# BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE

FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2026 AND 2025
AND
INDEPENDENT AUDITOR'S REPORTS

Suttle & Stalnaker Certified Public Accountants
A Professional Limited Liability Company

**BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE**
**TABLE OF CONTENTS**


| | PAGE |
|---|---|
| INDEPENDENT AUDITOR'S REPORT | 3 - 5 |
| MANAGEMENT'S DISCUSSION AND ANALYSIS (RSI) (UNAUDITED) | 6 - 12 |
| FINANCIAL STATEMENTS | |
| Statements of Net Position | 13 |
| Statements of Revenues, Expenses, and Changes in Net Position | 14 |
| Statements of Cash Flows | 15 |
| Notes to Financial Statements | 16 - 47 |
| REQUIRED SUPPLEMENTARY INFORMATION | |
| Schedule of Proportionate Share of the Net Pension Liability | 49 |
| Schedule of Pension Contributions | 50 |
| Schedule of Proportionate Share of the Net OPEB Liability (Asset) | 51 |
| Schedule of OPEB Contributions | 52 |
| Notes to Required Supplementary Information | 53 - 58 |
| INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* | 59 - 60 |

Suttle & Stalnaker Certified Public Accountants
A Professional Limited Liability Company

INDEPENDENT AUDITOR'S REPORT

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

**Report on the Financial Statements**

***Opinion***

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

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

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

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Change in Accounting Principle***

As described in Note 2 to the financial statements, BridgeValley implemented Governmental Accounting Standards Board Statement No. 103, *Financial Reporting Model Improvements* and Governmental Accounting Standards Board Statement No. 104, *Disclosure of Certain Capital Assets*. Our opinion is not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 12, the schedule of proportionate share of the net pension liability, schedule of pension contributions, the schedule of proportionate share of the net OPEB liability (asset), the schedule of OPEB contributions, and related footnotes on pages 48 through 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standard generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by *Government Auditing Standards***

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



Charleston, West Virginia
September 29, 2026

## Overview of the Financial Statements

The Management's Discussion and Analysis is required supplementary information and has been prepared in accordance with the requirements of Governmental Accounting Standards Board (GASB) standards. This section of BridgeValley's annual financial report provides an overview of the College's financial performance during the fiscal years ended June 30, 2026, 2025, and 2024, with a focus on 2026. A comparative analysis is presented for fiscal year 2026 compared to fiscal year 2025 and fiscal year 2025 compared to fiscal year 2024.

BridgeValley's financial statements consist of three basic financial statements: the statement of net position, the statement of revenues, expenses, and changes in net position, and the statement of cash flows. These statements focus on the financial condition of the College, the results of operations, and cash flows of the College as a whole.

As required by GASB the BridgeValley Community & Technical College Foundation, Inc is included in the financial statements as a discretely presented component unit. Complete financial statements for the Foundation can be obtained from the BridgeValley Community & Technical College Foundation.

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

***Statement of Revenues, Expenses, and Changes in Net Position*** **-** The statement of revenues, expenses, and changes in net position presents the operating revenues, operating expenses, noncapital subsidies, and other nonoperating revenues and expenses of BridgeValley for each fiscal year.

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

## Financial Summary

Condensed Schedules of Net Position
June 30,

| | 2026 | 2025 | 2024 |
|---|---|---|---|
| **Assets and Deferred Outflows** | | | |
| Current and Other Assets | $ 23,540,529 | $ 20,587,419 | $ 17,289,047 |
| Capital Assets | 26,336,786 | 27,268,404 | 29,989,555 |
| **Total Assets** | 49,877,315 | 47,855,823 | 47,278,602 |
| **Deferred Outflows** | 398,711 | 228,784 | 135,072 |
| **Total** | $ 50,276,026 | $ 48,084,607 | $ 47,413,674 |
| **Liabilities, Deferred Inflows, and Net Position** | | | |
| Current Liabilities | $ 5,037,611 | $ 7,904,060 | $ 7,805,324 |
| Noncurrent Liabilities | 154,977 | 80,517 | 89,768 |
| **Total Liabilities** | 5,192,588 | 7,984,577 | 7,895,092 |
| **Deferred Inflows** | 210,807 | 183,556 | 399,665 |
| **Net Position** | | | |
| Net Investment in Capital Assets | 26,336,786 | 27,268,404 | 29,989,555 |
| Restricted for: | | | |
| Nonexpendable | 50,000 | 50,000 | 50,000 |
| Expendable | - | 44,811 | - |
| Unrestricted | 18,485,845 | 12,553,259 | 9,079,362 |
| **Total Net Position** | 44,872,631 | 39,916,474 | 39,118,917 |
| **Total** | $ 50,276,026 | $ 48,084,607 | $ 47,413,674 |

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

| | 2026 | 2025 | 2024 |
|---|---|---|---|
| Operating Revenues | $ 21,751,943 | $ 20,985,940 | $ 17,387,016 |
| Operating Expenses | 27,976,743 | 28,537,532 | 24,435,642 |
| Operating Loss | (6,224,800) | (7,551,592) | (7,048,626) |
| Noncapital Subsidies | 9,044,812 | 8,947,028 | 8,879,258 |
| **Operating Income & Noncapital Subsidies** | 2,820,012 | 1,395,436 | 1,830,632 |
| Net Other Nonoperating Revenues (Expense) | 2,136,145 | (597,879) | 408,630 |
| **Increase (decrease) in Net Position** | 4,956,157 | 797,557 | 2,239,262 |
| **Net Position at Beginning of Year** | 39,916,674 | 39,118,917 | 36,879,655 |
| **Net Position at End of Year** | $ 44,872,631 | $ 39,916,474 | $ 39,118,917 |

At June 30, 2026, BridgeValley's total net position was $44,872,631 representing an increase of $4,956,157. This increase in net position was primarily attributable to an increase in cash and OPEB outflows and a decrease in unearned revenue.

Total operating revenues, operating expenses, and noncapital subsidies remained relatively stable. Operating revenues increased 4%, operating expenses decreased 2%, and noncapital subsidies increased 1%. Net nonoperating revenue increased by more than 400%, primarily due to deferred maintenance project funding and activity, as well as significant disposal losses recognized in the prior year.

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

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

**Detailed Analysis**

Total 2026 assets and deferred outflows of resources increased by $2,191,419 over 2025. Primary reasons for this increase in 2026 over 2025 are as follows:

- Capital assets decreased by $931,618 due to the disposal of building and equipment and continued depreciation.

- All decreases were offset by increases in cash of $2,935,215 primarily related to increased tuition and fee and grant revenue.

Total liabilities and deferred inflows of resources in 2026 decreased by $2,764,738 compared with 2025. The primary reasons for this increase in 2026 compared with 2025 are as follows:

- Unearned revenue decreased $2,395,782 primarily attributable to decreases in unspent grant funds.

- Due to the Commission decreased by $226,101 primarily due to grant activity and payroll reimbursement.

- Accounts payable decreased by $253,573 primarily due to the suspension of the Learn & Earn grants.

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

- Accounts receivable, net decreased by $193,886 primarily related to a decrease in grant receivables and increase in student receivables.

- Due from state agencies decreased by $136,917 due to subrecipient receivables.

- Net OPEB asset/liability decreased by $174,191 due to market changes.

- Capital assets decreased by $2,721,151 due to the disposal of building and equipment and continued depreciation.

- All decreases were offset by increases in cash of $3,902,877 primarily related to increased tuition and fee and grant revenue.

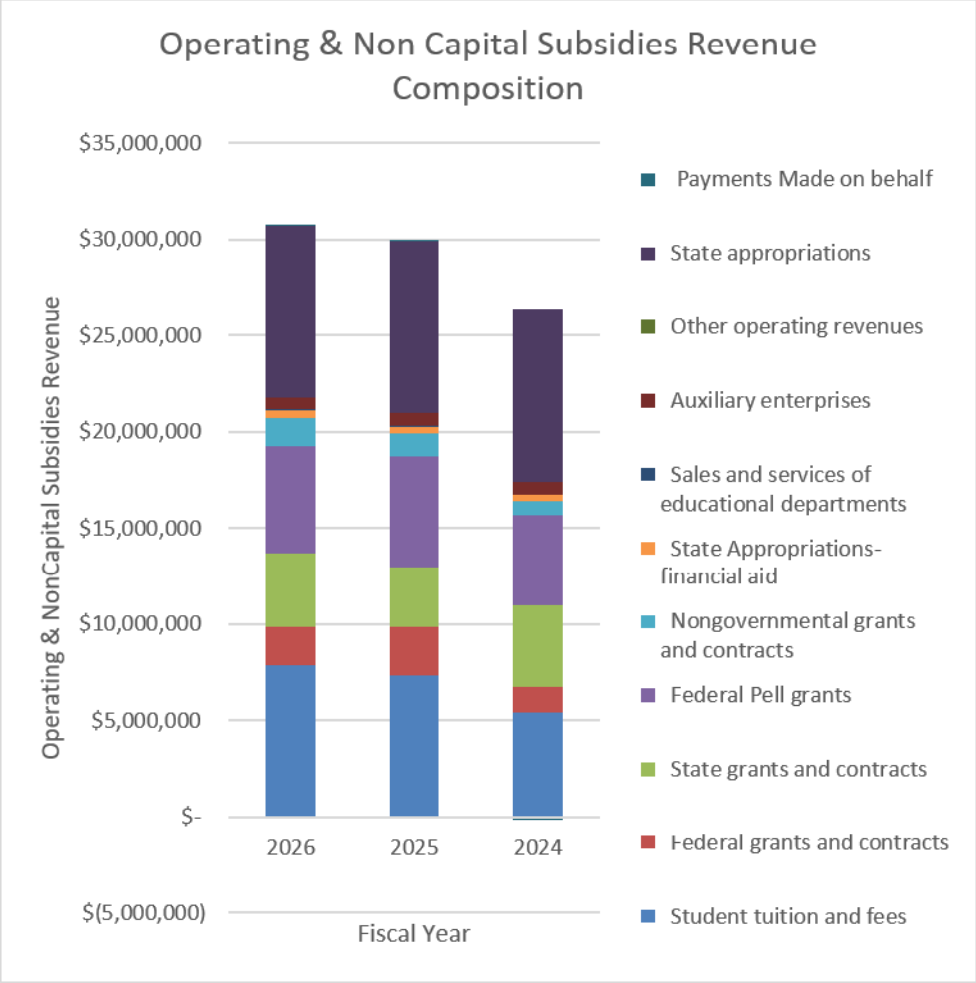
Total liabilities and deferred inflows of resources in 2025 decreased by $126,624 compared with 2024. The primary reasons for this increase in 2025 compared with 2024 are as follows:

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

- Deferred inflows decreased $216,109 due to market changes for OPEB.

***Revenues***

The following chart reflects the allocation of total revenue and noncapital subsidies in fiscal years 2026, 2025, and 2024. Following these charts is a discussion regarding the changes across fiscal years.




Highlights of the changes in fiscal year 2026 revenues compared with fiscal year 2025 are as follows:

- Net tuition and fee revenue increased by $525,671 primarily related to a tuition increase of ten percent.

- Grants and contracts increased by $330,544. There was a decrease in Federal grants and contracts revenue of $538,609 primarily related to the ending EDA, Congressionally Directed Spending-DOJ and WORC grant activity. State grants and contracts increased by $778,312 related to fewer returns to WVCTCS, Pell grant decreased by $168,976, Nongovernmental grants and contracts increased by $259,817 due to a decrease in deferred revenue.

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

- Net tuition and fee revenue increased by $1,908,381 primarily related to an enrollment increase and the removal of the tuition cap of twelve hours.

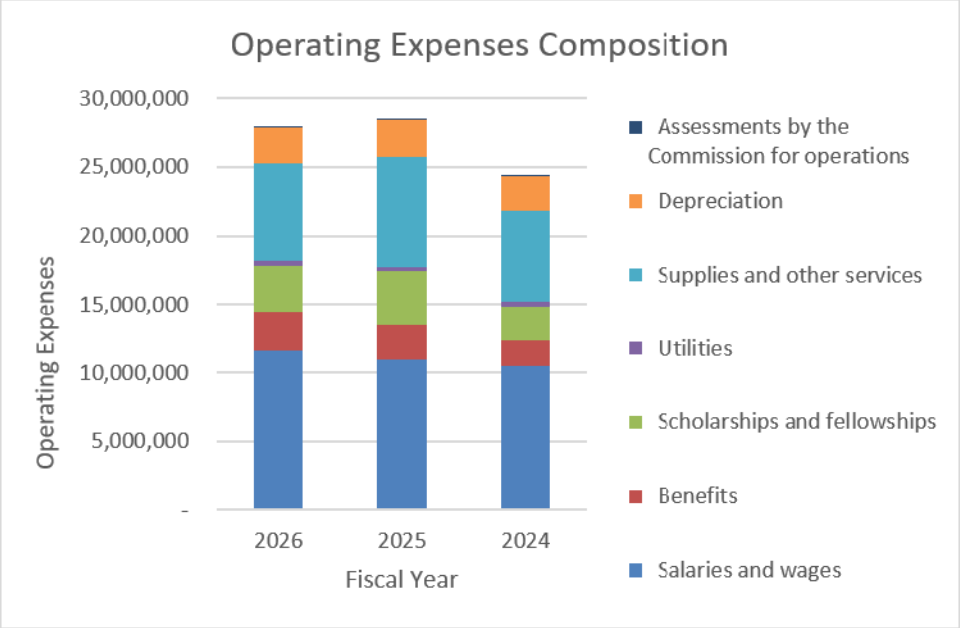
- Capital grants and gifts revenue increased by $465,562 due to increased purchases of grant funded assets.

- Grants and contracts increased by $614,165. There was an increase in Federal grants and contracts revenue of $1,188,436 primarily related to the ARC Power, EDA, COMPASS, Congressionally Directed Spending and WORC grant activity. State grants and contracts decreased by $1,052,738 related to numerous Learn & Earn grant returns. Nongovernmental grants and contracts increased by $478,467 due to the Goldman Sachs award.

- Pell grants increased by $1,024,603 related to increased enrollment and tuition costs.

***Operating Expenses***

The following is a graphic illustration of total operating expense composition for fiscal years 2026, 2025, and 2024.



Total operating expenses for fiscal year 2026 were $27,976,743, a decrease of $560,789 over fiscal year 2025. Some highlights of the changes in fiscal year 2026 expenses compared with fiscal year 2025 are as follows:

- Salaries and wages increased by $678,178 primarily related to pay scale raises and faculty promotions.
- Benefits increased by $340,193 primarily related to increased salaries and changes in OPEB liability and related deferred inflows and outflows.
- Supplies and other services decreased by $933,291 due to decreased contractual and computer related expenses.
- Scholarships and fellowships decreased by $569,740 due to an increase in scholarship allowance which was offset by increases in HEAPS and Pell awards.

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

- Salaries and wages increased by $413,492 primarily related to pay scale raises and faculty promotions.
- Benefits increased by $749,799 primarily related to increased salaries and changes in OPEB liability and related deferred inflows and outflows.
- Supplies and other services increased by $1,385,315 due to increased grant activity and special projects.
- Scholarships and fellowships increased by $1,439,150 due to increased Pell grants.

**Significant Capital Asset and Long-Term Debt Activity**

During fiscal year 2026, BridgeValley Community and Technical College demolished one building (previously decommissioned) on the Montgomery campus and disposed of several equipment assets. Capital assets were decreased by $793,866. The offsetting depreciation decreases were $541,267 for the buildings and equipment. A loss of $252,599 resulted, partially offset by sales proceeds from equipment.

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

In the summer of 2023, the Governor's Office provided guidance for applying for Deferred Maintenance Projects Funding. The WV Community & Technical College System staff will oversee the projects for two-year institutions. BridgeValley Community and Technical College was awarded funding for three projects totaling $2,475,000. The Montgomery campus projects include: demolishing two buildings and paving the demo sites, modifying the Workforce Training Center for restroom accessibility and garage bay expansion, and updating the stair tower railings in Davis Hall. The buildings for demolition were turned over to the vendor in late April 2025 and March 2026. In fiscal year 2026, all projects were rolled into one to fund the demolitions. Three buildings have been demolished.

In January 2026, the chiller for Davis Hall was damaged during the ice storm. The chiller was ordered in the spring but has not arrived due to an issue with the manufacturer. The cost is approximately $350,000. Temporary units have been in place to cool the building throughout the summer.

In mid-June 2026, a water line burst on the fifth floor of Davis Hall on the Montgomery campus. There was flooding from the fifth floor to the basement on the west side of the building. Both elevators were affected by the water damage. BRIM brought in a vendor to mitigate the water damage which was accomplished in record time. Over the summer, BRIM approved the repairs to the elevators, ceilings, walls and floors which amounted to over $300,000. Priority was given to the first and second floors and elevators so that the building could open on time for the start of the semester. Work is continuing on the other floors.

The College does not hold any long-term debt related to capital projects.

**Current Known Facts, Decisions, or Conditions**

The financial position of BridgeValley is closely tied to that of the State of West Virginia. During 2025-2026, state revenue collections remained stable and no reductions were imposed. Fiscal year 2026 base state appropriations increased slightly. The State Budget Office projections for fiscal year 2027 are being closely monitored. Should these projections for fiscal year 2027 change and BridgeValley experience a reduction in state appropriations, the College has developed plans to address the reductions.

Projections for Fall 2026 enrollment are anticipated to be stable for both headcount and full-time equivalent enrollment. The College is dependent upon tuition and fee revenue to maintain the large percentage of high-cost allied health and technical programs; Due to the end of the per credit hour pilot program, for fiscal year 2027, BridgeValley's Board of Governors approved returning to capping tuition at twelve hours with a 2.27% increase.

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

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

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

**BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE**
**STATEMENTS OF NET POSITION**
**JUNE 30, 2026 AND 2025**

| | BridgeValley Community and Technical College | | BridgeValley Community and Technical College Foundation, Inc. | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| **ASSETS AND DEFERRED OUTFLOWS** | | | | |
| CURRENT ASSETS: | | | | |
| Cash and cash equivalents | $ 22,084,534 | $ 19,149,319 | $ 247,151 | $ 185,664 |
| Accounts receivable, net of allowance for doubtful accounts | 1,053,375 | 1,058,726 | 27,210 | 14,022 |
| Due from State agencies | 120,237 | 118,038 | - | - |
| Due from the Council/Commission | 221,033 | 166,981 | - | - |
| Total current assets | 23,479,179 | 20,493,064 | 274,361 | 199,686 |
| NONCURRENT ASSETS: | | | | |
| Cash and cash equivalents | 50,000 | 50,000 | 3,326,287 | 2,891,945 |
| Other receivables | 11,350 | 15,521 | - | - |
| Net other post employment benefits (OPEB) asset | - | 28,834 | - | - |
| Capital assets, net | 26,336,786 | 27,268,404 | - | - |
| Total noncurrent assets | 26,398,136 | 27,362,759 | 3,326,287 | 2,891,945 |
| DEFERRED OUTFLOWS OF RESOURCES: | | | | |
| Deferred outflows relating to the net pension liability | 34,230 | 37,888 | - | - |
| Deferred outflows relating to OPEB | 364,481 | 190,896 | - | - |
| Total deferred outflows of resources | 398,711 | 228,784 | - | - |
| TOTAL | $ 50,276,026 | $ 48,084,607 | $ 3,600,648 | $ 3,091,631 |
| **LIABILITIES, DEFERRED INFLOWS AND NET POSITION** | | | | |
| CURRENT LIABILITIES: | | | | |
| Accounts payable | $ 166,342 | $ 419,915 | $ 10,539 | $ 7,575 |
| Due to State agencies | 8,261 | 38,615 | - | - |
| Accrued liabilities | 1,073,282 | 1,047,630 | - | - |
| Unearned revenue | 3,333,244 | 5,729,026 | - | - |
| Due to the Council/Commission | 18,322 | 244,423 | - | - |
| Due to others | - | - | 13,445 | 10,927 |
| Compensated absences | 438,160 | 424,451 | - | - |
| Total current liabilities | 5,037,611 | 7,904,060 | 23,984 | 18,502 |
| NONCURRENT LIABILITIES: | | | | |
| Other post employment benefits liability | 99,526 | - | - | - |
| Net pension liability | 55,451 | 80,517 | - | - |
| Total noncurrent liabilities | 154,977 | 80,517 | - | - |
| DEFERRED INFLOWS OF RESOURCES: | | | | |
| Deferred inflows relating to the net pension liability | 15,272 | 8,637 | - | - |
| Deferred inflows relating OPEB | 195,535 | 174,919 | - | - |
| Total deferred inflows of resources | 210,807 | 183,556 | - | - |
| NET POSITION: | | | | |
| Net investment in capital assets | 26,336,786 | 27,268,404 | - | - |
| Restricted for - nonexpendable | 50,000 | 50,000 | 732,844 | 732,844 |
| Restricted foundation - expendable | - | - | 2,560,920 | 2,136,729 |
| Restricted OPEB - expendable | - | 44,811 | - | - |
| Unrestricted | 18,485,845 | 12,553,259 | 282,900 | 203,556 |
| Total net position | 44,872,631 | 39,916,474 | 3,576,664 | 3,073,129 |
| TOTAL | $ 50,276,026 | $ 48,084,607 | $ 3,600,648 | $ 3,091,631 |

**BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE**
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**
**YEARS ENDED JUNE 30, 2026 AND 2025**

| | BridgeValley Community and Technical College | | BridgeValley Community and Technical College Foundation, Inc. | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| OPERATING REVENUES: | | | | |
| Student tuition and fees - net of scholarship allowances of $4,055,795 and $3,064,340 in 2026 and 2025, respectively | $ 7,834,978 | $ 7,309,307 | $ - | $ - |
| Federal grants and contracts | 1,982,467 | 2,521,076 | - | - |
| State grants and contracts | 3,868,950 | 3,152,416 | - | - |
| Pell grants | 5,550,237 | 5,719,213 | - | - |
| Nongovernmental grants and contracts | 1,492,872 | 1,233,055 | 210,932 | 202,469 |
| State appropriations - financial aid | 383,546 | 321,768 | - | - |
| Sales and services of educational departments | 24,919 | 30,744 | 44,979 | 10,649 |
| Auxiliary enterprises - net of scholarship allowances of $168,991 and $161,281 in 2026 and 2025, respectively | 596,559 | 691,297 | - | - |
| Other operating revenues | 17,415 | 7,064 | 11,527 | 6,865 |
| Total operating revenues | 21,751,943 | 20,985,940 | 267,438 | 219,983 |
| OPERATING EXPENSES: | | | | |
| Salaries and wages | 11,600,673 | 10,922,495 | - | - |
| Benefits | 2,909,330 | 2,569,137 | - | - |
| Scholarships and fellowships | 3,357,448 | 3,927,188 | 21,938 | 13,608 |
| Utilities | 303,546 | 344,975 | - | - |
| Supplies and other services | 7,088,349 | 8,021,640 | 110,979 | 146,916 |
| Depreciation | 2,614,728 | 2,661,894 | - | - |
| Assessments by the Commission for operations | 102,669 | 90,203 | - | - |
| Total operating expenses | 27,976,743 | 28,537,532 | 132,917 | 160,524 |
| OPERATING (LOSS) INCOME | (6,224,800) | (7,551,592) | 134,521 | 59,459 |
| NONCAPITAL SUBSIDIES | | | | |
| State appropriations | 8,931,983 | 8,888,187 | - | - |
| Payments made on behalf of the College | 112,829 | 58,841 | - | - |
| Contributions for scholarships | - | - | 10,480 | 14,130 |
| Total noncapital subsidies | 9,044,812 | 8,947,028 | 10,480 | 14,130 |
| OPERATING INCOME (LOSS) AND NONCAPITAL SUBSIDIES | 2,820,012 | 1,395,436 | 145,001 | 73,589 |
| NONOPERATING REVENUES (EXPENSES): | | | | |
| Investment income | 624,092 | 558,494 | 358,534 | 273,150 |
| Fees assessed by the Commission | (6,381) | (7,104) | - | - |
| Loss on disposal of capital and other assets | (199,506) | (2,296,084) | - | - |
| Capital grants, appropriations, and gifts | 420,695 | 820,658 | - | - |
| Capital payment made on behalf of the College | 1,297,245 | 326,157 | - | - |
| Net nonoperating revenues (expenses) | 2,136,145 | (597,879) | 358,534 | 273,150 |
| INCREASE IN NET POSITION | 4,956,157 | 797,557 | 503,535 | 346,739 |
| NET POSITION - Beginning of year | 39,916,474 | 39,118,917 | 3,073,129 | 2,726,390 |
| NET POSITION - End of year | $ 44,872,631 | $ 39,916,474 | $ 3,576,664 | $ 3,073,129 |

The Accompanying Notes Are An Integral
Part Of These Financial Statements

**BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE**
**STATEMENTS OF CASH FLOWS**
**YEARS ENDED JUNE 30, 2026 AND 2025**

| | 2026 | 2025 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Student tuition and fees | $ 7,609,974 | $ 6,893,493 |
| Grants and contracts | 4,903,396 | 7,815,143 |
| Payments to and on behalf of employees | (14,388,161) | (13,529,885) |
| Payments to suppliers | (7,326,621) | (8,043,314) |
| Payments to utilities | (299,175) | (337,288) |
| Payments for scholarships and fellowships | (3,357,448) | (3,927,188) |
| Auxiliary enterprise charges | 596,844 | 693,785 |
| Sales and service of educational departments | 11,581 | 30,744 |
| Fees retained by the Commission | (102,669) | (90,203) |
| Other receipts | 23,726 | 7,064 |
| Net cash used in operating activities | (12,328,553) | (10,487,649) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | |
| State appropriations | 8,931,983 | 8,888,187 |
| State appropriations for financial aid | 383,546 | 321,768 |
| Federal pell grants | 5,550,237 | 5,719,213 |
| Federal student loan program - direct lending receipts | 3,117,642 | 2,551,862 |
| Federal student loan program - direct lending payments | (3,117,642) | (2,551,862) |
| Fees assessed by the Commission | (6,381) | (7,104) |
| Net cash provided by noncapital financing activities | 14,859,385 | 14,922,064 |
| CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES: | | |
| Capital gifts and grants received | 359,695 | 761,021 |
| Purchases of capital assets | (626,955) | (1,849,413) |
| Proceeds from the sale of capital assets | 53,093 | - |
| Net cash used in capital financing activities | (214,167) | (1,088,392) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Investment income | 618,550 | 556,854 |
| Net cash provided by investing activities | 618,550 | 556,854 |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 2,935,215 | 3,902,877 |
| CASH AND CASH EQUIVALENTS - Beginning of year | 19,199,319 | 15,296,442 |
| CASH AND CASH EQUIVALENTS - End of year | $ 22,134,534 | $ 19,199,319 |
| RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES: | | |
| Operating loss | $ (6,224,800) | $ (7,551,592) |
| Adjustments to reconcile operating loss to net cash used in operating activities: | | |
| State appropriations for financial aid | (383,546) | (321,768) |
| Federal Pell grants | (5,550,237) | (5,719,213) |
| Depreciation expense | 2,614,728 | 2,661,894 |
| Pension expense - special funding situation | (669) | 10,023 |
| OPEB expense - special funding situation | 113,498 | 48,818 |
| Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources: | | |
| Accounts receivable - net | 3,108 | 330,680 |
| Due from the Council/Commission | (48,466) | 100,658 |
| Other receivables | 4,171 | 616 |
| Deferred outflows of resources | (169,927) | (93,712) |
| Accounts payable | (204,082) | (40,327) |
| Accrued liabilities | 25,652 | 71,665 |
| Unearned revenue | (2,395,782) | 120,076 |
| Due to State Agencies | (30,354) | 7,877 |
| Due to the Council/Commission | (226,101) | (95,458) |
| Net other postemployment benefits asset | 128,360 | 174,191 |
| Net pension liability | (25,066) | (9,251) |
| Compensated absences | 13,709 | 33,283 |
| Deferred inflows of resources | 27,251 | (216,109) |
| Net cash used in operating activities | $ (12,328,553) | $ (10,487,649) |
| RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION: | | |
| Cash and cash equivalents classified as current | $ 22,084,534 | $ 19,149,319 |
| Cash and cash equivalents classified as noncurrent | 50,000 | 50,000 |
| | $ 22,134,534 | $ 19,199,319 |
| NONCASH TRANSACTIONS: | | |
| Capital payments made on behalf of the College | $ 1,297,245 | $ 326,157 |
| Capital expenses in accounts payable | $ - | $ 49,491 |

The Accompanying Notes Are An Integral
Part Of These Financial Statements

**BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE**
**NOTES TO FINANCIAL STATEMENTS**
**YEARS ENDED JUNE 30, 2026 AND 2025**

## NOTE 1 - ORGANIZATION

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

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

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

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

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

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

The audited financial statements of the Foundation are presented here as a discrete component unit with the College financial statements in accordance with GASB. The Foundation is a private non-profit organization that reports under FASB standards. The financial statements of the Foundation have been converted to the GASB reporting model. Relevant disclosures under GASB are also presented. See also Notes 10 and 12.

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

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

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

The West Virginia Legislature, as a regulatory body outside the reporting entity, has restricted the use of certain funds by Article 10, *Fees and Other Money Collected at State Institutions of Higher Education* of the West Virginia State Code. House Bill 101, passed in March 2004, simplified the tuition and fees restrictions to auxiliaries and capital items. These activities are fundamental to the normal ongoing operations of BridgeValley. These restrictions are subject to change by future actions of the West Virginia Legislature. At June 30, 2026 and 2025, BridgeValley had no restricted balances remaining in these funds.

*Restricted net position, nonexpendable* - This includes endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

Cash and cash equivalents balances on deposit with the State of West Virginia Treasurer's Office (the Treasurer) are pooled by the Treasurer with other available funds of the State for investment purposes by the West Virginia Board of Treasury Investments (the BTI). These funds are transferred to the BTI, and the BTI is directed by the Treasurer to invest the funds in specific external investment pools in accordance with West Virginia Code, policies set by the BTI, provisions of bond indentures, and the trust agreements when applicable. Balances in the investment pools are recorded at fair value or amortized cost, which approximates fair value. Fair value is determined by a third-party pricing service based on asset portfolio pricing models and other sources. The BTI was established by the West Virginia Legislature (the State Legislature) and is subject to oversight by the State Legislature. Fair value and investment income are allocated to participants in the pools based upon the funds that have been invested. The amounts on deposit are available for immediate withdrawal or on the first day of each month for the West Virginia Short Term Bond Pool and, accordingly, are presented as cash and cash equivalents in the accompanying financial statements.

The BTI maintains the Consolidated Fund investment fund which consists of eight investment pools and participant-directed accounts, three of which the College may invest in. These pools have been structured as multi-participant variable net asset funds to reduce risk and offer investment liquidity diversification to the Fund participants. Funds not required to meet immediate disbursement needs are invested for longer periods. A more detailed discussion of the BTI's investment operations pool can be found in the BTI's annual audited financial report. A copy of the BTI's annual report can be obtained from the following address: 315 70$^{th}$ Street SE, Charleston, WV 25304 or http://www.wvbti.org.

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

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

**Compensated Absences and Other Post-employment Benefits (OPEB)** - GASB provides for the measurement, recognition, and display of OPEB expenditures, assets, and liabilities, including applicable note disclosures and required supplementary information. During fiscal year 2006, House Bill No. 4654 was established to create a trust fund for postemployment benefits for the State. The College is required to participate in this multiple-employer, cost-sharing plan, the West Virginia Retiree Health Benefit Trust Fund, sponsored by the State of West Virginia. Details regarding this plan and its standalone financials can be obtained by contacting the West Virginia Public Employees Insurance Agency (PEIA), 601 57$^{th}$ St. SE Suite 2, Charleston, WV, 25304 or https://peia.wv.gov.

GASB requires entities to accrue for employees' rights to receive compensation for vacation and/or sick leave that has been earned, accumulated, and is anticipated to be used, paid out, or otherwise settled using current pay rates. 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. The College's full-time employees earn up to one-and-a-half sick leave days for each month of service and unpaid sick leave is generally forfeited upon termination; however, employees hired prior to July 1, 2001 can convert unpaid sick leave to OPEB premiums upon termination.

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Net Pension Liability** - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of West Virginia Teachers' Retirement System (STRS), and additions to/deductions from STRS fiduciary net position have been determined on the same basis as they are reported by STRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 8 for further discussion.

**Deferred Outflows of Resources** - Consumption of net position by the College that is applicable to a future fiscal year is reported as a deferred outflow of resources on the statement of net position.

**Deferred Inflows of Resources** - An acquisition of net position by the College that is applicable to a future fiscal year is reported as a deferred inflow of resources on the statement of net position.

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

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

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Classification of Revenues** - The College classifies its revenues as operating, noncapital subsidies, or nonoperating based on the underlying economic nature of the transaction and the extent to which the activity is subsidized:

- *Operating Revenues:* Operating revenues include activities that are exchange transactions and represent core institutional operations. Operating revenues include (1) tuition and fees, net of scholarship allowances, (2) sales and services of educational departments or auxiliary enterprises, (3) Federal Pell grants, (4) grants and contracts from federal, state, local, or private entities that are directly tied to an exchange of specific goods, services, or research.

- *Noncapital Subsidies*: Subsidies are non-exchange transactions that directly or indirectly keep student fees lower than they would be otherwise. Noncapital subsidies support ongoing institutional operations and are presented in a dedicated section following operating income. They include items such as state appropriations, noncapital grants and gifts, contributions for the provision of scholarships, and distributions from the foundation.

- *Nonoperating Revenues*: Nonoperating revenues include capital subsidies, endowment contributions, income related to financing, gains disposal of assets, and investment income.

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

**Federal Financial Assistance Programs** - The College makes loans to students under the Federal Direct Student Loan Program. Under this Program, the U.S. Department of Education makes interest subsidized and nonsubsidized loans directly to students, through colleges. Direct Loan student receivables are not included in BridgeValley's statement of net position, as the loans are repayable directly to the U.S. Department of Education. BridgeValley received and disbursed approximately $3.1 million and $2.6 million, respectively, during fiscal years 2026 and 2025 under the Direct Loan Program on behalf of the U.S. Department of Education. These amounts are not included as revenues and expenses on the statement of revenues, expenses, and changes in net position.

BridgeValley also distributes student financial assistance funds on behalf of the federal government to students under the federal Pell Grant, Supplemental Educational Opportunity Grant, and College Work Study programs. The activity of these programs is recorded in the accompanying financial statements. In 2026 and 2025, BridgeValley received and disbursed approximately $6 million and $5.9 million, respectively, under these federal student aid programs.

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Certain aid, such as loans, funds provided to students as awarded by third parties, and Federal Direct Lending, is accounted for as a third-party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses or scholarship allowance, which reduces revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition.

The College uses the allocation method as prescribed as outlined in NACUBO Advisory 2023-01. Under this method, financial aid awards are applied in a prescribed sequence to individual student charges by year, using actual amounts applied to tuition and fees. The scholarship allowance is calculated as the amount of aid applied to tuition and fees, and that amount is reported as a reduction of the corresponding revenue. Aid that exceeds institutional charges is reported as student financial aid expense. The change in methodology was made to improve the accuracy and transparency of scholarship allowance calculations by reflecting actual financial aid application data rather than estimated proportions.

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

**Income Taxes** - BridgeValley is exempt from income taxes, except for unrelated business income, as a nonprofit organization under federal income tax laws and regulations of the Internal Revenue Service (IRS).

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

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

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

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Newly Adopted Statements Issued by GASB** - BridgeValley has implemented GASB Statement No. 103, Financial Reporting Model Improvements, which is effective for fiscal years beginning after June 15, 2025. The focus of the improvements is to the presentation of (1) management's discussion and analysis, (2) unusual or infrequent items, (3) proprietary fund statement of revenues, expenses, and changes in net position, (4) major component unit information, and (5) budgetary comparison information. The primary impacts of adopting this Statement are:

- Presentation of Subsidies: The College presents noncapital subsidies, including state operational appropriations, in a separate section immediately following operating income (loss). A new subtotal for operating income (loss) and noncapital subsidies is now presented on the Statement of Revenues, Expenses, and Changes in Net Position.
- Component Units: Major discretely presented component units are now presented in separate columns or through combining statements, rather than being aggregated into a single column.
- Nonoperating Classification: Nonoperating activities have been strictly limited to subsidies received and provided, contributions to permanent and term endowments, financing activities, investment activities, and the disposal of capital assets or inventory.

In accordance with the transitional provisions of GASB Statement No. 103, the financial statements for the fiscal year ended June 30, 2025, have been retroactively restated to conform to the new presentation model. This implementation required a reclassification of certain financial statement lines but did not alter total ending net position for the prior period. The effects of this restatement on BridgeValley's fiscal year 2025 Statement of Revenues, Expenses, and Changes in Net Position are summarized below:

| Financial Statement Line (FY 2025) | As Reported | Effect of GASB 103 | As Restated |
|---|---|---|---|
| **Operating Revenue** | | | |
| Pell Grants | $ - | $ 5,719,213 | $ 5,719,213 |
| State grants and contracts | 3,474,184 | (321,768) | 3,152,416 |
| State appropriations- financial aid | - | 321,768 | 321,768 |
| | | | |
| **Noncapital Subsidies** | | | |
| State appropriations | - | 8,888,187 | 8,888,187 |
| Payments made on behalf of the College | - | 58,841 | 58,841 |
| | | | |
| **Other Nonoperating Revenues (Expenses)** | | | |
| State appropriations | 8,888,187 | (8,888,187) | - |
| Pell Grants | 5,719,213 | (5,719,213) | - |
| Capital grants, appropriations, and gifts | - | 820,658 | 820,658 |
| Capital payments made on behalf of the College | - | 326,157 | 326,157 |
| | | | |
| **Other** | | | |
| Capital grants and gifts | 820,658 | (820,658) | - |
| Payments made and expenses incurred on behalf of the College | 58,841 | (58,841) | - |
| Capital payments made and expenses incurred on behalf of the College | 326,157 | (326,157) | - |

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Recent Statements Issued by the Governmental Accounting Standards Board** - GASB has issued Statement No. 105, Subsequent Events, which is effective for fiscal years beginning after June 15, 2026. This statement clarifies the subsequent events that constitute recognized and unrecognized events and establishes specific note disclosure requirements for nonrecognized events. The College has not yet determined the effect that the adoption of GASB Statement No. 105 may have on its financial statements.

**NOTE 3 - CASH AND CASH EQUIVALENTS**

The composition of cash and cash equivalents at June 30, 2026 and 2025, is as follows:

| | 2026 | | |
|---|---|---|---|
| | Current | Noncurrent | Total |
| Cash on deposit with the Treasurer/BTI | | | |
| Nonauxiliaries | $ 21,325,410 | $ 50,000 | $ 21,375,410 |
| Auxiliaries | 507,051 | - | 507,051 |
| Cash on hand | 350 | - | 350 |
| Cash in bank | 251,723 | - | 251,723 |
| | $ 22,084,534 | $ 50,000 | $ 22,134,534 |

| | 2025 | | |
|---|---|---|---|
| | Current | Noncurrent | Total |
| Cash on deposit with the Treasurer/BTI | | | |
| Nonauxiliaries | $ 18,035,988 | $ 50,000 | $ 18,085,988 |
| Auxiliaries | 463,383 | - | 463,383 |
| Cash on hand | 350 | - | 350 |
| Cash in bank | 649,598 | - | 649,598 |
| | $ 19,149,319 | $ 50,000 | $ 19,199,319 |

**NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)**

These bank balances are insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by securities held as collateral by the bank in the name of the State. Cash held by the Treasurer includes $50,000 of restricted cash at June 30, 2026 and 2025, respectively.

The combined carrying amount of cash in the bank at June 30, 2026 and 2025, was $251,723 and $649,598, respectively, as compared with the combined bank balance of $253,873 and $659,910 for the years ended June 30, 2026 and 2025, respectively. The difference is primarily caused by outstanding checks and items in transit. The bank balances were covered by federal depository insurance as noted below or were collateralized by securities held by the State's agent. Regarding federal depository insurance, accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000.

Amounts with the State Treasurer were $21,882,461 and $18,549,371 as of June 30, 2026 and 2025, respectively. Of these amounts, $17,479,484 and $13,528,860 were invested in the WV Money Market Pool and the WV Short Term Bond Pool as of June 30, 2026 and 2025, respectively. The remainder of the cash held with the State Treasurer was not invested at June 30, 2026 and 2025.

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

| | 2026 | | 2025 | |
|---|---|---|---|---|
| External Pool | Carrying Value | S & P Rating | Carrying Value | S & P Rating |
| WV Money Market Pool | $ 17,079,634 | AAAm | $ 13,218,234 | AAAm |
| WV Short Term Bond Pool | 399,850 | Not Rated | 310,626 | Not Rated |

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

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

| | 2026 | | 2025 | |
|---|---|---|---|---|
| External Pool | Carrying Value | WAM (Days) | Carrying Value | WAM (Days) |
| WV Money Market Pool | $ 17,079,634 | 46 | $ 13,218,234 | 41 |

**NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)**

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

| | 2026 | | 2025 | |
|---|---|---|---|---|
| External Pool | Carrying Value | Effective Duration (Days) | Carrying Value | Effective Duration (Days) |
| WV Short Term Bond Pool | $ 399,850 | 664 | $ 310,626 | 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.

*Custodial Credit Risk* - Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the College will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party.

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

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

**NOTE 4 - ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2026 and 2025, are as follows:

| | 2026 | 2025 |
|---|---|---|
| Student tuition and fees, net of allowances for doubtful accounts of $1,189,834 and $1,143,418 in 2026 and 2025, respectively | $ 252,086 | $ 394,080 |
| Grants and contracts receivable | 736,872 | 622,807 |
| Due from third party for payment of tuition & fees | 64,417 | 41,839 |
| | $ 1,053,375 | $ 1,058,726 |

## NOTE 5 - CAPITAL ASSETS

The following, as of June 30, 2026 and 2025, is a summary of capital assets transactions for BridgeValley:

| | 2026 | | | |
|---|---|---|---|---|
| | Beginning Balance | Additions | Reductions | Ending Balance |
| Capital assets not being depreciated: | | | | |
| Land | $ 929,473 | $ - | $ - | $ 929,473 |
| Construction in progress | 333,207 | 1,297,245 | - | 1,630,452 |
| Total capital assets not being depreciated | $ 1,262,680 | $ 1,297,245 | $ - | $ 2,559,925 |
| Other capital assets: | | | | |
| Buildings | $ 25,476,344 | $ - | $ (319,942) | $ 25,156,402 |
| Leasehold improvements | 15,568,266 | 131,400 | - | 15,699,666 |
| Equipment | 16,309,393 | 507,064 | (473,924) | 16,342,533 |
| Total other capital assets | 57,354,003 | 638,464 | (793,866) | 57,198,601 |
| Less accumulated depreciation for: | | | | |
| Buildings | (10,417,004) | (641,697) | 80,303 | (10,978,398) |
| Leasehold improvements | (9,043,489) | (787,173) | - | (9,830,662) |
| Equipment | (11,887,786) | (1,185,858) | 460,964 | (12,612,680) |
| Total accumulated depreciation | (31,348,279) | (2,614,728) | 541,267 | (33,421,740) |
| Other capital assets - net | $ 26,005,724 | $ (1,976,264) | $ (252,599) | $ 23,776,861 |
| Capital asset summary: | | | | |
| Capital assets not being depreciated | $ 1,262,680 | $ 1,297,245 | $ - | $ 2,559,925 |
| Other capital assets | 57,354,003 | 638,464 | (793,866) | 57,198,601 |
| Total cost of capital assets | 58,616,683 | 1,935,709 | (793,866) | 59,758,526 |
| Less accumulated depreciation | (31,348,279) | (2,614,728) | 541,267 | (33,421,740) |
| Capital assets, net | $ 27,268,404 | $ (679,019) | $ (252,599) | $ 26,336,786 |

**NOTE 5 - CAPITAL ASSETS (Continued)**

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

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

## NOTE 6 - LONG-TERM LIABILITIES

A summary of long-term obligation transactions for BridgeValley for the years ended June 30, 2026 and 2025, is as follows:

| | 2026 | | | | |
|---|---|---|---|---|---|
| | Beginning Balance | Additions | Reductions | Ending Balance | Current Portion |
| Compensated absences | $ 424,451 | $ 13,709 | $ - | $ 438,160 | $ 438,160 |
| Net other postemployment benefits (asset)/ liability | (28,834) | 296,995 | (168,635) | 99,526 | - |
| Net pension liability | 80,517 | 6,081 | (31,147) | 55,451 | - |
| Total long-term liabilities | $ 476,134 | $ 316,785 | $ (199,782) | $ 593,137 | $ 438,160 |

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

## NOTE 7 - OTHER POST EMPLOYMENT BENEFITS

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

| | 2026 | 2025 |
|---|---|---|
| Net OPEB liability (asset) | $ 99,526 | $ (28,834) |
| Deferred outflows of resources | 364,481 | 190,896 |
| Deferred inflows of resources | 195,535 | 174,919 |
| Revenues | 113,498 | 48,818 |
| OPEB expense | 125,435 | (16,641) |
| Contributions made by the College | 36,699 | 71,554 |

**NOTE 7 - OTHER POST EMPLOYMENT BENEFITS (Continued)**

***Plan Description***

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

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

***Benefits Provided***

The Plan provides the following benefits:

- Medical and prescription drug insurance
- Life insurance

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

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

***Contributions***

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

Paygo premiums are established by the PEIA Finance Board annually. All participating employers are required by statute to contribute this premium to the RHBT at the established rate for every active policyholder per month. In fiscal year 2024, there was no subsidization of retiree healthcare from paygo premiums and PEIA active employers were not billed paygo. The paygo rate for fiscal year 2025 was $34 per active health policyholder per month.

**NOTE 7 - OTHER POST EMPLOYMENT BENEFITS (Continued)**

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

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

- Members hired before July 1, 1988 may convert accrued sick or annual leave days into 100% of the required retiree healthcare contribution.
- Members hired from July 1, 1988 to June 30, 2001 may convert accrued sick or annual leave days into 50% of the required retiree healthcare contribution.

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

The College's contributions to the OPEB plan for the years ended June 30, 2026 and 2025 were $36,699 and $71,554, respectively.

***Assumptions***

The June 30, 2026 OPEB liability (asset) for financial reporting purposes was determined by an actuarial valuation as of June 30, 2024 and a measurement date of June 30, 2025. The following actuarial assumptions were used and applied to all periods included in the measurement, unless otherwise specified:

- Inflation rate: 2.50%.
- Salary increase: Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation.
- Investment rate of return: 7.40%, net of OPEB plan investment expense, including inflation.
- Healthcare cost trend rates: Trend rates for pre-Medicare and Medicare per capita costs of 5.0% medical and 8.0% drug. The trends increase over four years to 7.0% and 9.5%, respectively. The trends then decrease linearly for 5 years until ultimate trend rate of 4.50% is reached in plan year end 2034.
- Actuarial cost method: Entry age normal cost method.
- Amortization method: Level percentage of payroll over a 20-year closed period as of June 30, 2017.
- Wage inflation: 2.75%.
- Retirement age: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2020 actuarial valuation.
- Aging factors: Based on the 2013 SOA Study "Health Care Costs – From Birth to Death".
- Expenses: Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of the annual expense.
- Mortality post-retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 100% for males and 108% for females.
- Mortality pre-retirement: Pub-2010 General Employee Mortality Tables projected with MP-2021 and scaling factors of 100% for males and 100% for females.

**NOTE 7 - OTHER POST EMPLOYMENT BENEFITS (Continued)**

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 – June 30, 2020.

The actuarial valuation as of June 30, 2024, reflects updates to the following healthcare related assumptions, which include per capita claim costs, healthcare trend rates, coverage and continuance, and participation rates.

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

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

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

| | June 30, 2025 | |
|---|---|---|
| Asset Class | Target Allocation | Long-term Expected Real Return |
| Equity | 45.0% | 7.4% |
| Fixed income | 15.0% | 3.9% |
| Private credit and income | 6.0% | 7.4% |
| Private equity | 12.0% | 10.0% |
| Real estate | 12.0% | 7.7% |
| Hedge funds | 10.0% | 4.5% |

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

**NOTE 7 - OTHER POST EMPLOYMENT BENEFITS (Continued)**

**Single discount rate.** The discount rate used to measure the total OPEB liability (asset) was 7.40% for fiscal years 2026 and 2025. This single discount rate was based on the expected rate of return on OPEB plan investments of 7.40% for those fiscal years. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made in accordance with the prefunding and investment policies. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability (asset).

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

| Net OPEB liability (asset) | 1% Decrease | Current Discount Rate | 1% Increase |
|---|---|---|---|
| 2026 | $ 380,144 | $ 99,526 | $ (140,019) |
| 2025 | $ 126,065 | $ (28,834) | $ (157,837) |

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

| Net OPEB liability (asset) | 1% Decrease | Current Healthcare Cost Trend Rate | 1% Increase |
|---|---|---|---|
| 2026 | $ (252,438) | $ 99,526 | $ 517,594 |
| 2025 | $ (226,710) | $ (28,834) | $ 211,457 |

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

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

At June 30, 2026, the College's proportionate share of the net OPEB liability (asset) was $178,481. Of this amount, the College recognized $99,526 as its proportionate share on the statement of net position. The remainder of $78,955 denotes the College's proportionate share of net OPEB liability (asset) attributable to the special funding.

**NOTE 7 - OTHER POST EMPLOYMENT BENEFITS (Continued)**

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

The allocation percentage assigned to each participating employer and non-employer contributing entity is based on its proportionate share of employer and to OPEB for each of the fiscal years ended June 30, 2025 and 2024. Employer contributions are recognized when due. At the June 30, 2025 measurement date, the College's proportion was 0.1055%, an increase of 0.0363% from its proportion of 0.0693% calculated as of June 30, 2024. At the June 30, 2024 measurement date, the College's proportion was 0.0693%, a decrease of 0.0590% from its proportion of 0.1283% calculated as of June 30, 2023.

For the year ended June 30, 2026, the College recognized OPEB expense of $125,435. Of this amount, $11,937 was recognized as the College's proportionate share of OPEB expense and $113,498 as the amount of OPEB expense attributable to special funding from a non-employer contributing entity. The College also recognized revenue of $113,498 for support provided by the State.

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

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

| June 30, 2026 | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Changes in proportion and difference between employer contributions and proportionate share of contributions | $ 4,674 | $ 29,023 |
| Net difference between projected and actual investment earnings | - | 72,720 |
| Changes in assumptions | 232,528 | 20,511 |
| Differences between expected and actual non-investment experience | 90,580 | 73,281 |
| Contributions after the measurement date | 36,699 | - |
| Total | $ 364,481 | $ 195,535 |

**NOTE 7 - OTHER POST EMPLOYMENT BENEFITS (Continued)**

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

The College will recognize the $36,699 reported as deferred outflows of resources resulting from OPEB contributions after the measurement date as a reduction (increase) of the net OPEB liability (asset) in the year ended June 30, 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 June 30, | Amortization |
|---|---|
| 2027 | $ 132,810 |
| 2028 | 56,721 |
| 2029 | (34,863) |
| 2030 | (22,421) |
| | $ (132,247) |

***Payables to the OPEB Plan***

The College did not report any amounts payable for normal contributions to the OPEB plan as of June 30, 2026 and 2025.

## NOTE 8 - RETIREMENT PLANS

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

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

### DEFINED BENEFIT PENSION PLAN

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

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

| | 2026 | 2025 |
|---|---|---|
| Net pension liability | $ 55,451 | $ 80,517 |
| Deferred outflows of resources | 34,230 | 37,888 |
| Deferred inflows of resources | 15,272 | 8,637 |
| Revenues (offset) | (669) | 10,023 |
| Pension expense | 4,030 | 23,756 |
| Contributions made by the College | 16,950 | 16,553 |

#### *Plan Description*

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

**NOTE 8 - RETIREMENT PLANS (Continued)**

***Benefits Provided***

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

***Contributions***

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

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

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

- 15% of gross salary of their State-employed members hired prior to July 1, 1991;
- 7.5% of the gross salary of their STRS covered employees hired for the first time after July 1, 2005 and for those TDCRS members who elected to transfer to STRS effective July 1, 2008;
- a certain percentage of fire insurance premiums paid by State residents; and
- under WV State code section 18-9-A-6a, an amount determined by the State Actuary as being needed to eliminate the STRS unfunded liability within 40 years of June 30, 1994. As of June 30, 2026 and 2025, the College's proportionate share attributable to this special funding subsidy was $(669) and $10,023, respectively.

The College's contributions to STRS for the years ended June 30, 2026 and 2025 were $16,950 and $16,553, respectively.

**NOTE 8 - RETIREMENT PLANS (Continued)**

***Assumptions***

The total pension liabilities for financial reporting purposes were determined by actuarial valuations as of July 1, 2024 and 2023 and rolled forward to June 30, 2025 and 2024, respectively. The following actuarial assumptions were used and applied to the current period measurement:

- Actuarial cost method: Entry age normal cost with level percentage of payroll.
- Asset valuation method: Investments are reported at fair (market) value.
- Amortization method and period: Level dollar, fixed period over 40 years, from July 1, 1994 through fiscal year 2034.
- Investment rate of return of 7.25%, net of investment expense.
- Projected salary increases: Teachers 2.75-5.90% and non-teachers 2.75-6.50%, based on age.
- Inflation rate of 2.75%.
- Discount rate of 7.25%.
- Mortality rates based on Pub-2016 Mortality Tables.
- Withdrawal rates: Teachers 1.90-31.50% and non-teachers 2.50-18.00%.
- Disability rates: 0.000-0.507%.
- Retirement age: An age-related assumption is used for participants not yet receiving payments.
- Retirement rates: 15.00-100.00%.
- *Ad hoc* cost-of-living increases in pensions are periodically granted by the State Legislature. However, the retirement system makes no automatic provision for such increases.

Experience studies are performed at least once in every five-year period. The most recent experience study covered the period from July 1, 2019 to June 30, 2024.

The long-term expected rate of return on pension plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the long-term geometric real rates of return for each major asset class included in STRS' target asset allocation as of June 30, 2025 and 2024, are summarized below.

| | June 30, 2025 | |
|---|---|---|
| Asset Class | Long-term Expected Real Rate of Return | Target Allocation |
| Domestic equity | 5.3% | 22.5% |
| International equity | 6.7% | 22.5% |
| Fixed income | 4.3% | 15.0% |
| Real estate | 7.2% | 12.0% |
| Private equity | 8.0% | 12.0% |
| Private credit | 8.2% | 6.0% |
| Hedge funds | 5.0% | 10.0% |

**NOTE 8 - RETIREMENT PLANS (Continued)**

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

**Discount rate**. The discount rate used to measure the total STRS pension liability was 7.25% for fiscal years 2026 and 2025. The projection of cash flows used to determine the discount rate assumed that State contributions will continue to follow the current funding policy. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on STRS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the net pension liability to changes in the discount rate**. The following presents the College's proportionate share of the STRS net pension liability as of June 30, 2026 and 2025 calculated using the discount rate of 7.25%, as well as what the College's STRS net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

| | 1% Decrease | Current Discount Rate | 1% Increase |
|---|---|---|---|
| 2026 | $ 110,840 | $ 55,451 | $ 8,509 |
| 2025 | $ 135,068 | $ 80,517 | $ 34,305 |

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

The June 30, 2026 STRS net pension liability was measured as of June 30, 2025, and the total pension liability was determined by an actuarial valuation as of July 1, 2024, rolled forward to the measurement date of June 30, 2025. The June 30, 2025 STRS net pension liability was measured as of June 30, 2024, and the total pension liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to the measurement date of June 30, 2024.

At June 30, 2026, the College's proportionate share of the STRS net pension liability was $144,511. Of this amount, the College recognized $55,451 as its proportionate share on the statement of net position. The remainder of $89,060 denotes the College's proportionate share of net pension liability attributable to the special funding.

**NOTE 8 - RETIREMENT PLANS (Continued)**

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

The allocation percentage assigned to each participating employer and non-employer contributing entity is based on its proportionate share of employer and non-employer contributions to STRS for each of the fiscal years ended June 30, 2025 and 2024. Employer contributions are recognized when due. At the June 30, 2025 measurement date, the College's proportion was 0.004267%, no change from its proportion of 0.004267% calculated as of June 30, 2024. At the June 30, 2024 measurement date, the College's proportion was 0.004267%, an increase of 0.000346% from its proportion of 0.003921% calculated as of June 30,2023

For the year ended June 30, 2026, the College recognized STRS pension expense of $4,030. Of this amount, $4,699 was recognized as the College's proportionate share of the STRS expense and $(669) as the amount of pension expense attributable to special funding from a non-employer contributing entity. The College also recognized revenue of $(669) for support provided by the State.

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

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

| | 2026 | |
|---|---|---|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | $ 9,562 | $ - |
| Changes in proportion and differences in pension contributions | 7,602 | 170 |
| Net difference between projected and actual investment earnings | - | 12,035 |
| Changes in assumptions | 116 | 3,067 |
| Contributions after the measurement date | 16,950 | - |
| Total | $ 34,230 | $ 15,272 |

**NOTE 8 - RETIREMENT PLANS (Continued)**

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

The College will recognize the $16,950 reported as deferred outflows of resources resulting from pension contributions after the measurement date as a reduction of the STRS net pension liability in the year ended June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in STRS pension expense as follows.

| Year Ended June 30, | Amortization |
|---|---|
| 2027 | $ 8,303 |
| 2028 | (1,158) |
| 2029 | (2,452) |
| 2030 | (2,685) |
| Total | $ 2,008 |

***Payables to the pension plan***

The College did not report any amounts payable for normal contributions to the STRS as of June 30, 2026 and 2025.

**DEFINED CONTRIBUTION BENEFIT PLANS**

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

**NOTE 8 - RETIREMENT PLANS (Continued)**

Total contributions to the TIAA-CREF for the years ended June 30, 2026 and 2025 were approximately $1,225,726 and $1,149,320 respectively, which consisted of approximately $612,863 and $574,660, respectively, from BridgeValley and approximately $612,863 and $574,660, respectively, from covered employees.

BridgeValley's total payroll for the years ended June 30, 2026 and 2025 was approximately $10.3 million and $9.7 million, respectively, and total covered employees' salaries in the TIAA-CREF were approximately $10.2 million and $9.6 million for the years ended June 30, 2026 and 2025, respectively.

**NOTE 9 - AFFILIATED ORGANIZATIONS AND OTHER STATE AGENCIES**

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

| | 2026 | 2025 |
|---|---|---|
| Due from: | | |
| Division of Highways | $ 35,565 | $ 35,109 |
| Department of Health & Human Resources | - | 5,396 |
| Department of Vocational Rehab | 4,232 | 4,111 |
| Mountwest CTC | 3,440 | 4,673 |
| National Guard | 6,280 | 1,265 |
| Department of Administration | 7,026 | - |
| WVU Parkersburg | 56,395 | 55,641 |
| Southern WVCTC | 7,299 | 11,843 |
| | $ 120,237 | $ 118,038 |
| Due to: | | |
| Department of Administration | $ 6,224 | $ 5,637 |
| Charter School Board | 914 | 488 |
| WVU | - | 32,292 |
| Attorney General | 711 | 39 |
| State Treasurer's Office | 412 | 159 |
| | $ 8,261 | $ 38,615 |

## NOTE 10 - BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE FOUNDATION, INCORPORATED

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

## NOTE 11 - CONTINGENCIES

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

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

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

## NOTE 12 - COMPONENT UNIT DISCLOSURES

The following are the significant notes for the financial statements of the Foundation.

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

**Investments** Investments in equity securities with readily determinable fair values and all debt securities are recorded at fair value based upon quoted market prices. Investments donated to the Foundation are initially recorded at fair value on the date of the gift.

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

**NOTE 12 - COMPONENT UNIT DISCLOSURES (Continued)**

**Revenue Recognition** The Foundation records special events revenue equal to the cost of direct benefits to donors, and contribution revenue for the difference. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to giveare not recognized until the conditions on which they depend have been substantially met.

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

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

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

**Related Party Transactions** During the years ended June 30, 2026 and 2025, the Foundation made transfers of funds to the College. Those transfers related to the scholarships, academic programs and community outreach programs and totaled $46,302 and $75,577, respectively. The amounts payable to the College at June 30, 2026 and 2025 were $5,000 and $5,000, respectively.

**Investments** A summary of investments held by the foundation is as follows as of June 30, 2026 and 2025:

| 2026 | Fair Value | Cost | Net Unrealized (Gain)/loss |
|---|---|---|---|
| Money Market Funds | $ 98,071 | $ 98,071 | $ - |
| Mutual Funds-Equity Funds | 455,845 | 379,200 | 76,645 |
| Common Stock | 1,699,612 | 1,354,726 | 344,886 |
| Corporate Bonds | 798,513 | 796,077 | 2,436 |
| U.S. Government Obligations | 274,246 | 272,925 | 1,321 |
| | $ 3,326,287 | $ 2,900,999 | $ 425,288 |

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

**NOTE 12 - COMPONENT UNIT DISCLOSURES (Continued)**

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

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that management can access at the measurement date.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
Level 3 - Unobservable inputs for the assets or liability. In these situations, inputs are developed using the best information available in the circumstances.

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

The following table presents assets and liabilities measured at fair value on a recurring basis, except those measured at cost as identified in the following at June 30, 2026:

| | Total | Quoted prices in active markets for Identical assets (Level 1) | Significant other observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|---|---|---|---|---|
| Money Market Funds | $ 98,071 | $ 98,071 | $ - | $ - |
| Mutual/Equity Funds | 455,845 | 455,845 | - | - |
| Common Stock | 1,699,612 | 1,699,612 | - | - |
| Corporate Bonds | 798,513 | - | 798,513 | - |
| U.S. Government Obligations | 274,246 | - | 274,246 | - |
| | $ 3,326,287 | $ 2,253,528 | $ 1,072,759 | $ - |

**NOTE 12 - COMPONENT UNIT DISCLOSURES (Continued)**

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

| | Total | Quoted prices in active markets for Identical assets (Level 1) | Significant other observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|---|---|---|---|---|
| Money Market Funds | $ 107,673 | $ 107,673 | $ - | $ - |
| Mutual/Equity Funds | 219,712 | 219,712 | - | - |
| Common Stock | 1,405,582 | 1,405,582 | - | - |
| Corporate Bonds | 707,530 | - | 707,530 | - |
| U.S. Government Obligations | 451,448 | - | 451,448 | - |
| | $ 2,891,945 | $ 1,732,967 | $ 1,158,978 | $ - |

**Restricted Net Position** Restricted net position is available for the following purposes at June 30, 2026 and 2025

| | 2026 | 2025 |
|---|---|---|
| Capital projects | $ 966,759 | $ 967,290 |
| Scholarships & grants | 925,457 | 666,343 |
| Endowments | 283,100 | 187,654 |
| Special events or purposes | 134,874 | 86,997 |
| Institutional support | 199,251 | 176,966 |
| Other | 784,323 | 784,323 |
| Total | $ 3,293,764 | $ 2,869,573 |

## NOTE 13 - FUNCTIONAL CLASSIFICATION OF EXPENSES

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

**2026**

| | Salaries and Wages | Benefits | Scholarships and Fellowships | Utilities | Supplies and Other Services | Depreciation | Assessments by the Commission | Total |
|---|---|---|---|---|---|---|---|---|
| Instruction | $ 6,935,118 | $ 1,560,168 | $ - | $ - | $ 4,350,078 | $ - | $ - | $ 12,845,364 |
| Public service | 377,445 | 92,909 | - | - | 122,393 | - | - | 592,747 |
| Academic support | 631,177 | 169,754 | - | - | 569,913 | - | - | 1,370,844 |
| Student services | 1,040,138 | 264,187 | - | - | 191,442 | - | - | 1,495,767 |
| Operation and maintenance of plant | 381,084 | 118,466 | - | 270,152 | 586,326 | - | - | 1,356,028 |
| General institutional support | 2,174,917 | 703,839 | - | 33,394 | 1,268,197 | - | - | 4,180,347 |
| Student financial aid | 60,794 | 7 | 3,357,448 | - | - | - | - | 3,418,249 |
| Depreciation | - | - | - | - | - | 2,614,728 | - | 2,614,728 |
| Fees assessed by the Commission | - | - | - | - | - | - | 102,669 | 102,669 |
| Total expenses | $ 11,600,673 | $ 2,909,330 | $ 3,357,448 | $ 303,546 | $ 7,088,349 | $ 2,614,728 | $ 102,669 | $ 27,976,743 |

**2025**

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

# REQUIRED SUPPLEMENTARY INFORMATION

**BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE**
**REQUIRED SUPPLEMENTARY INFORMATION**
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**
**JUNE 30, 2026**

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

| | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| BridgeValley's proportion of the net pension liability (percentage) | 0.004267% | 0.004267% | 0.003921% | 0.003559% | 0.003590% | 0.003537% | 0.003381% | 0.003160% | 0.005536% | 0.015699% |
| BridgeValley's proportionate share of the net pension liability | $ 55,451 | $ 80,517 | $ 89,768 | $ 91,540 | $ 56,104 | $ 113,925 | $ 100,591 | $ 98,663 | $ 191,267 | $ 645,185 |
| State's proportionate share of the net pension liability | 89,060 | 133,144 | 183,336 | 203,937 | 125,434 | 247,516 | 71,128 | 71,188 | 422,977 | 1,228,906 |
| Total proportionate share of the net pension liability | $ 144,511 | $ 213,661 | $ 273,104 | $ 295,477 | $ 181,538 | $ 361,441 | $ 171,719 | $ 169,851 | $ 614,244 | $ 1,874,091 |
| BridgeValley's covered payroll | $ 110,335 | $ 107,873 | $ 107,527 | $ 99,940 | $ 99,880 | $ 99,705 | $ 97,634 | $ 95,540 | $ 152,785 | $ 405,739 |
| BridgeValley's proportionate share of the net pension liability as a percentage of its covered payroll | 50.26% | 74.64% | 83.48% | 91.59% | 56.17% | 114.26% | 103.03% | 103.27% | 125.19% | 159.01% |
| Plan fiduciary net position as a percentage of the total pension liability | 89.27% | 84.24% | 80.42% | 77.78% | 86.38% | 70.89% | 72.64% | 71.20% | 67.85% | 61.42% |

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

**BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE**
**REQUIRED SUPPLEMENTARY INFORMATION**
**SCHEDULE OF PENSION CONTRIBUTIONS**
**JUNE 30, 2026**

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

| | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| Contractually required contribution | $ 16,950 | $ 16,553 | $ 16,181 | $ 16,129 | $ 14,991 | $ 14,982 | $ 14,956 | $ 14,645 | $ 14,331 | $ 22,918 |
| Contributions in relation to the contractually required contribution | (16,950) | (16,553) | (16,181) | (16,129) | (14,991) | (14,982) | (14,956) | (14,645) | (14,331) | (22,918) |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Government's covered payroll | $ 112,998 | $ 110,335 | $ 107,873 | $ 107,527 | $ 99,940 | $ 99,880 | $ 99,705 | $ 97,634 | $ 95,540 | $ 152,785 |
| Contributions as a percentage of covered payroll | 15.00% | 15.00% | 15.00% | 15.00% | 15.00% | 15.00% | 15.00% | 15.00% | 15.00% | 15.00% |

**BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE**
**REQUIRED SUPPLEMENTARY INFORMATION**
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)**
**JUNE 30, 2026**

Last 10 Fiscal Years*

| | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| BridgeValley's proportion of the net OPEB liability (asset) (percentage) | 0.105537354% | 0.069253455% | 0.128294797% | 0.145417455% | 0.169719996% | 0.163707891% | 0.166058333% | 0.168886231% | 0.152321576% | |
| BridgeValley's proportionate share of the net OPEB liability (asset) | $ 99,526 | $ (28,834) | $ (203,025) | $ 161,848 | $ (50,466) | $ 723,084 | $ 2,755,127 | $ 3,623,346 | $ 3,745,571 | |
| State's proportionate share of the net OPEB liability (asset) | 78,955 | (90,566) | (86,658) | 55,443 | (9,937) | 159,885 | 563,822 | 748,849 | 769,344 | |
| Total proportionate share of the net OPEB liability (asset) | $ 178,481 | $ (119,400) | $ (289,683) | $ 217,291 | $ (60,403) | $ 882,969 | $ 3,318,949 | $ 4,372,195 | $ 4,514,915 | |
| BridgeValley's covered-employee payroll | $ 7,547,609 | $ 7,497,247 | $ 7,402,737 | $ 7,512,857 | $ 7,859,176 | $ 7,364,781 | $ 7,415,424 | $ 7,239,356 | $ 7,233,271 | |
| BridgeValley's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll | 1.32% | -0.38% | -2.74% | 2.15% | -0.64% | 9.82% | 37.15% | 50.05% | 51.78% | |
| Plan fiduciary net position as a percentage of the total OPEB liability | 95.76% | 102.19% | 109.66% | 93.59% | 101.81% | 73.49% | 39.69% | 30.98% | 25.10% | |

* - The amounts presented for each fiscal year were determined as of June 30th of the previous year (measurement date).
This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, BridgeValley should present information for those years for which information is available

**BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE**
**REQUIRED SUPPLEMENTARY INFORMATION**
**SCHEDULE OF OPEB CONTRIBUTIONS**
**JUNE 30, 2026**

Last 10 Fiscal Years

| | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| Statutorily required contribution | $ 36,699 | $ 71,554 | $ 25,218 | $ 129,352 | $ 172,215 | $ 307,110 | $ 316,711 | $ 342,206 | $ 348,283 | |
| Contributions in relation to the statutorily required contribution | (36,699) | (71,554) | (25,218) | (129,352) | (172,215) | (307,110) | (316,711) | (342,206) | (348,283) | |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | |
| BridgeValley's covered-employee payroll | $ 8,021,435 | $ 7,547,609 | $ 7,497,247 | $ 7,402,737 | $ 7,512,857 | $ 7,859,176 | $ 7,364,781 | $ 7,415,524 | $ 7,239,356 | |
| Contributions as a percentage of covered-employee payroll | 0.46% | 0.95% | 0.34% | 1.75% | 2.29% | 3.91% | 4.30% | 4.61% | 4.81% | |

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

**BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE**
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION**
**YEARS ENDED JUNE 30, 2026 AND 2025**

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

| | Inflation | Salary Increases | Investment Rate of Return | Mortality | Discount Rate |
|---|---|---|---|---|---|
| **2025** | 2.75% | For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 2.75 to 5.90%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 2.75 to 6.50%. | 7.25%, net of pension plan investment expense, including inflation. | Active: Pub-2016, General Employees table, headcount weighted, projected generationally with scale MP-2021. Retired: Healthy males – 103% of Pub-2016 General Retiree Male table, headcount weighted, projected generationally with scale MP-2021; Retired healthy females – 108% of Pub-2016 General Retiree Female table, headcount weighted, projected generationally with scale MP-2021; Disabled males – 118% of Pub-2016 General/Teacher Disabled Male table, headcount weighted, projected generationally with scale MP-2021; Disabled females – 121% of Pub-2016 General/Teacher Disabled Female table, headcount weighted, projected generationally with scale MP-2021; Beneficiary males-105% of Pub-2016 Contingent Survivor Male table, headcount weighted, projected generationally with Scale MP-2021; Beneficiary females-117% of Pub-2016 Contingent Survivor Female table, headcount weighted, projected generationally with Scale MP-2021. | 7.25% |
| **2024** | 2.75% | For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 2.75 to 5.90%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 2.75 to 6.50%. | 7.25%, net of pension plan investment expense, including inflation. | Active: Pub-2010, General Employees table, headcount weighted, projected generationally with scale MP-2019. Retired: Healthy males – 100% of Pub-2010 General Retiree Male table, headcount weighted, projected generationally with scale MP-2019; Retired healthy females – 112% of Pub-2010 General Retiree Female table, headcount weighted, projected generationally with scale MP-2019; Disabled males – 107% of Pub-2010 General/Teacher Disabled Male table, headcount weighted, projected generationally with scale MP-2019; Disabled females – 113% of Pub-2010 General/Teacher Disabled Female table, headcount weighted, projected generationally with scale MP-2019; Beneficiary males-101% of Pub-2010 Contingent Survivor Male table, headcount weighted, projected generationally with Scale MP-2019; Beneficiary females-113% of Pub-2010 Contingent Survivor Female table, headcount weighted, projected generationally with Scale MP-2019. | 7.25% |

**BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE**
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION**
**YEARS ENDED JUNE 30, 2026 AND 2025**

| | Inflation | Salary Increases | Investment Rate of Return | Mortality | Discount Rate |
|---|---|---|---|---|---|
| **2023** | 2.75% | For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 2.75 to 5.90%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 2.75 to 6.50%. | 7.25%, net of pension plan investment expense, including inflation. | Active: Pub-2010, General Employees table, headcount weighted, projected generationally with scale MP-2019. Retired: Healthy males – 100% of Pub-2010 General Retiree Male table, headcount weighted, projected generationally with scale MP-2019; Retired healthy females – 112% of Pub-2010 General Retiree Female table, headcount weighted, projected generationally with scale MP-2019; Disabled males – 107% of Pub-2010 General/Teacher Disabled Male table, headcount weighted, projected generationally with scale MP-2019; Disabled females – 113% of Pub-2010 General/Teacher Disabled Female table, headcount weighted, projected generationally with scale MP-2019; Beneficiary males-101% of Pub-2010 Contingent Survivor Male table, headcount weighted, projected generationally with Scale MP-2019; Beneficiary females-113% of Pub-2010 Contingent Survivor Female table, headcount weighted, projected generationally with Scale MP-2019. | 7.25% |
| **2022** | 2.75% | For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 2.75 to 5.90%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 2.75 to 6.50%. | 7.25%, net of pension plan investment expense, including inflation. | Active: Pub-2010, General Employees table, headcount weighted, projected generationally with scale MP-2019. Retired: Healthy males – 100% of Pub-2010 General Retiree Male table, headcount weighted, projected generationally with scale MP-2019; Retired healthy females – 112% of Pub-2010 General Retiree Female table, headcount weighted, projected generationally with scale MP-2019; Disabled males – 107% of Pub-2010 General/Teacher Disabled Male table, headcount weighted, projected generationally with scale MP-2019; Disabled females – 113% of Pub-2010 General/Teacher Disabled Female table, headcount weighted, projected generationally with scale MP-2019; Beneficiary males-101% of Pub-2010 Contingent Survivor Male table, headcount weighted, projected generationally with Scale MP-2019; Beneficiary females-113% of Pub-2010 Contingent Survivor Female table, headcount weighted, projected generationally with Scale MP-2019. | 7.25% |

**BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE**
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION**
**YEARS ENDED JUNE 30, 2026 AND 2025**

| | Inflation | Salary Increases | Investment Rate of Return | Mortality | Discount Rate |
|---|---|---|---|---|---|
| **2021** | 2.75% | For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 2.75 to 5.90%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 2.75 to 6.50%. | 7.25%, net of pension plan investment expense, including inflation. | Active: Pub-2010, General Employees table, headcount weighted, projected generationally with scale MP-2019. Retired: Healthy males – 100% of Pub-2010 General Retiree Male table, headcount weighted, projected generationally with scale MP-2019; Retired healthy females – 112% of Pub-2010 General Retiree Female table, headcount weighted, projected generationally with scale MP-2019; Disabled males – 107% of Pub-2010 General/Teacher Disabled Male table, headcount weighted, projected generationally with scale MP-2019; Disabled females – 113% of Pub-2010 General/Teacher Disabled Female table, headcount weighted, projected generationally with scale MP-2019. | 7.25% |
| **2020** | 3.0% | For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.16%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.75%. | 7.5%, net of pension plan investment expense, including inflation. | Active: Pub-2010, General Employees table, headcount weighted, projected generationally with scale MP-2019. Retired healthy males – 108% of Pub-2010 General Retiree Male table, headcount weighted, projected generationally with scale MP-2019; Retired healthy females – 112% of Pub-2010 General Retiree Female table, headcount weighted, projected generationally with scale MP-2019; Disabled males – 107% of Pub-2010 General/Teacher Disabled Male table, headcount weighted, projected generationally with scale MP-2019; Disabled females – 113% of Pub-2010 General/Teacher Disabled Female table, headcount weighted, projected generationally with scale MP-2019. | 7.5% |

**BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE**
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION**
**YEARS ENDED JUNE 30, 2026 AND 2025**

| | Inflation | Salary Increases | Investment Rate of Return | Mortality | Discount Rate |
|---|---|---|---|---|---|
| **2019** | 3.0% | For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.00%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.50%. | 7.5%, net of pension plan investment expense, including inflation. | Active: RP2000, non-annuitant table, projected with Scale AA on a fully generational basis. Retired: Healthy males – 97% of RP2000 healthy annuitant table, projected with Scale AA on a fully generational basis; Healthy females – 94% of RP2000 healthy annuitant table, projected with Scale AA on a fully generational basis; Disabled males – 96% of RP2000 disabled annuitant table, projected with Scale AA on a fully generational basis; Disabled females – 101% of RP2000 disabled annuitant table, projected with Scale AA on a fully generational basis. | 7.5% |
| **2018** | 3.0% | For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.00%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.50%. | 7.5%, net of pension plan investment expense, including inflation. | Active: RP2000, non-annuitant table, projected with Scale AA on a fully generational basis. Retired: healthy males – 97% of RP2000 healthy annuitant table, projected with Scale AA on a fully generational basis; healthy females – 94% of RP2000 healthy annuitant table, projected with Scale AA on a fully generational basis; disabled males – 96% of RP2000 disabled annuitant table, projected with Scale AA on a fully generational basis; disabled females – 101% of RP2000 disabled annuitant table, projected with Scale AA on a fully generational basis. | 7.5% |
| **2017** | 3.0% | For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.00%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.50%. | 7.5%, net of pension plan investment expense, including inflation. | Active: RP2000, non-annuitant table, projected with Scale AA on a fully generational basis. Retired: healthy males – 97% of RP2000 healthy annuitant table, projected with Scale AA on a fully generational basis; healthy females – 94% of RP2000 healthy annuitant table, projected with Scale AA on a fully generational basis; disabled males – 96% of RP2000 disabled annuitant table, projected with Scale AA on a fully generational basis; disabled females – 101% of RP2000 disabled annuitant table, projected with Scale AA on a fully generational basis. | 7.5% |

**BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE**
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION**
**YEARS ENDED JUNE 30, 2026 AND 2025**

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

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

**BRIDGEVALLEY COMMUNITY AND TECHNICAL COLLEGE**
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-OPEB**
**YEARS ENDED JUNE 30, 2026 AND 2025**

Actuarial Changes Other Postemployment Benefits Plan

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

| | Inflation Rate | Salary Increases | Wage Inflation Rate | Investment Rate of Return & Discount Rate | Mortality | Retirement Age | Aging Factors | Expenses | Healthcare Cost Trend Rates |
|---|---|---|---|---|---|---|---|---|---|
| **2025** | 2.50% | Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation | 2.75% | 7.40%, net of OPEB plan investment expense, including inflation | Post-Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 100% for males and 108% for females; Pre-Retirement: Pub-2010 General Employee Mortality Tables projected with MP-2021 | Experience-based table of rates that are specific to the type of eligibility condition | 2013 SOA study "Health Care Costs - From Birth to Death" | Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense. | Trend rates for pre-Medicare and Medicare per capita costs of 5.0% medical and 8.0% drug. The trends increase over four years to 7.0% and 9.5%, respectively. The trends then decrease linearly for 5 years until ultimate trend rate of 4.5% is reached in plan year end 2034. |
| **2024** | 2.50% | Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation | 2.75% | 7.40%, net of OPEB plan investment expense, including inflation | Post-Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 100% for males and 108% for females; Pre-Retirement: Pub-2010 General Employee Mortality Tables projected with MP-2021 | Experience-based table of rates that are specific to the type of eligibility condition | 2013 SOA study "Health Care Costs - From Birth to Death" | Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense. | Trend rates for pre-Medicare and Medicare per capita costs of 5.0% medical and 8.0% drug. The trends increase over four years to 7.0% and 9.5%, respectively. The trends then decrease linearly for 5 years until ultimate trend rate of 4.5% is reached in plan year end 2033. |
| **2023** | 2.50% | Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation | 2.75% | 7.40%, net of OPEB plan investment expense, including inflation | Post-Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 100% for males and 108% for females; Pre-Retirement: Pub-2010 General Employee Mortality Tables projected with MP-2021 | Experience-based table of rates that are specific to the type of eligibility condition | 2013 SOA study "Health Care Costs - From Birth to Death" | Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense. | Trend rate for pre-Medicare and Medicare per capita costs of 7.0% medical and 8.0% drug. The trends increase over four year to 9.0% and 9.5%, respectively. The trends then decrease linearly for 5 years until ultimate trend rate of 4.50% is reached in plan year end 2032. |
| **2022** | 2.25% | Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation | 2.75% | 6.65%, net of OPEB plan investment expense, including inflation | Post-Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 100% for males and 108% for females; Pre-Retirement: Pub-2010 General Employee Mortality Tables projected with MP-2021 | Experience-based table of rates that are specific to the type of eligibility condition | 2013 SOA study "Health Care Costs - From Birth to Death" | Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense. | Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2023, decreasing by 0.50% for two years then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year 2032. Trend rate for Medicare per capita costs of 8.83% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. |
| **2021** | 2.25% | Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation | 2.75% | 6.65%, net of OPEB plan investment expense, including inflation | Post-Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 100% for males and 108% for females; Pre-Retirement: Pub-2010 General Employee Mortality Tables projected with MP-2019 | Experience-based table of rates that are specific to the type of eligibility condition | 2013 SOA study "Health Care Costs - From Birth to Death" | Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense. | Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2020, decreasing by 0.50% for one year then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year 2032. Trend rate for Medicare per capita costs of 31.11% for plan year end 2022, 9.15% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036. |
| **2020** | 2.25% | Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation | 2.75% | 6.65%, net of OPEB plan investment expense, including inflation | Post-Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 100% for males and 108% for females; Pre-Retirement: Pub-2010 General Employee Mortality Tables projected with MP-2019 | Experience-based table of rates that are specific to the type of eligibility condition | 2013 SOA study "Health Care Costs - From Birth to Death" | Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense. | Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2022, 6.5% for plan year end 2023, decreasing by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year 2032. Trend rate for Medicare per capita costs of 31.11% for plan year end 2022, 9.15% for plan year end 2023, 8.40% for plan year end 2024, decreasing gradually each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036. |
| **2019** | 2.75% | Dependent upon pension system. Ranging from 3.0% to 6.5%, including inflation | 4.00% | 7.15%, net of OPEB plan investment expense, including inflation | Post-Retirement: RP – 2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis Pre-Retirement: RP– 2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis | Experience-based table of rates that are specific to the type of eligibility condition | 2013 SOA study "Health Care Costs - From Birth to Death" | Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense. | Trend rate for pre-Medicare per capita costs of 8.5% for plan year end 2020, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year 2028. Trend rate for Medicare per capita costs of 3.1% for plan year end 2020. 9.5% for plan year end 2021, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year end 2031. |
| **2018** | 2.75% | Dependent upon pension system. Ranging from 3.0% to 6.5%, including inflation | 4.00% | 7.15%, net of OPEB plan investment expense, including inflation | Post-Retirement: RP – 2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis Pre-Retirement: RP– 2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis | Experience-based table of rates that are specific to the type of eligibility condition. | 2013 SOA study "Health Care Costs - From Birth to Death" | Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense. | Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.0% and 10.0% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend rate of 4.50%. Excess trend rate of 0.13% and 0.00% for pre and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2022 to account for the Excise Tax. |
| **2017** | 2.75% | Dependent upon pension system. Ranging from 3.0% to 6.5%, including inflation | 4.00% | 7.15%, net of OPEB plan investment expense, including inflation | Post-Retirement: RP – 2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis Pre-Retirement: RP– 2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis | Experience-based table of rates that are specific to the type of eligibility condition. | 2013 SOA study "Health Care Costs - From Birth to Death" | Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense. | Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.5% and 9.75% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend rate of 4.50%. Excess trend rate of 0.14% and 0.29% for pre and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2020 to account for the Excise Tax. |

Suttle & Stalnaker Certified Public Accountants
A Professional Limited Liability Company

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of BridgeValley Community and Technical College (the College), as of and for the year ended June 30, 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 which states reliance on other auditors for the discretely presented component unit. Our report includes a reference to other auditors who audited the financial statements of The BridgeValley Community and Technical College Foundation, Inc., as described in our report on the College's financial statements. The financial statements of the BridgeValley Community and Technical College Foundation, Inc. were not audited in accordance with *Government Auditing Standards*, and accordingly this report does not include reporting on internal control over financial reporting or instances of noncompliance associated with the BridgeValley Community and Technical College Foundation, Inc.

**Report on Internal Control Over Financial Reporting**

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

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

The Virginia Center
1411 Virginia Street, East
Suite 100
Charleston, WV 25301
MAIN (304) 343-4126
FAX (304) 343-8008

The Rivers Office Park
200 Star Avenue
Suite 220
Parkersburg, WV 26101
MAIN (304) 485-6584
FAX (304) 485-0971

Suncrest Towne Centre
453 Suncrest Towne Centre Drive
Suite 201
Morgantown, WV 26505
MAIN (304) 554-3371
FAX (304) 554-3410

The Somerville Building
501 5th Avenue
Suite 1
Huntington, WV 25701
MAIN (304) 525-0301
FAX (304) 522-1569

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

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

Suttle & Stalnaker, PLLC

Charleston, West Virginia
September 29, 2026