

Blue Ridge Community and Technical College

Financial Statements as of and for the
Years Ended June 30, 2025 and 2024, 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, 2025 and 2024, 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 audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, and the discretely presented component unit of the College, as of June 30, 2025 and 2024, 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 discretely presented component unit as of June 30, 2025 and 2024, 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 audit 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.

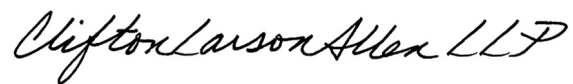
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-16, the Schedule of Proportionate Share of Net OPEB liability and Contributions on page 60, and the Schedule of Proportionate Share of Net Pension Liability and Contributions on page 61 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 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 30, 2025, 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.



CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
September 30, 2025

Blue Ridge Community and Technical College
Management Discussion and Analysis
Fiscal Year 2025

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, 2025, with a focus on 2025, 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-in-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, represents the College's equity in property, plant, and equipment owned or leased by the College, net of any debt related to the acquisition of these 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, 2025, 2024, and 2023
(In thousands of dollars)

	2025	2024	2023
Assets			
Cash	\$ 9,222	\$ 9,896	\$ 11,757
Other Current Assets	2,254	1,811	1,844
Other Noncurrent Assets	17	17	17
Capital Assets - net	17,585	17,354	18,573
Leased Assets - net	4,544	3,840	4,517
SBITA Assets - net	230	267	285
Total Assets	<u>33,852</u>	<u>33,185</u>	<u>36,993</u>
Deferred Outflows of Resources	<u>88</u>	<u>100</u>	<u>318</u>
Liabilities			
Current Liabilities	6,057	6,070	6,535
Noncurrent Liabilities	4,201	3,439	4,302
Total Liabilities	<u>10,258</u>	<u>9,509</u>	<u>10,837</u>
Deferred Inflows of Resources	<u>74</u>	<u>346</u>	<u>662</u>
Net Position			
Investment in Capital Assets	17,285	17,228	18,527
Restricted	1,714	1,840	1,635
Unrestricted	4,609	4,362	5,650
Total Net Position	<u>\$ 23,608</u>	<u>\$ 23,430</u>	<u>\$ 25,812</u>

Total assets of the College increased by approximately \$667,000, or 2.01%, to a total of approximately \$34 million as of June 30, 2025. Cash decreased by approximately \$674,000, or 6.81%, largely due to an increase in benefits resulting from the Public Employee Insurance Agency (PEIA) passing on rising healthcare costs. Other current assets increased by approximately \$443,000, largely due to an increase in net student receivables and grants receivable due from the state and federal government. The College's year-end financial position reflects that total current and noncurrent liabilities exceeded available cash and cash equivalents, contributing to a declining liquidity position. Despite this trend, the College has benefited from an increase in state appropriations in recent years, attributed to performance under the state funding formula. The College's quick ratio (cash to current liabilities) was 1.52, 1.63, and 1.80 as of June 30, 2025, 2024, and 2023, respectively. The working capital (current assets to current liabilities) measured 1.89, 1.93, and 2.08 as of June 30, 2025, 2024, and 2023, respectively. The College implemented GASB 96, subscription-based information technology arrangements (SBITA) for fiscal 2023. The College implemented GASB 101, Compensated Absences for fiscal 2025, however this did not have a significant impact on the liability.

Other items of interest related to assets are as follows:

- Approximately 27% of the assets as of June 30, 2025, were held in cash and cash equivalents, compared to 30% and 32% in cash and cash equivalents as of June 30, 2024 and 2023, respectively. The recent downward trend in cash and cash equivalents is primarily attributable to a decrease in tuition and fees-operating account of approximately \$783,000, a decrease in auxiliary account of approximately \$36,000, an increase in state, local, and federal grant accounts

of approximately \$55,000, and an increase in education and capital fees account of approximately \$49,000.

- 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, 2025, represents \$321,505 federal pass thru grants related to Perkins, Tourism, First2 Network, \$30,309 financial aid grants related to Dual Enrollment, and West Virginia Higher Education Grants, \$36,500 WV Advance Eastern Panhandle grant, and \$24,130 in June interest receivable from interagency funds.
 - The amount due from other state agencies as of June 30, 2025, represents \$5,952 related to the Jobs and Hope grant.
 - The net student accounts receivable is \$363,799, \$269,787, and \$254,722, at June 30, 2025, 2024, and 2023, respectively. The bad debt reserve is \$957,019, \$799,771, and \$721,750, as of June 30, 2025, 2024, and 2023, respectively. In 2023, 2024, and 2025, the College assessed old accounts deemed uncollectible and wrote off \$84,091, \$117,545, and \$126,113, respectively. Management reviewed and revised expected collections utilizing a three-year actual collection trend of aging accounts. The increase in net student accounts receivable and the increase in the allowance is a result of this analysis.
 - Grants and contracts receivable consist of \$331,788, \$291,548, and \$245,803 at June 30, 2025, 2024, and 2023, 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 \$551,642, \$226,172, and \$228,096, at June 30, 2025, 2024, and 2023, 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 \$429,789, \$392,210, and \$445,708, at June 30, 2025, 2024, and 2023, respectively. These balances mostly represent amounts due to the College as a result of private grant matches, catering contracts, and workforce development contracted training.
 - Prepaid expenses of \$158,576, \$170,800, and \$144,914, at June 30, 2025, 2024, and 2023, respectively, include expenditures that span a minimum period of six months. The current balance mostly represents expenditures for student lab equipment, software licensing, computer equipment, membership fees, and marketing.
- Noncurrent assets are other receivable, capital assets, leased assets and SBITA assets.
 - Other receivable in the amount of \$16,927 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 three 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, 2025, 2024, and 2023, were \$969,444, \$475,819, and \$425,819, respectively. The 2025 CIP balance of \$969,444 is attributable to payments for construction of two injection blow molding machines for the Plastics Fabrication Lab. The balance also includes other costs related to setting the machine in place.
 - Fixed asset additions, inclusive of CIP transfers, total \$1,141,681 for fiscal year 2025. The majority of the additions, or 83.1%, were funded by grants. The remaining additions include 9.62% from donated assets, 4.64% from payments on behalf of the college, and 2.64% from student and capital fees.

- 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 \$4,544,243, \$3,839,602, and \$4,517,435, at June 30, 2025, 2024, and 2023, respectively. 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 2025, a new lease was added in the amount of \$1,374,380 to replace an expiring lease in Morgan County, and a water treatment lease was added in the amount of \$8,253 at the Technology Center, Berkeley Business Park. No new leases were added in fiscal 2024. During fiscal 2023, a new lease in Morgan County and the consolidation of existing leases at the Technology Center were added in the amount of \$4,837,020. Amortization of the leased assets in fiscal 2025, 2024, and 2023 was \$677,991, \$677,833, and \$664,118, respectively.
- In fiscal 2023, the college adopted GASB 96, subscription-based information technology arrangements (SBITA), in which the college is required to recognize a right-to-use subscription asset and a corresponding subscription liability. These arrangements were previously classified as operating computer services in which the software payments were expensed. The SBITA asset is amortized over the subscription term and the software payments reduce the SBITA liability and recognize interest expense. SBITA assets-net, total \$229,787, \$266,549, and \$284,701 at June 30, 2025, 2024, and 2023, respectively. The SBITA assets comprise specific software and platforms designed to support essential business and academic operations. Various software and platforms in the amount of \$163,348 and \$141,334 were added in 2025 and 2024, respectively. Amortization of the SBITA assets in fiscal 2025, 2024, and 2023, was \$192,287, \$159,486, and \$126,516, respectively.

Items of interest related to liabilities are as follows:

- Current liabilities of \$6,057,186, \$6,070,521, and \$6,534,734, at June 30, 2025, 2024, and 2023, respectively, decreased by \$13,335 in fiscal year 2025, and decreased by \$464,213 in fiscal year 2024. The majority of the decrease in fiscal year 2025 is related to a decrease in unearned revenue from grants of approximately \$378,000, an increase in compensated absences of approximately \$183,000, an increase in leases payable-current portion of \$131,000, and an increase in accounts payable of approximately \$48,000. The majority of the decrease in fiscal year 2024 is related to a decrease in unearned revenue from grants of approximately \$318,000, and a decrease in due to the council and state agencies of approximately \$212,000.
 - Non-capital asset accounts payable of \$455,355, \$501,233, and \$531,161 at June 30, 2025, 2024, and 2023, respectively, represent typical operating expenses such as bookstore, contractual charges, supplies and utilities.
 - Accrued payroll of \$725,202, \$735,126, and \$643,088, at June 30, 2025, 2024, and 2023, respectively. FY25 decreased approximately \$9,900. Annual years of service increase of \$60 for each year served is provided by the State. Although fiscal 2025 included one additional day of accrual, the overall decrease was due to fewer employees on the payroll.
 - Due to council/commission and state agencies amounts reported of \$56,022, \$73,348, and \$285,331, at June 30, 2025, 2024, and 2023, 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 2025 balance includes unused grant funds of \$36,351 from HEAPS, \$17,256 from the Learn and Earn grant, and \$2,415 for services provided by state agencies. The 2024 balance includes unused grant funds of \$14,914 from HEAPS, \$55,151 from the Learn and Earn grant, and \$3,283 for services provided

by state agencies. The 2023 balance includes unused grant funds of \$14,943 from HEAPS, \$15,483 from West Virginia Invests, \$33,652 from West Virginia Higher Education Grants, \$169,862 from the Learn and Earn grant, and \$51,391 for services provided by state agencies.

- Accrued leave, or compensated absences, total \$1,369,403, \$1,186,118, and \$1,101,172, at June 30, 2025, 2024, and 2023, respectively. The College adopted GASB 101, Compensated Absences, in fiscal 2025. This adoption did not have a significant impact on this liability.
- Unearned revenues were \$2,580,653, \$2,958,555, and \$3,276,598, at June 30, 2025, 2024, and 2023, 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 FY25, the college received new state grants totaling \$1,741,026 and expended \$1,687,996 in total state grants. This resulted in a net increase in unearned state grant revenue of \$53,030. The summer school component of unearned revenue for FY25 is \$456,933, which is approximately 46% of the total summer term revenue. The deferral calculation is driven by the dates of the three parts of the summer term. Also included in unearned revenue in FY25 is \$3,090 in workforce training and \$9,399 in student advance payments for the fall semester.
- 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 \$613,467, \$481,979, and \$600,634, at June 30, 2025, 2024, and 2023, respectively. Leases payable are made up of certain leased equipment and leased building space at the Berkeley Business Park and Morgan County Commission. During fiscal 2023, a new lease in Morgan County and consolidation of existing leases at the Technology Center, Berkeley Business Park, was added in the amount of \$4,837,020. No new leases were added during fiscal 2024. During fiscal 2025, a new lease was added in the amount of \$1,374,380 to replace an expiring lease in Morgan County, and a water treatment lease was added in the amount of \$8,253 at the Technology Center, Berkeley Business Park. The current portion is the portion due within the next fiscal year per the contract terms.
- SBITA payable – current portion – In fiscal 2023, the college adopted GASB 96, SBITA, in which the college is required to recognize a subscription liability for software and platforms that meet certain criteria. The subscription liability should be measured at the present value of the remaining subscription payments. These subscriptions were previously classified as operating computer services in which the software payments were expensed. With the adoption of GASB 96, subscription payments reduce the SBITA liability and recognize interest expense. SBITA – payable – current portion was \$155,594, \$126,405, and \$96,750 at June 30, 2025, 2024, and 2023, respectively. SBITA payable are made up of various software and platforms to perform essential business and academic operations. During fiscal 2025, new SBITA for various software and platforms was added in the amount of \$163,348. During fiscal 2024, new SBITA for various software and platforms was added in the amount of \$141,334. 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, 2025, 2024, and 2023, total \$(2,657), \$(185,423), and \$126,493, respectively. The fiscal 2025 asset is a product of the number of employees enrolled in the health insurance program and the PEIA actuarially determined amount per person.
 - The net pension liability at June 30, 2025, 2024, and 2023, total \$0, \$0, and \$25,258, respectively. 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. As of June 30, 2024 and 2025, there were no employees on this plan.
 - 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 totaled \$4,188,023, \$3,529,992, and \$4,011,971 at June 30, 2025, 2024, and 2023, respectively. Leases payable are made up of certain leased equipment and leased building space at the Berkeley Business Park and Morgan County Commission. During fiscal 2023, a new lease in Morgan County and consolidation of existing leases at the Technology Center, Berkeley Business Park, was added in the amount of \$4,837,020. No new leases were added during fiscal 2024. During fiscal 2025, a new lease was added in the amount of \$1,374,380 to replace an expiring lease in Morgan County, and a water treatment lease was added in the amount of \$8,253 at the Technology Center, Berkeley Business Park. The long-term portion is the portion of the leases due in fiscal 2026 through the end of the contract period of 2034.
 - SBITA payable – long term - In fiscal 2023, the college adopted GASB 96, SBITA, in which the college is required to recognize a subscription liability for software and platforms that meet certain criteria. These subscriptions were previously classified as operating computer services in which the software payments were expensed. With the adoption of GASB 96, subscription payments reduce the SBITA liability and recognize interest expense. SBITA – payable – long term was \$15,222, \$94,349, and \$138,255 at June 30, 2025, 2024, and 2023, respectively. SBITA payable are made up of various software and platforms to perform essential business and academic operations. During fiscal 2024, new SBITA for various software and platforms was added in the amount of \$141,334. During fiscal 2025, new SBITA for various software and platforms was added in the amount of \$163,348. The long-term portion is the portion of the SBITA's due in fiscal 2026 through the end of the contract period of 2027.

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, 2025, 2024, and 2023
(In thousands of dollars)

	2025	2024	2023
Operating Revenues	\$ 13,381	\$ 10,849	\$ 11,060
Operating Expenses	26,923	25,900	25,165
Operating Loss	(13,542)	(15,051)	(14,105)
Nonoperating Revenues - Net	13,422	12,511	12,664
Decrease in Net Position	(120)	(2,540)	(1,441)
Donations	138	20	23
Payments Made/ Expenses			
Incurred on Behalf of College	160	138	19
Increase (Decrease) in Net Position	178	(2,382)	(1,399)
Net Position - Beginning of Year	23,430	25,812	27,211
Net Position - End of Year	\$ 23,608	\$ 23,430	\$ 25,812

Operating Revenues

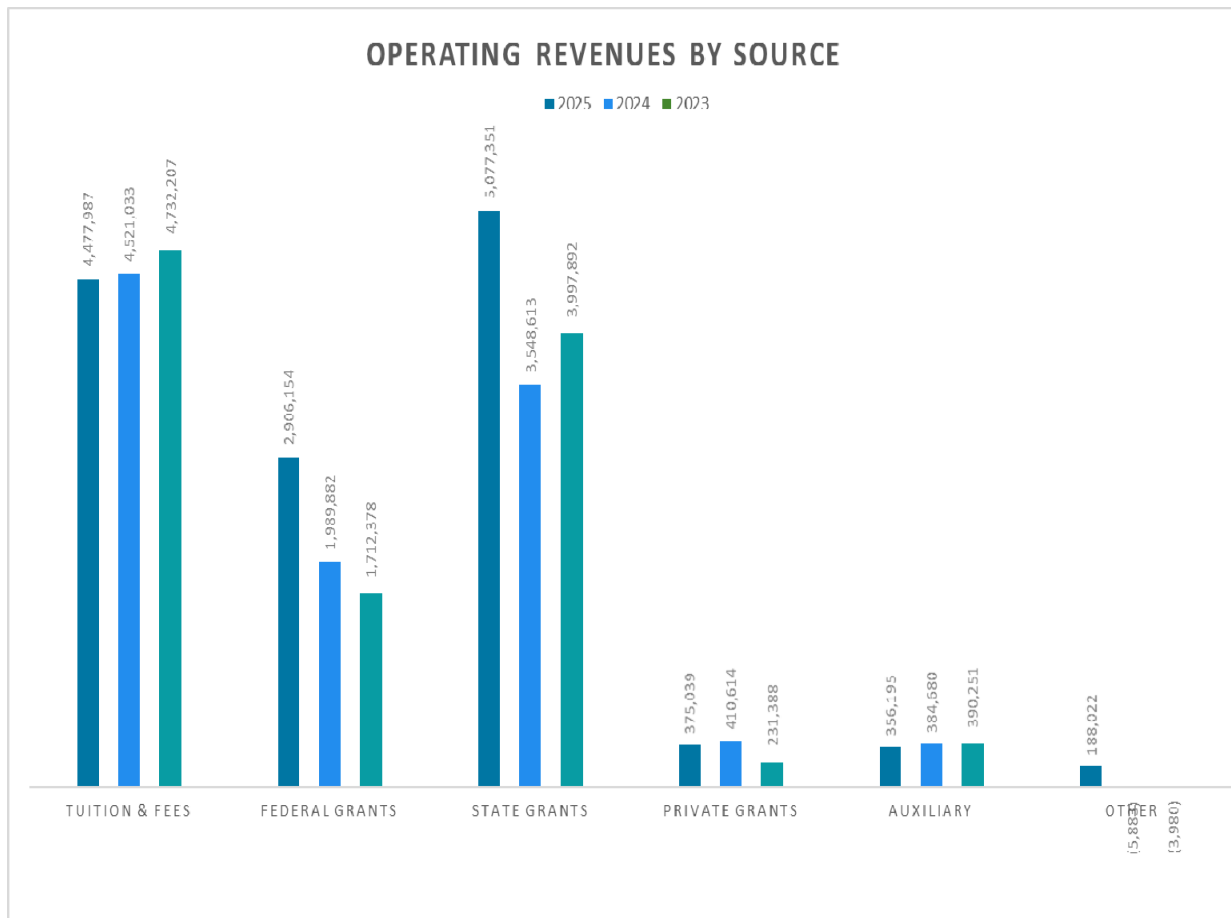
Approximately 33%, of the operating revenue for the College is derived from tuition and fee assessments. Federal grants provide funding for varying degrees of technical education support as well as grant funds for students. State grants provide funding for new technical program activities, workforce 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:

- The College previously used the Alternate Method of calculating the estimated scholarship allowance discount, as presented in the National Association of College and University Business officers, NACUBO Advisory 2000-05. NACUBO no longer endorses this method. Effective with fiscal year ending June 30, 2025, the college has adopted the new guidance endorsed by NACUBO in advisory 2023-01. Student tuition and fees – net of scholarship allowance decreased 0.95% from 2024 and decreased 5.4% from 2023. This revenue category can be segregated by two types of tuition and fee revenues – academic and workforce development. The academic revenues decreased by \$104,818 or 3.3% from 2024, and decreased by \$11,555 or 0.4% from 2023. The fiscal year 2025 tuition rate increased 9.4% from the previous fiscal year. The fiscal year 2024 tuition rate increased 5.2% from the previous fiscal year. There was no tuition rate increase in fiscal year 2023. Workforce development revenue, which is generated by Career Advancement courses and contracted training with local employers, increased by \$61,773 or 4.5% from 2024 and decreased by \$242,665 or 14.3% from 2023.
- Revenues from federal sources – totaling \$2,906,154 consists of 3% student financial aid grants, 14% Carl D. Perkins Act funds, 2% Department of Health and Human Resources, 3% National Science Foundation, 31% Department of Labor, 38% from the Economic Development

Administration, 6% from the Department of Education, 2% from the Department of Energy, and less than 1% from the Environmental Protection Agency and from the National Drug Control Policy Fund.

- State grants – totaling \$5,077,351, consist of \$3,311,369, or 65%, of WV student financial aid. The remaining revenues reported as State Contracts and Grants consists of \$1,765,982, or 35%, in WV Advance, Technical Program, HB3009, and award from the West Virginia Division of Student Affairs.

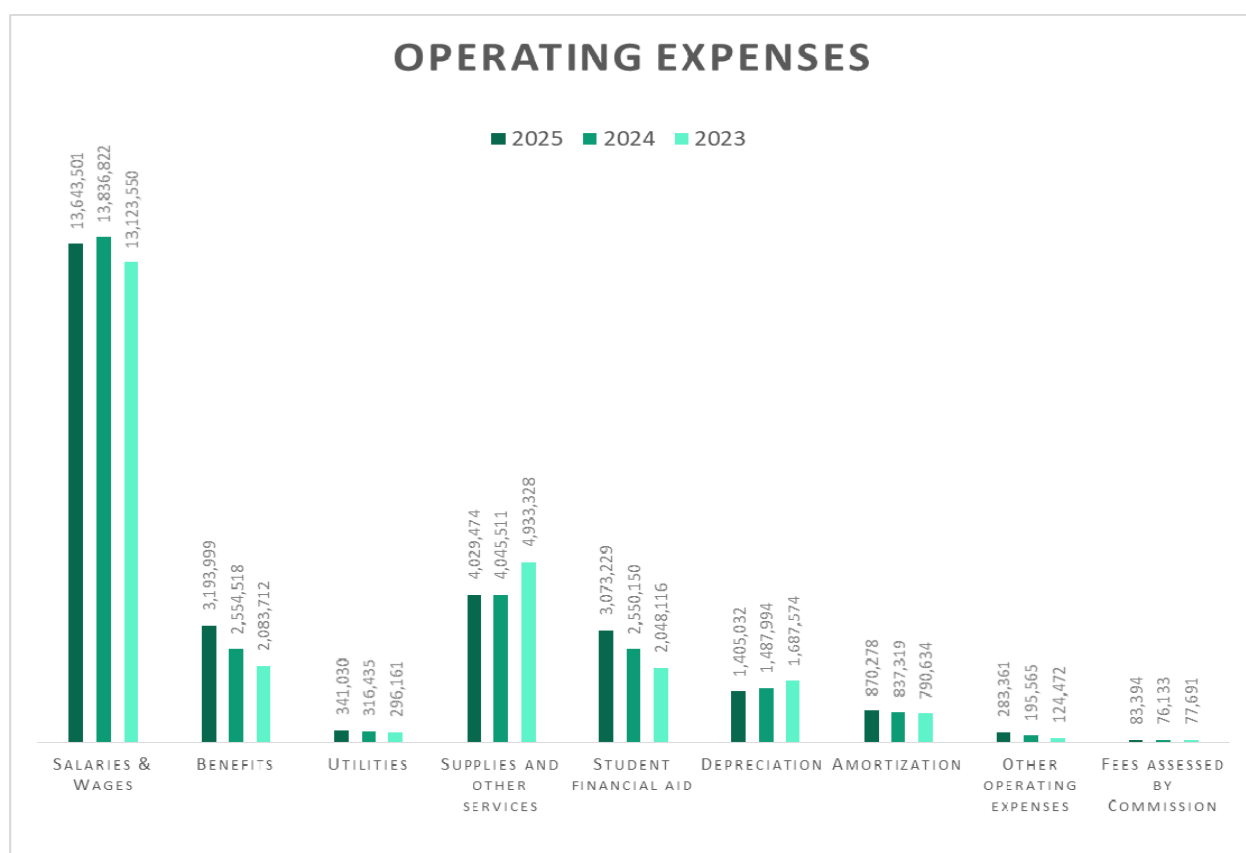
Operating revenues are up 23.34%, primarily due to increases in revenue from federal and state grants. Blue Ridge CTC's FY25 Fall FTEs increased from the FY24 Fall end of term FTEs by 20 full time equivalent students. The FTEs for FY25 and FY24 Fall semesters were 1,702 and 1,682, respectively.



Operating Expenses

Operating expenses increased by 3.95% from 2024 to 2025. Over half, 62.54%, of the fiscal year 2025 operating expenses were incurred for personnel services and benefits. Salaries decreased by \$193,321, or 1.40%. Benefits increased by \$639,481, or 25.03%. Expenses related to student financial aid increased by \$523,079 or 20.51%. The majority of this increase is attributable to additional state funding provided to address challenges with the FAFSA, as well as higher Pell revenues resulting from changes to Pell Grant eligibility calculations in fiscal year 2025. Student scholarships account for 11%, 10%, and 8% of the operating expenses in fiscal years 2025, 2024, and 2023, respectively. Supplies and other services represent 14.97% of fiscal 2025 operating expenses. Supplies and other services decreased \$16,037, or

0.4%. Amortization of leases and SBITA represents \$870,278, or 3.23% of fiscal 2025 operating expenses. Depreciation represents \$1,405,032, or 5.22% of fiscal 2025 operating expenses. Utilities increased by \$24,595, or 7.77%, and represents 1.27% of fiscal 2025 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 2025 accrual increased the allowance for doubtful accounts balance by approximately 19.7%. 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 2025 increased by \$910,461 from fiscal year 2024, mostly due to an increase of Federal Pell Grant, an increase in state appropriations, and a decrease in investment income. State appropriations increased by \$226,641 from 2024. Revenue through Federal Pell Grant increased by \$857,385 from 2024. Investment income decreased by \$129,804 from 2024. Fees assessed by the Commission increased \$50 from 2024. Gain on disposals decreased \$6,898 from 2024. GASB 87, Leases, and GASB 96, SBITA, increased \$23,456 of incurred interest expense from 2024. Finally, HEERF federal grant revenue for the institution decreased by \$13,357 from 2024, bringing net non-operating revenues to \$13,422,034 in fiscal year 2025. The non-operating Commission fees are remitted to HEPC for a capital assessment.

Payments Made on Behalf of College

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 fiscal year 2018, so no further payments on this issue will be made. Payments from the Series 2017 CTC Refinance bonds amounted to \$594 in 2025, \$2,652 in 2024, and \$18,825 in 2023. These payments are related to sinkhole remediation and sewer wastewater environmental remediation. Total payments to date made on behalf of the College from the 2017 Refinance bonds equal \$297,132. In addition to bond payments in 2024, HEPC purchased CDL Training equipment using a federal grant and transferred this to the college at book value as of March 2024, \$135,625. Also in 2025, HEPC provided funding to address multiple deferred maintenance projects at the Headquarters building using grant funding of \$159,028.

The College received donations to support technical academic programs totaling \$116,660 in 2025, \$19,750 in 2024, and \$22,338 in 2023. In addition, the College received a donation from WVU Parkersburg (WVUP) for the Workforce department in the amount of \$21,661. These were laptop computers and a mobile computer cart for training. The College also received donations to support the IT Services department in the amount of \$0 in 2025, \$0 in 2024, and \$400 in 2023.

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, 2025, 2024, and 2023
(In thousands of dollars)

	2025	2024	2023
Cash Provided by (Used in):			
Operating Activities	\$ (12,053)	\$ (13,501)	\$ (13,648)
Noncapital Financing Activities	13,243	12,159	12,508
Capital and Related Financing Activities	(2,185)	(972)	(1,788)
Investing Activities	321	453	346
Decrease in Cash and Cash Equivalents	(674)	(1,861)	(2,582)
Cash and Cash Equivalents - Beginning of Year	9,896	11,757	14,339
Cash and Cash Equivalents - End of Year	<u>\$ 9,222</u>	<u>\$ 9,896</u>	<u>\$ 11,757</u>

Cash used in 2025 operating activities was less than 2024 by approximately \$1,448,000 and less than 2023 by approximately \$1,595,000. Comparing 2025 to 2024, cash inflows in the form of payments for student tuition and fees decreased by approximately \$158,000, cash inflows for contracts and grants increased by approximately \$1,853,000, cash inflows from auxiliary services decreased approximately \$28,000 and inflows for other receipts increased by approximately \$47,000. Cash outflows in the form of payments to employees decreased approximately \$56,000, payments for utilities increased approximately \$25,000, payments for suppliers decreased approximately \$233,000, payments to the commission increased approximately \$7,000 and payments for scholarships and fellowships increased by approximately \$523,000. Cash provided by noncapital and financing activities increased approximately \$1,084,000 mostly due to increased Federal Pell. Cash used in capital financing activities increased approximately \$1,213,000 mostly due to acquiring more capital assets of approximately \$1,146,000.

Cash used in 2024 operating activities was less than 2023 by approximately \$147,000 and greater than 2022 by approximately \$842,000. Comparing 2024 to 2023, cash inflows in the form of payments for student tuition and fees decreased by approximately \$224,000, cash inflows for contracts and grants increased by approximately \$1,132,000, cash inflows from auxiliary services decreased by approximately \$6,000, and inflows for other receipts decreased by approximately \$12,000. Cash outflows in the form of payments to employees increased approximately \$527,000, payments for utilities increased approximately \$20,000, payments for suppliers decreased approximately \$304,000, payments to the commission decreased approximately \$2,000, and payments for scholarships and fellowships increased by approximately \$502,000. Cash provided by noncapital and financing activities decreased approximately \$349,000 mostly due to ending of the HEERF grants. Cash used in capital financing activities decreased approximately \$816,000 due to acquiring fewer capital assets of approximately \$852,000.

Capital Asset Activity

2025:

CIP projects that were converted to capitalized assets during 2025 included further sinkhole and stormwater drain remediation totaling \$53,019. Fixed asset equipment additions during fiscal year 2025 totaling \$1,088,662 were added at the Technology Center, Pines Opportunity Center and Headquarters Campus. These fixed assets are primarily for classroom, academic lab use, and administrative technology infrastructure and are made up of vehicles, household or office equipment, computer equipment, and research and education equipment. Computer equipment additions total \$371,830. \$21,661 was donated for classroom or academic lab use. Of the remaining \$350,169, \$12,354 supports administrative technology equipment, and \$337,815 was purchased for classroom or academic lab use. Research and education equipment totaling \$436,182 was used to support Vet Tech, Nursing, Allied Health, EMS, and EDET Programs. Vehicles in the amount of \$271,167 were purchased during the year for academic lab use for the EDET program. Classroom Equipment was purchased for the Vet Tech lab classroom. These were chairs to furnish the classroom for a cost of \$9,483. The majority of the additions, 83%, were grant funded, 9% of the additions to fixed assets were donations, 3% of additions to fixed assets were from student fees, and 5% from payment made on behalf of the college. The remaining balance in CIP at year-end of \$969,444 is for construction of two pieces of equipment for the Mechatronics program.

2024:

There were no CIP projects that were converted to capitalized assets during 2024. Fixed asset equipment additions during fiscal year 2024, totaling \$219,052, were added at the Technology Center, Pines Opportunity Center, and Headquarters Campus. These fixed assets are primarily for classroom, academic lab use, administrative technology infrastructure, and security services, and are made up of computer equipment and research and education equipment. Computer equipment totaling \$6,845 was purchased to

support administrative technology equipment. Computer equipment of \$135,625 was purchased for classroom or academic lab use. The remaining \$7,757 of computer equipment was purchased for Security Services. Research and education equipment totaling \$68,825 was used to support Mechatronics, Nursing, and Allied Health Programs. The majority of the additions, 62%, were funded by capital payments made on behalf of the college, 14% of the additions to fixed assets were grant funded, 3% of additions to fixed assets were from capital fees, and 21% from student fees. The remaining balance in CIP at year-end of \$475,819 is for construction to survey the parking lot area over the remediated sinkhole and the deposit on construction of equipment for the Mechatronics program.

Economic Outlook

Blue Ridge Community and Technical College continues to make strategic decisions that ensure organizational resilience and responsiveness to current events and evolving community needs. Through adaptive academic programming and student-centered services, the college remains focused on continuous improvement in teaching, learning modalities, technological innovation, and administrative operations. This commitment positions the college to meet the diverse and growing demands of students, employers, and regional stakeholders.

The college maintains an adequate financial foundation, appropriate lease space, and ongoing investment in its headquarters facility. Major upgrades to physical infrastructure, enabled by the Governor's deferred maintenance program, and campus technology are underway, improving safety, modernizing facilities, and enhancing the student experience.

Enrollment has slightly increased in each of the past two academic years, reversing the decline experienced during and after the pandemic. Summer 2025 enrollment growth signals continued momentum, and leadership projects that this positive trend will extend into the 2025–2026 academic year.

While the outlook remains positive, the broader economic and political environment presents ongoing challenges. The college continues to navigate inflationary pressures, rising service and technology costs, and sustained premium increases through the West Virginia Public Employees Insurance Agency (PEIA). These dynamics have necessitated tuition adjustments for three consecutive years, including fiscal year 2026, following a five-year freeze for resident students. Leadership remains focused on minimizing the financial burden to students while maintaining critical investments in quality and access.

The recently implemented state funding formula, which rewards enrollment growth, credential completion, and workforce-aligned programming, yielded a \$151,459 increase to the fiscal year 2025 appropriation. Based on continued institutional performance, the college anticipates an additional \$572,282 in the fiscal year 2026 appropriation—further validating its commitment to student success and regional economic development.

Federal and state grant funding continues to serve as a considerable source of institutional operating revenue. These resources enable innovation, new program development, and expansion in priority sectors, including advanced manufacturing and healthcare. Future financial stability will depend in part on the college's capacity to pursue and manage competitive grant initiatives.

Despite recent declines in cash and cash equivalents, the College maintains sufficient cash reserves and an adequate number of days' cash on hand to support operations and planned initiatives in the short term. Increased state appropriations in recent years, driven by performance under the state funding formula, further support the financial position and help mitigate some liquidity pressures. Looking ahead, the College must remain vigilant in managing internal and external risks, including enrollment shifts, economic conditions, technology demands, cost inflation, and federal oversight requirements. Entering

fiscal year 2026, Blue Ridge Community and Technical College is positioned to deliver on its mission of preparing students for the evolving workforce and serving as a catalyst for regional growth.

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, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 9,222,301	\$ 9,896,490
Due from the Council/Commission	412,444	440,687
Due from other state agencies	5,952	20,008
Accounts receivable — net	1,677,018	1,179,717
Prepaid expenses	158,576	170,800
Total current assets	<u>11,476,291</u>	<u>11,707,702</u>
NONCURRENT ASSETS:		
Other receivable	16,927	16,927
Capital assets — net	17,584,538	17,354,264
Leased assets — net	4,544,243	3,839,602
SBITA assets — net	229,787	266,549
Total noncurrent assets	<u>22,375,495</u>	<u>21,477,342</u>
Total assets	<u>33,851,786</u>	<u>33,185,044</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	-	1,171
OPEB related	87,924	99,264
Total deferred outflows of resources	<u>87,924</u>	<u>100,435</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 33,939,710</u>	<u>\$ 33,285,479</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable	\$ 556,845	\$ 508,990
Accrued liabilities	725,202	735,126
Due to the Council/Commission	53,607	70,065
Due to other state agencies	2,415	3,283
Compensated absences	1,369,403	1,186,118
Unearned revenue	2,580,653	2,958,555
Leases payable - current portion	613,467	481,979
SBITA payable - current portion	155,594	126,405
Total current liabilities	<u>6,057,186</u>	<u>6,070,521</u>
NONCURRENT LIABILITIES:		
Net OPEB liability (asset)	(2,657)	(185,423)
Leases payable - long term	4,188,023	3,529,992
SBITA payable - long term	15,222	94,349
Total noncurrent liabilities	<u>4,200,588</u>	<u>3,438,918</u>
Total liabilities	<u>10,257,774</u>	<u>9,509,439</u>
DEFERRED INFLOWS OF RESOURCES:		
Service concession arrangement	-	14,583
Pension related	29,103	41,144
OPEB related	45,155	290,062
Total deferred inflows of resources	<u>74,258</u>	<u>345,789</u>
NET POSITION:		
Investment in capital assets	17,284,772	17,227,690
Restricted for — expendable — other	1,714,461	1,839,937
Unrestricted	4,608,445	4,362,624
Total net position	<u>23,607,678</u>	<u>23,430,251</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	<u>\$ 33,939,710</u>	<u>\$ 33,285,479</u>

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, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
OPERATING REVENUES:		
Student tuition and fees — net of scholarship allowance of \$4,694,402 and \$3,299,892 in 2025 and 2024, respectively	\$ 4,477,987	\$ 4,521,033
Contracts and grants:		
Federal	2,906,154	1,989,882
State	5,077,351	3,548,613
Private	375,039	410,614
Auxiliary enterprise revenue	356,195	384,680
Other operating revenues (expense)	188,022	(5,883)
Total operating revenues	<u>13,380,748</u>	<u>10,848,939</u>
OPERATING EXPENSES:		
Salaries and wages	13,643,501	13,836,822
Benefits	3,193,999	2,554,518
Utilities	341,030	316,435
Supplies and other services	4,029,474	4,045,511
Student financial aid — scholarships and fellowships	3,073,229	2,550,150
Depreciation	1,405,032	1,487,994
Amortization	870,278	837,319
Other operating expenses	283,361	195,565
Fees assessed by the Commission for operations	83,394	76,133
Total operating expenses	<u>26,923,298</u>	<u>25,900,447</u>
OPERATING LOSS	<u>(13,542,550)</u>	<u>(15,051,508)</u>
NONOPERATING REVENUES (EXPENSES):		
State appropriations	8,972,984	8,746,343
Federal Pell Grant	4,270,703	3,413,318
Investment income	313,414	443,218
Fees assessed by the Commission	(2,344)	(2,294)
Interest expense - Leases & SBITA	(139,998)	(116,542)
Gain (loss) on disposals	(848)	6,050
HEERF Federal Revenue - Institutional Grant	8,123	21,480
Net nonoperating revenues	<u>13,422,034</u>	<u>12,511,573</u>
DECREASE IN NET POSITION BEFORE OTHER REVENUES	<u>(120,516)</u>	<u>(2,539,935)</u>
OTHER REVENUES:		
Donations	138,321	19,750
Payments made and expenses incurred on behalf of the College	159,622	138,277
Total other revenues	<u>297,943</u>	<u>158,027</u>
INCREASE (DECREASE) IN NET POSITION	177,427	(2,381,908)
NET POSITION — Beginning of year	<u>23,430,251</u>	<u>25,812,159</u>
NET POSITION — End of year	<u>\$ 23,607,678</u>	<u>\$ 23,430,251</u>

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, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Student tuition and fees	\$ 4,204,116	\$ 4,362,037
Contracts and grants	7,516,824	5,664,211
Payments to and on behalf of employees	(16,721,312)	(16,777,755)
Payments to suppliers	(4,080,454)	(4,313,308)
Payments to utilities	(341,030)	(316,435)
Payments for scholarships and fellowships	(3,073,229)	(2,550,150)
Auxiliary enterprise charges	356,195	384,680
Fees retained by Commission	(83,394)	(76,133)
Other receipts - net	168,941	121,726
Federal student loan program - direct lending receipts	2,167,789	2,460,577
Federal student loan program - direct lending payments	(2,167,789)	(2,460,577)
Net cash used in operating activities	<u>(12,053,343)</u>	<u>(13,501,127)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State appropriations	8,972,984	8,746,343
Federal Pell Grant	4,270,703	3,413,318
Federal HEERF Grant	-	-
Net cash provided by noncapital financing activities	<u>13,243,687</u>	<u>12,159,661</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Purchases of capital assets	(1,243,630)	(97,218)
Fees assessed by the Commission	(2,344)	(2,294)
Principal paid - leases/SBITA	(799,424)	(756,219)
Interest paid - leases/SBITA	(139,998)	(116,542)
Net cash used in capital financing activities	<u>(2,185,396)</u>	<u>(972,273)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on investments	<u>320,863</u>	<u>453,761</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(674,189)	(1,859,978)
CASH AND CASH EQUIVALENTS - Beginning of year	<u>9,896,490</u>	<u>11,756,468</u>
CASH AND CASH EQUIVALENTS - End of year	<u>\$ 9,222,301</u>	<u>\$ 9,896,490</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	\$ (13,542,550)	\$ (15,051,508)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	1,405,032	1,487,994
Amortization of leased assets and SBITA	870,278	837,319
Amortization of Service Concession Arrangement	(14,583)	(6,250)
Bad debt expense	157,248	78,021
Effect of changes in operating assets and liabilities:		
Accounts receivable, net	(653,875)	(72,472)
Due from Council/Commission/other state agencies	42,299	64,165
Prepaid expenses	12,224	(25,886)
Accounts payable	(45,878)	(29,928)
Accrued liabilities	(9,924)	92,038
Due to Council/Commission/other state agencies	(17,326)	(211,983)
Compensated absences	183,285	84,946
Net pension liability	(10,870)	(11,009)
Other postemployment benefits liability	(50,801)	(418,531)
Unearned revenue	(377,902)	(318,043)
Net cash used in operating activities	<u>\$ (12,053,343)</u>	<u>\$ (13,501,127)</u>
NONCASH TRANSACTIONS:		
Capital expenses in accounts payable	<u>\$ 101,490</u>	<u>\$ 7,757</u>
Payments made and expenses incurred on behalf of the College	<u>\$ 159,622</u>	<u>\$ 138,277</u>
Donations	<u>\$ 138,321</u>	<u>\$ 19,750</u>

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, 2025 AND 2024

ASSETS

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and Cash Equivalents	\$ 725,910	\$ 719,484
Investments	1,164,981	1,078,086
Pledges and Other Receivables	13,000	2,500
Due from Blue Ridge CTC	-	720
Other Assets	<u>6,723</u>	<u>7,443</u>
 Total Assets	 <u><u>\$ 1,910,614</u></u>	 <u><u>\$ 1,808,233</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Due to Blue Ridge CTC	<u>\$ 1,855</u>	<u>\$ -</u>
 Total Liabilities	 <u>1,855</u>	 <u>-</u>

NET ASSETS

Without Donor Restrictions	292,153	241,420
With Donor Restrictions	<u>1,616,606</u>	<u>1,566,813</u>
 Total Net Assets	 <u>1,908,759</u>	 <u>1,808,233</u>
 Total Liabilities and Net Assets	 <u><u>\$ 1,910,614</u></u>	 <u><u>\$ 1,808,233</u></u>

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, 2025 AND 2024

	Year Ended June 30, 2025			Year Ended June 30, 2024		
	Without Donor	With Donor	Total	Without Donor	With Donor	Total
	Restrictions	Restrictions		Restrictions	Restrictions	
SUPPORT AND REVENUE						
Contributions	\$ 27,170	\$ 206,483	\$ 233,653	\$ 29,485	\$ 54,640	\$ 84,125
Grant Income	-	175,000	175,000	-	-	-
Net Investment Return	27,791	105,678	133,469	31,938	112,607	144,545
Special Events Income, Net of Direct Costs of \$2940 and \$2,345 in 2025 and 2024, Respectively	840	-	840	580	-	580
Gifts In-Kind	723	-	723	-	-	-
Net Assets Released from Restrictions	437,368	(437,368)	-	244,785	(244,785)	-
Total Revenue and Support	<u>493,892</u>	<u>49,793</u>	<u>543,685</u>	<u>306,788</u>	<u>(77,538)</u>	<u>229,250</u>
EXPENSES						
Program Expenses						
Scholarships	296,402	-	296,402	244,785	-	244,785
Support to College	145,839	-	145,839	23,907	-	23,907
Total Program Services	<u>442,241</u>	<u>-</u>	<u>442,241</u>	<u>268,692</u>	<u>-</u>	<u>268,692</u>
Management and General						
Supplies and Other Expenses	918	-	918	771	-	771
Total Expenses	<u>443,159</u>	<u>-</u>	<u>443,159</u>	<u>269,463</u>	<u>-</u>	<u>269,463</u>
Changes in Net Assets	50,733	49,793	100,526	37,325	(77,538)	(40,213)
Net Assets, Beginning of Year	<u>241,420</u>	<u>1,566,813</u>	<u>1,808,233</u>	<u>204,095</u>	<u>1,644,351</u>	<u>1,848,446</u>
Net Assets, End of Year	<u>\$ 292,153</u>	<u>\$ 1,616,606</u>	<u>\$ 1,908,759</u>	<u>\$ 241,420</u>	<u>\$ 1,566,813</u>	<u>\$ 1,808,233</u>

The Accompanying Notes Are An Integral Part Of These Financial Statements

BLUE RIDGE COMMUNITY AND TECHNICAL COLLEGE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

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, 2025 and 2024. 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, leased assets and SBITA assets, net of accumulated depreciation or amortization and outstanding debt obligations related to those assets. To the extent debt has been incurred but not yet expended for those 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, 2025 and 2024.

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 15 years for land improvements, 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.

Leased Assets — Leased assets include 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. Leased assets are stated at the total amount of lease payments over the term of the lease. Amortization is computed using the straight-line method over the term of the lease. The College uses a capitalization threshold of \$5,000 for leased assets.

Subscription-Based Information Technology Arrangements (SBITA) Assets — SBITA assets include various software used for educational and administrative purposes for various terms under long-term, non-cancelable agreements. SBITA assets are stated at the total amount of payments over the term of the agreement. Amortization is computed using the straight-line method over the term of the agreement. The College uses a capitalization threshold of \$5,000 for SBITA 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.

Other Postemployment Benefits (OPEB)— The College follows GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. (see Note 8). 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), 601 57th Street, SE Suite 2, Charleston, WV 25304, or the PEIA website at <https://peia.wv.gov>.

Compensated Absences— The College follows GASB 101, *Compensated Absences*. GASB requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. 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 depending on date of hire 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, (OPEB).

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 accrued 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#ACFR>. 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 \$0 and \$1,171 as of June 30, 2025 and 2024, respectively (see Note 14), and deferred outflows of resources related to OPEB of \$87,924 and \$99,264, respectively (see Note 8).

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, 2025 and 2024, the College had deferred inflows related to service concession arrangements of \$0 and \$14,583, respectively (see Note 16), deferred inflows related to pensions of \$29,103 and \$41,144 respectively (see Note 14), and deferred inflows related to OPEB of \$45,155 and \$290,062, respectively (see Note 8).

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 2025 and 2024, the College received and disbursed \$2,167,789 and \$2,460,577, 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 2025 and 2024, the College received and disbursed \$4,375,872 and \$3,509,654, respectively, under these federal student aid programs.

Education Stabilization Funds - 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 (all grant funds for the CARES Act had been received and disbursed by the end of fiscal year 2021). 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. The total student portion was distributed by April 2021. In 2025 and 2024, the College claimed \$300 and \$900, respectively of the institutional aid portion. The total CRRSAA Act Grant funds for both portions of the grant have been received and disbursed by the end of fiscal year 2022.

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. The total student portion was distributed by June 2022. In 2025 and 2024, the College claimed \$7,823 and \$20,580 of the institutional aid portion, respectively. The total ARPA Act Grant funds for both portions of the grant have been received and disbursed by the end of fiscal year 2023.

Both acts, CRRSAA and ARPA, of the Higher Education Emergency Relief Funds (HEERF) Funds, are recorded on the statement of revenues, expenses, and changes in net position as nonoperating revenues.

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.

The College previously used the Alternate Method of calculating the estimated discount, as presented in the National Association of College and University Business Officers, NACUBO Advisory 2000-05. NACUBO no longer endorses this method. Effective with fiscal year ending June 30, 2025, the College has adopted the new guidance endorsed by NACUBO in advisory 2023-01.

Financial aid to students, such as federal Pell grants, other federal grants, state grants, private grants awarded by the college, institutional scholarships that are awarded by the college and academic waivers, are considered institutional aid and are reported in the financial statements under the new 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 new method, these amounts are computed by certain assumptions, such as institutional aid is allocated to the student account tuition & fees charges first. Therefore, any cash payments, payments on behalf or loans is what is refunded. NACUBO Method A calculation (detail by student, by term, for activity within the fiscal year) is being used. For FY24, under the alternative method, discount as a % of T&F & other charges applied to student accounts was 48%. For FY25, under Method A – detail by student, by term, discount as a % of T&F & other charges applied to student accounts was 56%.

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

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

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

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

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

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

The GASB issued Statement No. 101, *Compensated Absences*, which is effective for fiscal years beginning after December 15, 2023. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. The implementation of this standard did not have a significant impact on net position, however fiscal year ending June 30, 2025 statement of net position and statement of revenues, expenses, and changes in net position were decreased as a result of this Statement by \$16,709 additional liability and expense due to accrual of special event leave, i.e., FMLA, military leave, etc.

The GASB has also issued Statement No. 102, *Certain Risk Disclosures*, which is effective for fiscal years beginning after June 15, 2024. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosure should include descriptions of the concentration or constraint, each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements, and actions taken by the government prior to the issuance of the financial statements to mitigate the risk. The adoption of this standard had no effect on the College's financial statements.

3. CASH AND CASH EQUIVALENTS

The composition of cash and cash equivalents was held as follows as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
State Treasurer	\$ 9,044,982	\$ 9,760,195
In Bank	<u>177,319</u>	<u>136,295</u>
	<u>\$ 9,222,301</u>	<u>\$ 9,896,490</u>

The combined carrying amount of cash in bank at June 30, 2025 and 2024, was \$177,319 and \$136,295 as compared with the combined bank balance of \$195,904 and \$147,539, 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 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, 2025 and 2024, 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, 2025 and 2024, was \$2,388,482 and \$2,799,611, respectively. At June 30, 2025 and 2024, the College had \$0 and \$496, 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 six 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.wvbt.com>.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The WV Money Market Pool and the WV Short Term Bond pool are subject to credit risk.

The following table provides information on the Standard & Poor's rating of the investment pools as of June 30:

External Pool	2025		2024	
	College's Carrying Value	S & P Rating	College's Carrying Value	S & P Rating
WV Money Market Pool	\$ 6,503,665	AAAm	\$ 6,802,353	AAAm
WV Short Term Bond Pool	\$ 152,835	Not Rated	\$ 157,735	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:

External Pool	2025		2024	
	College's Carrying Value	WAM (Days)	College's Carrying Value	WAM (Days)
WV Money Market Pool	\$ 6,503,665	41	\$ 6,802,353	36

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

External Pool	2025		2024	
	College's Carrying Value	Effective Duration (Days)	College's Carrying Value	Effective Duration (Days)
WV Short Term Bond Pool	\$ 152,835	637	\$ 157,735	645

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. 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, 2025 and 2024, is as follows:

	<u>2025</u>	<u>2024</u>
WVHEPC	\$ 60,689	\$ 85,106
WVCTCS	<u>351,755</u>	<u>355,581</u>
Due from the Council/Commission	<u>\$ 412,444</u>	<u>\$ 440,687</u>
WV Department of Education - Jobs and Hope	\$ 5,952	\$ 5,008
WV Department of Health and Human Resources/TANF	<u>0</u>	<u>15,000</u>
Due from other state agencies	<u>\$ 5,952</u>	<u>\$ 20,008</u>

5. ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2025 and 2024, is as follows:

	<u>2025</u>	<u>2024</u>
Student tuition and fees — net of allowance for doubtful accounts of \$957,019 and \$799,771 in 2025 and 2024, respectively	\$ 363,799	\$ 269,787
Other receivables	429,789	392,210
Unbilled charges	551,642	226,172
Financial aid grants and Contracts receivable	<u>331,788</u>	<u>291,548</u>
	<u>\$ 1,677,018</u>	<u>\$ 1,179,717</u>

6. CAPITAL ASSETS, LEASED ASSETS, AND SBITA ASSETS

Summary of capital assets, right-to-use leased assets, and right-to-use subscription based IT arrangement asset transactions for the College as of June 30, 2025 and 2024, are as follows:

	2025			
	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 1,605,550	\$ -	\$ -	\$ 1,605,550
Construction in progress	475,819	546,644	(53,019)	969,444
Total capital assets not being depreciated	<u>\$ 2,081,369</u>	<u>\$ 546,644</u>	<u>\$ (53,019)</u>	<u>\$ 2,574,994</u>
Capital assets being depreciated:				
Land Improvements	\$ 772,624	\$ 53,019	\$ -	\$ 825,643
Buildings/Leasehold improvements	19,591,286	-	-	19,591,286
Equipment	9,149,117	1,088,662	(221,377)	10,016,402
Total capital assets being depreciated	<u>29,513,027</u>	<u>1,141,681</u>	<u>(221,377)</u>	<u>30,433,331</u>
Less capital assets accumulated depreciation for:				
Land Improvements	464,898	44,232	-	509,130
Buildings/Leasehold improvements	6,578,054	515,819	-	7,093,873
Equipment	7,197,180	844,981	(221,377)	7,820,784
Total capital assets accumulated depreciation	<u>14,240,132</u>	<u>1,405,032</u>	<u>(221,377)</u>	<u>15,423,787</u>
Capital assets being depreciated — net	<u>\$ 15,272,895</u>	<u>\$ (263,351)</u>	<u>\$ -</u>	<u>\$ 15,009,544</u>
Capital assets — net	<u>\$ 17,354,264</u>	<u>\$ 283,293</u>	<u>\$ (53,019)</u>	<u>\$ 17,584,538</u>
Leased assets being amortized				
Leased Building Space	\$ 5,252,157	\$ 1,374,379	\$ (415,136)	\$ 6,211,400
Leased Equipment	103,523	8,253	-	111,776
Total leased assets being amortized	<u>5,355,680</u>	<u>1,382,632</u>	<u>(415,136)</u>	<u>6,323,176</u>
Less leased assets accumulated amortization for:				
Leased Building Space	1,449,975	654,856	(415,136)	1,689,695
Leased Equipment	66,103	23,135	-	89,238
Total leased assets accumulated amortization	<u>1,516,078</u>	<u>677,991</u>	<u>(415,136)</u>	<u>1,778,933</u>
Leased assets — net	<u>\$ 3,839,602</u>	<u>\$ 704,641</u>	<u>\$ -</u>	<u>\$ 4,544,243</u>
SBITA assets being amortized				
SBITA assets	\$ 533,346	\$ 163,349	\$ (17,604)	\$ 679,091
Total SBITA assets being amortized	<u>533,346</u>	<u>163,349</u>	<u>(17,604)</u>	<u>679,091</u>
Less SBITA assets accumulated amortization for:				
SBITA assets	266,797	192,287	(9,780)	449,304
Total SBITA assets accumulated amortization	<u>266,797</u>	<u>192,287</u>	<u>(9,780)</u>	<u>449,304</u>
SBITA assets — net	<u>\$ 266,549</u>	<u>\$ (28,938)</u>	<u>\$ (7,824)</u>	<u>\$ 229,787</u>

CAPITAL ASSETS, LEASED ASSETS, AND SBITA ASSETS (Continued)

	2024			
	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 1,605,550	\$ -	\$ -	\$ 1,605,550
Construction in progress	425,819	50,000	-	475,819
Total capital assets not being depreciated	<u>\$ 2,031,369</u>	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ 2,081,369</u>
Capital assets being depreciated:				
Land Improvements	\$ 772,624	\$ -	\$ -	\$ 772,624
Buildings/Leasehold improvements	19,591,286	-	-	19,591,286
Equipment	8,995,706	219,052	(65,641)	9,149,117
Total capital assets being depreciated	<u>29,359,616</u>	<u>219,052</u>	<u>(65,641)</u>	<u>29,513,027</u>
Less capital assets accumulated depreciation for:				
Land Improvements	420,665	44,233	-	464,898
Buildings/Leasehold improvements	6,040,464	537,590	-	6,578,054
Equipment	6,356,650	906,171	(65,641)	7,197,180
Total capital assets accumulated depreciation	<u>12,817,779</u>	<u>1,487,994</u>	<u>(65,641)</u>	<u>14,240,132</u>
Capital assets being depreciated — net	<u>\$ 16,541,837</u>	<u>\$ (1,268,942)</u>	<u>\$ -</u>	<u>\$ 15,272,895</u>
Capital assets — net	<u>\$ 18,573,206</u>	<u>\$ (1,218,942)</u>	<u>\$ -</u>	<u>\$ 17,354,264</u>
Leased assets being amortized				
Leased Building Space	\$ 5,252,157	\$ -	\$ -	\$ 5,252,157
Leased Equipment	103,523	-	-	103,523
Total leased assets being amortized	<u>5,355,680</u>	<u>-</u>	<u>-</u>	<u>5,355,680</u>
Less leased assets accumulated amortization for:				
Leased Building Space	794,177	655,798	-	1,449,975
Leased Equipment	44,068	22,035	-	66,103
Total leased assets accumulated amortization	<u>838,245</u>	<u>677,833</u>	<u>-</u>	<u>1,516,078</u>
Leased assets — net	<u>\$ 4,517,435</u>	<u>\$ (677,833)</u>	<u>\$ -</u>	<u>\$ 3,839,602</u>
SBITA assets being amortized				
SBITA assets	\$ 504,793	\$ 141,334	\$ (112,781)	\$ 533,346
Total SBITA assets being amortized	<u>504,793</u>	<u>141,334</u>	<u>(112,781)</u>	<u>533,346</u>
Less SBITA assets accumulated amortization for:				
SBITA assets	220,092	159,486	(112,781)	266,797
Total SBITA assets accumulated amortization	<u>220,092</u>	<u>159,486</u>	<u>(112,781)</u>	<u>266,797</u>
SBITA assets — net	<u>\$ 284,701</u>	<u>\$ (18,152)</u>	<u>\$ -</u>	<u>\$ 266,549</u>

7. 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, 2025 and 2024, is as follows:

	<u>2025</u>	<u>2024</u>
WVHEPC	\$ 36,351	\$ 14,914
WVCTCS	<u>17,256</u>	<u>55,151</u>
Total Due to the Council/Commission	<u>\$ 53,607</u>	<u>\$ 70,065</u>
WV State Tax Dept	\$ 878	\$ 1,302
WV State Treasurers Office	765	178
WV Office of Attorney General	575	1,598
WV Office of Technology	-	8
WVNET	<u>197</u>	<u>197</u>
Total Due to other state agencies	<u>\$ 2,415</u>	<u>\$ 3,283</u>

8. 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, 2025 and 2024, respectively:

OPEB	<u>2025</u>	<u>2024</u>
Net OPEB (Asset)	\$ (2,657)	\$ (185,423)
Deferred Outflows of Resources	\$ 87,924	\$ 99,264
Deferred Inflows of Resources	\$ 45,155	\$ 290,062
Revenues (expense) – special funding	\$ 4,498	\$ (133,859)
OPEB Expense (revenue)	\$ 9,463	\$ (549,866)
Contributions Made by the College	\$ 55,766	\$ 2,524

Plan Description

The OPEB plan is a cost-sharing, multiple employer, defined benefit other post-employment benefit plan and 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 management with approval of the Finance Board. The Finance Board is comprised of ten 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 cabinet secretary, or designee, serves as Chairman of the Board and is a voting member. Four members represent labor, education, public employees and public retirees. One member represents the hospitals, one member represents the non-hospital health care providers and the 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 similar plans), 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 <https://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 annual leave days into 100% of the required retiree healthcare contribution.
- Members hired from July 1, 1988 to June 30, 2001 may convert accrued sick or annual leave days into 50% of the required retiree healthcare contribution.

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

Employees hired on or after July 1, 2001 no longer receive sick and/or annual 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.

Actuarial Assumptions

The net OPEB asset for financial reporting purposes was determined by an actuarial valuation as of June 30, 2023. The following actuarial assumptions were used:

- Actuarial cost method: Entry age normal cost method.
- Amortization method: Level percentage of payroll, closed over a 20 year closed period as of June 30, 2017.
- Asset valuation method: Market value
- Investment rate of return: 7.40%, 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: 2.50%
- 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-2021. PERS: Pub-2010 General Below-Median Healthy Retiree Tables (106% males, 113% females) projected with MP-2021. Pre-Retirement: TRS: Pub-2010 General Employee Mortality Tables (100% males, 100% females) projected with scale MP-2021. PERS: Pub-2010 Below-Median Income General Employee Mortality Tables projected with scale MP-2021.
- Healthcare cost trend rates: Trend rate for pre-Medicare and Medicare per capita costs start at 5.0% medical and 8.0% drug. The trends increase over four years to 7.0% and 9.5%, respectively. The trends then decrease linearly for 5 years until ultimate trend rate of 4.50% is reached in plan year end 2033.
- 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, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020.

The actuarial valuation as of June 30, 2023, reflects changes to the healthcare-related assumptions which include per capita claims costs, healthcare trend rate, coverage and continuance and participation rates.

The long-term expected rate of return of 7.40% on OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.60% for long-term assets invested with the West Virginia Investment Management Board (“IMB”) and an expected short-term rate of return of 2.75% 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 45% equity, 15% fixed income, 6% private credit and income, 12% private equity, 10% hedge fund and 12% 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 best estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Target asset allocations, capital market assumptions (“CMA”), and 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 2.50% 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, 2024	
Asset Class	Long-term Expected Real Rate of Return
Equity	7.4%
Fixed Income	3.9%
Private Credit and Income	7.4%
Private equity	10.0%
Real Estate	7.7%
Hedge Funds	4.5%
June 30, 2023	
Asset Class	Long-term Expected Real Rate of Return
Equity	7.4%
Fixed Income	3.9%
Private Credit and Income	7.4%
Private equity	10.0%
Real Estate	7.2%
Hedge Funds	4.5%

Single discount rate. A single discount rate of 7.40% was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on OPEB plan investments of 7.40%. 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 these 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, 2025 and 2024, respectively, calculated using the discount rate of 7.40%, 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 (6.40%) or one percentage point higher (8.40%) than the current rate:

2025			
	1% Decrease (6.40%)	Discount Rate (7.40%)	1% Increase (8.40%)
Net OPEB Liability (Asset) \$	11,616	\$ (2,657)	\$ (14,544)

2024			
	1% Decrease (6.40%)	Discount Rate (7.40%)	1% Increase (8.40%)
Net OPEB Liability (Asset) \$	(31,375)	\$ (185,423)	\$ (354,379)

Sensitivity of the net OPEB liability (asset) 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, 2025 and 2024, 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:

2025			
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability (Asset) \$	(20,890)	\$ (2,657)	\$ 19,485

2024			
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability (Asset) \$	(472,350)	\$ (185,423)	\$ 155,787

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

The net OPEB liability (asset) at June 30, 2025 and 2024 was measured as of June 30, 2024 and 2023, respectively, which is the measurement date. The total OPEB liability (asset) at June 30, 2025 and 2024 was determined by an actuarial valuation as of June 30, 2023 and 2022, respectively, and rolled forward to the respective measurement dates.

At June 30, 2025 and 2024, the amount recognized as the College's proportionate share of the net OPEB liability (asset) was approximately \$(2,657) and \$(185,423), respectively. At June 30, 2025 and 2024, the nonemployer contributing entity's (State of West Virginia) portion of the collective net OPEB liability (asset) is \$(8,345) and \$(79,144), respectively, and the total net OPEB liability

(asset) attributable to the College at June 30, 2025 and 2024 is \$(11,002) and \$(264,567), 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, 2024 and June 30, 2023. Employer contributions are recognized when due. At June 30, 2024, the College's proportion was 0.006381452%, a decrease of 0.11079% from its proportion of 0.117171852% calculated as of June 30, 2023. At June 30, 2023, the College's proportion was 0.117171852%, an increase of 0.00352% from its proportion of 0.113651842% calculated as of June 30, 2022.

For the years ended June 30, 2025 and 2024, the College recognized OPEB expense (revenue) of \$9,463 and \$(549,866), respectively. Of this amount, \$4,965 and \$(416,007), respectively, was recognized as the College's proportionate share of the OPEB expense (revenue), and \$4,498 and \$(133,859), respectively, as the amount of OPEB expense (revenue) attributed to special funding. The OPEB expense (revenue) is included in the statement of revenues, expenses, and changes in net position as benefits. The College also recognized revenue (expense) of \$4,498 and \$(133,859), respectively, for support provided by the State. The revenue (expense) is recorded in the statement of revenues, expenses, and changes in net position as other operating revenues.

At June 30, 2025 and 2024, deferred outflows of resources and deferred inflows of resources related to OPEB are as follows:

<u>Deferred Outflows of Resources</u>	<u>2025</u>	<u>2024</u>
Contributions after the measurement date	\$ 55,766	\$ 2,524
Changes in proportion and difference between employer contributions and proportionate share of contributions	21,889	45,611
Changes in assumptions	1,014	51,129
Differences between expected and actual experience	9,255	-
Total	<u>\$ 87,924</u>	<u>\$ 99,264</u>
 <u>Deferred Inflows of Resources</u>	 <u>2025</u>	 <u>2024</u>
Changes in proportion and difference between employer contributions and proportionate share of contributions	\$ 36,314	\$ 75,582
Net difference between projected and actual investment earnings	3,027	3,092
Differences between expected and actual experience	2,672	107,936
Changes in assumptions	3,142	103,452
Total	<u>\$ 45,155</u>	<u>\$ 290,062</u>

The College will recognize the \$55,766 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ended</u>	<u>Amortization</u>
June 30, 2026	\$ (59,974)
June 30, 2027	44,857
June 30, 2028	6,033
June 30, 2029	(3,913)
	<u>\$ (12,997)</u>

9. 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, 2025 and 2024.

10. 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 2034 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.

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 0.52%

For lease starting September 1, 2021:
5-year lease 0.42%

For leases starting July 1, 2022:
5-year lease 2.22 %
10-year lease 2.70%

For leases starting July 1, 2024:
10-year lease 2.89%

For leases starting November 1, 2024:
5-year lease 2.74%

Future minimum lease payments under lease agreements are as follows:

Leased Building Space

Year Ending June 30,	Berkeley Business Park		Morgan County Commission		Total
	Principal	Interest	Principal	Interest	
2026	\$ 413,316	\$ 85,929	\$ 183,027	\$ 37,522	\$ 719,794
2027	434,586	74,508	192,370	32,589	734,053
2028	457,204	62,496	125,711	28,176	673,587
2029	479,674	49,874	132,511	24,453	686,512
2030	503,525	36,630	139,573	20,530	700,258
2031-2034	1,082,784	30,859	634,459	38,622	1,786,724
Total minimum building lease payments	<u>\$ 3,371,089</u>	<u>\$ 340,296</u>	<u>\$ 1,407,651</u>	<u>\$ 181,892</u>	<u>\$ 5,300,928</u>

Leased Equipment

Year Ending June 30,	Principal	Interest	Total
2026	\$ 17,124	\$ 210	\$ 17,334
2027	1,634	134	1,768
2028	1,680	88	1,768
2029	1,726	42	1,768
2030	586	3	589
Total minimum equipment lease payments	<u>\$ 22,750</u>	<u>\$ 477</u>	<u>\$ 23,227</u>

Total principal payments made on leases during FY25 and FY24 were \$593,113 and \$600,634, respectively. Total interest payments made on leases during FY25 and FY24 were \$135,977 and \$113,194, respectively.

11. SBITA PAYABLE

The College enters into various subscription-based information technology arrangements (SBITA) for software used for educational and administrative purposes for various terms under long-term, non-cancelable agreements. The SBITA's expire at various dates through 2027. These SBITA's are accounted for under GASB 96 effective July 1, 2021 rather than as software, contractual or computer services expenses.

GASB 96 requires the use of an incremental borrowing rate (IBR) since the discount rate applied against subscription payments is not specified in each of the College's agreements. GASB 96 paragraph 18 defines the incremental borrowing rate as the interest rate that would be charged for borrowing the subscription payment amounts during the subscription term. The College uses the Bloomberg rate for SBITA's based on the rate for the month of the start of the SBITA, or the implementation date as is the case for the first year of implementation of GASB 96. The Bloomberg MuniBond terms are 1 year, 2-year, 5-year, 10 year. The College has several 3-year SBITA's, therefore using the average of the 2 year and 5 year for the 3-year rate.

The following Bloomberg rates were used:

For active subscriptions as of July 1, 2021:

3-year subscription 0.33%

5-year subscription 0.50%

For subscriptions starting September 1, 2021:

2-year subscription 0.09%

For subscriptions starting May 1, 2022:

5-year subscription 2.60 %

For subscriptions starting June 1, 2022:

3-year subscription 1.97%

For subscriptions starting September 1, 2022:

3-year subscription 2.37%

For subscriptions starting November 1, 2022:

3-year subscription 3.21%

For subscriptions starting April 1, 2023:

3-year subscription 2.20%

For subscriptions starting July 1, 2023:

1-year subscription 3.01%

2-year subscription 2.92%

3-year subscription 2.77%

For subscriptions starting September 1, 2023:

4-year subscription 3.02%

For subscriptions starting November 1, 2023:

4-year subscription 3.63%

For subscriptions starting March 1, 2024:

3-year subscription 2.65%

For subscriptions starting July 1, 2024:

3-year subscription 3.06%

For subscriptions starting August 1, 2024:

2-year subscription 2.79%

Future minimum SBITA payments under SBITA agreements are as follows:

Subscription-Based Information Technology Arrangements

Year Ending			
June 30,	Principal	Interest	Total
2026	\$ 155,594	\$ 3,936	\$ 159,530
2027	<u>15,222</u>	<u>467</u>	<u>15,689</u>
Total minimum subscription payments	<u>\$ 170,816</u>	<u>\$ 4,403</u>	<u>\$ 175,219</u>

Total principal payments made on SBITA's during FY25 and FY24 were \$206,309 and \$155,585, respectively. Total interest payments made on SBITA's during FY25 and FY24 were \$4,021 and \$3,348, respectively.

12. UNRESTRICTED NET POSITION

The College did not have any designated unrestricted net position as of June 30, 2025 and 2024.

	<u>2025</u>	<u>2024</u>
Total unrestricted net position before OPEB liability	\$ 4,608,445	\$ 4,362,624
Less OPEB liability	<u>-</u>	<u>-</u>
Total unrestricted net position	<u>\$ 4,608,445</u>	<u>\$ 4,362,624</u>

For FY25 and FY24, OPEB was an asset, therefore was restricted net position as opposed to unrestricted net position. FY24 was originally reflected as unrestricted, therefore was reclassified in current year to restricted net position on the statement of net position.

13. DEFINED CONTRIBUTION PLANS

All full-time employees of the College participate in either the Teachers' Insurance and Annuities Association — College Retirement Equities Fund (TIAA-CREF) or Educators Money plan. Upon full-time employment, all employees are required to participate in a defined contribution plan.

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.

As of June 30, 2025 and 2024, there were no employees in the Educators Money Fund.

DEFINED CONTRIBUTION PLANS

	TIAA-CREF	
Source of contributions:	<u>2025</u>	<u>2024</u>
Employee	\$ 723,554	\$ 730,620
Employer	<u>723,554</u>	<u>730,620</u>
Total contributions	<u>\$ 1,447,108</u>	<u>\$ 1,461,240</u>

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

	BENEFITS ELIGIBLE PAYROLL	
	<u>2025</u>	<u>2024</u>
Employees' Salaries-TIAA-CREF	\$ 12,059,236	\$ 12,176,997

14. DEFINED BENEFIT PENSION PLAN

Some employees of the College were 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). As of June 30, 2025 and 2024, there were no employees in this plan. TRS closed membership to new hires effective July 1, 1991.

Following is the College’s 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, 2025 and 2024, respectively. There is no pension liability, special funding or contributions made by the college in fiscal years ended June 30, 2025 or 2024 as there are no longer any employees in this plan:

TRS	<u>2025</u>	<u>2024</u>
Deferred Outflows of Resources	\$ -	\$ 1,171
Deferred Inflows of Resources	\$ 29,103	\$ 41,144
Pension Expense (revenue)	\$ (10,870)	\$ (11,009)

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, 2024 and 2023. These were determined by an actuarial valuation as of July 1, 2023 and 2022 and rolled forward to the respective measurement dates.

At both June 30, 2025 and 2024, the College's proportionate share of the TRS net pension liability was \$0.

For the year ended June 30, 2025 and 2024, the College recognized TRS pension expense (revenue) of \$(10,870) and \$(11,009), respectively. Of this amount, \$(10,870) and \$(11,009), respectively, was recognized as the College's proportionate share of the TRS expense (revenue) and \$0 for both years as the amount of pension expense attributable to special funding from a non-employer contributing entity. The College also recognized revenue of \$0 for both years for support provided by the State.

At June 30, 2025 and 2024, deferred outflows of resources and deferred inflows of resources related to the TRS pension are as follows:

<u>Deferred Outflows of Resources</u>	<u>2025</u>	<u>2024</u>
Changes in proportion and difference between employer contributions and proportionate share of contributions	\$ -	\$ 1,171

<u>Deferred Inflows of Resources</u>	<u>2025</u>	<u>2024</u>
Changes in proportion and difference between employer contributions and proportionate share of contributions	\$ 29,103	\$ 41,144

The College will recognize the amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions in TRS pension expense as follows:

<u>Fiscal Year Ended</u>	<u>Amortization</u>
June 30, 2026	\$ (15,201)
June 30, 2027	(7,210)
June 30, 2028	(6,293)
June 30, 2029	(399)
	<u>\$ (29,103)</u>

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

For fiscal year ended June 30, 2019, the College had 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 was with Follett Higher Education Group, Inc. (Follett).

The College contracted 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 operated 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 was to 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. The last renewal option was not exercised and the contract ended April 2025. As of June 30, 2025 and 2024 the service concession arrangement deferred inflow of resources was \$0 and \$14,583, respectively.

The new bookstore contract does not meet the criteria of an SCA as of June 30, 2025.

17. OTHER REVENUES

Donations

The College received donations totaling \$116,660 and \$19,750 in fiscal years ended June 30, 2025 and 2024, respectively, from the Foundation. All of the assets donated were to support technical academic programs at the college.

Additionally, the College received donations from WVU Parkersburg (WVUP) in total of \$21,661 in fiscal year ended June 30, 2025. These assets donated were to support the Workforce department at the college. The laptop computers and mobile computer cart were purchased by WVUP from a federal grant and transferred to the College.

Payments Made on Behalf of College

Payments made on behalf of the college by WVHEPC were \$159,622 and \$138,277, for fiscal years ending June 30, 2025 and 2024, respectively. The payments made on behalf of the college in fiscal year ending June 30, 2025 were related to deferred maintenance projects funded through grants to WVHEPC totaling \$159,028 and bond projects \$594. The deferred maintenance projects consisted of: parking lot lights at the main campus location were retrofitted with LED lights, \$12,745, the main campus location had a water filtration system update, \$36,000, the sidewalk and donor brick walkway was repaired, \$48,200, the parking lot was resealed and relined, \$34,883, and the sinkhole repair was completed, \$27,200. The payments on the bond was for wastewater voluntary remediation costs \$594. The payments made on behalf of the college in fiscal year ending June 30, 2024 were related to CDL Simulator equipment, \$135,625, and wastewater voluntary remediation, \$2,652. The CDL Simulator equipment was purchased by HEPC from a federal grant and transferred to the College. The wastewater voluntary remediation project payments in FY25 and FY24 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 \$297,132.

18. NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

Operating expenses within functional classifications for the years ended June 30, 2025 and 2024 are as follows:

	2025	2024
Instruction	\$10,792,029	\$10,943,909
Academic support	666,450	772,210
Student services	2,097,593	2,036,116
General institutional support	5,799,471	4,790,285
Operations and maintenance of plant	1,471,149	1,717,360
Student financial aid	3,073,229	2,550,150
Depreciation	1,405,032	1,487,994
Amortization	870,278	837,319
Auxiliary	664,673	688,971
Other	83,394	76,133
	<u> </u>	<u> </u>
Total	<u>\$26,923,298</u>	<u>\$25,900,447</u>

19. SUPPLEMENTAL APPROPRIATIONS RECEIVED FROM PRIMARY GOVERNMENT

West Virginia Legislature, 2024 first extraordinary session, Senate Bill 1007, effective May 20, 2024, gave a supplementary appropriation from the State Fund, General Revenue to The Higher Education Policy Commission (HEPC) for fiscal year 2024 by adding new items of appropriation. Supplemental appropriations were for: Higher Education Grant Program – Surplus, Support for Colleges and Universities – Surplus, and College Access Grant – Surplus. The HEPC distributed these funds to the WV Higher Education institutions. Per Enrolled Senate Bill 1007, any unexpended balance at the end of fiscal year 2024 is reappropriated for expenditure during fiscal year 2025. There was no special legislation for supplemental appropriation funding for fiscal year 2025.

Blue Ridge Community and Technical College received an additional \$329,919 from the HEPC for Support for Colleges and Universities – Surplus appropriation on June 4, 2024. This is included on the statement of revenues, expenses, and changes in net position as State Appropriation revenue in fiscal year 2024.

Blue Ridge Community and Technical College received an additional \$493,690 from the HEPC for College Access Grant - Surplus appropriation on June 13, 2024. These funds are for academic year 2024-2025 students which begins in August 2024. These funds are recorded on the statement of net position as unearned revenue in fiscal year 2024. The state grant revenue and scholarship expenses are recorded in fiscal year 2025 when the funds were awarded to students.

Blue Ridge Community and Technical College had not yet received funds from the HEPC for the Higher Education Grant Program - Surplus appropriation as of June 30, 2024. These funds were received and disbursed to students in fiscal year 2025. Once the funds were awarded to students and received by the College, the state grant revenue and scholarship expenditures were recorded. This was not a receivable at June 30, 2024 since this was for academic year 2024-2025. This is included on the statement of revenues, expenses, and changes in net position as state grant revenue and scholarship expense at June 30, 2025.

20. COMPONENT UNIT'S DISCLOSURES

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

BLUE RIDGE COMMUNITY AND TECHNICAL COLLEGE FOUNDATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 and 2024

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

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 in accordance with accounting principles generally accepted in the United States of America. 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, 2025 and 2024, this included \$32,850 and \$14,068 respectively of money market funds.

Investments

The Foundation accounts for its investments in accordance with accounting principles generally accepted in the United States of America. Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statements of financial position. 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.

Investments of the Foundation are exposed to various risks, such as interest rate, market, currency and credit risks. Market risks include global events which could impact the value of investment securities, such as a pandemic or international conflict. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect investment assets reported in the financial statements.

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 following ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326), which requires organizations with financial assets to present such assets at their net carrying value at the amount expected to be collected on the financial asset. This presentation requires an allowance for future credit losses to be recognized and deducted from the amortized cost basis of the financial assets. This allowance is to be measured using judgements based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. Management considers all receivables to be fully collectible as of June 30, 2025 and 2024.

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 recorded 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, 2025 and 2024, 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 its cash from operations in one commercial bank located in Martinsburg, West Virginia and utilizes an Insured Cash Sweep (ICS) account. Cash on deposit with the ICS account is placed into deposits accounts with other members of the ICS network so that all of the Foundation's cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Balances in excess of FDIC limits are uninsured. At June 30, 2025 and 2025, all of the Foundation's cash balances were FDIC insured.

Note 3 INVESTMENTS

The following is a summary of available-for-sale securities as of June 30, 2025:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Equity Securities and Mutual Funds	\$ 810,575	\$ 278,639	\$ -	\$ 1,089,214
Corporate Bonds	69,809	898	-	70,707
US Govt Bonds	4,983	77	-	5,060
	<u>\$ 885,367</u>	<u>\$ 279,614</u>	<u>\$ -</u>	<u>\$ 1,164,981</u>

The following is a summary of available-for-sale securities as of June 30, 2024:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Equity Securities and Mutual Funds	\$ 793,416	\$ 225,830	\$ -	\$ 1,019,246
Corporate Bonds	54,759	-	877	53,882
US Govt Bonds	4,983	-	25	4,958
	<u>\$ 853,158</u>	<u>\$ 225,830</u>	<u>\$ 902</u>	<u>\$ 1,078,086</u>

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, 2025:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Money Market	\$ 32,850	\$ -	\$ -	\$ 32,850
Total Money Market	<u>\$ 32,850</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,850</u>
Investments				
Equity				
Equity International	\$ 150,179	\$ -	\$ -	\$ 150,179
Equity Domestic Large Cap	407,965	-	-	407,965
Equity Domestic Mid Cap	48,262	-	-	48,262
Equity Domestic Small Cap	30,786	-	-	30,786
Equity Index Funds	197,658	-	-	197,658
Fixed Income	254,364	-	-	254,364
Fixed Income US Govt	5,060	-	-	5,060
Corporate Bonds	70,707	-	-	70,707
Total Investments	<u>\$ 1,164,981</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,164,981</u>

The following table presents assets and liabilities measured at fair value by classification within the fair value hierarchy as of June 30, 2024:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Money Market	\$ 14,068	\$ -	\$ -	\$ 14,068
Total Money Market	<u>\$ 14,068</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,068</u>
Investments				
Equity				
Equity International	\$ 117,990	\$ -	\$ -	\$ 117,990
Equity Domestic Large Cap	420,001	-	-	420,001
Equity Domestic Mid Cap	41,513	-	-	41,513
Equity Domestic Small Cap	29,152	-	-	29,152
Equity Index Funds	145,877	-	-	145,877
Fixed Income	264,712	-	-	264,712
Fixed Income US Govt	4,958	-	-	4,958
Corporate Bonds	53,883	-	-	53,883
Total Investments	<u>\$ 1,078,086</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,078,086</u>

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 SPMIFA, 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, 2025 and 2024, the Foundation had no underwater endowment funds.

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

	2025		
	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	-	354,762	354,762
	<u>\$ -</u>	<u>\$ 889,762</u>	<u>\$ 889,762</u>
	2024		
	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	-	291,857	291,857
	<u>\$ -</u>	<u>\$ 826,857</u>	<u>\$ 826,857</u>

The Foundation had the following changes in the endowment funds during the years ended June 30, 2025 and 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, July 1, 2023	\$ -	\$ 779,450	\$ 779,450
Contributions	-	-	-
Investment Return, Net	-	47,407	47,407
Appropriation of Endowment Assets for Expenditure	-	-	-
Endowment Net Assets, June 30, 2024	-	826,857	826,857
Contributions	-	-	-
Investment Return, Net	-	62,905	62,905
Appropriation of Endowment Assets for Expenditure	-	-	-
Endowment Net Assets, June 30, 2025	<u>\$ -</u>	<u>\$ 889,762</u>	<u>\$ 889,762</u>

Note 6 BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

An agency fund was established on behalf of the Foundation with the Eastern West Virginia Foundation which was valued at \$6,733 and \$7,443 as of December 31, 2024 and 2023, respectively. Earnings of the fund will be paid as requested based on the spending policy of the foundation. To the extent that the fund is not distributed to the Foundation, if the purpose for which the fund was created ever becomes obsolete or incapable of fulfillment, the Foundation's trustees have the authority to use the funds for a purpose as similar as possible to the Foundation.

Note 7 NET ASSETS

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

	2025	2024
Undesignated	<u>\$ 292,153</u>	<u>\$ 241,420</u>

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

	2025	2024
Subject to Expenditure for Specified Purpose:		
Scholarships and Support to College	\$ 726,844	\$ 739,956
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	889,762	826,857
	<u>\$ 1,616,606</u>	<u>\$ 1,566,813</u>

Note 8 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Foundation has \$1,903,891 of financial assets available within one year of the statement of financial position date of June 30, 2025 to meet cash needs for general expenditure consisting of cash of \$725,910, investments of \$1,164,981, and pledges and other receivables of \$13,000. \$1,616,606 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 \$180,000. As part of its liquidity management, the Foundation has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due. Should an unforeseen liquidity need arise, the Foundation could seek additional donations without restrictions.

Note 9 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through August 14, 2025, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2025, but prior to August 14, 2025, that provided additional evidence about conditions that existed at June 30, 2025 have been recognized in the financial statements for the year ended June 30, 2025. Events or transactions that provided evidence about conditions that did not exist at June 30, 2025, 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, 2025.

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

Schedule of Proportionate Share of Net OPEB Liability (Asset)

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, 2024	0.006381452%	\$ (2,657)	\$ (8,345)	\$ (11,002)	\$ 95,920	-2.77%	102.19%
June 30, 2023	0.117171852%	\$ (185,423)	\$ (79,144)	\$ (264,567)	\$ 1,810,776	-10.24%	109.66%
June 30, 2022	0.113651842%	\$ 126,493	\$ 43,332	\$ 169,825	\$ 1,786,626	7.08%	93.59%
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	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
June 30, 2025	\$ 2,524	\$ 55,766	\$ (53,242)	\$ 95,920	58.14%
June 30, 2024	\$ 117,506	\$ 2,524	\$ 114,982	\$ 1,810,776	0.14%
June 30, 2023	\$ 133,627	\$ 117,506	\$ 16,121	\$ 1,786,626	6.58%
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, 2025 and 2024

RHBT had significant savings with the Humana contract renewal beginning fiscal years 2022 through 2025. In addition to the Humana contract savings, RHBT experienced favorable investment returns in fiscal year 2021, resulting in an excess in the premium stabilization reserve. RHBT is passing on these savings to PEIA active employers. The college had no PAYGO billed in fiscal year 2024, which resulted in our low % of actual contribution to covered payroll. The college only had contributions for retiree leave conversion in fiscal year 2024. The 5 year financial plan, which was passed by the RHBT Board in December 2021, originally had PAYGO to be billed at \$20M for fiscal year 2024 across all employers. The PAYGO contributions resumed for the college in fiscal year 2025.

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, 2024	0.000000%	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%
June 30, 2023	0.000000%	\$ -	\$ -	\$ -	\$ -	0.00%	80.42%
June 30, 2022	0.000982%	\$ 25,258	\$ 56,279	\$ 81,537	\$ -	0.00%	77.78%
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%

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, 2025	\$ -	\$ -	\$ -	\$ -	0.00%
June 30, 2024	\$ -	\$ -	\$ -	\$ -	0.00%
June 30, 2023	\$ -	\$ -	\$ -	\$ -	0.00%
June 30, 2022	\$ 4,047	\$ 4,575	\$ (528)	\$ 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%

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, 2025 and 2024

Beginning in fiscal year 2023, the College no longer has any employees in this plan.
Information, if necessary, can be obtained from the CPRB Annual Comprehensive 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, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Blue Ridge Community and Technical College's basic financial statements, and have issued our report thereon dated September 30, 2025. Our report includes a reference to other auditors who audited the financial statements of Blue Ridge Community and Technical College Foundation, Inc. as described in our report on Blue Ridge Community and Technical College's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Blue Ridge Community and Technical 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 Blue Ridge Community and Technical College's internal control. Accordingly, we do not express an opinion on the effectiveness of Blue Ridge Community and Technical College's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Blue Ridge Community and Technical 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
September 30, 2025



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