Blue Ridge Community and Technical College

Financial Statements as of and for the
Years Ended June 30, 2022 and 2021, and Independent
Auditors' Reports

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BLUE RIDGE COMMUNITY AND TECHNICAL COLLEGE

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, based on our audits and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, and the discretely presented component unit of the College, as of June 30, 2022 and 2021, 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.

We did not audit the financial statements of Blue Ridge Community and Technical College Foundation, Inc. (the Foundation), which represent 100% and 100%, respectively, of the assets and revenues of the component unit as of June 30, 2022 and 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the years then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Foundation, are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-15, the Schedule of Proportionate Share of Net OPEB liability and Contributions on page 61, and the Schedule of Proportionate Share of Net Pension Liability and Contributions on page 62 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 audits 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 29, 2022, 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 results 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. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
September 29, 2022

Blue Ridge Community and Technical College

Management Discussion and Analysis

Fiscal Year 2022

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, 2022, with a focus on 2022, 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, 2022, 2021, and 2020
(In thousands of dollars)

	2022	2021	2020
Assets			
Cash	$ 14,339	$ 13,632	$ 12,430
Other Current Assets	1,563	2,089	1,003
Other Noncurrent Assets	21	27	27
Capital Assets	19,407	19,145	19,458
Leased Assets	1,410	2,086	-
Total Assets	36,740	36,979	32,918
Deferred Outflows of Resources	373	510	564
Liabilities			
Current Liabilities	7,653	6,847	5,210
Noncurrent Liabilities	814	2,031	2,082
Total Liabilities	8,467	8,878	7,292
Deferred Inflows of Resources	1,439	1,694	925
Net Position			
Investment in Capital Assets	19,407	19,145	19,458
Restricted	1,924	2,258	2,583
Unrestricted	5,876	5,514	3,224
Total Net Position	$ 27,207	$ 26,917	$ 25,265

Total assets of the College decreased by approximately $239,000, .65%, to a total of approximately $36.7 million as of June 30 2022. Cash increased by approximately $707,000, or 5.2%. Other current assets decreased by approximately $526,000, largely due to a decrease in accounts receivable of which the majority is related to a significant reduction in unbilled charges to federal grants and also for decreases in amounts due from the state. 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 1.87, 1.99, and 2.39 as of June 30, 2022, 2021, and 2020, respectively. The working capital (current assets to current liabilities) is 2.08, 2.30, and 2.58, as of June 30, 2022, 2021, and 2020, respectively. The College implemented GASB 87, Leases for FY22 and revised FY21 assets and liabilities for comparison purposes. For this reason, the ratios show a decrease over FY20.

Other items of interest related to assets are as follows:

- Approximately 39% of the assets as of June 30, 2022 were held in cash and cash equivalents, compared to 37% and 38% in cash and cash equivalents as of June 30, 2021 and 2020, respectively. The stable trend in cash and cash equivalents is primarily attributable to tuition and fee of approximately $7,397,000, auxiliary of approximately $458,000, state, local, and federal grant award receipts of approximately $4,310,000 and education and general funds of approximately $1,906,000.

- Other current assets include 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.
    - The amount in due from the council/commission as of June 30, 2022 represents $163,532 related to Perkins and Apprenticeships in Motion grants and $7,855 in June interest receivable from interagency funds.
    - The amount due from other state agencies as of June 30, 2022 represents $20,264 related to Department of Health and Human Services (DHHR) and Jobs and Hope grants.
    - The net student accounts receivable is $195,913, $205,927, and $77,224 at June 30, 2022, 2021, and 2020, respectively. The bad debt reserve is $753,544, $683,871, and $679,055 as of June 30, 2022, 2021, and 2020, respectively. In 2020, 2021 and 2022, the College assessed old accounts deemed uncollectible and wrote off $125,959, $27,946 and $28,445, respectively. Management reviewed and revised expected collections utilizing a three-year actual collection trend of aging accounts. The decrease in net student accounts receivable and the increase in the allowance is a result of this analysis.
    - Grants and contracts receivable consist of $178,501, $181,728, and $172,938 at June 30, 2022, 2021, and 2020, 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 $371,837, $828,525, and $100,083 at June 30, 2022, 2021, and 2020, respectively. These balances represent amounts due to the College as a result of federal grant activities which have not been billed. It also includes amounts not drawn for the federal direct loan program and other federal grants.
    - Other receivables were $395,877, $220,583, and $255,089 at June 30, 2022, 2021, and 2020, 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 $229,706, $240,542, and $203,560 at June 30, 2022, 2021, and 2020, respectively, include expenditures that span a minimum period of six months. The current balance mostly represents expenditures for student lab equipment, software licensing, membership fees, and marketing.
- Noncurrent assets are other receivable, capital assets and leased assets.
    - Other receivable in the amount of $20,862 is due from employees that were converted from a non-arrears pay cycle to an arrears pay cycle. Originally, nine employees received a “no hardship payment” on 9/30/14 equal to their then-current gross wages. The current amount represents four employees who remain employed at the College. The remaining amount will be collected from each employee when he or she separates from the College.
    - Construction in Process (CIP) balances at June 30, 2022, 2021, and 2020 were $568,583, $11,800, and $236,667, respectively. The 2022 CIP balance of $568,583 is related to the patio expansion for additional seating to maintain social distancing, surveying the parking lot area over the remediated sinkhole, and renovations for the classroom for the culinary program at the Headquarters building. Additionally, in 2022, a deposit to begin construction of a blow molding machine was paid during the year.
    - Fixed asset additions, inclusive of CIP transfers, total $1,260,825 for fiscal year 2022. The majority of the additions, or 85.56%, were grant funded. Student and Capital fees combined provided 14.44% of the remaining additions. There were no fixed asset additions in fiscal year 2022 funded by capital payments made on behalf or donations.
    - In fiscal 2022, the college adopted GASB 87, Leases, in which the college is required to recognize an intangible right-to-use lease asset for leases that meet certain criteria. These leases were previously classified as operating leases in which the rent payments were expensed. With the adoption of GASB 87, the lease asset is amortized over the lease

term and the rent payments reduce the lease liability and recognize interest expense. Leased assets -net, total $1,409,644, at June 30, 2022 and $2,086,443 at June 30, 2021. June 30, 2021 was revised to include the asset and liability as of the implementation date of July 1, 2020 for comparative purposes. The leased assets are made up of certain leased equipment and leased building space at the Berkeley Business Park and Morgan County Commission. During fiscal 2022, an additional lease for equipment was added in the amount of $10,445. Amortization of the leased assets in fiscal 2022 and fiscal 2021, as revised, was $687,244 and $654,060, respectively.

Items of interest related to liabilities are as follows:

- Current liabilities of $7,653,457, $6,846,795, and $5,209,762 at June 30, 2022, 2021, and 2020, respectively, increased by $806,662 in fiscal year 2022, and increased by $1,637,033 in fiscal year 2021. The majority of the increase in fiscal year 2022 is related to an increase in unearned revenue of approximately $470,000, mainly for grants received not yet spent. The majority of the increase in fiscal 2021 was also related to an increase in unearned revenue, mostly related to grants, of approximately $786,000 and also the revision in fiscal 2021 related to the implementation of GASB 87 related to current leases of approximately $670,000.
    - Non-capital asset accounts payable of $479,573, $324,287, and $442,928 at June 30, 2022, 2021, and 2020, respectively, represent typical operating expenses such as bookstore, contractual charges, supplies and utilities.
    - Accrued payroll of $1,048,000, $915,914, and $767,158 at June 30, 2022, 2021, and 2020, respectively, increased each year. Annual years of service increase of $60 for each year served is provided by the State. There was also an additional day of accrual in fiscal 2022. This, combined with promotions and additional staffing, can be attributed to the slight payroll increase for 2022.
    - Due to council/commission and state agencies amounts reported of $69,414, $48,415, and $25,002 at June 30, 2022, 2021, and 2020, respectively, represent a combination of amounts due for services the state provides the College and for unused West Virginia financial aid grants and other state grants. The 2022 balance includes unused grant funds of $19,442 from HEAPS and $45,317 from the Learn and Earn grant. The 2021 balance includes unused grant funds of $32,725 from HEAPS and $2,060 from WVDHHR. The 2020 balance includes unused grant funds of $14,577 from HEAPS.
    - Accrued annual leave, or compensated absences, total $1,031,867, $1,058,366, and $944,407 at June 30, 2022. 2021, and 2020, respectively.
    - Unearned revenues were $4,273,851, $3,803,832, and $3,017,642 at June 30, 2022, 2021, and 2020, 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 FY22, the college received new state grants totaling $2,096,941 and expended $1,919,262 in total state grants. This resulted in a net increase in unearned state grant revenue of $177,679. The summer school component of unearned revenue for FY22 is $269,795, which is approximately 50% of the total summer term revenue. The deferral calculation is driven by the dates of the three parts of the summer term.
    - Lease payable – current portion - In fiscal 2022, the college adopted GASB 87, Leases, in which the college is required to recognize a lease liability for leases that meet certain criteria. These leases were previously classified as operating leases in which the rent payments were expensed. With the adoption of GASB 87, rent payments reduce the lease liability and recognize interest expense. Lease payable – current portion was $612,797 at June 30, 2022 and $670,038 at June 30, 2021. June 30, 2021 was revised to include

the asset and liability as of the implementation date of July 1, 2020 for comparative purposes. Leases payable are made up of certain leased equipment and leased building space at the Berkeley Business Park and Morgan County Commission. During fiscal 2022, an additional lease for equipment was added in the amount of $10,445. The current portion is the portion due within the next fiscal year per the contract terms.

- Noncurrent Liabilities include:
  - Other post-employment benefits (OPEB) accrued at June 30, 2022, 2021, and 2020 total $(38,844), $533,472, and $2,010,279, respectively. Fiscal 2022 resulted in an asset for OPEB and 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, 2022 totaled $38,304 and has decreased from the 2021 balance by $42,864. The net pension liability at June 30, 2021 totaled $81,168 and has increased from the 2020 balance by $9,228. The net pension liability at June 30, 2020 totaled $71,940 and has increased from the 2019 balance by $2,782. 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.
  - Lease payable – long term - In fiscal 2022, the college adopted GASB 87, Leases, in which the college is required to recognize a lease liability for leases that meet certain criteria. These leases were previously classified as operating leases in which the rent payments were expensed. With the adoption of GASB 87, rent payments reduce the lease liability and recognize interest expense. Lease payable – long term was $814,053 at June 30, 2022 and $1,416,405 at June 30, 2021. June 30, 2021 was revised to include the asset and liability as of the implementation date of July 1, 2020 for comparative purposes. Leases payable are made up of certain leased equipment and leased building space at the Berkeley Business Park and Morgan County Commission. During fiscal 2022, an additional lease for equipment was added in the amount of $10,445. The long-term portion is the portion due in fiscal 2024 through the end of the contract period of 2029.

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, 2022, 2021, and 2020
(In thousands of dollars)

	2022	2021	2020
Operating Revenues	$ 10,542	$ 9,986	$ 10,319
Operating Expenses	25,438	22,893	21,816
Operating Loss	(14,896)	(12,907)	(11,497)
Nonoperating Revenues - Net	15,136	14,413	12,082
Increase in Net Position	240	1,506	585
Capital Asset Donations	43	14	506
Capital Payments Made/ Expenses Incurred on Behalf of College	7	132	119
Increase in Net Position	290	1,652	1,210
Net Position - Beginning of Year	26,917	25,265	24,055
Net Position - End of Year	$ 27,207	$ 26,917	$ 25,265

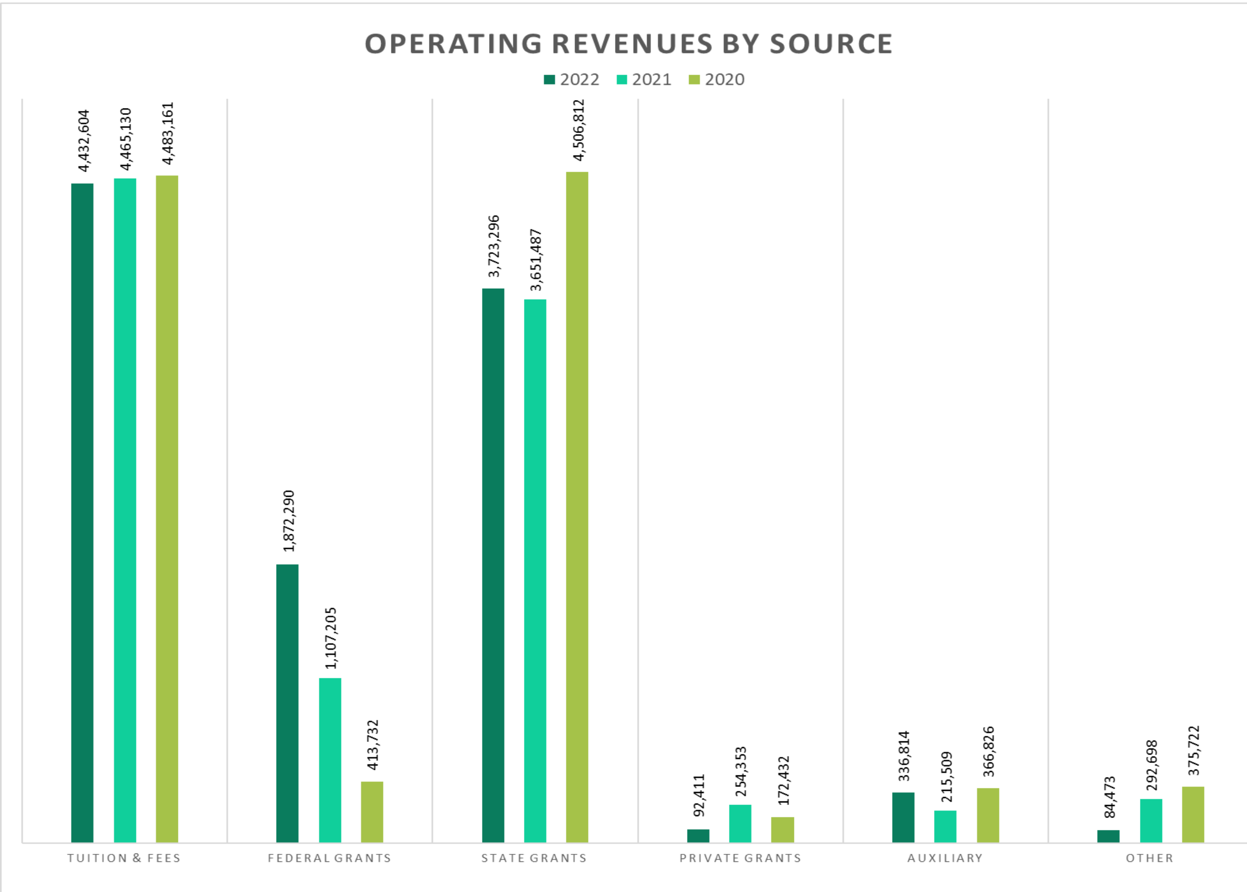
Operating Revenues

Approximately 42%, 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 .73% from 2021 and decreased 1.13% from 2020. This revenue category can be segregated by two types of tuition and fee revenues – academic and workforce development. The academic revenues decreased by $295,349 or 8.5% from 2021 and decreased by $339,351, or 9.7%, from 2020. The fiscal year 2022 tuition rate remained unchanged from the previous fiscal year. The fiscal year 2021 tuition rate also remained unchanged from the previous fiscal year. Workforce development revenue, which is generated by Career Advancement courses and contracted training with local employers, increased by $262,823, or 26% from 2021 and increased by $288,794, or 29.4%, from 2020. While fiscal 2021 only experienced a slight increase over fiscal 2020, fiscal 2022 appears to be improving in this area.
- Revenues from federal sources – totaling $1,872,290 consists of 6% student financial aid grants, 26% Carl D. Perkins Act funds, 3% Department of Health and Human Resources, 2% National Science Foundation, 29% Department of Labor 22% Economic Development Administration, 12% from the US Department of Education through the Governor's Emergency Education Relief Fund, and less than 1% from the National Endowment for Humanities.

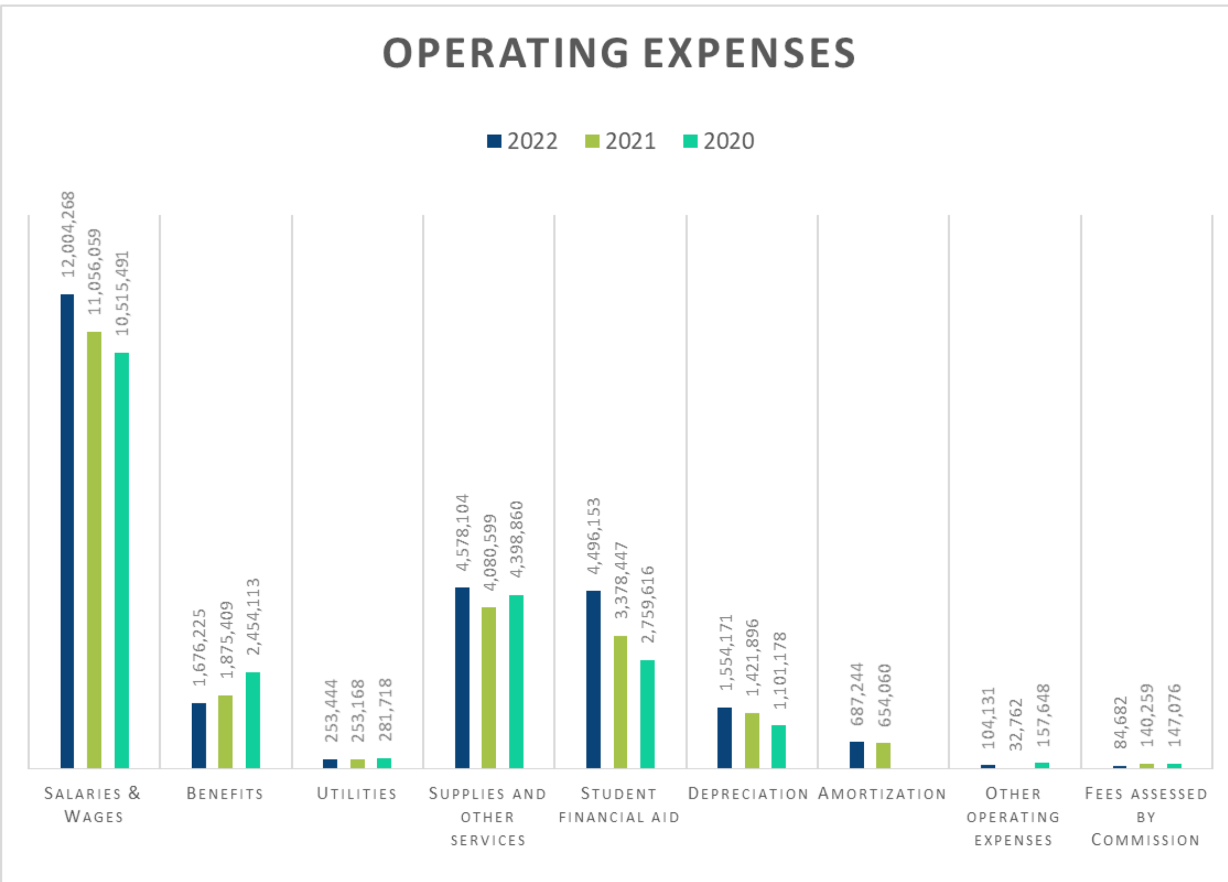
- State grants – totaling $3,723,296 consist of $1,804,034, or 48% of WV student financial aid. The remaining revenues reported as State Contracts and Grants consists of $1,919,262, or 52% in, WV Advance, Technical Program, and HB3009.

Operating revenues are up 5.56%, primarily due to federal grants. Blue Ridge CTC's FY22 Fall FTEs decreased from the FY21 Fall end of term FTEs by 35 full time equivalent students. The FTEs for FY22 and FY21 Fall semesters were 1,660 and 1,695, respectively.



Operating Expenses

Operating expenses increased by 11.12% from 2021 to 2022. Over half, 54%, of the fiscal year 2022 operating expenses were incurred for personnel services and benefits. Salaries increased by $948,209 or 8.6%. Benefits decreased by $199,184, or 10.6%, however, approximately $625,000 is related to GASB 75, OPEB, for changes in the liability, deferred inflows and deferred outflows which generated revenue in fiscal 2022. Expenses related to student financial aid increased by $1,117,706, or 33.1%. The increase is related to the federal Higher Education Emergency Relief Funds (HEERF) for direct emergency aid to students which increased $1,276,017 from 2021 to 2022. Student scholarships account for 18%, 15%, and 13% of the operating expenses in fiscal years 2022, 2021, and 2020, respectively. Supplies and other services represent 18% of fiscal 2022 operating expenses. Supplies and other services increased $497,505, or 12.19%. With GASB 87, rent payments are reflected as a reduction to the lease liability and interest expense and the lease asset is amortized over the life of the lease. The newly recognized amortization of leases represents $687,244, or 2.7% of fiscal 2022 operating expenses. Fiscal 2021 was revised to reclassify rent expense from supplies and other expenses to amortization expense. Utilities maintained stable and represents 1% of fiscal 2022 operating expenses. 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 2022 accrual increased the allowance for doubtful accounts balance by approximately 10%. 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 2022 increased by $722,799 from fiscal year 2021 due to an increase in the HEERF federal revenue for students $1,298,394. State appropriations decreased by $234,926 from 2021. Revenue through Federal Pell Grant decreased by $270,883 from 2021. Investment income decreased by $792 from 2021. Fees assessed by the Commission slightly increased by $2 from 2021. There was a loss on disposals of $1,020, resulting in a decrease of $1,952 from 2021. GASB 87, Leases, was implemented in 2022 resulting in $12,109 of interest expense not incurred in 2021. Finally, HEERF federal grant revenue for the institution decreased by $54,931 from 2021, bringing net non-operating revenues to $15,135,951 in fiscal year 2022. 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 the 2009 Bonds for the construction and furnishing of the College's headquarters facility. All payments from this bond issue have been in conjunction with the acquisition of a permanent main campus. The 2009 Bonds were refunded in FY2018 so no further payments on this issue will be made. Payments from the Series 2017 CTC Refinance bonds amounted to $6,994 in 2022, $131,798 in 2021, and $119,091 in 2020. These payments are related to an emergency generator at the headquarters facility and sink hole and storm water drain remediation. Total payments to date made on behalf of the College from the 2017 Refinance bonds equal $275,061.

The College received donations to support technical academic programs totaling $43,335 in 2022, $13,518 in fiscal year 2021 and $505,850 in fiscal year 2020.

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, leased assets payments, 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 used in operating activities to the operating loss reflected in the Statement of Revenues, Expenses, and Changes in Net Position.

Condensed Schedules of Cash Flows
For the Years Ended June 30, 2022, 2021, and 2020
(In thousands of dollars)

	2022	2021	2020
Cash Provided by (Used in):			
Operating Activities	$ (12,794)	$ (10,947)	$ (11,366)
Noncapital Financing Activities	15,821	13,734	12,291
Capital and Related Financing Activities	(2,340)	(1,605)	(1,836)
Investing Activities	20	20	185
Increase (Decrease) in Cash and Cash Equivalents	707	1,202	(726)
Cash and Cash Equivalents - Beginning of Year	13,632	12,430	13,156
Cash and Cash Equivalents - End of Year	$ 14,339	$ 13,632	$ 12,430

Cash used in 2022 operating activities was greater than 2021 and 2020 by $1,847,000 and $1,428,000, respectively. Comparing 2022 to 2021, cash inflows in the form of payments for student tuition and fees decreased by approximately $40,000, cash inflows for contracts and grants increased by approximately $516,000, cash inflows from auxiliary services increased approximately $121,000 and inflows for other receipts decreased by approximately $101,000. Cash outflows in the form of payments to employees increased approximately $1,103,000, payments for utilities stayed the same, payments for suppliers increased approximately $178,000, payments to the commission decreased approximately $56,000 and payments for scholarships and fellowships increased by approximately $1,118,000. The majority of this increase was driven by HEERF student grants. Cash provided by noncapital and financing activities increased approximately $2,087,000 mostly due to HEERF grants. Cash used in capital financing activities increased approximately $735,000 due to acquiring more capital assets of approximately $706,000.

Cash used in 2021 operating activities was less than 2020 by $419,000. Comparing 2021 to 2020, cash inflows in the form of payments for student tuition and fees and from contracts and grants increased by approximately $1,548,000. Cash inflows from auxiliary services and other receipts decreased by approximately $161,000. Cash outflows in the form of payments to suppliers, utilities, employees and commission increased by approximately $349,000. Payments for scholarships and fellowships increased by approximately $619,000. This increase was driven by HEERF student grants. Cash provided by noncapital and financing activities increased mostly due to HEERF grants. Cash expenditures for the purchase of capital assets was less in 2021 due to acquiring less assets.

Capital Asset Activity

2022:

CIP projects that were converted to capitalized assets during 2022 include building improvements for the Headquarters building totaling $118,175 and equipment totaling $190,945. The building improvements include a remodel of the Headquarters Bruin Café to expand services and updated glass enclosures for the cashier booth windows to provide more protection during the pandemic. The equipment includes cubicles purchased to remodel the Enrollment Management offices to provide separate spaces for employees while in office and a Moffat Convection Oven Construction which is a piece of new equipment in the Bruin Classroom at the Headquarters building. Fixed asset equipment additions, including CIP transfers, during fiscal year 2022 totaling $1,142,650 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, staff offices and facilities and are made up of computer equipment, research and education equipment, building improvements, vehicles and computer software. Computer equipment totaling $170,772 was purchased to support administrative technology equipment. The remaining $14,070 of computer equipment purchased was for classroom or academic lab use. Research and education equipment totaling $443,174 was used to support Mechatronics, Nursing and Veterinary Technician program. Equipment in the amount of $181,621 for the cubicles for the Enrollment Management Remodel were placed in service for 2022. The remaining equipment purchases were related to facilities. They were seven disinfectant foggers used for cleaning during the pandemic totaling $75,300 and a pickup truck totaling $40,554. A glass barrier to surround the Welcome Desk during the pandemic was also installed totaling $34,216. The Website was redesigned during fiscal year 2022 totaling $182,943. The majority of the additions, 86%, were grant-funded, 9% of additions to fixed assets were from capital fees, and 5% from student fees. The remaining balance in CIP at year-end of $568,583 is for construction at Headquarters building to expand the patio, to renovate a space for a Bruin Culinary Classroom, to survey the parking lot area over the remediated sinkhole and the deposit on construction of equipment for the Mechatronics Program.

2021:

CIP projects that were converted to capitalized assets during 2021 include land improvements for the Headquarters Campus totaling $107,133, leasehold improvements for the Technology Center totaling $13,765, and equipment totaling $279,611. These land improvements are the sinkhole and storm water drain remediation project at the Headquarters building. The leasehold improvements include a partition wall to split the Plastics Lab into two spaces to assist with social distancing in the classroom. The equipment included a portion of the Husky Injection Blow mold, a custom-built confined space training lab, and the emergency generator that is located at the Headquarters building. Fixed asset equipment additions during fiscal year 2021 totaling $1,212,663 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 facilities and are made up of computer equipment, research and education equipment, and a generator. Computer equipment totaling $88,719 was purchased to support administrative technology equipment. The remaining $22,899 of computer equipment purchased was for facilities. Research and education equipment totaling $929,150 was used to support Mechatronics and Welding, Chemical Operations Lab, Drone Program, and the new Veterinary Technician and HVAC labs. The remaining equipment placed in service during fiscal year 2021 was the emergency generator, totaling $171,895, at the headquarters building. The majority of the additions, 74%, were grant-funded, 21% of additions to fixed assets were paid by WVHEPC on Blue Ridge's behalf from bond proceeds, the remaining additions were 4% from capital fees, and 1% from donated assets. The remaining balance in CIP at year-end of $11,800 is for construction at Headquarters building to renovate the Bruin Café.

Economic Outlook

Blue Ridge Community and Technical College strategically responded to current events through adapted academic and student services programming to ensure effective continuity of business and academic services. Continuous improvement and advancement of new initiatives for digital learning, remote delivery of services, and alternative class possibilities remained a focus to serve students and the community. Through effective assessment and advances in alternative learning formats since the beginning of the COVID-19 pandemic, the institution is optimistic about the financial strength for the near future.

The College exhibits a stable financial foundation, significant cash position, adequate lease space, and a well-maintained headquarters' facility to address the immediate and near-term outlook. Although enrollment has declined at small rates for the past few years, leadership is strategizing ways to reverse this trend as the country moves through the extraordinary pandemic. Planned capital and technology projects emphasize both physical and technological infrastructure to meet safety needs and technological advancements for short-term initiatives.

The unpredictable nature of the state's revenue collection continues to challenge long-term planning given the college's dependence on state funding as a major source of income. However, a new funding formula has been introduced for all institutions of higher education within the State. The first two years of the program will look to analyze college data related enrollment, financial analysis, and other factors to determine how future funding might address state appropriation needs. It's too early in the process to understand how, or at what level, the new initiative might support and stabilize state funding. As in recent years, the college will continue to explore state and federal grant opportunities, contracted training and other avenues for enrollment growth to minimize its dependency on the state's economic conditions for funding of higher education. Grant writing to expand programmatic offering continues to expand with 35 grants from private, state, and federal sources totaling over $4.3 million dollars awarded in the past year.

The three Higher Education Emergency Relief Fund (HEERF) grants continue to support operations, ensure safety, and advance technology to meet the needs of employees, students, and the community. The College adequately utilized and has maintained a portion of the HEERF funds to support operational needs for technology and safety in the short-term through expiration of the grant funds on June 30, 2023.

Another positive sign for an encouraging outlook occurred at the end of FY22 as the College was removed from 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, and has successfully maintained its cash balance and effectively processed financial aid.

With a continued focus addressing student needs for alternative learning modalities and the necessity of maintaining a safe environment for all members of the campus community, Blue Ridge Community and Technical College enters fiscal 2023 on a stable financial foundation, opportunities for advancement and optimistic about the future for the region and the college.

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, 2022 AND 2021

	2022	2021
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS:		
Cash and cash equivalents	$ 14,338,823	$ 13,632,050
Appropriations due from Primary Government	-	117,463
Due from the Council/Commission	171,387	280,197
Due from other state agencies	20,264	14,331
Accounts receivable — net	1,142,128	1,436,763
Prepaid expenses	229,706	240,542
Total current assets	15,902,308	15,721,346
NONCURRENT ASSETS:		
Other receivable	20,862	27,083
Capital assets — net	19,407,110	19,144,693
Leased assets — net	1,409,644	2,086,443
Total noncurrent assets	20,837,616	21,258,219
Total assets	36,739,924	36,979,565
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	17,281	26,728
OPEB related	355,376	482,799
Total deferred outflows of resources	372,657	509,527
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 37,112,581	$ 37,489,092
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable	$ 617,528	$ 350,230
Accrued liabilities	1,048,000	915,914
Due to the Council/Commission	64,759	32,759
Due to other state agencies	4,655	15,656
Compensated absences	1,031,867	1,058,366
Unearned revenue	4,273,851	3,803,832
Leases payable - current portion	612,797	670,038
Total current liabilities	7,653,457	6,846,795
NONCURRENT LIABILITIES:		
Net OPEB liability (asset)	(38,844)	533,472
Net pension liability	38,304	81,168
Leases payable - long term	814,053	1,416,405
Total noncurrent liabilities	813,513	2,031,045
Total liabilities	8,466,970	8,877,840
DEFERRED INFLOWS OF RESOURCES:		
Service concession arrangement	27,083	33,333
Pension related	36,599	7,446
OPEB related	1,375,304	1,653,594
Total deferred inflows of resources	1,438,986	1,694,373
NET POSITION:		
Investment in capital assets	19,407,111	19,144,693
Restricted for — expendable — other	1,923,725	2,257,819
Unrestricted	5,875,789	5,514,367
Total net position	27,206,625	26,916,879
TOTAL	$ 37,112,581	$ 37,489,092

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, 2022 AND 2021

	2022	2021
OPERATING REVENUES:		
Student tuition and fees — net of scholarship allowance of $2,778,866 and $2,796,057 in 2022 and 2021, respectively	$ 4,432,604	$ 4,465,130
Contracts and grants:		
Federal	1,872,290	1,107,205
State	3,723,296	3,651,487
Private	92,411	254,353
Auxiliary enterprise revenue	336,814	215,509
Other operating revenues	84,473	292,698
Total operating revenues	10,541,888	9,986,382
OPERATING EXPENSES:		
Salaries and wages	12,004,268	11,056,059
Benefits	1,676,225	1,875,409
Utilities	253,444	253,168
Supplies and other services	4,578,104	4,080,599
Student financial aid — scholarships and fellowships	4,496,153	3,378,447
Depreciation	1,554,171	1,421,896
Amortization	687,244	654,060
Other operating expenses	104,131	32,762
Fees assessed by the Commission for operations	84,682	140,259
Total operating expenses	25,438,422	22,892,659
OPERATING LOSS	(14,896,534)	(12,906,277)
NONOPERATING REVENUES (EXPENSES):		
State appropriations	7,713,379	7,948,305
Federal Pell Grant	2,682,656	2,953,539
Investment income	19,597	20,389
Fees assessed by the Commission	(2,251)	(2,249)
Interest expense - Leases	(12,109)	-
Gain (loss) on disposals	(1,020)	932
HEERF Federal Revenue - Student Grant	2,458,629	1,160,235
HEERF Federal Revenue - Institutional Grant	2,277,070	2,332,001
Net nonoperating revenues	15,135,951	14,413,152
INCREASE IN NET POSITION BEFORE OTHER REVENUES	239,417	1,506,875
OTHER REVENUES:		
Capital Asset Donations	43,335	13,518
Capital Payments made and expenses incurred on behalf of the College	6,994	131,798
Total other revenues	50,329	145,316
INCREASE IN NET POSITION	289,746	1,652,191
NET POSITION — Beginning of year	26,916,879	25,264,688
NET POSITION — End of year	$ 27,206,625	$ 26,916,879

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, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Student tuition and fees	$ 4,297,298	$ 4,337,428
Contracts and grants	6,021,628	5,505,507
Payments to and on behalf of employees	(14,339,371)	(13,236,534)
Payments to suppliers	(4,390,983)	(4,212,810)
Payments to utilities	(253,444)	(253,168)
Payments for scholarships and fellowships	(4,496,153)	(3,378,447)
Auxiliary enterprise charges	336,814	215,509
Fees retained by Commission	(84,682)	(140,259)
Other receipts - net	115,241	216,022
Net cash used in operating activities	(12,793,652)	(10,946,752)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State appropriations	7,830,842	7,830,842
Federal Pell Grant	2,682,656	2,953,539
Federal HEERF Grant	5,306,994	2,949,616
Federal student loan program - direct lending receipts	2,396,139	2,939,907
Federal student loan program - direct lending payments	(2,396,139)	(2,939,907)
Net cash provided by noncapital financing activities	15,820,492	13,733,997
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Purchases of capital assets	(1,655,266)	(949,127)
Fees assessed by the Commission	(2,251)	(2,249)
Principal paid - leased assets	(670,038)	(654,060)
Interest paid - leased assets	(12,109)	-
Net cash used in capital financing activities	(2,339,664)	(1,605,436)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on investments	19,597	20,389
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	706,773	1,202,198
CASH AND CASH EQUIVALENTS - Beginning of year	13,632,050	12,429,852
CASH AND CASH EQUIVALENTS - End of year	$ 14,338,823	$ 13,632,050
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	$ (14,896,534)	$ (12,906,277)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	1,554,171	1,421,896
Amortization of leased assets	687,244	654,060
Amortization of Service Concession Arrangement	(6,250)	(6,250)
Bad debt expense	69,673	4,816
Effect of changes in operating assets and liabilities:		
Accounts receivable, net	(340,112)	(293,625)
Due from Council/Commission/other state agencies	102,877	(99,859)
Prepaid expenses	10,836	(36,982)
Accounts payable	155,285	(118,642)
Accrued liabilities	132,086	148,756
Due to Council/Commission/other state agencies	20,999	23,413
Compensated absences	(26,499)	113,959
Net pension liability	(4,264)	442
Other postemployment benefits liability	(723,183)	(638,649)
Unearned revenue	470,019	786,190
Net cash used in operating activities	$ (12,793,652)	$ (10,946,752)
NONCASH TRANSACTIONS:		
Capital expenses in accounts payable	$ 137,955	$ 25,943
Capital payments made and expenses incurred on behalf of the College	$ 6,994	$ 131,798
Capital Asset Donations	$ 43,335	$ 13,518
Appropriations due from Primary Government	$ -	$ 117,463

The Accompanying Notes Are An Integral Part of These Financial Statements

BLUE RIDGE COMMUNITY AND TECHNICAL COLLEGE FOUNDATION, INC.
A COMPONENT UNIT OF BLUE RIDGE COMMUNITY AND TECHNICAL COLLEGE
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2022 AND 2021

ASSETS

	2022	2021
ASSETS		
Cash and Cash Equivalents	$ 377,071	$ 317,532
Investments	888,259	889,840
Pledges and Other Receivables	5,825	50,000
Other Assets	6,391	7,321
Total Assets	$ 1,277,546	$ 1,264,693

LIABILITIES AND NET ASSETS

	2022	2021
LIABILITIES		
Deferred Revenue	$ 625	$ 625
Total Liabilities	625	625
NET ASSETS		
Without Donor Restrictions	214,985	228,002
With Donor Restrictions	1,061,936	1,036,066
Total Net Assets	1,276,921	1,264,068
Total Liabilities and Net Assets	$ 1,277,546	$ 1,264,693

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, 2022 AND 2021

	Year Ended June 30, 2022			Year Ended June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND PUBLIC SUPPORT						
Contributions	$ 1,800	$ 222,722	$ 224,522	$ 2,866	$ 248,166	$ 251,032
Special Events Income, Net of Direct Costs of $0 and $0 in 2022 and 2021, Respectively	23,730	-	23,730	25,430	-	25,430
Contributed Goods and Services	4,000	-	4,000	13,518	-	13,518
Investment Return, Net	1,511	(74,135)	(72,624)	1,405	165,060	166,465
Net Assets Released from Restrictions	122,717	(122,717)	-	118,549	(118,549)	-
Total Revenues, Gains, and Public Support	153,758	25,870	179,628	161,768	294,677	456,445
EXPENSES						
Program Expenses						
Scholarships	122,717	-	122,717	118,549	-	118,549
Support to College	43,478	-	43,478	13,518	-	13,518
Total Program Services	166,195	-	166,195	132,067	-	132,067
Management and General						
Supplies and Other Expenses	580	-	580	311	-	311
Total Expenses	166,775	-	166,775	132,378	-	132,378
Changes in Net Assets	(13,017)	25,870	12,853	29,390	294,677	324,067
Net Assets, Beginning of Year	228,002	1,036,066	1,264,068	198,612	741,389	940,001
Net Assets, End of Year	$ 214,985	$ 1,061,936	$ 1,276,921	$ 228,002	$ 1,036,066	$1,264,068

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 annual comprehensive 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, 2022 and 2021. No modifications have been made to the Foundation's audited financial information as it is presented herein (see also Note 20).

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 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, 2022 and 2021.

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 — Receipts 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 $17,281 and $26,728 as of June 30, 2022 and 2021, respectively (see Note 14), and deferred outflows of resources related to OPEB of $355,376 and $482,799, 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, 2022, and 2021, the College had deferred inflows related to service concession arrangements of $27,083 and $33,333, respectively (see Note 16), deferred inflows related to pensions of $36,599 and $7,446, respectively (see Note 14), and deferred inflows related to OPEB of $1,375,304 and $1,653,594, 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 HEERF 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 2022 and 2021, the College received and disbursed $2,396,139 and $2,939,907, 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 2022 and 2021, the College received and disbursed $2,803,158 and $3,089,408, respectively, under these federal student aid programs.

Education Stabilization Funds - 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 2022 and 2021, the College received and disbursed $0 and $92, respectively, of the student aid portion for direct emergency aid to students. In 2022 and 2021, the College claimed $14,437 and $479,657, respectively, of the institutional aid portion to cover costs associated with significant changes to the delivery of instruction due to the coronavirus. The total CARES Act Grant funds for both portions of the grant have been received and disbursed by the end of fiscal year 2021.

In February 2021, the College was awarded Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSAA") Act Grants from the U.S. Department of Education. This grant was awarded as a supplement to increase the previous grant award under the CARES Act. The majority of the terms and conditions for this act are the same as the CARES Act. For CRRSAA, the total award is Student Aid of $592,798 and Institutional Aid of $2,771,155. In 2022 and 2021, the College received and disbursed $0 and $592,798, respectively of the student aid portion and claimed $923,352 and $1,829,740, respectively of the institutional aid portion. The College has received $1,574,573 and $1,196,582 of the institutional funds in fiscal year 2022 and 2021, respectively.

In May 2021, the College was awarded American Rescue Plan Act ("ARPA") Act Grants from the U.S. Department of Education. This grant was awarded as a supplement to increase the previous grant award under the CARES and CRRSAA Acts. The majority of the terms and conditions for this act are the same as the CARES and CRRSAA Acts. For ARPA, the total award is Student Aid of $3,025,974 and Institutional Aid of $3,003,719. In 2022 and 2021, the College received and disbursed $2,458,629 and $567,345 of the student aid portion and claimed $1,339,281 and $22,604 of the institutional aid portion, respectively. The College has received $1,273,794 and $0 of the institutional funds in fiscal year 2022 and 2021, respectively.

For all three acts, CARES, CRRSAA, and ARPA, of the Higher Education Emergency Relief Funds (HEERF) Funds, 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 University 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 has impacted various parts of its fiscal years 2020, 2021, and 2022 and may impact various parts of its fiscal year 2023 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. Federal funding related to COVID-19 could offset some of these impacts. The latest round of this funding, originally set to expire May

2022, was automatically extended by the Department of Education to June 2023. 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)

In June 2017, the GASB issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The College adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of this standard to the beginning of the earliest comparative period presented. The implementation of this standard did not have a significant impact on net position, therefore no restatement of net position is necessary.

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 adoption of this standard had no effect on the College’s 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 adoption of this standard had no effect on the College’s financial statements.

The GASB has also issued Statement No. 97*, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans,* which is effective immediately for objective (1) and effective for fiscal years beginning after June 15, 2021 for the other objectives. Statement No. 97’s primary objectives are (1) increase consistency and comparability related to the reporting of fiduciary component units which do not have a governing board and the primary government performs the duties that the governing board would typically perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The adoption of this standard had no effect on the College's financial statements.

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

The GASB has also issued Statement No. 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. 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.

The GASB has also issued Statement No. 96, *Subscription-Based Information Technology Arrangements,* which is effective for fiscal years beginning after June 15, 2022. Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITA) for government end users. The statement establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The College has not yet determined the effect that the adoption of GASB Statement No. 96 may have on its financial statements.

The GASB has also issued Statement No. 99, *Omnibus 2022*, which has various effective dates. The requirements related to Statement 34 and Statement 63 are effective upon issuance. The requirements related to leases, PPP, and SBITAs are effective for fiscal years beginning after June 15, 2022. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning June 15, 2023. Statement No. 99's primary objectives are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues/terminology that have been identified during implementation and application of GASB Statements No. 34, 53, 63, 87, 94, 96; and the accounting and financial reporting for financial guarantees. Statement No. 99 also addresses the extension of the period during which LIBOR is considered an appropriate benchmark, accounting for SNAP benefits, disclosures related to nonmonetary exchanges, and pledges of future revenues when resources are not received by the pledging government. The College has not yet determined the effect that the adoption of GASB Statement No. 99 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, 2022 and 2021:

	2022	2021
State Treasurer	$ 14,070,441	$ 13,368,594
In Bank	268,382	263,456
	$ 14,338,823	$ 13,632,050

The combined carrying amount of cash in bank at June 30, 2022 and 2021, was $268,382 and $263,456 as compared with the combined bank balance of $279,954 and $286,913, 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 (FDIC) up to $250,000. The college deposits are collateralized under the pooling method with the State of WV Treasurer's Office. Funds are secured through a single escrow account established with the State Treasurer by the states agent with collateral pledged for deposits in excess of FDIC insurance.

Amounts with the State Treasurer as of June 30, 2022 and 2021, 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, 2022 and 2021, was $4,018,097 and $2,470,889, respectively. At June 30, 2022 and 2021, the College had $5 and $0, respectively, of reconciling items 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: West Virginia Board of Treasury Investments, 315 70th Street SE, Charleston, WV 25304 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:

	2022			2021		
External Pool	College's Carrying Value		S & P Rating	College's Carrying Value		S & P Rating
WV Money Market Pool	$	9,819,258	AAAm	$	10,635,701	AAAm
WV Short Term Bond Pool	$	233,091	Not Rated	$	262,004	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 (WAM) for the WV Money Market Pool:

	2022			2021		
External Pool	College's Carrying Value		WAM (Days)	College's Carrying Value		WAM (Days)
WV Money Market Pool	$	9,819,258	21	$	10,635,701	52

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

	2022			2021		
External Pool	College's Carrying Value		Effective Duration (Days)	College's Carrying Value		Effective Duration (Days)
WV Short Term Bond Pool	$	233,091	584	$	262,004	638

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 2017, effective June 24, 2021, gave a supplementary appropriation from the State Fund, General Revenue to numerous agencies for fiscal year 2021. Blue Ridge Community and Technical College received an additional $117,463. Per Enrolled Senate Bill 2017, any unexpended balance at the end of fiscal year 2021 is reappropriated for expenditure during fiscal year 2022. The College did not spend any of this as of June 30, 2021, therefore $117,463 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, 2021. The College did spend all of this as of June 30, 2022, therefore $0 is reflected in the statement of net position as appropriations due from primary government and $117,463 included as expenses on the statement of revenues, expenses, and changes in net position as of June 30, 2022.

There were no supplementary appropriations awarded to Blue Ridge Community and Technical College for fiscal year 2022.

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, 2022 and 2021, is as follows:

	2022	2021
WVHEPC	$ 7,855	$ 29,771
WVCTCS	163,532	250,426
Due from the Council/Commission	$ 171,387	$ 280,197
WV Department of Education - Jobs and Hope	$ 15,475	$ 14,331
WV Department of Health and Human Resources/TANF	4,789	-
Due from other state agencies	$ 20,264	$ 14,331

6. ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2022 and 2021, is as follows:

	2022	2021
Student tuition and fees — net of allowance for doubtful accounts of $753,544 and 683,871 in 2022 and 2021, respectively	$ 195,913	$ 205,927
Other receivables	395,877	220,583
Unbilled charges	371,837	828,525
Financial aid grants receivable	178,501	181,728
	$ 1,142,128	$ 1,436,763

7. CAPITAL ASSETS AND LEASED ASSETS

Summary of capital assets and right-to-use leased assets transactions for the College as of June 30, 2022 and 2021, are as follows:

	2022			
	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Land	$ 1,605,550	$ -	$ -	$ 1,605,550
Construction in progress	11,800	865,903	(309,120)	568,583
Total capital assets not being depreciated	$ 1,617,350	$ 865,903	$ (309,120)	$ 2,174,133
Capital assets being depreciated:				
Land Improvements	$ 772,624	$ -	$ -	$ 772,624
Buildings/Leasehold improvements	18,793,168	118,175	-	18,911,343
Library books	1,492	-	(1,492)	-
Equipment	8,012,370	1,142,650	(272,359)	8,882,661
Total capital assets being depreciated	27,579,654	1,260,825	(273,851)	28,566,628
Less capital assets accumulated depreciation for:				
Land Improvements	332,201	44,232	-	376,433
Buildings/Leasehold improvements	4,996,341	502,893	-	5,499,234
Library books	1,492	-	(1,492)	0
Equipment	4,722,277	1,007,046	(271,339)	5,457,984
Total capital assets accumulated depreciation	10,052,311	1,554,171	(272,831)	11,333,651
Capital assets being depreciated — net	$ 17,527,343	$ (293,346)	$ (1,020)	$ 17,232,977
Capital assets — net	$ 19,144,693	$ 572,557	$ (310,140)	$ 19,407,110

	Beginning Balance	Additions	Reductions	Ending Balance
Leased assets being amortized				
Leased Building Space	$ 2,640,697	$ -	$ -	$ 2,640,697
Leased Equipment	99,806	10,445	-	110,251
Total leased assets being amortized	2,740,503	10,445	-	2,750,948
Less leased assets accumulated amortization for:				
Leased Building Space	647,332	665,210	-	1,312,542
Leased Equipment	6,728	22,034	-	28,762
Total leased assets accumulated amortization	654,060	687,244	-	1,341,304
Leased assets — net	$ 2,086,443	$ (676,799)	$ -	$ 1,409,644

CAPITAL ASSETS AND LEASED ASSETS (Continued)

	2021			
	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Land	$ 1,605,550	$ -	$ -	$ 1,605,550
Construction in progress	236,667	175,642	(400,509)	11,800
Total capital assets not being depreciated	$ 1,842,217	$ 175,642	$ (400,509)	$ 1,617,350
Capital assets being depreciated:				
Land Improvements	$ 665,491	$ 107,133	$ -	$ 772,624
Buildings/Leasehold improvements	18,779,403	13,765	-	18,793,168
Library books	1,492	-	-	1,492
Equipment	6,878,090	1,212,663	(78,383)	8,012,370
Total capital assets being depreciated	26,324,476	1,333,561	(78,383)	27,579,654
Less capital assets accumulated depreciation for:				
Land Improvements	287,968	44,233	-	332,201
Buildings/Leasehold improvements	4,483,471	512,870	-	4,996,341
Library books	1,492	-	-	1,492
Equipment	3,935,867	864,793	(78,383)	4,722,277
Total capital assets accumulated depreciation	8,708,798	1,421,896	(78,383)	10,052,311
Capital assets being depreciated — net	$ 17,615,678	$ (88,335)	$ -	$ 17,527,343
Capital assets — net	$ 19,457,895	$ 87,307	$ (400,509)	$ 19,144,693
Leased assets being amortized				
Leased Building Space	$ 2,640,697	$ -	$ -	$ 2,640,697
Leased Equipment	-	99,806	-	99,806
Total leased assets being amortized	2,640,697	99,806	-	2,740,503
Less leased asset accumulated amortization for:				
Leased Building Space	-	647,332	-	647,332
Leased Equipment	-	6,728	-	6,728
Total leased asset accumulated amortization	-	654,060	-	654,060
Leased assets — net	$ 2,640,697	$ (554,254)	$ -	$ 2,086,443

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, 2022 and 2021, is as follows:

	2022	2021
WVHEPC	$ 19,442	$ 32,759
WVCTCS	45,317	-
Total Due to the Council/Commission	$ 64,759	$ 32,759
WV State Tax Dept	$ 1,471	$ 1,163
WV Dept of Health and Human Resources	-	2,060
WV State Treasurers Office	1,010	1,048
WV Office of Attorney General	1,518	-
Department of Administration - Central Mail	16	34
Department of Administration - Accounting Section	-	11,050
WVNET	640	301
Total Due to other state agencies	$ 4,655	$ 15,656

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, 2022 and 2021, respectively:

OPEB	2022	2021
Net OPEB Liability (Asset)	$ (38,844)	$ 533,472
Deferred Outflows of Resources	$ 355,376	$ 482,799
Deferred Inflows of Resources	$ 1,375,304	$ 1,653,594
Revenues (expense) – special funding	$ (35,560)	$ 50,663
OPEB Expense (revenue)	$ (625,068)	$ (349,760)
Contributions Made by the College	$ 133,675	$ 238,225

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 (asset) for financial reporting purposes was determined by an actuarial valuation as of June 30, 2020. The following actuarial assumptions were used:

- Actuarial cost method: Entry age normal cost method.

- Amortization method: Level percentage of payroll over a 20 year closed period beginning June 30, 2017.

- Asset valuation method: Market value

- Investment rate of return: 6.65%, net of OPEB plan investment expense, including inflation.

- Salary increases: Rates based on 2015-2020 OPEB Experience Study and dependent on pension plan participation and attained age, and range from 2.75% to 5.18%, including inflation. Rates were first applied to the 2020 valuation.

- Wage inflation: 2.75% for PERS and TRS

- Inflation rate: 2.25%

- Retirement age: Rates based on 2015-2020 OPEB experience study and vary by pension plan participation and age/service at retirement. Rates first applied to the 2020 valuation.

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

- Mortality: Post-Retirement: TRS: Pub-2010 General Healthy Retiree Mortality Tables (100% males, 108% females) projected with MP-2019. PERS: Pub-2010 General Below-Median Healthy Retiree Tables (106% males, 113% females) projected with MP-2019. Pre-Retirement: TRS: Pub-2010 General Employee Mortality Tables (100% males, 100% females) projected with scale MP-2019. PERS: Pub-2010 Below-Median Income General Employee Mortality Tables projected with scale MP-2019.

- Healthcare cost trend rates: Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2020, decreasing by 0.50% for one year then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of (31.11%) for plan year end 2022. 9.15% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.

- 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, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020.

There were no assumption changes from the actuarial valuation as of June 30, 2020, measured at June 30, 2020 to a roll-forward measurement date of June 30, 2021.

The long-term expected rate of return of 6.65% on OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.00% for long-term assets invested with the West Virginia Investment Management Board ("IMB") and an expected short-term rate of return of 2.50% 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 rates of return on OPEB plan investments are determined using a building-block method in which estimates of expected future real 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 forecast returns were provided by the plan's investment advisors, including the IMB. The projected 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 returns assuming a 10-year horizon are summarized below:

June 30, 2021

Asset Class	Long-term Expected Real Rate of Return
Global equity	4.8%
Core plus fixed income	2.1%
Core real estate	4.1%
Hedge fund	2.4%
Private equity	6.8%

June 30, 2020

Asset Class	Long-term Expected Real Rate of Return
Global equity	6.8%
Core plus fixed income	4.1%
Core real estate	6.1%
Hedge fund	4.4%
Private equity	8.8%

Single discount rate. A single discount rate of 6.65% 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 6.65%. 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. Based on those assumptions, 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.

Sensitivity of the net OPEB liability (asset) to changes in the discount rate. The following presents the College's proportionate share of the net OPEB liability (asset) as of June 30, 2022 and 2021, respectively, calculated using the discount rate of 6.65%, as well as what the College's net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.65%) or one percentage point higher (7.65%) than the current rate:

2022			
	1% Decrease (5.65%)	Discount Rate (6.65%)	1% Increase (7.65%)
Net OPEB Liability (Asset)	$ 208,442	$ (38,844)	$ (244,162)

2021			
	1% Decrease (5.65%)	Discount Rate (6.65%)	1% Increase (7.65%)
Net OPEB Liability	$ 760,802	$ 533,472	$ 343,167

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 (asset) as of June 30, 2022 and 2021, respectively, calculated using the current healthcare cost trend rates, as well as what the College's net OPEB liability (asset) 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:

2022			
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability (Asset)	$ (286,805)	$ (38,844)	$ 263,200

2021			
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	$ 320,995	$ 533,472	$ 790,101

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

The net OPEB liability at June 30, 2022 and 2021 was measured as of June 30, 2021 and 2020, respectively, which is the measurement date. The total OPEB liability at June 30, 2022 and 2021 was determined by an actuarial valuation as of June 30, 2020 and 2019, respectively, and rolled forward to the respective measurement dates.

At June 30, 2022 and 2021, the amount recognized as the College's proportionate share of the net OPEB liability (asset) was approximately $(38,844) and $533,472, respectively. At June 30, 2022 and 2021, the nonemployer contributing entity's (State of West Virginia) portion of the collective net OPEB liability (asset) is $(7,649) and $117,959, respectively, and the total net OPEB liability (asset) attributable to the College at June 30, 2022 and 2021 is $(46,493) and $651,431, 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, 2021 and June 30, 2020. Employer contributions are recognized when due. At June 30, 2021, the

College's proportion was 0.130635808%, an increase of 0.00986% from its proportion of 0.120779244% calculated as of June 30, 2020. At June 30, 2020, the College's proportion was 0.120779244%, a decrease of 0.00039% from its proportion of 0.121164480%, calculated as of June 30, 2019.

For the years ended June 30, 2022 and 2021, the College recognized OPEB expense of $(625,068) and $(349,760), respectively. Of this amount, $(589,508) and $(400,423), respectively, was recognized as the College's proportionate share of the OPEB expense, and $(35,560) and $50,663, respectively, as the amount of OPEB expense attributed to special funding. The OPEB expense is included in the statement of revenues, expenses, and changes in net position as benefits. The College also recognized revenue of $(35,560) and $50,663, respectively, for support provided by the State. The revenue is recorded in the statement of revenues, expenses, and changes in net position as other operating revenues.

At June 30, 2022 and 2021, deferred outflows of resources and deferred inflows of resources related to OPEB are as follows:

Deferred Outflows of Resources	2022	2021
Contributions after the measurement date	$ 133,676	$ 238,225
Changes in proportion and difference between employer contributions and proportionate share of contributions	221,700	204,080
Net difference between projected and actual investment earnings	-	40,494
Total	$ 355,376	$ 482,799

Deferred Inflows of Resources	2022	2021
Changes in proportion and difference between employer contributions and proportionate share of contributions	$ 4,302	$ 71,122
Net difference between projected and actual investment earnings	268,075	-
Differences between expected and actual experience	267,578	345,894
Changes in assumptions	821,961	1,204,157
Reallocation of Opt-out employer change in proportionate share	13,388	32,421
Total	$ 1,375,304	$ 1,653,594

The College will recognize the $133,676 reported as deferred outflows of resources resulting from OPEB contributions after the measurement date as a reduction of the net OPEB liability (asset) in the year ended June 30, 2023. 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, 2023	$	(542,456)
June 30, 2024		(455,186)
June 30, 2025		(79,187)
June 30, 2026		(76,775)
	$	(1,153,604)

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, 2022 and 2021.

11. LEASES PAYABLE

The College leases equipment as well as certain building space used for classrooms and administrative offices at two locations for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2029 and provide for renewal options ranging from one year to five years. These leases are accounted for under GASB 87 effective July 1, 2020 rather than as operating leases. June 30, 2021 was revised to reflect the lease asset and lease liabilities on the statement of net position and rent expense was reclassed as amortization expense on the statement of revenues, expenses, and changes in net position. The implementation of GASB 87 did not have a significant impact on net position, therefore no restatement of net position was necessary.

GASB 87 requires the use of an incremental borrowing rate (IBR) since the discount rate applied against lease payments is not specified in each of the College's leases. GASB 87 paragraph 23 defines the incremental borrowing rate as the rate a lessee would pay to borrow the lease payment amounts during the lease term. The College uses the Bloomberg rate for leases based on the rate for the month of the start of the lease, or the implementation date as is the case for the first year of implementation of GASB 87.

The following Bloomberg rates were used:

For active leases as of June 30, 2021:

5-year lease	.52%
10-year lease	1.02%

For lease starting September 1, 2021:

5-year lease	.42%

Future minimum lease payments under lease agreements are as follows:

Leased Building Space

Year Ending June 30,	Berkeley Business Park Principal	Berkeley Business Park Interest	Morgan County Commission Principal	Morgan County Commission Interest	Total
2023	$ 452,556	$ 7,891	$ 138,313	$ 1,127	$ 599,887
2024	138,607	5,603	141,770	400	286,380
2025	142,574	4,170	-	-	146,744
2026	79,082	3,013	-	-	82,095
2027	81,564	2,194	-	-	83,758
2028-2029	170,728	1,832	-	-	172,560
Total minimum building lease payments	$ 1,065,111	$ 24,703	$ 280,083	$ 1,527	$ 1,371,424

Leased Equipment

Year Ending June 30,	Principal	Interest	Total
2023	$ 21,928	$ 366	$ 22,294
2024	22,040	254	22,294
2025	22,153	141	22,294
2026	15,535	31	15,566
Total minimum equipment lease payments	$ 81,656	$ 792	$ 82,448

12. UNRESTRICTED NET POSITION

The College did not have any designated unrestricted net position as of June 30, 2022 and 2021.

	2022	2021
Total unrestricted net position before OPEB and pension liability	$ 5,875,249	$ 6,129,007
Less OPEB liability (asset)	38,844	(533,472)
Less pension liability	(38,304)	(81,168)
Total unrestricted net position	$ 5,875,789	$ 5,514,367

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:	2022	2021
Employee	$ 2,073	$ 1,864
Employer	2,073	1,864
Total contributions	$ 4,146	$ 3,728

	TIAA-CREF	
Source of contributions:	2022	2021
Employee	$ 626,566	$ 574,347
Employer	626,566	574,347
Total contributions	$ 1,253,132	$ 1,148,694

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

BENEFITS ELIGIBLE PAYROLL

	2022	2021
Employees' Salaries-TIAA-CREF	$ 10,442,767	$ 9,572,445
Employees' Salaries-Educators Money	34,552	31,075
Total	$ 10,477,319	$ 9,603,520

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, 2022 and 2021, respectively:

TRS		2022		2021
Net Pension Liability	$	38,304	$	81,168
Deferred Outflows of Resources	$	17,281	$	26,728
Deferred Inflows of Resources	$	36,599	$	7,446
Revenues (expense) – special funding	$	(1,458)	$	19,763
Pension Expense (revenue)	$	(5,722)	$	20,204
Contributions Made by the College	$	4,575	$	10,227

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 Annual Comprehensive Financial Report. TRS issues a publicly available annual comprehensive 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. a certain percentage of fire insurance premiums paid by State residents; and
4. 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, 2022, and 2021, the College's proportionate share attributable to this special funding subsidy was \$38,304 and \$81,168, respectively.

The College's contributions to TRS for the years ended June 30, 2022 and 2021, were \$4,575 and \$10,227, respectively.

Assumptions

The total pension liabilities for financial reporting purposes were determined by actuarial valuations as of July 1, 2020 and rolled forward to June 30, 2021. 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, through fiscal year 2034.
- Investment rate of return: 7.25%, net of investment expense
- Projected salary increases: Educators 2.75%-5.90%, and non-educators 2.75%-6.50%
- Inflation rate: 2.75%
- Discount rate: 7.25%
- Mortality rates – Active: based on Pub-2010 General Employee Tables, headcount-weighted, projected with Scale MP-2019.
- Withdrawal rates: Educators 7.00%-35.00% and non-educators 2.30%-18.00%
- Disability rates: 0.004%-0.563%
- Retirement rates: 15%-100%

Experience studies are performed at least once in every five-year period. The most recent experience study covered the period from July 1, 2014 to June 30, 2019. 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, 2021 and 2020, are summarized below.

June 30, 2021

Asset Class	Long-term Expected Real Rate of Return	Target Allocation
Domestic equity	5.5%	27.5%
International equity	7.0%	27.5%
Fixed income	2.2%	15.0%
Real estate	6.6%	10.0%
Private equity	8.5%	10.0%
Hedge funds	4.0%	10.0%
Total		100.0%

June 30, 2020

Asset Class	Long-term Expected Real Rate of Return	Target Allocation
Domestic equity	5.5%	27.5%
International equity	7.0%	27.5%
Fixed income	2.2%	15.0%
Real estate	6.6%	10.0%
Private equity	8.5%	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 7.25% and 7.50% for fiscal years ending June 30, 2021 and 2020, respectively. 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, 2022 and 2021, respectively, calculated using the discount rate of 7.25% and 7.50%, respectively, 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 (6.25% and 6.50%, respectively) or one percentage point higher (8.25% and 8.50%, respectively) than the current rate.

2022			
	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	$ 67,685	$ 38,304	$ 13,337

2021			
	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net Pension Liability	$ 109,651	$ 81,168	$ 56,898

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

The TRS net pension liability, deferred inflows of resources, deferred outflows of resources, and pension expense were measured as of June 30, 2021 and 2020. These were determined by an actuarial valuation as of June 30, 2020 and 2019 and rolled forward to the respective measurement dates.

At June 30, 2022 and 2021, the College's proportionate share of the TRS net pension liability was $123,928 and $257,518, respectively. Of this amount, the College recognized $38,304 and $81,168, respectively as its proportionate share on the statement of net position. The remainder of $85,624 and $176,350, 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, 2021, and 2020. Employer contributions are recognized when due. At June 30, 2021, the College's proportion was 0.002451% a decrease of .000069% from its proportion of 0.002520% calculated as of June 30, 2020. At June 30, 2020, the College's proportion was 0.002520% an increase of .000102% from its proportion of 0.002418% calculated as of June 30, 2019.

For the year ended June 30, 2022 and 2021, the College recognized TRS pension expense of $(5,722) and $20,204, respectively. Of this amount, $(4,264) and $441, respectively, was recognized as the College's proportionate share of the TRS expense and $(1,458) and $19,763, respectively, as the amount of pension expense attributable to special funding from a non-employer contributing entity. The College also recognized revenue of $(1,458) and $19,763, respectively, for support provided by the State.

At June 30, 2022 and 2021, deferred outflows of resources and deferred inflows of resources related to the TRS pension are as follows:

Deferred Outflows of Resources		2022		2021
Changes in proportion and difference between employer contributions and proportionate share of contributions	$	4,831	$	8,574
Contributions after the measurement date		4,575		10,227
Differences between expected and actual experience		3,120		1,865
Changes in assumptions		4,755		1,144
Net difference between projected and actual investment earnings		-		4,918
Total	$	17,281	$	26,728

Deferred Inflows of Resources		2022		2021
Changes in proportion and difference between employer contributions and proportionate share of contributions	$	4,866	$	5,664
Net difference between projected and actual investment earnings		30,611		-
Differences between expected and actual experience		1,122		1,782
Total	$	36,599	$	7,446

The College will recognize the $4,575 reported as 2022 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, 2023. 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, 2023	$	(6,930)
June 30, 2024		(4,462)
June 30, 2025		(4,651)
June 30, 2026		(7,850)
	$	(23,893)

Payables to the pension plan
The College did not report any amounts payable for normal contributions to the TRS as of June 30, 2021 of 2020.

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. As of February 2022, the main campus bookstore closed. 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, 2022, and 2021 the service concession arrangement deferred inflow of resources was $27,083 and $33,333, respectively.

17. OTHER REVENUES

Capital Asset Donations

The College received donations totaling $43,335 and $13,518 in fiscal years ended June 30, 2022 and 2021, 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 $6,994 and $131,798, for fiscal years ending June 30, 2022 and 2021, respectively. The payments made on behalf of the college in fiscal year ending June 30, 2022 were related to surveying the parking lot over the remediated sinkhole work. The payments made on behalf of the college in fiscal year ending 2021 are related to an emergency generator constructed at the headquarters facility and the sinkhole and storm water drain remediation project. 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 $275,061.

18. NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

Operating expenses within functional classifications for the years ended June 30, 2022 and 2021 are as follows:

	2022	2021
Instruction	$ 9,487,822	$ 8,604,416
Academic support	638,232	713,652
Student services	1,466,389	1,647,744
General institutional support	5,178,882	4,529,949
Operations and maintenance of plant	1,299,148	1,436,070
Student financial aid	4,496,153	3,378,447
Depreciation	1,554,171	1,421,896
Amortization	687,244	654,060
Auxiliary	545,699	366,166
Other	84,682	140,259
Total	$ 25,438,422	$ 22,892,659

19. SUBSEQUENT EVENTS

On July 1, 2022, the College entered into two new lease contracts. The College consolidated its seven separate leases with Berkeley Business Park into one 120-month lease that expires on June 30, 2032. Additionally, the College renewed its lease with Morgan County Commission with a 60-month lease that expires on June 30, 2027. The leases provide for renewal options ranging from one year to five years.

The Bloomberg rates used for the incremental borrowing rate of these new leases as of July 1, 2022 are 5-year lease 2.22 % and 10-year lease 2.7%.

20. 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, 2022 AND 2021

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. Under this method, support is recognized in the period in which it is earned or committed to the Organization while expenses are recognized in the period the liability is incurred. Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions.

Financial Statement Presentation

The Foundation reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed stipulations.

Net Assets 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.

Expenses are reported as a decrease in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expiration of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported 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, 2022 and 2021, this included $8,973 and $8,877, 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. The Foundation provides for losses on receivables using the allowance method. The allowance is based on experience and other circumstances based on collectability. It is the Foundation's policy to charge off uncollectible receivables when management determines the receivables will not be collected. Management considers all receivables to be fully collectible as of June 30, 2022 and 2021.

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 streams applicable to the Foundation that qualify as exchange transactions with "customers" are recognized at a single point upon receipt when all risks and rewards transfer. Amounts received from customers in advance, such as deposits for reserved future services and events, are recorded as deferred revenue until the Foundation's performance obligations are satisfied.

Contributions

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions with donor restrictions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. Contributions received with donor imposed conditions and restrictions that are met in the same reporting period are reported as increases in net assets without donor restrictions. Otherwise, when a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

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 is not deemed significant. There are no amounts for contributed services in the financial statements.

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.

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, 2022 and 2021, all expenses were charged directly to a specific program or to supporting services and no such allocations were made.

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, 2022 and 2021, the Foundation had $118,098 and $58,655 in excess of the FDIC insured limit, respectively. The Foundation considers this a normal business risk and 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, 2022:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Equity Securities and Mutual Funds	$ 764,512	$ 75,318	$ -	$ 839,830
Corporate Bonds	50,314	-	(1,885)	48,429
	$ 814,826	$ 75,318	$ (1,885)	$ 888,259

The following is a summary of available-for-sale securities as of June 30, 2021:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Equity Securities and Mutual Funds	$ 668,448	$ 180,615	$ -	$ 849,063
Corporate Bonds	39,908	869	-	40,777
	$ 708,356	$ 181,484	$ -	$ 889,840

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, 2022:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Money Market	$ 8,973	$ -	$ -	$ 8,973
Total Money Market	$ 8,973	$ -	$ -	$ 8,973
Investments				
Equity				
Equity International	$ 65,125	$ -	$ -	$ 65,125
Equity Domestic Large Cap	343,650	-	-	343,650
Equity Domestic Mid Cap	31,893	-	-	31,893
Equity Domestic Small Cap	23,959	-	-	23,959
Equity Index Funds	145,304	-	-	145,304
Fixed Income	80,022	-	-	80,022
Corporate Bonds	198,306	-	-	198,306
Total Investments	$ 888,259	$ -	$ -	$ 888,259

The following table presents assets and liabilities measured at fair value by classification within the fair value hierarchy as of June 30, 2021:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Money Market	$ 8,877	$ -	$ -	$ 8,877
Total Money Market	$ 8,877	$ -	$ -	$ 8,877
Investments				
Equity				
Equity International	$ 90,176	$ -	$ -	$ 90,176
Equity Domestic Large Cap	340,549	-	-	340,549
Equity Domestic Mid Cap	39,229	-	-	39,229
Equity Domestic Small Cap	27,884	-	-	27,884
Equity Index Funds	154,753	-	-	154,753
Fixed Income	196,472	-	-	196,472
Corporate Bonds	40,777	-	-	40,777
Total Investments	$ 889,840	$ -	$ -	$ 889,840

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, 2022 and 2021, the Foundation had no underwater endowment funds.

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

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Original Gift Amount and Amounts Required to be Maintained in Perpetuity	$ -	$ 535,000	$ 535,000
Accumulated Investment Gains	-	151,753	151,753
	$ -	$ 686,753	$ 686,753

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Original Gift Amount and Amounts Required to be Maintained in Perpetuity	$ -	$ 500,000	$ 500,000
Accumulated Investment Gains	-	189,771	189,771
	$ -	$ 689,771	$ 689,771

The Foundation had the following changes in the endowment funds during the years ended June 30, 2022 and 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, July 1, 2020	$ -	$ 581,530	$ 581,530
Contributions	-	-	-
Investment Return, Net	-	108,241	108,241
Appropriation of Endowment Assets for Expenditure	-	-	-
Endowment Net Assets, June 30, 2021	-	689,771	689,771
Contributions	-	35,000	35,000
Investment Return, Net	-	(38,018)	(38,018)
Appropriation of Endowment Assets for Expenditure	-	-	-
Endowment Net Assets, June 30, 2022	$ -	$ 686,753	$ 686,753

Note 6 NET ASSETS

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

	2022	2021
Undesignated	$ 214,985	$ 228,002

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

	2022	2021
Subject to Expenditure for Specified Purpose:		
Scholarships	$ 375,183	$ 346,295
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	686,753	689,771
	$ 1,061,936	$ 1,036,066

Note 7 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Foundation has $1,271,155 of financial assets available within one year of the statement of financial position date of June 30, 2022 to meet cash needs for general expenditure consisting of cash of $377,071, investments of $888,259, and pledges and other receivables of $5,825. $1,061,936 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 $150,000. 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 8 UNCERTAINTY

Since early 2020 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.

Note 9 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through August 25, 2022, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2022, but prior to August 25, 2022, that provided additional evidence about conditions that existed at June 30, 2022 have been recognized in the financial statements for the year ended June 30, 2022. Events or transactions that provided evidence about conditions that did not exist at June 30, 2022, 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, 2022.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF PROPORTIONATE SHARE OF OPEB LIABILITY AND CONTRIBUTIONS

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, 2021	0.130635808%	$ (38,844)	$ (7,649)	$ (46,493)	$ 2,170,066	-1.79%	101.81%
June 30, 2020	0.120779244%	$ 533,472	$ 117,959	$ 651,431	$ 2,068,522	25.79%	73.49%
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

Fiscal Year End	Actuarily Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
June 30, 2022	$ 238,225	$ 133,676	$ 104,549	$ 2,170,066	6.16%
June 30, 2021	$ 233,452	$ 238,225	$ (4,773)	$ 2,068,522	11.52%
June 30, 2020	$ 249,633	$ 233,452	$ 16,181	$ 2,332,651	10.01%
June 30, 2019	$ 225,347	$ 249,633	$ (24,286)	$ 2,261,410	11.04%
June 30, 2018	$ 207,791	$ 225,347	$ (17,556)	$ 2,224,677	10.13%

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, 2022 and 2021

Change of Assumptions: In the June 30, 2020 actuarial valuation, there were significant changes in capped subsidy rates, per capita costs, and trend rates. The key reason is due to significant decreases in the Medicare Advantage prescription drug (MAPD) per member per month rates and the resulting decrease in the capped subsidy.

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, 2021	0.002451%	$ 38,304	$ 85,624	$ 123,928	$ 68,182	56.18%	86.38%
June 30, 2020	0.002520%	$ 81,168	$ 176,350	$ 257,518	$ 69,502	116.79%	70.89%
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, 2022	$ 4,575	$ 4,575	$ -	$ 30,502	15.00%
June 30, 2021	$ 10,257	$ 10,227	$ 30	$ 68,182	15.00%
June 30, 2020	$ 10,426	$ 10,425	$ 1	$ 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, 2022 and 2021

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

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, 2022, 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 29, 2022. 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.

Report on 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) as a basis for designing 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 College'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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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.*

Purpose of This Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
September 29, 2022