COLLABORATORS | COACHES | ADVOCATES | MENTORS
FRIENDS | VOLUNTEERS | REGULARS | DINERS | VISITORS
CPAs | CONSULTANTS | WEALTH ADVISORS | *NEIGHBORS*
COLLABORATORS | COACHES | ADVOCATES | MENTORS |
CONNOISSEURS | CUSTOMERS | TEACHERS |
| VOLUNTEERS |

MOUNTWEST COMMUNITY AND TECHNICAL COLLEGE

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2026 AND 2025

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MOUNTWEST COMMUNITY AND TECHNICAL COLLEGE
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INDEPENDENT AUDITORS' REPORT

Governing Board
Mountwest Community and Technical College
Huntington, West Virginia

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mountwest Community and Technical College (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 basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the College, as of June 30, 2026 and 2025, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

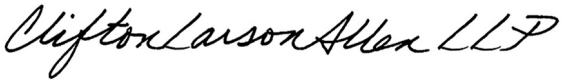
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

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



CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
September 29, 2026

1. Overview of the Financial Statements

The History of the College

Mountwest Community and Technical College (MCTC or the College) is one of West Virginia's nine community and technical colleges. The headcount enrollment is approximately 1,600 plus students. The College offers 49 Associate degrees and over 20 Certificate programs in the areas of Allied Health and Life Sciences, Business and Information Technology, Liberal Arts and Human Services, and Occupational Development.

Marshall Community College was founded in 1975 as a separate college within Marshall University to better serve students by bringing together many of the two-year associate degree programs under one College. Classes began in the fall of 1975 with a wide range of programs. From the outset, Marshall Community College's mission has been to provide two-year associate degrees as well as provide continuing education and community service.

In 1991, Marshall Community College was renamed to Marshall Community and Technical College to better reflect the technical nature of many of the programs offered. On October 30, 2003, the College achieved accreditation as an independent institution by The Higher Learning Commission, a Commission of the North Central Association of Colleges and Schools; this accreditation was continued for five years in December of 2017.

Prior to Fiscal Year 2009, MCTC as a separately accredited institution, was an administratively-linked component to Marshall University; and as such, reflected as a component in the financial statements of Marshall University. However, with the passage of House Bill 3215 during the 2008 session of the West Virginia Legislature, the College became a free-standing and independent institution no longer administratively-linked to Marshall University effective July 1, 2008. Subsequently, on March 13, 2010, legislation (Senate Bill 499) was passed changing the College's name from Marshall Community and Technical College to Mountwest Community and Technical College. Then, during August of 2012, the College relocated from the Marshall University campus to its new campus located atop the hill overlooking the I-64 and US-152 interchange.

In conjunction with the passage of House Bill 3215, a twelve (12) member Board of Governors was established whose governance over the College became effective July 1, 2008. The powers and duties of the Board include, but are not limited to, the power to determine, control, supervise and manage the financial, business, and educational policies and affairs of the College.

Overview of the Financial Statements and Financial Analysis

There are three financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. The Governmental Accounting Standards Board (GASB) issues directives for presentation of college and university financial statements. This report format places emphasis on the overall economic resources of the College.

2. Financial Summary

Statement of Net Position

A statement of net position is a point in time financial statement, a fiscal snapshot that presents the assets, liabilities, and net position of the College as of the end of the fiscal year. This Statement presents end-of-year data concerning assets (current and noncurrent), liabilities (current and noncurrent), and net position (assets minus liabilities). Current assets and liabilities are typically associated with resources or obligations that will be used within the fiscal year whereas noncurrent assets and liabilities are not typically used within the fiscal year. From the data presented, readers of a statement of net position are able to determine the assets available to continue the operations of the College. Additionally, the reader would be able to determine how much the College owes vendors, employees, lenders, and others. Overall, a statement of net position provides a representation of the College's net position (assets minus liabilities) and the availability of its assets for expenditure.

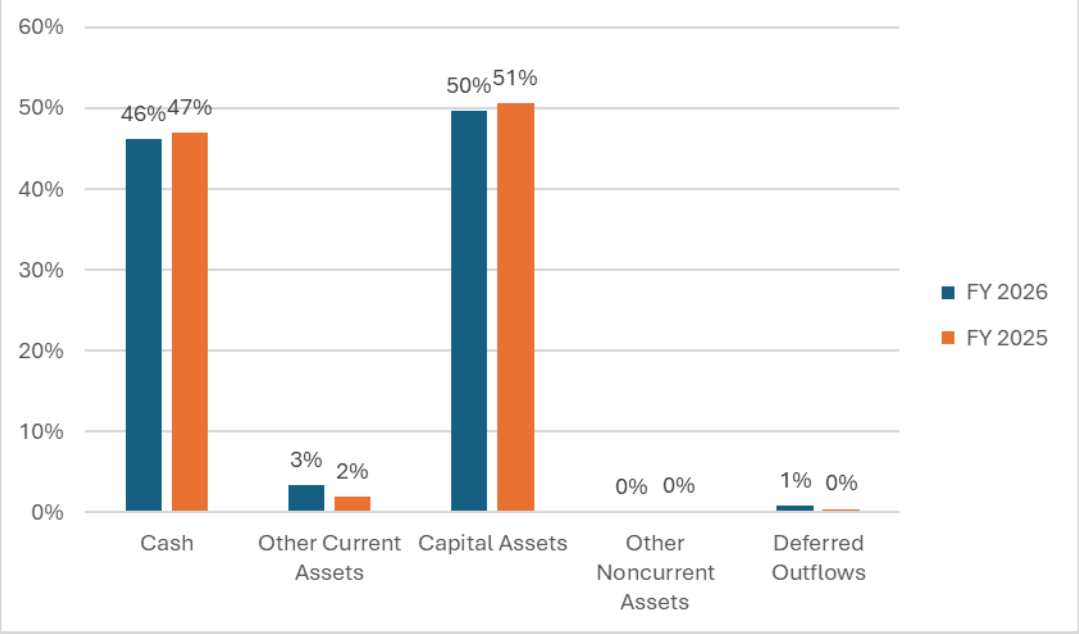
Net position is divided into three major categories. The first category, net investment in capital assets, provides the College's equity in or ownership of property, plant, and equipment. The second category is restricted net position, which is divided into two sub-categories, nonexpendable and expendable - nonexpendable restricted net position includes endowments; and, as such, the corpus of nonexpendable restricted resources is only available for investment purposes. The College does not have any nonexpendable restricted net position at June 30, 2026 or June 30, 2025. Expendable restricted net position is available for expenditure by the College but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of these resources. The third and last category is unrestricted net position. Unrestricted net position is available for general use by the College.

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

	2026	2025	2024
Assets			
Current Assets	$ 20,919	$ 21,028	$ 20,990
Noncurrent Assets	20,977	21,843	20,884
Total Assets	41,896	42,871	41,874
Deferred Outflows of Resources	310	163	66
Total Assets and Deferred Outflows of Resources	$ 42,205	$ 43,034	$ 41,940
Liabilities			
Current Liabilities	$ 6,157	$ 6,311	$ 6,134
Noncurrent Liabilities	243	205	242
Total Liabilities	6,400	6,516	6,376
Deferred Inflows of Resources	167	131	300
Total Liabilities and Deferred Inflows of Resources	6,567	6,647	6,676
Net Position			
Net Investment in Capital Assets	20,578	21,418	20,378
Unrestricted	15,061	14,970	14,886
Total Net Position	35,638	36,387	35,264
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 42,205	$ 43,034	$ 41,940

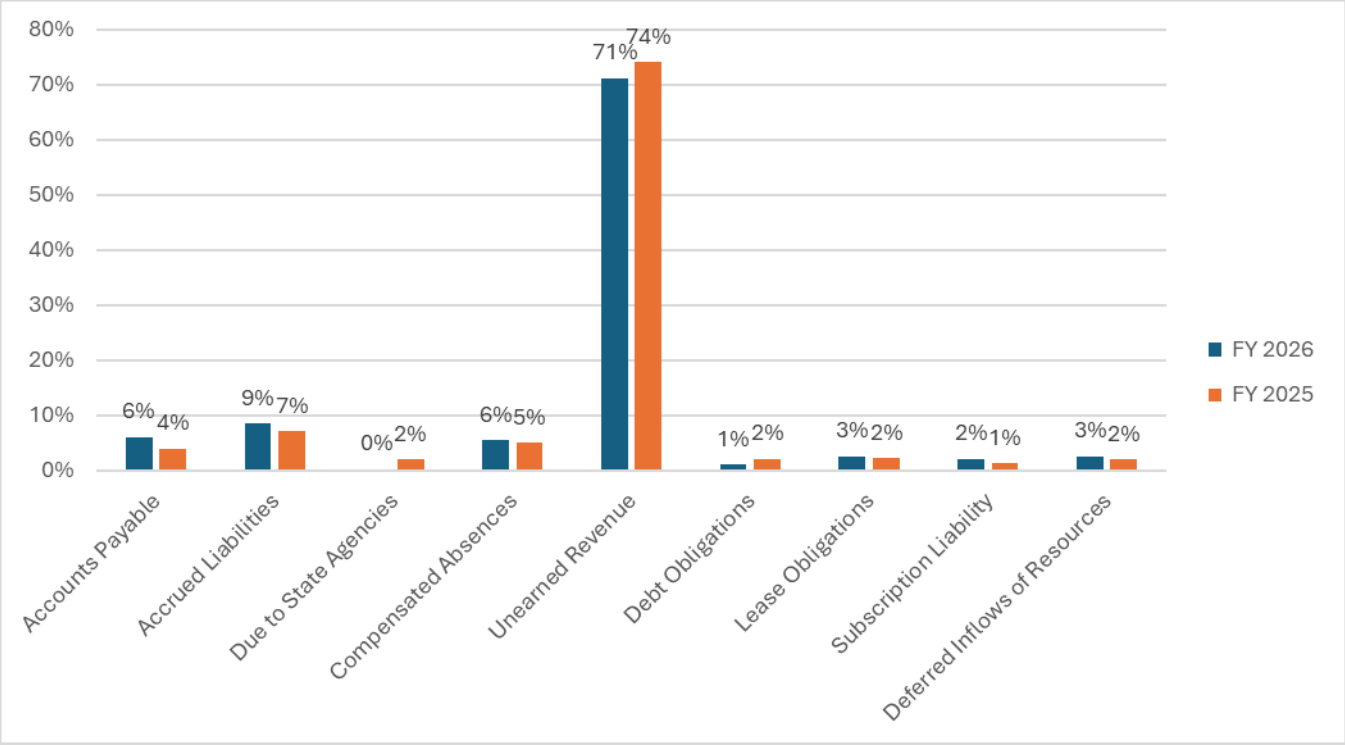
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES
As of June 30, 2026 and 2025

	2026	2025
Cash	$ 19,500,682	$ 20,218,715
Other Current Assets	1,417,893	809,136
Capital, Leased and SBITA Assets	20,954,837	21,796,292
Other Noncurrent Assets	22,156	46,886
Deferred Outflows of Resources	309,586	163,362
Total	$ 42,205,154	$ 43,034,391



TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES
As of June 30, 2026 and 2025

	2026	2025
Accounts Payable	$ 393,173	$ 265,406
Accrued Liabilities	551,782	474,704
Due to State Agencies	17,887	135,012
Compensated Absences	358,731	332,718
Unearned Revenue	4,617,973	4,929,782
Debt Obligations	71,955	140,253
Lease Obligations	168,422	146,258
Subscription Liability	136,668	91,909
Deferred Inflows of Resources	167,091	130,972
Total	$ 6,483,682	$ 6,647,014



Statement of Revenues, Expenses, and Changes in Net Position

Changes in total net position as presented on the statement of net position are based on the activity presented in the statement of revenues, expenses, and changes in net position. The purpose of this statement is to present the revenues received by the College, both operating and nonoperating, and the expenses paid by the College, operating and nonoperating, and any other revenues, expenses, gains, and losses received or spent by the College.

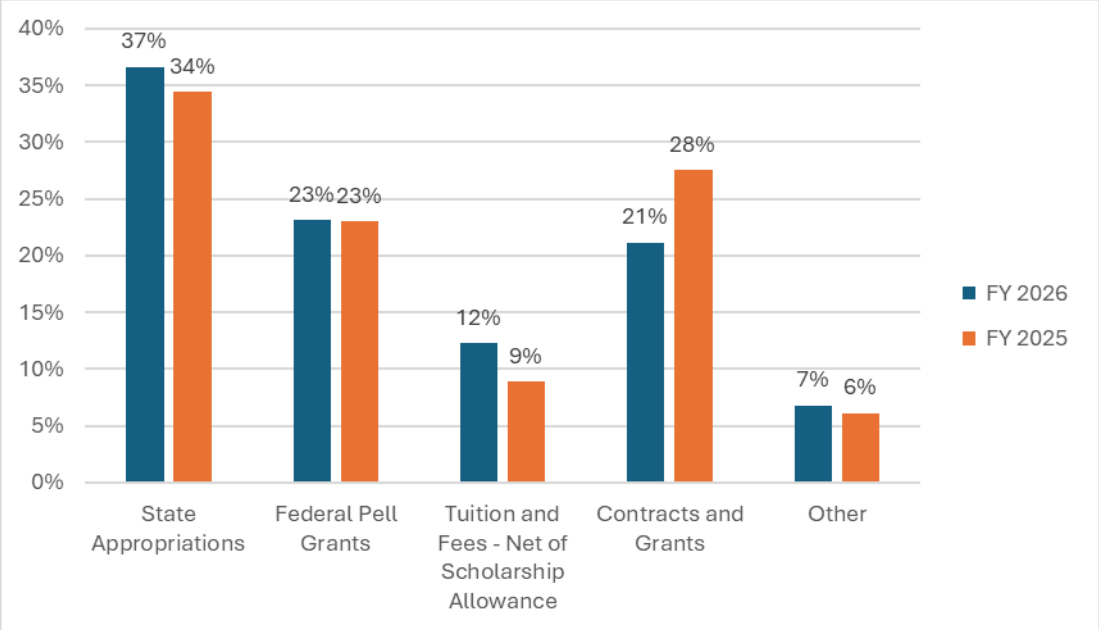
Generally speaking, operating revenues are received, and operating expenses are expended for those items related to providing goods and services to the various customers and constituencies of the College, while carrying out its mission. Revenues received for which goods and services are not provided are reported as nonoperating revenues. For example, state appropriations are reported as nonoperating because they are provided by the Legislature to the College without the Legislature directly receiving commensurate goods and services for those revenues. Likewise, Federal Pell grants are reported as nonoperating because of specific guidance in the AICPA industry audit guide.

Condensed Schedules of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2026, 2025 and 2024
(In Thousands)

	2026	2025	2024
Operating Revenues	$ 11,468	$ 12,771	$ 11,367
Operating Expenses	(20,023)	(19,386)	(17,491)
Operating Loss	(8,555)	(6,615)	(6,124)
Noncapital Subsidies	7,165	7,104	6,833
Operating Income (Loss) and Noncapital Subsidies	(1,389)	489	709
Nonoperating Revenues	658	647	1,245
Nonoperating Expenses	(17)	(13)	(9)
Increase in Net Position	(749)	1,123	1,945
Net Position - Beginning of Year	36,387	35,264	33,319
Net Position - End of Year	$ 35,638	$ 36,387	$ 35,264

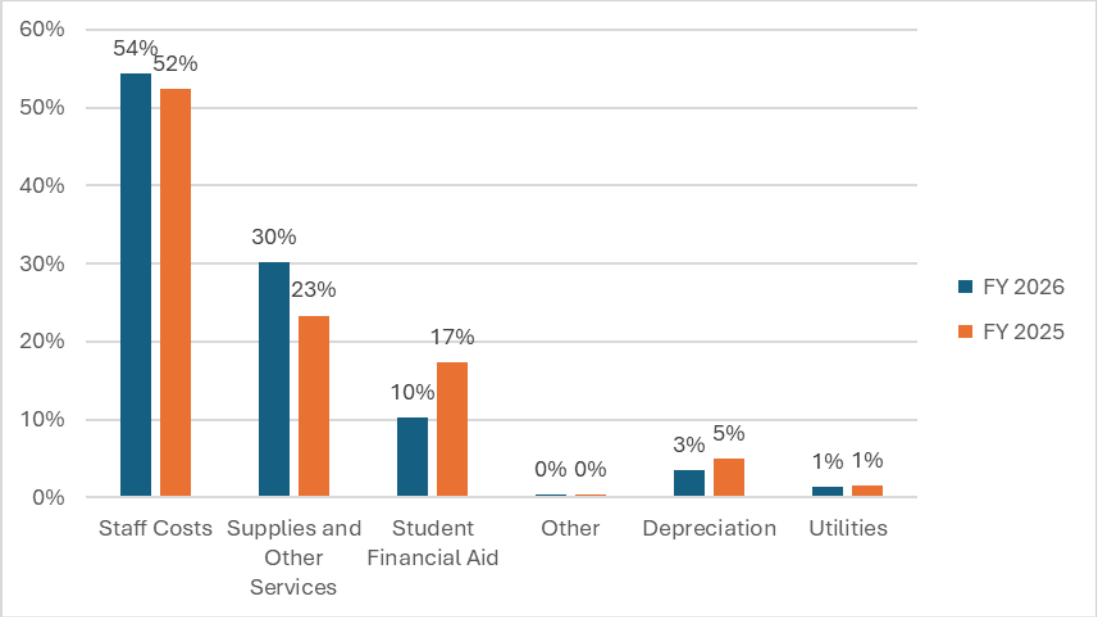
TOTAL REVENUES
Years Ended June 30, 2026 and 2025

	2026	2025
State Appropriations	$ 7,070,248	$ 7,062,120
Federal Pell Grants	4,458,036	4,720,939
Tuition and Fees - Net of Scholarship Allowance	2,364,704	1,830,858
Contracts and Grants	4,081,670	5,649,309
Other	1,316,181	1,258,707
Total	$ 19,290,839	$ 20,521,933



TOTAL EXPENDITURES
Years Ended June 30, 2026 and 2025

	2026	2025
Staff Costs	$ 10,875,607	$ 10,165,474
Supplies and Other Services	6,051,741	4,522,450
Student Financial Aid	2,050,930	3,357,191
Other	81,021	76,296
Depreciation and Amortization	686,916	975,319
Utilities	276,491	289,228
Total	$ 20,022,706	$ 19,385,958



Statement of Cash Flows

The final statement presented by the College is the statement of cash flows. The statement of cash flows presents detailed information about the cash activity of the College during the year. The statement is divided into five sections. The first section deals with operating cash flows; this section shows the net cash used by the operating activities of the College. The second section reflects cash flows from noncapital financing activities; this section reflects the cash received and spent for nonoperating, non-investing, and noncapital financing purposes. The third section deals with cash flows from capital and related financing activities; this section deals with the cash used for the acquisition and construction of capital and related items. The fourth section reflects the cash flows from investing activities; this section shows the purchases, proceeds, and interest received from investing activities. Last, the fifth section reconciles the net cash used to the operating income or loss reflected on the statement of revenues, expenses, and changes in net position.

Condensed Schedules of Cash Flows
(In Thousands)

	2026	2025	2024
Cash Flows Provided (Used) by:			
Operating Activities	$ (13,068)	$ (9,838)	$ (8,446)
Noncapital Financing Activities	11,623	11,825	10,525
Capital and Related Financing Activities	112	(2,149)	(233)
Investing Activities	615	647	772
Net Change in Cash	(718)	484	2,618
Cash - Beginning of Year	20,219	19,735	17,117
Cash - End of Year	$ 19,501	$ 20,219	$ 19,735

3. Detailed Analyses

Major Items of Note in the Statement of Net Position include:

- Total current assets of $20.9 million exceeded total current liabilities of $6.2 million as of June 30, 2026, for net working capital of $14.7 million as compared to net working capital of $14.7 million as of June 30, 2025.

  - The major components of current assets include cash and cash equivalents of $19.5 million and $20.2 million, and net accounts receivable of $1.4 million and $0.8 million as of June 30, 2026 and 2025, respectively. The majority of cash and cash equivalents can be attributed to interest earning assets invested through the office of the West Virginia State Treasurer.

  - The major components of current liabilities include accounts payable of $0.4 million and $0.3 million, unearned revenue of $4.6 million and $4.9 million, accrued liabilities of $0.6 million and $0.5 million, and compensated absences of $0.4 million and $0.3 million as of June 30, 2026 and 2025, respectively.

- Noncurrent assets total $21.0 million and $21.8 million and noncurrent liabilities total $0.2 million and $0.2 million as of June 30, 2026 and 2025, respectively.

  - Major components of noncurrent assets include capital assets, leased assets, and SBITA assets of $21.0 million and $21.8 million as of June 30, 2026 and 2025, respectively. Refer to Note 5 to the Financial Statements for additional information regarding capital assets.

  - Major components of noncurrent liabilities include debt service obligations payable to the Commission of $0.0 million and $0.1 million as of June 30, 2026 and 2025, respectively.

- The net position of the College totaled $35.6 million as of June 30, 2026 as compared to $36.4 million as of June 30, 2025.

  - Net position invested in capital assets total $21.4 million and $21.4 million as of June 30, 2026 and 2025, respectively.

  - Unrestricted net position totaled $14.2 million and $15.0 million as of June 30, 2026 and 2025, respectively; this represents the net position available to the College. Refer to Note 12 to the Financial Statements for additional information regarding the impact of other post-employment benefits (OPEB) liability on the unrestricted net position balance.

Major Items of Note in the Statement of Revenues, Expenses, and Changes in Net Position include:

- Operating Revenues of the College totaled $11.5 million for FY 2026 compared to $12.8 million for FY 2025.

  - Net student tuition and fees revenues totaled $2.4 million in FY 2026 compared to $1.8 million in FY 2025. Tuition is reported net of scholarship allowance, which totaled $4.9 million and $5.0 million in FY 2026 and 2025, respectively. Gross student tuition and fees totaled $7.3 million in FY 2026 compared to $6.8 million in FY 2024.

- Federal grants and contracts totaled $0.7 million in FY 2026 compared to $1.0 million in FY 2025.
- State grants and contracts totaled $3.4 million in FY 2026 compared to $4.7 million in FY 2025. Such fluctuations represent normal grant activity.
- Other operating revenues totaled $0.2 million in FY 2026 and $0.3 million in FY 2025.

- Operating expenses totaled $20.0 million in FY 2026 compared to $19.4 million in FY 2025, an increase of $0.6 million.
  - Personnel costs including salaries and benefits totaled $10.9 million in FY 2026 and $10.2 million in FY 2025, an increase of $0.7 million.
  - Supplies and other services totaled $6.1 million in FY 2026 compared to $4.5 million in FY 2025, an increase of $1.6 million.
  - Student Financial Aid totaled $2.1 million in FY 2026 compared to $3.4 million in FY 2025, a decrease of $1.3 million.

- The result from operations was a net operating loss of $8.6 million and $6.6 million for the years ended June 30, 2026 and 2025, respectively. However, this does not include State appropriations, which are recorded as noncapital subsidies. State appropriations for FY 2026 and FY 2025 were $7.1 million and $7.1 million, respectively.

- Other net nonoperating revenues totaled $0.6 million and $0.6 million for the years ended June 30, 2026 and 2025, respectively.

- Payments made on behalf of the College were $0.1 million in FY 2026 and $0.0 million in FY 2025. Payments on behalf of the College were related to the special funding situation for OPEB.

- The activities for FY 2026 resulted in a decrease in net position of $0.7 million compared to an increase of $1.1 million in FY 2025.

Major Items of Note in the Statement of Cash Flows include:

- Cash provided from operating activities was exceeded by cash expended for operating activities for a net of $13.1 million and $9.8 million for the years ended June 30, 2026 and 2025, primarily due to the guidance by GAAP that State appropriations are to be recorded as noncapital financing activities. Primary sources of cash from operating activities during FY 2026 and 2025 were cash collections for net student tuition and fees of $1.4 million and $2.8 million and contracts and grants of $4.1 million and $5.6 million for FY 2026 and 2025, respectively. Primary use of cash for FY 2026 and 2025, respectively, included payments to and on behalf of employees of $10.9 million and $10.3 million, payments to suppliers of $5.9 million and $4.8 million, and payments for scholarships and fellowships of $2.1 million and $3.4 million.

- Net cash provided from noncapital financing activities for FY 2026 and FY 2025, respectively, totaled $11.6 million and $11.8 million; whereas, for FY 2026 and FY 2025, respectively, $4.5 million and $4.7 million were from revenues collected from Federal Pell grants.

- Net cash used in capital financing activities totaled $0.1 million and $2.1 million for FY 2026 and FY 2025, respectively; primarily resulting from payments on principal and interest on debt and purchases of capital assets.

- Net cash of the College at June 30, 2026 was $19.5 million compared to $20.2 million at June 30, 2025, which represents a decrease of $0.7 million.

4. Significant Capital Assets and Long-Term Financing Activity

On May 20, 2010, the College purchased 28 acres of land and a 115,000 square foot facility which was purchased for $7.7 million as part of the $13.5 million bond proceeds awarded from the $78.3 million Higher Education Policy Commission on behalf of the West Virginia Council for Community and Technical College bond issue. During FY 2011 and FY 2012, the property was renovated, and has become a state-of-the-art campus for the College. The College occupied the new campus in August of 2012.

Several Capital Asset and Deferred Maintenance initiatives are currently in development. The FY2026 budget includes funding for Learning Commons Phase 2, and planning is underway for potential elevator replacement. Projects in development utilizing funds appropriated by the State of West Virginia in FY2024 for Deferred Maintenance include:

- HVAC Upgrades for Culinary Arts & Headquarter Building
- Boiler Replacement for Headquarter Building
- Interior Lighting Replacements (LED) for Headquarter Building
- Flooring Replacement for Headquarter Building
- Duplex Sewage Ejector Replacement for Headquarter Building

5. Currently Known Facts, Decisions, or Conditions

The College continues to operate within a challenging demographic environment characterized by a declining and aging population in West Virginia and a corresponding reduction in the traditional college-age population. The State of West Virginia has experienced a gradual population decrease of approximately 4.3% over the past 15 years. West Virginia also has one of the nation's oldest populations, so the college matriculation rate has also experienced a decline over the last several years and hovers between 48.2% - 51.6% in 2024. These demographic trends may affect future enrollment and tuition and fee revenues. In response, the College continues to focus on enrollment growth through targeted recruitment, retention initiatives, workforce development, customized training, and academic programs aligned with regional and statewide workforce needs.

The College's FY2027 budget was developed with consideration of anticipated state appropriations, tuition and fee revenues, enrollment levels, grant and contract activity, and other operating revenues. Given the College's reliance on state appropriations as a significant source of funding, changes in state revenues and legislative funding decisions may affect the resources available to support College operations. The FY2027 budget also reflects the College's continued efforts to diversify revenue through enrollment growth, grant-funded activities, workforce development, customized training, and other external funding opportunities. Personnel costs increased approximately $0.7 million in FY2026 compared to FY2025. The increase was primarily attributable to changes in salaries and related benefits.

For FY2027, the College's budget incorporates anticipated personnel costs, including approved salary adjustments and benefit-related expenditures, while continuing to evaluate staffing levels in relation to enrollment, program demand, and operational needs. Additionally, new grant funding will be increasing staffing throughout FY2027.

The College continues to maintain a strong liquidity position and will monitor available resources, operating results, and cash flows throughout FY2027. Management will continue to evaluate the appropriate use of unrestricted resources while maintaining sufficient liquidity to support ongoing operations, address unexpected needs, and fund strategic capital and other institutional priorities.

The College continues to evaluate capital asset and deferred maintenance needs as part of its long-term facilities planning. Projects currently planned or under development include Learning Commons Phase 2, flooring upgrades, potential elevator replacement, and various deferred maintenance projects. The College will prioritize projects based upon health and safety, operational necessity, available funding, and the impact on the College's long-term facilities needs. Capital projects are expected to be funded through a combination of available College resources and state appropriations designated for capital and deferred maintenance purposes, as applicable.

The College will continue to meet scheduled obligations related to existing debt, leases, and subscription-based information technology arrangements. Management will monitor existing and future lease and subscription arrangements to ensure that commitments remain consistent with available resources and institutional needs.

Finally, the College will continue to monitor changes in federal and state legislation, regulations, higher education policies, and funding requirements that may affect its operations, revenues, expenditures, or long-term financial position. Management will evaluate the potential financial impact of such changes and incorporate known impacts into future budgets and planning decisions.

Despite these challenges, looking forward, Mountwest Community & Technical College is well positioned for success. College leadership is engaged in solution-focused dialogue to meet future economic challenges, and through strategic planning, the College anticipates targeted growth in various program areas. With strong leadership, responsible fiscal management, and a commitment to making data driven decisions, Mountwest is focused on efficient facility utilization, carefully deliberating personnel needs, and strengthening student recruitment. Additionally, the development of innovative, high demand academic programs, and enhanced industry partnerships and customized training through Workforce Development strengthen Mountwest's ability to integrate economically, socially and educationally with both the local community and the broader statewide workforce needs of West Virginia. These characteristics position Mountwest Community & Technical College for a bright future in FY2027 and beyond.

Contacting the College's Financial Management

This financial report is designed to provide a general overview of College's finances. Questions concerning any of the information provided in this report should be addressed to the Chief Financial Officer, 1 Mountwest Way, Huntington, West Virginia, 25701, or call (304) 710-3271.

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

	2026	2025
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 19,500,682	$ 20,218,715
Due from the Council/Commission	233,742	109,372
Prepaid Expenses	6,523	16,219
Lease Receivable - Current Portion	8,819	8,832
Accounts Receivable, Net	1,168,809	674,713
Total Current Assets	20,918,575	21,027,851
Noncurrent Assets:		
Other Receivables - Noncurrent	22,156	22,156
Capital Assets:		
Capital Assets, not Being Depreciated	2,528,461	2,406,003
Capital Assets, net of Depreciation and Amortization	18,119,243	19,143,770
Leased Assets, Net	155,104	137,728
SBITA Assets, Net	152,029	108,791
Other Postemployment Benefits Asset	-	24,730
Total Noncurrent Assets	20,976,993	21,843,178
Total Assets	41,895,568	42,871,029
DEFERRED OUTFLOWS OF RESOURCES		
Related to Other Postemployment Benefits	309,586	163,362
Total Assets and Deferred Outflows of Resources	$ 42,205,154	$ 43,034,391

See accompanying Notes to Financial Statements.

MOUNTWEST COMMUNITY AND TECHNICAL COLLEGE
STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2026 AND 2025

	2026	2025
LIABILITIES		
Current Liabilities:		
Accounts Payable	$ 393,173	$ 265,406
Due to State Agencies	17,887	135,012
Accrued Liabilities	551,782	474,704
Compensated Absences	358,731	332,718
Debt Obligation Due to Commission - Current Portion	71,955	68,298
Lease Obligation - Current Portion	68,045	68,958
Subscription Liability - Current Portion	77,549	36,515
Unearned Revenue	4,617,973	4,929,782
Total Current Liabilities	6,157,095	6,311,393
Noncurrent Liabilities:		
Other Postemployment Benefits Liability	83,180	-
Lease Obligation - Noncurrent	100,377	77,300
Subscription Liability - Noncurrent	59,119	55,394
Debt Obligation Due to Commission - Noncurrent	-	71,955
Total Noncurrent Liabilities	242,676	204,649
Total Liabilities	6,399,771	6,516,042
DEFERRED INFLOWS OF RESOURCES		
Related to Leases	8,718	8,464
Related to Other Postemployment Benefits	158,373	122,508
Total Deferred Inflows of Resources	167,091	130,972
Total Liabilities and Deferred Inflows of Resources	6,566,862	6,647,014
NET POSITION		
Net Investment in Capital Assets	20,577,792	21,417,872
Unrestricted	15,060,500	14,969,505
Total Net Position	35,638,292	36,387,377
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 42,205,154	$ 43,034,391

See accompanying Notes to Financial Statements.

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

	2026	2025
OPERATING REVENUES		
Gross Student Tuition and Fees	$ 7,274,754	$ 6,783,221
Less: Scholarship Allowances	(4,910,050)	(4,952,363)
Student Tuition and Fees - Net of Scholarship Allowance	2,364,704	1,830,858
Contracts and Grants:		
Pell Grants	4,458,036	4,720,939
Federal	694,611	994,767
State	3,387,059	4,654,542
Sales and Services of Educational Activities	312,416	282,875
Other Operating Revenues	251,290	287,381
Total Operating Revenues	11,468,116	12,771,362
OPERATING EXPENSES		
Salaries and Wages	8,568,290	8,185,263
Benefits	2,307,317	1,980,211
Supplies and Other Services	6,051,741	4,522,450
Utilities	276,491	289,228
Student Financial Aid - Scholarships and Fellowships	2,050,930	3,357,191
Depreciation	527,164	855,858
Amortization	159,752	119,461
Fees Assessed by the Commission for Operations	81,021	76,296
Total Operating Expenses	20,022,706	19,385,958
OPERATING LOSS	(8,554,590)	(6,614,596)
NONCAPITAL SUBSIDIES		
State Appropriations	7,070,248	7,062,120
Payments on Behalf of the College	94,858	41,869
Total Noncapital Subsidies	7,165,106	7,103,989
OPERATING INCOME (LOSS) AND NONCAPITAL SUBSIDIES	(1,389,484)	489,393
NONOPERATING REVENUES (EXPENSES)		
Capital Payments Made on Behalf of the College	43,046	-
Investment Income	614,571	646,582
Interest Expense	(14,219)	(9,916)
Fees Assessed by the Commission	(2,999)	(2,981)
Total Other Nonoperating Revenues (Expenses)	640,399	633,685
INCREASE (DECREASE) IN FUND NET POSITION	(749,085)	1,123,078
Fund Net Position - Beginning of Year	36,387,377	35,264,299
FUND NET POSITION - END OF YEAR	$ 35,638,292	$ 36,387,377

See accompanying Notes to Financial Statements.

MOUNTWEST 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	$ 1,434,695	$ 2,786,817
Contracts and Grants	4,081,670	5,649,309
Payments to and on Behalf of Employees	(10,852,043)	(10,283,654)
Payments to Suppliers	(5,887,402)	(4,838,318)
Payments for Utilities	(276,491)	(289,228)
Payments for Scholarships and Fellowships	(2,050,930)	(3,357,191)
Sales and Service of Educational Activities	312,416	282,875
Fees Assessed by Commission	(81,021)	(76,296)
Federal Student Loan Program - Direct Lending Receipts	1,742,255	1,600,587
Federal Student Loan Program - Direct Lending Payments	(1,742,255)	(1,600,587)
Other Receipts	251,290	287,381
Net Cash Used by Operating Activities	(13,067,816)	(9,838,305)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations	7,070,248	7,062,120
Other Financing Activities (PEIA Backfill)	-	-
Federal Pell Grants	4,458,036	4,720,939
Payment on behalf of MCTC (OPEB Special Funding)	94,858	41,869
Net Cash Provided by Noncapital Financing Activities	11,623,142	11,824,928
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchases of Capital Assets	154,540	(2,067,962)
Principal Paid on Debt and Leases	(68,298)	(68,488)
Capital Payments Made on Behalf of MCTC	43,046	-
Interest Paid on Debt and Leases	(14,219)	(9,916)
Fees Assessed by the Commission	(2,999)	(2,981)
Net Cash Used by Capital Financing Activities	112,070	(2,149,347)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales and Maturities of Investments	614,571	646,582
INCREASE IN CASH AND CASH EQUIVALENTS	(718,033)	483,858
Cash and Cash Equivalents - Beginning of Year	20,218,715	19,734,857
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 19,500,682	$ 20,218,715

See accompanying Notes to Financial Statements.

MOUNTWEST COMMUNITY AND TECHNICAL COLLEGE
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating Loss	$ (8,554,590)	$ (6,614,596)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation and Amortization Expense	686,915	975,319
Federal Pell Grant	(4,458,036)	(4,720,939)
Changes in Assets and Liabilities:		
Accounts Receivable, Net	(618,466)	452,663
Prepaid Expenses	9,696	(15,237)
Lease Receivable	267	(99)
Accounts Payable and Accrued Expenses	204,845	(364,867)
Compensated Absences	26,013	6,415
Other Postemployment Benefits Liability	(2,449)	(124,595)
Other Liabilities	(50,202)	64,236
Unearned Revenue	(311,809)	503,395
Net Cash Used by Operating Activities	$ (13,067,816)	$ (9,838,305)
NONCASH TRANSACTIONS		
Expenses Paid on Behalf of the College	$ 94,858	$ 41,869
Capital Payments Made on Behalf of the College	$ 43,046	$ -

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION

Mountwest Community and Technical College (the College or MCTC) is governed by the Mountwest Community and Technical College Board of Governors (the Board). The Board was established by House Bill 3215.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The implementation of this standard did not have an overall impact on previously reported net position or change in net position. Prior year amounts have been reclassified to conform with the requirements of GASB 103 for comparative purposes. The following prior year financial statement line items are affected by the application of the new accounting principle as follows:

Financial Statement Line Item	As Previously Reported	As Reported Under GASB 103
Operating Revenues		
Pell Grants	$ -	$ 4,720,939
Noncapital Subsidies		
State Appropriations	-	7,062,120
Payments on Behalf of the College	-	41,869
Nonoperating Revenues (Expenses)		
State Appropriations	7,062,120	-
Payments on Behalf of the College	41,869	-
Pell Grants	4,720,939	-

The standard did not impact classifications on the statement of cash flows.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The GASB has also issued Statement No. 104, *Disclosure of Certain Capital Assets*, which is effective for fiscal years beginning after June 15, 2025. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. In the capital assets note, it requires separate disclosure of lease assets (Statement No. 87), intangible right-to-use assets (Statement No. 94) and subscription assets (Statement No. 96), as well as other intangible assets by major class. It also requires disclosure of capital assets held for sale, including their historical cost and accumulated depreciation by major class and the carrying amount of any debt secured by those assets. Adopting the standard had no effect on the College's financial statements because these items were already disclosed separately in the capital assets note.

Reporting Entity

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

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

Financial Statement Presentation

GASB establishes standards for external financial reporting for public colleges and universities and requires that financial statements be presented on a combined basis to focus on the College as a whole. Net positions are classified into four categories according to external donor restrictions or availability of assets for satisfaction of College obligations. The College's components of net positions are classified as follows:

Net Investment in Capital Assets – This represents the College's total investment in capital assets, net of accumulated depreciation and amortization, 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 – Expendable – This includes resources for which the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

Restricted – 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. The College did not have any restricted nonexpendable components of net position at June 30, 2026 and 2025.

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

Basis of Accounting

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

Cash and Cash Equivalents

For purposes of the statements of net position, the College 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 State Treasurer) are pooled by the State Treasurer with other available funds of the State for investment purposes by the West Virginia Board of Treasury Investments (BTI). These funds are transferred to the BTI, and the BTI is directed by the State 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 in accordance with GASB. The BTI was established by 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 WV Short-Term Bond Pool and, accordingly, are presented as cash and cash equivalents in the accompanying financial statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (Continued)

The BTI maintains the Consolidated Fund investment fund, which consists of eight investment pools and participant-directed accounts, three of which the Commission 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 its annual report. A copy of that annual report can be obtained from the following address: 1900 Kanawha Blvd. East, Room E-122, Charleston, WV 25305 or http://www.wvbti.com.

Noncurrent Cash, Cash Equivalents, and Investments

Cash, cash equivalents, and investments that are (1) externally restricted to make debt service payments and long-term loans to students, or to maintain sinking or reserve funds, (2) to purchase capital or other noncurrent assets or settle long-term liabilities, or (3) permanently restricted net position are classified as noncurrent assets in the accompanying statements of net position.

Appropriations Due from Primary Government

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

Allowance for Doubtful Accounts

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

Capital Assets

Capital assets include land, land improvements, leasehold improvements, equipment, buildings, and improvements. 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 3 to 10 years for furniture and equipment, 15 years for land improvements, and 50 years for buildings and improvements. Leasehold improvements are amortized over the period of the lease. The financial statements reflect all adjustments required by GASB.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leased Assets

Leased assets include office space and equipment under long-term, noncancelable lease agreements. Leased assets are stated at the total amount of lease payments over the term of the lease. Amortization is computed using the straight-line method over the term of the lease.

Subscription-Based Information Technology Arrangements (SBITA) Assets

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

Unearned Revenue

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

Compensated Absences and Other Postemployment Benefits (OPEB)

GASB provides standards for the measurement, recognition, and display of 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 multiemployer, cost-sharing plan, the West Virginia Retiree Health Benefit Trust Fund, sponsored by the State. Details regarding this plan and its stand-alone financial statements can be obtained by contacting the West Virginia Public Employees Insurance Agency (PEIA), 601 57th St., SE, Suite 2, Charleston, WV 25304-2345 or http://www.peia.wv.gov.

The liability for compensated absences reported in the financial statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that have been used for time off but have not yet been paid in cash or settled through noncash means and certain other types of leave.

The College's full-time employees earn up to two vacation leave days for each month of service and are entitled to compensation for accumulated, unpaid vacation leave upon termination. Full-time employees also earn 1-1/2 sick leave days for each month of service and are entitled to extend their health or life insurance coverage upon retirement in lieu of accumulated, unpaid sick leave. Generally, two days of accrued sick leave extend health insurance for one month of single coverage, and three days extend health insurance for one month of family coverage.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences and Other Postemployment Benefits (OPEB) (Continued)

For employees hired after 1988, or who were hired before 1988 but did not choose such coverage until after 1988 but before July 1, 2001, the employee shares in the cost of the extended benefit coverage to the extent of 50% of the premium required for the extended coverage. Employees hired July 1, 2001, or later will no longer receive sick leave credit toward insurance premiums when they retire. Additionally, all retirees have the option to purchase continued coverage regardless of their eligibility for premium credits. This liability is now provided for under the multiemployer, cost-sharing plan sponsored by the State.

Certain faculty employees (generally those with less than a 12-month contract) earn a similar extended health or life insurance coverage retirement benefit based on years of service. Generally, 3-1/3 years of teaching service extend health insurance for one year of single coverage and five years extend health insurance for one year of family coverage. Faculty hired after July 1, 2009, will no longer receive years of service credit toward insurance premiums when they retire. Employees hired after July 1, 2010, receive no health insurance premium subsidy from the College. Two groups of employees hired after July 1, 2010, will not be required to pay the unsubsidized rate: 1) active employees who were originally hired before July 1, 2010, who have a break in service of fewer than two years after July 1, 2010; and 2) retired employees who retired before July 1, 2010, return to active service after July 1, 2010, and then go back into retirement. In those cases, the original hire date will apply.

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

Deferred Outflows of Resources

Consumption of net assets by the College that is applicable to a future fiscal year is reported as a deferred outflow of resources on the statements of net position. As of June 30, 2026 and 2025, the College had deferred outflows related to OPEB of $309,586 and $163,362, respectively.

Deferred Inflows of Resources

Acquisition of net assets by the College that is applicable to a future fiscal year is reported as a deferred inflow of resources on the statements of net position. As of June 30, 2026 and 2025, the College had deferred inflows, related to leases of $8,718 and $8,464, and related to OPEB of $158,373 and $122,508, respectively.

Risk Management

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risk Management (Continued)

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

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

Classification of Revenues

The College has classified its revenues according to the following criteria:

Operating Revenues

Operating revenues are revenues other than nonoperating revenues.

Nonoperating Revenues

Nonoperating revenues are (a) subsidies received and provided, (b) contributions to permanent and term endowments, (c) revenues related to financing, (d) resources from the disposal of capital assets and inventory, and (e) investment income.

Subsidies

Subsidies are (a) resources received from another party or fund (1) for which the proprietary fund does not provide goods and services to the other party or fund and (2) that directly or indirectly keep the proprietary fund's current or future fees and charges lower than they would be otherwise, (b) resources provided to another party or fund (1) for which the other party or fund does not provide goods and services to the proprietary fund and (2) that are recoverable through the proprietary fund's current or future pricing policies, and (c) all other transfers.

Use of Restricted Components of Net Position

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 institutions such as the College. Direct student loan receivables are not included in the College's statements of net position as the loans are repayable directly to the U.S. Department of Education. In 2026 and 2025, the College received and disbursed $1,742,255 and $1,600,587, respectively, under the Federal Direct Student Loan Program on behalf of the U.S. Department of Education, which is not included as revenue and expense on the statements of revenues, expenses, and changes in net position.

The College also distributes other student financial assistance funds on behalf of the federal government to students under the federal Pell Grant, Supplemental Educational Opportunity Grant, and College Work Study programs. The activity of these programs is recorded in the accompanying financial statements. In 2026 and 2025, the College received and disbursed approximately $4,458,000 and $4,721,000, 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 statements of revenues, expenses, and changes in net position. Scholarship allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the student's behalf.

Financial aid to students is reported in the financial statements under the alternative method as prescribed by the National Association of College and University Business Officers. Certain aid, such as loans, funds provided to students as awarded by third parties and Federal Direct Lending is accounted for as a third-party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses, or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on a college basis by allocating the cash payments to students, excluding payments for services, on the ratio of total aid to the aid not considered to be third-party aid.

Government Grants and Contracts

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

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

Service Concession Arrangements

The College has Service Concession Arrangements (SCAs) for the operation of their bookstore. Renovations made to College facilities by service concession vendors are capitalized and revenues are deferred and accreted over the life of the contract.

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 expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 CASH AND CASH EQUIVALENTS

The composition of cash and cash equivalents was held as follows:

	June 30, 2026		
	Current	Noncurrent	Total
State Treasurer	$ 19,476,719	$ -	$ 19,476,719
In Bank	500	-	500
On Hand	23,463	-	23,463
Total	$ 19,500,682	$ -	$ 19,500,682

	June 30, 2025		
	Current	Noncurrent	Total
State Treasurer	$ 20,179,432	$ -	$ 20,179,432
In Bank	37,929	-	37,929
On Hand	1,354	-	1,354
Total	$ 20,218,715	$ -	$ 20,218,715

The carrying amount of cash in bank at June 30, 2026 and 2025 equaled the combined bank balance of $500 and $37,929, respectively. 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, bank accounts are insured by the Federal Deposit Insurance Corporation up to $250,000.

Amounts with the State Treasurer as of June 30, 2026 and 2025 are comprised of two investment pools, the WV Money Market Pool and the WV Short-Term Bond Pool.

NOTE 3 CASH AND CASH EQUIVALENTS (CONTINUED)

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	$ 15,323,068	AAAm	$ 14,509,732	AAAm
WV Short-Term Bond Pool	358,728	Not Rated	340,976	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:

	2026		2025	
External Pool	Carrying Value	WAM (Days)	Carrying Value	WAM (Days)
WV Money Market Pool	$ 15,323,068	45	$ 14,509,732	41

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	$ 358,728	664	$ 340,976	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.

NOTE 3 CASH AND CASH EQUIVALENTS (CONTINUED)

Other Investment Risks (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The College's investment policy limits investment maturities from potential fair value losses due to increasing interest rates. No more than 5% of the money market fund's total market value may be invested in the obligations of a single issuer, with the exception of the U.S. government and its agencies.

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 as of June 30, are as follows:

	2026	2025
Student Tuition and Fees - Net of Allowance for Doubtful Accounts of $595,496 and $520,862 for 2026 and 2025, Respectively	$ 622,689	$ 630,708
Grants and Contracts Receivable	566,225	44,663
Other Accounts Receivable	2,051	21,498
Total	1,190,965	696,869
Less: Noncurrent	22,156	22,156
Total	$ 1,168,809	$ 674,713

NOTE 5 CAPITAL ASSETS, LEASED ASSETS, AND SBITA ASSETS

Summaries of capital assets, leased assets, and SBITA assets for the College for the years ended June 30, are as follows:

	2026				
	Beginning Balance	Additions	Reductions	Transfers	Ending Balance
Capital Assets Not Being Depreciated:					
Land	$ 2,144,268	$ -	$ -	$ -	$ 2,144,268
Construction in Progress	261,735	173,281	-	(50,823)	384,193
Total Capital Assets Not Being Depreciated	$ 2,406,003	$ 173,281	$ -	$ (50,823)	$ 2,528,461
Other Capital Assets:					
Building and Leasehold Improvements	$ 23,231,303	$ -	$ (748,979)	$ -	$ 22,482,324
Land Improvements	635,344	-	-	-	635,344
Telecommunications - Leased	586,900	-	-	-	586,900
Equipment	3,837,865	200,793	-	50,823	4,089,481
Total Other Capital Assets	28,291,412	200,793	(748,979)	50,823	27,794,049
Less: Accumulated Depreciation for:					
Building and Leasehold Improvements	6,100,619	481,735	(378,297)	-	6,204,057
Land Improvements	351,104	39,709	-	-	390,813
Telecommunications - Leased	505,388	39,127	-	-	544,515
Equipment	2,190,531	344,890	-	-	2,535,421
Total Accumulated Depreciation	9,147,642	905,461	(378,297)	-	9,674,806
Other Capital Assets, Net	$ 19,143,770	$ (704,668)	$ (370,682)	$ 50,823	$ 18,119,243
Capital Asset Summary:					
Capital Assets Not Being Depreciated	$ 2,406,003	$ 173,281	$ -	$ (50,823)	$ 2,528,461
Other Capital Assets	28,291,412	200,793	(748,979)	50,823	27,794,049
Total Cost of Capital Assets	30,697,415	374,074	(748,979)	-	30,322,510
Less: Accumulated Depreciation	9,147,642	905,461	(378,297)	-	9,674,806
Capital Assets, Net	$ 21,549,773	$ (531,387)	$ (370,682)	$ -	$ 20,647,704
Leased Assets Being Amortized:					
Office Space	$ 233,274	$ 84,557	$ -	$ -	$ 317,831
Copy Machine	65,407	-	-	-	65,407
Total Leased Assets Being Amortized	298,681	84,557	-	-	383,238
Less: Accumulated Amortization for:					
Office Space	142,784	45,379	-	-	188,163
Copy Machine	18,169	21,802	-	-	39,971
Total Leased Assets Accumulated Amortization	160,953	67,181	-	-	228,134
Leased Assets, Net	$ 137,728	$ 17,376	$ -	$ -	$ 155,104
SBITA Assets Being Amortized:					
SBITA Assets	$ 259,021	$ 135,808	$ (26,648)	$ -	$ 368,181
Total SBITA Assets Being Amortized	259,021	135,808	(26,648)	-	368,181
Less: Accumulated Amortization for:					
SBITA Assets	150,230	92,570	(26,648)	-	216,152
Total SBITA Assets Accumulated Amortization	150,230	92,570	(26,648)	-	216,152
SBITA Assets, Net	$ 108,791	$ 43,238	$ -	$ -	$ 152,029

NOTE 5 CAPITAL ASSETS, LEASED ASSETS, AND SBITA ASSETS (CONTINUED)

	2025				
	Beginning Balance	Additions	Reductions	Transfers	Ending Balance
Capital Assets Not Being Depreciated:					
Land	$ 2,144,268	$ -	$ -	$ -	$ 2,144,268
Construction in Progress	303,697	261,735	-	(303,697)	261,735
Total Capital Assets Not Being Depreciated	$ 2,447,965	$ 261,735	$ -	$ (303,697)	$ 2,406,003
Other Capital Assets:					
Building and Leasehold Improvements	$ 22,224,870	$ 785,163	$ (82,427)	$ 303,697	$ 23,231,303
Land Improvements	635,344	-	-	-	635,344
Telecommunications - Leased	586,900	-	-	-	586,900
Equipment	2,896,062	941,803	-	-	3,837,865
Total Other Capital Assets	26,343,176	1,726,966	(82,427)	303,697	28,291,412
Less: Accumulated Depreciation for:					
Building and Leasehold Improvements	5,636,191	464,428	-	-	6,100,619
Land Improvements	314,271	36,833	-	-	351,104
Telecommunications - Leased	466,261	39,127	-	-	505,388
Equipment	1,875,061	315,470	-	-	2,190,531
Total Accumulated Depreciation	8,291,784	855,858	-	-	9,147,642
Other Capital Assets, Net	$ 18,051,392	$ 871,108	$ (82,427)	$ 303,697	$ 19,143,770
Capital Asset Summary:					
Capital Assets Not Being Depreciated	$ 2,447,965	$ 261,735	$ -	$ (303,697)	$ 2,406,003
Other Capital Assets	26,343,176	1,726,966	(82,427)	303,697	28,291,412
Total Cost of Capital Assets	28,791,141	1,988,701	(82,427)	-	30,697,415
Less: Accumulated Depreciation	8,291,784	855,858	-	-	9,147,642
Capital Assets, Net	$ 20,499,357	$ 1,132,843	$ (82,427)	$ -	$ 21,549,773
Leased Assets Being Amortized:					
Office Space	$ 202,149	$ 31,125	$ -	$ -	$ 233,274
Copy Machine	65,840	65,407	(65,840)	-	65,407
Total Leased Assets Being Amortized	267,989	96,532	(65,840)	-	298,681
Less: Accumulated Amortization for:					
Office Space	95,995	46,789	-	-	142,784
Copy Machine	62,183	21,826	(65,840)	-	18,169
Total Leased Assets Accumulated Amortization	158,178	68,615	(65,840)	-	160,953
Leased Assets, Net	$ 109,811	$ 27,917	$ -	$ -	$ 137,728
SBITA Assets Being Amortized:					
SBITA Assets	$ 193,865	$ 65,156	$ -	$ -	$ 259,021
Total SBITA Assets Being Amortized	193,865	65,156	-	-	259,021
Less: Accumulated Amortization for:					
SBITA Assets	99,384	50,846	-	-	150,230
Total SBITA Assets Accumulated Amortization	99,384	50,846	-	-	150,230
SBITA Assets, Net	$ 94,481	$ 14,310	$ -	$ -	$ 108,791

NOTE 6 DUE TO STATE AGENCIES

The following is a summary of amounts due to State agencies for the years ended June 30:

	2026	2025
WV Retiree Health Benefit Trust Fund	$ 2,954	$ 2,379
Higher Education Policy Commission	581	48,690
WV Treasurer's Office	30	30
Central Mail Invoice	30	6
Attorney General Fees	283	-
BridgeValley CTC	7,835	9,410
WV State Tax Department	468	519
West Virginia Network for Educational Telecomputing	427	73,978
Division of Personnel	180	-
Division of Administration	5,099	-
Total	$ 17,887	$ 135,012

NOTE 7 NONCURRENT LIABILITIES

Summaries of noncurrent obligation transactions for the College for the years ended June 30, are as follows:

	2026				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Noncurrent Liabilities:					
Lease Obligation	$ 146,258	$ 84,558	$ (62,394)	$ 168,422	$ 68,045
Subscription Liability	91,909	135,807	(91,048)	136,668	77,549
Debt Obligation Due to Commission	140,253	-	(68,298)	71,955	71,955
Compensated Absences*	332,718	26,013	-	358,731	358,731
Total Noncurrent Liabilities	$ 711,138	$ 246,378	$ (221,740)	$ 735,776	$ 576,280

	2025				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Noncurrent Liabilities:					
Lease Obligation	$ 116,790	$ 94,503	$ (65,035)	$ 146,258	$ 68,958
Subscription Liability	77,216	19,067	(4,374)	91,909	36,515
Debt Obligation Due to Commission	208,741	-	(68,488)	140,253	68,298
Compensated Absences*	326,303	6,415	-	332,718	332,718
Total Noncurrent Liabilities	$ 729,050	$ 119,985	$ (137,897)	$ 711,138	$ 506,489

* The change in the compensated absences liability is presented as a net change.

NOTE 8 OTHER POST EMPLOYMENT BENEFITS

As related to the implementation of GASB 75, following are the College's net OPEB liability, 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 (Asset) Liability	$ 83,180	$ (24,730)
Deferred Outflows of Resources	309,586	163,362
Deferred Inflows of Resources	158,373	122,508
Revenue (Expense) - Special Funding	94,858	41,869
OPEB Expense (Revenue)	128,635	(22,524)
Contributions Made by the College	36,754	60,204

Plan Description

The West Virginia Other Postemployment Benefit (OPEB) Plan (the Plan) is a cost-sharing, multiemployer, 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, 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 Plan's fiduciary net position has been determined on the same basis used by the Plan. The RHBT is accounted for as a fiduciary fund, and its financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with U.S. GAAP for fiduciary funds as prescribed or permitted by the GASB. 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.

RHBT is considered a component unit of the State of West Virginia for financial reporting purposes, and, as such, its financial report is also included in the State of West Virginia's Comprehensive Annual Financial Report. RHBT issues publicly available financial statements and required supplementary information for the OPEB plan. Details regarding this Plan and a copy of the RHBT financial report may be obtained by contacting PEIA at 601 57th Street SE, Suite 2, Charleston, West Virginia 25304-2345, or by calling (888) 680-7342.

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Benefits Provided

The Plan provides the following benefits:

- Medical and Prescription Drug Insurance
- Life Insurance

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

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

Contributions

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

Paygo premiums are established by the PEIA Finance Board annually. All participating employers are required by statute to contribute this premium to the RHBT at the established rate for every active policyholder per month. In fiscal year 2024, there was no subsidization of retiree healthcare from paygo premiums and PEIA active employers were not billed paygo. The prior year paygo rate for fiscal year 2023 was $70 per active health policy per month.

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.

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Contributions (Continued)

The College's contributions to the OPEB plan for the years ended June 30, 2026, 2025, and 2024 were $36,754, $60,204, and $23,492, respectively.

Assumptions

The June 30, 2026 total OPEB (asset) liability 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 rate for pre-Medicare and Medicare per capita costs of 7.0% medical and 8.0% drug. The trends increase over four years 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.
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Percentage of Payroll over a 20-year closed period beginning 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 "Healthcare 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.

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.

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Assumptions (Continued)

The actuarial valuation as of June 30, 2024 reflects updates to the following healthcare-related assumptions:

- Per capita claim costs;
- Healthcare trend rates;
- Aging factors; 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 real returns assuming a 10-year horizon are summarized below:

	Target Allocation		Long-Term Expected Real Rate of Return	
Asset Class	2025	2024	2025	2024
Equity	45.0 %	45.0 %	7.4 %	7.4 %
Fixed Income	15.0	15.0	3.9	3.9
Private Credit and Income	6.0	6.0	7.4	7.4
Private Equity	12.0	12.0	10.0	10.0
Real Estate	12.0	12.0	7.7	7.2
Hedge Funds	10.0	10.0	4.5	4.5

NOTE 8 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 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% in 2026; 6.40% in 2025) or one percentage point higher (8.40% in 2026; 8.40% in 2025) than the current rate (7.40% in 2026; 7.40% in 2025).

	2026		
	1% Decrease (6.40%)	Current Discount Rate (7.40%)	1% Increase (8.40%)
Net OPEB (Asset) Liability	$ 317,711	$ 83,180	$ (117,023)

	2025		
	1% Decrease (6.40%)	Current Discount Rate (7.40%)	1% Increase (8.40%)
Net OPEB (Asset) Liability	$ 108,122	$ (24,730)	$ (135,372)

Sensitivity of the Net OPEB Liability 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 (asset) liability 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.

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB (Asset) Liability 2026	$ (210,979)	$ 83,180	$ 432,587
Net OPEB (Asset) Liability 2025	$ (194,442)	$ (24,730)	$ 181,361

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

OPEB Liabilities, 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 $149,173. Of this amount, the College recognized $83,180 as its proportionate share on the statement of net position. The remainder of $65,993 denotes the College's proportionate share of net OPEB liability (asset) attributable to the special funding.

At June 30, 2025, the College's proportionate share of the net OPEB liability (asset) was $(102,404). Of this amount, the College recognized $(24,730) as its proportionate share on the statement of net position. The remainder of $(77,674) 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 nonemployer contributing entity is based on its proportionate share of employer and nonemployer contributions 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 0.088204%, an increase of 0.028807% from its proportion of 0.059397% calculated as of June 30, 2024. At the June 30, 2024 measurement date, the College's proportion was 0.059397%, a decrease of 0.035237% from its proportion of 0.094634% calculated as of June 30, 2023.

For the year ended June 30, 2026, the College recognized OPEB expense of $128,635. Of this amount, $33,777 was recognized as the College's proportionate share of OPEB expense and $94,858 as the amount of OPEB expense attributable to special funding from a nonemployer contributing entity. The College also recognized revenue of $94,858 for support provided by the State.

For the year ended June 30, 2025, the College recognized OPEB expense of $(22,524). Of this amount, $(64,393) was recognized as the College's proportionate share of OPEB expense and $41,869 as the amount of OPEB expense attributable to special funding from a nonemployer contributing entity. The College also recognized revenue of $41,869 for support provided by the State.

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

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

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

	2026	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	$ 2,790	$ 19,209
Net Difference Between Projected and Actual Investment Earnings	-	60,777
Changes in Assumptions	194,338	17,142
Differences Between Expected and Actual Experience	75,704	61,245
Contributions After the Measurement Date	36,754	-
Total	$ 309,586	$ 158,373

	2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	$ 7,576	$ 40,221
Net Difference Between Projected and Actual Investment Earnings	-	28,176
Changes in Assumptions	9,441	29,243
Differences Between Expected and Actual Experience	86,141	24,868
Contributions After the Measurement Date	60,204	-
Total	$ 163,362	$ 122,508

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

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

The College will recognize the $60,204 reported as deferred outflows of resources resulting from OPEB contributions after the measurement date as a reduction of the net OPEB liability (asset) in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Amortization
2027	$ 112,278
2028	46,446
2029	(27,083)
2030	(17,182)
Total	$ 114,459

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 9 STATE SYSTEM OF HIGHER EDUCATION INDEBTEDNESS

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

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

The Commission has the authority to assess each public institution of higher education for payment of debt service on these system bonds. The tuition and registration fees of the members of the former State University System are generally pledged as collateral for the Commission's bond indebtedness. Student fees collected by the institution in excess of the debt service allocation are retained by the institution for internal funding of capital projects and maintenance. Although the bonds remain as a capital obligation of the Commission, an estimate of the obligation of each institution is reported as a long-term payable by each institution and as a receivable by the Commission.

NOTE 9 STATE SYSTEM OF HIGHER EDUCATION INDEBTEDNESS (CONTINUED)

For the years ended June 30, debt service assessed was as follows:

	2026	2025
Principal	$ 68,298	$ 68,488
Interest	7,009	8,090
Total	$ 75,307	$ 76,578

During the year ended June 30, 2005, the Commission issued $167,000,000 of 2004 Series B 30-year Revenue Bonds to fund capital projects at various higher education institutions in the State. The College received $4,253,559 of these funds plus interest earnings of $281,294. State lottery funds will be used to repay the debt, although, the College revenues are pledged if lottery funds prove insufficient.

During December 2009, the Commission, on behalf of the Council, issued $78,295,000 of Community and Technical Colleges Improvement Revenue Bonds, 2009 Series A (the 2009 Bonds). The proceeds of the 2009 Bonds will be used to finance the acquisition, construction, equipping, or improvement of community and technical college facilities in West Virginia. The College was authorized and received $13,500,000 of these proceeds. State lottery funds will be used to repay the debt.

NOTE 10 LEASES

Leases Receivable

The College, acting as lessor, leases classroom and office space to a third party under a long-term, noncancelable lease agreement. The lease revenue and interest income for the years ended June 30, 2026 and 2025 are summarized in the following table.

	2026	2025
Lease Revenue	$ 17,182	$ 16,928
Interest Income	554	1,081
Total	$ 17,736	$ 18,009

Future minimum lease payments to be received under lease agreements are as follows:

	Principal	Interest	Total
2027	8,819	181	9,000
Total	$ 8,819	$ 181	$ 9,000

NOTE 10 LEASES (CONTINUED)

Leases Payable

The College leases office space and equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2027. GASB Statement No. 87 requires the use of an incremental borrowing rate since the discount rate applied to lease payments is not specified in the College's leases. The College used an incremental borrowing rate of 4.13%.

Future minimum lease payments under lease agreements are as follows:

Year Ending June 30,	Principal	Interest	Total
2027	$ 68,045	$ 10,006	$ 78,051
2028	33,924	5,837	39,761
2029	32,067	3,636	35,703
2030	34,386	1,318	35,704
Total	$ 168,422	$ 20,797	$ 189,219

NOTE 11 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

The College has entered into SBITA's for software used for educational and administrative purposes for various terms under long-term, noncancelable agreements. The SBITA's expire at various dates through 2026 and provide for renewal options. As of June 30, 2026, SBITA assets and the related accumulated amortization totaled $368,181 and $216,152, respectively. As of June 30, 2025, SBITA assets and the related accumulated amortization totaled $259,021 and $150,230, respectively.

The future subscription payments under SBITA's are as follows:

	Principal	Interest	Total
2027	$ 77,549	$ 8,245	$ 85,794
2028	59,119	3,360	62,479
2029	-	1,222	1,222
Total	$ 136,668	$ 12,827	$ 149,495

NOTE 12 UNRESTRICTED COMPONENTS OF NET POSITION

The unrestricted component of the College's net position is as follows:

	2026	2025
Total Unrestricted Net Position Before OPEB	$ 15,143,680	$ 14,944,775
Less: OPEB (Asset) Liability	83,180	(24,730)
Total Unrestricted Net Position	$ 15,060,500	$ 14,969,505

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

NOTE 13 RETIREMENT PLANS

Substantially all full-time employees of the College participate in either the West Virginia Teachers' Retirement System (TRS) or the Teachers' Insurance and Annuities Association - College Retirement Equities Fund (TIAA). Previously, upon full-time employment, all employees were required to make an irrevocable selection between the TRS and TIAA. Effective July 1, 1991, the TRS was closed to new participants. Current participants in the TRS are permitted to make a one-time election to cease their participation in that plan and commence contributions to the West Virginia Teachers' Defined Contribution Plan. Contributions to and participation in the West Virginia Teachers' Defined Contribution Plan by College employees have not been significant to date.

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

Defined Benefit Pension Plan

Some employees of the College are enrolled in a defined benefit pension plan, the West Virginia Teachers' Retirement System (TRS), which is administered by the West Virginia Consolidated Public Retirement Board (CPRB).

There were no net pension liability, revenues, or contributions made by the College for the years ended June 30, 2026 and 2025.

Defined Contribution Benefit Plans

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

Total contributions to the TIAA for the years ended June 30, 2026, 2025, and 2024 were approximately $916,000, $892,000, and $809,000, respectively, which consisted of equal contributions from the College and covered employees of approximately $458,000, $446,000, and $404,000, respectively.

There were no contributions to the Educators Money for the years ended June 30, 2026, 2025, or 2024.

The College's total payroll for the years ended June 30, 2026, 2025, and 2024 was approximately $8,518,000, $8,086,000, and $7,424,000, respectively. Total covered employees' salaries in the TIAA and Educators Money were approximately $7,591,000, $7,423,000, and $6,799,000, and $0, $0 and $0, respectively, in 2026, 2025, and 2024.

NOTE 14 CONTINGENCIES

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

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

The Internal Revenue Code of 1986 establishes rules and regulations for arbitrage rebates. There are no arbitrage rebate liabilities that have been recorded in the financial statements at June 30, 2026 and 2025.

The College owns buildings that are known to contain asbestos. The College is not required by federal, state, or local law to remove the asbestos from its buildings. The College is required under federal environmental, health, and safety regulations to manage the presence of asbestos in its buildings in a safe manner. The College addresses its responsibility to manage the presence of asbestos in its buildings on a case-by-case basis. Significant problems of dangerous asbestos conditions are abated as the conditions become known. The College 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 manner.

NOTE 15 MOUNTWEST FOUNDATION, INC.

With the change in State law to establish the College as a separate entity, a separate nonprofit Mountwest Foundation, Inc. (Mountwest Foundation) was incorporated in the State, effective July 1, 2009, whose purpose is to benefit the work and services of the College. Mountwest Foundation has a 16-member Board. There was limited activity in the Mountwest Foundation in fiscal years 2026 and 2025. Accordingly, the financial statements of the Mountwest Foundation are not included in the accompanying financial statements because they are not controlled by the College, and they are not considered significant.

NOTE 16 SERVICE CONCESSION ARRANGEMENTS

The College follows GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements* (SCA). The College has identified one contract for service that meets the four criteria of a SCA. SCAs are defined as a contract between a government and an operator, another government or a private entity, in which the operator provides services, the operator collects and is compensated by fees from third parties, the government still has control over the services provided, and the government retains ownership of the assets at the end of the contract.

In the summer of 2024 (FY2025), the College switched from Follett Higher Education Group, Inc. to Ambassador College Bookstores, Inc., a virtual bookstore platform. Per the evaluation committee, this decision was made due to rising costs and additional fees being assessed by Follett. In 2026 and 2025, the College received approximately $12,623 and $21,714 in commissions from Ambassador, respectively, based upon a contractually agreed upon percentage of bookstore gross sales.

NOTE 17 NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

For the years ended June 30, the following tables represent operating expenses within both natural and functional classifications:

	2026							
	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation and Amortization	Fees Assessed by the Commission	Total
Instruction	$ 4,723,745	$ 1,358,384	$ 2,384,806	$ -	$ -	$ -	$ -	$ 8,466,935
Academic Support	367,887	96,738	435,396	-	-	-	-	900,021
Student Services	1,736,062	416,740	797,922	-	-	-	-	2,950,724
General Institutional Support	1,425,540	353,593	812,890	-	-	-	-	2,592,023
Operations and Maintenance of Plant	315,056	81,862	1,620,727	276,491	-	-	-	2,294,136
Student Financial Aid	-	-	-	-	2,050,930			2,050,930
Depreciation and Amortization	-	-	-	-	-	686,916	-	686,916
Other	-	-	-	-	-	-	81,021	81,021
Total	$ 8,568,290	$ 2,307,317	$ 6,051,741	$ 276,491	$ 2,050,930	$ 686,916	$ 81,021	$ 20,022,706

	2025							
	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation and Amortization	Fees Assessed by the Commission	Total
Instruction	$ 4,668,242	$ 1,119,366	$ 2,796,362	$ -	$ -	$ -	$ -	$ 8,583,970
Academic Support	369,727	97,125	314,568	-	-	-	-	781,420
Student Services	1,609,019	349,230	696,014	-	-	-	-	2,654,263
General Institutional Support	1,228,496	325,511	762,937	-	-	-	-	2,316,944
Operations and Maintenance of Plant	309,779	88,979	(47,431)	289,228	-	-	-	640,555
Student Financial Aid	-	-	-	-	3,357,191			3,357,191
Depreciation and Amortization	-	-	-	-	-	975,319	-	975,319
Other	-	-	-	-	-	-	76,296	76,296
Total	$ 8,185,263	$ 1,980,211	$ 4,522,450	$ 289,228	$ 3,357,191	$ 975,319	$ 76,296	$ 19,385,958

REQUIRED SUPPLEMENTARY INFORMATION

MOUNTWEST COMMUNITY AND TECHNICAL COLLEGE
SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND CONTRIBUTIONS
(UNAUDITED)

Schedule of Proportionate Share of TRS Net Pension Liability

Measurement Date	College's Proportionate Share as a Percentage of Net Pension Liability	College's Proportionate Share	State's Proportionate Share	Total Proportionate Share	College's Covered Employee Payroll	College's Proportionate Share as a Percentage of Covered Payroll	College's Plan Fiduciary Net Position as a Percentage of Total Pension Liability
June 30, 2014	0.005755 %	$ 198,533	$ 448,610	$ 647,143	$ 177,000	112.17 %	65.95 %
June 30, 2015	0.005949	206,148	470,404	676,552	180,400	114.27	66.25
June 30, 2016	0.004432	182,167	346,980	529,147	115,000	158.41	61.42
June 30, 2017	0.002065	71,345	157,763	229,108	55,000	129.72	67.85
June 30, 2018	0.001118	34,907	90,451	125,358	7,300	478.18	71.20
June 30, 2019	-	-	-	-	-	-	72.64
June 30, 2020	-	-	-	-	-	-	70.89
June 30, 2021	-	-	-	-	-	-	-
June 30, 2022	-	-	-	-	-	-	-
June 30, 2023	-	-	-	-	-	-	-
June 30, 2024	-	-	-	-	-	-	-
June 30, 2025	-	-	-	-	-	-	-

Schedule of Employer Contributions

Measurement Date	Actuarily Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actuarial Contribution as a Percentage of Covered Payroll
June 30, 2014	$ 26,184	$ 26,511	$ (327)	$ 177,000	14.98 %
June 30, 2015	27,051	27,053	(2)	180,400	15.00
June 30, 2016	17,182	17,184	(2)	115,000	14.94
June 30, 2017	-	8,548	(8,548)	55,000	15.54
June 30, 2018	4,962	4,962	-	7,300	67.97
June 30, 2019	-	-	-	-	-
June 30, 2020	-	-	-	-	-
June 30, 2021	-	-	-	-	-
June 30, 2022	-	-	-	-	-
June 30, 2023	-	-	-	-	-
June 30, 2024	-	-	-	-	-
June 30, 2025	-	-	-	-	-

See accompanying Notes to Required Supplementary Information.

MOUNTWEST COMMUNITY AND TECHNICAL COLLEGE
SCHEDULES OF PROPORTIONATE SHARE OF NET OPEB LIABILITY AND CONTRIBUTIONS
(UNAUDITED)

Schedule of Proportionate Share of Net OPEB Liability

Measurement Date	College's Proportionate Share as a Percentage of Net OPEB Liability	College's Proportionate Share	State's Proportionate Share	Total Proportionate Share	College's Covered Employee Payroll	College's Proportionate Share as a Percentage of Covered Employee Payroll	College's Plan Fiduciary Net Position as a Percentage of Total OPEB Liability
June 30, 2017	0.112809 %	$ 2,773,963	$ 569,775	$ 3,343,738	$ 2,480,740	111.82 %	25.10 %
June 30, 2018	0.119479	2,563,339	529,774	3,093,113	2,450,142	104.62	30.98
June 30, 2019	0.114464	1,899,108	388,642	2,287,750	2,203,653	86.18	39.69
June 30, 2020	0.120349	531,573	117,539	649,112	2,061,154	25.79	73.49
June 30, 2021	0.117401	(34,909)	(6,874)	(41,783)	5,103,499	(0.68)	101.81
June 30, 2022	0.103281	114,950	39,378	154,328	5,133,170	2.24	93.59
June 30, 2023	0.094634	(149,758)	(63,921)	(213,679)	5,466,730	(2.74)	109.66
June 30, 2024	0.059397	(24,730)	(77,674)	(102,404)	5,979,647	(0.41)	102.19
June 30, 2025	0.088204	83,180	65,993	149,173	5,979,075	1.39	95.76

Schedule of Employer Contributions

Measurement Date	Actuarily Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Actuarial Contribution as a Percentage of Covered Employee Payroll
June 30, 2017	$ 231,708	$ 231,708	$ -	$ 2,480,740	9.34 %
June 30, 2018	244,154	244,154	-	2,450,142	9.96
June 30, 2019	235,828	235,828	-	2,203,653	10.70
June 30, 2020	232,621	232,621	-	2,061,154	11.29
June 30, 2021	214,090	214,090	-	5,103,499	4.19
June 30, 2022	121,377	121,377	-	5,133,170	2.36
June 30, 2023	94,904	94,904	-	5,466,730	1.74
June 30, 2024	23,492	23,492	-	5,979,647	0.39
June 30, 2025	59,815	59,815	-	5,979,075	1.00

These schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying Notes to Required Supplementary Information.

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

Certain assumptions have been changed since the prior actuarial valuation as of June 30, 2018, and a measurement date of June 30, 2020 (see Note 8 to the Financial Statements). Additional information, if necessary, can be obtained from the West Virginia Retiree Benefit Health Trust Fund Audited Schedules of Employer Other Postemployment Benefits Allocations and Other Postemployment Benefits Amounts by Employer.

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

Governing Board
Mountwest Community and Technical College
Huntington, 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 Mountwest Community and Technical College (the College), a component unit of the West Virginia Council for Community and Technical College Education, 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.

Report on Internal Control Over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

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

Purpose of This Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
September 29, 2026



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