
BridgeValley Community and Technical College

Financial Statements
Years Ended June 30, 2025 and 2024
and
Independent Auditor's Reports



**Suttle &
Stalnaker**

Certified
Public
Accountants

A Professional Limited Liability Company



BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	3 - 5
MANAGEMENT'S DISCUSSION AND ANALYSIS (RSI) (UNAUDITED)	6 - 16
FINANCIAL STATEMENTS	
Statements of Net Position	17
Statements of Revenues, Expenses, and Changes in Net Position	18
Statements of Cash Flows	19
Component Unit - Statements of Financial Position	20
Component Unit - Statements of Activities and Changes in Net Assets	21 - 22
Component Unit - Statements of Cash Flows	23
Notes to Financial Statements	24 - 65
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Proportionate Share of the Net Pension Liability	67
Schedule of Pension Contributions	68
Schedule of Proportionate Share of the Net OPEB Liability (Asset)	69
Schedule of OPEB Contributions	70
Notes to Required Supplementary Information	71 - 75
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	76 - 77

INDEPENDENT AUDITOR'S REPORT

Board of Governors
BridgeValley Community and Technical College
South Charleston, West Virginia

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of BridgeValley Community and Technical College (BridgeValley or the College), a component unit of the West Virginia Council for Community and Technical College Education, 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 financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of the College, as of June 30, 2025 and 2024, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of BridgeValley Community and Technical College Foundation, which is a discretely presented component unit of the College. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented financial statements of BridgeValley Community and Technical College Foundation, is based solely on the report of the other auditors.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's 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 Virginia Center
1411 Virginia Street, East
Suite 100
Charleston, WV 25301

MAIN (304) 343-4126
FAX (304) 343-8008

The Rivers Office Park
200 Star Avenue
Suite 220
Parkersburg, WV 26101

MAIN (304) 485-6584
FAX (304) 485-0971

Suncrest Towne Centre
453 Suncrest Towne Centre Drive
Suite 201
Morgantown, WV 26505

MAIN (304) 554-3371
FAX (304) 554-3410

The Somerville Building
501 5th Avenue
Suite 1
Huntington, WV 25701

MAIN (304) 525-0301
FAX (304) 522-1569

Change in Accounting Principle

As described in Note 2 to the financial statements, during fiscal year 2025, BridgeValley implemented Governmental Accounting Standards Board Statement No. 101, Compensated Absences. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement 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 6 through 16, the schedule of proportionate share of the net pension liability, schedule of pension contributions, the schedule of proportionate share of the net OPEB liability (asset), the schedule of OPEB contributions, and related footnotes on pages 67 through 75 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standard generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 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, 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.



Charleston, West Virginia
September 30, 2025

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

6

History

BridgeValley Community and Technical College (BridgeValley or the College), formed in 2014 with the consolidation of Bridgemont and Kanawha Valley Community and Technical Colleges, is accredited by the Higher Learning Commission as a higher education institution that awards associate and certificate degrees within the West Virginia Community and Technical College System. The service region for the multi-campus consolidated institution includes Fayette, Kanawha, Clay, and Putnam counties.

The new community college evolved in response to the educational and economic development needs for the State of West Virginia. Associate degree program offerings in the region began in the late 1940s and early 1950s at West Virginia State College and West Virginia Institute of Technology (WVU Tech). In the 1960s, each of these baccalaureate institutions created "community college components" on the respective campuses. In 1999, the state legislature created a separate community and technical college system. Community college components hosted by baccalaureate institutions began the process of becoming independent colleges.

In 2004, each community college achieved separate accreditation forming The Community and Technical College at West Virginia University Institute of Technology and West Virginia State Community and Technical College. Legislation in 2008 required that these new community colleges form their own respective Board of Governors and change their names by 2009 to emphasize their unique mission and create distinction from their "host" baccalaureate colleges. In 2009, The Community and Technical College at WVU Tech became Bridgemont Community and Technical College (Bridgemont); West Virginia State Community and Technical College became Kanawha Valley Community and Technical College (Kanawha Valley). The two colleges worked collaboratively to avoid duplication of programs in their overlapping service regions.

During the 2013 legislative session, passage of Senate Bill 438 approved the consolidation of Bridgemont and Kanawha Valley to form a stronger, more comprehensive multi-campus institution for the six-county region. A Board of Governors was appointed to oversee the consolidation; the name BridgeValley was selected to represent the fusion of the institutions. The Higher Learning Commission, at its February 27, 2014 meeting, approved the change of control request submitted, and the official founding date of BridgeValley, March 20, 2014, signified the completion of all accreditation requirements for the multi-campus institution.

Overview

The Management's Discussion and Analysis is required supplementary information and has been prepared in accordance with the requirements of Governmental Accounting Standards Board (GASB) standards. This section of BridgeValley's annual financial report provides an overview of the College's financial performance during the fiscal years ended June 30, 2025, 2024, and 2023, with a focus on 2025. A comparative analysis is presented for fiscal year 2025 compared to fiscal year 2024.

BridgeValley's annual report consists of three basic financial statements: the statement of net position, the statement of revenues, expenses, and changes in net position, and the statement of cash flows. These statements focus on the financial condition of the College, the results of operations, and cash flows of the College as a whole. Each of these statements is discussed below.

**BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

7

Financial Highlights

At June 30, 2025, BridgeValley's total net position was \$39,916,474 representing an increase of \$797,557. This increase in net position was primarily attributable to an increase in cash and an offset of a reduction in capital assets.

Total operating revenues increased approximately 20% over prior year primarily due to increases in federal grants and student tuition and fees. Total operating expenses increased approximately 17% over prior year mainly due to increases in supplies and other services, payroll costs, and scholarship expenses. Net nonoperating revenue decreased approximately 5% primarily due to the increase in loss of disposal of assets.

Net Position

The statement of net position presents the assets (current and noncurrent), deferred outflows of resources, liabilities (current and noncurrent), deferred inflows of resources, and net position (assets and deferred outflows minus liabilities and deferred inflows) of the College as of the end of the fiscal year. Assets denote the resources available to continue the operations of the College. Liabilities indicate how much the College owes vendors, employees, and lenders. Net position measures the equity or the availability of funds of the College for future periods.

Net position is displayed in three major categories:

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

Restricted net position. This category includes net position, the use of which is restricted either due to externally imposed constraints or because of restrictions imposed by law. They are further divided into two additional components — nonexpendable and expendable. Nonexpendable restricted net position includes endowment and similar type funds for 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 principal. Expendable restricted net position includes resources for which the College is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Unrestricted net position. This category includes resources that are not subject to externally imposed stipulations. Such resources are derived primarily from tuition and fees (not restricted as to use), state appropriations, and sales and services of educational activities. Unrestricted net position is used for transactions related to the educational and general operations of the College and may be designated for specific purposes by action of the College's management or the Board of Governors.

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

8

Condensed Schedules of Net Position
June 30,

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Assets and Deferred Outflows			
Current Assets	\$ 20,493,064	\$ 17,019,885	\$ 11,738,622
Noncurrent Assets	27,362,759	30,258,717	32,298,951
Total Assets	47,855,823	47,278,602	44,037,573
Deferred Outflows	228,784	135,072	337,832
Total	<u>\$ 48,084,607</u>	<u>\$ 47,413,674</u>	<u>\$ 44,375,405</u>
Liabilities, Deferred Inflows, and Net Position			
Current Liabilities	\$ 7,904,060	\$ 7,805,324	\$ 6,417,601
Noncurrent Liabilities	80,517	89,768	253,388
Total Liabilities	7,984,577	7,895,092	6,670,989
Deferred Inflows	183,556	399,665	824,761
Net Position			
Net Investment in Capital Assets	27,268,404	29,989,555	32,212,610
Restricted for:			
Nonexpendable	50,000	50,000	50,000
Expendable	44,811	-	-
Unrestricted	12,553,259	9,079,362	4,617,045
Total Net Position	39,916,474	39,118,917	36,879,655
Total	<u>\$ 48,084,607</u>	<u>\$ 47,413,674</u>	<u>\$ 44,375,405</u>

Total 2025 assets and deferred outflows of resources increased by \$670,933 over 2024. Primary reasons for this increase in 2025 over 2024 are as follows:

- Amounts due from the Commission decreased by \$98,895 due to timing of grant expenditures.
- Accounts receivable, net decreased by \$193,886 primarily related to a decrease in grant receivables and increase in student receivables.
- Due from state agencies decreased by \$136,917 due to subrecipient receivables.
- Net OPEB asset decreased by \$174,191 due to market changes.
- Capital assets decreased by \$2,721,151 due to the disposal of building and equipment and continued depreciation.
- All decreases were offset by increases in cash and deferred outflows.

Total liabilities and deferred inflows of resources in 2025 decreased by \$126,624 compared with 2024. The primary reasons for this increase in 2025 compared with 2024 are as follows:

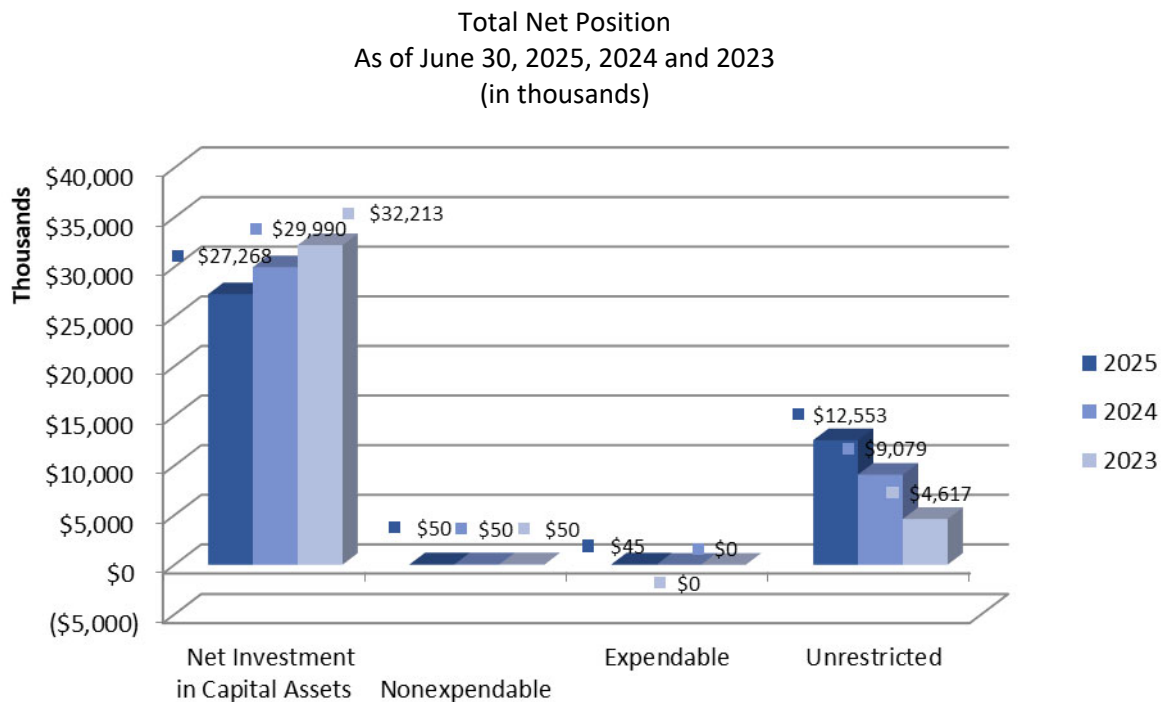
- Unearned revenue increased \$120,076 primarily attributable to increases in unspent grant funds.

**BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

9

- Due to the Commission decreased by \$95,458 primarily due to grant activity and payroll reimbursement.
- Accrued liabilities increased by \$71,665 due to payroll costs.
- Compensated absences increased by \$33,283 due to accrued leave balances and the inclusion of the sick leave liability.
- Accounts payable decreased by \$38,707 due to timing of payments.
- Deferred inflows decreased \$216,109 due to market changes for OPEB.

The following is a comparative illustration of net position.



Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position presents the operating revenues, operating expenses, nonoperating revenues and expenses, and other revenues, expenses, gains, or losses of BridgeValley for each fiscal year.

State appropriations while budgeted for operations are considered and reported as nonoperating revenues. This is because State appropriations are provided by the Legislature to the College without the Legislature directly receiving commensurate goods and services for those revenues. Likewise, Pell grants are reported as nonoperating, because of specific guidance in the American Institute of Certified Public Accountants industry audit guide.

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

10

Student tuition and fees are reported net of scholarship discounts and allowances. Financial aid to students is reported using the National Association of College and University Business Officers allocation method. Under this method, student aid applied directly to tuition and related charges is used to determine the amount of the scholarship allowance. The student aid types allocated are only non-third-party aid. The utilization of capital assets is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

Condensed Schedules of Revenues, Expenses, and Changes in Net Position
Years Ended June 30

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating Revenues	\$ 15,266,727	\$ 12,692,406	\$ 10,444,698
Operating Expenses	<u>28,537,532</u>	<u>24,435,642</u>	<u>22,181,983</u>
Operating Loss	(13,270,805)	(11,743,236)	(11,737,285)
Net Nonoperating Revenues	<u>12,862,706</u>	<u>13,548,842</u>	<u>12,980,537</u>
Increase (Decrease) in Net Position before Other Revenues, Expenses, Gains, or Losses	(408,099)	1,805,606	1,243,252
Capital Grants and Gifts, Capital Bond Proceeds and Payments on Behalf of the College	<u>1,205,656</u>	<u>433,656</u>	<u>1,135,636</u>
Increase (decrease) in Net Position	<u>797,557</u>	<u>2,239,262</u>	<u>2,378,888</u>
Net position at Beginning of Year	<u>39,118,917</u>	<u>36,879,655</u>	<u>34,500,767</u>
Net Position at End of Year	<u>\$ 39,916,474</u>	<u>\$ 39,118,917</u>	<u>\$ 36,879,655</u>

Operating revenue increased in fiscal year 2025 by \$2,574,321 over fiscal year 2024. Operating expenses increased by \$4,101,890 over fiscal year 2024, resulting in a fiscal year 2025 net operating loss increase of \$1,527,569 compared with fiscal year 2024. Net nonoperating revenue decreased in fiscal year 2025 by \$686,136 compared with fiscal year 2024.

The pie charts following reflect the percentage allocation of total revenue from all sources in fiscal year 2025 compared with fiscal year 2024. Following these charts is a discussion regarding the changes in fiscal year 2025 revenue compared with fiscal year 2024.

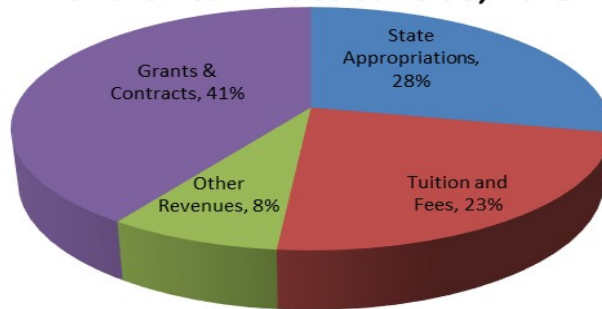
**BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

11

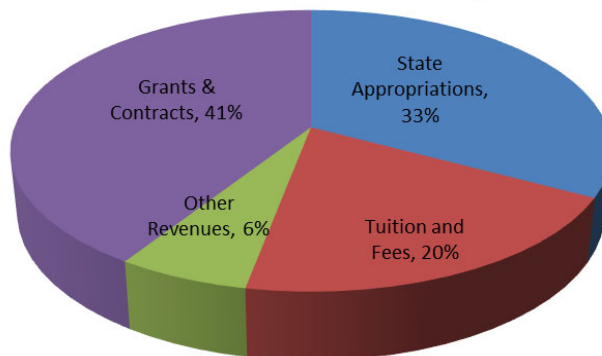
Revenues:

The following charts illustrate the composition of revenues by source for 2025 and 2024.

**Total Revenues
For the Year Ended June 30, 2025**



**Total Revenues
For the Year Ended June 30, 2024**



Some highlights of the changes in fiscal year 2025 revenues compared with fiscal year 2024 are as follows:

- Net tuition and fee revenue increased by \$1,908,381 primarily related to an enrollment increase and the removal of the tuition cap of twelve hours.
- Capital grants and gifts revenue increased by \$465,562 due to increased purchases of grant funded assets.
- Grants and contracts increased by \$614,165. There was an increase in Federal grants and contracts revenue of \$1,188,436 primarily related to the ARC Power, EDA, COMPASS, Congressionally Directed Spending and WORC grant activity. State grants and contracts decreased by \$1,052,738 related to numerous Learn & Earn grant returns. Nongovernmental grants and contracts increased by \$478,467 due to the Goldman Sachs award.

**BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

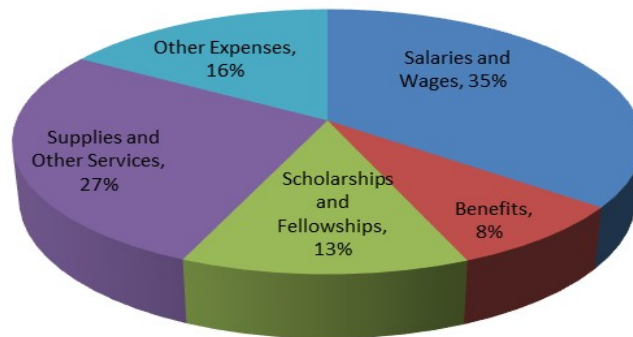
12

- Pell grants increased by \$1,024,603 related to increased enrollment and tuition costs.
- State Appropriations decreased by \$115,949 due to no supplemental appropriations.

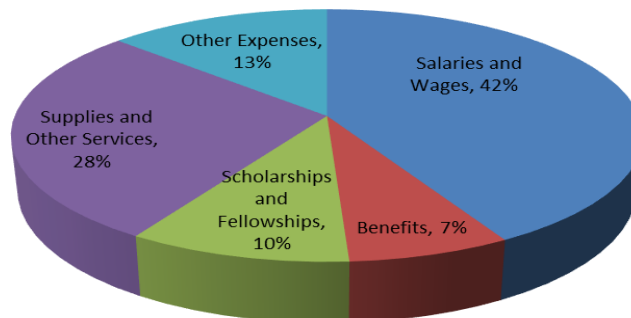
Expenses:

The following is a graphic illustration of total expenses by source for fiscal years 2025 and 2024.

**Total Expenses
For the Year Ended June 30, 2025**



**Total Expenses
For the Year Ended June 30, 2024**



Total operating expenses for fiscal year 2025 were \$28,537,532 with an increase of \$4,101,890 over fiscal year 2024. Some highlights of the changes in fiscal year 2025 expenses compared with fiscal year 2024 are as follows:

- Salaries and wages increased by \$413,492 primarily related to pay scale raises and faculty promotions.

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

13

- Benefits increased by \$749,799 primarily related to increased salaries and changes in OPEB liability and related deferred inflows and outflows.
- Supplies and other services increased by \$1,385,315 due to increased grant activity and special projects.
- Scholarships and fellowships increased by \$1,439,150 due to increased Pell grants.
- Loss on disposal of capital assets increased by \$1,595,852 due to the disposal of buildings and equipment.

Cash Flows

The statement of cash flows provides information about the cash receipts, cash payments, and net change in cash resulting from the operating, investing, and financing activities (capital and noncapital) of the College during the year. This statement helps users assess the College's ability to generate net cash flows, its ability to meet obligations as they come due, and its need for external financing.

The statement of cash flows is divided into five sections:

Cash flows from operating activities. This section shows the net cash used by the operating activities of the College.

Cash flows from noncapital financing activities. This section reflects the cash received and paid for nonoperating, noninvesting, and noncapital financing purposes.

Cash flows from capital financing activities. This section includes cash used for the acquisition and construction of capital and related items.

Cash flows from investing activities. This section shows the purchases, proceeds, and interest received from investing activities.

Reconciliation of operating loss to net cash used in operating activities. This section provides a schedule that reconciles the accrual-based operating income (loss) and net cash used in operating activities.

**BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

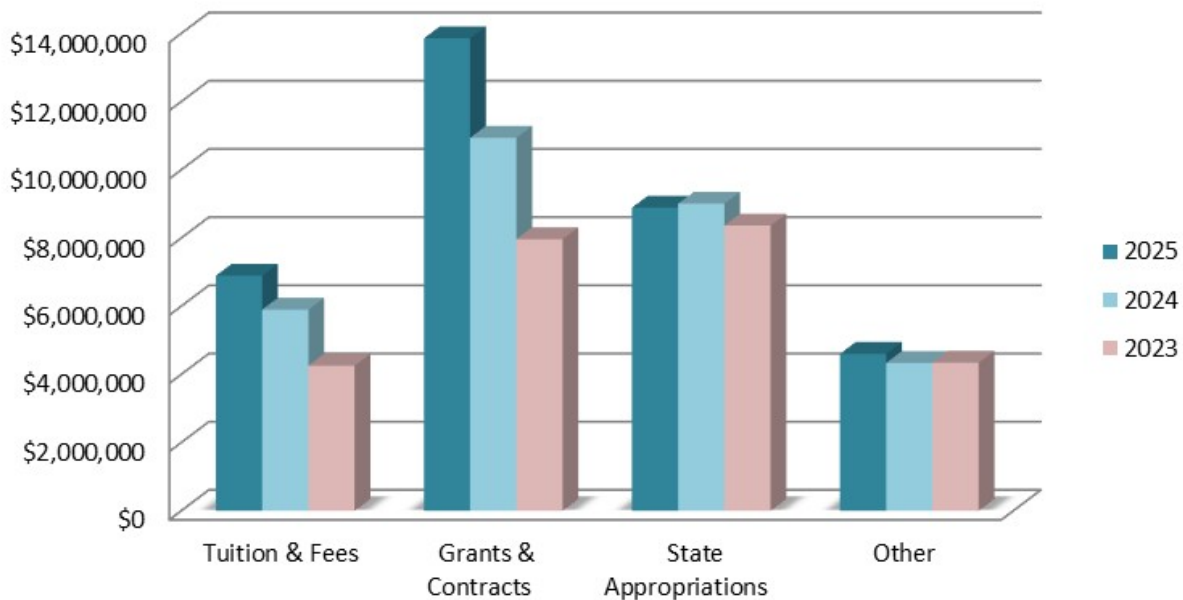
14

**Condensed Statements of Cash Flows
Years Ended June 30,**

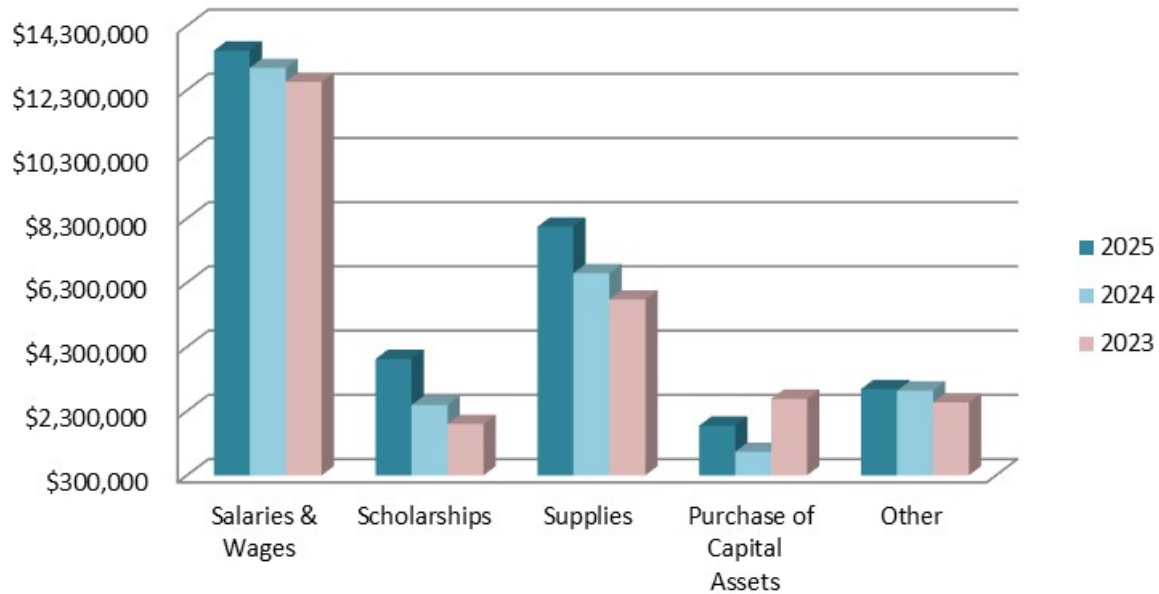
Cash Provided By (Used In):	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating Activities	\$ (10,165,881)	\$ (9,710,809)	\$ (12,414,964)
Noncapital Financing Activities	14,600,296	13,691,628	12,981,355
Capital Financing Activities	(1,088,392)	(405,399)	(1,423,603)
Investing Activities	<u>556,854</u>	<u>549,220</u>	<u>294,978</u>
Increase (Decrease) in Cash and Cash Equivalents	3,902,877	4,124,640	(562,234)
 Cash and Cash Equivalents, Beginning of Year	 <u>15,296,442</u>	 <u>11,171,802</u>	 <u>11,734,036</u>
Cash and Cash Equivalents, End of Year	<u>\$ 19,199,319</u>	<u>\$ 15,296,442</u>	<u>\$ 11,171,802</u>

The following graphs illustrate the sources and uses of cash:

**SOURCES OF CASH
Fiscal Years 2025, 2024 and 2023**



USES OF CASH Fiscal Years 2025, 2024 and 2023



Capital Asset and Long Term Debt Activity

During fiscal year 2025, BridgeValley Community and Technical College decommissioned two buildings on the Montgomery campus in preparation for demolition. Capital assets were decreased by \$2,678,505. The offsetting depreciation decreases were \$382,421 for the buildings. The loss of \$2,296,084 resulted.

In the summer of 2023, the Governor's Office provided guidance for applying for Deferred Maintenance Projects Funding. The WV Community & Technical College System staff will oversee the projects for two-year institutions. BridgeValley Community and Technical College was awarded funding for three projects totaling \$2,475,000. The Montgomery campus projects include: demolishing two buildings and paving the demo sites, modifying the Workforce Training Center for restroom accessibility and garage bay expansion, and updating the stair tower railings in Davis Hall. At year-end, the projects are on-going. The buildings for demolition were turned over to the vendor in late April. The buildings are being emptied but demolition had not started.

**BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

16

Economic Outlook

The financial position of BridgeValley is closely tied to that of the State of West Virginia. During 2024-2025, state revenue collections remained stable and no reductions were imposed. Fiscal year 2025 base state appropriations increased slightly. The State Budget Office projections for fiscal year 2026 are being closely monitored. Should these projections for fiscal year 2026 change and BridgeValley experiences a reduction in state appropriations, the College has developed plans to address the reductions.

Projections for Fall 2025 enrollment are anticipated to be up for both headcount and full-time equivalent enrollment. The College is dependent upon tuition and fee revenue to maintain the large percentage of high-cost allied health and technical programs; for Fiscal Year 2026, BridgeValley's Board of Governors approved the continuation of charging a per credit hour price for all hours taken and not capped at twelve hours as in previous years.

External funding, primarily State grants and contracts and federal grants, are providing important dollars to initiate new academic programs and workforce initiatives. New projects are consistently proposed for the use of State grants available for community and technical college education through legislative appropriations to the West Virginia Council for Community and Technical College Education.

Another external revenue enhancement is the BridgeValley Community and Technical College Foundation (Foundation); contributions to the Foundation continues to grow. The Foundation provides scholarship dollars to attract and retain students as well as to support select academic programs.

College leadership is engaged in solution-focused dialogue to meet future economic challenges. Through strategic planning and facilities master planning, the college anticipates targeted growth in a number of program areas. That growth will help provide greater financial stability for BridgeValley. As part of the planning process, the College is focused on efficiently using facilities, cost containment, careful deliberation on personnel decisions, grant activity, encouraging external gifting through the college Foundation, and focusing on student recruitment and retention. The College remains focused on expanding enrollment in program areas that demonstrate large labor market demand in the next 3-5 years in the Advantage Valley region. Strategic growth means continued development of industry partnerships such as the Toyota Advanced Manufacturing program and customized training through the Workforce Development Division for area employers.

Requests for Information

The design of this financial report is to provide an overview of the finances of the College for those with an interest in this organization. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to BridgeValley Community and Technical College at 2001 Union Carbide Drive - South Charleston, West Virginia 25303.

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
STATEMENTS OF NET POSITION
JUNE 30, 2025 AND 2024

17

	2025	2024
ASSETS AND DEFERRED OUTFLOWS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 19,149,319	\$ 15,246,442
Accounts receivable, net of allowance for doubtful accounts	1,058,726	1,252,612
Due from State agencies	118,038	254,955
Due from the Council/Commission	166,981	265,876
Total current assets	<u>20,493,064</u>	<u>17,019,885</u>
NONCURRENT ASSETS:		
Cash and cash equivalents	50,000	50,000
Other receivables	15,521	16,137
Net other post employment benefits (OPEB) asset	28,834	203,025
Capital assets, net	27,268,404	29,989,555
Total noncurrent assets	<u>27,362,759</u>	<u>30,258,717</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows relating to the net pension liability	37,888	33,508
Deferred outflows relating to OPEB	190,896	101,564
Total deferred outflows of resources	<u>228,784</u>	<u>135,072</u>
TOTAL	<u>\$ 48,084,607</u>	<u>\$ 47,413,674</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable	\$ 419,915	\$ 458,622
Due to State agencies	38,615	30,738
Accrued liabilities	1,047,630	975,965
Unearned revenue	5,729,026	5,608,950
Due to the Council/Commission	244,423	339,881
Compensated absences	424,451	391,168
Total current liabilities	<u>7,904,060</u>	<u>7,805,324</u>
NONCURRENT LIABILITIES:		
Net pension liability	80,517	89,768
Total noncurrent liabilities	<u>80,517</u>	<u>89,768</u>
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows relating to the net pension liability	8,637	704
Deferred inflows relating OPEB	174,919	398,961
Total deferred inflows of resources	<u>183,556</u>	<u>399,665</u>
NET POSITION:		
Net investment in capital assets	27,268,404	29,989,555
Restricted for - nonexpendable	50,000	50,000
Restricted OPEB - expendable	44,811	-
Unrestricted	12,553,259	9,079,362
Total net position	<u>39,916,474</u>	<u>39,118,917</u>
TOTAL	<u>\$ 48,084,607</u>	<u>\$ 47,413,674</u>

The Accompanying Notes Are An Integral
Part Of These Financial Statements

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2025 AND 2024

18

	<u>2025</u>	<u>2024</u>
OPERATING REVENUES:		
Student tuition and fees - net of scholarship allowances of \$3,064,340 and \$3,272,566 in 2025 and 2024, respectively	\$ 7,309,307	\$ 5,400,926
Federal grants and contracts	2,521,076	1,332,640
State grants and contracts	3,474,184	4,526,922
Nongovernmental grants and contracts	1,233,055	754,588
Sales and services of educational departments	30,744	37,590
Auxiliary enterprises - net of scholarship allowances of \$161,281 and \$172,240 in 2025 and 2024, respectively	691,297	626,991
Other operating revenues	7,064	12,749
Total operating revenues	<u>15,266,727</u>	<u>12,692,406</u>
OPERATING EXPENSES:		
Salaries and wages	10,922,495	10,509,003
Benefits	2,569,137	1,819,338
Scholarships and fellowships	3,927,188	2,488,038
Utilities	344,975	364,497
Supplies and other services	8,021,640	6,636,325
Depreciation	2,661,894	2,534,305
Assessments by the Commission for operations	90,203	84,136
Total operating expenses	<u>28,537,532</u>	<u>24,435,642</u>
OPERATING LOSS	<u>(13,270,805)</u>	<u>(11,743,236)</u>
NONOPERATING REVENUES (EXPENSES):		
State appropriations	8,888,187	9,004,136
Federal Pell grants	5,719,213	4,694,610
Investment income	558,494	557,767
Fees assessed by the Commission	(7,104)	(7,118)
Interest on capital asset-related debt	-	(321)
Loss on disposal of capital and other assets	(2,296,084)	(700,232)
Net nonoperating revenues	<u>12,862,706</u>	<u>13,548,842</u>
INCREASE (DECREASE) IN NET POSITION BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	(408,099)	1,805,606
CAPITAL GRANTS AND GIFTS	820,658	355,096
PAYMENTS MADE AND EXPENSES INCURRED ON BEHALF OF THE COLLEGE - STATE OF WV	58,841	(124,878)
CAPITAL PAYMENTS MADE AND EXPENSES INCURRED ON BEHALF OF THE COLLEGE	<u>326,157</u>	<u>203,438</u>
INCREASE IN NET POSITION	797,557	2,239,262
NET POSITION - Beginning of year	<u>39,118,917</u>	<u>36,879,655</u>
NET POSITION - End of year	<u>\$ 39,916,474</u>	<u>\$ 39,118,917</u>

The Accompanying Notes Are An Integral
Part Of These Financial Statements

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

19

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Student tuition and fees	\$ 6,893,493	\$ 5,897,406
Grants and contracts	8,136,911	6,242,491
Payments to and on behalf of employees	(13,529,885)	(12,989,501)
Payments to suppliers	(8,043,314)	(6,597,154)
Payments to utilities	(337,288)	(366,435)
Payments for scholarships and fellowships	(3,927,188)	(2,488,038)
Auxiliary enterprise charges	693,785	624,219
Sales and service of educational departments	30,744	37,590
Fees retained by the Commission	(90,203)	(84,136)
Other receipts	7,064	12,749
Net cash used in operating activities	<u>(10,165,881)</u>	<u>(9,710,809)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State appropriations	8,888,187	9,004,136
Federal Pell grants	5,719,213	4,694,610
Federal student loan program - direct lending receipts	2,551,862	2,763,116
Federal student loan program - direct lending payments	(2,551,862)	(2,763,116)
Fees assessed by the Commission	(7,104)	(7,118)
Net cash provided by noncapital financing activities	<u>14,600,296</u>	<u>13,691,628</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Capital gifts and grants received	761,021	347,096
Purchases of capital assets	(1,849,413)	(1,032,184)
Payments from HEPC for capital project	-	296,030
Payments on capital debt	-	(16,020)
Interest paid on capital debt	-	(321)
Net cash used in capital financing activities	<u>(1,088,392)</u>	<u>(405,399)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income	556,854	549,220
Net cash provided by investing activities	<u>556,854</u>	<u>549,220</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,902,877	4,124,640
CASH AND CASH EQUIVALENTS - Beginning of year	<u>15,296,442</u>	<u>11,171,802</u>
CASH AND CASH EQUIVALENTS - End of year	<u><u>\$ 19,199,319</u></u>	<u><u>\$ 15,296,442</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	\$ (13,270,805)	\$ (11,743,236)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	2,661,894	2,534,305
Pension expense - special funding situation	10,023	21,689
OPEB expense - special funding situation	48,818	(146,567)
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Accounts receivable - net	330,680	(1,000,833)
Due from the Council/Commission	100,658	(147,243)
Other receivables	616	4,184
Deferred outflows of resources	(93,712)	202,760
Accounts payable	(40,327)	31,031
Accrued liabilities	71,665	123
Unearned revenue	120,076	965,727
Due to State Agencies	7,877	18,389
Due to the Council/Commission	(95,458)	326,422
Net other postemployment benefits asset	174,191	(364,873)
Net pension liability	(9,251)	(1,772)
Compensated absences	33,283	14,181
Deferred inflows of resources	(216,109)	(425,096)
Net cash used in operating activities	<u><u>\$ (10,165,881)</u></u>	<u><u>\$ (9,710,809)</u></u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:		
Cash and cash equivalents classified as current	\$ 19,149,319	\$ 15,246,442
Cash and cash equivalents classified as noncurrent	50,000	50,000
	<u><u>\$ 19,199,319</u></u>	<u><u>\$ 15,296,442</u></u>
NONCASH TRANSACTIONS:		
Capital payments made on behalf of the College	\$ 326,157	\$ 203,438
Capital expenses in accounts payable	<u><u>\$ 49,491</u></u>	<u><u>\$ 47,870</u></u>

The Accompanying Notes Are An Integral
Part Of These Financial Statements

**BRIDGEVALLEY COMMUNITY & TECHNICAL
COLLEGE FOUNDATION, INC.**

STATEMENTS OF FINANCIAL POSITION

ASSETS		
	JUNE 30,	
	2025	2024
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 185,664	\$ 167,086
Accounts Receivable	500	4,867
Accrued Interest Receivable	13,522	18,253
Prepaid Expenses	-	-
Total Current Assets	<u>199,686</u>	<u>190,206</u>
LONG-TERM ASSETS:		
Investments	<u>2,891,945</u>	<u>2,580,796</u>
Total Long-Term Assets	<u>2,891,945</u>	<u>2,580,796</u>
TOTAL ASSETS	<u>\$ 3,091,631</u>	<u>\$ 2,771,002</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts Payable	\$ 7,575	\$ 27,640
Amounts Held on Behalf of Others	<u>10,927</u>	<u>16,972</u>
Total Current Liabilities	<u>\$ 18,502</u>	<u>\$ 44,612</u>
NET ASSETS:		
Without Donor Restrictions	\$ 203,556	\$ 192,121
With Donor Restrictions:		
Purpose/Time Restrictions	2,136,729	1,801,425
Perpetual in Nature	<u>732,844</u>	<u>732,844</u>
Total Net Assets	<u>\$ 3,073,129</u>	<u>\$ 2,726,390</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,091,631</u>	<u>\$ 2,771,002</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**BRIDGEVALLEY COMMUNITY & TECHNICAL
COLLEGE FOUNDATION, INC.**

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2025

	Net Assets		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, LOSSES AND OTHER SUPPORT:			
Contributions - In-kind	\$ 15,138	\$ -	\$ 15,138
Contributions	2,992	198,469	201,461
Investment Income, net of investment expenses \$17,924	56,573	216,577	273,150
Special Events, Less Direct Expenses of \$32,470	-	10,649	10,649
Miscellaneous Revenue	6,865	-	6,865
Net Assets Released from Restrictions:			
Purpose Restrictions Accomplished	90,391	(90,391)	-
	<u>171,959</u>	<u>335,304</u>	<u>507,263</u>
Total Revenues, Gains, Losses and Other Support			
EXPENSES:			
Program Services - College and Student Support	58,697	-	58,697
Supporting Services:			
Management and General	96,172	-	96,172
Fundraising	5,655	-	5,655
	<u>160,524</u>	<u>-</u>	<u>160,524</u>
Total Expenses			
CHANGES IN NET ASSETS	11,435	335,304	346,739
NET ASSETS, JULY 1	192,121	2,534,269	2,726,390
NET ASSETS, JUNE 30	\$ 203,556	\$ 2,869,573	\$ 3,073,129

The accompanying Notes to Financial Statements are an integral part of these statements.

**BRIDGEVALLEY COMMUNITY & TECHNICAL
COLLEGE FOUNDATION, INC.**

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2024

	Net Assets		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, LOSSES AND OTHER SUPPORT:			
Contributions - In-kind	\$ 25,092	\$ -	\$ 25,092
Contributions	109,531	223,837	333,368
Investment Income, net of investment expenses \$12,475	87,885	69,135	157,020
Special Events, Less Direct Expenses of \$24,198	23,811	-	23,811
Miscellaneous Revenue	2,582	-	2,582
Net Assets Released from Restrictions:			
Purpose Restrictions Accomplished	<u>32,268</u>	<u>(32,268)</u>	<u>-</u>
 Total Revenues, Gains, Losses and Other Support	 \$ 281,169	 \$ 260,704	 \$ 541,873
EXPENSES:			
Program Services - College and Student Support	\$ 48,953	\$ -	\$ 48,953
Supporting Services:			
Management and General	38,121	-	38,121
Fundraising	<u>8,680</u>	<u>-</u>	<u>8,680</u>
 Total Expenses	 \$ 95,754	 \$ -	 \$ 95,754
 CHANGES IN NET ASSETS	 \$ 185,415	 \$ 260,704	 \$ 446,119
 NET ASSETS, JULY 1	 <u>6,706</u>	 <u>2,273,565</u>	 <u>2,280,271</u>
 NET ASSETS, JUNE 30	 <u>\$ 192,121</u>	 <u>\$ 2,534,269</u>	 <u>\$ 2,726,390</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**BRIDGEVALLEY COMMUNITY & TECHNICAL
COLLEGE FOUNDATION, INC.**

STATEMENTS OF CASH FLOWS

	FOR THE YEARS ENDED JUNE 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 346,739	\$ 446,119
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Net Unrealized and Realized (Gains) Losses on Investments	(192,231)	(80,557)
Change in Operating Assets and Liabilities:		
(Increase) Decrease In:		
Accounts and Grants Receivable	4,367	(1,590)
Accrued Interest Receivable	4,731	(8,315)
Prepaid Expenses	-	545
Increase (Decrease) In:		
Accounts Payable	(20,065)	1,787
Amounts Held for Others	(27,899)	5,962
Net Cash Provided (Used) by Operating Activities	<u>\$ 115,642</u>	<u>\$ 363,951</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Investments	\$ (756,535)	\$ (1,023,561)
Sales of Investments	<u>659,471</u>	<u>715,282</u>
Net Cash (Used) by Investing Activities	<u>\$ (97,064)</u>	<u>\$ (308,279)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 18,578	\$ 55,672
CASH AND CASH EQUIVALENTS, JULY 1	<u>167,086</u>	<u>111,414</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 185,664</u>	<u>\$ 167,086</u>
SUPPLEMENTAL SCHEDULE OF NON-CASH TRANSACTIONS:		
Unrealized Gains (Losses) on Investments	\$ 191,870	\$ 52,918
In-kind contributions	<u>15,138</u>	<u>25,092</u>
TOTAL OF NON-CASH TRANSACTIONS	<u>\$ 207,008</u>	<u>\$ 78,010</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

24

NOTE 1 - ORGANIZATION

BridgeValley Community and Technical College (BridgeValley or the College) is governed by BridgeValley Community and Technical College Board of Governors (the Board). The Board was established by Senate Bill 438, effective June 30, 2014, which approved the consolidation of the previous Bridgemont and Kanawha Valley Community and Technical Colleges. The previous Boards for each college were established by House Bill 3215 (H.B. 3215), effective July 1, 2008, which clarified and redefined relationships between and among certain higher education boards and institutions.

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 BridgeValley under its jurisdiction, the duty to develop a master plan for BridgeValley, the power to prescribe the specific functions and BridgeValley's budget request, the duty to review at least every five years all academic programs offered at BridgeValley, and the power to fix tuition and other fees for the different classes or categories of students enrolled at BridgeValley.

Senate Bill 448 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 (the State) public policy agenda as it relates to community and technical college education.

As a requirement of Governmental Accounting Standards Board standards (GASB), the College has included information from the BridgeValley Community College Foundation, Inc. (the Foundation).

Although the College benefits from the activities of the Foundation, the Foundation is independent of the College in all respects. The Foundation is not a subsidiary of the College and is not directly or indirectly controlled by the College. The Foundation has its own separate, independent Board of Directors. Moreover, the assets of the Foundation are the exclusive property of the Foundation and do not belong to the College. The College is not accountable for, and does not have ownership of, any of the financial and capital resources of the Foundation. The College does not have the power or authority to mortgage, pledge, or encumber the assets of the Foundation. The Board of Directors of the Foundation is entitled to make all decisions regarding the business and affairs of the Foundation, including, without limitation, distributions made to the College. Under State law, neither the principal nor income generated by the assets of the Foundation can be taken into consideration in determining the amount of State-appropriated funds allocated to the College. Third parties dealing with the College, the Board, and the State of West Virginia (the State) (or any agency thereof) should not rely upon the financial statements of the Foundation for any purpose without consideration of all the foregoing conditions and limitations.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

25

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity - BridgeValley is a blended component 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. BridgeValley is a separate entity, which, along with all State institutions of higher education, the Council, and the Commission (which includes West Virginia Network for Educational Telecomputing (WVNET)) forms 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 BridgeValley. The basic criterion for inclusion in the accompanying financial statements is the exercise of oversight responsibility derived from BridgeValley's ability to significantly influence operations and accountability for fiscal matters of related entities.

The audited financial statements of the Foundation are presented here as a discrete component unit with the College financial statements in accordance with GASB. The Foundation is a private non-profit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's audited financial information as it is presented herein (see also Notes 10 and 12).

Financial Statement Presentation - GASB standards for external financial reporting for public colleges and universities require that financial statements be presented on a basis to focus on BridgeValley as a whole. Net position is classified according to external donor restrictions or availability of assets for satisfaction of BridgeValley's obligations. BridgeValley's net position is classified as follows:

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

Restricted net position, expendable - This includes resources in which BridgeValley is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

The West Virginia 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 101, passed in March 2004, simplified the tuition and fees restrictions to auxiliaries and capital items. These activities are fundamental to the normal ongoing operations of BridgeValley. These restrictions are subject to change by future actions of the West Virginia Legislature. At June 30, 2025 and 2024, BridgeValley had no restricted balances remaining in these funds.

Restricted net position, 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 principal.

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

26

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unrestricted net position - Unrestricted net position includes resources that are not subject to externally imposed stipulations. Such resources represent those derived from student tuition and fees (not restricted as to use), state appropriations, and sales and services of educational activities. Unrestricted net position is used for transactions relating to the educational and general operations of BridgeValley and may be designated for specific purposes by action of the Board.

Basis of Accounting - For financial reporting purposes, BridgeValley is considered a special-purpose government engaged only in business-type activities. Accordingly, BridgeValley'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 are reported when materials or services are received.

Cash and Cash Equivalents - For purposes of the statement of net position, BridgeValley considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Cash and cash equivalents balances on deposit with the State of West Virginia Treasurer's Office (the Treasurer) 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 the BTI is directed by the Treasurer to invest the funds in specific external investment pools in accordance with West Virginia Code, policies set by the BTI, provisions of bond indentures, and the trust agreements when applicable. 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. The BTI was established by the West Virginia Legislature (the State Legislature) and is subject to oversight by the State 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 or on the first day of each month for the West Virginia Short Term Bond Pool and, accordingly, are presented as cash and cash equivalents in the accompanying financial statements.

The BTI maintains the Consolidated Fund investment fund which consists of eight investment pools and participant-directed accounts, three of which the College may invest in. These pools have been structured as multi-participant variable net asset 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 the BTI's annual audited financial report. A copy of the BTI's annual report can be obtained from the following address: 315 70th Street SE, Charleston, WV 25304 or <http://www.wvbt.org>.

Cash and cash equivalents also include all outside bank accounts and cash on hand.

Permissible investments for all agencies include those guaranteed by the United States of America, its agencies and instrumentalities (U.S. government obligations); corporate debt obligations, including commercial paper, which meet certain ratings; certain money market funds; repurchase agreements; reverse repurchase agreements; asset-backed securities; certificates of deposit; state and local government securities; and other investments. Other investments consist primarily of investments in accordance with the Linked Deposit Program, a program using financial institutions in West Virginia to obtain certificates of deposit, loans approved by the Legislature, and any other program investments authorized by the Legislature.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 BridgeValley's policy to provide for future losses on uncollectible accounts and loans receivable based on an evaluation of the underlying account and loan balances, the historical collectability experienced by BridgeValley on such balances, and such other factors which, in BridgeValley's judgment, require consideration in estimating doubtful accounts.

Noncurrent Cash, Cash Equivalents, and Investments - Cash and cash equivalents that are (1) externally restricted to make debt service payments or long-term loans to students or to purchase capital or other noncurrent assets and (2) permanently restricted net position are classified as a noncurrent asset in the statement of net position.

Capital Assets - Capital assets include property, plant, and equipment. Capital assets are stated at cost at the date of acquisition or construction, or fair market value at the date of donation in the case of gifts. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 15 to 50 years for buildings and land improvements, and 3 to 15 years for furniture and equipment. BridgeValley's capitalization threshold is \$5,000.

Unearned Revenue - Revenue for programs or activities to be conducted primarily in the next fiscal year are classified as unearned revenue, including items such as tuition, orientation fees, financial aid deposits, and advance payments on sponsored awards. Financial aid deposits are separately classified.

Compensated Absences and Other Post employment Benefits (OPEB) - GASB provides for the measurement, recognition, and display of 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. The College is required to participate in this multiple-employer, cost-sharing plan, the West Virginia Retiree Health Benefit Trust Fund, sponsored by the State of West Virginia. Details regarding this plan and its standalone financials can be obtained by contacting the West Virginia Public Employees Insurance Agency (PEIA), State Capitol Complex, Building 5, Room 1001, 1900 Kanawha Boulevard, East, Charleston, WV 25305-0710 or <https://peia.wv.gov>.

GASB requires entities to accrue for employees' rights to receive compensation for vacation leave or payments in lieu of accrued vacation or sick leave as such benefits are earned and payment becomes probable. The College's full-time employees earn up to two vacation leave days for each month of service and are entitled to compensation for accumulated, unpaid vacation leave upon termination.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by West Virginia Retiree Health Benefit Trust Fund (RHBT). For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 7 for further discussion.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The estimated expense and expense incurred for the vacation leave or OPEB benefits are recorded as a component of benefits expense in the combined 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 West Virginia Teachers' Retirement System (STRS), and additions to/deductions from STRS fiduciary net position have been determined on the same basis as they are reported by STRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 8 for further discussion.

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.

Deferred Inflows of Resources - An 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.

Risk Management - The State's Board of Risk and Insurance Management (BRIM) provides general liability, property, and auto insurance coverage, to BridgeValley and its employees. Such coverage is provided to BridgeValley by BRIM through a self-insurance program maintained by BRIM for general liability and auto insurance coverage. BRIM maintains a self-insurance program to pay the first \$1,000,000 of each property insurance claim and purchases excess property insurance from the commercial insurance market to cover individual claims that exceed \$1,000,000. The BRIM self-insurance programs may involve experience and exposure related premiums.

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

In addition, through its participation in the West Virginia Public Employees Insurance Agency (PEIA) and a third-party insurer, 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 insurer, the College has transferred its risks related to health, life, prescription drug coverage, and job related injuries.

West Virginia had a single private insurance company, Encova Insurance, which provided workers' compensation coverage to all employers in the state. Other private insurance companies began to offer coverage to private-sector employers beginning July 1, 2009 and to government employers beginning July 1, 2010. Nearly every employer in the State, who has payroll must have coverage. The cost of all coverage is paid by the employers. Encova retains the risk related to the compensation of injured employees under the program.

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

29

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification of Revenues - BridgeValley 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) most federal, state, local, and nongovernmental grants and contracts, and (3) sales and services of educational activities.

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

Other Revenue - Other revenues consist primarily of capital grants and gifts.

Use of Restricted Net Position - BridgeValley 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, BridgeValley attempts to utilize restricted net position first when practicable.

Federal Financial Assistance Programs - The College makes loans to students under 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 colleges. Direct Loan student receivables are not included in BridgeValley's statement of net position, as the loans are repayable directly to the U.S. Department of Education. BridgeValley received and disbursed approximately \$2.6 million and \$2.8 million, respectively, during fiscal years 2025 and 2024 under the Direct Loan Program on behalf of the U.S. Department of Education. These amounts are not included as revenues and expenses on the statement of revenues, expenses, and changes in net position.

BridgeValley also distributes 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, BridgeValley received and disbursed approximately \$5.9 million and \$4.7 million, respectively, under these federal student aid programs.

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

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 allowance, which reduces 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the fiscal year ended June 30, 2024, the College calculated the scholarship allowance utilizing the alternative method as described in earlier advisories issued by the National Association of College and University Business Officers (NACUBO). Under the alternative method, the amount reported as scholarship allowance and student financial aid expense was computed by allocating the cash payments to students, excluding payments for services, on the ratio of total aid to the aid not considered to be third-party aid.

Effective for the fiscal year ended June 30, 2025, the College changed the methodology used to estimate scholarship allowances reported as reductions to tuition and fees as NACUBO no longer endorses the alternative method. The College implemented the allocation method as prescribed as outlined in NACUBO Advisory 2023-01. Under this method, financial aid awards are applied in a prescribed sequence to individual student charges by year, using actual amounts applied to tuition and fees. The scholarship allowance is calculated as the amount of aid applied to tuition and fees, and that amount is reported as a reduction of the corresponding revenue. Aid that exceeds institutional charges is reported as student financial aid expense. The change in methodology was made to improve the accuracy and transparency of scholarship allowance calculations by reflecting actual financial aid application data rather than estimated proportions.

In accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*, this change is considered a change in accounting estimate resulting from a change in estimation methodology. It has been applied prospectively, and prior periods have not been restated.

While the precise quantitative effect on individual financial statement line items is not reasonably determinable, the College expects the change resulted in the following presentation impacts for the year ended June 30, 2025: a decrease in net tuition and fees revenue, an increase in student financial aid expense, and an increase in contracts and grants revenue, primarily related to federal and state aid programs.

This change does not impact total net position or the amount of aid distributed to students and instead is the result of reclassifying existing financial aid sources (including Pell, state, and institutional aid) more accurately based on actual student-level application of aid to tuition and fees and auxiliary charges.

Government Grants and Contracts - Government grants and contracts normally provide for the recovery of direct and indirect costs, subject to audit. BridgeValley 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 three years.

Income Taxes - BridgeValley 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 (IRS).

Cash Flows - Any cash and cash equivalents escrowed, restricted for noncurrent assets, or in funded reserves have been included as cash and cash equivalents for the purpose of the statement 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Risks 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.

Reclassification - Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Newly Adopted Statements Issued By GASB - The College implemented Statement No. 101, *Compensated Absences*, which is effective for fiscal years beginning after December 15, 2023. This statement modifies the criteria requiring a liability for compensated absences to be recognized. Under this statement a liability must be recognized for leave that has not been used, or leave that has been used but not yet paid in cash or settled through noncash means. Furthermore, the liability for leave that has not been used is recognized if the leave is attributed to services already rendered, that accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. If the leave is considered more likely than not to be settled through conversion to a defined benefit post-employment benefit it should not be included in the liability for compensated absences. This statement also specifies certain types of benefits where the liability is not recognized until leave commences or where the liability is not recognized until the leave is used. The statement also provides guidance for measuring the liability and modifies the disclosure requirements allowing for disclosure of only the net change in the liability and no longer requiring disclosure of which governmental funds have been used to liquidate the liabilities. The implementation of this standard resulted in recognition of an additional liability for compensated absences related to sick leave, however those amounts were considered immaterial for prior period restatement.

The College implemented 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 financial statement users with information about risks due to concentrations or constraints common in a governmental environment. The standard requires an assessment of whether any concentrations or constraints increase the government's vulnerability to significant impacts, and whether events associated with concentrations and/or constraints have occurred or are more likely than not to occur within one year of issuance of the financial statements. Further, additional detailed disclosures may be required in certain situations. The implementation of this standard did not have an impact on the College's financial statements.

Recent Statements Issued by the Governmental Accounting Standards Board - GASB has issued Statement No. 103, *Financial Reporting Model Improvements*, which is effective for fiscal years beginning after June 15, 2025. The focus of the improvements are to the presentation of (1) management's discussion and analysis, (2) unusual or infrequent items, (3) proprietary fund statement of revenues, expenses, and changes in net position, (4) major component unit information, and (5) budgetary comparison information. The statement aims to improve financial reporting. It clarifies that management's discussion and analysis should be limited to only topics in the existing sections and stresses that the detailed analyses section should provide clear explanation of why balances or results changed rather than simply presenting the amounts of the change. The descriptions of unusual or infrequent items will make it clearer which items need to be separately reported. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from government to government, to improve comparability. The changes to presentation of major component unit information and budgetary comparison information are also geared towards enhancing comparability. The College has not yet determined the effect that the adoption of GASB Statement No. 103 may have on its financial statements.

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

32

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB also issued Statement No. 104, *Disclosure of Certain Capital Assets*, which is effective for fiscal years beginning after June 15, 2025. This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets, subscription-based information technology arrangement assets, and right-to-use assets should be disclosed separately by major class of underlying asset in the capital assets note disclosures. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale including if (1) the government has decided to pursue the sale of the capital asset, and (2) it is probable that the sale will be finalized within one year of the financial statement date. Governments should evaluate these assets each reporting period and disclose the ending balance of capital assets held for sale, with separate disclosures for historical cost and accumulated depreciation by major class of asset, and the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The College has not yet determined the effect that the adoption of GASB Statement No. 104 may have on its financial statements.

NOTE 3 - CASH AND CASH EQUIVALENTS

The composition of cash and cash equivalents at June 30, 2025 and 2024, is as follows:

	2025		
	Current	Noncurrent	Total
Cash on deposit with the Treasurer/BTI			
Nonauxiliaries	\$ 18,035,988	\$ 50,000	\$ 18,085,988
Auxiliaries	463,383	-	463,383
Cash on hand	350	-	350
Cash in bank	649,598	-	649,598
	<u>\$ 19,149,319</u>	<u>\$ 50,000</u>	<u>\$ 19,199,319</u>
	2024		
	Current	Noncurrent	Total
Cash on deposit with the Treasurer/BTI			
Nonauxiliaries	\$ 14,415,201	\$ 50,000	\$ 14,465,201
Auxiliaries	305,377	-	305,377
Cash on hand	600	-	600
Cash in bank	525,264	-	525,264
	<u>\$ 15,246,442</u>	<u>\$ 50,000</u>	<u>\$ 15,296,442</u>

These bank balances are insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by securities held as collateral by the bank in the name of the State. Cash held by the Treasurer includes \$50,000 of restricted cash at June 30, 2025 and 2024, respectively.

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

33

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

The combined carrying amount of cash in the bank at June 30, 2025 and 2024, was \$649,598 and \$525,264, respectively, as compared with the combined bank balance of \$659,910 and \$528,697 for the years ended June 30, 2025 and 2024, 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, accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

Amounts with the State Treasurer were \$18,549,371 and \$14,770,578 as of June 30, 2025 and 2024, respectively. Of these amounts, \$13,528,860 and \$10,420,793 were invested in the WV Money Market Pool and the WV Short Term Bond Pool as of June 30, 2025 and 2024, respectively. The remainder of the cash held with the State Treasurer was not invested at June 30, 2025 and 2024.

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

External Pool	2025		2024	
	Carrying Value	S & P Rating	Carrying Value	S & P Rating
WV Money Market Pool	\$ 13,218,234	AAAm	\$ 10,184,630	AAAm
WV Short Term Bond Pool	310,626	Not Rated	236,163	Not Rated

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

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

External Pool	2025		2024	
	Carrying Value	WAM (Days)	Carrying Value	WAM (Days)
WV Money Market Pool	\$ 13,218,234	41	\$ 10,184,630	36

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

External Pool	2025		2024	
	Carrying Value	Effective Duration (Days)	Carrying Value	Effective Duration (Days)
WV Short Term Bond Pool	\$ 310,626	637	\$ 236,163	645

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

34

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

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.

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.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a consolidated fund pool or account investment in a single corporate issuer. The BTI's investment policy prohibits these pools and accounts, permitted to hold corporate securities, from investing more than 5% of their assets in any one corporate name or one corporate issue.

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.

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2025 and 2024, are as follows:

	2025	2024
Student tuition and fees, net of allowances for doubtful accounts of \$1,143,418 and \$876,379 in 2025 and 2024, respectively	\$ 394,080	\$ 187,749
Grants and contracts receivable	622,807	949,226
Due from third party for payment of tuition & fees	41,839	115,637
	<u>\$ 1,058,726</u>	<u>\$ 1,252,612</u>

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

35

NOTE 5 - CAPITAL ASSETS

The following, as of June 30, 2025 and 2024, is a summary of capital assets transactions for BridgeValley:

	2025			
	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 929,473	\$ -	\$ -	\$ 929,473
Construction in progress	7,050	326,157	-	333,207
Total capital assets not being depreciated	<u>\$ 936,523</u>	<u>\$ 326,157</u>	<u>\$ -</u>	<u>\$ 1,262,680</u>
Other capital assets:				
Buildings	\$ 28,126,715	\$ 28,134	\$ (2,678,505)	\$ 25,476,344
Leasehold improvements	15,568,266	-	-	15,568,266
Equipment	14,451,757	1,882,536	(24,900)	16,309,393
Total other capital assets	<u>58,146,738</u>	<u>1,910,670</u>	<u>(2,703,405)</u>	<u>57,354,003</u>
Less accumulated depreciation for:				
Buildings	(10,102,125)	(697,300)	382,421	(10,417,004)
Leasehold improvements	(8,265,076)	(778,413)	-	(9,043,489)
Equipment	(10,726,505)	(1,186,181)	24,900	(11,887,786)
Total accumulated depreciation	<u>(29,093,706)</u>	<u>(2,661,894)</u>	<u>407,321</u>	<u>(31,348,279)</u>
Other capital assets - net	<u>\$ 29,053,032</u>	<u>\$ (751,224)</u>	<u>\$ (2,296,084)</u>	<u>\$ 26,005,724</u>
Capital asset summary:				
Capital assets not being depreciated	\$ 936,523	\$ 326,157	\$ -	\$ 1,262,680
Other capital assets	58,146,738	1,910,670	(2,703,405)	57,354,003
Total cost of capital assets	<u>59,083,261</u>	<u>2,236,827</u>	<u>(2,703,405)</u>	<u>58,616,683</u>
Less accumulated depreciation	<u>(29,093,706)</u>	<u>(2,661,894)</u>	<u>407,321</u>	<u>(31,348,279)</u>
Capital assets, net	<u>\$ 29,989,555</u>	<u>\$ (425,067)</u>	<u>\$ (2,296,084)</u>	<u>\$ 27,268,404</u>

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

36

NOTE 5 - CAPITAL ASSETS (Continued)

	2024			
	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 980,353	\$ -	\$ (50,880)	\$ 929,473
Construction in progress	7,050	-	-	7,050
Total capital assets not being depreciated	<u>\$ 987,403</u>	<u>\$ -</u>	<u>\$ (50,880)</u>	<u>\$ 936,523</u>
Other capital assets:				
Buildings	\$ 29,131,315	\$ -	\$ (1,004,600)	\$ 28,126,715
Leasehold improvements	15,568,266	-	-	15,568,266
Equipment	13,278,872	1,291,492	(118,607)	14,451,757
Total other capital assets	<u>57,978,453</u>	<u>1,291,492</u>	<u>(1,123,207)</u>	<u>58,146,738</u>
Less accumulated depreciation for:				
Buildings	(9,395,440)	(780,895)	74,210	(10,102,125)
Leasehold improvements	(7,486,663)	(778,413)	-	(8,265,076)
Equipment	(9,855,123)	(974,997)	103,615	(10,726,505)
Total accumulated depreciation	<u>(26,737,226)</u>	<u>(2,534,305)</u>	<u>177,825</u>	<u>(29,093,706)</u>
Other capital assets - net	<u>\$ 31,241,227</u>	<u>\$ (1,242,813)</u>	<u>\$ (945,382)</u>	<u>\$ 29,053,032</u>
Capital asset summary:				
Capital assets not being depreciated	\$ 987,403	\$ -	\$ (50,880)	\$ 936,523
Other capital assets	57,978,453	1,291,492	(1,123,207)	58,146,738
Total cost of capital assets	<u>58,965,856</u>	<u>1,291,492</u>	<u>(1,174,087)</u>	<u>59,083,261</u>
Less accumulated depreciation	<u>(26,737,226)</u>	<u>(2,534,305)</u>	<u>177,825</u>	<u>(29,093,706)</u>
Capital assets, net	<u>\$ 32,228,630</u>	<u>\$ (1,242,813)</u>	<u>\$ (996,262)</u>	<u>\$ 29,989,555</u>

BridgeValley maintains certain collections of inexhaustible assets to which no value can be practically determined. Accordingly, such collections are not capitalized or recognized for financial statement purposes. Such collections include contributed works of art, historical treasures, and literature that are held for exhibition, education, research, and public service. These collections are neither disposed of for financial gain nor encumbered in any means.

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

37

NOTE 6 - LONG-TERM LIABILITIES

A summary of long-term obligation transactions for BridgeValley for the years ended June 30, 2025 and 2024, is as follows:

	2025				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	\$ 391,168	\$ 33,283	\$ -	\$ 424,451	\$ 424,451
Net other postemployment benefits (asset)/ liability	(203,025)	353,944	(179,753)	(28,834)	-
Net pension liability	89,768	21,445	(30,696)	80,517	-
Total long-term liabilities	<u>\$ 277,911</u>	<u>\$ 408,672</u>	<u>\$ (210,449)</u>	<u>\$ 476,134</u>	<u>\$ 424,451</u>

	2024				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	\$ 376,987	\$ 14,181	\$ -	\$ 391,168	\$ 391,168
Net other postemployment benefits (asset)/ liability	161,848	417,567	(782,440)	(203,025)	-
Net pension liability	91,540	20,010	(21,782)	89,768	-
Total long-term liabilities	<u>\$ 630,375</u>	<u>\$ 451,758</u>	<u>\$ (804,222)</u>	<u>\$ 277,911</u>	<u>\$ 391,168</u>

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS

Following are the College's net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, revenues, and the OPEB expense and expenditures for the fiscal years ended June 30, 2025 and 2024:

	2025	2024
Net OPEB liability (asset)	\$ (28,834)	\$ (203,025)
Deferred outflows of resources	190,896	101,564
Deferred inflows of resources	174,919	398,961
Revenues	48,818	(146,567)
OPEB expense	(16,641)	(698,414)
Contributions made by the College	71,554	25,218

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Plan Description

The West Virginia Other Postemployment Benefit (OPEB) Plan (the Plan) is a cost-sharing, multi-employer, defined benefit other postemployment benefit plan and covers the retirees of State agencies, colleges and universities, county boards of education, and other government entities as set forth in the West Virginia Code. Financial activities of the Plan are accounted for in the West Virginia Retiree Health Benefit Trust Fund (RHBT), a fiduciary fund of the State established July 1, 2006 as an irrevocable trust. The Plan is administered by a combination of the West Virginia Public Employees Insurance Agency (PEIA) and the RHBT staff. Plan benefits are established and revised by PEIA and the RHBT management with the approval of the PEIA Finance Board. The plan provides medical and prescription drug insurance, as well as life insurance, benefits to certain retirees of State agencies, colleges and universities, county boards of education, and other government entities who receive pension benefits under the PERS, STRS, TDCRS, TIAA-CREF, Plan G, Troopers Plan A, or Troopers Plan B pension systems, as administered by the West Virginia Consolidated Public Retirement Board (CPRB). The plan is closed to new entrants.

The primary sources of revenue are plan members and employer contributions. Members' contributions are recognized in the period in which the contributions are due. Employer contributions and related receivables to the trust are recognized pursuant to a formal commitment from the employer or statutory or contractual requirement, when there is a reasonable expectation of collection. Benefits and refunds are recognized when due and payable.

Benefits Provided

The Plan provides the following benefits:

- Medical and prescription drug insurance
- Life insurance

The medical and prescription drug insurance is provided through two options:

- Self-Insured Preferred Provider Benefit Plan - primarily for non-Medicare-eligible retirees and spouses
- External Managed Care Organizations - primarily for Medicare-eligible retirees and spouses

Contributions

Employer contributions from the RHBT billing system represent what the employer was billed during the respective year for its portion of the pay-as-you-go (paygo) premiums, retiree leave conversion billings, and other matters, including billing adjustments.

Paygo premiums are established by the PEIA 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. In fiscal year 2024, there was no subsidization of retiree healthcare from paygo premiums and PEIA active employers were not billed paygo. The prior year paygo rate for fiscal year 2023 was \$70 per active health policy per month.

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS (Continued)

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 after July 1, 1997 or hired before 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.

The College's contributions to the OPEB plan for the years ended June 30, 2025 and 2024 were \$71,554 and \$25,218, respectively.

Assumptions

The June 30, 2025 OPEB liability (asset) for financial reporting purposes was determined by an actuarial valuation as of June 30, 2023 and a measurement date of June 30, 2024. The following actuarial assumptions were used and applied to all periods included in the measurement, unless otherwise specified:

- Inflation rate: 2.50%.
- Salary increase: Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation.
- Investment rate of return: 7.40%, net of OPEB plan investment expense, including inflation.
- Healthcare cost trend rates: Trend rates for pre-Medicare and Medicare per capita costs of 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.
- Actuarial cost method: Entry age normal cost method.
- Amortization method: Level percentage of payroll over a 20-year closed period as of June 30, 2017.
- Wage inflation: 2.75%.
- Retirement age: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2020 actuarial valuation.
- Aging factors: Based on the 2013 SOA Study "Health Care Costs – From Birth to Death".
- 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.
- Mortality post-retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 100% for males and 108% for females.
- Mortality pre-retirement: Pub-2010 General Employee Mortality Tables projected with MP-2021 and scaling factors of 100% for males and 100% for females.

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

40

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS (Continued)

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 – June 30, 2020.

The actuarial valuation as of June 30, 2023, reflects updates to the following healthcare related assumptions, which include per capita claim costs, healthcare trend rates, 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 WV Investment Management Board and an expected short-term rate of return of 2.75% for assets invested with the BTI.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. Target asset allocations, capital market assumptions (CMA), and forecast returns were provided by the Plan's investment advisors, including the West Virginia Investment Management Board (WV-IMB). The projected nominal return for the Money Market Pool held with the BTI was estimated based on the WV-IMB assumed inflation of 2.50% plus a 25-basis point spread.

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

June 30, 2024		
Asset Class	Target Allocation	Long-term Expected Real Return
Equity	45.0%	7.4%
Fixed income	15.0%	3.9%
Private credit and income	6.0%	7.4%
Private equity	12.0%	10.0%
Real estate	12.0%	7.7%
Hedge funds	10.0%	4.5%
June 30, 2023		
Asset Class	Target Allocation	Long-term Expected Real Return
Equity	45.0%	7.4%
Fixed income	15.0%	3.9%
Private credit and income	6.0%	7.4%
Private equity	12.0%	10.0%
Real estate	12.0%	7.2%
Hedge funds	10.0%	4.5%

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

41

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Single discount rate. The discount rate used to measure the total OPEB liability (asset) was 7.40% for fiscal years 2025 and 2024. This single discount rate was based on the expected rate of return on OPEB plan investments of 7.40% for those fiscal years. 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 (asset).

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 calculated using a discount rate that is one percentage point lower (6.40%) or one percentage point higher (8.40%) than the current rate (7.40%).

Net OPEB liability (asset)	1% Decrease	Current Discount Rate	1% Increase
2025	\$ 126,065	\$ (28,834)	\$ (157,837)
2024	\$ (34,353)	\$ (203,025)	\$ (388,019)

Sensitivity of the net OPEB liability (asset) to changes in the healthcare cost trend rate. The following presents the College's proportionate share of the net OPEB liability (asset) as of June 30, 2025 and 2024 calculated using the healthcare cost trend rate, as well as what the College's net OPEB liability (asset) would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current rate.

Net OPEB liability (asset)	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
2025	\$ (226,710)	\$ (28,834)	\$ 211,457
2024	\$ (517,190)	\$ (203,025)	\$ 170,576

OPEB Liabilities (Assets), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

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

At June 30, 2025, the College's proportionate share of the net OPEB liability (asset) was \$(119,400). Of this amount, the College recognized \$(28,834) as its proportionate share on the statement of net position. The remainder of \$(90,566) denotes the College's proportionate share of net OPEB liability (asset) attributable to the special funding.

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

42

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS (Continued)

At June 30, 2024, the College's proportionate share of the net OPEB liability (asset) was \$(289,683). Of this amount, the College recognized \$(203,025) as its proportionate share on the statement of net position. The remainder of \$(86,658) denotes the College's proportionate share of net OPEB liability (asset) attributable to the special funding.

The allocation percentage assigned to each participating employer and non-employer contributing entity is based on its proportionate share of employer and to OPEB for each of the fiscal years ended June 30, 2024 and 2023. Employer contributions are recognized when due. At the June 30, 2024 measurement date, the College's proportion was 0.0693%, a decrease of 0.0590% from its proportion of 0.1283% calculated as of June 30, 2023. At the June 30, 2023 measurement date, the College's proportion was 0.1283%, a decrease of 0.0171% from its proportion of 0.1454% calculated as of June 30, 2022.

For the year ended June 30, 2025, the College recognized OPEB expense of \$(16,641). Of this amount, \$(65,459) was recognized as the College's proportionate share of OPEB expense and \$48,818 as the amount of OPEB expense attributable to special funding from a non-employer contributing entity. The College also recognized revenue of \$48,818 for support provided by the State.

For the year ended June 30, 2024, the College recognized OPEB expense of \$(698,414). Of this amount, \$(551,847) was recognized as the College's proportionate share of OPEB expense and \$(146,567) as the amount of OPEB expense attributable to special funding from a non-employer contributing entity. The College also recognized revenue of \$(146,567) for support provided by the State.

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

<u>June 30, 2025</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion and difference between employer contributions and proportionate share of contributions	\$ 7,898	\$ 78,976
Net difference between projected and actual investment earnings	-	32,852
Changes in assumptions	11,008	34,096
Differences between expected and actual non-investment experience	100,436	28,995
Contributions after the measurement date	<u>71,554</u>	<u>-</u>
Total	<u>\$ 190,896</u>	<u>\$ 174,919</u>

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

43

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS (Continued)

<u>June 30, 2024</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion and difference between employer contributions and proportionate share of contributions	\$ 20,363	\$ 164,121
Net difference between projected and actual investment earnings	-	3,386
Changes in assumptions	55,983	113,272
Differences between expected and actual non-investment experience	-	118,182
Contributions after the measurement date	<u>25,218</u>	<u>-</u>
Total	<u>\$ 101,564</u>	<u>\$ 398,961</u>

The College will recognize the \$71,554 reported as deferred outflows of resources resulting from OPEB contributions after the measurement date as a reduction (increase) 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 June 30,</u>	<u>Amortization</u>
2026	\$ (76,505)
2027	54,729
2028	(21,361)
2029	<u>(12,440)</u>
	<u>\$ (55,577)</u>

Payables to the OPEB Plan

The College did not report any amounts payable for normal contributions to the OPEB plan as of June 30, 2025 and 2024.

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

44

NOTE 8 - RETIREMENT PLANS

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

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

DEFINED BENEFIT PENSION PLAN

Some employees of the College are enrolled in a defined benefit pension plan, the STRS plan, which is administered by the CPRB.

Following are the College's pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, revenues, and the pension expense and expenditures for the fiscal year ended June 30, 2025 and 2024, respectively:

	<u>2025</u>	<u>2024</u>
Net pension liability	\$ 80,517	\$ 89,768
Deferred outflows of resources	37,888	33,508
Deferred inflows of resources	8,637	704
Revenues	10,023	21,689
Pension expense	23,756	26,876
Contributions made by the College	16,553	16,181

Plan Description

The College contributes to the West Virginia Teacher's Retirement System (STRS), a cost-sharing multi-employer defined benefit pension plan administered by the West Virginia Consolidated Public Retirement Board (CPRB). STRS provides retirement benefits as well as death and disability benefits. CPRB issues a publicly available financial report that includes financial statements and required supplemental information for STRS. That report can be obtained by writing to CPRB, 601 57th Street, Suite 5, Charleston, West Virginia 25304 or by calling (304) 558-3570.

NOTE 8 - RETIREMENT PLANS (Continued)

Benefits Provided

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

Contributions

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

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

Employer Contributions: The State (including institutions of higher education) contributes:

- 15% of gross salary of their State-employed members hired prior to July 1, 1991;
- 7.5% of the gross salary of their STRS covered employees hired for the first time after July 1, 2005 and for those TDCRS members who elected to transfer to STRS effective July 1, 2008;
- a certain percentage of fire insurance premiums paid by State residents; and
- under WV State code section 18-9-A-6a, an amount determined by the State Actuary as being needed to eliminate the STRS unfunded liability within 40 years of June 30, 1994. As of June 30, 2025 and 2024, the College's proportionate share attributable to this special funding subsidy was \$10,023 and \$21,689, respectively.

The College's contributions to STRS for the years ended June 30, 2025 and 2024 were \$16,553 and \$16,181, respectively.

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

46

NOTE 8 - RETIREMENT PLANS (Continued)

Assumptions

The total pension liabilities for financial reporting purposes were determined by actuarial valuations as of July 1, 2023 and 2022 and rolled forward to June 30, 2024 and 2023, respectively. The following actuarial assumptions were used and applied to the current period measurement:

- Actuarial cost method: Entry age normal cost with level percentage of payroll.
- Asset valuation method: Investments are reported at fair (market) value.
- Amortization method and period: Level dollar, fixed period over 40 years, from July 1, 1994 through fiscal year 2034.
- Investment rate of return of 7.25%, net of investment expense.
- Projected salary increases: Teachers 2.75-5.90% and non-teachers 2.75-6.50%, based on age.
- Inflation rate of 2.75%.
- Discount rate of 7.25%.
- Mortality rates based on Pub-2010 Mortality Tables.
- Withdrawal rates: Teachers 7.00-35.00% and non-teachers 2.30-18.00%.
- Disability rates: 0.004-0.563%.
- Retirement age: An age-related assumption is used for participants not yet receiving payments.
- Retirement rates: 15.00-100.00%.
- *Ad hoc* cost-of-living increases in pensions are periodically granted by the State Legislature. However, the retirement system makes no automatic provision for such increases.

Experience studies are performed at least once in every five-year period. The most recent experience study covered the period from July 1, 2015 to June 30, 2020.

The long-term expected rate of return on pension plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the long-term geometric real rates of return for each major asset class included in STRS' target asset allocation as of June 30, 2024 and 2023, are summarized below.

Asset Class	June 30, 2024	
	Long-term Expected Real Rate of Return	Target Allocation
Domestic equity	6.5%	22.5%
International equity	9.1%	22.5%
Fixed income	4.3%	15.0%
Real estate	5.8%	12.0%
Private equity	9.2%	12.0%
Private credit	9.8%	6.0%
Hedge funds	4.6%	10.0%

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

47

NOTE 8 - RETIREMENT PLANS (Continued)

June 30, 2023		
Long-term		
Expected Real Rate		
Asset Class	of Return	Target Allocation
Domestic equity	6.5%	27.5%
International equity	9.1%	27.5%
Fixed income	4.3%	15.0%
Real estate	5.8%	10.0%
Private equity	9.2%	10.0%
Hedge funds	4.6%	10.0%

Discount rate. The discount rate used to measure the total STRS pension liability was 7.25% for fiscal years 2025 and 2024. The projection of cash flows used to determine the discount rate assumed that State contributions will continue to follow the current funding policy. Based on those assumptions, STRS' 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 STRS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the College's proportionate share of the STRS net pension liability as of June 30, 2025 and 2024 calculated using the discount rate of 7.25%, as well as what the College's STRS net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
2025	\$ 135,068	\$ 80,517	\$ 34,305
2024	\$ 137,860	\$ 89,768	\$ 48,950

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

The June 30, 2025 STRS net pension liability was measured as of June 30, 2024, and the total pension liability was determined by an actuarial valuation as of July 1, 2023, rolled forward to the measurement date of June 30, 2024. The June 30, 2024 STRS net pension liability was measured as of June 30, 2023, and the total pension liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to the measurement date of June 30, 2023.

At June 30, 2025, the College's proportionate share of the STRS net pension liability was \$213,661. Of this amount, the College recognized \$80,517 as its proportionate share on the statement of net position. The remainder of \$133,144 denotes the College's proportionate share of net pension liability attributable to the special funding.

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

48

NOTE 8 - RETIREMENT PLANS (Continued)

At June 30, 2024, the College's proportionate share of the STRS net pension liability was \$273,104. Of this amount, the College recognized \$89,768 as its proportionate share on the statement of net position. The remainder of \$183,336 denotes the College's proportionate share of net pension liability attributable to the special funding.

The allocation percentage assigned to each participating employer and non-employer contributing entity is based on its proportionate share of employer and non-employer contributions to STRS for each of the fiscal years ended June 30, 2024 and 2023. Employer contributions are recognized when due. At the June 30, 2024 measurement date, the College's proportion was 0.004267%, an increase of 0.000346% from its proportion of 0.003921% calculated as of June 30, 2023. At the June 30, 2023 measurement date, the College's proportion was 0.003921%, an increase of 0.000362% from its proportion of 0.003559% calculated as of June 30, 2022.

For the year ended June 30, 2025, the College recognized STRS pension expense of \$23,756. Of this amount, \$13,733 was recognized as the College's proportionate share of the STRS expense and \$10,023 as the amount of pension expense attributable to special funding from a non-employer contributing entity. The College also recognized revenue of \$10,023 for support provided by the State.

For the year ended June 30, 2024, the College recognized STRS pension expense of \$26,876. Of this amount, \$5,187 was recognized as the College's proportionate share of the STRS expense and \$21,689 as the amount of pension expense attributable to special funding from a non-employer contributing entity. The College also recognized revenue of \$21,689 for support provided by the State.

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

	2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,334	\$ -
Changes in proportion and differences in pension contributions	10,956	324
Net difference between projected and actual investment earnings	-	8,313
Changes in assumptions	2,045	-
Contributions after the measurement date	16,553	-
Total	\$ 37,888	\$ 8,637

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

49

NOTE 8 - RETIREMENT PLANS (Continued)

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,277	\$ 226
Changes in proportion and differences in pension contributions	8,681	478
Net difference between projected and actual investment earnings	1,581	-
Changes in assumptions	3,788	-
Contributions after the measurement date	16,181	-
Total	\$ 33,508	\$ 704

The College will recognize the \$16,553 reported as deferred outflows of resources resulting from pension contributions after the measurement date as a reduction of the STRS net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in STRS pension expense as follows.

Year Ended June 30,	Amortization
2026	\$ (50)
2027	10,988
2027	1,527
2028	233
Total	\$ 12,698

Payables to the pension plan

The College did not report any amounts payable for normal contributions to the STRS as of June 30, 2025 and 2024.

DEFINED CONTRIBUTION BENEFIT PLANS

The TIAA-CREF and Educators Money are defined contribution plans in which benefits are based upon amounts contributed, plus investment earnings. Each employee who elects to participate in these plans is required to make a contribution equal to 6% of total annual compensation. BridgeValley simultaneously matches the employees' 6% contribution. Contributions are immediately and fully vested.

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

50

NOTE 8 - RETIREMENT PLANS (Continued)

Total contributions to the TIAA-CREF for the years ended June 30, 2025 and 2024 were approximately \$1,149,320 and \$1,140,412 respectively, which consisted of approximately \$574,660 and \$570,206, respectively, from BridgeValley and approximately \$574,660 and \$570,206, respectively, from covered employees.

BridgeValley's total payroll for the years ended June 30, 2025 and 2024 was approximately \$9.7 million and \$9.6 million, respectively, and total covered employees' salaries in the TIAA-CREF were approximately \$9.6 million and \$9.5 million for the years ended June 30, 2025 and 2024, respectively.

NOTE 9 - AFFILIATED ORGANIZATIONS AND OTHER STATE AGENCIES

In addition to the relationships and transactions previously described, BridgeValley receives funding or grants from and provides services to other state agencies, and utilizes services, supplies and equipment provided by other state agencies. Amounts due from and due to other state agencies at June 30, are as follows:

	<u>2025</u>	<u>2024</u>
Due from:		
Division of Highways	\$ 35,109	\$ 44,578
Department of Health & Human Resources	5,396	59,680
Department of Vocational Rehab	4,111	9,260
Mountwest CTC	4,673	4,624
National Guard	1,265	4,599
Division of Corrections	-	17,250
WVU Parkersburg	55,641	114,964
Southern WVCTC	11,843	-
	<u>\$ 118,038</u>	<u>\$ 254,955</u>
Due to:		
Department of Administration	\$ 5,637	\$ 4,071
Division of Natural Resources	-	2,869
Charter School Board	488	370
WVU	32,292	-
New River CTC	-	22,896
Attorney General	39	225
State Treasurer's Office	159	307
	<u>\$ 38,615</u>	<u>\$ 30,738</u>

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

51

NOTE 10 - BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE FOUNDATION, INCORPORATED

BridgeValley Community and Technical College Foundation, Incorporated (Foundation) is a separate non-profit organization incorporated in the State of West Virginia as a tax exempt 501(c)(3) entity. During fiscal year 2015 Boards for both the Bridgemont and Kanawha Valley Community and Technical College Foundations approved the consolidation of the respective foundations into BridgeValley Community and Technical College Foundation, Inc. and amended the federal and state organizational documents for the change.

NOTE 11 - CONTINGENCIES

The nature of the educational industry is such that, from time to time, claims will be presented against colleges and universities 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 BridgeValley would not impact seriously on the financial status of BridgeValley.

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. Management believes disallowances, if any, would not have a significant financial impact on BridgeValley's financial position.

BridgeValley owns various buildings that are known to contain asbestos. BridgeValley is not required by Federal, State, or Local Law to remove the asbestos from the buildings. BridgeValley is required by Federal Environmental, Health, and Safety Regulations to manage the presence of asbestos in the buildings in a safe condition. Significant problems of dangerous asbestos conditions are abated as the condition becomes known. BridgeValley also addresses the presence of asbestos as building renovation or demolition projects are undertaken and through asbestos operation and maintenance programs directed at containing, managing, or operating with the asbestos in a safe condition.

NOTE 12 - COMPONENT UNIT DISCLOSURES

The following are the notes taken directly from the Foundation's financial statements starting on the following page:

**BRIDGEVALLEY COMMUNITY & TECHNICAL
COLLEGE FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Mission:

The BridgeValley Community & Technical College Foundation, Inc. is a private non-profit foundation whose mission is to promote the academic excellence, growth, progress, and general welfare of BridgeValley Community & Technical College by raising funds and providing support to strengthen and develop the College and its objectives.

Basis of Presentation:

The accompanying financial statements include only those accounts and transactions of BridgeValley Community & Technical College Foundation, Inc. (the Foundation). The accompanying statements have been prepared on the accrual basis of accounting.

Classification of Net Assets:

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor or grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents:

The Foundation considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

**BRIDGEVALLEY COMMUNITY & TECHNICAL
COLLEGE FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Income Taxes:

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code; accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes. The Foundation has determined that it does not have any material unrecognized tax benefits or obligations as of June 30, 2024 and 2023. Fiscal years on or after June 30, 2021 remain subject to examination by federal and state tax authorities.

Contributions made to the Foundation qualify for the charitable contribution deduction under Section 509(a)(1) and 170(b)(1)(A)(iv) of the Internal Revenue Code and the Foundation has been determined not to be a Private Foundation under IRC sections 509(a)(1) and (3), respectively.

Investments:

Investments in equity securities with readily determinable fair values and all debt securities are recorded at fair value based upon quoted market prices. Investments donated to the Foundation are initially recorded at fair value on the date of the gift. Investment income or loss (including gains and losses on investments, interest, and dividends) is included in the change in net assets without donor restrictions unless the income or loss is restricted by the donor or law.

Investment income is recorded net of investment expenses. Realized gains or losses on investments are determined by comparison of specific cost of acquisition to proceeds at the time of disposal. Unrealized gains or losses are calculated by comparing cost to market values at the statement of financial position date.

Risks and Uncertainties:

The Foundation invests in common stocks, mutual funds, U.S. Treasury obligations and corporate bonds that, in general, are exposed to various risks such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

Financial Instruments and Credit Risk:

In the regular course of business, the Foundation maintains cash balances at a financial institution located in West Virginia which may at times, exceed the federally insured amount. Accounts at the financial institution are insured to the limits established by the Federal Deposit Insurance Corporation. The Foundation has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk with respect to its cash and cash equivalents.

**BRIDGEVALLEY COMMUNITY & TECHNICAL
COLLEGE FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Financial Instruments and Credit Risk: (Continued)

Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from corporations supportive of the Foundation's mission. Investments are made by diversified investment managers whose performance is monitored by management and the investment committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Foundation.

Revenue and Revenue Recognition:

The Foundation records special events revenue equal to the cost of direct benefits to donors, and contribution revenue for the difference. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. There was one conditional promises to give at June 30, 2024 (see Note 6) and no conditional promises to give at June 30, 2023.

Amounts Held on Behalf of Others:

Amounts held on behalf of others represent assets held by the Foundation as an agent for the BridgeValley Community & Technical College Alumni Association and other student groups. These funds are custodial by nature and do not affect the results of operations.

Promises to Give:

Unconditional promises to give are recognized as revenue when the donor commits the gift. Conditional promises to give are recognized as revenue when the specified conditions are substantially met and the promises become unconditional. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows, using a credit risk adjusted discount rate of return appropriate for the expected term of the promise to give. Amortization of the discounts is recorded as contribution revenue in accordance with donor restrictions on the contributions.

Expense Allocation:

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are charged to programs and supporting services on the basis of time and allocable expenses. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

**BRIDGEVALLEY COMMUNITY & TECHNICAL
COLLEGE FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Donated Services, and In-Kind Contributions:

Contributions of services are recognized if the services received create or enhance nonfinancial assets, or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services and promises to give services that do not meet the above criteria are not recognized. Contributed services which are recognized are valued at the estimated cost that would have been incurred by the Foundation to purchase similar services. Donated goods are recorded at fair value at the date of the donation.

Reclassifications

Certain prior year balances have been reclassified to conform to current year financial statement presentation.

NOTE 2 - RELATED PARTY TRANSACTIONS:

During the years ended June 30, 2025 and 2024, the Foundation made transfers of funds to BridgeValley Community & Technical College, a related party. Those transfers related to the scholarships, academic programs and community outreach programs and totaled \$75,577 and \$48,953, respectively. The amounts payable to BridgeValley Community & Technical College at June 30, 2025 and 2024 were \$5,000 and \$18,350, respectively.

NOTE 3 - INVESTMENTS:

A summary of investments held by the Foundation as of June 30, 2025 and 2024 is as follows:

	2025		
	Fair Value	Cost	Net Unrealized Gain (Loss)
Money Market Funds	\$ 107,673	\$ 107,673	\$ -
Mutual Funds-Equity Funds	219,712	185,699	34,013
Mutual Funds-Fixed Income Funds	-	-	-
Common Stock	1,405,582	1,201,798	203,784
Corporate Bonds	707,530	697,618	9,912
U.S. Government Obligations	451,448	447,642	3,806
	<u>\$ 2,891,945</u>	<u>\$ 2,640,430</u>	<u>\$ 251,515</u>

**BRIDGEVALLEY COMMUNITY & TECHNICAL
COLLEGE FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 3 - INVESTMENTS: (Continued)

	2024		
	Fair Value	Cost	Net Unrealized Gain (Loss)
Money Market Funds	\$ 133,120	\$ 133,120	\$ -
Mutual Funds-Equity Funds	157,511	140,506	17,005
Mutual Funds-Fixed Income Funds	50,730	55,129	(4,399)
Common Stock	603,811	548,478	55,333
Corporate Bonds	891,120	897,378	(6,258)
U.S. Government Obligations	744,504	747,159	(2,655)
	<u>\$ 2,580,796</u>	<u>\$ 2,521,770</u>	<u>\$ 59,026</u>

Investment income for the years ended June 30, is as follows:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and Dividends	\$ 33,277	\$ 65,566	\$ 98,843
Net Realized and Unrealized (Loss) on Investments	30,889	161,342	192,231
Investment Fees	(7,592)	(10,332)	(17,924)
Investment Income	<u>\$ 56,574</u>	<u>\$ 216,576</u>	<u>\$ 273,150</u>

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and Dividends	\$ 60,588	\$ 28,350	\$ 88,938
Net Realized and Unrealized Gain on Investments	33,747	46,810	80,557
Investment Fees	(6,450)	(6,025)	(12,475)
Investment Income	<u>\$ 87,885</u>	<u>\$ 69,135</u>	<u>\$ 157,020</u>

**BRIDGEVALLEY COMMUNITY & TECHNICAL
COLLEGE FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 4 - FAIR VALUE MEASUREMENTS AND DISCLOSURES:

Certain assets and liabilities are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that management can access at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 - Unobservable inputs for the assets or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to an assessment of the quality, risk, or liquidity profile of the asset or liability.

A significant portion of the Foundation's investment assets are classified within Level 1 because they comprise common stocks and open-end mutual funds with readily determinable fair values based on daily redemption values. The Foundation invests in Certificates of Deposit and U.S. Government Obligations traded in the financial markets. Those Certificates of Deposit and U.S. Government Obligations are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions, and are classified within Level 2.

**BRIDGEVALLEY COMMUNITY & TECHNICAL
COLLEGE FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 4 - FAIR VALUE MEASUREMENTS AND DISCLOSURES: (Continued)

The following table presents assets and liabilities measured at fair value on a recurring basis, except those measured at cost as identified in the following, at June 30, 2025:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Market Funds	\$ 107,673	\$ -	\$ -	\$ -
Mutual Funds-Equity Funds	219,712	219,712	-	-
Common Stock	1,405,582	1,405,582	-	-
Corporate Bonds	707,530	-	707,530	-
U.S. Government Obligations	451,448	-	451,448	-
	<u>\$ 2,891,945</u>	<u>\$ 1,625,294</u>	<u>\$ 1,158,978</u>	<u>\$ -</u>

The following table presents assets and liabilities measured at fair value on a recurring basis, except those measured at cost as identified in the following, at June 30, 2024:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Market Funds	\$ 133,120	\$ -	\$ -	\$ -
Mutual Funds-Equity Funds	157,511	157,511	-	-
Mutual Funds-Fixed Income Funds	50,730	50,730	-	-
Common Stock	603,811	603,811	-	-
Corporate Bonds	891,120	-	891,120	-
U.S. Government Obligations	744,504	-	744,504	-
	<u>\$ 2,580,796</u>	<u>\$ 812,052</u>	<u>\$ 1,635,624</u>	<u>\$ -</u>

**BRIDGEVALLEY COMMUNITY & TECHNICAL
COLLEGE FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 5 - ENDOWMENT FUNDS:

The Foundation's endowment consists of several individual funds established for scholarships and are donor-restricted perpetual endowment funds. As required by generally accepted accounting principles in the United States of America, net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions and the Foundation's interpretation of relevant law.

Interpretation of Relevant Law:

The Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift of the donor-restricted endowment funds. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions that are perpetual in nature (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the donor restricted perpetual endowment, and (c) accumulations to the donor restricted perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Earnings from donor-restricted endowment funds are classified as net assets with donor restrictions that are purpose restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes 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

**BRIDGEVALLEY COMMUNITY & TECHNICAL
COLLEGE FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 5 - ENDOWMENT FUNDS: (Continued)

Changes in endowment net assets for the years ended June 30 2025 and 2024 are as follows:

	2025		
	Purpose Restrictions	Perpetual Restrictions	Total
Endowment Net Assets, Beginning of Year	\$ 100,058	\$ 732,844	\$ 832,902
Investment Income	87,596	-	87,596
Endowment Net Assets, End of Year	<u>\$ 187,654</u>	<u>\$ 732,844</u>	<u>\$ 920,498</u>
	2024		
	Purpose Restrictions	Perpetual Restrictions	Total
Endowment Net Assets, Beginning of Year	\$ 30,923	\$ 732,844	\$ 763,767
Investment Income	69,135	-	69,135
Endowment Net Assets, End of Year	<u>\$ 100,058</u>	<u>\$ 732,844</u>	<u>\$ 832,902</u>

In addition to endowment net assets, the Foundation also manages other non-endowment funds. The following table summarizes all Foundation net assets with donor restrictions as of June 30, 2025 and 2024:

	2025	2024
Endowment Funds	\$ 920,498	\$ 832,902
Non-Endowment Funds	<u>1,949,075</u>	<u>1,701,367</u>
Total Net Assets with Restrictions	<u>\$ 2,869,573</u>	<u>\$ 2,534,269</u>

**BRIDGEVALLEY COMMUNITY & TECHNICAL
COLLEGE FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 5 - ENDOWMENT FUNDS: (Continued)

Funds with Deficiencies:

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the state UPMIFA requires the Foundation to retain as a fund of perpetual duration (underwater endowments). Deficiencies can result from unfavorable market fluctuations that occurred after the investment of contributions with donor restrictions that are perpetual in nature and continued appropriation for certain programs that was deemed prudent by the Board of Directors. Subsequent gains that restore the fair value of the assets of the endowment funds to the required level will be classified as an increase in net assets without donor restrictions or net assets with donor restrictions, as applicable.

Return Objectives and Risk Parameter:

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the Investment Policy benchmark index, over short and long term periods, while assuming a moderate level of investment risk.

The Foundation expects its endowment funds, over time, to rise at least as rapidly as inflation, net of fees. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives:

To satisfy its long term rate of return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy:

Subject to the terms of any Endowment agreement, contract, donor request, grant and/or West Virginia law, the amount that the Foundation makes available for grants and scholarships from each asset will be determined by the management of the Foundation.

Should the total market value of any fund fall below the initial corpus plus additional contributions to the corpus, no distributions will be made unless authorized by the fund agreement or the Board of Directors, as permitted by law.

The Foundation recognizes that extremely unusual circumstances with respect either to financial markets or to the needs of the communities it serves may, in rare instances, require temporary departures from the strict application of these Investment Policies.

**BRIDGEVALLEY COMMUNITY & TECHNICAL
COLLEGE FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are available for the following purposes as of June 30, 2025 and 2024:

Purpose Restrictions:	2025	2024
Academic Departments	\$ 163,743	\$ 145,115
Advanced Tech Capital Campaign	967,290	968,923
Donor Advised Endowments	187,654	95,174
Fiscal Agent Accounts	51,479	51,479
Major College Divisions	13,223	13,954
Non-Endowed Scholarships	271,202	263,988
Special Events or Purposes	86,997	79,830
Time Restriction:		
Challenge Grant	395,141	182,962
	\$ 2,136,729	\$ 1,801,425
Restricted in Perpetuity	732,844	732,844
Total	\$ 2,869,573	\$ 2,534,269

Conditional Grant - Challenge Grant:

The Foundation received a multi-year Endowment Challenge Grant from BridgeValley Community and Technical College (passed through from the U.S. Department of Education). The purpose of the grant is to establish or increase endowment challenge funds, provide additional incentives to promote fund-raising activities; and foster increased independence and self-sufficiency. The grant is a 5 year program and is conditioned upon The Foundation matching the annual award with non-federal funds each grant year. The total award is \$445,200. The Foundation received the first award under the program of \$89,040 in the year ended June 30, 2024 and raised the required matching funds of \$89,040. The Foundation received the second award under the program of \$89,040 in the year ended June 30, 2025 and raised the required matching funds of \$89,040. Since the award is conditioned upon the Foundation matching the

The grant requires that the funds be invested by The Foundation and have a duration of twenty years. During the grant period, The Foundation may not withdraw or spend any part of the endowment fund corpus. At the end of the grant period, the Foundation may use the endowment fund corpus for any educational purpose.

Also, during the endowment challenge period, The Foundation may spend up to 50% of the total aggregate endowment fund income earned prior to the date of expenditure. The allowable expenditures include costs necessary to operate the institution, including general operating and maintenance costs and costs to administer and manage the endowment fund..

**BRIDGEVALLEY COMMUNITY & TECHNICAL
COLLEGE FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS: (Continued)

Following is summary of the Challenge Grant Program activity for the year ended June 30, 2024:

Balance at July 1, 2024	\$	182,962
Challenge grant award received		89,040
Matching contributions		89,040
Investment Income		38,962
Investment Expenses		(3,791)
Releases		(1,072)
		<u> </u>
Balance at June 30, 2024	\$	<u><u>395,141</u></u>

NOTE 7 - EVALUATION OF SUBSEQUENT EVENTS:

The Foundation's management has evaluated subsequent events through the date of the auditor's report, which is the date the financial statements were available to be issued. No significant events were noted requiring adjustment to or disclosure in the financial statements.

NOTE 8 - IN-KIND DONATIONS

The Foundation received in-kind contributions during the years ended June 30, as follows

	<u>2025</u>	<u>2024</u>
Professional fees- accounting and bookkeeping services	\$ 15,138	\$ 14,592
Medical equipment (ambulance and cot)	<u>-</u>	<u>10,500</u>
	<u><u>\$ 15,138</u></u>	<u><u>\$ 25,092</u></u>

The medical equipment was donated to BridgeValley Community and Technical College for use in its educational programs.

**BRIDGEVALLEY COMMUNITY & TECHNICAL
COLLEGE FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 9 - LIQUIDITY AND AVAILABILITY:

For the purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing activities of providing support to the College, as well as the conduct of services undertaken to support those activities to be general expenditures.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following:

Cash and Cash Equivalents	\$ 185,664
Operating Investments	1,576,306
Accrued Interest Receivable	<u>13,522</u>
	<u><u>\$ 1,775,492</u></u>

The Foundation's endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes. Donor-restricted endowment funds are not available for general expenditure.

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 13 - FUNCTIONAL CLASSIFICATION OF EXPENSES

BridgeValley's operating expenses by functional and natural classification are as follows:

	2025							
	Salaries and Wages	Benefits	Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation	Assessments by the Commission	Total
Instruction	\$ 6,493,642	\$ 1,470,050	\$ -	\$ 475	\$ 4,063,181	\$ -	\$ -	\$ 12,027,348
Public service	357,358	84,677	-	-	337,956	-	-	779,991
Academic support	680,237	157,376	-	-	486,647	-	-	1,324,260
Student services	961,387	228,823	-	(677)	192,047	-	-	1,381,580
Operation and maintenance of plant	411,850	122,026	-	345,177	508,963	-	-	1,388,016
General institutional support	1,947,551	506,160	-	-	2,432,846	-	-	4,886,557
Student financial aid	70,470	25	3,927,188	-	-	-	-	3,997,683
Depreciation	-	-	-	-	-	2,661,894	-	2,661,894
Fees assessed by the Commission	-	-	-	-	-	-	90,203	90,203
Total expenses	<u>\$ 10,922,495</u>	<u>\$ 2,569,137</u>	<u>\$ 3,927,188</u>	<u>\$ 344,975</u>	<u>\$ 8,021,640</u>	<u>\$ 2,661,894</u>	<u>\$ 90,203</u>	<u>\$ 28,537,532</u>

	2024							
	Salaries and Wages	Benefits	Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation	Assessments by the Commission	Total
Instruction	\$ 5,721,012	\$ 1,284,718	\$ -	\$ -	\$ 2,892,258	\$ -	\$ -	\$ 9,897,988
Public service	529,251	100,537	-	-	401,611	-	-	1,031,399
Academic support	751,697	186,179	-	-	465,248	-	-	1,403,124
Student services	934,867	213,343	-	-	188,355	-	-	1,336,565
Operation and maintenance of plant	552,406	168,000	-	364,497	325,383	-	-	1,410,286
General institutional support	1,967,318	(133,439)	-	-	2,363,470	-	-	4,197,349
Student financial aid	52,452	-	2,488,038	-	-	-	-	2,540,490
Depreciation	-	-	-	-	-	2,534,305	-	2,534,305
Fees assessed by the Commission	-	-	-	-	-	-	84,136	84,136
Total expenses	<u>\$ 10,509,003</u>	<u>\$ 1,819,338</u>	<u>\$ 2,488,038</u>	<u>\$ 364,497</u>	<u>\$ 6,636,325</u>	<u>\$ 2,534,305</u>	<u>\$ 84,136</u>	<u>\$ 24,435,642</u>

REQUIRED SUPPLEMENTARY INFORMATION

**BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2025**

**State Teachers' Retirement System
Last 10 Fiscal Years***

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
BridgeValley's proportion of the net pension liability (percentage)	0.004267%	0.003921%	0.003559%	0.003590%	0.003537%	0.003381%	0.003160%	0.005536%	0.015699%	0.013300%
BridgeValley's proportionate share of the net pension liability	\$ 80,517	\$ 89,768	\$ 91,540	\$ 56,104	\$ 113,925	\$ 100,591	\$ 98,663	\$ 191,267	\$ 645,185	\$ 463,976
State's proportionate share of the net pension liability	<u>133,144</u>	<u>183,336</u>	<u>203,937</u>	<u>125,434</u>	<u>247,516</u>	<u>71,128</u>	<u>71,188</u>	<u>422,977</u>	<u>1,228,906</u>	<u>1,051,622</u>
Total proportionate share of the net pension liability	<u>\$ 213,661</u>	<u>\$ 273,104</u>	<u>\$ 295,477</u>	<u>\$ 181,538</u>	<u>\$ 361,441</u>	<u>\$ 171,719</u>	<u>\$ 169,851</u>	<u>\$ 614,244</u>	<u>\$ 1,874,091</u>	<u>\$ 1,515,598</u>
BridgeValley's covered payroll	\$ 107,873	\$ 107,527	\$ 99,940	\$ 99,880	\$ 99,705	\$ 97,634	\$ 95,540	\$ 152,785	\$ 405,739	\$ 403,194
BridgeValley's proportionate share of the net pension liability as a percentage of its covered payroll	74.64%	83.48%	91.59%	56.17%	114.26%	103.03%	103.27%	125.19%	159.01%	115.08%
Plan fiduciary net position as a percentage of the total pension liability	84.24%	80.42%	77.78%	86.38%	70.89%	72.64%	71.20%	67.85%	61.42%	66.25%

* - The amounts presented for each fiscal year were determined as of June 30th of the previous year. (measurement date)

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
JUNE 30, 2025

State Teachers' Retirement System
Last 10 Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 16,553	\$ 16,181	\$ 16,129	\$ 14,991	\$ 14,982	\$ 14,956	\$ 14,645	\$ 14,331	\$ 22,918	\$ 60,861
Contributions in relation to the contractually required contribution	<u>(16,553)</u>	<u>(16,181)</u>	<u>(16,129)</u>	<u>(14,991)</u>	<u>(14,982)</u>	<u>(14,956)</u>	<u>(14,645)</u>	<u>(14,331)</u>	<u>(22,918)</u>	<u>(60,861)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Government's covered payroll	\$ 110,335	\$ 107,873	\$ 107,527	\$ 99,940	\$ 99,880	\$ 99,705	\$ 97,634	\$ 95,540	\$ 152,785	\$ 405,739
Contributions as a percentage of covered payroll	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
JUNE 30, 2025

Last 10 Fiscal Years*

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
BridgeValley's proportion of the net OPEB liability (asset) (percentage)	0.069253455%	0.128294797%	0.145417455%	0.169719996%	0.163707891%	0.166058333%	0.168886231%	0.152321576%		
BridgeValley's proportionate share of the net OPEB liability (asset)	\$ (28,834)	\$ (203,025)	\$ 161,848	\$ (50,466)	\$ 723,084	\$ 2,755,127	\$ 3,623,346	\$ 3,745,571		
State's proportionate share of the net OPEB liability (asset)	<u>(90,566)</u>	<u>(86,658)</u>	<u>55,443</u>	<u>(9,937)</u>	<u>159,885</u>	<u>563,822</u>	<u>748,849</u>	<u>769,344</u>		
Total proportionate share of the net OPEB liability (asset)	<u>\$ (119,400)</u>	<u>\$ (289,683)</u>	<u>\$ 217,291</u>	<u>\$ (60,403)</u>	<u>\$ 882,969</u>	<u>\$ 3,318,949</u>	<u>\$ 4,372,195</u>	<u>\$ 4,514,915</u>		
BridgeValley's covered-employee payroll	\$ 7,497,247	\$ 7,402,737	\$ 7,512,857	\$ 7,859,176	\$ 7,364,781	\$ 7,415,424	\$ 7,239,356	\$ 7,233,271		
BridgeValley's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	-0.38%	-2.74%	2.15%	-0.64%	9.82%	37.15%	50.05%	51.78%		
Plan fiduciary net position as a percentage of the total OPEB liability	102.19%	109.66%	93.59%	101.81%	73.49%	39.69%	30.98%	25.10%		

* - The amounts presented for each fiscal year were determined as of June 30th of the previous year (measurement date).

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, BridgeValley should present information for those years for which information is available.

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS
JUNE 30, 2025

Last 10 Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contribution	\$ 71,554	\$ 25,218	\$ 129,352	\$ 172,215	\$ 307,110	\$ 316,711	\$ 342,206	\$ 348,283		
Contributions in relation to the statutorily required contribution	<u>(71,554)</u>	<u>(25,218)</u>	<u>(129,352)</u>	<u>(172,215)</u>	<u>(307,110)</u>	<u>(316,711)</u>	<u>(342,206)</u>	<u>(348,283)</u>		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
BridgeValley's covered-employee payroll	\$7,547,609	\$ 7,497,247	\$ 7,402,737	\$ 7,512,857	\$ 7,859,176	\$ 7,364,781	\$ 7,415,524	\$ 7,239,356		
Contributions as a percentage of covered-employee payroll	0.95%	0.34%	1.75%	2.29%	3.91%	4.30%	4.61%	4.81%		

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, BridgeValley should present information for those years for which information is available.

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION
YEARS ENDED JUNE 30, 2025 AND 2024

Amounts reported reflect changes in assumptions to more closely reflect actual experience. Significant changes in assumptions are related to projected salary increases, inflation rate, and mortality tables.

	<u>Inflation</u>	<u>Salary Increases</u>	<u>Investment Rate of Return</u>	<u>Mortality</u>	<u>Discount Rate</u>
<u>2024</u>	2.75%	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 2.75 to 5.90%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 2.75 to 6.50%.	7.25%, net of pension plan investment expense, including inflation.	Active: Pub-2010, General Employees table, headcount weighted, projected generationally with scale MP-2019. Retired: Healthy males – 100% of Pub-2010 General Retiree Male table, headcount weighted, projected generationally with scale MP-2019; Retired healthy females – 112% of Pub-2010 General Retiree Female table, headcount weighted, projected generationally with scale MP-2019; Disabled males – 107% of Pub-2010 General/Teacher Disabled Male table, headcount weighted, projected generationally with scale MP-2019; Disabled females – 113% of Pub-2010 General/Teacher Disabled Female table, headcount weighted, projected generationally with scale MP-2019; Beneficiary males-101% of Pub-2010 Contingent Survivor Male table, headcount weighted, projected generationally with Scale MP-2019; Beneficiary females-113% of Pub-2010 Contingent Survivor Female table, headcount weighted, projected generationally with Scale MP-2019.	7.25%
<u>2023</u>	2.75%	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 2.75 to 5.90%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 2.75 to 6.50%.	7.25%, net of pension plan investment expense, including inflation.	Active: Pub-2010, General Employees table, headcount weighted, projected generationally with scale MP-2019. Retired: Healthy males – 100% of Pub-2010 General Retiree Male table, headcount weighted, projected generationally with scale MP-2019; Retired healthy females – 112% of Pub-2010 General Retiree Female table, headcount weighted, projected generationally with scale MP-2019; Disabled males – 107% of Pub-2010 General/Teacher Disabled Male table, headcount weighted, projected generationally with scale MP-2019; Disabled females – 113% of Pub-2010 General/Teacher Disabled Female table, headcount weighted, projected generationally with scale MP-2019; Beneficiary males-101% of Pub-2010 Contingent Survivor Male table, headcount weighted, projected generationally with Scale MP-2019; Beneficiary females-113% of Pub-2010 Contingent Survivor Female table, headcount weighted, projected generationally with Scale MP-2019.	7.25%

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION
YEARS ENDED JUNE 30, 2025 AND 2024

	<u>Inflation</u>	<u>Salary Increases</u>	<u>Investment Rate of Return</u>	<u>Mortality</u>	<u>Discount Rate</u>
<u>2022</u>	2.75%	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 2.75 to 5.90%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 2.75 to 6.50%.	7.25%, net of pension plan investment expense, including inflation.	Active: Pub-2010, General Employees table, headcount weighted, projected generationally with scale MP-2019. Retired: Healthy males – 100% of Pub-2010 General Retiree Male table, headcount weighted, projected generationally with scale MP-2019; Retired healthy females – 112% of Pub-2010 General Retiree Female table, headcount weighted, projected generationally with scale MP-2019; Disabled males – 107% of Pub-2010 General/Teacher Disabled Male table, headcount weighted, projected generationally with scale MP-2019; Disabled females – 113% of Pub-2010 General/Teacher Disabled Female table, headcount weighted, projected generationally with scale MP-2019; Beneficiary males-101% of Pub-2010 Contingent Survivor Male table, headcount weighted, projected generationally with Scale MP-2019; Beneficiary females-113% of Pub-2010 Contingent Survivor Female table, headcount weighted, projected generationally with Scale MP-2019.	7.25%
<u>2021</u>	2.75%	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 2.75 to 5.90%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 2.75 to 6.50%.	7.25%, net of pension plan investment expense, including inflation.	Active: Pub-2010, General Employees table, headcount weighted, projected generationally with scale MP-2019. Retired: Healthy males – 100% of Pub-2010 General Retiree Male table, headcount weighted, projected generationally with scale MP-2019; Retired healthy females – 112% of Pub-2010 General Retiree Female table, headcount weighted, projected generationally with scale MP-2019; Disabled males – 107% of Pub-2010 General/Teacher Disabled Male table, headcount weighted, projected generationally with scale MP-2019; Disabled females – 113% of Pub-2010 General/Teacher Disabled Female table, headcount weighted, projected generationally with scale MP-2019.	7.25%

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION
YEARS ENDED JUNE 30, 2025 AND 2024

	<u>Inflation</u>	<u>Salary Increases</u>	<u>Investment Rate of Return</u>	<u>Mortality</u>	<u>Discount Rate</u>
<u>2020</u>	3.0%	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.16%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.75%.	7.5%, net of pension plan investment expense, including inflation.	Active: Pub-2010, General Employees table, headcount weighted, projected generationally with scale MP-2019. Retired healthy males – 108% of Pub-2010 General Retiree Male table, headcount weighted, projected generationally with scale MP-2019; Retired healthy females – 112% of Pub-2010 General Retiree Female table, headcount weighted, projected generationally with scale MP-2019; Disabled males – 107% of Pub-2010 General/Teacher Disabled Male table, headcount weighted, projected generationally with scale MP-2019; Disabled females – 113% of Pub-2010 General/Teacher Disabled Female table, headcount weighted, projected generationally with scale MP-2019.	7.5%
<u>2019</u>	3.0%	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.00%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.50%.	7.5%, net of pension plan investment expense, including inflation.	Active: RP2000, non-annuitant table, projected with Scale AA on a fully generational basis. Retired: Healthy males – 97% of RP2000 healthy annuitant table, projected with Scale AA on a fully generational basis; Healthy females – 94% of RP2000 healthy annuitant table, projected with Scale AA on a fully generational basis; Disabled males – 96% of RP2000 disabled annuitant table, projected with Scale AA on a fully generational basis; Disabled females – 101% of RP2000 disabled annuitant table, projected with Scale AA on a fully generational basis.	7.5%
<u>2018</u>	3.0%	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.00%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.50%.	7.5%, net of pension plan investment expense, including inflation.	Active: RP2000, non-annuitant table, projected with Scale AA on a fully generational basis. Retired: healthy males – 97% of RP2000 healthy annuitant table, projected with Scale AA on a fully generational basis; healthy females – 94% of RP2000 healthy annuitant table, projected with Scale AA on a fully generational basis; disabled males – 96% of RP2000 disabled annuitant table, projected with Scale AA on a fully generational basis; disabled females – 101% of RP2000 disabled annuitant table, projected with Scale AA on a fully generational basis.	7.5%

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION
YEARS ENDED JUNE 30, 2025 AND 2024

	<u>Inflation</u>	<u>Salary Increases</u>	<u>Investment Rate of Return</u>	<u>Mortality</u>	<u>Discount Rate</u>
<u>2017</u>	3.0%	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.00%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.50%.	7.5%, net of pension plan investment expense, including inflation.	Active: RP2000, non-annuitant table, projected with Scale AA on a fully generational basis. Retired: healthy males – 97% of RP2000 healthy annuitant table, projected with Scale AA on a fully generational basis; healthy females – 94% of RP2000 healthy annuitant table, projected with Scale AA on a fully generational basis; disabled males – 96% of RP2000 disabled annuitant table, projected with Scale AA on a fully generational basis; disabled females – 101% of RP2000 disabled annuitant table, projected with Scale AA on a fully generational basis.	7.5%
<u>2016</u>	3.0%	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.00%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.50%.	7.5%, net of pension plan investment expense, including inflation.	Active: RP2000, non-annuitant table, projected with Scale AA on a fully generational basis. Retired: healthy males – 97% of RP2000 healthy annuitant table, projected with Scale AA on a fully generational basis; healthy females – 94% of RP2000 healthy annuitant table, projected with Scale AA on a fully generational basis; disabled males – 96% of RP2000 disabled annuitant table, projected with Scale AA on a fully generational basis; disabled females – 101% of RP2000 disabled annuitant table, projected with Scale AA on a fully generational basis.	7.5%
<u>2015</u>	3.0%	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.75 to 5.25%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.40 to 6.50%.	7.5%, net of pension plan investment expense, including inflation.	Active: RP2000, non-annuitant monthly mortality table. Retired: RP2000 healthy annuitant, scale AA; Disabled: RP2000 disabled annuitant mortality table, scale AA.	7.5%

There are no other significant factors that affect trends in the amounts reported, such as a change of benefit terms or other assumptions. Additional information, if necessary, can be obtained from the CPRB Annual Comprehensive Financial Report for the corresponding year.

BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-OPEB
YEARS ENDED JUNE 30, 2025 AND 2024

Actuarial Changes Other Postemployment Benefits Plan

The actuarial assumptions used in the total OPEB liability (asset) calculation can change from year to year. Please see table below which summarizes the actuarial assumptions used for the respective measurement dates.

	Inflation Rate	Salary Increases	Wage Inflation Rate	Investment Rate of Return & Discount Rate	Mortality	Retirement Age	Aging Factors	Expenses	Healthcare Cost Trend Rates
2024	2.50%	Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation	2.75%	7.40%, net of OPEB plan investment expense, including inflation	Post-Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 100% for males and 108% for females; Pre-Retirement: Pub-2010 General Employee Mortality Tables projected with MP-2021	Experience-based table of rates that are specific to the type of eligibility condition	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Trend rates for pre-Medicare and Medicare per capita costs of 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 4.5% is reached in plan year end 2033.
2023	2.50%	Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation	2.75%	7.40%, net of OPEB plan investment expense, including inflation	Post-Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 100% for males and 108% for females; Pre-Retirement: Pub-2010 General Employee Mortality Tables projected with MP-2021	Experience-based table of rates that are specific to the type of eligibility condition	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Trend rate for pre-Medicare and Medicare per capita costs of 7.0% medical and 8.0% drug. The trends increase over four year to 9.0% 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 2032.
2022	2.25%	Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation	2.75%	6.65%, net of OPEB plan investment expense, including inflation	Post-Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 100% for males and 108% for females; Pre-Retirement: Pub-2010 General Employee Mortality Tables projected with MP-2021	Experience-based table of rates that are specific to the type of eligibility condition	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2023, decreasing by 0.50% for two years then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year 2032. Trend rate for Medicare per capita costs of 8.83% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032.
2021	2.25%	Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation	2.75%	6.65%, net of OPEB plan investment expense, including inflation	Post-Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 100% for males and 108% for females; Pre-Retirement: Pub-2010 General Employee Mortality Tables projected with MP-2019	Experience-based table of rates that are specific to the type of eligibility condition	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2020, decreasing by 0.50% for one year then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year 2032. Trend rate for Medicare per capita costs of 31.11% for plan year end 2022, 9.15% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.
2020	2.25%	Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation	2.75%	6.65%, net of OPEB plan investment expense, including inflation	Post-Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 100% for males and 108% for females; Pre-Retirement: Pub-2010 General Employee Mortality Tables projected with MP-2019	Experience-based table of rates that are specific to the type of eligibility condition	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2022, 6.5% for plan year end 2023, decreasing by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year 2032. Trend rate for Medicare per capita costs of 31.11% for plan year end 2022, 9.15% for plan year end 2023, 8.40% for plan year end 2024, decreasing gradually each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.
2019	2.75%	Dependent upon pension system. Ranging from 3.0% to 6.5%, including inflation	4.00%	7.15%, net of OPEB plan investment expense, including inflation	Post-Retirement: RP – 2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis Pre-Retirement: RP– 2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis	Experience-based table of rates that are specific to the type of eligibility condition	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Trend rate for pre-Medicare per capita costs of 8.5% for plan year end 2020, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year 2028. Trend rate for Medicare per capita costs of 3.1% for plan year end 2020. 9.5% for plan year end 2021, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year end 2031.
2018	2.75%	Dependent upon pension system. Ranging from 3.0% to 6.5%, including inflation	4.00%	7.15%, net of OPEB plan investment expense, including inflation	Post-Retirement: RP – 2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis Pre-Retirement: RP– 2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis	Experience-based table of rates that are specific to the type of eligibility condition.	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.0% and 10.0% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend rate of 4.50%. Excess trend rate of 0.13% and 0.00% for pre and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2022 to account for the Excise Tax.
2017	2.75%	Dependent upon pension system. Ranging from 3.0% to 6.5%, including inflation	4.00%	7.15%, net of OPEB plan investment expense, including inflation	Post-Retirement: RP – 2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis Pre-Retirement: RP– 2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis	Experience-based table of rates that are specific to the type of eligibility condition.	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.5% and 9.75% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend rate of 4.50%. Excess trend rate of 0.14% and 0.29% for pre and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2020 to account for the Excise Tax.

INDEPENDENT AUDITOR'S 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
BridgeValley Community and Technical College
South Charleston, 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 discretely presented component unit of BridgeValley Community and Technical College (the College), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated October XX, 2025 which states reliance on other auditors for the discretely presented component unit. Our report includes a reference to other auditors who audited the financial statements of The BridgeValley Community and Technical College Foundation, Inc., as described in our report on the College's financial statements. The financial statements of the BridgeValley Community and Technical College Foundation, Inc. were not audited in accordance with *Government Auditing Standards*, and accordingly this report does not include reporting on internal control over financial reporting or instances of noncompliance associated with the BridgeValley Community and Technical College Foundation, Inc.

Report on Internal Control Over Financial Reporting

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

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

The Virginia Center
1411 Virginia Street, East
Suite 100
Charleston, WV 25301

MAIN (304) 343-4126
FAX (304) 343-8008

The Rivers Office Park
200 Star Avenue
Suite 220
Parkersburg, WV 26101

MAIN (304) 485-6584
FAX (304) 485-0971

Suncrest Towne Centre
453 Suncrest Towne Centre Drive
Suite 201
Morgantown, WV 26505

MAIN (304) 554-3371
FAX (304) 554-3410

The Somerville Building
501 5th Avenue
Suite 1
Huntington, WV 25701

MAIN (304) 525-0301
FAX (304) 522-1569

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

Report on Compliance and Other Matters

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

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 cursive script that reads "Suttle & Stalaker, PLLC".

Charleston, West Virginia
September 30, 2025