 8,704	$ 51,649
WVCTCS	170,965	131,898
Due from the Council/Commission	$ 179,669	$ 183,547
WV Department of Agriculture	$ -	$ 1,951
WV Department of Health and Human Resources/TANF	15,000	-
Due from other state agencies	$ 15,000	$ 1,951

6. ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2020 and 2019, is as follows:

	2020	2019
Student tuition and fees — net of allowance for doubtful accounts of $679,055 and $647,366 in 2020 and 2019, respectively	$ 77,224	$ 69,902
Other receivables	255,089	477,537
Unbilled charges	100,083	52,431
Financial aid grants receivable	172,938	111,926
	$ 605,334	$ 711,796

7. CAPITAL ASSETS

Summary of capital assets transactions for the College as of June 30, 2020 and 2019, is as follows:

	2020			
	Beginning Balance	**Additions**	**Reductions**	**Ending Balance**
Capital assets not being depreciated:				
Land	$ 1,605,550	$ -	$ -	$ 1,605,550
Construction in progress	459,733	643,852	(866,918)	236,667
Total capital assets not being depreciated	$ 2,065,283	$ 643,852	$ (866,918)	$ 1,842,217
Capital assets being depreciated:				
Land Improvements	$ 665,491	$ -	$ -	$ 665,491
Buildings/Leasehold improvements	17,807,986	971,417	-	18,779,403
Library books	1,492	-	-	1,492
Equipment	5,500,803	1,699,487	(322,200)	6,878,090
Total capital assets being depreciated	23,975,772	2,670,904	(322,200)	26,324,476
Less accumulated depreciation for:				
Land Improvements	243,736	44,232	-	287,968
Buildings/Leasehold improvements	4,041,191	442,280	-	4,483,471
Library books	1,492	-	-	1,492
Equipment	3,643,401	614,666	(322,200)	3,935,867
Total accumulated depreciation	7,929,820	1,101,178	(322,200)	8,708,798
Capital assets being depreciated — net	$ 16,045,952	$ 1,569,726	$ -	$ 17,615,678
Capital assets — net	$ 18,111,235	$ 2,213,578	$ (866,918)	$ 19,457,895

CAPITAL ASSETS (Continued)

	2019			
	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Land	$ 1,605,550	$ -	$ -	$ 1,605,550
Construction in progress	4,537	468,392	(13,196)	459,733
Total capital assets not being depreciated	$ 1,610,087	$ 468,392	$ (13,196)	$ 2,065,283
Capital assets being depreciated:				
Land Improvements	$ 665,491	$ -	$ -	$ 665,491
Buildings/Leasehold improvements	17,794,790	13,196	-	17,807,986
Library books	1,492	-	-	1,492
Equipment	4,997,278	667,191	(163,666)	5,500,803
Total capital assets being depreciated	23,459,051	680,387	(163,666)	23,975,772
Less accumulated depreciation for:				
Land Improvements	199,504	44,232	-	243,736
Buildings/Leasehold improvements	3,652,058	389,133	-	4,041,191
Library books	1,492	-	-	1,492
Equipment	3,315,905	491,162	(163,666)	3,643,401
Total accumulated depreciation	7,168,959	924,527	(163,666)	7,929,820
Capital assets being depreciated — net	$ 16,290,092	$ (244,140)	$ -	$ 16,045,952
Capital assets — net	$ 17,900,179	$ 224,252	$ (13,196)	$ 18,111,235

8. DUE TO STATE AGENCIES

Due to state agencies is reflected in the statements of net position as either due to the council/ commission if to West Virginia Higher Education Policy Commission (WVHEPC) or the West Virginia Community and Technical College System (WVCTCS), or reflected as due to other state agencies. Due to state agencies as of June 30, 2020 and 2019, is as follows:

	2020	2019
WVHEPC	$ 14,577	$ 16,552
Total Due to the Council/Commission	$ 14,577	$ 16,552
WV State Tax Dept	$ 102	$ 718
WV Dept of Health and Human Resources	-	1,360
WV State Treasurers Office	215	329
Department of Administration - Central Mail	-	23
WV Attorney General	-	131
WV Fleet Management	96	-
Public Employees Insurance Agency (PEIA-RHBT)	-	1,359
WVNET	10,012	201
Total Due to other state agencies	$ 10,425	$ 4,121

9. OTHER POSTEMPLOYMENT BENEFITS

Employees of the College are enrolled in the West Virginia Other Postemployment Benefit Plan (the “OPEB plan”) which is administered by the West Virginia Public Employees Insurance Agency (“PEIA”) and the West Virginia Retiree Health Benefit Trust Fund (the “RHBT”).

Following is the College’s other postemployment benefits liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, revenues, and other postemployment benefits expense and expenditures for the fiscal years ended June 30, 2020 and 2019, respectively:

OPEB	2020	2019
Net OPEB Liability	$ 2,010,279	$ 2,365,887
Deferred Outflows of Resources	$ 540,654	$ 425,346
Deferred Inflows of Resources	$ 873,291	$ 561,027
Revenues	$ 121,876	$ 149,460
OPEB Expense	$ 196,677	$ 253,688
Contributions Made by the College	$ 233,452	$ 249,633

Plan Description

The OPEB plan is a cost-sharing, multiple employer, defined benefit other post-employment benefit plan that covers the retirees of State agencies, colleges and universities, county boards of education, and other government entities as set forth in West Virginia Code Section 5-16D-2 (the "Code"). Plan benefits are established and revised by PEIA and the RHBT with approval of the Finance Board. The Finance Board is comprised of nine members. Finance Board members are appointed by the Governor, serve a term of four years and are eligible for reappointment. The State Department of Administration secretary serves as Chairman of the Board. Four members represent labor, education, public employees and public retirees. Four remaining members represent the public-at-large.

Active employees who retire are eligible for PEIA health and life benefits, provided they meet the minimum eligibility requirements of the applicable State retirement system and if their last employer immediately prior to retirement: is a participating employer under the Consolidated Public Retirement Board ("CPRB") and, as of July 1, 2008 forward, is a participating employer with PEIA. Active employees who, as of July 1, 2008, have ten years or more of credited service in the CPRB and whose employer at the time of their retirement does participate with CPRB, but does not participate with PEIA will be eligible for PEIA retiree coverage provided: they otherwise meet all criteria under this heading and their employer agrees, in writing, upon a form prescribed by PEIA, that the employer will pay to PEIA the non-participating retiree premium on behalf of the retiree or retirees, or that the retiree agrees to pay the entire unsubsidized premium themselves. Employees who participate in non-State retirement systems but that are CPRB system affiliated, contracted, or approved (such as TIAA-CREF and Empower Retirement), or are approved, in writing, by the PEIA Director must, in the case of education employees, meet the minimum eligibility requirements of the State Teachers Retirement System ("STRS"), and in all other cases meet the minimum eligibility requirements of the Public Employees Retirement System to be eligible for PEIA benefits as a retiree.

The financial activities of the OPEB plan are accounted for in the RHBT, a fiduciary fund of the State of West Virginia. The RHBT audited financial statements and actuarial reports can be found on the PEIA website at www.peia.wv.gov.

Benefits Provided

The OPEB plan provides medical and prescription drug insurance and life insurance benefits. The medical and prescription drug insurance is provided through two options: the self-insured preferred provider benefit plan option, which is primarily for non-Medicare-eligible retirees and spouses; and the external managed care organization option, which is primarily for Medicare-eligible retirees and spouses.

Contributions

Pay as you go premiums ("paygo") are established by the Finance Board annually. All participating employers are required by statute to contribute this premium to the RHBT at the established rate for every active policyholder per month. The active premiums subsidize the retirees' health care.

Members retired before July 1, 1997 pay retiree healthcare contributions at the highest sponsor subsidized rate, regardless of their actual years of service. Members retired between July 1, 1997 and June 30, 2010, pay a subsidized rate depending on the member's years of service. Members hired on or after July 1, 2010, pay retiree healthcare contributions with no sponsor provided implicit or explicit subsidy.

Retiree leave conversion contributions from the employer depend on the retiree's date of hire and years of service at retirement as described below:

- Members hired before July 1, 1988 may convert accrued sick or vacation leave days into 100% of the required retiree healthcare contribution.

- Members hired from July 1, 1988 to June 30, 2001 may convert sick or vacation leave days into 50% of the required retiree healthcare contribution.

The conversion rate is two days of unused sick and vacation leave days per month for single healthcare coverage and three days of unused sick and vacation leave days per month for family healthcare coverage.

Employees hired on or after July 1, 2001 no longer receive sick and/or vacation leave credit toward the required retiree healthcare contribution when they retire. All retirees have the option to purchase continued coverage regardless of their eligibility for premium credits.

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 coverage for one year of family coverage. Faculty hired after July 1, 2009 no longer receive years of service credit toward insurance premiums when they retire. Faculty hired on or after July 1, 2010 receive no health insurance premium subsidy when they retire. 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 had an original hire date prior to July 1, 2010 may return to active employment. In those cases, the original hire date may apply.

Assumptions

The net OPEB liability for financial reporting purposes was determined by an actuarial valuation as of June 30, 2018, rolled forward to June 30, 2019. The following actuarial assumptions were used and applied to all periods included in the measurement:

- Actuarial cost method: Entry age normal cost method.

- Amortization method: Level percentage of payroll over a 20 year closed period.

- Asset valuation method: Market value

- Investment rate of return: 7.15%, net of OPEB plan investment expense, including inflation.

- Salary increases: Dependent upon pension system. Ranging from 3.00% to 6.50%, including inflation.

- Wage inflation: 4.00%

- Inflation rate: 2.75%.

- Retirement age: Experience-based table of rates that are specific to the type of eligibility condition.

- Aging factors: Based on the 2013 SOA Study "Health Care Costs-From Birth to Death"

- Mortality: Post-Retirement: RP-2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis for PERS and TRS. RP-2014 Healthy Annuitant Mortality Table projected with scale MP-2016 on a fully generational basis for Troopers A and B. Pre-Retirement: RP-2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis for PERS and TRS. RP-2014 Employee Mortality Table projected with Scale MP-2016 on a fully generational basis for Troopers A and B.

- Healthcare cost trend rates: Trend rate for pre-Medicare per capita costs of 8.5% for plan year end 2020, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year 2028. Trend rate for Medicare per capita costs of 3.1% for plan year end 2020. 9.5% for plan year end 2021, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year end 2031.

- Expenses: Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of the annual expense.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 through June 30, 2015.

The long-term expected rate of return of 7.15% on OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.50% for long-term assets invested with the West Virginia Investment Management Board ("IMB") and an expected short-term rate of return of 3.00% for assets invested with the WV Board of Treasury Investments ("BTI").

Long-term pre-funding assets are invested with the IMB. The strategic asset allocation consists of 55% equity, 15% fixed income, 10% private equity, 10% hedge fund and 10% real estate invested. Short-term assets used to pay current year benefits and expenses are invested with the BTI.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Target asset allocations, capital market assumptions ("CMA"), and a 10-year forecast of nominal geometric returns by major asset class were provided by the plan's investment advisors, including the IMB. The projected nominal return for the Money Market Pool held with the BTI was estimated based on IMB assumed inflation of 2.0% plus a 25 basis point spread.

The target allocation and estimates of annualized long-term expected real rates assuming a 10-year horizon are summarized below:

June 30, 2019

Asset Class	Target Allocation	Long-term Expected Real Return
Global equity	49.5%	4.8%
Core plus fixed income	13.5%	2.1%
Core real estate	9.0%	4.1%
Hedge fund	9.0%	2.4%
Private equity	9.0%	6.8%
Cash and cash equivalents	10.0%	0.3%
Target allocation	100.0%	

Real returns by asset class, as shown in the above table, were estimated using a static inflation assumption of 2.0%. Consequently, real returns may not reflect the potential volatility of inflation by asset class.

June 30, 2018

Asset Class	Long-term Expected Real Rate of Return
Large cap domestic	17.0%
Non-Large cap domestic	22.0%
International qualified	24.6%
International non-qualified	24.3%
International equity	26.2%
Short-term fixed	0.5%
Total return fixed income	6.7%
Core fixed income	0.1%
Hedge fund	5.7%
Private equity	19.6%
Real estate	8.3%
Opportunistic income	4.8%
Cash	0.0%

Single discount rate. A single discount rate of 7.15% was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on OPEB plan investments of 7.15% and a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date to the extent benefits are effectively financed on a pay-as-you-go basis. The long-term municipal bond rate used to develop the single discount rate was 3.62% as of the beginning of the year and 3.13% as of the end of the year. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made in accordance with the prefunding and investment policies. Future pre-funding assumptions include a $30 million annual contribution from the State through 2037. Based on those assumptions, and that the Plan is expected to be fully funded by fiscal year ended June 30, 2033, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Discount rates are subject to change between measurement dates. The discount rate used to measure the total OPEB liability did not change for the June 30, 2018 valuation from the June 30, 2017 valuation.

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the College's proportionate share of the net OPEB liability as of June 30, 2020 and 2019, respectively, calculated using the discount rate of 7.15%, as well as what the College's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.15%) or one percentage point higher (8.15%) than the current rate:

2020	1% Decrease (6.15%)	Discount Rate (7.15%)	1% Increase (8.15%)
Net OPEB Liability	$ 2,399,209	$ 2,010,279	$ 1,684,811

2019	1% Decrease (6.15%)	Discount Rate (7.15%)	1% Increase (8.15%)
Net OPEB Liability	$ 2,780,629	$ 2,365,887	$ 2,020,155

Sensitivity of the net OPEB liability to changes in healthcare cost trend rates. The following presents the College's proportionate share of the net OPEB liability as of June 30, 2020 and 2019, respectively, calculated using the current healthcare cost trend rates, as well as what the College's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

2020	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	$ 1,621,000	$ 2,010,279	$ 2,482,670

2019	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	$ 1,957,644	$ 2,365,887	$ 2,863,317

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

The net OPEB liability at June 30, 2020 and 2019 was measured as of June 30, 2019 and 2018, respectively, which is the measurement date. The total OPEB liability at June 30, 2020 and 2019 was determined by an actuarial valuation as of June 30, 2018 and 2017, respectively, and rolled forward to the respective measurement dates.

At June 30, 2020 and 2019, the amount recognized as the College's proportionate share of the net OPEB liability was approximately $2,010,279 and $2,365,887, respectively. At June 30, 2020 and 2019, the nonemployer contributing entity's (State of West Virginia) portion of the collective net OPEB liability is $411,393 and $488,966, respectively, and the total net OPEB liability attributable to the College at June 30, 2020 and 2019 is $2,421,672 and $2,854,853, respectively.

The allocation percentage assigned to each contributing employer is based on the employer's proportionate share of employer contributions to the RHBT for the fiscal years ended June 30, 2019 and June 30, 2018. Employer contributions are recognized when due. At June 30, 2019, the College's proportion was 0.121164480%, an increase of 0.01089% from its proportion of 0.110275342% calculated as of June 30, 2018. At June 30, 2018, the College's proportion was 0.110275342%, an increase of 0.00911% from its proportion of 0.101164884%, calculated as of June 30, 2017.

For the years ended June 30, 2020 and 2019, the College recognized OPEB expense of $196,677 and $253,688, respectively. Of this amount, $74,801 and $104,228, respectively, was recognized as the College's proportionate share of the OPEB expense, and $121,876 and $149,460, respectively, as the amount of OPEB expense attributed to special funding. The College also recognized revenue of $121,876 and $149,460, respectively, for support provided by the State.

At June 30, 2020 and 2019, deferred outflows of resources and deferred inflows of resources related to OPEB are as follows:

Deferred Outflows of Resources	2020	2019
Contributions after the measurement date	$ 233,452	$ 249,633
Changes in proportion and difference between employer contributions and proportionate share of contributions	306,706	175,713
Reallocation of Opt-out employer change in proportionate share	496	-
Total	$ 540,654	$ 425,346

Deferred Inflows of Resources	2020	2019
Changes in proportion and difference between employer contributions and proportionate share of contributions	$ 155,364	$ 246,009
Net difference between projected and actual investment earnings	21,686	43,792
Differences between expected and actual experience	234,456	34,996
Changes in assumptions	407,700	236,230
Reallocation of Opt-out employer change in proportionate share	54,085	-
Total	$ 873,291	$ 561,027

The College will recognize the $233,452 reported as deferred outflows of resources resulting from OPEB contributions after the measurement date as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended	Amortization
June 30, 2021	$ (225,926)
June 30, 2022	(198,856)
June 30, 2023	(114,235)
June 30, 2024	(27,072)
	$ (566,089)

10. 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, 2020 and 2019.

11. LEASES AND AMOUNT DUE TO BERKELEY BUSINESS PARK ASSOCIATES, L.C. AND MORGAN COUNTY COMMISSION

The College leases space at two locations as of June 30, 2020, which are accounted for as operating leases.

Future annual scheduled lease payments on operating leases for the 5 years subsequent to June 30, 2020 and then remaining in increments of 5 years, are as follows:

Year Ending June 30,	Berkeley Business Park	Morgan County Commission	Total
2021	$ 447,557	$ 199,775	$ 647,332
2022	456,034	203,820	659,854
2023	460,447	139,440	599,887
2024	144,210	142,170	286,380
2025	146,744	-	146,744
2026-2029	338,413	-	338,413
Total	$ 1,993,405	$ 685,205	$ 2,678,610

Total lease expense for the years ended June 30, 2020 and 2019, was $536,471 and $444,066, respectively.

The College does not have any non-cancellable leases.

12. UNRESTRICTED NET POSITION

The College did not have any designated unrestricted net position as of June 30, 2020 and 2019.

	2020	2019
Total unrestricted net position before OPEB and pension liability	$ 5,306,203	$ 5,729,519
Less OPEB liability	(2,010,279)	(2,365,887)
Less pension liability	(71,940)	(69,158)
Total unrestricted net position	$ 3,223,984	$ 3,294,474

13. 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:	2020	2019
Employee	$ 1,845	$ 1,774
Employer	1,845	1,774
Total contributions	$ 3,690	$ 3,548

	TIAA-CREF	
Source of contributions:	2020	2019
Employee	$ 542,268	$ 500,442
Employer	542,268	500,442
Total contributions	$ 1,084,536	$ 1,000,884

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

BENEFITS ELIGIBLE PAYROLL

	2020	2019
Employees' Salaries-TIAA-CREF	$ 9,037,805	$ 8,340,695
Employees' Salaries-Educators Money	30,750	29,575
Total	$ 9,068,555	$ 8,370,270

14. 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, 2020 and 2019, respectively:

TRS		2020		2019
Net Pension Liability	$	71,940	$	69,158
Deferred Outflows of Resources	$	23,020	$	21,875
Deferred Inflows of Resources	$	12,524	$	16,807
Revenues	$	22,111	$	16,438
Pension Expense	$	19,466	$	10,300
Contributions Made by the College	$	10,425	$	10,473

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 TRS State-employed members hired prior to July 1, 1991;
2. 7.5% of gross salary of their TRS covered employees hired for the first time after July 1, 2005 and for those TDCRS members who elected to transfer to TRS effective July 1, 2008.
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, 2020 and 2019, the College's proportionate share attributable to this special funding subsidy was $71,940 and $69,158, respectively.

The College's contributions to TRS for the years ended June 30, 2020 and 2019, were $10,425 and $10,473, respectively.

Assumptions

The total pension liabilities for financial reporting purposes were determined by actuarial valuations as of June 30, 2018 and rolled forward to June 30, 2019. The following actuarial assumptions were used and applied to all periods included in the measurement:

- Actuarial cost method: Individual entry age normal cost with level percentage of payroll.
- Asset valuation method: Fair value.
- Amortization method and period: Level dollar, fixed period over 40 years, from July 1, 1994 through fiscal year 2034.
- Investment rate of return: 7.50%
- Projected salary increases: State 3.00-6.00%, and non-state 3.00-6.50%
- Inflation rate: 3.0%
- Discount rate: 7.50%
- Mortality rates based on RP-2000 Mortality Tables.
- Withdrawal rates: State .8-35% and non-state 1.316-24.75%
- Disability rates: 0.008-0.704%
- Retirement age: An age-related assumption is used for participants not yet receiving payments.
- Retirement rates: 15-100%
- *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 geometric rates of return for each major asset class included in TRS' target asset allocation as of June 30, 2019 and 2018, are summarized below.

June 30, 2019

Asset Class	Long-term Expected Real Rate of Return	Target Allocation
Domestic equity	5.8%	27.5%
International equity	7.7%	27.5%
Fixed income	3.3%	15.0%
Real estate	6.1%	10.0%
Private equity	8.8%	10.0%
Hedge funds	4.4%	10.0%
Total		100.0%

June 30, 2018

Asset Class	Long-term Expected Real Rate of Return	Target Allocation
Domestic equity	4.5%	27.5%
International equity	8.6%	27.5%
Fixed income	3.3%	15.0%
Real estate	6.0%	10.0%
Private equity	6.4%	10.0%
Hedge funds	4.0%	10.0%
Total		100.0%

Discount rate. The discount rate used to measure the total TRS pension liability was 7.50% for fiscal years ending June 30, 2019 and 2018. 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, 2020 and 2019, 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.

2020	1% Decrease (6.5%)	Current Discount (7.5%)	1% Increase (8.5%)
Net Pension Liability	$ 98,191	$ 71,940	$ 49,484

2019	1% Decrease (6.5%)	Current Discount (7.5%)	1% Increase (8.5%)
Net Pension Liability	$ 93,351	$ 69,158	$ 48,475

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, 2019 and 2018. The total pension liability was determined by an actuarial valuation as of June 30, 2018 and 2017 and rolled forward to the respective measurement dates.

At June 30, 2020 and 2019, the College's proportionate share of the TRS net pension liability was $245,584 and $248,364, respectively. Of this amount, the College recognized $71,940 and $69,158, respectively as its proportionate share on the statement of net position. The remainder of $173,644 and $179,206, 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, 2019, 2018 and 2017. Employer contributions are recognized when due. At June 30, 2019, the College's proportion was 0.002418% an increase of .000203% from its proportion of 0.002215% calculated as of June 30, 2018. At June 30, 2018, the College's proportion was 0.002215%, a decrease of .00019% from its proportion of 0.002401% calculated as of June 30, 2017.

For the year ended June 30, 2020 and 2019, the College recognized TRS pension expense of $19,466 and $10,300, respectively. Of this amount, $(2,645) and $(6,138), respectively, was recognized as the College's proportionate share of the TRS expense and $22,111 and $16,438, respectively, as the amount of pension expense attributable to special funding from a non-employer contributing entity. The College also recognized revenue of $22,111 and $16,438, respectively, for support provided by the State.

At June 30, 2020 and 2019, deferred outflows of resources and deferred inflows of resources related to the TRS pension are as follows:

Deferred Outflows of Resources		2020		2019
Changes in proportion and difference between employer contributions and proportionate share of contributions	$	10,683	$	8,756
Contributions after the measurement date		10,425		10,473
Differences between expected and actual experience		359		497
Changes in assumptions		1,553		2,149
Total	$	23,020	$	21,875

Deferred Inflows of Resources		2020		2019
Changes in proportion and difference between employer contributions and proportionate share of contributions	$	8,108	$	11,812
Net difference between projected and actual investment earnings		1,957		3,601
Differences between expected and actual experience		2,459		1,394
Total	$	12,524	$	16,807

The College will recognize the $10,425 reported as 2020 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, 2021. 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, 2021	$	2,449
June 30, 2022		(1,525)
June 30, 2023		(1,867)
June 30, 2024		601
June 30, 2025		413
	$	71

Payables to the pension plan

The College did not report any amounts payable for normal contributions to the TRS as of June 30, 2020 of 2019.

15. 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.

16. SERVICE CONCESSION ARRANGEMENTS

The College has adopted GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. For fiscal year ended June 30, 2019, the College has identified one contract for services that meet the four criteria of a service concession arrangement (SCA). 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 Follett Higher Education Group, Inc. (Follett)

The College contracts with Follett to operate two bookstores, one located on the main campus and one at the technology center. Follett also operates an on-line store through the College’s website. 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 College also received a one-time payment of $50,000 upon implementing the integration between the College and Follett systems. This payment shall be amortized according to the contract. The contract began on April 25, 2018 with a term through April 30, 2023, with three (3) one-year renewal options available. As of June 30, 2020 and 2019 the service concession arrangement deferred inflow of resources was $39,583 and $45,833, respectively.

17. OTHER REVENUES

Capital Asset Donations

The College received donations totaling $505,850 and $0 in fiscal years ended June 30, 2020 and 2019, respectively, from the Foundation. All of the assets donated were to support technical academic programs at the college.

Capital Payments Made on Behalf of College

Payments made on behalf of the college were $119,091 and $17,178, for fiscal years ending June 30, 2020 and 2019, respectively. The payments made on behalf of the college in fiscal years ending June 30, 2020 and 2019 are related to an emergency generator constructed at the headquarters facility. These payments originated from the Series 2017 CTC Refinance bonds issued by the HEPC. Total payments to date made on behalf of the college from this bond issue are $136,269.

18. NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

Operating expenses within functional classifications for the years ended June 30, 2020 and 2019 are as follows:

	2020	2019
Instruction	$ 8,724,957	$ 8,306,816
Academic support	770,037	735,462
Student services	1,841,123	1,830,773
General institutional support	4,100,331	3,414,445
Operations and maintenance of plant	1,989,020	1,767,580
Student financial aid	2,759,616	2,072,014
Depreciation	1,101,178	924,527
Auxiliary	382,362	360,765
Other	147,076	126,212
Total	$ 21,815,700	$ 19,538,594

19. 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 THE FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

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:

Without Donor Restrictions

Net assets that are not subject to donor stipulations.

With Donor Restrictions

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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

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, 2020 and 2019, this included $14,671 and $14,133, respectively of money market funds.

Investments

The Foundation's investments are carried at fair value. Investment income including interest, dividends, realized and unrealized gains and losses, net of investment expenses, are recorded on the Statement of Activities as either with or without donor restrictions depending upon whether the terms of the gift impose restrictions on the current use of the net income or net gains.

Pledges and Other Receivables

Pledges and other receivables represent unconditional promises to give from various donors including individuals, local businesses and state and local governments. Receivables in excess of one year have been discounted and all donor receivables are recorded at fair value as of June 30, 2020 and 2019.

Deferred Revenue

The Foundation holds fundraising events each year. All donations and fees received for future events prior to year-end are recognized as deferred revenue.

Revenue Recognition

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or law.

Contributions

Donor-restricted contributions whose restrictions are met in the same reporting period are reported as revenue without donor restrictions.

Contributions With Donor Restrictions

Contributions subject to donor-imposed stipulations that may or will be met by actions of the Foundation and/or the passage of time as well as contributions with donor-imposed stipulations that must be maintained in perpetuity by the Foundation are included in revenue with donor restrictions. 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.

Contributions Without Donor Restrictions

Contributions not subject to donor-imposed stipulations, or whose restrictions have been satisfied, are recorded as revenue without donor restrictions.

Functional Expense Allocation

Expenses that can be identified with a specific program or support service are charged directly to the program or supporting service. Expenses which apply to more than one functional category have been allocated based on estimates made by management. For the years ended June 30, 2020 and 2019, all expenses were charged directly to a specific program or to supporting services and no such allocations were made.

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 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 Goods and Services

Contributions of donated goods are recorded at their fair values in the period received based on comparable values of like goods.

The Foundation utilizes time contributed by employees of the College. The employee time is provided at no cost to the Foundation and are not deemed significant. There are no amounts for contributed services 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. At June 30, 2020 and 2019, the Foundation had $0 and $0 in excess of the FDIC insured limit, respectively. The Foundation continually assesses the financial strength of this institution to mitigate its credit risk.

Note 3 INVESTMENTS

The following is a summary of available-for-sale securities as of June 30, 2020:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Equity Securities and Mutual Funds	$ 640,521	$ 25,204	$ (1,935)	$ 663,790
Corporate Bonds	49,775	1,003	-	50,778
	$ 690,296	$ 26,207	$ (1,935)	$ 714,568

The following is a summary of available-for-sale securities as of June 30, 2019:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Equity Securities and Mutual Funds	$ 632,116	$ 33,326	$ (3,013)	$ 662,429
Corporate Bonds	49,781	594	-	50,375
	$ 681,897	$ 33,920	$ (3,013)	$ 712,804

Note 4 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 and 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.

The following table presents assets and liabilities measured at fair value by classification within the fair value hierarchy as of June 30, 2020:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Money Market	$ 14,671	$ -	$ -	$ 14,671
Total Money Market	$ 14,671	$ -	$ -	$ 14,671
Investments				
Equity				
Equity International	$ 70,301	$ -	$ -	$ 70,301
Equity Domestic Large Cap	280,791	-	-	280,791
Equity Domestic Mid Cap	22,073	-	-	22,073
Equity Domestic Small Cap	15,358	-	-	15,358
Equity Index Funds	96,374	-	-	96,374
Fixed Income	178,893	-	-	178,893
Corporate Bonds	50,778	-	-	50,778
Total Investments	$ 714,568	$ -	$ -	$ 714,568

The following table presents assets and liabilities measured at fair value by classification within the fair value hierarchy as of June 30, 2019:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Money Market	$ 14,133	$ -	$ -	$ 14,133
Total Money Market	$ 14,133	$ -	$ -	$ 14,133
Investments				
Equity				
Funds	$ 83,271	$ -	$ -	$ 83,271
Equity International	271,351	-	-	271,351
Equity Domestic Large Cap	15,164	-	-	15,164
Equity Domestic Mid Cap	15,238	-	-	15,238
Equity Domestic Small Cap	102,404	-	-	102,404
Equity Index Funds	166,182	-	-	166,182
Fixed Income	8,819	-	-	8,819
Corporate Bonds	50,375	-	-	50,375
Total Investments	$ 712,804	$ -	$ -	$ 712,804

Note 5 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 net assets with donor restrictions 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 net assets with donor restrictions as:

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

When reviewing its donor restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Foundation has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. The donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation's Board. In accordance with SPIMFA, the Foundation considers the following factors in making a determination to appropriate or accumulated 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.

Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level the donor or SPMIFA requires the Foundation to retain as a fund of perpetual duration. As of June 30, 2020 and 2019, the Foundation had no underwater endowment funds.

Endowment fund composition by type of fund as of June 30:

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor Restricted Endowment Funds:			
Original Donor Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	$ -	$ 500,000	$ 500,000
Accumulated Investment Gains	-	81,530	81,530
	$ -	$ 581,530	$ 581,530

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor Restricted Endowment Funds:			
Original Donor Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	$ -	$ 500,000	$ 500,000
Accumulated Investment Gains	-	75,380	75,380
	$ -	$ 575,380	$ 575,380

The Foundation had the following changes in the endowment funds during the years ended June 30, 2020 and 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, July 1, 2018	$ -	$ 532,561	$ 532,561
Contributions	-	-	-
Investment Return, Net	-	42,819	42,819
Appropriation of Endowment Assets for Expenditure	-	-	-
Endowment Net Assets, June 30, 2019	-	575,380	575,380
Contributions	-	-	-
Investment Return, Net	-	6,150	6,150
Appropriation of Endowment Assets for Expenditure	-	-	-
Endowment Net Assets, June 30, 2020	$ -	$ 581,530	$ 581,530

Note 6 NET ASSETS

Net assets without donor restrictions at June 30 are as follows:

	2020	2019
Undesignated	$ 198,612	$ 573,311

Net assets with donor restrictions at June 30 are restricted for the following purposes:

	2020	2019
Subject to Expenditure for Specified Purpose:		
Scholarships	$ 159,859	$ 302,836
Subject to Foundation's Spending Policy and Appropriation:		
Investment in Perpetuity, (including amounts greater than original gift amount of $500,000), which, once appropriated, is expendable to support:		
Scholarships	581,530	575,380
	$ 741,389	$ 878,216

Note 7 PRIOR PERIOD ADJUSTMENT

The accompanying financial statements for the year ended June 30, 2019 have been restated to correct an error for equipment that was previously reported as donated to Blue Ridge Community and Technical College in June in 2019. The effect of the restatement was to increase net income for the year ended June 30, 2019 by $421,950. During the year ended June 30, 2020, $21,000 worth of the equipment was sold for $21,000 and the remaining $400,950 was donated to Blue Ridge Community and Technical College.

Note 8 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Foundation has $934,367 of financial assets available within one year of the statement of financial position date of June 30, 2020 to meet cash needs for general expenditure consisting of cash of $204,799, investments of $714,568, and pledges and other receivables of $15,000. $741,389 of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The Foundation sets a goal of having financial assets on hand to meet 6 months of normal operating expenses, which are, on average, around $88,000. As part of its liquidity management, the Foundation has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due. Should an unforeseen liquidity need arise, the Foundation could seek additional donations without restrictions.

Note 9 SUBSEQUENT EVENTS

During the Foundation's latest fiscal year, the local and national economy has been negatively impacted by the effects of the worldwide coronavirus pandemic. The Foundation is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of these financial statements, the full impact to the Foundation's financial position is not known and therefore no adjustment has been made to these financial statements.

The Foundation has evaluated subsequent events through August 26, 2020, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2020, but prior to August 26, 2020, that provided additional evidence about conditions that existed at June 30, 2020 have been recognized in the financial statements for the year ended June 30, 2020. Events or transactions that provided evidence about conditions that did not exist at June 30, 2020, 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, 2020.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Proportionate Share of Net OPEB Liability

Measurement Date	College's Proportionate Share as a Percentage of Net OPEB 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	Plan Fiduciary Net Position as a Percentage of Total OPEB Liability
June 30, 2019	0.121164480%	$ 2,010,279	$ 411,393	$ 2,421,672	$ 2,332,651	86.18%	39.69%
June 30, 2018	0.110275342%	$ 2,365,887	$ 488,966	$ 2,854,853	$ 2,261,410	104.62%	30.98%
June 30, 2017	0.101164884%	$ 2,487,633	$ 510,963	$ 2,998,596	$ 2,224,677	111.82%	25.10%

Schedule of Employer Contributions

Measurement Date	Actuarily Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
June 30, 2019	$ 249,633	$ 249,633	$ -	$ 2,332,651	10.70%
June 30, 2018	$ 225,347	$ 225,347	$ -	$ 2,261,410	9.96%
June 30, 2017	$ 207,791	$ 207,791	$ -	$ 2,224,677	9.34%

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

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, 2019	0.002418%	$ 71,940	$ 173,644	$ 245,584	$ 69,820	103.04%	72.64%
June 30, 2018	0.002215%	$ 69,158	$ 179,206	$ 248,364	$ 66,622	103.81%	71.20%
June 30, 2017	0.002401%	$ 82,954	$ 183,454	$ 266,408	$ 67,392	123.09%	67.85%
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	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a percentage of Covered Payroll
June 30, 2020	$ 10,425	$ 10,425	$ -	$ 69,502	15.00%
June 30, 2019	$ 10,475	$ 10,473	$ 2	$ 69,820	15.00%
June 30, 2018	$ 9,830	$ 9,993	$ (163)	$ 66,622	15.00%
June 30, 2017	$ 9,940	$ 10,109	$ (169)	$ 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, 2020 and 2019

There are no factors that affect trends in the amounts reported, such as change in benefit terms or assumptions. With only six 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.

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Governors
Blue Ridge Community and Technical College
Martinsburg, West Virginia

We have audited, in accordance with the 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, the 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 year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated September 30, 2020. The financial statements of the Blue Ridge Community and Technical College Foundation, Inc. were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Blue Ridge Community and Technical College Foundation, Inc.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

The purpose of this communication is solely to describe the scope of our testing of internal control over financial reporting and the results of that testing. This communication is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
September 30, 2020