COLLABORATORS | COACHES | ADVOCATES | MENTORS
FRIENDS | VOLUNTEERS | REGULARS | DINERS | VISITORS
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COLLABORATORS | COACHES | ADVOCATES | MENTORS |
CONNOISSEURS | CUSTOMERS | TEACHERS |
| VOLUNTEERS |

Blue Ridge Community and Technical College

Financial Statements as of and for the
Years Ended June 30, 2026 and 2025, and Independent
Auditors' Reports

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BLUE RIDGE COMMUNITY AND TECHNICAL COLLEGE

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1–3
MANAGEMENT'S DISCUSSION AND ANALYSIS (RSI) (UNAUDITED)	4–14
FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2026 and 2025:	
Statements of Net Position	15
Statements of Revenues, Expenses, and Changes in Net Position	16
Statements of Cash Flows	17
Notes to Financial Statements	18–48
Required Supplementary Information	49-50
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	51-52

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit of Blue Ridge Community and Technical College (the College), a component unit of the West Virginia Higher Education Policy Commission, as of and for the years ended June 30, 2026 and 2025, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, based on our audits and the report of the other auditor, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College, as of June 30, 2026 and 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Blue Ridge Community and Technical College Foundation, Inc. (the Foundation), which represent 100% of the assets, net position, and revenues of the discretely presented component unit as of June 30, 2026 and 2025. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Foundation, are based solely on the report of the other auditor.

Basis for Opinions

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

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Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-14, the Schedule of Proportionate Share of Net OPEB liability and Contributions on page 49, and the Schedule of Proportionate Share of Net Pension Liability and Contributions on page 50 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2026, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
September 29, 2026

Blue Ridge Community and Technical College

Management Discussion and Analysis

Fiscal Year 2026

1. Overview of the Financial Statements

Blue Ridge Community and Technical College ("College") is a state-supported public community and technical college serving the Eastern Panhandle of West Virginia. The College provides associate degrees, certificates, and other educational programs that support the region's workforce and economic needs.

This Management's Discussion and Analysis (MD&A) provides an overview of the College's financial position and financial activities for the fiscal year ended June 30, 2026. Comparative information for the prior fiscal year is provided throughout the MD&A, with additional historical information included where it provides meaningful context. The fiscal year ended June 30, 2024 balances on the Statement of Revenues, Expenses, and Changes in Net Position within the MD&A below were reclassed for comparative purposes to align with the implementation of GASB Statement 103, *Financial Reporting Model Improvements*, and it's affect on the June 30, 2026 and 2025 balances. See futher information around this implementation within Note 2 of the Financial Statements.

The College's financial statements consist of the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. Together, these statements provide information about the College's financial position at year-end, the results of operations during the fiscal year, and the sources and uses of cash.

Financial Statement	Provides Information About
Statement of Net Position	Assets, deferred outflows, liabilities, deferred inflows, and net position at year-end.
Statement of Revenues, Expenses, and Changes in Net Position	Operating results and changes in net position during the fiscal year.
Statement of Cash Flows	Sources and uses of cash and cash equivalents during the fiscal year.

The financial statements are prepared on an accrual basis, in which revenues are recognized when earned, and expenses are recognized when incurred. The accompanying notes to the financial statements provide additional information that is essential to understanding the financial statements.

2. Financial Summary

The following financial summary provides condensed comparative information regarding the College's financial position and results of operations for fiscal years 2026 and 2025. The Detailed Analyses section discusses significant changes and the factors contributing to them.

Financial Position

The College's total net position improved during fiscal year 2026. Total net position was approximately $24.43 million at June 30, 2026, compared with $23.61 million at June 30, 2025, an increase of approximately $825,000 or 3.5 percent.

Total assets increased slightly from $33.85 million to $34.01 million, or 0.5 percent. Although total assets remained relatively stable, the asset composition changed during the year. Cash and cash equivalents increased approximately $964,000, or 10.5 percent, while net capital and leased assets decreased.

Total liabilities decreased approximately $581,000, or 5.7 percent, from $10.26 million to $9.68 million. Noncurrent liabilities decreased by approximately $415,000, or 9.9 percent.

The improvement in total net position was primarily attributable to an approximately $1.13 million increase in unrestricted net position, partially offset by decreases of approximately $266,000 in net investment in capital assets and $41,000 in restricted net position.

Condensed Schedules of Net Position
As of June 30, 2026, 2025, and 2024
(In thousands of dollars)

		2026	2025	2024	2026-2025 $ Change	2026-2025 % Change
Assets	Cash and Cash Equivalents	$ 10,186	$ 9,222	$ 9,896	$ 964	10.5%
	Other Assets	2,282	2,271	1,828	11	0.5%
	Capital Assets - net	17,261	17,585	17,354	(324)	-1.8%
	Leased Assets - net	3,968	4,544	3,840	(576)	-12.7%
	SBITA Assets - net	308	230	267	78	33.9%
	Total Assets	34,005	33,852	33,185	153	0.5%
Deferred Outflows of Resources		285	88	100	197	223.9%
Total Assets and Deferred Outflows of Resources		34,290	33,940	33,285	350	1.0%
Liabilities	Current Liabilities	5,891	6,057	6,070	(166)	-2.7%
	Noncurrent Liabilities	3,786	4,201	3,439	(415)	-9.9%
	Total Liabilities	9,677	10,258	9,509	(581)	-5.7%
Deferred Inflows of Resources		180	74	346	106	143.2%
Net Position	Net Investment in Capital Assets	17,019	17,285	17,228	(266)	-1.5%
	Restricted	1,673	1,714	1,840	(41)	-2.4%
	Unrestricted	5,741	4,609	4,362	1,132	24.6%
	Total Net Position	$ 24,433	$ 23,608	$ 23,430	$ 825	3.5%
Total Liabilities, Deferred Inflows, and Net Position		$ 34,290	$ 33,940	$ 33,285	$ 350	1.0%

Results of Operations

The College's fiscal year 2026 revenues continued to come from a combination of tuition and fees, State appropriations, State appropriations supporting financial aid, Federal and State grants, Federal Pell grants, and other revenue sources. Significant changes included increases in net tuition and fee revenue, State appropriations, and State grant revenue, partially offset by decreases in State appropriations for financial aid, Federal grants, Federal Pell grants, and other revenues.

Net tuition and fee revenue increased approximately $577,000, or 12.9 percent. State appropriations increased approximately $572,000, or 6.4 percent, and State grant revenue increased approximately $297,000, or 17.6 percent. The increases were offset by an approximately $896,000, or 26.5 percent, decrease in State appropriations for financial aid, a $439,000, or 15.1 percent, decrease in Federal grant revenue, and a $189,000, or 4.4 percent, decrease in Federal Pell grant revenue.

Total expenses decreased approximately $821,000, or 3.0 percent, during fiscal year 2026. The decrease was primarily attributable to a $1.44 million, or 46.8 percent, decrease in scholarships and fellowships, partially offset by increases in several other functional expense categories. Instruction, the College's largest functional expense, increased by approximately $211,000, or 2.0 percent.

Results of Operations

				2026-2025	2026-2025
Revenues	**2026**	**2025**	**2024**	**Change**	**% Change**
State Appropriation	$ 9,545	$ 8,973	$ 8,746	$ 572	6.4%
Tuition and Fees, net	5,055	4,478	4,521	577	12.9%
Federal Pell Grants	4,082	4,271	3,413	(189)	-4.4%
Federal Grants	2,467	2,906	1,990	(439)	-15.1%
State Appropriation - Financial Aid	2,491	3,387	1,809	(896)	-26.5%
State Grants	1,987	1,690	1,740	297	17.6%
Other Revenues	1,443	1,539	1,424	(96)	-6.2%
Total Revenues	$ 27,070	$ 27,244	$ 23,643	$ (174)	-0.6%
Expenses					
Instruction	$ 11,003	$ 10,792	$ 10,944	$ 211	2.0%
Institutional Support	5,979	5,799	4,790	180	3.1%
Student Services	2,178	2,098	2,036	80	3.8%
Operations and Maintenance	1,478	1,471	1,718	7	0.5%
Scholarships and Fellowships	1,635	3,073	2,550	(1,438)	-46.8%
Academic Support	738	666	772	72	10.8%
Auxiliary Enterprises	755	665	689	90	13.5%
Depreciation	1,326	1,405	1,488	(79)	-5.6%
Amortization	918	870	837	48	5.5%
Other Expenses	235	227	201	8	3.5%
Total Expenses	$ 26,245	$ 27,066	$ 26,025	$ (821)	-3.0%
Change in Net Position	$ 825	$ 178	$ (2,382)	$ 647	363.5%
Beginning Net Position	$ 23,608	$ 23,430	$ 25,812	$ 178	0.8%
Ending Net Position	$ 24,433	$ 23,608	$ 23,430	$ 825	3.5%

3. Detailed Analyses

The following analysis discusses significant changes in the College's financial position and results of operations during fiscal year 2026 and the factors contributing to those changes.

Net Position

Total net position increased approximately $825,000, or 3.5 percent, during fiscal year 2026. The increase was primarily attributable to a $1.13 million increase in unrestricted net position, partially offset by decreases of approximately $266,000 in net investment in capital assets and $41,000 in restricted expendable net position.

Unrestricted Net Position: Unrestricted net position increased from $4.61 million at June 30, 2025, to $5.74 million at June 30, 2026, an increase of approximately $1.13 million or 24.6 percent. The increase reflects improved fiscal year 2026 financial results, including increased tuition and fee revenue and State appropriations, growth in workforce development and contracted training revenue, and continued management of operating expenditures.

Net Investment in Capital Assets: Net investment in capital assets decreased approximately $266,000, or 1.5 percent, during fiscal year 2026.

Restricted Expendable Net Position: Restricted expendable net position decreased approximately $41,000, or 2.4 percent, and remained relatively stable compared with fiscal year 2025. Restricted resources continue to support purposes established by external restrictions, including capital improvements and renovations.

Revenues

Total revenues decreased approximately $174,000, or 0.6 percent, from $27.24 million in fiscal year 2025 to $27.07 million in fiscal year 2026. Increased tuition and fee revenue, State appropriations, and State grants were offset by decreases in State appropriations – financial aid, Federal grants, Federal Pell grants, and other revenues. The most significant changes in the College's major revenue sources are discussed below.

Tuition and Fee Revenue

Net student tuition and fee revenue increased approximately $577,000, or 12.9 percent, during fiscal year 2026. The increase reflects growth in both academic and workforce development revenues.

Academic revenue growth reflects a combination of enrollment activity and the 5.05 percent tuition rate increase implemented for fiscal year 2026. Credit hours increased from 54,725 in fiscal year 2025 to 55,586 in fiscal year 2026, an increase of 1.6 percent, while student headcount increased 0.4 percent. Dual enrollment increased from 731 to 866 students, or approximately 18.5 percent.

Workforce development revenue, which includes Career Advancement courses and contracted training with regional employers, increased despite a decrease in reported workforce training participation. This increase reflects a considerable rise in contracted training, specifically targeting allied health-related activities, which have smaller student numbers but higher per-student program revenues.

Enrollment and Workforce Activity

Metric	2026	2025	2024	2026-2025 Change	2026-2025 % Change
Credit Hours	55,586	54,725	50,284	861	1.6%
Fall FTE	1,769	1,702	1,693	67	3.9%
Headcount	6,634	6,605	6,092	29	0.4%
Dual Enrollment	866	731	676	135	18.5%
Workforce Training	3,732	4,072	3,759	(340)	(8.3%)

Federal Grant Revenue

Federal grant revenue totaled $2.47 million in fiscal year 2026, compared with $2.91 million in fiscal year 2025, representing a decrease of approximately $439,000, or 15.1 percent. The decrease primarily reflects larger equipment purchases in fiscal 2025 to equip technical academic programs. Specifically, the Department of Labor grant funded virtual reality welding equipment, while the Economic Development Administration funded two pieces of heavy machinery. The decrease was partially offset by continued activity under other Federal awards.

State Appropriations

State appropriations increased approximately $572,000, or 6.4 percent, from $8.97 million in fiscal year 2025 to $9.55 million in fiscal year 2026. The increase primarily reflects changes in State funding provided to the College, including funding allocated through West Virginia's higher education funding formula.

State Appropriations – Financial Aid

State appropriations supporting student financial aid decreased approximately $896,000, or 26.5 percent, from $3.39 million in fiscal year 2025 to $2.49 million in fiscal year 2026. The decrease primarily reflects reductions in two State-funded student financial aid programs. Revenue associated with the temporary West Virginia Emergency grant established to address FAFSA-related issues decreased approximately $493,000. In addition, West Virginia Grant revenue decreased from approximately $1.56 million in fiscal year 2025 to $682,000 in fiscal year 2026. These decreases were partially offset by increases in other State-funded financial aid programs.

State Grant Revenue

State grant revenue increased approximately $297,000, or 17.6 percent, from $1.69 million in fiscal year 2025 to $1.99 million in fiscal year 2026. Fiscal year 2026 State grant revenue primarily supported workforce development, technical program development, and other institutional initiatives.

Expenses

Total expenses decreased approximately $821,000, or 3.0 percent, from $27.07 million in fiscal year 2025 to $26.25 million in fiscal year 2026. The decrease was primarily attributable to a $1.44 million, or 46.8 percent, decrease in scholarships and fellowships, partially offset by increases in several other functional expense categories.

Scholarships and fellowships decreased from approximately $3.07 million in fiscal year 2025 to $1.64 million in fiscal year 2026. The decrease primarily reflects lower student financial aid expenditures associated with reductions in State-funded financial aid programs, including the temporary West Virginia Emergency grant related to FAFSA issues and the West Virginia Grant, as discussed above under State Appropriations – Financial Aid.

Instruction remained the College's largest functional expense and increased approximately $211,000, or 2.0 percent, to $11.00 million. Academic support increased approximately $72,000, or 10.8 percent, and auxiliary enterprises expenses increased approximately $90,000, or 13.5 percent. Although the percentage changes were larger, the dollar changes were less significant than the changes in scholarships and instruction.

Cash and Liquidity

Cash and cash equivalents increased approximately $964,000, or 10.5 percent, from $9.22 million at June 30, 2025, to $10.19 million at June 30, 2026, reversing the declining trend experienced during fiscal years 2023 through 2025.

	2026	2025	2024	2026-2025 Change	2026-2025 % Change
Cash and cash equivalents	$10,186,472	$9,222,301	$9,896,490	$964,171	10.5%

Cash balances had declined from $14.34 million at June 30, 2022, to $11.76 million in 2023, $9.90 million in 2024, and $9.22 million in 2025. The elevated fiscal year 2022 balance was influenced by temporary Federal HEERF support. Following expiration of that support, the College continued to fund operations and investments in technology and student services while experiencing inflationary increases in technology and other operating costs.

Management responded to pressure on available resources through cost-containment measures and tuition rate adjustments. During fiscal year 2026, modest enrollment growth, increased tuition and fee revenue, growth in workforce development and contracted training, increased State appropriations, and continued management of operating expenses, together, contributed to the improvement in the College's financial position.

Although cash remained below the elevated fiscal year 2022 level, the fiscal year 2026 increase represents a reversal of the declining trend experienced during fiscal years 2023 through 2025. The five-year trend is illustrated below.

Cash and Cash Equivalents



4. Significant Capital Assets and Long-term Financing Activity

The following discussion summarizes significant capital asset activity and long-term financing activity, including leases and subscription-based information technology arrangements, during fiscal year 2026.

Capital Assets

The College maintains a relatively modest capital program focused primarily on maintaining existing facilities, supporting instructional and technology needs, and addressing deferred maintenance. Capital activity during fiscal year 2026 was heavily supported by grant funding provided through the West Virginia Community and Technical College System.

Capital assets, net of accumulated depreciation, totaled $17.26 million at June 30, 2026, compared with $17.58 million at June 30, 2025, representing a decrease of approximately $324,000, or 1.8 percent. Capital additions during fiscal year 2026 totaled approximately $1.58 million, including approximately $658,000 of construction in process (CIP) placed into service. Capital additions primarily supported instructional and operational equipment for technical program development and expansion. Significant additions included approximately $901,000 for research and medical equipment, $268,000 for computer equipment, $226,000 for vehicles, and $174,000 for building improvements.

Grant funding supported approximately $1.45 million, or 91.6 percent, of capital additions, with the remainder supported by student course fees and donated assets. The significant level of grant support allowed the College to expand and maintain instructional and operational assets while limiting the use of unrestricted institutional resources.

Construction in process totaled $391,597 at June 30, 2026, and primarily consisted of equipment and improvements supporting academic program laboratories. During fiscal year 2026, the College added approximately $80,000 to CIP and placed approximately $658,000 of previously recorded CIP into service. These projects primarily related to electrical work and equipment for academic classrooms and laboratories.

The College recognized $1,326,155 of depreciation expense during fiscal year 2026. Overall, the College's capital asset activity remained consistent with its modest capital program and continued emphasis on maintaining existing facilities and supporting instructional and operational needs.

	2026	2025	2024	2026-2025 Change	2026-2025 % Change
Capital assets, net	$17,260,981	$17,584,538	$17,354,264	$(323,557)	(1.8%)

Long-Term Financing Activity

The College has no outstanding debt. Its principal long-term financing obligations consist of leases and subscription-based information technology arrangements (SBITAs).

Lease Liability Activity

Outstanding lease liabilities totaled $4,283,260 at June 30, 2026, compared with $4,801,490 at June 30, 2025, representing a net decrease of $518,230, or approximately 11 percent. The decrease primarily reflects scheduled principal payments on existing lease obligations, partially offset by $101,818 of new equipment leases during the year.

New Lease Commitments: The College added no new building-space leases during fiscal year 2026. The College entered into $101,818 of new equipment leases during the year.

Principal Reductions: The College reduced its existing lease obligations by $620,048 through scheduled payments during the year. These payments primarily related to the Technology Center, Berkeley Business Park, and the Morgan County locations and included principal payments on leased equipment, such as copiers. The College also incurred $124,726 of interest expense related to its lease obligations.

Lease Amortization: The College recognized $677,566 of amortization expense related to its right-to-use lease assets during fiscal year 2026. Net right-to-use lease assets totaled $3,967,577 at June 30, 2026, compared with $4,544,243 at June 30, 2025. The decrease primarily reflects amortization of the right-to-use assets, partially offset by new lease activity. Amortization expense reflects the use of the right-to-use assets and is separate from the principal and interest payments that reduce the related lease liabilities.

Lease Liability Activity

	FY2026
Lease liability, June 30, 2025	$4,801,490
New lease commitments	101,818
Principal reductions	(620,048)
Lease liability, June 30, 2026	**$4,283,260**

Subscription-Based Information Technology Arrangements

The College's SBITA liabilities totaled $222,511 at June 30, 2026, compared with $170,816 at June 30, 2025, representing a net increase of $51,695, or approximately 30.3 percent. This increase primarily reflects the addition of $379,395 of new SBITA obligations, partially offset by $327,700 of principal reductions on existing SBITA obligations.

New SBITA Commitments: The College added $379,395 of new SBITA obligations during fiscal year 2026.

Principal Reductions: The College reduced its SBITA liabilities by $327,700 through scheduled principal payments during fiscal year 2026. The College also incurred $3,346 of interest expense related to its SBITA obligations during the year.

Right-to-Use SBITA Assets: Net right-to-use SBITA assets totaled $308,327 at June 30, 2026, compared with $229,787 at June 30, 2025, representing an increase of $78,540. The increase primarily reflects $379,395 of new SBITAs, partially offset by $240,342 of amortization expense and the expiration or early termination of existing arrangements. During fiscal year 2026, the College removed $198,809 of right-to-use SBITA assets associated with arrangements that expired or were terminated and removed $138,296 of related accumulated amortization, resulting in a net reduction of $60,513 related to these arrangements.

SBITA Liability Activity

	FY2026
SBITA liability, June 30, 2025	$170,816
New SBITA commitments	379,395
Principal reductions	(327,700)
SBITA liability, June 30, 2026	**$222,511**

5. Currently Known Facts, Decisions, or Conditions

The following discussion identifies currently known facts, decisions, or conditions that are expected to have a significant effect on the College's financial position or results of operations in fiscal year 2027.

Enrollment Outlook

The Board of Governors approved a 5.29 percent increase in tuition rates for fiscal year 2027, which is expected to generate approximately $380,000 in additional tuition and fee revenue attributable to the rate increase, assuming current enrollment levels and student credit-hour patterns remain generally consistent. Preliminary enrollment data indicate continued strength in workforce development, third-party education, and high school enrollment programs, while degree-seeking enrollment is expected to remain relatively stable. After considering changes in enrollment mix and other factors affecting tuition and fee revenue, tuition and fee revenue is expected to increase slightly compared to fiscal 2026. The College continues to evaluate enrollment trends and develop strategies to support student access, retention, and graduation, while aligning academic and workforce programs with regional employers' evolving needs.

State Funding

The State approved fiscal year 2027 appropriations that include funding for employee compensation adjustments, partial funding for increased PEIA costs, and full implementation of the outcome-based funding formula. These actions increased the College's operating appropriations from $9,545,266 in fiscal year 2026 to $10,293,911 in fiscal year 2027, an increase of approximately $749,000, or 7.84 percent. The increase includes $471,873 attributable to the outcome-based funding formula, $251,241 for cost-of-living adjustments, and $25,531 for increased PEIA costs. The additional funding supports the College's continued efforts in enrollment, retention, workforce development, and meeting the needs of students and the regional economy.

Grant Activity

The College continues to expand externally funded programs through state and federal grants, including awards from the U.S. Departments of Labor and Education. The College will begin implementing newly awarded National Science Foundation grants totaling approximately $2.9 million during fiscal year 2027. In addition, the College anticipates an award totaling approximately $480,000 from the Appalachian Regional Commission. These grants support workforce development, educational innovation, and strategic institutional initiatives, including significant support for student scholarships to meet students' financial needs for enrollment and expand skills to grow the local economy.

Capital Investments

The College continues to evaluate and invest in facilities and technology improvements that support instructional programs and student services. Planned projects include deferred maintenance, technology modernization, chiller replacement, and other capital improvements designed to maintain safe, efficient, and effective working and learning environments. The College plans to invest approximately $650,000 in fiscal year 2027 for chiller replacement capital improvements.

Economic and Operational Environment

The College continues to monitor inflationary pressures affecting technology, maintenance, construction, and employee benefits. The fiscal year 2027 budget incorporates known increases in employee compensation, including a three percent cost-of-living increase and faculty rank promotion, and approximately $26,000 in planned PEIA increases.

Management expects the combined effect of these known revenue increases and planned capital and operating cost increases to support continued, though moderate, improvement in the College's cash position in fiscal year 2027.

Requests for information may be directed to:

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

BLUE RIDGE COMMUNITY AND TECHNICAL COLLEGE
STATEMENTS OF NET POSITION
AS OF JUNE 30, 2026 AND 2025

	Primary Government College		Component Unit Foundation	
	2026	2025	2026	2025
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS:				
Cash and cash equivalents	$ 10,186,472	$ 9,222,301	$ 528,747	$ 725,910
Investments	-	-	1,323,178	1,164,981
Due from the Council/Commission	367,806	412,444	-	-
Due from other state agencies	27,460	5,952	-	-
Accounts receivable — net	1,707,103	1,677,018	-	-
Pledges and other receivable - net	-	-	11,000	13,000
Other current assets	-	-	8,659	6,723
Prepaid expenses	162,640	158,576	-	-
Total current assets	12,451,481	11,476,291	1,871,584	1,910,614
NONCURRENT ASSETS:				
Other receivable	16,927	16,927	-	-
Capital assets — net	17,260,981	17,584,538	-	-
Leased assets — net	3,967,577	4,544,243	-	-
SBITA assets — net	308,327	229,787	-	-
Total noncurrent assets	21,553,812	22,375,495	-	-
Total assets	34,005,293	33,851,786	1,871,584	1,910,614
DEFERRED OUTFLOWS OF RESOURCES				
OPEB related	284,500	87,924	-	-
Total deferred outflows of resources	284,500	87,924	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 34,289,793	$ 33,939,710	$ 1,871,584	$ 1,910,614
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
CURRENT LIABILITIES:				
Accounts payable	$ 488,080	$ 556,845	$ 59,792	$ 1,855
Accrued liabilities	772,908	725,202	-	-
Due to the Council/Commission	292,851	53,607	-	-
Due to other state agencies	63,936	2,415	-	-
Compensated absences	1,399,227	1,369,403	-	-
Unearned revenue	2,076,332	2,580,653	-	-
Leases payable - current portion	646,893	613,467	-	-
SBITA payable - current portion	150,806	155,594	-	-
Total current liabilities	5,891,033	6,057,186	59,792	1,855
NONCURRENT LIABILITIES:				
Net OPEB liability (asset)	77,550	(2,657)	-	-
Leases payable - long term	3,636,367	4,188,023	-	-
SBITA payable - long term	71,705	15,222	-	-
Total noncurrent liabilities	3,785,622	4,200,588	-	-
Total liabilities	9,676,655	10,257,774	59,792	1,855
DEFERRED INFLOWS OF RESOURCES:				
Pension related	17,062	29,103	-	-
OPEB related	162,685	45,155	-	-
Total deferred inflows of resources	179,747	74,258	-	-
NET POSITION:				
Net investment in capital assets	17,019,197	17,284,772	-	-
Restricted for — expendable — scholarships	-	-	472,033	726,844
Restricted for — expendable — other	1,672,790	1,714,461	464,513	354,762
Nonexpendable	-	-	535,000	535,000
Unrestricted	5,741,404	4,608,445	340,246	292,153
Total net position	24,433,391	23,607,678	1,811,792	1,908,759
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	$ 34,289,793	$ 33,939,710	$ 1,871,584	$ 1,910,614

The Accompanying Notes Are An Integral Part Of These Financial Statements

BLUE RIDGE COMMUNITY AND TECHNICAL COLLEGE
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

	Primary Government College		Component Unit Foundation	
	2026	2025	2026	2025
OPERATING REVENUES:				
Student tuition and fees — net of scholarship allowance of $5,390,013 and $4,694,402 in 2026 and 2025, respectively	$ 5,054,707	$ 4,477,987	$ -	$ -
Gifts and Contributions	-	-	338,453	234,376
Contracts and grants:				
Pell Grants	4,082,475	4,270,703	-	-
Federal	2,466,847	2,906,154	-	-
State	1,987,377	1,690,332	-	-
Private	308,381	375,039	-	175,000
State appropriations - Financial Aid	2,490,875	3,387,019	-	-
Auxiliary enterprise revenue	399,857	356,195	-	-
Other operating revenues	251,907	188,022	995	840
Total operating revenues	17,042,426	17,651,451	339,448	410,216
OPERATING EXPENSES:				
Salaries and wages	13,706,095	13,643,501	-	-
Benefits	3,294,384	3,193,999	-	-
Utilities	335,484	341,030	-	-
Supplies and other services	4,387,399	4,029,474	1,316	918
Student financial aid — scholarships and fellowships	1,635,307	3,073,229	250,437	296,402
Depreciation	1,326,155	1,405,032	-	-
Amortization	917,908	870,278	-	-
Other operating expenses	407,747	283,361	350,824	145,839
Fees assessed by the Commission for operations	104,399	83,394	-	-
Total operating expenses	26,114,878	26,923,298	602,577	443,159
OPERATING LOSS	(9,072,452)	(9,271,847)	(263,129)	(32,943)
NONCAPITAL SUBSIDIES:				
State appropriations	9,545,266	8,972,984	-	-
Payments made/expenses incurred on behalf of the College	84,285	132,422	-	-
Donations	27,725	28,484	-	-
HEERF Federal Revenue - Institutional Grant	4,745	8,123	-	-
Total noncapital subsidies	9,662,021	9,142,013	-	-
OPERATING INCOME (LOSS) AND NONCAPITAL SUBSIDIES	589,569	(129,834)	(263,129)	(32,943)
OTHER NONOPERATING REVENUES (EXPENSES):				
Investment income, net	303,429	313,414	166,162	133,469
Fees assessed by the Commission	(2,358)	(2,344)	-	-
Interest expense - Leases & SBITA	(128,072)	(139,998)	-	-
Gain (loss) on disposals	10,303	(848)	-	-
Capital Donations	52,842	109,837	-	-
Capital payments made/expenses incurred on behalf of College	-	27,200	-	-
Total other nonoperating revenues (expenses)	236,144	307,261	166,162	133,469
INCREASE (DECREASE) IN NET POSITION	825,713	177,427	(96,967)	100,526
NET POSITION — Beginning of year	23,607,678	23,430,251	1,908,759	1,808,233
NET POSITION — End of year	$ 24,433,391	$ 23,607,678	$ 1,811,792	$ 1,908,759

The Accompanying Notes Are An Integral Part Of These Financial Statements

BLUE RIDGE COMMUNITY AND TECHNICAL COLLEGE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2026 AND 2025

	Primary Government 2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Student tuition and fees	$ 4,630,364	$ 4,204,116
Contracts and grants	4,273,843	7,516,824
Payments to and on behalf of employees	(16,845,392)	(16,721,312)
Payments to suppliers	(4,069,890)	(4,080,454)
Payments to utilities	(335,484)	(341,030)
Payments for scholarships and fellowships	(1,635,307)	(3,073,229)
Auxiliary enterprise charges	399,857	356,195
Fees retained by Commission	(104,399)	(83,394)
Other receipts - net	163,470	168,941
Federal student loan program - direct lending receipts	2,592,481	2,167,789
Federal student loan program - direct lending payments	(2,592,481)	(2,167,789)
Net cash used in operating activities	(13,522,938)	(12,053,343)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State appropriations	9,545,266	8,972,984
State appropriations - Financial Aid	2,490,875	-
Federal Pell Grant	4,082,475	4,270,703
Noncapital donations and payments on behalf	112,010	-
Net cash provided by noncapital financing activities	16,230,626	13,243,687
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Purchases of capital assets	(1,029,671)	(1,243,630)
Fees assessed by the Commission	(2,358)	(2,344)
Principal paid - leases/SBITA	(885,672)	(799,424)
Interest paid - leases/SBITA	(128,072)	(139,998)
Net cash used in capital financing activities	(2,045,773)	(2,185,396)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on investments	302,256	320,863
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	964,171	(674,189)
CASH AND CASH EQUIVALENTS - Beginning of year	9,222,301	9,896,490
CASH AND CASH EQUIVALENTS - End of year	$ 10,186,472	$ 9,222,301
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	$ (9,072,452)	$ (9,271,847)
Adjustments to reconcile operating loss to net cash used in operating activities:		
State appropriations - Financial Aid	(2,490,875)	-
Federal Pell Grant	(4,082,475)	(4,270,703)
Depreciation expense	1,326,155	1,405,032
Amortization of leased assets and SBITA	917,908	870,278
Amortization of Service Concession Arrangement	-	(14,583)
Bad debt expense	316,227	157,248
Effect of changes in operating assets and liabilities:		
Accounts receivable, net	(340,394)	(653,875)
Due from Council/Commission/other state agencies	23,130	42,299
Prepaid expenses	(4,064)	12,224
Accounts payable	20,808	(45,878)
Accrued liabilities	47,706	(9,924)
Due to Council/Commission/other state agencies	300,765	(17,326)
Compensated absences	29,824	183,285
Net pension liability	(12,041)	(10,870)
Other postemployment benefits liability	1,161	(50,801)
Unearned revenue	(504,321)	(377,902)
Net cash used in operating activities	$ (13,522,938)	$ (12,053,343)
NONCASH TRANSACTIONS:		
Capital expenses in accounts payable	$ 11,917	$ 101,490
Payments made and expenses incurred on behalf of the College	$ -	$ 159,622
Donations	$ 52,842	$ 138,321
Capital Assets Acquired by new lease agreements	$ 101,818	$ 1,382,632
Capital Assets Acquired by new subscription agreements	$ 379,395	$ 163,349

The Accompanying Notes Are An Integral Part of These Financial Statements

1. ORGANIZATION

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

In accordance with GASB Statement 103, *Financial Reporting Model Improvements,* the audited financial statements of the Foundation are presented as a separate column on the face of the College's statements of net position and statements of revenues, expenses, and changes in net position for the fiscal years ended June 30, 2026 and 2025. These statements have been converted from FASB to GASB. The Foundation's audited financial footnote information that is relevant to GASB presentation and significant to the College is presented at Note 19.

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

Financial Statement Presentation — GASB establishes standards for external financial reporting for public colleges and universities and requires that financial statements be presented on a combined basis to focus on the College as a whole. Net position is classified into three categories according to external restrictions or availability of assets for satisfaction of College obligations. The College's net position is classified as follows:

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

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

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

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

Nonexpendable — This includes endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principle. The College does not have any restricted nonexpendable net position at June 30, 2026 and 2025.

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

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

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

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

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

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

Capital Assets — Capital assets include land, land improvements, buildings and leasehold improvements, and equipment. Capital assets are stated at cost at the date of acquisition or construction, or acquisition value at the date of donation in the case of gifts. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 15 years for land improvements, 50 years for buildings and 3–10 years for furniture and equipment. Leasehold improvements are amortized over the period of the lease. The College uses a capitalization threshold of $5,000 for capital assets.

Leased Assets — Leased assets include equipment as well as certain building space used for classrooms and administrative offices at two locations for various terms under long-term, non-cancelable lease agreements. Leased assets are stated at the total amount of lease payments over the term of the lease. Amortization is computed using the straight-line method over the term of the lease. The College uses a capitalization threshold of $5,000 for leased assets.

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

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

Other Postemployment Benefits (OPEB)— The College follows GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. (see Note 8). GASB provides standards for the measurement, recognition, and display of other postemployment benefit (OPEB) expenditures, assets, and liabilities, including applicable note disclosures and required supplementary information. During fiscal year 2006, House Bill No. 4654 was established to create a trust fund for postemployment benefits for the State. Effective July 1, 2007, the College was required to participate in this multiple employer cost-sharing plan, the West Virginia Retiree Health Benefit Trust Fund, sponsored by the State of WV. Details regarding this plan and its stand-alone financial statements can be obtained by contacting the West Virginia Public Employees Insurance Agency (PEIA), 601 57th Street, SE Suite 2, Charleston, WV 25304, or the PEIA website at https://peia.wv.gov.

Compensated Absences— The College follows GASB 101, *Compensated Absences*. GASB requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. The College's full-time employees earn up to two vacation leave days for each month of service and are entitled to compensation for accumulated, unpaid vacation leave upon termination. Full-time employees also earn 1 1/2 sick leave days for each month of service and depending on date of hire are entitled to extend their health or life insurance coverage upon retirement in lieu of accumulated, unpaid sick leave. Generally, two days of accrued sick leave extend health insurance for one month of single coverage and three days extend health insurance for one month of family coverage. For employees hired after 1988 or who were hired before 1988 but did not choose such coverage until after 1988 but before July 1, 2001, the employee shares in the cost of the extended benefit coverage to the extent of 50% of the premium required for the extended coverage. Employees hired July 1, 2001, or later, no longer receive sick leave credit toward insurance premiums when they retire. Additionally, all retirees have the option to purchase continued coverage regardless of their eligibility for premium credits. This liability is now provided for under the multiple employer cost-sharing plan approved by the State, (OPEB).

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

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

Net Pension Liability – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the West Virginia Teachers' Retirement System (TRS), administered by the West Virginia Consolidated Public Retirement Board (CPRB), and additions to/reductions from the TRS fiduciary net position have been determined on the same basis as they are reported in the TRS financial statements, which can be found at https://www.wvretirement.com/Publications.html#ACFR. The plan schedules of TRS are prepared using the accrual basis of accounting and economic resources measurement focus in accordance with U.S. GAAP as prescribed by GASB. Employer contributions are recognized when due and the employer has a legal requirement to provide the contributions. Investments are reported at fair value. Detailed information on investment valuation can be found in the TRS financial statements. Management of TRS has made certain estimates and assumptions relating to employer allocation schedules, and actual results could differ. (See Note 14)

Deferred Outflows of Resources – Consumption of net position by the College that is applicable to a future fiscal year is reported as a deferred outflow of resources on the statement of net position. The College had deferred outflows of resources related to OPEB of $284,500 and $87,924, respectively (see Note 8).

Deferred Inflows of Resources – Acquisition of net position by the College that is applicable to a future fiscal year is reported as a deferred inflow of resources on the statement of net position. As of June 30, 2026 and 2025, the College had deferred inflows related to pensions of $17,062 and $29,103 respectively (see Note 14), and deferred inflows related to OPEB of $162,685 and $45,155, respectively (see Note 8).

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

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

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

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

Operating Revenues — Operating revenues are revenues other than nonoperating revenues. For the College, these amounts include Student related Tuition, Fees and Auxiliary revenues, grant and contract revenues, financial aid related State Appropriations, and other operating revenues.

Nonoperating Revenues — Nonoperating revenues are (a) subsidies received and provided, (b) contributions to permanent and term endowments, (c) revenues related to financing, (d) resources from the disposal of capital assets and inventory, and (e) investment income. For the College, these amounts include investment related revenue, capital related donations and payments made on behalf of the College, and gains or losses on disposals of assets.

Subsidies – Subsidies are (a) resources received from another party or fund (1) for which the proprietary fund does not provide goods and services to the other party or fund and (2) that directly or indirectly keep the proprietary fund's current or future fees and charges lower than they would be otherwise, (b) resources provided to another party or fund (1) for which the other party or fund does not provide goods and services to the proprietary fund and (2) that are recoverable through the proprietary fund's current or future pricing policies, (c) all other transfers. For the College, these amounts include State Appropriations, grant revenue, donations, and noncapital payments made on behalf of the College.

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

Federal Financial Assistance Programs — The College facilitates borrowing opportunities to students through the Federal Direct Student Loan Program. Under this program, the U.S. Department of Education makes interest subsidized and nonsubsidized loans directly to students, through institutions like the College. Direct student loan receivables are not included in the College's statements of net position as the loans are repayable directly to the U.S. Department of Education. In 2026 and 2025, the College received and disbursed $2,592,481 and $2,167,789, respectively, under the Federal Direct Student Loan Program on behalf of the U.S. Department of Education, which is not included as revenue and expense on the statements of revenues, expenses, and changes in net position.

The College also distributes other student financial assistance funds on behalf of the federal government to students under the Federal Pell Grant, Supplemental Educational Opportunity Grant, and College Work Study programs. The activity of these programs is recorded in the accompanying financial statements. In 2026 and 2025, the College received and disbursed $4,201,102 and $4,375,872, respectively, under these federal student aid programs.

Education Stabilization Funds - In February 2021, the College was awarded Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSAA") Act Grants from the U.S. Department of Education. This grant was awarded as a supplement to increase the previous grant award under the CARES Act (all grant funds for the CARES Act had been received and disbursed by the end of fiscal year 2021). The majority of the terms and conditions for this act are the same as the CARES Act. For CRRSAA, the total award is Student Aid of $592,798 and Institutional Aid of $2,771,155. The total student portion was distributed by April 2021. In 2026 and 2025, the College claimed $0 and $300, respectively of the institutional aid portion. The total CRRSAA Act Grant funds for both portions of the grant have been received and disbursed by the end of fiscal year 2022 and all funds claimed as of the end of fiscal year 2026.

In May 2021, the College was awarded American Rescue Plan Act ("ARPA") Act Grants from the U.S. Department of Education. This grant was awarded as a supplement to increase the previous grant award under the CARES and CRRSAA Acts. The majority of the terms and conditions for this act are the same as the CARES and CRRSAA Acts. For ARPA, the total award is Student Aid of $3,025,974 and Institutional Aid of $3,003,719. The total student portion was distributed by June 2022. In 2026 and 2025, the College claimed $4,745 and $7,823 of the institutional aid portion, respectively. The total ARPA Act Grant funds for both portions of the grant have been received and disbursed by the end of fiscal year 2023.

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

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

Effective with fiscal year ending June 30, 2025, the College adopted the new guidance endorsed by the National Association of College and University Business Offices (NACUBO) in advisory 2023-01 to calculate the estimated discount.

Financial aid to students, such as federal Pell grants, other federal grants, state grants, private grants awarded by the college, institutional scholarships that are awarded by the college and academic waivers, are considered institutional aid and are reported in the financial statements under the new method as prescribed by the National Association of College and University Business Officers. Certain aid, such as loans, funds provided to students as awarded by third parties and Federal Direct Lending is accounted for as a third-party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses, or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the new method, these amounts are computed by certain assumptions, such as institutional aid is allocated to the student account tuition & fees charges first. Therefore, any cash payments, payments on behalf or loans is what is refunded. NACUBO Method A calculation (detail by student, by term, for activity within the fiscal year) is being used. Under Method A – detail by student, by term, discount as a % of T&F & other charges applied to student accounts was 56% for FY26 & FY25.

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

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

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

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

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

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

The GASB issued Statement No. 103, *Financial Reporting Model Improvements*, which is effective for fiscal years beginning after June 15, 2025. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI). This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions.

This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows.

This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses. In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this Statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses.

This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements.

The implementation of this standard did not have an overall impact on net position, however fiscal year ending June 30, 2025 statement of revenues, expenses, and changes in net position was reclassed in order to conform with the requirements of GASB 103 for comparative purposes. The following prior year financial statement line items are affected by the application of the new accounting principle as follows:

Financial Statement Line Item	As Previously Reported	As Reported under GASB 103
Operating Revenues		
Federal Pell Grants	$ -	$ 4,270,703
State Grants	5,077,351	1,690,332
State Appropriations - Financial Aid	-	3,387,019
Noncapital Subsidies		
State Appropriations	-	8,972,984
Payments made/expenses incurred on behalf of the College	-	132,422
Donations	-	28,484
HEERF Federal Revenue - Institutional Grant	-	8,123
Nonoperating Revenues (Expenses)		
State Appropriations	8,972,984	-
Federal Pell Grants	4,270,703	-
HEERF Federal Revenue - Institutional Grant	8,123	-
Capital Donations	-	109,837
Capital payments made/expenses incurred on behalf of the College	-	27,200
Other Revenues		
Donations	138,321	-
Payments made/expenses incurred on behalf of the College	159,622	-

The standard did not impact classifications on the Statement of Cash Flows.

The GASB has also issued Statement No. 104, *Disclosure of Certain Capital Assets*, which is effective for fiscal years beginning after June 15, 2025. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. 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. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The adoption of this standard had no effect on the College's financial statements. These disclosures were already reflected separately in the capital assets note disclosure.

3. CASH AND CASH EQUIVALENTS

The composition of cash and cash equivalents was held as follows as of June 30, 2026 and 2025:

	2026	2025
State Treasurer	$ 10,053,790	$ 9,044,982
In Bank	132,682	177,319
	$ 10,186,472	$ 9,222,301

The combined carrying amount of cash in bank at June 30, 2026 and 2025, was $132,682 and $177,319 as compared with the combined bank balance of $152,437 and $195,904, respectively. The difference is primarily caused by outstanding checks and items in transit. The bank balances were covered by federal depository insurance as noted below or were collateralized by securities held by the State's agent. Regarding federal depository insurance, interest-bearing accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. The college deposits are collateralized with the State of WV Treasurer's Office. Funds are secured through a single escrow account established with the State Treasurer by the states agent with collateral pledged for deposits in excess of FDIC insurance.

Amounts with the State Treasurer as of June 30, 2026 and 2025, are comprised of two investment pools: the WV Money Market Pool, and the WV Short Term Bond Pool, and certain amounts of uninvested cash. The amount of uninvested cash at June 30, 2026 and 2025, was $1,959,194 and $2,388,482, respectively. At June 30, 2026 and 2025, the College had $1,398 and $0, respectively, of reconciling items to the State Treasurer.

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

The BTI maintains the Consolidated Fund investment fund, which consists of six investment pools and participant-directed accounts, three of which the College may invest in. These pools have been structured as multi-participant variable net position funds to reduce risk and offer investment liquidity diversification to the Fund participants. Funds not required to meet immediate disbursement needs are invested for longer periods. A more detailed discussion of the BTI's investment operations pool can be found in its annual audited financial report. A copy of that annual audited financial report can be obtained from the following address: West Virginia Board of Treasury Investments, 315 70th Street SE, Charleston, WV 25304 or https://wvbti.gov/Home/Information/Reports/Annual-Reports

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

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

	2026		2025	
External Pool	College's Carrying Value	S & P Rating	College's Carrying Value	S & P Rating
WV Money Market Pool	$ 7,910,795	AAAm	$ 6,503,665	AAAm
WV Short Term Bond Pool	$ 185,199	Not Rated	$ 152,835	Not Rated

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

Interest Rate Risk — Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. All the amounts with the State Treasurer are subject to interest rate risk.

The following table provides information on the weighted-average maturities (WAM) for the WV Money Market Pool:

	2026		2025	
External Pool	College's Carrying Value	WAM (Days)	College's Carrying Value	WAM (Days)
WV Money Market Pool	$ 7,910,795	46	$ 6,503,665	41

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

	2026		2025	
External Pool	College's Carrying Value	Effective Duration (Days)	College's Carrying Value	Effective Duration (Days)
WV Short Term Bond Pool	$ 185,199	664	$ 152,835	637

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

Concentration of Credit Risk

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

Custodial Credit Risk

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

Foreign Currency Risk

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

4. DUE FROM STATE AGENCIES

Due from state agencies is reflected in the statements of net position as either due from the council/ commission if from the West Virginia Higher Education Policy Commission (WVHEPC) or the West Virginia Community and Technical College System (WVCTCS), or reflected as due from other state agencies. Due from state agencies as of June 30, 2026 and 2025, is as follows:

	2026	2025
WVHEPC	$ 121,054	$ 60,689
WVCTCS	246,752	351,755
Due from the Council/Commission	$ 367,806	$ 412,444
WV Department of Education - Jobs and Hope	$ 6,996	$ 5,952
Eastern WV CTCS - Aviation Maintenance Technician Program	20,464	0
Due from other state agencies	$ 27,460	$ 5,952

5. ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2026 and 2025, is as follows:

	2026	2025
Student tuition and fees — net of allowance for doubtful accounts of $1,273,246 and $957,019 in 2026 and 2025, respectively	$ 367,711	$ 363,799
Other receivables	471,001	429,789
Unbilled charges	519,288	551,642
Financial aid grants and Contracts receivable	349,103	331,788
	$ 1,707,103	$ 1,677,018

6. CAPITAL ASSETS, LEASED ASSETS, AND SBITA ASSETS

Summary of capital assets, right-to-use leased assets, and right-to-use subscription based IT arrangement asset transactions for the College as of June 30, 2026 and 2025, are as follows:

	2026			
	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Land	$ 1,605,550	$ -	$ -	$ 1,605,550
Construction in progress	969,444	80,274	(658,121)	391,597
Total capital assets not being depreciated	$ 2,574,994	$ 80,274	$ (658,121)	$ 1,997,147
Capital assets being depreciated:				
Land Improvements	$ 825,643	$ -	$ -	$ 825,643
Buildings/Leasehold improvements	19,591,286	174,414	-	19,765,700
Equipment	10,016,402	1,406,031	(102,286)	11,320,147
Total capital assets being depreciated	30,433,331	1,580,445	(102,286)	31,911,490
Less capital assets accumulated depreciation for:				
Land Improvements	509,130	48,945	-	558,075
Buildings/Leasehold improvements	7,093,873	501,144	-	7,595,017
Equipment	7,820,784	776,066	(102,286)	8,494,564
Total capital assets accumulated depreciation	15,423,787	1,326,155	(102,286)	16,647,656
Capital assets being depreciated — net	$ 15,009,544	$ 254,290	$ -	$ 15,263,834
Capital assets — net	$ 17,584,538	$ 334,564	$ (658,121)	$ 17,260,981
Leased assets being amortized				
Leased Building Space	$ 6,211,400	$ -	$ (918)	$ 6,210,482
Leased Equipment	111,776	101,818	-	213,594
Total leased assets being amortized	6,323,176	101,818	(918)	6,424,076
Less leased assets accumulated amortization for:				
Leased Building Space	1,689,695	654,515	-	2,344,210
Leased Equipment	89,238	23,051	-	112,289
Total leased assets accumulated amortization	1,778,933	677,566	-	2,456,499
Leased assets — net	$ 4,544,243	$ (575,748)	$ (918)	$ 3,967,577
SBITA assets being amortized				
SBITA assets	$ 679,091	$ 379,395	$ (198,809)	$ 859,677
Total SBITA assets being amortized	679,091	379,395	(198,809)	859,677
Less SBITA assets accumulated amortization for:				
SBITA assets	449,304	240,342	(138,296)	551,350
Total SBITA assets accumulated amortization	449,304	240,342	(138,296)	551,350
SBITA assets — net	$ 229,787	$ 139,053	$ (60,513)	$ 308,327

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

7. DUE TO STATE AGENCIES

Due to state agencies is reflected in the statements of net position as either due to the council/ commission if to West Virginia Higher Education Policy Commission (WVHEPC) or the West Virginia Community and Technical College System (WVCTCS), or reflected as due to other state agencies. Due to state agencies as of June 30, 2026 and 2025, is as follows:

	2026	2025
WVHEPC	$ 46,210	$ 36,351
WVCTCS	246,641	17,256
Total Due to the Council/Commission	$ 292,851	$ 53,607
WV State Tax Dept	$ 1,908	$ 878
WV State Treasurers Office	1,342	765
WV Office of Attorney General	779	575
WV Office of Technology	31	-
WVNET	-	197
Dept of Administration	5,439	-
WVU	100	-
State of WV ERP Board	54,337	-
Total Due to other state agencies	$ 63,936	$ 2,415

8. OTHER POSTEMPLOYMENT BENEFITS

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

Following is the College's other postemployment benefits liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, revenues, and other postemployment benefits expense and expenditures for the fiscal years ended June 30, 2026 and 2025, respectively:

OPEB	2026	2025
Net OPEB Liability (Asset)	$ 77,550	$ (2,657)
Deferred Outflows of Resources	$ 284,500	$ 87,924
Deferred Inflows of Resources	$ 162,685	$ 45,155
Revenues – special funding	$ 88,437	$ 4,498
OPEB Expense	$ 110,834	$ 9,463
Contributions Made by the College	$ 21,237	$ 55,766

Plan Description

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

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

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

Benefits Provided

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

Contributions

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

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

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

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

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

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

Actuarial Assumptions

The net OPEB liability was determined by an actuarial valuation as of June 30, 2024. The following actuarial assumptions were used:

- Actuarial cost method: Entry age normal

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

- Asset valuation method: Market value

- Investment rate of return: 7.40%, net of OPEB plan investment expense, including inflation.

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

- Wage inflation: 2.75% for PERS and TRS

- Inflation rate: 2.50%

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

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

- Mortality: Post-Retirement: TRS: Pub-2010 General Healthy Retiree Mortality Tables (100% males, 108% females) projected with MP-2021. PERS: Pub-2010 General Below-Median Healthy Retiree Tables (106% males, 113% females) projected with MP-2021. Pre-Retirement: TRS: Pub-2010 General Employee Mortality Tables (100% males, 100%

females) projected with scale MP-2021. PERS: Pub-2010 Below-Median Income General Employee Mortality Tables projected with scale MP-2021.

- Healthcare cost trend rates: Trend rate for pre-Medicare and Medicare per capita costs start at 5.0% medical and 8.0% drug. The trends increase over four years to 7.0% and 9.5%, respectively. The trends then decrease linearly for 5 years until ultimate trend rate of 4.50% is reached in plan year end 2034.

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

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020.

The actuarial valuation as of June 30, 2024, reflects changes to the healthcare-related assumptions which include per capita claims costs, healthcare trend rate, coverage and continuance and participation rates.

The long-term expected rate of return of 7.40% on OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.60% for long-term assets invested with the West Virginia Investment Management Board ("IMB") and an expected short-term rate of return of 2.75% for assets invested with the WV Board of Treasury Investments ("BTI").

Long-term pre-funding assets are invested with the IMB. The strategic asset allocation consists of 45% equity, 15% fixed income, 6% private credit and income, 12% private equity, 10% hedge fund and 12% real estate invested. Short-term assets used to pay current year benefits and expenses are invested with the BTI.

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

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

June 30, 2025	
Asset Class	Long-term Expected Real Rate of Return
Equity	7.4%
Fixed Income	3.9%
Private Credit and Income	7.4%
Private equity	10.0%
Real Estate	7.7%
Hedge Funds	4.5%

June 30, 2024	
Asset Class	Long-term Expected Real Rate of Return
Equity	7.4%
Fixed Income	3.9%
Private Credit and Income	7.4%
Private equity	10.0%
Real Estate	7.7%
Hedge Funds	4.5%

Single discount rate. A single discount rate of 7.40% was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on OPEB plan investments of 7.40%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made in accordance with the prefunding and investment policies. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the net OPEB liability (asset) to changes in the discount rate. The following presents the College's proportionate share of the net OPEB liability (asset) as of June 30, 2026 and 2025, respectively, calculated using the discount rate of 7.40%, as well as what the College's net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.40%) or one percentage point higher (8.40%) than the current rate:

2026			
	1% Decrease (6.40%)	Discount Rate (7.40%)	1% Increase (8.40%)
Net OPEB Liability (Asset)	$ 296,207	$ 77,550	$ (109,103)

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

Sensitivity of the net OPEB liability (asset) to changes in healthcare cost trend rates. The following presents the College's proportionate share of the net OPEB liability (asset) as of June 30, 2026 and 2025, respectively, calculated using the current healthcare cost trend rates, as well as what the College's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

2026			
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability (Asset)	$ (196,699)	$ 77,550	$ 403,308

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

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

The net OPEB liability (asset) at June 30, 2026 and 2025 was measured as of June 30, 2025 and 2024, respectively, which is the measurement date. The total OPEB liability (asset) at June 30, 2026 and 2025 was determined by an actuarial valuation as of June 30, 2024 and 2023, respectively, and rolled forward to the respective measurement dates.

At June 30, 2026 and 2025, the amount recognized as the College's proportionate share of the net OPEB liability (asset) was approximately $77,550 and $(2,657), respectively. At June 30, 2026 and 2025, the nonemployer contributing entity's (State of West Virginia) portion of the collective net OPEB liability (asset) is $61,526 and $(8,345), respectively, and the total net OPEB liability (asset) attributable to the College at June 30, 2026 and 2025 is $139,076 and $(11,002), respectively.

The allocation percentage assigned to each contributing employer is based on the employer's proportionate share of employer contributions to the RHBT for the fiscal years ended June 30, 2025 and June 30, 2024. Employer contributions are recognized when due. At June 30, 2025, the College's proportion was 0.082234500%, an increase of 0.07585% from its proportion of 0.006381452% calculated as of June 30, 2024. At June 30, 2024, the College's proportion was 0.006381452%, a decrease of 0.11079% from its proportion of 0.117171852% calculated as of June 30, 2023.

For the years ended June 30, 2026 and 2025, the College recognized OPEB expense of $110,834 and $9,463, respectively. Of this amount, $22,397 and $4,965, respectively, was recognized as the College's proportionate share of the OPEB expense, and $88,437 and $4,498, respectively, as the amount of OPEB expense attributed to special funding. The OPEB expense is included in the statement of revenues, expenses, and changes in net position as benefits. The College also recognized revenue of $88,437 and $4,498, respectively, for support provided by the State. The revenue is recorded in the statement of revenues, expenses, and changes in net position as other operating revenues.

At June 30, 2026 and 2025, deferred outflows of resources and deferred inflows of resources related to OPEB are as follows:

Deferred Outflows of Resources	2026	2025
Contributions after the measurement date	$ 21,237	$ 55,766
Changes in proportion and difference between employer contributions and proportionate share of contributions	11,498	21,889
Changes in assumptions	181,185	1,014
Differences between expected and actual experience	70,580	9,255
Total	$ 284,500	$ 87,924

Deferred Inflows of Resources	2026	2025
Changes in proportion and difference between employer contributions and proportionate share of contributions	$ 32,940	$ 36,314
Net difference between projected and actual investment earnings	56,663	3,027
Differences between expected and actual experience	57,100	2,672
Changes in assumptions	15,982	3,142
Total	$ 162,685	$ 45,155

The College will recognize the $21,237 reported as deferred outflows of resources resulting from OPEB contributions after the measurement date as a reduction of the net OPEB liability in the year ended June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended	Amortization
June 30, 2027	$ 89,558
June 30, 2028	50,735
June 30, 2029	(18,216)
June 30, 2030	(21,499)
	$ 100,578

9. STATE SYSTEM OF HIGHER EDUCATION INDEBTEDNESS

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

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

The Municipal Bond Commission has the authority to assess each public institution of higher education for payment of debt service on these system bonds. The tuition and registration fees of the members of the former State University System are generally pledged as collateral for the Commission's bond indebtedness. Student fees collected by the institution in excess of the debt service allocation are retained by the institution. Although the bonds remain as capital obligations of the Commission, an estimate of the obligation of each institution was reported as a long-term payable by each institution and as a receivable by the Commission, The College has no liability to the Commission at June 30, 2026 and 2025.

10. LEASES PAYABLE

The College leases equipment as well as certain building space used for classrooms and administrative offices at two locations for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2034 and provide for renewal options ranging from one year to five years. These leases are accounted for under GASB 87 effective July 1, 2020 rather than as operating leases.

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

The following Bloomberg rates were used:

For active leases as of June 30, 2021:
- 5-year lease 0.52%

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

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

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

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

For leases starting March 2, 2026:
5- year lease 2.14%

Future minimum lease payments under lease agreements are as follows:

Leased Building Space

Year Ending June 30,	Berkeley Business Park Principal	Berkeley Business Park Interest	Morgan County Commission Principal	Morgan County Commission Interest	Total
2027	$ 434,577	$ 74,517	$ 192,366	$ 32,593	$ 734,053
2028	457,030	62,670	125,634	28,253	673,587
2029	479,661	49,888	132,507	24,457	686,513
2030	503,512	36,643	139,569	20,534	700,258
2031	528,782	22,736	146,902	16,404	714,824
2032-2034	553,960	8,162	487,511	22,264	1,071,897
Total minimum building lease payments	$ 2,957,522	$ 254,616	$ 1,224,489	$ 144,505	$ 4,581,132

Leased Equipment

Year Ending June 30,	Principal	Interest	Total
2027	$ 19,950	$ 2,002	$ 21,952
2028	20,388	1,564	21,952
2029	20,843	1,109	21,952
2030	20,116	658	20,774
2031	19,952	232	20,184
Total minimum equipment lease payments	$ 101,249	$ 5,565	$ 106,814

Total principal payments made on leases during FY26 and FY25 were $620,048 and $593,113, respectively. Total interest payments made on leases during FY26 and FY25 were $124,726 and 135,977, respectively.

11. SBITA PAYABLE

The College enters into various subscription-based information technology arrangements (SBITA) for software used for educational and administrative purposes for various terms under long-term, non-cancelable agreements. The SBITA's expire at various dates through 2031. These SBITA's are accounted for under GASB 96 effective July 1, 2021 rather than as software, contractual or computer services expenses.

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

The following Bloomberg rates were used:

For active subscriptions as of July 1, 2021:
3-year subscription 0.33%
5-year subscription 0.50%

For subscriptions starting May 1, 2022:
5-year subscription 2.60 %

For subscriptions starting June 1, 2022:
3-year subscription 1.97%

For subscriptions starting September 1, 2022:
3-year subscription 2.37%

For subscriptions starting April 1, 2023:
3-year subscription 2.20%

For subscriptions starting July 1, 2023:
1-year subscription 3.01%
3-year subscription 2.77%

For subscriptions starting March 1, 2024:
3-year subscription 2.65%

For subscriptions starting July 1, 2024:
3-year subscription 3.06%

For subscriptions starting August 1, 2024:
2-year subscription 2.79%

For subscriptions starting August 1, 2025:
2-year subscription 2.33%
3-year subscription 2.40%

For subscriptions starting September 2, 2025:
3-year subscription 2.30%

For subscriptions starting April 1, 2026:
3-year subscription 2.48%
5-year subscription 2.57%

For subscriptions starting May 1, 2026:
3-year subscription 2.48%

For subscriptions starting June 1, 2026:
2-year subscription 2.43%

Future minimum SBITA payments under SBITA agreements are as follows:

Subscription-Based Information Technology Arrangements

Year Ending June 30,	Principal	Interest	Total
2027	$ 150,806	$ 5,503	$ 156,309
2028	43,944	1,801	45,745
2029	13,702	722	14,424
2030	14,059	366	14,425
2031	-	-	-
Total minimum subscription payments	$ 222,511	$ 8,392	$ 230,903

Total principal payments made on SBITA's during FY26 and FY25 were $327,700 and $206,309, respectively. Total interest payments made on SBITA's during FY26 and FY25 were $3,346 and $4,021 respectively.

12. UNRESTRICTED NET POSITION

The College did not have any designated unrestricted net position as of June 30, 2026 and 2025.

	2026	2025
Total unrestricted net position before OPEB liability	$ 5,818,954	$ 4,608,445
Less OPEB liability	(77,550)	-
Total unrestricted net position	$ 5,741,404	$ 4,608,445

For FY25, OPEB was an asset, therefore was restricted net position as opposed to unrestricted net position.

13. DEFINED CONTRIBUTION PLANS

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

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

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

As of June 30, 2026 and 2025, there were no employees in the Educators Money Fund.

DEFINED CONTRIBUTION PLANS

	TIAA-CREF	
Source of contributions:	2026	2025
Employee	$ 728,900	$ 723,554
Employer	728,900	723,554
Total contributions	$ 1,457,800	$ 1,447,108

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

BENEFITS ELIGIBLE PAYROLL

	2026	2025
Employees' Salaries-TIAA-CREF	$ 12,148,332	$ 12,059,236

14. DEFINED BENEFIT PENSION PLAN

Some employees of the College were enrolled in a defined benefit pension plan, the West Virginia Teachers' Retirement System (TRS), which is administered by the West Virginia Consolidated Public Retirement Board (CPRB). As of June 30, 2026 and 2025, there were no employees in this plan. TRS closed membership to new hires effective July 1, 1991.

Following is the College's deferred inflows of resources related to pensions, revenues, and the pension expense and expenditures for the fiscal years ended June 30, 2026 and 2025, respectively. There is no pension liability, deferred outflows of resources, special funding or contributions made by the college in fiscal years ended June 30, 2026 or 2025 as there are no longer any employees in this plan

TRS	2026	2025
Deferred Inflows of Resources	$ 17,062	$ 29,103
Pension Expense (revenue)	$ (12,041)	$ (10,870)

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

The TRS net pension liability, deferred inflows of resources, deferred outflows of resources, and pension expense were measured as of June 30, 2025 and 2024. These were determined by an actuarial valuation as of July 1, 2024 and 2023 and rolled forward to the respective measurement dates.

At both June 30, 2026 and 2025, the College's proportionate share of the TRS net pension liability was $0.

For the year ended June 30, 2026 and 2025, the College recognized TRS pension expense (revenue) of $(12,041) and $(10,870), respectively. Of this amount, $(12,041) and $(10,870), respectively, was recognized as the College's proportionate share of the TRS expense (revenue) and $0 for both years as the amount of pension expense attributable to special funding from a non-employer contributing entity. The College also recognized revenue of $0 for both years for support provided by the State.

At June 30, 2026 and 2025, deferred inflows of resources related to the TRS pension are as follows:

Deferred Inflows of Resources	2026	2025
Changes in proportion and difference between employer contributions and proportionate share of contributions	$ 17,062	$ 29,103

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

Fiscal Year Ended	Amortization
June 30, 2027	$ (7,999)
June 30, 2028	(7,082)
June 30, 2029	(1,188)
June 30, 2030	(793)
	$ (17,062)

15. CONTINGENCIES

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

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

16. OTHER REVENUES

Donations
The College received donations totaling $80,567 and $116,660 in fiscal years ended June 30, 2026 and 2025, respectively, from the Foundation. All of the assets donated were to support technical academic programs at the college.

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

Payments Made on Behalf of College
Payments made on behalf of the college by WVHEPC were $84,285 and $159,622, for fiscal years ending June 30, 2026 and 2025, respectively. The payments made on behalf of the college in FY26 were related to deferred maintenance projects funded through grants to WVHEPC totaling $84,285 and $0 in bond funds. The deferred maintenance projects consisted of: generator integration into Metasys, $27,726; a fire panel upgrade, $48,500; and a generator electrical panel upgrade, $8,059. The payments made on behalf of the college in FY25 were related to deferred maintenance projects funded through grants to WVHEPC totaling $159,028 and bond projects $594. The deferred maintenance projects consisted of: parking lot lights at the main campus location were retrofitted with LED lights, $12,745, the main campus location had a water filtration system update, $36,000, the sidewalk and donor brick walkway was repaired, $48,200, the parking lot was resealed and relined, $34,883, and the sinkhole repair was completed, $27,200. The payments on the bond in FY25 were for wastewater voluntary remediation costs of $594. The wastewater voluntary remediation project payments originated from the Series 2017 CTC Refinance bonds issued by the HEPC. Total payments to date made on behalf of the college from this bond issue are $297,132.

17. NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

Operating expenses within functional classifications for the years ended June 30, 2026 and 2025 are as follows:

	2026	2025
Instruction	$ 11,002,749	$ 10,792,029
Academic support	738,149	666,450
Student services	2,178,360	2,097,593
General institutional support	5,979,177	5,799,471
Operations and maintenance of plant	1,477,656	1,471,149
Student financial aid	1,635,307	3,073,229
Depreciation	1,326,155	1,405,032
Amortization	917,908	870,278
Auxiliary	755,018	664,673
Other	104,399	83,394
Total	$ 26,114,878	$ 26,923,298

18. SUPPLEMENTAL APPROPRIATIONS RECEIVED FROM PRIMARY GOVERNMENT

West Virginia Legislature, 2024 first extraordinary session, Senate Bill 1007, effective May 20, 2024, gave a supplementary appropriation from the State Fund, General Revenue to The Higher Education Policy Commission (HEPC) for fiscal year 2024 by adding new items of appropriation. Supplemental appropriations were for: Support for Colleges and Universities – Surplus (Blue Ridge CTC fully received and expended in fiscal year 2024), Higher Education Grant Program – Surplus, and College Access Grant – Surplus. The HEPC distributed these funds to the WV Higher Education institutions. Per Enrolled Senate Bill 1007, any unexpended balance at the end of fiscal year 2024 was reappropriated for expenditure during fiscal year 2025.

Blue Ridge Community and Technical College received an additional $493,690 from the HEPC for College Access Grant - Surplus appropriation on June 13, 2024. These funds were for academic year 2024-2025 students which began in August 2024. This is included on the statement of revenues, expenses, and changes in net position as state appropriations-financial aid revenue and student financial aid scholarship expense at June 30, 2025. The state grant revenue and scholarship expenses are recorded when the funds were awarded to students. These funds were fully earned and expended as of June 30, 2025.

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

There was no special legislation for supplemental appropriation funding for fiscal year 2025 or 2026.

19. COMPONENT UNIT'S DISCLOSURES

The notes taken directly from the audited financial statements of the Foundation that are applicable to GASB presentation and significant to the College are as follows:

A. Cash and Cash Equivalents

Concentration of Credit Risk

The Foundation maintains its cash from operations in one commercial bank located in Martinsburg, West Virginia and utilizes an Insured Cash Sweep (ICS) account. Cash on deposit with the ICS account is placed into deposits accounts with other members of the ICS network so that all of the Foundation's cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. Balances in excess of FDIC limits are uninsured. At June 30, 2026 and 2025, all of the Foundation's cash balances were FDIC insured.

B. Investments and Fair Value

The following is a summary of available-for-sale securities as of June 30, 2026 held by the Foundation.

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Equity Securities and Mutual Funds	$ 850,652	$ 377,455	$ -	$ 1,228,107
Corporate Bonds	89,783	280	-	90,063
US Govt Bonds	4,983	25	-	5,008
	$ 945,418	$ 377,760	$ -	$ 1,323,178

The following is a summary of available-for-sale securities as of June 30, 2025 held by the Foundation.

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

GASB Statement No. 72, *Fair Value Measurement and Application*, requires that investments be classified according to a fair value hierarchy. With respect to Statement No. 72's fair value hierarchy, GASB defines inputs as "the assumptions that market participants would use when pricing an asset or liability, including assumptions about risk." Statement No. 72 further categorizes inputs as *observable* or *unobservable*: *Observable* inputs are "inputs that are developed using market data, such as publicly available information about actual events or transactions, and which reflect the assumptions that market participants would use when pricing an asset or liability;" *Unobservable* inputs are "inputs for which market data are not available and that are developed using the best information available about the assumptions that market participants would use when pricing an asset or liability."

Fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1: Investments whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market, such as stocks listed in the S&P 500 or NASDAQ. If an up-to-date price of the investment can be found on a major exchange, it is a Level 1 investment.

Level 2: Investments whose values are based on their quoted prices in inactive markets or whose values are based on models, and the inputs to those models are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3: Investments that trade infrequently, and as a result do not have many reliable market prices. Valuations of Level 3 investments typically are based on management assumptions or expectations. For example, a private equity investment or complex derivative would likely be a Level 3 investment.

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

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

The following table presents the Foundation's assets and liabilities measured at fair value by classification within the fair value hierarchy as of June 30, 2026.

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Money Market	$ 24,784	$ -	$ -	$ 24,784
Total Money Market	$ 24,784	$ -	$ -	$ 24,784
Investments				
Equity and Mutual Funds				
Equity International	$ 178,117	$ -	$ -	$ 178,117
Equity Domestic Large Cap	467,637	-	-	467,637
Equity Domestic Mid Cap	50,329	-	-	50,329
Equity Domestic Small Cap	39,859	-	-	39,859
Equity Index Funds	215,419	-	-	215,419
Fixed Income	276,746	-	-	276,746
Fixed Income US Govt	5,008	-	-	5,008
Corporate Bonds	90,063	-	-	90,063
Total Investments	$ 1,323,178	$ -	$ -	$ 1,323,178

The following table presents the Foundation's assets and liabilities measured at fair value by classification within the fair value hierarchy as of June 30, 2025.

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

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

Schedule of Proportionate Share of Net OPEB Liability (Asset)

Measurement Date	College's Proportionate Share as a Percentage of Net OPEB Liability	College's Proportionate Share	State's Proportionate Share	Total Proportionate Share	College's Covered Employee Payroll	College's Proportionate Share as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total OPEB Liability
June 30, 2025	0.082234500%	$ 77,550	$ 61,526	$ 139,076	$ 1,189,422	6.52%	95.76%
June 30, 2024	0.006381452%	$ (2,657)	$ (8,345)	$ (11,002)	$ 95,920	-2.77%	102.19%
June 30, 2023	0.117171852%	$ (185,423)	$ (79,144)	$ (264,567)	$ 1,810,776	-10.24%	109.66%
June 30, 2022	0.113651842%	$ 126,493	$ 43,332	$ 169,825	$ 1,786,626	7.08%	93.59%
June 30, 2021	0.130635808%	$ (38,844)	$ (7,649)	$ (46,493)	$ 2,170,066	-1.79%	101.81%
June 30, 2020	0.120779244%	$ 533,472	$ 117,959	$ 651,431	$ 2,068,522	25.79%	73.49%
June 30, 2019	0.121164480%	$ 2,010,279	$ 411,393	$ 2,421,672	$ 2,332,651	86.18%	39.69%
June 30, 2018	0.110275342%	$ 2,365,887	$ 488,966	$ 2,854,853	$ 2,261,410	104.62%	30.98%
June 30, 2017	0.101164884%	$ 2,487,633	$ 510,963	$ 2,998,596	$ 2,224,677	111.82%	25.10%

Schedule of Employer Contributions

Fiscal Year End	Actuarily Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
June 30, 2026	$ 55,766	$ 21,237	$ 34,529	$ 1,189,422	1.79%
June 30, 2025	$ 2,524	$ 55,766	$ (53,242)	$ 95,920	58.14%
June 30, 2024	$ 117,506	$ 2,524	$ 114,982	$ 1,810,776	0.14%
June 30, 2023	$ 133,627	$ 117,506	$ 16,121	$ 1,786,626	6.58%
June 30, 2022	$ 238,225	$ 133,676	$ 104,549	$ 2,170,066	6.16%
June 30, 2021	$ 233,452	$ 238,225	$ (4,773)	$ 2,068,522	11.52%
June 30, 2020	$ 249,633	$ 233,452	$ 16,181	$ 2,332,651	10.01%
June 30, 2019	$ 225,347	$ 249,633	$ (24,286)	$ 2,261,410	11.04%
June 30, 2018	$ 207,791	$ 225,347	$ (17,556)	$ 2,224,677	10.13%

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

Notes to Required Supplementary Information For the Years Ended June 30, 2026 and 2025

RHBT had significant savings with the Humana contract renewal beginning fiscal years 2022 through 2025. In addition to the Humana contract savings, RHBT experienced favorable investment returns in fiscal year 2021, resulting in an excess in the premium stabilization reserve. RHBT is passing on these savings to PEIA active employers. The college had no PAYGO billed in fiscal year 2024, which resulted in our low % of actual contribution to covered payroll. The college only had contributions for retiree leave conversion in fiscal year 2024. The PAYGO contributions resumed for the college in fiscal year 2025.

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

Schedule of Proportionate Share of TRS Net Pension Liability:

Measurement Date	College's Proportionate Share as a Percentage of Net Pension Liability	College's Proportionate Share	State's Proportionate Share	Total Proportionate Share	College's Covered Employee Payroll	College's Proportionate Share as a Percentage of Covered Payroll	College's Plan Fiduciary Net Position as a Percentage of Total Pension
June 30, 2025	0.000000%	$ -	$ -	$ -	$ -	0.00%	0.00%
June 30, 2024	0.000000%	$ -	$ -	$ -	$ -	0.00%	0.00%
June 30, 2023	0.000000%	$ -	$ -	$ -	$ -	0.00%	80.42%
June 30, 2022	0.000982%	$ 25,258	$ 56,279	$ 81,537	$ -	0.00%	77.78%
June 30, 2021	0.002451%	$ 38,304	$ 85,624	$ 123,928	$ 68,182	56.18%	86.38%
June 30, 2020	0.002520%	$ 81,168	$ 176,350	$ 257,518	$ 69,502	116.79%	70.89%
June 30, 2019	0.002418%	$ 71,940	$ 173,644	$ 245,584	$ 69,820	103.04%	72.64%
June 30, 2018	0.002215%	$ 69,158	$ 179,206	$ 248,364	$ 66,622	103.81%	71.20%
June 30, 2017	0.002401%	$ 82,954	$ 183,454	$ 266,408	$ 67,392	123.09%	67.85%
June 30, 2016	0.002620%	$ 107,695	$ 205,131	$ 312,826	$ 67,725	159.02%	61.42%

Schedule of Employer Contributions:

Year End	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a percentage of Covered Payroll
June 30, 2026	$ -	$ -	$ -	$ -	0.00%
June 30, 2025	$ -	$ -	$ -	$ -	0.00%
June 30, 2024	$ -	$ -	$ -	$ -	0.00%
June 30, 2023	$ -	$ -	$ -	$ -	0.00%
June 30, 2022	$ 4,047	$ 4,575	$ (528)	$ 30,502	15.00%
June 30, 2021	$ 10,257	$ 10,227	$ 30	$ 68,182	15.00%
June 30, 2020	$ 10,426	$ 10,425	$ 1	$ 69,502	15.00%
June 30, 2019	$ 10,475	$ 10,473	$ 2	$ 69,820	15.00%
June 30, 2018	$ 9,830	$ 9,993	$ (163)	$ 66,622	15.00%
June 30, 2017	$ 9,940	$ 10,109	$ (169)	$ 67,392	15.00%

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

Notes to Required Supplementary Information For the Years Ended June 30, 2026 and 2025

Beginning in fiscal year 2023, the College no longer has any employees in this plan.
Information, if necessary, can be obtained from the CPRB Annual Comprehensive Financial Report.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Blue Ridge Community and Technical College (the College), a component unit of the West Virginia Higher Education Policy Commission, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated September 29, 2026. Our report includes a reference to other auditors who audited the financial statements of Blue Ridge Community and Technical College Foundation, Inc. as described in our report on the College's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
September 29, 2026



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