PIERPONT COMMUNITY & TECHNICAL COLLEGE

FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2026 AND 2025

AND

INDEPENDENT AUDITOR'S REPORTS

Suttle & Stalnaker Certified Public Accountants
A Professional Limited Liability Company

PIERPONT COMMUNITY & TECHNICAL COLLEGE

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Suttle & Stalnaker Certified Public Accountants
A Professional Limited Liability Company

INDEPENDENT AUDITOR'S REPORT

Board of Governors
Pierpont Community & Technical College
Fairmont, West Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of Pierpont Community & Technical College (Pierpont), a component unit of the West Virginia Council for Community and Technical College Education, as of and for the years ended June 30, 2026 and 2025, and the related notes to the financial statements, which collectively comprise Pierpont'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 financial position of the business-type activities of Pierpont, as of June 30, 2026 and 2025, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 Pierpont and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

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

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Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Pierpont'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 Pierpont'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 Pierpont's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 16, the schedule of proportionate share of the net pension liability, the schedule of pension contributions, the schedule of proportionate share of the net OPEB liability (asset), the schedule of OPEB contributions, and related footnotes on pages 55 through 64, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2026, on our consideration of Pierpont'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 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 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 Pierpont's internal control over financial reporting and compliance.

Suttle & Stalnaker, PLLC

Charleston, West Virginia
September 29, 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 Pierpont Community & Technical College's (Pierpont) annual financial report provides an overview of Pierpont'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.

Pierpont's financial statements consist of three basic financial statements: the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. Together, these statements provide information about Pierpont's financial condition, operating results, and cash flows.

Statement of Net Position

The Statement of Net Position presents the assets (current and noncurrent), deferred outflows of resources, liabilities (current and noncurrent), deferred inflows of resources, and net position (assets and deferred outflows of resources minus liabilities and deferred inflows of resources) of Pierpont as of the fiscal year end. Net position is divided into the following categories:

1. ***Net investment in capital assets*** represents Pierpont's total investment in capital assets, net of depreciation and amortization and outstanding debt obligations related to those capital assets.

2. ***Restricted net position*** represents resources that are restricted either due to externally imposed constraints or restrictions imposed by law.

3. ***Unrestricted net position*** represents resources that are not subject to external restrictions and may be used to support Pierpont's ongoing operations and strategic initiatives.

Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position presents the financial results for the fiscal year. The statement distinguishes operating revenues and expenses from noncapital subsidies and other nonoperating revenues and expenses and presents the resulting change in net position for the year.

Operating revenues primarily consist of tuition and fees, grants and contracts, and auxiliary enterprise activities. Operating expenses include salaries and wages, benefits, supplies and other services, student financial aid expenses, depreciation and amortization, and other expenses necessary to support Pierpont's mission.

State appropriations, while budgeted for operations, are reported as noncapital subsidies. This is because State appropriations are provided by the West Virginia Legislature to Pierpont and are non-exchange transactions.

Other nonoperating revenues and expenses include capital subsidies, income related to financing, gains or losses on disposal of assets, investment income, and interest expense.

Statement of Cash Flows

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

Financial Summary and Detailed Analysis

Condensed Schedules of Net Position
June 30:

	2026	2025	2024
Assets			
Current and Other Assets	$ 15,113,627	$ 14,289,152	$ 13,341,513
Capital Assets - net	29,814,395	29,291,497	29,702,180
Total Assets	44,928,022	43,580,649	43,043,693
Deferred Outflows of Resources	193,162	113,231	128,875
Total	$ 45,121,184	$ 43,693,880	$ 43,172,568
Liabilities			
Long-term Liabilities	$ 10,267,897	$ 12,121,319	$ 13,904,262
Other Liabilities	3,495,576	2,913,501	2,941,214
Total Liabilities	13,763,473	15,034,820	16,845,476
Deferred Inflows of Resources	144,271	110,304	287,204
Net Position			
Net Investment in Capital Assets	29,197,393	28,258,547	28,258,909
Restricted	1,700,561	1,652,139	1,330,000
Unrestricted (Deficit)	315,486	(1,361,930)	(3,549,021)
Total Net Position	31,213,440	28,548,756	26,039,888
Total	$ 45,121,184	$ 43,693,880	$ 43,172,568

Total assets increased by $1,347,373 or 3.09% from fiscal year 2025 to fiscal year 2026. The major components of this increase are:

- Total current and other assets increased by $824,475 or 5.77%, resulting primarily from an increase in cash and cash equivalents of $895,891. Cash increased in the restricted funds by $536,473 due to advanced funds received for several state grants including the Licensed Practical Nurse (LPN)/Paramedic to Register Nurse Bridge Program and the West Virginia Advance Surgical Tech Workforce grant. Both grants will lead to new programs in support of educational and workforce needs. Pierpont also received advances for several new Learn and Earn grants. Learn and Earn grants give students in various programs an opportunity to internship with local companies. Cash also increased in the unrestricted funds by $343,762, primarily related to Workforce education and Workforce program fees and aviation technology and welding fees. Accounts receivable decreased by $105,499 due primarily to a decline in dual enrollment receivables due from the West Virginia Higher Education Policy Commission (the Commission) as a result in a decline in dual credit enrollment.

- Total capital assets, net of accumulated depreciation and amortization, increased by $522,898 or 1.79%. The increase is mostly due to an increase in equipment additions of $483,441 and construction in progress of $1,278,429 relating to deferred maintenance projects ongoing at the Advanced Technology Center and architecture, engineering, and design costs for Pierpont's Aviation Maintenance Technology Training Facility. Increases in capital assets were offset by depreciation and amortization expense of $1,336,591.

Total assets increased by $536,956 or 1.25% from fiscal year 2024 to fiscal year 2025. The major components of this increase are:

- Total current and other assets increased by $947,639 or 7.10%, resulting primarily from an increase in cash and cash equivalents of $808,496 due to a positive change in net position during the year. Cash primarily increased in the Education and General unrestricted fund. Accounts receivable increased by $247,921 due primarily to dual enrollment receivables of $148,095 due from the Commission due to fiscal year 2025 being the first year of the funding.

- Total capital assets, net of accumulated depreciation and amortization, decreased by $410,683 or 1.38%. The decrease is due to depreciation and amortization expense of $1,348,063 exceeding capital asset additions of $954,308.

Deferred outflows of resources increased by $79,931 from fiscal year 2025 to fiscal year 2026 primarily due to changes in OPEB-related actuarial assumptions, while deferred outflows remained relatively consistent between fiscal year 2024 and fiscal year 2025.

Total liabilities decreased by $1,271,347 or 8.46% from fiscal year 2025 to fiscal year 2026. The major components of this decrease are:

- Total long-term liabilities decreased by $1,853,422 or 15.29%. The amount due to Fairmont State University (Fairmont State) that is required to be paid by Pierpont under the Final Separation Agreement decreased by $1,500,000. The debt obligation due to the Commission decreased by payments totaling $240,545.

- Total other liabilities increased by $582,075 or 19.98%, primarily due to an increase in unearned revenue and deposits of $489,452. Unearned revenue and deposits increased due to payments received in advance for several state grants with the most notable being the LPN/Paramedic to Register Nurse Bridge Program, West Virginia Advance Surgical Tech Workforce, and Learn and Earn grants. Accrued payroll increased by $82,050 due to an increase in the increment payable for full-time employees with three or more years of service and due to an additional day of payroll being accrued for in fiscal year 2026.

Total liabilities decreased by $1,810,656 or 10.75% from fiscal year 2024 to fiscal year 2025. The major components of this decrease are:

- Total long-term liabilities decreased by $1,782,943 or 12.82%. The amount due to Fairmont State that is required to be paid by Pierpont under the Final Separation Agreement decreased by $1,500,000. The debt obligation due to the Commission decreased by payments totaling $240,617.

Deferred inflows of resources decreased by $176,900 from fiscal year 2024 to fiscal year 2025 primarily due to changes in OPEB-related actuarial assumptions, while deferred inflows remained relatively consistent between fiscal year 2025 and fiscal year 2026.

Net position increased by $2,664,684 or 9.33% during fiscal year 2026. Increases in net investment in capital assets and unrestricted net position were the significant components of the increase.

- Net investment in capital assets increased by $938,846 primarily due to an increase in capital assets, net of accumulated depreciation and amortization, due to approved deferred maintenance projects at the Advanced Technology Center and for architecture, engineering, and design costs for Pierpont's Aviation Maintenance Technology Training Facility.

- Unrestricted net position increased by $1,677,416. This increase is a result of operating revenues, noncapital subsidies, and other nonoperating revenues exceeding operating and other nonoperating expenses, which was offset by the significant increase in net investment in capital assets. See additional discussion of the factors affecting revenues and expenses below.

Net position increased by $2,508,868 or 9.63% during fiscal year 2025. Increases in restricted and unrestricted net position were the significant components of the increase.

- Restricted net position increased by $322,139 primarily due to Pierpont Board of Governors restricting funds for future capital projects, including the new Aviation Maintenance Technology Training Facility.

- Unrestricted net position increased by $2,187,091. This increase is a result of operating revenues, noncapital subsidies, and other nonoperating revenues exceeding operating and other nonoperating expenses. See additional discussion of the factors affecting revenues and expenses below.

Condensed Schedules of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30:

	2026	2025	2024
Operating Revenues	$ 10,284,451	$ 11,078,341	$ 9,327,063
Operating Expenses	17,783,051	17,677,176	16,969,806
Operating Loss	(7,498,600)	(6,598,835)	(7,642,743)
Noncapital Subsidies	8,514,717	8,628,643	8,604,492
Operating Loss and Noncapital Subsidies	1,016,117	2,029,808	961,749
Other Net Nonoperating Revenues	1,648,567	479,060	405,841
Change in Net Position	2,664,684	2,508,868	1,367,590
Net Position – Beginning of Year	28,548,756	26,039,888	24,672,298
Net Position – End of Year	$ 31,213,440	$ 28,548,756	$ 26,039,888

Total operating revenues decreased by $793,890 or 7.17% from fiscal year 2025 to fiscal year 2026. The major components of this decrease are:

- Tuition and fee revenue, after adjustment for the scholarship allowance, increased by $190,658 or 8.98%. Gross tuition and fee revenue declined by $135,936 or 1.82% due to decreases in enrollment for both full-time equivalent (FTE) and headcount for students paying full tuition rates. For students paying the full tuition rate, FTE enrollment decreased from 916 FTE in fall 2024 to 884 FTE in fall 2025, a decline of 32 FTE (3.4%), while headcount enrollment decreased from 990 students in fall 2024 to 978 students in fall 2025, a decline of 12 students (1.2%). Dual credit enrollment, which is assessed at a significantly discounted tuition rate, also declined. Fall 2025 dual credit FTE enrollment decreased from 392 FTE in fall 2024 to 325 FTE in fall 2025, a decline of 67 FTE (17.1%), while headcount enrollment decreased from 945 students in fall 2024 to 719 students in fall 2025, a decline of 226 students (23.9%). However, the decline in gross tuition and fee revenue was more than offset by a $326,594 reduction in the scholarship allowance due to a decrease in institutional aid awarded, particularly the West Virginia Higher Education grants, which resulted in a lower scholarship allowance.

- Federal contracts and grants increased by $470,122 or 189.75%. The increase was primarily attributable to higher activity under the U.S. Department of Education's Virtual Reality for Strengthening Workforce Skills Development grant. Awarded in fiscal year 2025, this three-year grant generated increased revenue in fiscal year 2026 as related program expenses rose by $463,813.

- State contracts and grants decreased by $1,243,132 or 23.98%. The decrease was primarily attributable to reduced state-funded student financial aid funding. During fiscal year 2025, the West Virginia Legislature provided one-time funding through the College Access 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 grant decreased by $303,127 and revenue from the West Virginia Higher Education grants decreased by $1,282,249 since this additional funding was not provided again in fiscal year 2026. These decreases were partially offset by an increase in the West Virginia Invests grant funding of $313,734, which fluctuates based on student eligibility.

- Pell grant revenue decreased by $227,710 or 7.23% due to a decline in enrollment during fiscal year 2026.

Total operating revenues increased by $1,751,278 or 18.78% from fiscal year 2024 to fiscal year 2025. The major components of this increase are:

- Tuition and fee revenue, after adjustment for the scholarship allowance, decreased by $741,828 or 25.88%. Pierpont changed the method of calculating the scholarship allowance based on the National Association of College and University Business Officers (NACUBO) Advisory 2023-01, which resulted in an increase in the scholarship allowance applied to tuition and fees revenue. The scholarship allowance increased by $1,891,642 for a decrease in net tuition and fees of $741,828. Tuition and fees increased prior to the scholarship allowance by $1,149,841 or 18.17% due to increases in enrollment for both FTE and headcount for students paying full tuition rates. For students paying the full tuition rate, FTE enrollment increased from 811 FTE in fall 2023 to 916 FTE in fall 2024, an increase of 105 FTE (12.9%), while headcount enrollment increased from 903 students in fall 2023 to 990 students in fall 2024, an increase of 87 students (9.6%). The FTE for dual credit enrollment students paying the significantly discounted tuition rate decreased from 408 FTE in fall 2023 to 392 FTE in fall 2024, a decline of 16 FTE (3.8%), and the headcount decreased from 1,028 students in fall 2023 to 945 students in fall 2024, a decline of 83 students (8.1%).

- Auxiliary enterprise revenue, after adjustment for the scholarship allowance, decreased by $93,606 or 54.50%. The decrease was attributable to a change in Pierpont's methodology for calculating the scholarship allowance in accordance with NACUBO Advisory 2023-01, which resulted in an increase in the scholarship allowance applied to auxiliary enterprise revenue. Auxiliary enterprise revenue increased prior to the scholarship allowance by $20,524, reflecting modest growth in auxiliary operations due to the increase in student enrollment. However, the increase in the scholarship allowance of $114,130 more than offset this growth, resulting in the overall decline in net auxiliary enterprise revenue.

- Federal contracts and grants revenue increased by $80,826 or 48.42% primarily due to the receipt of the U.S. Department of Education's Virtual Reality for Strengthening Workforce Skills Development grant. Fiscal year 2025 was the initial year of the grant, and Pierpont recognized $100,800 in grant revenue to support academic and workforce development initiatives under this grant award in fiscal year 2025.

- State contracts and grants revenue increased by $1,782,797 or 52.42%, primarily due to additional state-funded student financial aid and workforce development initiatives. During fiscal year 2025, the West Virginia Legislature provided one-time funding through the College Access grant program totaling $303,127 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 $1,084,771. Promise scholarship funding also increased compared with the prior year. In addition to additional student aid funding, Pierpont recognized revenue during fiscal year 2025 from the Virtual Welding Pathways Expansion grant of $163,898 and the Emergency Medical Services State Support Reality Equipment grant of $220,200, which supported academic and workforce training initiatives.

- Private contracts and grants revenue decreased by $117,648 or 39.50% primarily due to the conclusion of funding from the Bendum Foundation for Pierpont's PRIDE Academy in fiscal year 2024. In addition, revenues recognized from the Certificate of Applied Science (CAS) Degree Medical Billing and Coding grant declined as grant funded activity decreased during the year. Foundation support for student scholarships also decreased compared with the prior year.

- Pell grant revenue increased by $809,292 or 34.58%. The increase was partially due to an increase in enrollment, but was primarily driven by a higher maximum Pell grant award, which increased from $6,835 in fiscal year 2024 to $7,395 in fiscal year 2025. The higher maximum award resulted in increased federal financial aid received by students.

Breakdown of Expenses by Natural Classification:

For fiscal year 2026, Pierpont's total operating expenses were $17,783,051. A major portion of the total operating expenses is for direct salaries, wages, and benefits amounting to $10,777,078 or 60.60%. The following reflects the amounts and percentages for these expenses:

	2026	%	2025	%	2024	%
Salaries and wages	$ 8,646,107	48.62%	$ 8,238,305	46.61%	$ 7,898,265	46.55%
Benefits	2,130,971	11.98%	1,959,153	11.08%	2,013,570	11.87%
Supplies and other services	3,998,817	22.49%	3,526,426	19.95%	3,335,340	19.65%
Utilities	392,881	2.21%	331,672	1.88%	401,777	2.37%
Scholarships and fellowships	991,265	5.57%	1,917,154	10.85%	1,775,483	10.46%
Depreciation and amortization	1,336,591	7.52%	1,348,063	7.63%	1,324,130	7.80%
Loan cancellations and write-offs	176,759	0.99%	259,204	1.46%	140,647	0.83%
Fees assessed by the Commission	109,660	0.62%	97,199	0.54%	80,594	0.47%
Total	$ 17,783,051	100.00%	$ 17,677,176	100.00%	$16,969,806	100.00%

Pierpont's total operating expenses increased by $105,875 or 0.60% from fiscal year 2025 to fiscal year 2026. The major components of this increase are:

- Salaries and wages increased by $407,802 or 4.95%. The primary cause of this increase was due to the filling of vacant positions that existed during fiscal year 2025. As these positions became occupied and remained staffed throughout fiscal year 2026, payroll costs increased due to a full year of compensation expenses being recognized. This increase in costs reflects Pierpont's maintained efforts to keep staffing levels necessary to support institutional operations and student services.

- Benefits increased by $171,818 or 8.77%. The increase was primarily driven by higher employer Public Employee Insurance Agency (PEIA) costs, which increased approximately $130,000 following a statewide premium rate increase effective July 1, 2025. Other benefits increased proportionally with increases in salaries and wages as mentioned above.

- Supplies and other services expense increased by $472,391 or 13.40%. The increase was primarily attributable to expenses supported by grant funding for academic and workforce development initiatives. During fiscal year 2026, Pierpont incurred costs related to the West Virginia Tourism Culinary Arts grant, including renovations and start-up activities for the student-operated Culinary Café, as well as purchases of computer equipment and educational supplies associated with the Virtual Reality for Strengthening Workforce Skills Development grant. Additional expenses were incurred for noncapitalized furniture, fixtures, and information technology items related to the renovation of previously unfinished space at the Advanced Technology Center. The increase also reflects strategic investments in marketing and branding initiatives, including the development of a new institutional logo and expanded social media outreach. Contractual services expenses increased for additional technology-related agreements and costs associated with a Braxton County facility agreement.

- Student financial aid expense decreased by $925,889 or 48.29%. The decrease was primarily attributable to lower state and federal student financial aid awards. State-funded aid declined following the reduction of supplemental West Virginia Higher Education grant awards and the expiration of the one-time College Access grant funding provided in fiscal year 2025 to address FAFSA related challenges. As a result, student financial aid awards under these grants decreased by $1,256,675 and $330,127, respectively. The decline in state-funded aid was partially offset by an increase in West Virginia Invests grant awards of $320,343 due to more students being eligible for the award in fiscal year 2026. In addition, Federal Pell grant awards decreased by $333,563 in part due to a decline in enrollment in fiscal year 2026. Consistent with the reduction in aid awards, gross scholarships and fellowships decreased by $290,781, while the scholarship allowance, which is recorded as a reduction to tuition and fee and auxiliary enterprise revenue, decreased by $351,990 to $5,114,473.

Pierpont's total operating expenses increased by $707,370 or 4.17% from fiscal year 2024 to fiscal year 2025. The major components of this increase are:

- Salaries and wages increased $340,040 or 4.31%. The increase was primarily the result of a $2,845 salary adjustment provided to all full-time employees effective July 1, 2024. This pay increase reflects Pierpont's continued investment in employee compensation and retention.

- Supplies and other services expense increased by $191,086 or 5.73%. The increase was primarily attributable to an increase in on-line certification program fees paid by Pierpont for students enrolled in the LPN program along with an increase in maintenance contracts and warranty expenses for equipment for nursing labs and virtual reality classrooms.

- Student financial aid expense increased by $141,671 or 7.98%. Gross scholarships and fellowships increased by $2,147,443. The increase was primarily attributable to the College Access grant and supplemental West Virginia Higher Education grants awarded by the West Virginia Legislature in response to disruptions associated with the FAFSA process. The College Access awards totaled $303,127 and the West Virginia Higher Education grant awards increased by $1,071,984. Additionally, Federal Pell grants increased by $907,903 and Promise scholarships increased by $99,055 due to an increase in enrollment in fiscal year 2025 along with the increase in the maximum Pell award. These increases were offset by an increase in the scholarship allowance adjustment of $2,005,772, which is due to Pierpont changing its methodology used to estimate the scholarship allowance during fiscal year 2025 based on NACUBO Advisory 2023-01.

- Loan cancellations and write-offs increased by $118,557 or 84.29%. The increase was primarily attributable to higher student accounts receivable balances, which resulted in increased bad debt expense associated with uncollectible student account balances.

Pierpont's other net nonoperating revenues increased by $1,169,507 from fiscal year 2025 to fiscal year 2026 due to an increase in capital payments made and expenses incurred by the Commission on behalf of Pierpont of $1,148,347 primarily related to deferred maintenance projects ongoing at the Advanced Technology Center and architecture, engineering, and design costs for Pierpont's Aviation Maintenance Technology Training Facility. The capital payments made and expenses incurred by the Commission on behalf of Pierpont increased by $124,242 from fiscal year 2024 to fiscal year 2025 due to initial costs incurred related to the Advance Technology Center and Caperton Center projects.

Significant Capital Asset and Long-Term Financing Activity

During fiscal year 2026, Pierpont made significant investments in capital assets, particularly construction in progress totaling $1,278,429. Pierpont did not issue or incur any new debt to finance the construction projects or purchase equipment during the fiscal year.

The Commission incurred expenses of $806,303 on behalf of Pierpont to support the renovation and build-out of previously unfinished space at the Advanced Technology Center. The project transformed unfinished space into functional square footage, allowing administrative offices to be consolidated into a single location and existing space to be reconfigured into a centralized student services center.

In August 2023, the West Virginia Economic Development Authority was awarded $25 million in funding for construction of an Aviation Maintenance Technology Training Facility for Pierpont. These funds are administered by the West Virginia Council for Community and Technical College Education (the Council). During fiscal year 2026, architecture, engineering, and design costs of $469,626 were paid on behalf of Pierpont by the Commission and capitalized as part of the project.

In addition to the ongoing construction activity, Pierpont acquired $483,441 of equipment during fiscal year 2026. These equipment additions were primarily for instructional and workforce training purposes. Significant purchases included two virtual reality cadaver tables funded through a federal grant from the U.S. Department of Education.

During fiscal year 2026, Pierpont continued to repay debt obligations owed to the Commission for bonds previously issued on behalf of the state's colleges and universities. Under the Final Separation Agreement with Fairmont State executed on April 1, 2021, Pierpont assumed the remaining debt obligation due to the Commission that had previously been shared with Fairmont State. As of June 30, 2026, the outstanding balance due to the Commission was $252,797, which is classified as a current liability. The debt will be fully repaid during fiscal year 2027. The retirement of this obligation is expected to provide additional financial capacity for future capital improvements, deferred maintenance, and repair projects.

Under the Final Separation Agreement, Pierpont is also required to make payments to Fairmont State totaling $16,300,000 through fiscal year 2032. During fiscal year 2026, Pierpont paid two equal installments totaling $1,500,000, which reduced the total amount due to Fairmont State to $9,000,000 at June 30, 2026. As of June 30, 2026, the current portion due to Fairmont State is $1,500,000 and the noncurrent portion is $7,500,000. Annual payments of $1,500,000 will be made through the fiscal year ending June 30, 2032. These payments are payable in two equal installments due no later than October 1st and March 1st of each fiscal year.

Long-term liabilities also include lease and subscription-based information technology arrangement (SBITA) liabilities. 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 assets. Pierpont entered into one new SBITA during the year, resulting in recognition of a new subscription liability and related right-to-use asset. Other changes in SBITA balances were attributable to scheduled payments on existing arrangements and amortization of the related right-to-use assets.

Currently Known Facts, Decisions, or Conditions

In May 2026, Pierpont's Board of Governors approved the fiscal year 2027 unrestricted operating budget. The approved budget reflects a reduction in education and general tuition revenue projections due to enrollment-related revenue shortfalls experienced during fiscal year 2026. While no increases were approved for Education and General tuition rates, the Board approved increases in various program and course fees for the 2026-2027 academic year. Combined with projections for stable enrollment, these fee adjustments are expected to increase overall unrestricted operating revenues in fiscal year 2027 and support Pierpont's continued financial stability.

The fiscal year 2027 budget also incorporates several strategic investments in personnel. The Board approved across-the-board salary increases for full-time and part-time employees, supported in part by additional funding provided through the fiscal year 2027 state appropriation. In addition, faculty promotions in rank were approved for eight faculty members, resulting in corresponding salary increases. Pierpont also plans to add two full-time staff positions, including a marketing position intended to support enrollment and outreach efforts and an instructional support position focused on student and faculty assistance for the Blackboard Learning Management System. Despite these additional personnel investments, the fiscal year 2027 unrestricted operating budget is projected to maintain a positive operating balance.

Pierpont continues to advance planning efforts related to the new Aviation Maintenance Technology Training Facility. During fiscal year 2026, the architectural firm for the project was reengaged by the Council to complete final design activities and support the solicitation of construction bids in early fiscal year 2027. Construction is anticipated to begin in fall 2026 with completion expected in late 2027 or early 2028. Upon completion, the facility is expected to increase Pierpont's Aviation Maintenance Technician training capacity by approximately 75 percent, positioning Pierpont to better meet workforce demands within the regional aviation industry and support future enrollment growth opportunities.

PIERPONT COMMUNITY & TECHNICAL COLLEGE

STATEMENTS OF NET POSITION
JUNE 30, 2026 AND 2025

	2026	2025
ASSETS AND DEFERRED OUTFLOWS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 14,529,553	$ 13,633,662
Accounts receivable — net	511,355	616,854
Other current assets	10,920	-
Total current assets	15,051,828	14,250,516
NONCURRENT ASSETS:		
Other noncurrent assets	61,799	32,679
Net OPEB asset	-	5,957
Capital assets — net	29,814,395	29,291,497
Total noncurrent assets	29,876,194	29,330,133
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows related to pensions	20,027	46,393
Deferred outflows related to OPEB	173,135	66,838
Total deferred outflows of resources	193,162	113,231
TOTAL	$ 45,121,184	$ 43,693,880

(Continued)

STATEMENTS OF NET POSITION
JUNE 30, 2026 AND 2025

	2026	2025
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable	$ 129,868	$ 111,434
Retainages payable	35,705	35,705
Accrued liabilities — payroll	1,005,891	923,841
Accrued interest	4,690	12,551
Unearned revenue and deposits	2,319,422	1,829,970
Compensated absences — current portion	453,551	442,871
Lease liability — current portion	131,704	127,189
Subscription liability — current portion	41,209	120,343
Due to Fairmont State — current portion	1,500,000	1,500,000
Debt obligation due to Commission — current portion	252,797	240,545
Total current liabilities	5,874,837	5,344,449
NONCURRENT LIABILITIES:		
Net OPEB liability	47,380	-
Compensated absences	155,494	137,822
Lease liability	88,036	219,740
Subscription liability	67,551	36,631
Due to Fairmont State	7,500,000	9,000,000
Debt obligation due to Commission	-	252,797
Net pension liability	30,175	43,381
Total noncurrent liabilities	7,888,636	9,690,371
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows related to pensions	46,231	61,126
Deferred inflows related to OPEB	98,040	49,178
Total deferred inflows of resources	144,271	110,304
NET POSITION:		
Net investment in capital assets	29,197,393	28,258,547
Restricted for — expendable		
Capital projects	1,625,213	1,565,215
Scholarships	47,633	63,307
Other	27,715	23,617
Total restricted	1,700,561	1,652,139
Unrestricted (deficit)	315,486	(1,361,930)
Total net position	31,213,440	28,548,756
TOTAL	$ 45,121,184	$ 43,693,880

The Accompanying Notes Are An Integral Part Of These Financial Statements (Concluded)

PIERPONT COMMUNITY & TECHNICAL COLLEGE

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

	2026	2025
OPERATING REVENUES:		
Student tuition and fees — net of scholarship allowance of $5,025,739 and $5,352,333 in 2026 and 2025, respectively	$ 2,314,845	$ 2,124,187
Auxiliary enterprise revenue — net of scholarship allowance of $88,734 and $114,130 in 2026 and 2025, respectively	98,691	78,136
Contracts and grants:		
Federal — Pell grants	2,922,066	3,149,776
Federal — other	717,880	247,758
State/local	3,940,809	5,183,941
Private	236,254	180,225
Miscellaneous — net	53,906	114,318
Total operating revenues	10,284,451	11,078,341
OPERATING EXPENSES:		
Salaries and wages	8,646,107	8,238,305
Benefits	2,130,971	1,959,153
Supplies and other services	3,998,817	3,526,426
Utilities	392,881	331,672
Student financial aid — scholarships and fellowships	991,265	1,917,154
Depreciation and amortization	1,336,591	1,348,063
Loan cancellations and write-offs	176,759	259,204
Fees assessed by the Commission for operations	109,660	97,199
Total operating expenses	17,783,051	17,677,176
OPERATING LOSS	(7,498,600)	(6,598,835)
NONCAPITAL SUBSIDIES		
State appropriations	8,461,049	8,613,156
Payments made and expenses incurred by the State on behalf of Pierpont	53,668	15,487
Total noncapital subsidies	8,514,717	8,628,643
OPERATING LOSS AND NONCAPITAL SUBSIDIES	1,016,117	2,029,808
OTHER NONOPERATING REVENUES (EXPENSES):		
Capital payments made and expenses incurred by the Commission on behalf of Pierpont	1,279,139	130,792
Investment income	424,988	425,871
Interest expense	(28,114)	(39,179)
Loss on disposal of fixed assets	-	(7,338)
Fees assessed by the Commission for debt service	(27,446)	(31,086)
Other net nonoperating revenues	1,648,567	479,060
NET CHANGE IN NET POSITION	2,664,684	2,508,868
NET POSITION — Beginning of year	28,548,756	26,039,888
NET POSITION — End of year	$ 31,213,440	$ 28,548,756

The Accompanying Notes Are An Integral Part Of These Financial Statements

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Student tuition and fees	$ 4,129,798	$ 3,541,524
Contracts and grants	5,521,586	5,461,389
Payments to and on behalf of employees	(10,618,841)	(10,114,026)
Payments to suppliers	(4,020,423)	(3,622,205)
Payments to utilities	(392,881)	(331,672)
Payments for scholarships and fellowships	(3,015,939)	(3,706,676)
Auxiliary enterprise charges	98,691	78,136
Fees assessed by the Commission	(109,660)	(97,199)
Other receipts — net	53,906	114,318
Net cash used in operating activities	(8,353,763)	(8,676,411)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State appropriations	8,461,049	8,613,156
Federal Pell grant revenue	2,922,066	3,246,089
William D. Ford direct lending receipts	2,024,674	1,789,522
William D. Ford direct lending payments	(2,024,674)	(1,789,522)
Payments to Fairmont State	(1,500,000)	(1,500,000)
Net cash provided by noncapital financing activities	9,883,115	10,359,245
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Fees assessed by the Commission	(27,446)	(31,086)
Purchases of capital assets	(482,731)	(759,279)
Proceeds from sale of capital assets	1,270	8,321
Payments on leases	(146,435)	(146,435)
Payments on SBITAs	(162,562)	(131,113)
Payments to the Commission on debt obligation	(240,545)	(240,617)
Net cash used in capital financing activities	(1,058,449)	(1,300,209)
CASH FLOWS FROM INVESTING ACTIVITY — Investment income	424,988	425,871
CHANGE IN CASH AND CASH EQUIVALENTS	895,891	808,496
CASH AND CASH EQUIVALENTS — Beginning of year	13,633,662	12,825,166
CASH AND CASH EQUIVALENTS — End of year	$ 14,529,553	$ 13,633,662

(Continued)

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	$ (7,498,600)	$ (6,598,835)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Federal Pell grant revenue	(2,922,066)	(3,149,776)
Depreciation and amortization	1,336,591	1,348,063
Pension expense — special funding situation	(364)	5,401
OPEB expense — special funding situation	54,032	10,086
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Accounts receivable — net	104,229	(246,651)
Other assets	(40,040)	-
Net OPEB asset	5,957	108,778
Deferred outflows of resources	(79,931)	15,644
Accounts payable	18,434	(95,779)
Accrued liabilities — payroll	82,050	29,840
Unearned revenue and deposits	489,452	(16,865)
Compensated absences	28,352	94,249
Net OPEB liability	47,380	-
Net pension liability	(13,206)	(3,666)
Deferred inflows of resources	33,967	(176,900)
NET CASH USED IN OPERATING ACTIVITIES	$ (8,353,763)	$ (8,676,411)
NONCASH TRANSACTIONS:		
Capital asset additions in retainages payable	$ 35,705	$ 35,705
Sale of capital assets in accounts receivable	$ -	$ 1,270
Payments made and expenses incurred by the Commission on behalf of Pierpont	$ 1,279,139	$ 130,792
Right-to-use assets acquired through outstanding leases	$ -	$ 59,326
Right-to-use assets acquired through outstanding SBITAs	$ 97,619	$ 41,707

The Accompanying Notes Are An Integral Part Of These Financial Statements (Concluded)

1. ORGANIZATION

Pierpont Community & Technical College (Pierpont) is governed by the Pierpont Community & Technical College Board of Governors (the Board). The Board was established by House Bill 3215, which clarified and redefined relationships between and among certain higher education boards and institutions. This legislation defines the statewide network of independently accredited community and technical colleges.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity - Pierpont 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. Pierpont is a separate entity, which, along with all State institutions of higher education, the Council, and the West Virginia Higher Education Policy Commission (the Commission, which includes the West Virginia Network for Educational Telecomputing), forms the Higher Education Fund of the State. The Higher Education Fund is considered a component unit of the State, and its financial statements are discretely presented in the State's annual comprehensive financial report.

The accompanying financial statements present all funds under the authority of Pierpont. The basic criterion for inclusion in the accompanying financial statements is the exercise of oversight responsibility derived from Pierpont's ability to significantly influence operations and accountability for fiscal matters of related entities. Fairmont State Foundation, Inc., which also acts as the fiscal agent for the Pierpont Foundation, Inc., and Pierpont Foundation, Inc. are not part of Pierpont's reporting entity and are not included in the accompanying financial statements since Pierpont has no ability to designate management, cannot significantly influence operations, and is not accountable for the fiscal matters of the Fairmont State Foundation, Inc. or Pierpont Foundation, Inc. under GASB.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Restricted net position - expendable - This includes resources for which Pierpont is legally or contractually obligated to spend 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. Pierpont does not have any restricted nonexpendable net position at June 30, 2026 and 2025.

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

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

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

Cash and cash equivalents balances on deposit with the State of West Virginia Treasurer's Office (the State Treasurer) are pooled by the State Treasurer with other available funds of the State for investment purposes by the West Virginia Board of Treasury Investments (BTI). These funds are transferred to the BTI, and the BTI is directed by the State Treasurer to invest the funds in specific external investment pools in accordance with West Virginia Code, policies set by the BTI, provisions of bond indentures, and 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 West Virginia State Legislature and is subject to oversight by the West Virginia 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The BTI maintains the Consolidated Fund investment fund, which consists of nine investment pools and participant-directed accounts, three of which Pierpont may invest in. These pools have been structured as multiparticipant 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 that annual report can be obtained from the following address: 315 70th Street SE, Charleston, West Virginia 25304 or http://www.wvbti.org.

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

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

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

Capital Assets - Capital assets consist primarily of plant and equipment and infrastructure assets. These capital assets are stated at cost at the date of acquisition or construction, or at fair 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 and infrastructure, 15 years for land improvements, 3 to 10 years for furniture and equipment, and 3 years for computer software.

Capital assets also include intangible right-to-use lease assets and intangible right-to-use subscription assets, initially measured at the present value of payments expected to be made during the lease or subscription term, plus certain other costs. Lease and subscription assets are amortized in a systematic and rational manner over the shorter of the lease or subscription term or the estimated useful life of the underlying asset, unless the lease or subscription-based information technology arrangement (SBITA) contains a purchase option. Pierpont's agreements meeting the definition of a lease or SBITA do not contain purchase options.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

GASB requires entities to accrue for employees' rights to receive compensation for vacation and/or sick leave that has been earned, accumulated, and is anticipated to be used, paid out, or otherwise settled using current pay rates. Pierpont'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. Pierpont'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/reductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the West Virginia Retiree Health Benefit Trust Fund (RHBT). For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See note 9 for further discussion.

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

Net Pension Liability - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of West Virginia Teachers' Retirement System (STRS), and additions to/deductions from STRS fiduciary net position have been determined on the same basis as they are reported by STRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See note 12 for further discussion.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Risk Management - The State's Board of Risk and Insurance Management (BRIM) provides general, property and casualty, and liability coverage to Pierpont and its employees. Such coverage may be provided to Pierpont 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 Pierpont or other participants in BRIM's insurance programs. As a result, management does not expect significant differences between the premiums Pierpont is currently charged by BRIM and the ultimate cost of that insurance based on Pierpont's actual loss experience. In the event such differences arise between estimated premiums currently charged by BRIM to Pierpont and Pierpont's ultimate actual loss experience, the difference will be recorded as the change in estimate becomes known.

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

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

Operating revenues - Operating revenues include activities that are exchange transactions and represent core institutional operations, such as (1) student tuition and fees, net of scholarship allowances; (2) sales and services of educational departments or auxiliary enterprises, net of scholarship allowances; (3) Federal Pell grants; and (4) federal, state, local, and private grants and contracts 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, income related to financing, gains on disposal of assets, and investment income.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Federal Financial Assistance Programs - Pierpont 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 schools like Pierpont. Direct student loan receivables are not included in Pierpont's statements of net position as the loans are repayable directly to the U.S. Department of Education. In 2026 and 2025, Pierpont received and disbursed approximately $2.0 million and $1.8 million, respectively, under the Federal Direct Student Loan Program on behalf of the U.S. Department of Education, which is not included as revenue and expense in the statements of revenues, expenses, and changes in net position.

Pierpont 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, Pierpont was awarded approximately $3.1 million and $3.4 million, respectively, under these federal student aid programs.

Scholarship Allowances - Student tuition and fee revenues and auxiliary enterprise revenues received 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 Pierpont 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.

Pierpont calculates the scholarship allowance utilizing Method A as outlined in NACUBO Advisory 2023-01. Under Method A, financial aid awards are applied in a prescribed sequence to individual student charges by term, 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.

Government Grants and Contracts - Government grants and contracts normally provide for the recovery of direct and indirect costs, subject to audit. Pierpont 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 - Pierpont is exempt from income taxes, except for unrelated business income, as a nonprofit organization under federal income tax laws and regulations of the Internal Revenue Service.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash Flows - Any cash and cash equivalents, including those escrowed, restricted for noncurrent assets, or in funded reserves, are 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 GASB - Pierpont 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Pierpont's Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2025 are summarized below:

From the Statement of Revenues, Expenses, and Changes in Net Position	As Previously Reported	Effect of GASB Statement No. 103	Restated
Operating revenue			
Federal - Pell grants	$ -	$ 3,149,776	$ 3,149,776
Noncapital subsidies			
State appropriations	-	8,461,049	8,461,049
Payments made and expenses incurred by the State on behalf of Pierpont	-	15,487	15,487
Other nonoperating revenues (expenses)			
State appropriations	8,461,049	(8,461,049)	-
Federal Pell grant revenue	3,149,776	(3,149,776)	-
Capital payments made and expenses incurred by the Commission on behalf of Pierpont	-	130,792	130,792
Other			
Payments made and expenses incurred by the Commission on behalf of Pierpont	130,792	(130,792)	-
Payments made and expenses incurred by the State on behalf of Pierpont	15,487	(15,487)	-

Pierpont 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Statements Issued by GASB - 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. Pierpont has not yet determined the effect that the adoption of GASB Statement No. 105 may have on its financial statements.

3. CASH AND CASH EQUIVALENTS

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

	2026	2025
State Treasurer	$ 14,514,891	$ 13,626,194
In bank	14,262	7,068
On hand	400	400
	$ 14,529,553	$ 13,633,662

Cash held by the Treasurer includes no restricted cash at June 30, 2026 and 2025.

The combined carrying amount of cash in the bank at June 30, 2026 and 2025 was $14,262 and $7,068, respectively, as compared with the combined bank balance of $14,262 and $7,068, respectively. Any differences are primarily caused by outstanding checks and deposits in transit. The Federal Deposit Insurance Corporation (FDIC) coverage is $250,000 for interest and non-interest bearing deposits. From time to time, Pierpont may carry deposit balances in individual financial institutions exceeding this limit.

Amounts with the State Treasurer were $14,514,891 and $13,626,194 as of June 30, 2026 and 2025, respectively. Of these amounts, $11,684,649 and $10,026,847 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 as of 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	$ 11,417,358	AAAm	$ 9,796,628	AAAm
WV Short Term Bond Pool	267,291	Not Rated	230,219	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.

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	$ 11,417,358	46	$ 9,796,628	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	$ 267,291	664	$ 230,219	637

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, Pierpont 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. Pierpont has no securities with foreign currency risk.

4. ACCOUNTS RECEIVABLE

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

	2026	2025
Student tuition and fees — net of allowance for doubtful accounts of $4,592,607 and $4,415,851, respectively	$ 295,648	$ 281,656
Due from Council	74,689	138,370
Due from Commission	105,004	184,443
Due from other state agencies	-	620
Other accounts receivable	36,014	11,765
	$ 511,355	$ 616,854

5. CAPITAL ASSETS

A summary of capital assets transactions for Pierpont for the years ended June 30, 2026 and 2025 is as follows:

	2026			
	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Land	$ 2,308,295	$ -	$ -	$ 2,308,295
Construction in progress	93,560	1,278,429	-	1,371,989
Total capital assets not being depreciated	$ 2,401,855	$ 1,278,429	$ -	$ 3,680,284
Other capital assets being depreciated:				
Land improvements	$ 311,415	$ -	$ -	$ 311,415
Buildings	31,644,030	-	-	31,644,030
Equipment	6,563,038	483,441	-	7,046,479
Computer software	51,795	-	-	51,795
Total other capital assets being depreciated	38,570,278	483,441	-	39,053,719
Lease assets being amortized:				
Buildings	537,057	-	-	537,057
Equipment	76,721	-	(17,395)	59,326
Total lease assets being amortized	613,778	-	(17,395)	596,383
Subscription assets being amortized	558,910	97,619	(122,085)	534,444
Less accumulated depreciation for other capital assets:				
Land improvements	217,946	10,625	-	228,571
Buildings	7,607,951	640,093	-	8,248,044
Equipment	4,335,798	412,107	-	4,747,905
Computer software	32,462	11,600	-	44,062
Total accumulated depreciation	12,194,157	1,074,425	-	13,268,582
Less accumulated amortization for lease and subscription assets:				
Lease assets - buildings	259,578	107,411	-	366,989
Lease assets - equipment	28,748	18,311	(17,395)	29,664
Subscription assets	370,841	136,444	(122,085)	385,200
Total accumulated amortization	659,167	262,166	(139,480)	781,853
Other capital assets, lease assets, and subscription assets — net	$ 26,889,642	$ (755,531)	$ -	$ 26,134,111
Capital asset summary:				
Capital assets not being depreciated	$ 2,401,855	$ 1,278,429	$ -	$ 3,680,284
Other capital assets	38,570,278	483,441	-	39,053,719
Lease assets	613,778	-	(17,395)	596,383
Subscription assets	558,910	97,619	(122,085)	534,444
Total cost of capital assets	42,144,821	1,859,489	(139,480)	43,864,830
Less accumulated depreciation and amortization	12,853,324	1,336,591	(139,480)	14,050,435
Capital assets — net	$ 29,291,497	$ 522,898	$ -	$ 29,814,395

5. CAPITAL ASSETS (CONTINUED)

	2025			
	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Land	$ 2,308,295	$ -	$ -	$ 2,308,295
Construction in progress	-	93,560	-	93,560
Total capital assets not being depreciated	$ 2,308,295	$ 93,560	$ -	$ 2,401,855
Other capital assets being depreciated:				
Land improvements	$ 311,415	$ -	$ -	$ 311,415
Buildings	31,644,030	-	-	31,644,030
Equipment	6,140,061	759,715	(336,738)	6,563,038
Computer software	51,795	-	-	51,795
Total other capital assets being depreciated	38,147,301	759,715	(336,738)	38,570,278
Lease assets being amortized:				
Buildings	537,057	-	-	537,057
Equipment	17,395	59,326	-	76,721
Total lease assets being amortized	554,452	59,326	-	613,778
Subscription assets being amortized	517,203	41,707	-	558,910
Less accumulated depreciation for other capital assets:				
Land improvements	207,321	10,625	-	217,946
Buildings	6,967,337	640,614	-	7,607,951
Equipment	4,213,495	442,113	(319,810)	4,335,798
Computer software	20,862	11,600	-	32,462
Total accumulated depreciation	11,409,015	1,104,952	(319,810)	12,194,157
Less accumulated amortization for lease and subscription assets:				
Lease assets - buildings	152,166	107,412	-	259,578
Lease assets - equipment	10,437	18,311	-	28,748
Subscription assets	253,453	117,388	-	370,841
Total accumulated amortization	416,056	243,111	-	659,167
Other capital assets, lease assets, and subscription assets — net	$ 27,393,885	$ (487,315)	$ (16.928)	$ 26,889,642
Capital asset summary:				
Capital assets not being depreciated	$ 2,308,295	$ 93,560	$ -	$ 2,401,855
Other capital assets	38,147,301	759,715	(336,738)	38,570,278
Lease assets	554,452	59,326	-	613,778
Subscription assets	517,203	41,707	-	558,910
Total cost of capital assets	41,527,251	954,308	(336,738)	42,144,821
Less accumulated depreciation and amortization	11,825,071	1,348,063	(319,810)	12,853,324
Capital assets — net	$ 29,702,180	$ (393,755)	$ (16,928)	$ 29,291,497

5. CAPITAL ASSETS (CONTINUED)

Pierpont maintains certain collections of inexhaustible assets for 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.

Pierpont had no construction commitments as of June 30, 2026.

6. LONG-TERM LIABILITIES

Long-term obligation activities for the years ended June 30, 2026 and 2025 are as follows:

	2026				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	$ 580,693	$ 28,352*	$ -	$ 609,045	$ 453,551
Lease liability	346,929	-	(127,189)	219,740	131,704
Subscription liability	156,974	84,627	(132,841)	108,760	41,209
Due to Fairmont State	10,500,000	-	(1,500,000)	9,000,000	1,500,000
Debt obligation due to Commission	493,342	-	(240,545)	252,797	252,797
Total long-term liabilities	$ 12,077,938	$ 112,979	$ (2,000,575)	$ 10,190,342	$ 2,379,261

	2025				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	$ 486,444	$ 94,249*	$ -	$ 580,693	$ 442,871
Lease liability	407,125	57,874	(118,070)	346,929	127,189
Subscription liability	229,687	27,408	(100,121)	156,974	120,343
Due to Fairmont State	12,000,000	-	(1,500,000)	10,500,000	1,500,000
Debt obligation due to Commission	733,959	-	(240,617)	493,342	240,545
Total long-term liabilities	$ 13,857,215	$ 179,531	$ (1,958,808)	$ 12,077,938	$ 2,430,948

*Total change in compensated absences is presented as a net amount.

7. LEASES

Pierpont leases buildings and equipment for various terms under long-term, noncancelable lease agreements. The leases have monthly or quarterly installments ranging between $427 and $10,415 plus interest ranging between interest at 6.35% and 8.50% with due dates ranging from June 2026 to June 2028.

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	$ 131,704	$ 10,704	$ 142,408
2028	88,036	2,295	90,331
	$ 219,740	$ 12,999	$ 232,739

8. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

Pierpont has entered into SBITAs with various terms under long-term, noncancelable agreements. The SBITAs have monthly or annual installments ranging between $1,744 and $96,230 plus interest ranging from 6.50% to 8.50% with due dates ranging from June 2026 to August 2030.

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

Fiscal Year Ended June 30,	Principal	Interest	Total Payments
2027	$ 41,209	$ 7,985	$ 49,194
2028	28,795	4,633	33,428
2029	18,654	2,274	20,928
2030	20,102	826	20,928
	$ 108,760	$ 15,718	$ 124,478

9. OTHER POSTEMPLOYMENT BENEFITS

Following are Pierpont's net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, revenues, OPEB expense, and contributions made for the fiscal years ended June 30, 2026 and 2025:

	2026	2025
Net OPEB liability (asset)	$ 47,380	$ (5,957)
Deferred outflows of resources	173,135	66,838
Deferred inflows of resources	98,040	49,178
Revenues	54,032	10,086
OPEB expense	64,565	(14,973)
Contributions made by Pierpont	14,710	34,071

Plan Description

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

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

Benefits Provided

The Plan provides the following benefits:

- Medical and prescription drug insurance
- Life insurance

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

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

9. OTHER POSTEMPLOYMENT 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.

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.

Pierpont's contributions to the OPEB plan for the years ended June 30, 2026 and 2025 were $14,710 and $34,071, respectively.

Assumptions

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

- Inflation rate: 2.50%.
- Salary increase: Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation.
- Investment rate of return: 7.40%, net of OPEB plan investment expense, including inflation.
- Healthcare cost trend rates: Trend rates for pre-Medicare and Medicare per capita costs of 5.0% medical and 8.0% drug. The trends increase over four years to 7.0% and 9.5%, respectively. The trends then decrease linearly for 5 years until ultimate trend rate of 4.50% is reached in plan year end 2034.

9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

- Actuarial cost method: Entry age normal cost method.
- Amortization method: Level percentage of payroll over a 20-year closed period as of June 30, 2017.
- Wage inflation: 2.75%.
- Retirement age: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2020 actuarial valuation.
- Aging factors: Based on the 2013 SOA Study "Health Care Costs – From Birth to Death".
- Expenses: Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of the annual expense.
- Mortality post-retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 100% for males and 108% for females.
- Mortality pre-retirement: Pub-2010 General Employee Mortality Tables projected with MP-2021 and scaling factors of 100% for males and 100% for females.

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 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.

9. OTHER POSTEMPLOYMENT 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:

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 Pierpont's proportionate share of the net OPEB liability (asset) as of June 30, 2026 and 2025 calculated using a discount rate that is one percentage point lower (6.40%) or one percentage point higher (8.40%) than the current rate (7.40%).

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB liability (asset)			
2026	$ 180,970	$ 47,380	$ (66,657)
2025	26,043	(5,957)	(32,607)

Sensitivity of the net OPEB liability (asset) to changes in the healthcare cost trend rate. The following presents Pierpont'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 Pierpont'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	$ (120,175)	$ 47,380	$ 246,404
2025	(46,835)	(5,957)	43,684

9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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, Pierpont's proportionate share of the net OPEB liability (asset) was $84,970. Of this amount, Pierpont recognized $47,380 as its proportionate share on the statement of net position. The remainder of $37,590 denotes Pierpont's proportionate share of net OPEB liability (asset) attributable to the special funding situation.

At June 30, 2025, Pierpont's proportionate share of the net OPEB liability (asset) was $(24,668). Of this amount, Pierpont recognized $(5,957) as its proportionate share on the statement of net position. The remainder of $(18,711) denotes Pierpont's proportionate share of net OPEB liability (asset) attributable to the special funding situation.

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, Pierpont's proportion was 0.050241808%, an increase of 0.035935144% from its proportion of 0.014306664% calculated as of June 30, 2024. At the June 30, 2024 measurement date, Pierpont's proportion was 0.014306664%, a decrease of 0.058196414% from its proportion of 0.072503078% calculated as of June 30, 2023.

For the year ended June 30, 2026, Pierpont recognized OPEB expense of $64,565. Of this amount, $10,533 was recognized as Pierpont's proportionate share of OPEB expense and $54,032 as the amount of OPEB expense attributable to special funding from a non-employer contributing entity. Pierpont also recognized revenue of $54,032 for support provided by the State.

For the year ended June 30, 2025, Pierpont recognized OPEB expense of $(14,973). Of this amount, $(25,059) was recognized as Pierpont's proportionate share of OPEB expense and $10,086 as the amount of OPEB expense attributable to special funding from a non-employer contributing entity. Pierpont also recognized revenue of $10,086 for support provided by the State.

9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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
Differences between expected and actual non-investment experience	$ 43,121	$ 34,886
Changes in proportion and difference between employer contributions and proportionate share of contributions	4,607	18,771
Net difference between projected and actual investment earnings	-	34,619
Changes in assumptions	110,697	9,764
Contributions after the measurement date	14,710	-
Total	$ 173,135	$ 98,040

June 30, 2025	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual non-investment experience	$ 20,748	$ 5,990
Changes in proportion and difference between employer contributions and proportionate share of contributions	9,745	29,357
Net difference between projected and actual investment earnings	-	6,787
Changes in assumptions	2,274	7,044
Contributions after the measurement date	34,071	-
Total	$ 66,838	$ 49,178

9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Pierpont will recognize the $14,710 reported as deferred outflows of resources resulting from OPEB contributions after the measurement date as a reduction (increase) of the net OPEB liability (asset) in the year ended June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended June 30,	Amortization
2027	$ 67,426
2028	22,990
2029	(16,922)
2030	(13,109)
	$ 60,385

Payables to the OPEB Plan

Pierpont had amounts payable for normal contributions to the OPEB plan of $0 and $420, respectively, as of June 30, 2026 and 2025.

10. STATE SYSTEM OF HIGHER EDUCATION INDEBTEDNESS

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

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

The Municipal Bond Commission has the authority to assess each public institution of higher education for payment of debt service on these system bonds. The tuition and registration fees of the members of the former State University System are generally pledged as collateral for the Commission's bond indebtedness. Student fees collected by the institution in excess of the debt service allocation are retained by the institution for internal funding of capital projects and maintenance. Although the bonds remain as a capital obligation of the Commission, an estimate of the obligation of each institution is reported as a long-term payable by each institution and as a receivable by the Commission. During 2026 and 2025, Pierpont reduced its debt to the Commission against the debt obligation by $240,545 and $240,617, respectively. The amount due to Commission at June 30, 2026 and 2025 is $252,797 and $493,342, respectively.

11. NET POSITION

Pierpont's net position at June 30, 2026 and 2025 includes certain designated net position, as follows:

	2026	2025
Net investment in capital assets	$ 29,197,393	$ 28,258,547
Restricted for — expendable:		
Capital projects	1,625,213	1,565,215
Scholarships	47,633	63,307
Other	27,715	23,617
Total restricted	1,700,561	1,652,139
Unrestricted:		
Designated for auxiliaries	240,232	250,011
Designated for fund managers	2,116,375	1,952,727
Undesignated	(2,041,121)	(3,564,668)
Total unrestricted (deficit)	315,486	(1,361,930)
Total net position	$ 31,213,440	$ 28,548,756

Pierpont's unrestricted net position decreased by $12,452,915 during the year ended June 30, 2021 to a deficit of $(12,430,336). Pierpont's loss on the final separation from Fairmont State was $27,872,673. The unrestricted funds incurred $16,300,000 of that loss, which was recorded as an amount due to Fairmont State at June 30, 2021. Pierpont's leadership evaluates operating costs during the budget development and throughout the year. Budget needs are strategically evaluated and only those with the most significant impact obtain approval to maintain a balanced budget or minimal deficit condition. During the year ended June 30, 2026, Pierpont improved its unrestricted net position by $1,677,416 to an unrestricted net position of $315,486 at June 30, 2026. During the year ended June 30, 2025, Pierpont improved its unrestricted net position by $2,187,091 to an unrestricted net deficit of $(1,361,930) at June 30, 2025.

12. RETIREMENT PLANS

Substantially all full-time employees of Pierpont 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 fulltime employment, all employees were required to make an irrevocable selection between STRS and TIAA-CREF. Current participants in 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 Pierpont employees have not been significant to date.

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

DEFINED BENEFIT PENSION PLAN

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

Following are Pierpont's net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, revenues, the pension expense, and contributions made for the fiscal years ended June 30, 2026 and 2025:

	2026	2025
Net pension liability	$ 30,175	$ 43,381
Deferred outflows of resources	20,027	46,393
Deferred inflows of resources	46,231	61,126
Revenues	(364)	5,401
Pension expense	8,882	18,944
Contributions made by Pierpont	9,609	9,008

Plan Description

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

12. RETIREMENT PLANS (CONTINUED)

Benefits Provided

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

Contributions

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

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

Employer Contributions: Employers make the following contributions:

The State (including institutions of higher education) contributes:

- 15% of gross salary of their State-employed members hired prior to July 1, 1991;
- 7.5% of the gross salary of their TRS covered employees hired for the first time after July 1, 2005 and for those TDCRS members who elected to transfer to STRS effective July 1, 2008;
- a certain percentage of fire insurance premiums paid by State residents; and
- under WV State code section 18-9-A-6a, 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, Pierpont's proportionate share attributable to this special funding situation was $(364) and $5,401, respectively.

Pierpont's contributions to STRS for the years ended June 30, 2026 and 2025 were $9,609 and $9,008, respectively.

12. RETIREMENT PLANS (CONTINUED)

Assumptions

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

- Actuarial cost method: Entry age normal cost with level percentage of payroll.
- Asset valuation method: Investments are reported at fair (market) value.
- Amortization method and period: Level dollar, fixed period over 40 years, from July 1, 1994 through fiscal year 2034.
- Investment rate of return of 7.25%, net of investment expense.
- Projected salary increases: Teachers 2.75-5.90% and non-teachers 2.75-6.50%, based on age.
- Inflation rate of 2.75%.
- Discount rate of 7.25%.
- Mortality rates based on Pub-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.

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%

12. RETIREMENT PLANS (CONTINUED)

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

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

Sensitivity of the net pension liability to changes in the discount rate. The following presents Pierpont'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 Pierpont'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	$ 60,316	$ 30,175	$ 4,630
2025	72,773	43,381	18,483

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

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

At June 30, 2026, Pierpont's proportionate share of the STRS net pension liability was $78,641. Of this amount, Pierpont recognized $30,175 as its proportionate share on the statement of net position. The remainder of $48,466 denotes Pierpont's proportionate share of net pension liability attributable to the special funding situation.

12. RETIREMENT PLANS (CONTINUED)

At June 30, 2025, Pierpont's proportionate share of the STRS net pension liability was $115,108. Of this amount, Pierpont recognized $43,381 as its proportionate share on the statement of net position. The remainder of $71,727 denotes Pierpont's proportionate share of net pension liability attributable to the special funding situation.

The allocation percentage assigned to each participating employer and non-employer contributing entity is based on its proportionate share of employer and non-employer contributions to STRS for each of the fiscal years ended June 30, 2025 and 2024. Employer contributions are recognized when due. At the June 30, 2025 measurement date, Pierpont's proportion was 0.002322%, an increase of 0.000023% from its proportion of 0.002299% calculated as of June 30, 2024. At the June 30, 2024 measurement date, Pierpont's proportion was 0.002299%, an increase of 0.000244% from its proportion of 0.002055% calculated as of June 30, 2023.

For the year ended June 30, 2026, Pierpont recognized STRS pension expense of $8,882. Of this amount, $9,246 was recognized as Pierpont's proportionate share of the STRS expense and $(364) as the amount of pension expense attributable to special funding from a non-employer contributing entity. Pierpont also recognized revenue of $(364) for support provided by the State.

For the year ended June 30, 2025, Pierpont recognized STRS pension expense of $18,944. Of this amount, $13,543 was recognized as Pierpont's proportionate share of the STRS expense and $5,401 as the amount of pension expense attributable to special funding from a non-employer contributing entity. Pierpont also recognized revenue of $5,401 for support provided by the State.

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

June 30, 2026	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,203	$ -
Changes in proportion and differences in pension contributions	5,152	38,013
Net difference between projected and actual investment earnings	-	6,549
Changes in assumptions	63	1,669
Contributions after the measurement date	9,609	-
Total	$ 20,027	$ 46,231

12. RETIREMENT PLANS (CONTINUED)

June 30, 2025	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,490	$ -
Changes in proportion and differences in pension contributions	31,793	56,647
Net difference between projected and actual investment earnings	-	4,479
Changes in assumptions	1,102	-
Contributions after the measurement date	9,008	-
Total	$ 46,393	$ 61,126

Pierpont will recognize the $9,609 reported as deferred outflows of resources resulting from pension contributions after the measurement date as a reduction of the STRS net pension liability in the year ended June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in STRS pension expense as follows:

Fiscal Year Ended June 30,	Amortization
2027	$ (7,427)
2028	(24,390)
2029	(2,095)
2030	(1,901)
	$ (35,813)

Payables to the Pension Plan

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

DEFINED CONTRIBUTION BENEFIT PLANS

The TIAA-CREF and Educators Money are defined contribution benefit plans in which benefits are based solely upon amounts contributed, plus investment earnings. Employees who elect to participate in these plans are required to make a contribution equal to 6% of total annual compensation for the years ended June 30, 2026 and 2025. Pierpont matches the employees' 6% contribution. Contributions are immediately and fully vested. In addition, employees may elect to make additional contributions to TIAA-CREF and Educators Money, which are not matched by Pierpont.

Total contributions to the TIAA-CREF for the years ended June 30, 2026 and 2025 were $901,516 and $872,834, respectively, which consisted of equal contributions from Pierpont and covered employees of $450,758 and $436,417, respectively.

12. RETIREMENT PLANS (CONTINUED)

Total contributions to Educators Money for the years ended June 30, 2026 and 2025 were $0 and $5,150, respectively, which consisted of $0 and $2,575, from both Pierpont and from covered employees, respectively.

Pierpont's total payroll for the year ended June 30, 2026 was $8,646,107, and total covered employees' salaries in the STRS, TIAA-CREF, and Educators Money were $64,058, $7,512,638, and $0, respectively.

Pierpont's total payroll for the year ended June 30, 2025 was $8,238,305, and total covered employees' salaries in the STRS, TIAA-CREF, and Educators Money were $60,056, $7,273,620, and $42,922, respectively.

13. FAIRMONT STATE FOUNDATION, INC.

The Fairmont State Foundation, Inc. is a separate nonprofit organization incorporated in the State whose purpose is to benefit the work and services of Fairmont State and Pierpont and their affiliated nonprofit organizations. In carrying out its responsibilities, the board of directors of the Fairmont State Foundation, Inc. employs management, forms policy, and maintains fiscal accountability over funds administered by the Fairmont State Foundation, Inc. The economic resources of the Fairmont State Foundation, Inc. do not entirely benefit Pierpont. Accordingly, the financial statements of the Fairmont State Foundation, Inc. are not included in the accompanying financial statements because it is not entirely or almost entirely for the benefit of Pierpont. Since Pierpont was part of Fairmont State for many years, the Fairmont State Foundation, Inc. has obtained resources designated for Pierpont's programs and/or students. Certain endowments and other fund balances designated to benefit Pierpont are under the control and management of the Fairmont State Foundation, Inc. During fiscal year 2022, a significant number of endowments and other fund balances designated to benefit Pierpont were transferred to the Pierpont Foundation, Inc. in the amount of $768,727. At June 30, 2026 and 2025, the Fairmont State Foundation, Inc. held funds for Pierpont in the amount of $509,924 and $465,121, respectively.

Total funds expended by the Fairmont State Foundation, Inc. in support of Pierpont activities totaled $15,600 and $16,495 during the years ended June 30, 2026 and 2025, respectively.

14. PIERPONT FOUNDATION, INC.

The Pierpont Foundation, Inc. is a separate nonprofit organization incorporated in the State whose purpose is to benefit the work and services of Pierpont. The Pierpont Foundation Inc. has a separate board of directors responsible for policy and fiscal accountability. Fiscal year 2022 was the first year the Pierpont Foundation Inc. had financial activity. This activity primarily consisted of a transfer of endowments and other fund balances from the Fairmont State Foundation, Inc. in the amount of $768,727. The Pierpont Foundation Inc. records activity for fundraising, investment income, and scholarships. As of June 30, 2026 and 2025, the Pierpont Foundation Inc. had total assets in the amount of $1,229,716 and $1,127,221, respectively.

Total funds expended by the Pierpont Foundation, Inc. in support of Pierpont activities totaled $118,192 and $21,823 during the years ended June 30, 2026 and 2025, respectively.

15. AFFILIATED ORGANIZATIONS AND OTHER STATE AGENCIES

Pierpont receives funding or grants from and provides services to other state agencies, and utilizes services, supplies, and equipment provided by other state agencies. Amounts due from and 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	$ 74,689	$ 138,370
WV Higher Education Policy Commission	105,004	184,443
WV Department of Education	-	620
	$ 179,693	$ 323,433
Due to:		
WV Higher Education Policy Commission	$ 15,369	$ 3,452
WV State Treasurer's Office	973	668
WV Department of Administration	6,471	-
WV Retiree Health Benefit Trust Fund	-	420
WV Department of Human Services	22,468	-
	$ 45,281	$ 4,540

16. RELATED-PARTY TRANSACTIONS

The Final Separation Agreement with Fairmont State was executed on April 1, 2021, detailing the final separation, including the division of assets and providing for payment of outstanding indebtedness. Per the Final Separation Agreement, it was determined that Pierpont shall pay Fairmont State a total of $16,300,000 through 2032. Pierpont paid Fairmont State $1,300,000 in fiscal year 2022. For fiscal years 2023 through 2032, Pierpont shall pay Fairmont State $1,500,000 per year. As of June 30, 2026 and 2025, the amount due to Fairmont State is $9,000,000 and $10,500,000, respectively.

For fiscal years 2026 and 2025, Pierpont paid Fairmont State $405,000 under a fee for service agreement. These costs are primarily to cover facility-related costs for Pierpont's Aviation programs located at Fairmont State's National Aerospace Education Center in Bridgeport. For fiscal year 2027, Pierpont's Aviation program will continue at Fairmont State's National Aerospace Education Center, and the fee for service agreement will require Pierpont to continue to pay Fairmont State $405,000.

17. CONTINGENCIES

The nature of the educational industry is such that, from time-to-time, claims will be presented against Pierpont 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 Pierpont would not have a significant financial impact on the financial position of Pierpont.

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. Pierpont's management believes disallowances, if any, will not have a significant financial impact on Pierpont's financial position.

18. NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

For the years ended June 30, 2026 and 2025, the following tables represent operating expenses within both natural and functional classifications:

	2026								
Function	Salaries and Wages	Benefits	Supplies and Others	Utilities	Scholarships	Depreciation and Amortization	Loan Cancellations	Fees Assessed by the Commission	Function Total
Instruction	$ 5,324,986	$ 1,288,023	$ 1,094,981	$ -	$ -	$ -	$ -	$ -	$ 7,707,990
Academic support	53,871	14,700	5,754	-	-	-	-	-	74,325
Student services	1,203,799	316,916	303,397	-	3,250	-	-	-	1,827,362
General institutional support	1,796,204	443,179	1,396,441	-	210	-	-	109,660	3,745,694
Operation and maintenance	224,639	68,092	1,198,244	392,881	-	-	-	-	1,883,856
Student financial aid	42,608	61	-	-	987,805	-	-	-	1,030,474
Depreciation and amortization	-	-	-	-	-	1,336,591	-	-	1,336,591
Loan cancellations and write-offs	-	-	-	-	-	-	176,759	-	176,759
TOTAL	$ 8,646,107	$ 2,130,971	$ 3,998,817	$ 392,881	$ 991,265	$ 1,336,591	$ 176,759	$ 109,660	$ 17,783,051

	2025								
Function	Salaries and Wages	Benefits	Supplies and Others	Utilities	Scholarships	Depreciation and Amortization	Loan Cancellations	Fees Assessed by the Commission	Function Total
Instruction	$ 4,971,950	$ 1,140,256	$ 1,019,235	$ -	$ -	$ -	$ -	$ -	$ 7,131,441
Academic support	4,500	688	-	-	-	-	-	-	5,188
Student services	1,142,706	307,576	295,516	-	3,500	-	-	-	1,749,298
General institutional support	1,873,812	442,952	1,305,249	-	-	-	-	97,199	3,719,212
Operation and maintenance	206,833	67,518	906,426	331,672	-	-	-	-	1,512,449
Student financial aid	38,504	163	-	-	1,913,654	-	-	-	1,952,321
Depreciation and amortization	-	-	-	-	-	1,348,063	-	-	1,348,063
Loan cancellations and write-offs	-	-	-	-	-	-	259,204	-	259,204
TOTAL	$ 8,238,305	$ 1,959,153	$ 3,526,426	$ 331,672	$ 1,917,154	$ 1,348,063	$ 259,204	$ 97,199	$ 17,677,176

REQUIRED SUPPLEMENTARY INFORMATION

PIERPONT COMMUNITY & 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
Pierpont's proportion of the net pension liability (asset) (percentage)	0.002322%	0.002299%	0.002055%	0.006254%	0.006213%	0.001834%	0.001863%	0.001662%	0.001812%	0.001903%
Pierpont's proportionate share of the net pension liability (asset)	$ 30,175	$ 43,381	$ 47,047	$ 160,857	$ 97,095	$ 59,072	$ 55,427	$ 51,892	$ 62,604	$ 78,224
State's proportionate share of the net pension liability (asset)	48,466	71,727	96,084	358,341	217,078	128,342	133,786	134,473	138,439	148,997
Total proportionate share of the net pension liability (asset)	$ 78,641	$ 115,108	$ 143,131	$ 519,198	$ 314,173	$ 187,414	$ 189,213	$ 186,365	$ 201,043	$ 227,221
Pierpont's covered payroll	$ 60,056	$ 58,116	$ 56,355	$ 121,739	$ 119,311	$ 50,578	$ 52,687	$ 51,126	$ 50,008	$ 49,195
Pierpont's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	50.24%	74.65%	83.48%	132.13%	81.38%	116.79%	105.20%	101.50%	125.19%	159.01%
Plan fiduciary net position as a percentage of the total pension liability	89.27%	84.24%	80.42%	77.78%	86.38%	70.89%	72.64%	71.20%	67.85%	61.42%

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

PIERPONT COMMUNITY & 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	$ 9,609	$ 9,008	$ 8,717	$ 8,453	$ 18,261	$ 17,897	$ 7,587	$ 8,069	$ 7,656	$ 7,501
Contributions in relation to the contractually required contribution	(9,609)	(9,008)	(8,717)	(8,453)	(18,261)	(17,897)	(7,587)	(8,069)	(7,656)	(7,501)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pierpont's covered payroll	$ 64,058	$ 60,056	$ 58,116	$ 56,355	$ 121,739	$ 119,311	$ 50,578	$ 52,687	$ 51,126	$ 50,008
Contributions as a percentage of covered payroll	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.31%	14.97%	15.00%

PIERPONT COMMUNITY & 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
Pierpont's proportion of the net OPEB liability (asset) (percentage)	0.050241808%	0.014306664%	0.072503078%	0.076588870%	0.089655105%	0.091660029%	0.137559207%	0.138659143%	0.132195612%	
Pierpont's proportionate share of the net OPEB liability (asset)	$ 47,380	$ (5,957)	$ (114,735)	$ 85,242	$ (26,659)	$ 404,855	$ 2,282,288	$ 2,974,842	$ 3,250,676	
State's proportionate share of the net OPEB liability (asset)	37,590	(18,711)	(48,973)	29,201	(5,249)	89,520	467,058	614,821	667,693	
Total proportionate share of the net OPEB liability (asset)	$ 84,970	$ (24,668)	$ (163,708)	$ 114,443	$ (31,908)	$ 494,375	$ 2,749,346	$ 3,589,663	$ 3,918,369	
Pierpont's covered-employee payroll	$ 5,611,850	$ 5,249,075	$ 5,058,731	$ 5,158,675	$ 5,338,250	$ 5,189,805	$ 5,235,890	$ 4,830,737	$ 4,600,880	
Pierpont's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.84 %	(0.11)%	(2.27)%	1.65%	(0.50)%	7.80%	43.59%	61.58%	70.65%	
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, Pierpont should present information for those years for which information is available.

PIERPONT COMMUNITY & 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	$ 14,710	$ 34,071	$ 5,659	$ 72,710	$ 90,050	$ 163,494	$ 177,168	$ 249,410	$ 247,742	
Contributions in relation to the statutorily required contribution	(14,710)	(34,071)	(5,659)	(72,710)	(90,050)	(163,494)	(177,168)	(249,410)	(247,742)	
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Pierpont's covered-employee payroll	$ 5,855,653	$ 5,611,850	$ 5,249,075	$ 5,058,731	$ 5,158,675	$ 5,338,250	$ 5,189,805	$ 5,235,890	$ 4,830,737	
Contributions as a percentage of covered-employee payroll	0.25%	0.61%	0.11%	1.44%	1.75%	3.06%	3.41%	4.76%	5.13%	

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

PIERPONT COMMUNITY & 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 generationally with Scale MP-2021.	7.25%
2024	2.75%	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 2.75 to 5.90%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 2.75 to 6.50%.	7.25%, net of pension plan investment expense, including inflation.	Active: Pub-2010, General Employees table, headcount weighted, projected generationally with scale MP-2019. Retired: Healthy males – 100% of Pub-2010 General Retiree Male table, headcount weighted, projected generationally with scale MP-2019; Retired healthy females – 112% of Pub-2010 General Retiree Female table, headcount weighted, projected generationally with scale MP-2019; Disabled males – 107% of Pub-2010 General/Teacher Disabled Male table, headcount weighted, projected generationally with scale MP-2019; Disabled females – 113% of Pub-2010 General/Teacher Disabled Female table, headcount weighted, projected generationally with scale MP-2019; Beneficiary males-101% of Pub-2010 Contingent Survivor Male table, headcount weighted, projected generationally with Scale MP-2019; Beneficiary females-113% of Pub-2010 Contingent Survivor Female table, headcount weighted, projected generationally with Scale MP-2019.	7.25%

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

PIERPONT COMMUNITY & 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 5.90%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 2.75 to 6.50%.	7.25%, net of pension plan investment expense, including inflation.	Active: Pub-2010, General Employees table, headcount weighted, projected generationally with scale MP-2019. Retired: Healthy males – 100% of Pub-2010 General Retiree Male table, headcount weighted, projected generationally with scale MP-2019; Retired healthy females – 112% of Pub-2010 General Retiree Female table, headcount weighted, projected generationally with scale MP-2019; Disabled males – 107% of Pub-2010 General/Teacher Disabled Male table, headcount weighted, projected generationally with scale MP-2019; Disabled females – 113% of Pub-2010 General/Teacher Disabled Female table, headcount weighted, projected generationally with scale MP-2019.	7.25%
2020	3.0%	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.16%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.75%.	7.5%, net of pension plan investment expense, including inflation.	Active: Pub-2010, General Employees table, headcount weighted, projected generationally with scale MP-2019. Retired healthy males – 108% of Pub-2010 General Retiree Male table, headcount weighted, projected generationally with scale MP-2019; Retired healthy females – 112% of Pub-2010 General Retiree Female table, headcount weighted, projected generationally with scale MP-2019; Disabled males – 107% of Pub-2010 General/Teacher Disabled Male table, headcount weighted, projected generationally with scale MP-2019; Disabled females – 113% of Pub-2010 General/Teacher Disabled Female table, headcount weighted, projected generationally with scale MP-2019.	7.50%
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.	7.50%

PIERPONT COMMUNITY & 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
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.	7.50%
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.	7.50%
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.	7.50%

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

PIERPONT COMMUNITY & TECHNICAL COLLEGE
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION - OPEB
YEARS ENDED JUNE 30, 2026 AND 2025

Actuarial Changes Other Postemployment Benefits Plan

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

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

PIERPONT COMMUNITY & TECHNICAL COLLEGE
NOTE TO 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 General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 100% for males and 108% for females; Pre-Retirement: Pub-2010 General Employee Mortality Tables projected with MP-2019	Experience-based table of rates that are specific to the type of eligibility condition	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2022, 6.5% for plan year end 2023, decreasing by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year 2032. Trend rate for Medicare per capita costs of 31.11% for plan year end 2022, 9.15% for plan year end 2023, 8.40% for plan year end 2024, decreasing gradually each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.
2019	2.75%	Dependent upon pension system. Ranging from 3.0% to 6.5%, including inflation	4.00%	7.15%, net of OPEB plan investment expense, including inflation	Post-Retirement: RP – 2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis Pre-Retirement: RP–2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis	Experience-based table of rates that are specific to the type of eligibility condition	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Trend rate for pre-Medicare per capita costs of 8.5% for plan year end 2020, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year 2028. Trend rate for Medicare per capita costs of 3.1% for plan year end 2020. 9.5% for plan year end 2021, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year end 2031.
2018	2.75%	Dependent upon pension system. Ranging from 3.0% to 6.5%, including inflation	4.00%	7.15%, net of OPEB plan investment expense, including inflation	Post-Retirement: RP – 2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis Pre-Retirement: RP–2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis	Experience-based table of rates that are specific to the type of eligibility condition.	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.0% and 10.0% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend rate of 4.50%. Excess trend rate of 0.13% and 0.00% for pre and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2022 to account for the Excise Tax.
2017	2.75%	Dependent upon pension system. Ranging from 3.0% to 6.5%, including inflation	4.00%	7.15%, net of OPEB plan investment expense, including inflation	Post-Retirement: RP – 2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis Pre-Retirement: RP–2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis	Experience-based table of rates that are specific to the type of eligibility condition.	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.5% and 9.75% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend rate of 4.50%. Excess trend rate of 0.14% and 0.29% for pre and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2020 to account for the Excise Tax.

Suttle & Stalnaker Certified Public Accountants
A Professional Limited Liability Company

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

Board of Governors
Pierpont Community & Technical College
Fairmont, West Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Pierpont Community & Technical College (Pierpont), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise Pierpont's financial statements, and have issued our report thereon dated September 29, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pierpont's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pierpont's internal control. Accordingly, we do not express an opinion on the effectiveness of Pierpont'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 Pierpont'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 29, 2026