New River
Community and Technical College

Financial Statements
Years Ended June 30, 2026 and 2025

and

Independent Auditor's Reports



A Professional Limited Liability Company

NEW RIVER COMMUNITY AND TECHNICAL COLLEGE
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Suttle & Stalnaker Certified Public Accountants
A Professional Limited Liability Company

INDEPENDENT AUDITOR'S REPORT

Board of Governors
New River Community and Technical College
Beaver, West Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of New River Community and Technical College (the College), a component unit of the West Virginia Council for Community and Technical 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College as of June 30, 2026 and 2025, and the respective changes in financial position, and where applicable, cash flows, thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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Change in Accounting Principle

As described in Note 2 to the financial statements, during fiscal year 2026, the College implemented Governmental Auditing Standards Board Statement No. 103, *Financial Reporting Model Improvements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 12, the schedule of proportionate share of the net pension liability, the schedule of pension contributions, the schedule of proportionate share of the net OPEB liability (asset), the schedule of OPEB contributions, and related notes on pages 53 through 62 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

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



Charleston, West Virginia
September 30, 2026

Overview of the Financial Statements

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

This report consists of management's discussion and analysis, the financial statements, the notes to the financial statements, and the required supplementary information. The financial statements include the statements of net position, statements of revenues, expenses, and changes in net position, and statements of cash flows.

The statement of net position presents the College's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Increases or decreases in net position can be an indicator of improvement or deterioration of the College's financial position.

Changes in net position during the year are reported in the statement of revenues, expenses, and changes in net position. All revenues, expenses, and changes are reported as the underlying event occurs that results in the revenue, expense, or change. The purpose of the statement is to present revenues received by the College, operating, subsidies, and nonoperating, and the expenses paid by the College, both operating and nonoperating.

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

The New River Community and Technical College Foundation, Inc. (the Foundation) is significant enough to be included in the financial statements of the College in accordance with GASB 39. As such, the Foundation's audited financial statements are discretely presented as part of the College's financial statements. The assets of the Foundation are controlled by an independent board. Complete financial statements for the Foundation can be obtained from the New River Community and Technical College Foundation, Inc.

Financial Summary and Detailed Analysis

Condensed Schedules of Net Position
June 30, 2026, 2025 and 2024
(in millions)

	2026	2025	2024
Assets			
Current and other assets	$ 7.4	$ 7.1	$ 6.1
Capital assets - net	38.9	34.2	27.6
Total assets	46.3	41.3	33.7
Deferred outflows of resources	0.2	0.1	-
Total	$ 46.5	$ 41.4	$ 33.7
Liabilities			
Long-term liabilities	$ 1.1	$ 1.1	$ 1.1
Other liabilities	3.2	3.5	3.7
Total liabilities	4.3	4.6	4.8
Deferred inflows of resources	0.1	0.1	0.3
Net position			
Investment in capital assets	38.2	33.4	26.9
Restricted net position, expendable	0.6	0.4	-
Unrestricted net position	3.3	2.9	1.7
Total net position	42.1	36.7	28.6
Total	$ 46.5	$ 41.4	$ 33.7

Changes in assets and liabilities from June 30, 2025 to June 30, 2026 include:

Total assets increased by approximately $5.0 million or 12.11% from fiscal year 2025 to fiscal year 2026. The major components of this increase are:

- Current assets increased approximately $0.3 million due to an increase in the amount due from other State agencies of approximately $0.2 million related to an increase in the amount of rent due from Bluefield State University.
- Capital assets increased approximately $4.7 million largely due to the donation of the Allied Health Wing of the Erma Byrd Center that totaled approximately $3.6 million as well as Hangar renovations of approximately $2.6 million. These additions are partially offset by deprecation expense of approximately $1.7 million.

Total liabilities decreased by approximately $0.3 million or 6.52% from fiscal year 2025 to fiscal year 2026. The major components of this decrease are:

- Unearned revenue decreased approximately $0.3 million largely due to the spending down of the nursing expansion grant of approximately $0.1 million, the heavy equipment operations grant of approximately $0.1 million, and the surgical technology grant of approximately $0.1 million.

Changes in assets and liabilities from June 30, 2024 to June 30, 2025 include:

Total assets increased by approximately $7.6 million or 22.55% from fiscal year 2024 to fiscal year 2025. The major components of this increase are:

- Current assets increased approximately $1.0 million due to an increase in cash resulting from increased State funded student financial aid and Pell grant revenue.
- Capital assets increased approximately $6.6 million largely due to the donation of the Erma Byrd Center that totaled approximately $6.6 million. Other current year additions and depreciation expense had no net impact.

Total liabilities decreased by approximately $0.2 million or 4.17% from fiscal year 2024 to fiscal year 2025. The major components of this decrease are:

- Unearned revenue decreased approximately $0.5 million largely due to the spending down of the college access grant of approximately $0.3 million and the surgical technology grant of approximately $0.2 million.
- Compensated absences increased approximately $0.2 million due to the implementation of GASB 101 which resulted in the recognition of sick leave and taxes/benefits related to leave in the accrual.

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

	2026	2025	2024
Operating revenues	$ 9.9	$ 11.2	$ 10.2
Operating expenses	17.5	17.8	15.7
Operating loss	(7.6)	(6.6)	(5.5)
Noncapital subsidies	7.0	6.9	6.6
Operating income (loss) and noncapital subsidies	(0.6)	0.3	1.1
Other net nonoperating revenues	6.0	7.8	0.5
Change in net position	5.4	8.1	1.6
Net position - beginning of year	36.7	28.6	27.0
Net position - end of year	$ 42.1	$ 36.7	$ 28.6

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

- For fiscal year 2026, operating revenues decreased by approximately $1.3 million or 11.61%. This is largely due to reduced State funded student financial aid funding. During fiscal year 2025, the West Virginia Legislature provided one-time funding through the College Access Emergency grant and additional support for the West Virginia Higher Education grants to address disruptions associated with the Free Application for Federal Student Aid (FAFSA) process. As a result, during fiscal year 2026, revenue from the College Access Emergency grant decreased by approximately $0.3 million and revenue from the West Virginia Higher Education grants decreased by approximately $0.9 million since this additional funding was not provided again in fiscal year 2026.
- Noncapital subsidies remained relatively consistent over the two years.
- Other net nonoperating revenues decreased approximately $1.8 million or 23.08%. This is due to a decrease of approximately $3.0 million in donated capital assets received. In fiscal year 2025, donated capital assets mainly included approximately $6.6 million for the donation of the Erma Byrd Center. In fiscal year 2026, donated capital assets consisted of approximately $3.6 million for the donation of the Allied Health Wing of the Erma Byrd Center. This was partially offset by an increase of approximately $1.2 million related to capital payments on behalf of the College. The current year increase is due to the College receiving approximately $2.0 million in payments on behalf of the College by HEPC largely for Hangar renovations related to the Aviation Maintenance Program. This project was started in fiscal year 2025, when the College had payments on behalf of approximately $0.7 million related to the Aviation Maintenance Program.

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

- For fiscal year 2025, operating revenues increased by approximately $1.0 million or 9.80%. This is due to additional State funded student financial aid and Pell grant revenue. During fiscal year 2025, the West Virginia Legislature provided one-time funding through the College Access Emergency grant program totaling approximately $0.3 million and provided additional support for the West Virginia Higher Education grants to address disruptions associated with the FAFSA process resulting in an increase in grant funding of approximately $0.6 million. Pell grant revenue increased approximately $0.7 million due to an increase in enrollment and a higher maximum Pell grant award, which increased from $6,835 in fiscal year 2024 to $7,395 in fiscal year 2025. These increases were offset due to the College receiving an Aircraft Maintenance grant of approximately $0.3 million in fiscal year 2024 that was not received again in fiscal year 2025 and due to a decrease in tuition and fee revenue of approximately $0.4 million resulting from an increase in the scholarship allowance due to the increased State funded student financial aid provided in fiscal year 2025.
- Noncapital subsidies increased approximately $0.3 million mostly due to an increase in state appropriations of approximately $0.2 million.
- Other net nonoperating revenues increased approximately $7.3 million or 1460.00%. This is due to the donation of the Erma Byrd Center in fiscal year 2025 of approximately $6.6 million. In fiscal year 2024, the College did not receive any donated capital assets. Additionally, capital payments on behalf of the College increased by approximately $0.5 million due to the College starting Hangar renovations related to the Aviation Maintenance Program.

Schedules of Natural Expenses
Years Ended June 30, 2026, 2025 and 2024
(in millions)

NATURAL CLASSIFICATION OF EXPENSES	2026	2025	2024
Salaries and wages	$ 8.0	$ 8.1	$ 7.7
Benefits	2.2	2.0	1.5
Supplies and other services	3.8	3.6	3.3
Utilities	0.6	0.5	0.5
Scholarships and fellowships	1.1	1.9	1.3
Depreciation and amortization	1.7	1.6	1.3
Fees assessed by Commission	0.1	0.1	0.1
Total	$ 17.5	$ 17.8	$ 15.7

Total operating expenses for fiscal year 2026 were approximately $17.5 million which is relatively consistent with fiscal year 2025. Some highlights of the changes in fiscal year 2026 individual expense items compared with fiscal year 2025 are as follows:

- For fiscal year 2026, the total cost of scholarships decreased approximately $0.8 million or 42.11%. The decrease is primarily due to increased State-funded student financial aid in fiscal year 2025 in response to federal financial aid processing issues.

- For fiscal year 2026, supplies and other services increased approximately $0.2 million or 5.56%. The increase is due to the purchase of supplies for the aircraft maintenance program and the online book program.

- Benefits increased approximately $0.2 million or 10.00% for fiscal year 2026 due to an increase in WVPEIA premiums resulting in higher insurance costs.

Total operating expenses for fiscal year 2025 were approximately $17.8 million, an increase of $2.1 million or 13.38% over fiscal year 2024. Some highlights of the changes in fiscal year 2025 expenses compared with fiscal year 2024 are as follows:

- For fiscal year 2025, the total cost of scholarships increased approximately $0.6 million or 46.15%. The increase is primarily due to increased State-funded student financial aid in fiscal year 2025 in response to federal financial aid processing issues.

- For fiscal year 2025, supplies and other services increased approximately $0.3 million, or 9.09%. The increase is due to additional expenses incurred for noncapitalized furniture, fixtures, and other expenses associated with obtaining the Erma Byrd Center. In addition, the College focused on media relations and advertising more heavily in fiscal year 2025.

- Salaries and wages increased approximately $0.4 million or 5.19%, while benefits increased $0.5 million or 33.33%. These increases were due to pay increases and an increase in the cost of WV PEIA Insurance.

Significant Capital Asset and Long-term Debt Activity

In FY2026, the College had approximately $1.0 million in additions to equipment which included approximately $0.3 million in health equipment donated by HEPC and $0.4 million for an aircraft. The College received approximately $2.0 million in payments on behalf of the College by HEPC largely for Hangar renovations related to the Aviation Maintenance Program. Additional improvements paid on behalf of HEPC include maintenance for the welding lab. In addition, the Higher Education Foundation transferred ownership of the Allied Health Wing of the Erma Byrd Center to the College with a value of approximately $3.6 million. .

The College leases a building on the Mercer County Campus under a long-term operating lease. No new leases were entered into during fiscal year 2026. Changes in lease-related balances were due to scheduled payments on lease liabilities and amortization of the related right-to-use lease assets.

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

Current Known Facts, Decisions, or Conditions

In August 2025, the College completed a comprehensive institutional evaluation by the Higher Learning Commission. Following that evaluation, the College's accreditation was reaffirmed for a ten-year period. This reaffirmation demonstrates the College's continued compliance with established academic and institutional standards and supports its ability to continue serving students throughout its regional service area.

Management continues to monitor national, state, and regional economic conditions that could affect the College's revenues and expenses. These conditions include enrollment trends, inflationary pressures, employee compensation and benefit costs, utility costs, contractual services, and the cost of maintaining and replacing facilities and equipment. Although periods of economic uncertainty may increase demand for community college education and workforce training, they may also affect state revenues, students' ability to pay, and the College's operating costs. Management believes the College's current financial position, budgetary controls, and ongoing financial planning provide a sound foundation for responding to these conditions.

In May 2026, the College's Board of Governors approved the fiscal year 2027 unrestricted operating budget. The approved budget reflects conservative Education and General tuition revenue projections based on enrollment-related revenue shortfalls experienced during fiscal year 2026. The Board did not approve an increase in Education and General tuition rates; however, increases in certain program and course fees were approved for the 2026–2027 academic year. When combined with projections for stable enrollment, these fee adjustments are expected to increase unrestricted operating revenues and support the College's continued financial stability during fiscal year 2027.

The fiscal year 2027 budget also incorporates strategic investments in College personnel. The Board approved across-the-board salary increases for full-time employees, supported in part by additional funding provided through the fiscal year 2027 state appropriation. In addition, promotions in academic rank were approved for eight faculty members, with the related salary adjustments included in the approved budget. These investments are intended to support employee retention, maintain competitive compensation, and preserve the College's ability to provide quality academic and student-support services.

The College continues to evaluate and develop academic programs that respond to regional workforce needs and student demand. During fiscal year 2026, the College expanded its esthetics, nail technology, and massage therapy program offerings at the Erma Byrd Center and will continue to monitor their enrollment, financial performance, and overall success. During fiscal year 2027, the College expects to expand the EDET program to meet market demand and plans to develop a new electrical program in response to regional workforce needs. These initiatives may require additional investments in personnel, equipment, facilities, and other operating resources; however, management expects them to expand educational opportunities, support enrollment growth, and generate additional revenue over time.

At the date of this report, management is not aware of any other enacted or pending legislation, major contractual commitments, or significant changes in services that are expected to have a material effect on the College's future financial position or results of operations. Management will continue to monitor legislative, regulatory, economic, and enrollment developments and adjust its financial plans as necessary.

Questions concerning any of the information provided in this report should be addressed to the Chief Financial Officer, 280 University Drive, Beaver, West Virginia 25813.

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

	New River Community and Technical College		New River Community and Technical College Foundation, Inc.	
	2026	2025	2026	2025
ASSETS AND DEFERRED OUTFLOWS				
CURRENT ASSETS				
Cash and cash equivalents	$ 5,737,711	$ 6,072,073	$ 255,872	$ 178,245
Accounts receivable, net of allowance of $1,441,491 and $1,259,228	416,203	370,948	-	-
Grants receivable	293,379	163,142	-	-
Due from other State agencies	276,849	77,303	-	-
Due from Commission/Council	372,681	403,478	-	-
Due from Federal government	109,482	27,334	-	-
Other receivables	113,657	-	48,000	73,000
Total current assets	7,319,962	7,114,278	303,872	251,245
NONCURRENT ASSETS				
Capital assets - net	38,945,347	34,144,519	-	-
Net other post employment benefits asset	-	5,129	-	-
Investments	-	-	3,149,891	2,476,926
Beneficial interest in assets held by community foundation	-	-	1,894,501	1,701,691
Other accounts receivable	17,265	18,907	-	-
Total noncurrent assets	38,962,612	34,168,555	5,044,392	4,178,617
Total assets	46,282,574	41,282,833	5,348,264	4,429,862
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows relating to OPEB	204,118	70,376	-	-
Total deferred outflows of resources	204,118	70,376	-	-
Total	$ 46,486,692	$ 41,353,209	$ 5,348,264	$ 4,429,862
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
CURRENT LIABILITIES				
Accounts payable	170,478	261,006	209,000	149,500
Accrued liabilities	715,261	712,566	23,000	20,000
Debt service obligation payable to the Council - current portion	30,668	30,668	-	-
Unearned revenue	1,628,475	1,945,880	-	-
Compensated absences - current portion	616,545	556,519	-	-
Lease liability - current portion	19,965	18,344	-	-
Interest payable	5,200	5,330	-	-
Total current liabilities	3,186,592	3,530,313	232,000	169,500
NONCURRENT LIABILITIES				
Compensated absences	171,412	123,839	-	-
Debt service obligation payable to the Council	176,321	206,989	-	-
Net other post employment benefits liability	56,817	-	-	-
Lease liability	714,163	734,127	-	-
Total noncurrent liabilities	1,118,713	1,064,955	-	-
Total liabilities	4,305,305	4,595,268	232,000	169,500
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows relating to pension	14,135	26,621	-	-
Deferred inflows relating to OPEB	124,019	54,326	-	-
Total deferred inflows of resources	138,154	80,947	-	-
NET POSITION				
Net investment in capital assets	38,211,219	33,392,048	-	-
Restricted net position, expendable	531,401	452,091	2,371,274	1,888,391
Restricted net position, nonexpendable	-	-	2,560,457	2,253,456
Unrestricted net position	3,300,613	2,832,855	184,533	118,515
Total net position	42,043,233	36,676,994	5,116,264	4,260,362
Total	$ 46,486,692	$ 41,353,209	$ 5,348,264	$ 4,429,862

The Accompanying Notes Are An Integral
Part Of These Financial Statements

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

	New River Community and Technical College		New River Community and Technical College Foundation, Inc.	
	2026	2025	2026	2025
OPERATING REVENUES				
Student tuition and fees, net of scholarship allowance of $4,356,459 and $4,698,607	$ 2,263,276	$ 1,847,298	$ -	$ -
Contracts and grants				
Federal - Pell grants	3,678,412	3,873,316	-	-
Federal - other	652,214	937,639	-	-
State	2,842,457	4,027,056	-	-
Sales and services of educational activities	140,648	148,273	-	-
Miscellaneous - net	331,982	375,136	624,963	310,954
Total operating revenues	9,908,989	11,208,718	624,963	310,954
OPERATING EXPENSES				
Salaries and wages	8,058,379	8,146,804	64,955	64,213
Benefits	2,205,081	1,975,818	58,016	59,450
Supplies and other services	3,757,634	3,637,483	140,266	98,032
Utilities	566,207	487,714	-	-
Student financial aid - scholarships and fellowships	1,162,712	1,895,687	211,776	125,180
Depreciation and amortization	1,710,888	1,599,048	-	-
Assessments by the Policy Commission for operations	75,239	63,109	-	-
Total operating expenses	17,536,140	17,805,663	475,013	346,875
OPERATING INCOME (LOSS)	(7,627,151)	(6,596,945)	149,950	(35,921)
NONCAPITAL SUBSIDIES				
State appropriations	6,900,124	6,919,535	-	-
Payments made and expenses incurred by the State on behalf of the College	64,793	8,683	-	-
Total noncapital subsidies	6,964,917	6,928,218	-	-
OPERATING INCOME (LOSS) AND NONCAPITAL SUBSIDIES	(662,234)	331,273	149,950	(35,921)
OTHER NONOPERATING REVENUES (EXPENSES):				
Capital payments made on behalf of the College	1,978,274	785,032	-	-
Donated capital assets	3,917,331	6,876,635	-	-
Investment income	195,995	191,352	705,952	359,292
Interest expense	(63,127)	(64,627)	-	-
Other net nonoperating revenues	6,028,473	7,788,392	705,952	359,292
CHANGE IN NET POSITION	5,366,239	8,119,665	855,902	323,371
NET POSITION, beginning of year	36,676,994	28,557,329	4,260,362	3,936,991
NET POSITION, end of year	$ 42,043,233	$ 36,676,994	$ 5,116,264	$ 4,260,362

The Accompanying Notes Are An Integral
Part Of These Financial Statements

NEW RIVER 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	$ 3,080,603	$ 1,859,051
Contracts and grants	2,682,475	4,858,973
Payments to and on behalf of employees	(10,101,320)	(9,951,050)
Payments to suppliers	(3,847,476)	(3,511,252)
Payments to utilities	(566,893)	(501,309)
Payments for scholarships and fellowships	(2,025,294)	(2,641,883)
Sales and service of educational activities	140,648	148,273
Fees assessed by Commission	(75,239)	(63,109)
Other receipts (payments)-net	331,982	375,136
Net cash used in operating activities	(10,380,514)	(9,427,170)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	6,900,124	6,919,535
Pell grants	3,678,412	3,873,316
Payments to the Commission on debt obligation	(30,668)	(30,668)
William D. Ford direct lending receipts	862,582	746,196
William D. Ford direct lending payments	(862,582)	(746,196)
Net cash provided by noncapital financing activities	10,547,868	10,762,183
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchases of capital assets	(616,111)	(460,001)
Payments on leases	(81,600)	(81,600)
Principal payments on note payable	-	(1,920)
Net cash used in capital financing activities	(697,711)	(543,521)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	195,995	191,352
Net cash provided by investing activities	195,995	191,352
CHANGE IN CASH AND CASH EQUIVALENTS	(334,362)	982,844
CASH AND CASH EQUIVALENTS - beginning of year	6,072,073	5,089,229
CASH AND CASH EQUIVALENTS - end of year	$ 5,737,711	$ 6,072,073
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	$ (7,627,151)	$ (6,596,945)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Federal Pell grant revenue	(3,678,412)	(3,873,316)
Depreciation and amortization expense	1,710,888	1,599,048
OPEB expense-special funding situation	64,793	8,683
Changes in assets and liabilities:		
Accounts receivables - net	(45,255)	11,753
Grants receivable	(130,237)	(45,858)
Due from other State agencies	(199,546)	(77,303)
Due from Commission/Council	30,797	(344,195)
Due from Federal government	(82,148)	191,723
Other accounts receivable	(112,015)	1,543
Deferred outflows of resources	(133,742)	(21,871)
Accounts payable	(90,528)	112,636
Accrued liabilities	2,695	86,533
Due to Commission/Council	-	(34,170)
Unearned revenue	(317,405)	(542,115)
Compensated absences	107,599	173,600
Net other post employment benefits liability (asset)	61,946	138,363
Deferred inflows of resources	57,207	(215,279)
Net cash used in operating activities	$ (10,380,514)	$ (9,427,170)
NONCASH TRANSACTIONS		
Capital payments made on behalf of New River Community and Technical College	$ 1,978,274	$ 785,032
Building and equipment transferred from other State agencies	$ 3,917,331	$ 6,876,635

The Accompanying Notes Are An Integral
Part Of These Financial Statements

NOTE 1 - ORGANIZATION

New River Community and Technical College (the College) is governed by the New River Community and Technical College Board of Governors (the Board). The Board was established by Senate Bill 653 (S.B. 653).

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

S.B. 653 also created the West Virginia Higher Education Policy Commission (the Commission), which is responsible for developing, gaining consensus around and overseeing the implementation and development of a higher education public policy agenda. 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's Public Policy agenda as it relates to community and technical college education. Senate Bill 401 required the transfer of certain net position from Bluefield State College to its separately governed community and technical college after the community and technical college received its independent accreditation. The College received its accreditation on February 8, 2005.

As a requirement of Governmental Accounting Standards Board (GASB), the College has included information from the New River Community and Technical College Foundation, Inc. (the Foundation).

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity **-** The College is a blended component unit of the West Virginia Higher Education Fund and represents separate funds of the State that are not included in the State's general fund. The College is a separate entity, which along with all State institutions of higher education, the Commission (which includes the West Virginia Network for Educational Telecomputing), and the Council 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 criteria for inclusion in the accompanying financial statements is the exercise of oversight responsibility derived from the College's ability to significantly influence operations and accountability for fiscal matters of related entities.

The audited financial statements of the Foundation are presented here as a discrete component unit with the College financial statements in accordance with GASB. The Foundation's audited financial statements were as of and for the years ended June 30, 2026 and 2025. The Foundation is a private nonprofit organization that reports under FASB standards. The financial statements of the Foundation have been converted to the GASB reporting model. Relevant disclosures under GASB are also presented. (See also Notes 10 and 13).

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

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting **-** For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been prepared on the accrual basis of accounting with a flow of economic resources measurement focus. Revenues are reported when earned and expenses are incurred 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 equivalent balances on deposit with the State of West Virginia Treasurer's Office (the State Treasurer) are pooled by the State Treasurer with other 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, and by provisions of bond indentures and 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.

The BTI maintains the Consolidated Fund investment fund, which consists of nine investment pools and participant-directed accounts, three of which the College may invest in. These pools have been structured as multi-participant variable net asset funds to reduce risk and offer investment liquidity diversification to the Fund participants. Funds not required to meet immediate disbursement needs are invested for longer periods. A more detailed discussion of the BTI's investment operations pool can be found in its annual audited financial report. A copy of this annual report can be obtained from the following address: 1900 Kanawha Boulevard East, Room E-122, Charleston, West Virginia 25305 or http://www.wvbti.com.

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

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets **-** Capital assets include property, plant and equipment, and books and materials that are part of a catalogued library. 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 20 to 50 years for buildings, 20 years for land improvements, 7 years for library books, and 3 to 10 years for furniture and equipment. The College's capitalization threshold is $5,000. There was no interest capitalized during 2026 or 2025.

Capital assets also include intangible right-to-use lease assets, initially measured at the present value of payments expected to be made during the lease term. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the estimated useful life of the underlying asset, unless the lease contains a purchase option. The College's agreements meeting the definition of a lease do not contain purchase options.

Unearned Revenue **-** Revenues for programs or activities to be conducted primarily in the next fiscal year are classified as unearned revenue, including items such as orientation fees and room and board. Financial aid and other deposits are separately classified as deposits.

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

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

For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by RHBT. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See note 6 for further discussion.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Pension Liability - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the West Virginia Teachers' Retirement System (STRS), administered by the West Virginia Consolidated Public Retirement Board (CPRB), and additions to/reductions from the STRS fiduciary net position have been determined on the same basis as they are reported in the STRS financial statements, which can be found at https://www.wvretirement.com/Publications.html#CAFR. The plan schedules of STRS are prepared using the accrual basis of accounting and economic resources measurement focus in accordance with U.S. GAAP as prescribed by GASB. Employer contributions are recognized when due and the employer has a legal requirement to provide the contributions. Investments are reported at fair value. Detailed information on investment valuation can be found in the STRS financial statements. Management of STRS has made certain estimates and assumptions relating to employer allocation schedules, and actual results could differ. See note 9 for further discussion.

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

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification of Revenues **-** The College has classified its revenues as operating, noncapital subsidies, or nonoperating according to the following criteria:

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

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

- *Other nonoperating revenues* – Other nonoperating revenues include capital subsidies, endowment contributions, income related to financing, gains on disposal of assets, and investment income.

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

Federal Financial Assistance Programs **-** The College 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 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, respectively, the College received and disbursed approximately $0.8 million and $0.7 million 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, respectively, the College received and disbursed approximately $3.8 million and $4.0 million, 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.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial aid to students is reported in the financial statements under Method B as outlined in the National Association of College and College Business Officers (NACUBO) Advisory 2023-01. Under Method B, financial aid awards are applied in a prescribed sequence to individual student charges by year, using actual amounts applied to tuition, fees, and other auxiliary services. The scholarship allowance is calculated as the amount of aid applied to tuition and fees and auxiliary services, and that amount is reported as a reduction of the corresponding revenue. Aid that exceeds institutional charges is reported as student financial aid expense. This methodology reflects actual financial aid application data rather than estimated proportions.

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

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

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

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

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

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

- Presentation of Subsidies - The College presents noncapital subsidies, including state operational appropriations, in a separate section immediately following operating income (loss). A new subtotal for operating income (loss) and noncapital subsidies is now presented on the Statement of Revenues, Expenses, and Changes in Net Position.

- Nonoperating Classification - Nonoperating activities have been strictly limited to subsidies received and provided, contributions to permanent and term endowments, financing activities, investment activities, and the disposal of capital assets or inventory.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Component Units - Major discretely presented component units are now presented in separate columns or through combining statements, rather than aggregated into a single column.

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

Financial Statement Line Item (FY 2025)	As Reported	Effect of GASB 103	As Restated
Operating Revenue	$ -	$ 3,873,316	$ 3,873,316
Pell Grants			
Noncapital Subsidies			
State appropriations	-	6,919,535	6,919,535
Payments made on behalf of the College	-	8,683	8,683
Other Nonoperating Revenues (Expenses)			
State appropriations	6,919,535	(6,919,535)	-
Pell Grants	3,873,316	(3,873,316)	-
Donated capital assets	-	6,876,635	6,876,635
Capital payments made on behalf of the College	-	785,032	785,032
Other			
Payments made and expenses incurred by the State on behalf of the College	8,683	(8,683)	-
Payments made and expenses incurred on behalf of the College	785,032	(785,032)	-
Donated capital assets	6,876,635	(6,876,635)	

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

NOTE 3 - CASH AND CASH EQUIVALENTS

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

	2026	2025
Cash on deposit with the Treasurer/BTI	$ 5,491,469	$ 6,071,368
Cash in bank	244,092	(1,445)
Cash on hand	2,150	2,150
	$ 5,737,711	$ 6,072,073

Cash held by the Treasurer and cash in banks includes $1,350,165 and $1,810,442 of restricted cash at June 30, 2026 and 2025, respectively.

The combined carrying amount of cash in the bank at June 30, 2026 and 2025, was $244,092 and $(1,445), respectively, as compared with the combined bank balance of $260,909 and $21,272, respectively. The difference is primarily caused by outstanding checks and items in transit. The bank balances were covered by federal depository insurance as noted below or were collateralized by securities held by the State's agent. Regarding federal depository insurance, accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000.

Amounts with the State Treasurer were $5,491,469 and $6,071,368 as of June 30, 2026 and 2025, respectively. Of these amounts, $4,420,737 and $4,468,243 were invested in the WV Money Market Pool and the WV Short Term Bond Pool as of June 30, 2026 and 2025, respectively. The remainder of the cash held with the State Treasurer was not invested at June 30, 2026 and 2025.

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

	2026		2025	
External Pool	Carrying Value	S & P Rating	Carrying Value	S & P Rating
WV Money Market Pool	$ 4,319,611	AAAm	$ 4,365,651	AAAm
WV Short Term Bond Pool	101,126	Not Rated	102,592	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.

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

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	$ 4,319,611	46	$ 4,365,651	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	$ 101,126	664	$ 102,592	637

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

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

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

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

NOTE 4 - CAPITAL ASSETS

The following is a summary of capital asset transactions for the College for the years ended June 30:

	2026			
	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Land	$ 2,220,000	$ -	$ -	$ 2,220,000
Construction in progress	790,897	1,978,274	2,611,700	157,471
Total capital assets not being depreciated	$ 3,010,897	$ 1,978,274	$ 2,611,700	$ 2,377,471
Other capital assets:				
Land improvements	$ 97,937	$ -	$ -	$ 97,937
Buildings	38,928,136	6,181,699	-	45,109,835
Equipment	6,791,345	963,443	-	7,754,788
Library books	19,564	-	-	19,564
Total other capital assets	45,836,982	7,145,142	-	52,982,124
Lease assets being amortized:				
Buildings	769,325	-	-	769,325
Total lease assets being amortized	769,325	-	-	769,325
Less accumulated depreciation for:				
Land improvements	97,937	-	-	97,937
Buildings	10,999,451	1,069,297	-	12,068,748
Equipment	4,312,059	601,277	-	4,913,336
Library books	19,564	-	-	19,564
Total accumulated depreciation	15,429,011	1,670,574	-	17,099,585
Less accumulated amortization for lease assets:				
Lease assets - buildings	43,674	40,314	-	83,988
Total accumulated amortization	43,674	40,314	-	83,988
Other capital assets and lease assets, net	$ 31,133,622	$ 5,434,254	$ -	$ 36,567,876
Capital asset summary:				
Capital assets not being depreciated	$ 3,010,897	$ 1,978,274	$ 2,611,700	$ 2,377,471
Other capital assets	45,836,982	7,145,142	-	52,982,124
Lease assets	769,325	-	-	769,325
Total cost of capital assets	49,617,204	9,123,416	2,611,700	56,128,920
Less accumulated depreciation and amortization	15,472,685	1,710,888	-	17,183,573
Capital assets, net	$ 34,144,519	$ 7,412,528	$ 2,611,700	$ 38,945,347

NOTE 4 - CAPITAL ASSETS (Continued)

	2025			
	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Land	$ 894,000	$ 1,326,000	$ -	$ 2,220,000
Construction in progress	5,865	785,032	-	790,897
Total capital assets not being depreciated	$ 899,865	$ 2,111,032	$ -	$ 3,010,897
Other capital assets:				
Land improvements	$ 97,937	$ -	$ -	$ 97,937
Buildings	33,624,136	5,304,000	-	38,928,136
Equipment	6,084,709	706,636	-	6,791,345
Library books	19,564	-	-	19,564
Total other capital assets	39,826,346	6,010,636	-	45,836,982
Lease assets being amortized:				
Buildings	769,325	-	-	769,325
Total lease assets being amortized	769,325	-	-	769,325
Less accumulated depreciation for:				
Land improvements	97,937	-	-	97,937
Buildings	10,006,164	993,287	-	10,999,451
Equipment	3,746,612	565,447	-	4,312,059
Library books	19,564	-	-	19,564
Total accumulated depreciation	13,870,277	1,558,734	-	15,429,011
Less accumulated amortization for lease assets:				
Lease assets - buildings	3,360	40,314	-	43,674
Total accumulated amortization	3,360	40,314	-	43,674
Other capital assets and lease assets, net	$ 26,722,034	$ 4,411,588	$ -	$ 31,133,622
Capital asset summary:				
Capital assets not being depreciated	$ 899,865	$ 2,111,032	$ -	$ 3,010,897
Other capital assets	39,826,346	6,010,636	-	45,836,982
Lease assets	769,325	-	-	769,325
Total cost of capital assets	41,495,536	8,121,668	-	49,617,204
Less accumulated depreciation and amortization	13,873,637	1,599,048	-	15,472,685
Capital assets, net	$ 27,621,899	$ 6,522,620	$ -	$ 34,144,519

NOTE 4 - CAPITAL ASSETS (Continued)

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

At June 30, 2026, the College had no outstanding contractual commitments for property, plant, and equipment expenditures.

NOTE 5 - LONG-TERM LIABILITIES

The following is a summary of long-term obligation transactions for the College for the years ended June 30:

	2026				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	$ 680,358	$ 107,599	$ -	$ 787,957	$ 616,545
Lease liability	752,471	-	18,343	734,128	19,965
Debt obligation due to the Council	237,657	-	30,668	206,989	30,668
Total noncurrent liabilities	$ 1,670,486	$ 107,599	$ 49,001	$ 1,729,074	$ 667,178

	2025				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	$ 506,758	$ 173,600	$ -	$ 680,358	$ 556,519
Note payable	1,920	-	1,920	-	-
Lease liability	769,325	-	16,854	752,471	18,344
Debt obligation due to the Council	268,325	-	30,668	237,657	30,668
Total noncurrent liabilities	$ 1,546,328	$ 173,600	$ 49,442	$ 1,670,486	$ 605,531

NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS

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

	2026	2025
Net OPEB liability (asset)	$ 56,817	$ (5,129)
Deferred outflows of resources	204,118	70,376
Deferred inflows of resources	124,019	54,326
Revenues	64,793	8,683
OPEB expense	79,603	(40,877)
Contributions made by the College	13,461	37,308

Plan Description

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

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

Benefits Provided

The Plan provides the following benefits:

- Medical and prescription drug insurance
- Life insurance

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

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

NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

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. The paygo rate for fiscal year 2025 was $34 per active health 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.

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.

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

The College's contributions to the OPEB plan for the years ended June 30, 2026 and 2025 were $13,461 and $37,308, respectively.

NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Assumptions

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

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

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

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

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

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

NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

The target allocation and estimates of annualized long-term expected returns assuming a 10-year horizon as of June 30, 2025 and 2024 are summarized below:

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB liability (asset) 2026	$ 217,014	$ 56,817	$ (79,933)
Net OPEB liability (asset) 2025	$ 22,425	$ (5,129)	$ (28,077)

NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB liability (asset) 2026	$ (144,110)	$ 56,817	$ 295,481
Net OPEB liability (asset) 2025	$ (40,329)	$ (5,129)	$ 37,616

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

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

At June 30, 2026, the College's proportionate share of the net OPEB liability (asset) was $101,894. Of this amount, the College recognized $56,817 as its proportionate share on the statement of net position. The remainder of $45,077 denotes the College's proportionate share of net OPEB liability attributable to the special funding.

At June 30, 2025, the College's proportionate share of the net OPEB liability (asset) was $(21,238). Of this amount, the College recognized $(5,129) as its proportionate share on the statement of net position. The remainder of $(16,109) denotes the College's proportionate share of net OPEB liability attributable to the special funding.

The allocation percentage assigned to each participating employer and non-employer contributing entity is based on its proportionate share of employer and non-employer contributions to 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 0.060248491%, an increase of 0.047929160% from its proportion of 0.012319331% calculated as of June 30, 2024. At the June 30, 2024 measurement date, the College's proportion was 0.012319331%, a decrease of 0.078355401% from its proportion of 0.090674732% calculated as of June 30, 2023.

For the year ended June 30, 2026, the College recognized OPEB expense of $79,603. Of this amount, $14,810 was recognized as the College's proportionate share of OPEB expense and $64,793 as the amount of OPEB expense attributable to special funding from a non-employer contributing entity. The College also recognized revenue of $64,793 for support provided by the State.

NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

For the year ended June 30, 2025, the College recognized OPEB expense of $(40,877). Of this amount, $(49,560) was recognized as the College's proportionate share of OPEB expense and $8,683 as the amount of OPEB expense attributable to special funding from a non-employer contributing entity. The College also recognized revenue of $8,683 for support provided by the State.

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

June 30, 2026	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual investment earnings on OPEB plan investments	$ -	$ 41,514
Differences between expected and actual non-investment experience	51,710	41,834
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,203	28,962
Changes in assumptions	132,744	11,709
Contributions after the measurement date	13,461	-
Total	$ 204,118	$ 124,019

June 30, 2025	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual investment earnings on OPEB plan investments	$ -	$ 5,844
Differences between expected and actual non-investment experience	17,866	5,158
Changes in proportion and differences between employer contributions and proportionate share of contributions	13,243	37,259
Changes in assumptions	1,959	6,065
Contributions after the measurement date	37,308	-
Total	$ 70,376	$ 54,326

NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

The College will recognize the $13,461 reported as deferred outflows of resources resulting from OPEB contributions after the measurement date as a reduction of the net OPEB liability (asset) in the year ended June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended June 30,	Amortization
2027	$ 74,986
2028	28,067
2029	(20,270)
2030	(16,145)
	$ 66,638

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 7 - LONG-TERM DEBT

During fiscal year 2016, the College received a loan from the Council totaling $460,000 to fund payroll. On April 5, 2018 the College entered into a formal repayment agreement with the Council to repay the loan. Under the terms of the agreement, the loan is to be repaid over a fifteen year period with payments commencing on June 15, 2018. The loan is payable in quarterly installments of $7,667 with the final payment due on March 15, 2033. The outstanding balance on the loan was $206,989 and $237,657 for the years ended June 30, 2026 and 2025, respectively.

Future payments required under this agreement as of June 30, 2026 are as follows:

Year Ending June 30	Payments
2027	$ 30,668
2028	30,668
2029	30,668
2030	30,668
2031	30,668
Thereafter	53,649
Total	$ 206,989

NOTE 8 - LEASES

The College leases a building under a long-term, noncancelable lease agreement. The lease has monthly installments of $6,800 plus interest at 8.50% with a due date of June 2043. Two optional renewal periods of 5 and 7 years are reasonably expected to be exercised and are included in the measurement of the lease liability.

Future annual minimum lease payments on leases for years subsequent to June 30, 2026, are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total Payments
2027	$ 19,965	$ 61,635	$ 81,600
2028	21,730	59,870	81,600
2029	23,650	57,950	81,600
2030	25,741	55,859	81,600
2031	28,016	53,584	81,600
2032-2036	181,905	226,095	408,000
2037-2041	277,824	130,176	408,000
2042-2043	155,297	14,703	170,000
	$ 734,128	$ 659,872	$ 1,394,000

NOTE 9 - RETIREMENT PLANS

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

Effective January 1, 2003, higher education employees enrolled in the basic 401(a) retirement plan with TIAA-CREF have an option to switch to the new Educators Money 401(a) basic retirement plan. New hires have a choice of either plan. As of June 30, 2026, no college employees were enrolled in the Educators Money 401(a) basic retirement plan.

DEFINED BENEFIT PENSION PLAN

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

NOTE 9 - RETIREMENT PLANS (Continued)

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

STRS	2026	2025
Net pension liability	$ -	$ -
Deferred outflows of resources	-	-
Deferred inflows of resources	14,135	26,621
Revenues	-	-
Pension expense	(12,486)	(11,918)
Contributions made by the College	-	-

Plan Description

STRS is a multiple employer defined benefit cost-sharing public employee retirement system providing retirement benefits as well as death and disability benefits.

STRS issues a publicly available annual comprehensive financial report that includes financial statements and required supplementary information for the plan. A copy of the report may be obtained from the STRS website at https://www.wvretirement.com/Publications.html#CAFR.

Benefits Provided

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

Contributions

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

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

NOTE 9 - RETIREMENT PLANS (Continued)

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

- 15% of gross salary of their TRS members hired prior to July 1, 1991;
- 7.5% of the gross salary of their TRS covered employees hired for the first time after July 1, 2005 and for those TDCRS members who elected to transfer to TRS effective July 1, 2008;
- a certain percentage of fire insurance premiums paid by State residents; and
- under WV State code section 18-9-A-6a, beginning in fiscal year 1996, an amount determined by the State Actuary as being needed to eliminate the STRS unfunded liability within 40 years of June 30, 1994. As of June 30, 2026 and 2025, the College's proportionate share attributable to this special funding subsidy was $0.

The College's contributions to STRS for the years ended June 30, 2026 and 2025, were $0.

Assumptions

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

- Actuarial cost method: Entry age normal cost with level percentage of payroll.
- Asset valuation method: Investments are reported at fair (market) value.
- Amortization method and period: Level dollar, fixed period over 40 years, from July 1, 1994 through fiscal year 2034.
- Investment rate of return of 7.25%, net of investment expenses.
- Projected salary increases: Teachers 2.75-5.90% and non-teachers 2.75-6.50%, based on age.
- Inflation rate of 2.75%.
- Discount rate of 7.25%.
- Mortality rates based on Pub-2010 Mortality Tables.
- Withdrawal rates: Teachers 1.90-31.50% and non-teachers 2.50-18.00%.
- Disability rates: 0.000-0.507%.
- Retirement age: An age-related assumption is used for participants not yet receiving payments.
- Retirement rates: 15.00-100.00%.
- *Ad hoc* cost-of-living increases in pensions are periodically granted by the State Legislature. However, the retirement system makes no automatic provision for such increases.

Experience studies are performed at least once in every five-year period. The most recent experience study covered the period from July 1, 2019 to June 30, 2024. These assumptions will remain in effect for valuation purposes until such time as the CPRB adopts revised assumptions.

NOTE 9 - RETIREMENT PLANS (Continued)

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

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

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

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

NOTE 9 - RETIREMENT PLANS (Continued)

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

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability 2026	$ -	$ -	$ -
Net pension liability 2025	-	-	-

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

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

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

The allocation percentage assigned to each participating employer and non-employer contributing entity is based on their proportionate share of employer and non-employer contributions to STRS for each of the fiscal years ended June 30, 2025 and 2024. Employer contributions are recognized when due. At the June 30, 2025 and 2024 measurement date, the College's proportion was 0.000000%.

For the year ended June 30, 2026, the College recognized STRS pension expense of $(12,486). This entire amount was recognized as the College's proportionate share of the STRS expense. The College recognized no revenue for support provided by the State.

For the year ended June 30, 2025, the College recognized STRS pension expense of $(11,918). This entire amount was recognized as the College's proportionate share of the STRS expense. The College recognized no revenue for support provided by the State.

NOTE 9 - RETIREMENT PLANS (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
June 30, 2026		
Changes in proportion and differences between employer contributions and proportionate share of contributions	$ -	$ 14,135
Total	$ -	$ 14,135

	Deferred Outflows of Resources	Deferred Inflows of Resources
June 30, 2025		
Changes in proportion and differences between employer contributions and proportionate share of contributions	$ -	$ 26,621
Total	$ -	$ 26,621

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in STRS pension expense as follows.

Fiscal Year Ended June 30,	Amortization
2027	$ (8,619)
2028	(4,017)
2029	(614)
2030	(885)
	$ (14,135)

Payables to the Pension Plan

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

NOTE 9 - RETIREMENT PLANS (Continued)

DEFINED CONTRIBUTION BENEFIT PLANS

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

Total contributions to the TIAA-CREF for the years ended June 30, 2026 and 2025 were $865,310 and $833,082, respectively, which consisted of equal contributions of $432,655 and $416,541, from both the College and covered employees.

The College's total payroll for the years ended June 30, 2026 and 2025 was $8,058,379 and $8,146,804, respectively. Total covered employees' salaries in STRS and TIAA-CREF for the years ended June 30, 2026 and 2025 were $7,210,911 and $6,942,349, respectively.

NOTE 10 - FOUNDATION

The Foundation is a separate nonprofit organization incorporated in the State of West Virginia and has as its purpose "…to aid, strengthen and further in every proper and useful way, the work and services of the College and its affiliated nonprofit organizations…" Oversight of the Foundation is the responsibility of a separate and independently elected Board of Directors, not otherwise affiliated with the College. In carrying out its responsibilities, the Board of Directors of the Foundation employs management, forms policy, and maintains fiscal accountability over funds administered by the Foundation. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources or income thereon that the Foundation holds and invests is restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and is discretely presented with the College's financial statements in accordance with GASB. Based on the Foundation's audited financial statements for the years ended June 30, 2026 and 2025, the Foundation's net position (including unrealized gains) totaled $5,116,264 and $4,260,362, respectively.

Complete financial statements for the Foundation can be obtained from the President of the New River Community and Technical College Foundation, Inc.

Gifts, grants, pledges, and bequests to the College totaled $329,630 and $197,505 for the years ended June 30, 2026 and 2025, respectively.

The College pays for certain services, supplies, and operating expenses for the Foundation. The total amount of services, supplies, and operating expenses contributed by the College were $99,461 and $97,420 for the years ended June 30, 2026 and 2025, respectively.

NOTE 11 - CONTINGENCIES

The nature of the educational industry is such that, from time to time, claims will be presented against colleges 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 seriously impact 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 College owns various buildings which 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 condition. 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 condition becomes 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 condition.

NOTE 12 - AFFILIATED ORGANIZATIONS AND OTHER STATE AGENCIES

The College receives funding or grants from and provides services to other state agencies, and utilizes services, supplies, and equipment provided by other state agencies. Amounts due from or to other state agencies at June 30, 2026 and 2025 are as follows:

	2026	2025
Due from:		
WV Council for Community and Technical College Education	$ 157,998	$ 256,232
WV Higher Education Policy Commission	214,683	147,246
Bluefield State University	275,649	76,703
WV Virtual Academy	1,200	600
	$ 649,530	$ 480,781
Due to:		
WV Division of Labor	$ -	$ 90
WVNET	21	5,493
WV Office of the Attorney General	39	-
	$ 60	$ 5,583

NOTE 13 - COMPONENT UNIT DISCLOSURES

The following are the significant notes related to the financial statements of the Foundation:

DESCRIPTION OF THE FOUNDATION

New River Community and Technical College Foundation, Inc. (the Foundation) is a non-profit West Virginia corporation organized to promote educational and fraternal opportunities for current students and alumni of New River Community and Technical College (New River), located and operating in various communities in central and southeastern, West Virginia. It is organized to serve New River, its faculty, students and alumni through fundraising, managing funds, overseeing the distribution of these funds, and undertaking of capital and other educational projects. The Foundation currently accomplishes these by engaging in the following principal activities:

- Solicitation of restricted and unrestricted charitable contributions.
- Sponsoring fundraising events and activities.
- Investment of available liquid assets.
- Awarding to qualifying students, faculty, or staff of New River certain grants or scholarships.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unconditional promises to give - Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. The Foundation uses the allowance method to determine uncollectable unconditional promises to give. The allowance is based on prior years' experience concerning the general trends of collection and management's analysis of specific promises made. Further, no allowance for uncollectable amounts is considered necessary at June 30, 2026 and 2025.

Beneficial interest in assets held by community foundation - The Foundation has placed, with the Greater Greenbrier Valley Community Foundation, Inc. (GGVCF), certain assets in the form of Donor Designated Sub-Fund Agreements (the Agreements). The substance of the Agreements provide for the resulting investment returns from the investment of the underlying assets to be distributed to the Foundation. One of the Agreements further provides for the Foundation to have at its discretion the ability to invade 100% of the principal (corpus) placed with GGVCF, whereas the others do not. The asset subject to this one agreement amounts to less than 1% of the total of such assets at June 30, 2026 and 2025. Notwithstanding this, GGVCF does have variance power with respect to these funds whereby the Board of GGVCF by majority vote has the power to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations, if in the sole judgment of the GGVCF Board (without the approval of any trustee, custodian or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment or inconsistent with charitable needs of the area served by the GGVCF.

The applicable accounting standards require that, when a community foundation accepts a contribution from an agency and agrees to transfer the contributed assets, the investment return on those assets, or both, back to the agency, the contributions and accumulated net earnings are presented as an asset in the financial statements of the agency (in this case, the Foundation), then these contributions and accumulated net earnings are presented as an asset in financial statements of the agency (in this case the Foundation).

NOTE 13 - COMPONENT UNIT DISCLOSURES (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments - The Foundation's marketable investments are measured at their fair values in the statements of net position, all of which are readily determinable. Cash and cash equivalents are carried at cost which approximates fair value. The Foundation's investments are comprised of a variety of financial instruments and are managed by professional investment advisors (a wealth management group of a large commercial bank). The fair values are exposed to various risks including changes in the equity marks, the interest rate environment, and general economic conditions. Due to the level of risk associated with certain investment securities, it is reasonably possible that the amounts reported in the accompanying financial statements could change materially in the near term.

Endowments - See separately issued component unit financial statements for endowment related disclosures. For the years ended June 30, 2026 and 2025, there were no material reclasses among net position classes nor were there material changes in the endowments.

MARKETABLE INVESTMENTS

Trust marketable investments

Trust marketable investments are stated at estimated fair market value in the financial statements. The following is an analysis of the composition of the Foundation's investments:

June 30, 2026

Investment category	Market Value	Investment Cost	Unrealized Gain (Loss)
U.S. government agency securities	$ 5,896	$ 5,730	$ 166
Municipal bonds and notes	266,465	269,003	(2,538)
Corporate bonds and notes	495,409	496,085	(676)
Bank certificates of deposit	54,307	55,052	(745)
Fixed income mutual funds	13,636	15,000	(1,364)
Exchange traded funds - fixed income	12,196	14,681	(2,485)
Preferred stock	9,048	10,000	(952)
Common stock	1,178,480	595,225	583,255
Exchange traded funds - equity	216,890	113,591	103,299
Exchange traded funds - small-cap	36,074	30,843	5,231
Exchange traded funds - mid-cap	33,928	31,024	2,904
Exchange traded funds - international	60,999	39,956	21,043
Exchange traded funds – commodities	12,893	14,596	(1,703)
Foreign equity mutual funds	16,628	16,996	(368)
Large capitalization mutual funds	60,151	20,000	40,151
Totals	$ 2,473,000	$ 1,727,782	$ 745,218

NOTE 13 - COMPONENT UNIT DISCLOSURES (Continued)

MARKETABLE INVESTMENTS (Continued)

June 30, 2025

Investment category	Market Value	Investment Cost	Unrealized Gain (Loss)
U.S. government agency securities	$ 47,880	$ 47,435	$ 445
Municipal bonds and notes	107,269	104,978	2,291
Corporate bonds and notes	488,760	485,609	3,151
Bank certificates of deposit	74,322	75,065	(743)
Fixed income mutual funds	13,835	15,000	(1,165)
Exchange traded funds - fixed income	12,272	14,680	(2,408)
Preferred stock	9,276	10,000	(724)
Common stock	786,971	408,527	378,444
Exchange traded funds - equity	143,121	105,976	37,145
Exchange traded funds - mid-cap	34,979	26,607	8,372
Exchange traded funds - international	46,645	39,956	6,689
International equity mutual funds	17,717	15,000	2,717
Large capitalization mutual funds	49,772	20,000	29,772
Small capitalization mutual funds	27,495	20,000	7,495
Totals	$ 1,860,314	$ 1,388,833	$ 471,481

Title III marketable investments

Title III marketable investments are stated at estimated fair market value in the financial statements. The following is an analysis of the composition of the Foundation's investments:

June 30, 2026

Investment category	Market Value	Investment Cost	Unrealized Gain (Loss)
Municipal bonds and notes	$ 20,194	$ 20,030	$ 164
Corporate bonds and notes	209,723	208,238	1,485
Exchange traded funds - small cap	12,987	11,103	1,884
Exchange traded funds - equities	19,995	16,276	3,719
Exchange traded funds - mid cap	26,603	15,390	11,213
Exchange traded funds - international	7,461	5,809	1,652
Common stock	362,862	240,024	122,838
Foreign equity securities	17,066	8,594	8,472
Totals	$ 676,891	$ 525,464	$ 151,427

NOTE 13 - COMPONENT UNIT DISCLOSURES (Continued)

MARKETABLE INVESTMENTS (Continued)

June 30, 2025

Investment category	Market Value	Investment Cost	Unrealized Gain (Loss)
Municipal bonds and notes	$ 20,025	$ 20,089	$ (64)
Corporate bonds and notes	216,153	213,078	3,075
Bank certificates of deposit	15,085	15,000	85
Exchange traded funds - small cap	13,661	8,303	5,358
Exchange traded funds - equities	7,856	5,993	1,863
Exchange traded funds - mid cap	15,195	8,339	6,856
Exchange traded funds - international	6,183	5,809	374
Exchange traded funds - commodities	7,621	6,125	1,496
Common stock	299,705	195,905	103,800
Foreign equity securities	15,128	8,594	6,534
Totals	$ 616,612	$ 487,235	$ 129,377

All these investments are tradable in active markets and are stated at their market values. These assets are restricted under the terms of the Title III Grant.

BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION

Beneficial interest in assets held by community foundation consisted of the following activity:

	June 30, 2026	June 30, 2025
Beginning balance	$ 1,701,691	$ 1,648,629
Contributions	12,000	-
Interest and dividends	40,448	41,184
Realized and unrealized gains	218,183	127,558
Distributions	(56,000)	(94,700)
Bank and administrative fees	(21,821)	(20,980)
Totals	$ 1,894,501	$ 1,701,691

NOTE 13 - COMPONENT UNIT DISCLOSURES (Continued)

RESTRICTED NET POSITION

Restricted net position consists of the following:

	June 30, 2026	June 30, 2025
Expendable - capital projects	$ 120,259	$ 122,275
Expendable - scholarships	249,146	246,554
Expendable - other	2,001,869	1,519,562
Nonexpendable	2,560,457	2,253,456
Totals	$ 4,931,731	$ 4,141,847

FAIR VALUE MEASUREMENTS

Determination of fair value - The Foundation uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for the Foundation's various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

The fair value guidance provides a consistent definition of fair value, which focuses on exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment. The fair value, a reasonable point within the range, is most representative of fair value under current market conditions.

Fair value hierarchy - In accordance with this guidance, the Foundation groups its financial assets generally measured at fair value in three levels, based on markets in which the assets are traded and the reliability of the assumptions used to determine fair value.

Level 1 - Valuation is based on quoted prices in active markets for identical assets that the Foundation has the ability to access at the measurement date. Level 1 assets generally include debt and equity securities that are traded in an active exchange market. Valuations are obtained from readily available pricing sources for market transactions involving identical assets.

NOTE 13 - COMPONENT UNIT DISCLOSURES (Continued)

FAIR VALUE MEASUREMENTS (Continued)

Level 2 - Valuation is based on inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. The valuation may be based on quoted prices for similar assets; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset.

Level 3 - Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets. Level 3 assets include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgment or estimation.

Fair values of assets measured on a recurring basis as of June 30, 2026 are as follows:

		Fair Value Measurement at Reporting Date of Using		
	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Marketable securities	$ 2,103,793	$ 2,103,793	$ -	$ -
Municipal and corporate bonds	991,791	-	991,791	-
Bank certificates of deposit	54,307	-	54,307	-
Beneficial interest in assets held by community foundation	1,894,501	-	-	1,894,501
Total	$ 5,044,392	$ 2,103,793	$ 1,046,098	$ 1,894,501

NOTE 13 - COMPONENT UNIT DISCLOSURES (Continued)

FAIR VALUE MEASUREMENTS (Continued)

Fair values of assets measured on a recurring basis as of June 30, 2025 are as follows:

		Fair Value Measurement at Reporting Date of Using		
	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Marketable securities	$ 1,555,312	$ 1,555,312	$ -	$ -
Municipal and corporate bonds	832,207	-	832,207	-
Bank certificates of deposit	89,407	-	89,407	-
Beneficial interest in assets held by community foundation	1,701,691	-	-	1,701,691
Total	$ 4,178,617	$ 1,555,312	$ 921,614	$ 1,701,691

Financial instruments classified as Level 3, (beneficial interest in assets held in community foundation), in the fair value hierarchy represent the Foundation's investments in financial instruments in which management has used at least significant unobservable input in the valuation model. A reconciliation of the activities for Level 3 financial instruments is presented in the Beneficial Interest in Assets Held by Community Foundation Note.

NOTE 14 - NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

This table represents operating expenses within both natural and functional classifications for the years ended June 30:

	2026							
	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation and Amortization	Fees Assessed by Commission	Total
Instruction	$ 4,440,125	$ 1,119,077	$ 1,685,078	$ -	$ -	$ -	$ -	$ 7,244,280
Academic support	257,729	91,121	569,355	-	-	-	-	918,205
Student services	572,631	134,964	108,577	-	-	-	-	816,172
General institutional support	2,424,025	749,587	960,541	-	-	-	-	4,134,153
Operations and maintenance of plant	363,869	110,332	434,083	566,207	-	-	-	1,474,491
Student financial aid	-	-	-	-	1,162,712	-	-	1,162,712
Depreciation and amortization	-	-	-	-	-	1,710,888	-	1,710,888
Other	-	-	-	-	-	-	75,239	75,239
Total	$ 8,058,379	$ 2,205,081	$ 3,757,634	$ 566,207	$ 1,162,712	$ 1,710,888	$ 75,239	$ 17,536,140

	2025							
	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation and Amortization	Fees Assessed by Commission	Total
Instruction	$ 4,460,077	$ 1,082,730	$ 984,021	$ -	$ -	$ -	$ -	$ 6,526,828
Academic support	288,663	90,423	321,508	-	-	-	-	700,594
Student services	699,432	182,385	82,738	-	-	-	-	964,555
General institutional support	2,305,557	505,603	1,718,553	-	-	-	-	4,529,713
Operations and maintenance of plant	393,075	114,677	530,663	487,714	-	-	-	1,526,129
Student financial aid	-	-	-	-	1,895,687	-	-	1,895,687
Depreciation and amortization	-	-	-	-	-	1,599,048	-	1,599,048
Other	-	-	-	-	-	-	63,109	63,109
Total	$ 8,146,804	$ 1,975,818	$ 3,637,483	$ 487,714	$ 1,895,687	$ 1,599,048	$ 63,109	$ 17,805,663

REQUIRED SUPPLEMENTARY INFORMATION

NEW RIVER COMMUNITY AND TECHNICAL COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2026

State Teachers' Retirement System
Last 10 Fiscal Years*

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
College's proportion of the net pension liability (asset) (percentage)	0.000000%	0.000000%	0.000000%	0.000330%	0.002327%	0.002519%	0.002097%	0.002860%	0.009317%	0.009557%
College's proportionate share of the net pension liability (asset)	$ -	$ -	$ -	$ 8,488	$ 36,366	$ 81,136	$ 62,389	$ 89,297	$ 321,900	$ 392,776
State's proportionate share of the net pension liability (asset)	-	-	-	18,909	81,304	176,266	150,648	231,376	711,834	748,134
Total proportionate share of the net pension liability (asset)	$ -	$ -	$ -	$ 27,397	$ 117,670	$ 257,402	$ 213,037	$ 320,673	$ 1,033,734	$ 1,140,910
College's covered payroll	$ -	$ -	$ -	$ 11,801	$ 66,603	$ 69,470	$ 60,573	$ 84,623	$ 263,539	$ 269,633
College's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.00%	0.00%	0.00%	71.93%	54.60%	116.79%	103.00%	105.52%	122.15%	145.67%
Plan fiduciary net position as a percentage of the total pension liability	89.27%	84.24%	80.42%	77.78%	86.38%	70.89%	72.64%	71.20%	67.85%	61.42%

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

NEW RIVER COMMUNITY AND TECHNICAL COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
June 30, 2026

State Teachers' Retirement System
Last 10 Fiscal Years

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ -	$ -	$ -	$ -	$ 1,770	$ 9,990	$ 10,420	$ 9,086	$ 12,693	$ 39,531
Contributions in relation to the contractually required contribution	-	-	-	-	(1,770)	(9,990)	(10,420)	(9,086)	(12,693)	(39,531)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's covered payroll	$ -	$ -	$ -	$ -	$ 11,801	$ 66,603	$ 69,470	$ 60,573	$ 84,623	$ 263,539
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%

NEW RIVER COMMUNITY AND TECHNICAL COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
June 30, 2026

Last 10 Fiscal Years*

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
College's proportion of the net OPEB liability (asset) (percentage)	0.06025%	0.01232%	0.09067%	0.10119%	0.11116%	0.11401%	0.108432%	0.107444%	0.102496%	
College's proportionate share of the net OPEB liability (asset)	$ 56,817	$ (5,129)	$ (143,492)	$ 112,624	$ (33,054)	$ 503,575	$ 1,799,026	$ 2,305,140	$ 2,520,364	
State's proportionate share of the net OPEB liability (asset)	45,077	(16,109)	(61,247)	38,581	(6,508)	111,348	368,161	476,411	517,685	
Total proportionate share of the net OPEB liability (asset)	$ 101,894	$ (21,238)	$ (204,739)	$ 151,205	$ (39,562)	$ 614,923	$ 2,167,187	$ 2,781,551	$ 3,038,049	
College's covered-employee payroll	$ 5,736,911	$ 5,794,869	$ 5,668,211	$ 5,386,244	$ 5,364,282	$ 5,238,962	$ 4,947,330	$ 4,883,613	$ 5,147,789	
College's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.99%	-0.09%	-2.53%	2.09%	-0.62%	9.61%	36.36%	47.20%	48.96%	
Plan fiduciary net position as a percentage of the total OPEB liability	95.76%	102.19%	109.66%	93.59%	101.81%	73.49%	39.69%	30.98%	25.10%	

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

NEW RIVER COMMUNITY AND TECHNICAL COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS
June 30, 2026

Last 10 Fiscal Years

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Statutorily required contribution	$ 13,461	$ 37,308	$ 4,872	$ 90,933	$ 118,976	$ 202,714	$ 220,369	$ 223,400	$ 219,561	
Contributions in relation to the statutorily required contribution	(13,461)	(37,308)	(4,872)	(90,933)	(118,976)	(202,714)	(220,369)	(223,400)	(219,561)	
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
College's covered-employee payroll	$ 6,175,605	$ 5,736,911	$ 5,794,869	$ 5,668,211	$ 5,386,244	$ 5,364,282	$ 5,238,962	$ 4,947,330	$ 4,883,613	
Contributions as a percentage of covered-employee payroll	0.22%	0.65%	0.08%	1.60%	2.21%	3.78%	4.21%	4.52%	4.50%	

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

NEW RIVER COMMUNITY AND TECHNICAL COLLEGE
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION
YEARS ENDED JUNE 30, 2026 AND 2025

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

	Inflation	Salary Increases	Investment Rate of Return	Mortality	Discount Rate
2025	2.75%	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 2.75 to 5.90%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 2.75 to 6.50%.	7.25%, net of pension plan investment expense, including inflation.	Active: Pub-2016, General Employees table, headcount weighted, projected generationally with scale MP-2021. Retired: Healthy males – 103% of Pub-2016 General Retiree Male table, headcount weighted, projected generationally with scale MP-2021; Retired healthy females – 108% of Pub-2016 General Retiree Female table, headcount weighted, projected generationally with scale MP-2021; Disabled males – 118% of Pub-2016 General/Teacher Disabled Male table, headcount weighted, projected generationally with scale MP-2021; Disabled females – 121% of Pub-2016 General/Teacher Disabled Female table, headcount weighted, projected generationally with scale MP-2021; Beneficiary males-105% of Pub-2016 Contingent Survivor Male table, headcount weighted, projected generationally with Scale MP-2021; Beneficiary females-117% of Pub-2016 Contingent Survivor Female table, headcount weighted, projected	7.25%
2024	2.75%	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 2.75 to 5.90%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 2.75 to 6.50%.	7.25%, net of pension plan investment expense, including inflation.	Active: Pub-2010, General Employees table, headcount weighted, projected generationally with scale MP-2019. Retired: Healthy males – 100% of Pub-2010 General Retiree Male table, headcount weighted, projected generationally with scale MP-2019; Retired healthy females – 112% of Pub-2010 General Retiree Female table, headcount weighted, projected generationally with scale MP-2019; Disabled males – 107% of Pub-2010 General/Teacher Disabled Male table, headcount weighted, projected generationally with scale MP-2019; Disabled females – 113% of Pub-2010 General/Teacher Disabled Female table, headcount weighted, projected generationally with scale MP-2019; Beneficiary males-101% of Pub-2010 Contingent Survivor Male table, headcount weighted, projected generationally with Scale MP-2019; Beneficiary females-113% of Pub-2010 Contingent Survivor Female table, headcount weighted, projected	7.25%
2023	2.75%	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 2.75 to 5.90%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 2.75 to 6.50%.	7.25%, net of pension plan investment expense, including inflation.	Active: Pub-2010, General Employees table, headcount weighted, projected generationally with scale MP-2019. Retired: Healthy males – 100% of Pub-2010 General Retiree Male table, headcount weighted, projected generationally with scale MP-2019; Retired healthy females – 112% of Pub-2010 General Retiree Female table, headcount weighted, projected generationally with scale MP-2019; Disabled males – 107% of Pub-2010 General/Teacher Disabled Male table, headcount weighted, projected generationally with scale MP-2019; Disabled females – 113% of Pub-2010 General/Teacher Disabled Female table, headcount weighted, projected generationally with scale MP-2019; Beneficiary males-101% of Pub-2010 Contingent Survivor Male table, headcount weighted, projected generationally with Scale MP-2019; Beneficiary females-113% of Pub-2010 Contingent Survivor Female table, headcount weighted, projected generationally with Scale MP-2019	7.25%

NEW RIVER COMMUNITY AND TECHNICAL COLLEGE
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION
YEARS ENDED JUNE 30, 2026 AND 2025

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

NEW RIVER COMMUNITY AND TECHNICAL COLLEGE
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION
YEARS ENDED JUNE 30, 2026 AND 2025

	Inflation	Salary Increases	Investment Rate of Return	Mortality	Discount Rate
2021	2.75%	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 2.75 to 5.9%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 2.75 to 6.5%.	7.25%, net of pension plan investment expense, including inflation.	Active: Pub-2010, General Employees table, headcount weighted, projected generationally with scale MP-2019. Retired: Healthy males – 100% of Pub-2010 General Retiree Male table, headcount weighted, projected generationally with scale MP-2019; Retired healthy females – 112% of Pub-2010 General Retiree Female table, headcount weighted, projected generationally with scale MP-2019; Disabled males – 107% of Pub-2010 General/Teacher Disabled Male table, headcount weighted, projected generationally with scale MP-2019; Disabled females – 113% of Pub-2010 General/Teacher Disabled Female table, headcount weighted, projected generationally with scale MP-2019.	7.25%
2020	3.0%	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.16%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.75%.	7.5%, net of pension plan investment expense, including inflation.	Active: Pub-2010, General Employees table, headcount weighted, projected generationally with scale MP-2019. Retired: Healthy males – 108% of Pub-2010 General Retiree Male table, headcount weighted, projected generationally with scale MP-2019; Retired healthy females – 112% of Pub-2010 General Retiree Female table, headcount weighted, projected generationally with scale MP-2019; Disabled males – 107% of Pub-2010 General/Teacher Disabled Male table, headcount weighted, projected generationally with scale MP-2019; Disabled females – 113% of Pub-2010 General/Teacher Disabled Female table, headcount weighted, projected generationally with scale MP-2019.	7.5%
2019	3.0%	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.00%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.50%.	7.5%, net of pension plan investment expense, including inflation.	Active: RP2000, non-annuitant table, projected with Scale AA on a fully generational basis. Retired: Healthy males – 97% of RP2000 healthy annuitant table, projected with Scale AA on a fully generational basis; Healthy females – 94% of RP2000 healthy annuitant table, projected with Scale AA on a fully generational basis; Disabled males – 96% of RP2000 disabled annuitant table, projected with Scale AA on a fully generational basis; Disabled females – 101% of RP2000 disabled annuitant table, projected with Scale AA on a fully generational basis.	7.5%
2018	3.0%	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.00%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.50%.	7.5%, net of pension plan investment expense, including inflation.	Active: RP2000, non-annuitant table, projected with Scale AA on a fully generational basis. Retired: Healthy males – 97% of RP2000 healthy annuitant table, projected with Scale AA on a fully generational basis; Healthy females – 94% of RP2000 healthy annuitant table, projected with Scale AA on a fully generational basis; Disabled males – 96% of RP2000 disabled annuitant table, projected with Scale AA on a fully generational basis; Disabled females – 101% of RP2000 disabled annuitant table, projected with Scale AA on a fully generational basis.	7.5%

NEW RIVER COMMUNITY AND TECHNICAL COLLEGE
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION
YEARS ENDED JUNE 30, 2026 AND 2025

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

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

NEW RIVER COMMUNITY AND TECHNICAL COLLEGE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - OPEB
YEARS ENDED JUNE 30, 2026 AND 2025

Actuarial Changes Other Postemployment Benefits Plan

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

	Inflation Rate	Salary Increases	Wage Inflation Rate	Investment Rate of Return & Discount Rate	Mortality	Retirement Age	Aging Factors	Expenses	Healthcare Cost Trend Rates
2025	2.50%	Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation	2.75%	7.40%, net of OPEB plan investment expense, including inflation	Post-Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 100% for males and 108% for females; Pre-Retirement: Pub-2010 General Employee Mortality Tables projected with MP-2021	Experience-based table of rates that are specific to the type of eligibility condition	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Trend rates for pre-Medicare and Medicare per capita costs of 5.0% medical and 8.0% drug. The trends increase over four years to 7.0% and 9.5%, respectively. The trends then decrease linearly for 5 years until ultimate trend rate of 4.5% is reached in plan year end 2034.
2024	2.50%	Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation	2.75%	7.40%, net of OPEB plan investment expense, including inflation	Post-Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 100% for males and 108% for females; Pre-Retirement: Pub-2010 General Employee Mortality Tables projected with MP-2021	Experience-based table of rates that are specific to the type of eligibility condition	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Trend rates for pre-Medicare and Medicare per capita costs of 5.0% medical and 8.0% drug. The trends increase over four years to 7.0% and 9.5%, respectively. The trends then decrease linearly for 5 years until ultimate trend rate of 4.5% is reached in plan year end 2033.
2023	2.50%	Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation	2.75%	7.40%, net of OPEB plan investment expense, including inflation	Post-Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 100% for males and 108% for females; Pre-Retirement: Pub-2010 General Employee Mortality Tables projected with MP-2021	Experience-based table of rates that are specific to the type of eligibility condition	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Trend rate for pre-Medicare and Medicare per capita costs of 7.0% medical and 8.0% drug. The trends increase over four year to 9.0% and 9.5%, respectively. The trends then decrease linearly for 5 years until ultimate trend rate of 4.50% is reached in plan year end 2032.
2022	2.25%	Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation	2.75%	6.65%, net of OPEB plan investment expense, including inflation	Post-Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 100% for males and 108% for females; Pre-Retirement: Pub-2010 General Employee Mortality Tables projected with MP-2021	Experience-based table of rates that are specific to the type of eligibility condition	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2023, decreasing by 0.50% for two years then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year 2032. Trend rate for Medicare per capita costs of 8.83% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032.
2021	2.25%	Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation	2.75%	6.65%, net of OPEB plan investment expense, including inflation	Post-Retirement: Pub-2010 General Below-Median Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 100% for males and 108% for females; Pre-Retirement: Pub-2010 Pub-2010 General Employee Mortality Tables projected with Scale MP-2019	Experience-based table of rates that are specific to the type of eligibility condition	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2020, decreasing by 0.50% for one year then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year 2032. Trend rate for Medicare per capita costs of 31.11% for plan year end 2022, 9.15% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.

NEW RIVER COMMUNITY AND TECHNICAL COLLEGE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - OPEB
YEARS ENDED JUNE 30, 2026 AND 2025

	Inflation Rate	Salary Increases	Wage Inflation Rate	Investment Rate of Return & Discount Rate	Mortality	Retirement Age	Aging Factors	Expenses	Healthcare Cost Trend Rates
2020	2.25%	Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation	2.75%	6.65%, net of OPEB plan investment expense, including inflation	Post-Retirement: Pub-2010 Below-Median Income General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 106% for males and 113% for females; Pre-Retirement: Pub-2010 Below-Median Income General Employee Mortality Tables projected with MP-2019	Experience-based table of rates that are specific to the type of eligibility condition	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2022, 6.5% for plan year end 2023, decreasing by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year 2032. Trend rate for Medicare per capita costs of 31.11% for plan year end 2022, 9.15% for plan year end 2023, 8.40% for plan year end 2024, decreasing gradually each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.
2019	2.75%	Dependent upon pension system. Ranging from 3.0% to 6.5%, including inflation	4.00%	7.15%, net of OPEB plan investment expense, including inflation	Post-Retirement: RP–2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis; Pre-Retirement: RP–2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis	Experience-based table of rates that are specific to the type of eligibility condition	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Trend rate for pre-Medicare per capita costs of 8.5% for plan year end 2020, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year 2028. Trend rate for Medicare per capita costs of 3.1% for plan year end 2020. 9.5% for plan year end 2021, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year end 2031.
2018	2.75%	Dependent upon pension system. Ranging from 3.0% to 6.5%, including inflation	4.00%	7.15%, net of OPEB plan investment expense, including inflation	Post-Retirement: RP–2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis; Pre-Retirement: RP–2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis	Experience-based table of rates that are specific to the type of eligibility condition.	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.0% and 10.0% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend rate of 4.50%. Excess trend rate of 0.13% and 0.00% for pre and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2022 to account for the Excise Tax.
2017	2.75%	Dependent upon pension system. Ranging from 3.0% to 6.5%, including inflation	4.00%	7.15%, net of OPEB plan investment expense, including inflation	Post-Retirement: RP–2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis; Pre-Retirement: RP–2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis	Experience-based table of rates that are specific to the type of eligibility condition.	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.5% and 9.75% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend rate of 4.50%. Excess trend rate of 0.14% and 0.29% for pre and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2020 to account for the Excise Tax.

Suttle & Stalnaker Certified Public Accountants
A Professional Limited Liability Company

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

Board of Governors
New River Community and Technical College
Beaver, West Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of New River Community and Technical College (the College), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated September 30, 2026. The financial statements of The New River Community and Technical College Foundation, Inc., a discretely presented component unit of the College, were not audited in accordance with *Government Auditing Standards.*

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 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.

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.

Suttle & Stalnaker, PLLC

Charleston, West Virginia
September 30, 2026