West Virginia Council for Community and Technical College Education

(A Component Unit of the West Virginia Higher Education Policy Commission)

Financial Statements
Years Ended June 30, 2026 and 2025
and
Independent Auditor's Reports

Suttle & Stalnaker Certified Public Accountants
A Professional Limited Liability Company

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION

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Suttle & Stalnaker Certified Public Accountants
A Professional Limited Liability Company

INDEPENDENT AUDITOR'S REPORT

West Virginia Council for Community and Technical College Education
Charleston, West Virginia

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the aggregate discretely presented component units of the Council, 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.

We did not audit the 2026 or 2025 financial statements of Blue Ridge Community and Technical College (Blue Ridge), Mountwest Community and Technical College (Mountwest), West Virginia Northern Community College (Northern), or West Virginia University at Parkersburg (WVU at Parkersburg), which collectively represent 45%, 45%, and 47% of the 2026 assets, net position, and revenues of the Council. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for Blue Ridge, Mountwest, Northern, and WVU at Parkersburg, are based solely on the reports of the other auditors. We also did not audit the financial statements of the discretely presented component units as defined in Note 2 to the financial statements, other than New River Community and Technical College Foundation, Inc. and WVU at Parkersburg Foundation, Inc., (collectively, the Other Discretely Presented Component Units), for the years ended June 30, 2026 and 2025, which collectively represent 27%, 32%, and 26% of the 2026 assets, net position, and revenues of the discretely presented component units. The Other Discretely Presented Component Units' financial statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the discretely presented component units' financial statements, are based solely on the reports of the other auditors.

Basis for Opinions

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

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Change in Accounting Principle

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council'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 Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council'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 - 10, 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 the related footnotes on pages 57 - 66 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 October 14, 2026, on our consideration of the Council'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 the Council's internal control over financial reporting and compliance.

Suttle & Stalnaker, PLLC

Charleston, West Virginia
October 14, 2026

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year 2026

Overview of the Financial Statements

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

The Council's financial statements consist of three basic financial statements: the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows. These statements focus on the Council's financial condition, the results of its operations, and its 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 the Council as of the end of the fiscal year. The purpose of the statement of net position is to present to the readers a fiscal snapshot of the Council.

Statement of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses, and changes in net position presents the financial results of the Council for the fiscal year. It reports operating revenues and expenses, noncapital subsidies, and other nonoperating revenues and expenses, as well as the resulting change in net position for the year.

Statement of Cash Flows

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

Taken together, the three statements provide complementary information. The statement of net position shows the Council's financial condition at fiscal year-end; the statement of revenues, expenses, and changes in net position explains the activities that caused net position to increase or decrease during the fiscal year; and the statement of cash flows explains how those accrual-basis activities affected cash.

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year 2026

Financial Summary

Condensed Schedules of Net Position
June 30,

	2026	2025	2024
Assets			
Current and other assets	$ 166,615,413	$ 171,043,533	$ 161,935,863
Capital assets, net	248,751,623	238,379,751	231,236,820
Total assets	415,367,036	409,423,284	393,172,683
Deferred outflows of resources	3,005,808	1,854,044	1,693,695
Total	$ 418,372,844	$ 411,277,328	$ 394,866,378
Liabilities			
Long-term liabilities	$ 28,327,896	$ 25,788,113	$ 26,197,521
Other liabilities	30,731,024	37,300,784	38,148,661
Total liabilities	59,058,920	63,088,897	64,346,182
Deferred inflows of resources	1,729,636	1,314,835	2,791,557
Net position			
Net investment in capital assets	236,703,670	228,500,900	222,561,049
Restricted for - nonexpendable	50,000	50,000	50,000
Restricted for - expendable	35,072,203	34,108,877	25,259,160
Unrestricted	85,758,415	84,213,819	79,858,430
Total net position	357,584,288	346,873,596	327,728,639
Total	$ 418,372,844	$ 411,277,328	$ 394,866,378

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

	2026	2025	2024
Operating revenues	$ 107,581,574	$ 120,554,357	$ 98,248,772
Operating expenses	188,045,100	193,686,298	175,788,225
Operating loss	(80,463,526)	(73,131,941)	(77,539,453)
Noncapital subsidies	89,394,410	88,080,096	86,746,219
Operating loss and noncapital subsidies	8,930,884	14,948,155	9,206,766
Other nonoperating revenues (expenses)	1,779,808	4,196,802	3,346,706
Change in net position	10,710,692	19,144,957	12,553,472
Net position - beginning of year	346,873,596	327,728,639	315,175,167
Net position - end of year	$ 357,584,288	$ 346,873,596	$ 327,728,639

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year 2026

Detailed Analysis

Condensed schedules of net position

Significant changes in fiscal year 2026 statement of net position balances compared with fiscal year 2025 include:

- Current and other assets decreased by $4,428,120 or 3%, primarily related to decreases in cash and cash equivalents from increased payments to or on behalf of employees and to suppliers, netting against an increase in appropriations due from Primary Government from unspent allocations of state funding, as well as an increase in net accounts receivable due to increases in grants and contracts receivable and deferred maintenance receivables.
- Capital assets, net of accumulated depreciation increased by $10,371,872 or 4%. The increase was related to the additions described in the Significant Capital Asset and Long-Term Financing Activity section on the following pages.
- Long-term liabilities increased by $2,539,783 or 10%, primarily related to increases in the lease liability as a result of West Virginia University at Parkersburg's new lease with its Foundation for the newly renovated Innovation and Technology Center.
- Other liabilities decreased by $6,569,760 or 18%. Unearned revenue and deposits decreased significantly as a result of spending down or returning grant funds.
- Net position increased by $10,710,692 or 3%. The net investment in capital assets increased due to ongoing repairs and improvements to various campus buildings as a result of the availability of additional deferred maintenance funding. Additionally, unrestricted net position increased due to increases in appropriations due from Primary Government and net accounts receivable, as described above.

Significant changes in fiscal year 2025 statement of net position balances compared with fiscal year 2024 include:

- Current and other assets increased by $9,107,670 or 6%. The increase was related to an increase in appropriations due from Primary Government from unspent allocations of state funding, an increase in net accounts receivable due to deferred maintenance receivables and slight increases student tuition and fees across institutions, and an increase in student loans receivable related to a change in calculation methodology of expected uncollectible balances based on historical data.
- Capital assets, net of accumulated depreciation increased by $7,142,931 or 3%, resulting from the transfer of the Erma Byrd Center from the Higher Education Foundation to New River Community and Technical College.
- Net position increased by $19,144,957 or 6%, comprised primarily of an increase in the net investment in capital assets due to ongoing repairs and improvements as a result of deferred maintenance funding, an increase in restricted expendable net position due to slight increases in restricted scholarships and sponsored programs at a number of institutions within the system, and an increase in unrestricted net position from increases in cash and cash equivalents and appropriations due from Primary Government.

Condensed schedules of revenues, expenses, and changes in net position

Significant changes in fiscal year 2026 revenue and expense balances compared with fiscal year 2025 include:

- Operating revenues decreased by $12,972,783 or 11%, driven by decreases in both federal and state grant revenue decreased, primarily due to the closeout of certain grants, including the West Virginia Higher Education Grant and College Access Grant.
- Operating expenses decreased by $5,641,198 or 3%, driven primarily by a decrease in student financial aid - scholarships and fellowships due to decreases in State-funded aid (West Virginia Higher Education Grant and College Access Grant, for example), netting against an increase in supplies and other services due to increased costs of goods and services resulting from inflation.

- Other nonoperating revenues decreased by $2,416,994 or 58%. Capital grants, appropriations, and gifts decreased due to the transfer of the Erma Byrd Center from the Higher Education Foundation to New River Community and Technical College in fiscal year 2025.

Significant changes in fiscal year 2025 revenue and expense balances compared with fiscal year 2024 include:

- Operating revenues increased by $22,305,585 or 23%, driven by an increase in Pell grant revenue with an increase in student enrollment and an increase in federal and state grant revenues primarily due to additional West Virginia Higher Education Grant funds.
- Operating expenses increased by $17,898,073 or 10%, driven by increases in salaries and benefits from rising health insurance premium costs under the State's system, as well as an increase in student financial aid - scholarships and fellowships due to an increase in student enrollment and tuition rate increases.

Significant Capital Asset and Long-Term Financing Activity

In fiscal year 2026, funding of $39 million was transferred to the Higher Education Policy Commission (the Commission) for the purpose of deferred maintenance and capital projects at public higher education institutions, including the Council and its institutions. This funding was provided through the original $209 million in appropriations made in fiscal year 2024. Institutions across the state have continued to use these funds to make capital repairs, improvements, and additions on their campuses, with most of the work completed in the current and previous fiscal years. Across the Council's institutions, capital asset additions using deferred maintenance funding totaled over $8.5 million in fiscal year 2026.

During fiscal year 2026, the Commission completed the transfer of the Allied Health Wing located in Beaver, West Virginia to New River Community and Technical College. The facility was originally constructed with funding awarded to the Commission by the Federal Health Resources and Services Administration and had been recorded as a capital asset of the Commission. Because the facility is located on the campus of, and is maintained and managed by, New River Community and Technical College, ownership was transferred to that institution effective July 31, 2025, following final approval of the property transfer. The transfer occurred between State entities for no consideration.

During fiscal year 2026, BridgeValley Community and Technical College demolished one previously decommissioned building on its Montgomery campus. At Pierpont Community and Technical College, construction activity is ongoing for the Aviation Maintenance Technology Training Facility, resulting from the $25 million award from the West Virginia Economic Development Authority in fiscal year 2023.

Currently Known Facts, Decisions, or Conditions

West Virginia's public higher education system continues to operate in the context of a long-term population decline and an aging demographic profile. The state's population fell from approximately 1.79 million in 2020 to 1.77 million in 2025. West Virginia has one of the oldest populations in the nation, with 23% of residents aged 65 or older. The state also has a relatively low educational attainment rate, with only 24% of adults holding a bachelor's degree or higher. These demographic trends reduce the number of traditional college-age students available to enroll and place increasing importance on attracting, retaining, and upskilling adult learners.

The effects of these demographic challenges are evident in higher education enrollment trends. Enrollment at West Virginia's public colleges and universities declined from approximately 85,000 students in 2016 to just under 73,000 students in 2026, driven by declining numbers of high school graduates, lower college-going rates, and out-migration of young adults. In response, state leaders have increasingly focused on workforce-aligned educational opportunities and adult learner engagement. The Commission and Council's "West Virginia's Climb" initiative seeks to increase postsecondary attainment so that 60% of working-age residents hold a certificate, credential, or degree by 2030, addressing workforce needs while supporting economic development.

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year 2026

To improve college affordability and workforce participation, West Virginia has expanded several state-funded financial aid programs. The PROMISE scholarship remains the state's flagship merit-based award, helping academically qualified students attend in-state institutions. The West Virginia Higher Education Grant program provides need-based assistance to eligible students with financial need. WV Invests offers last-dollar funding for certificates and associate's degrees in high-demand fields at public community and technical colleges. More recently, West Virginia Climb provides tuition assistance for adults seeking short-term credential programs that support workforce advancement. Together, these programs are intended to reduce financial barriers, increase postsecondary participation, encourage residents to remain in West Virginia, and support the state's long-term educational attainment and workforce goals. The vast majority of the funding that is reported in the financial statements of the Council is ultimately assigned to the public higher education institutions in the state for capital projects, grants, scholarships, and special projects. This funding is critical to the success of the higher education system in meeting the state's post-secondary goals.

State appropriations to the Council and public higher education institutions have continued to trend upward over the past five years. While some increases in appropriations are credited to statewide salary increases and increases to employee and employer costs for public health insurance, some are a result of the higher education funding formula and other supplemental appropriations. In fiscal year 2026, funding of $39 million was transferred to the Commission for the purpose of deferred maintenance and capital projects at public higher education institutions, including the Council and its institutions, as described in the previous section. The higher education funding formula model considers inflationary factors, such as the Higher Education Price Index (HEPI), as well as individual institutions' performance in relation to various metrics. In fiscal year 2027, the higher education funding formula was fully funded for the first time since its inception.

The financial reporting package is designed to provide an overview of the finances of the Council for those with an interest in this organization. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Misty Price at 2001 Union Carbide Drive, Building 2000, South Charleston, West Virginia 25303.

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
STATEMENTS OF NET POSITION
JUNE 30, 2026 AND 2025

	West Virginia Council for Community and Technical College Education		Total Discretely Presented Component Units	
	2026	2025	2026	2025
ASSETS AND DEFERRED OUTFLOWS				
CURRENT ASSETS:				
Cash and cash equivalents	$ 126,054,579	$ 134,495,307	$ 5,125,698	$ 2,001,644
Appropriations due from Primary Government	19,246,529	16,852,096	-	-
Accounts receivable, net of allowance for doubtful accounts	10,907,164	8,784,181	559,000	186,100
Student loans receivable - current portion, net	864,951	5,771,709	-	-
Due from the Commission	1,056,486	826,413	-	-
Inventories	289,000	231,000	-	-
Other current assets	538,027	602,042	142,193	64,639
Total current assets	158,956,736	167,562,748	5,826,891	2,252,383
NONCURRENT ASSETS:				
Cash and cash equivalents	3,223,512	2,781,920	-	-
Investments	-	-	40,254,848	34,903,044
Student loans receivable	4,206,080	245,734	-	-
Capital assets, net of accumulated depreciation	248,751,623	238,379,751	33,359,668	20,369,230
Net other postemployment benefits asset	-	212,818	-	-
Other noncurrent assets	229,085	240,313	3,476,707	3,309,493
Total noncurrent assets	256,410,300	241,860,536	77,091,223	58,581,767
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred outflows relating to the net pension liability	145,024	203,619	-	-
Deferred outflows relating to the net OPEB liability/asset	2,860,784	1,650,425	-	-
Total deferred outflows of resources	3,005,808	1,854,044	-	-
TOTAL	$ 418,372,844	$ 411,277,328	$ 82,918,114	$ 60,834,150

The Accompanying Notes Are An Integral
Part Of These Combined Financial Statements

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
STATEMENTS OF NET POSITION (Continued)
JUNE 30, 2026 AND 2025

	West Virginia Council for Community and Technical College Education		Total Discretely Presented Component Units	
	2026	2025	2026	2025
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION				
CURRENT LIABILITIES:				
Accounts payable	$ 3,096,167	$ 3,766,063	$ 769,770	$ 3,610,022
Accrued liabilities	8,039,376	8,386,722	217,723	20,000
Due to the Commission and Institutions of the Commission	107,247	131,993	-	-
Due to Fairmont State - current portion	1,500,000	1,500,000	-	-
Compensated absences - current portion	5,703,745	5,561,275	-	-
Lease liability - current portion	1,307,607	909,958	-	-
Subscription liability - current portion	468,149	354,452	-	-
Other debt service obligations - current portion	324,752	308,843	5,000,000	-
Funds due to West Virginia Development Office - current portion	66,668	66,668	-	-
Unearned revenue and deposits	19,488,234	25,016,006	-	-
Other current liabilities	-	-	68,121	107,380
Total current liabilities	40,101,945	46,001,980	6,055,614	3,737,402
NONCURRENT LIABILITIES:				
Net other postemployment benefits liability	783,994	-	-	-
Due to Fairmont State	7,500,000	9,000,000	-	-
Compensated absences	612,959	592,012	-	-
Lease liability	8,231,943	5,388,190	-	-
Subscription liability	348,213	107,247	-	-
Other debt service obligations	-	324,752	6,473,334	-
Funds due to West Virginia Development Office	1,199,999	1,266,665	-	-
Net pension liability	279,867	408,051	-	-
Total noncurrent liabilities	18,956,975	17,086,917	6,473,334	-
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflows relating to the net pension liability	224,238	288,551	-	-
Deferred inflows relating to the net OPEB liability/asset	1,496,680	1,017,820	-	-
Deferred inflows relating to leases	8,718	8,464	-	-
Total deferred inflows of resources	1,729,636	1,314,835	-	-
NET POSITION:				
Net investment in capital assets	236,703,670	228,500,900	21,886,334	20,369,230
Restricted for - nonexpendable	50,000	50,000	11,403,156	10,873,715
Restricted for - expendable - capital projects	4,394,354	3,922,598	1,298,855	1,272,074
Restricted for - expendable - scholarships	12,599,969	14,863,139	10,416,000	9,243,421
Restricted for - expendable - sponsored programs	15,413,222	12,513,824	-	-
Restricted for - expendable - other	2,664,658	2,809,316	20,674,001	11,340,985
Unrestricted	85,758,415	84,213,819	4,710,820	3,997,323
Total net position	357,584,288	346,873,596	70,389,166	57,096,748
TOTAL	$ 418,372,844	$ 411,277,328	$ 82,918,114	$ 60,834,150

The Accompanying Notes Are An Integral
Part Of These Combined Financial Statements

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS

	JUNE 30, 2026					DECEMBER 31, 2025	
	Blue Ridge Community and Technical College Foundation, Inc.	BridgeValley Community & Technical College Foundation, Inc.	New River Community and Technical College Foundation, Inc.	West Virginia Northern Community College Foundation, Inc.	WVU at Parkersburg Foundation, Inc.	Southern West Virginia Community and Technical College Foundation, Inc.	Total
ASSETS							
CURRENT ASSETS:							
Cash and cash equivalents	$ 528,747	$ 247,151	$ 255,872	$ 129,303	$ 3,450,727	$ 513,898	$ 5,125,698
Accounts receivable, net	11,000	-	48,000	-	500,000	-	559,000
Other current assets	8,659	27,210	-	68,737	2,014	35,573	142,193
Total current assets	548,406	274,361	303,872	198,040	3,952,741	549,471	5,826,891
NONCURRENT ASSETS:							
Investments	1,323,178	3,326,287	3,149,891	9,402,381	17,736,815	5,316,296	40,254,848
Capital assets, net	-	-	-	-	33,359,668	-	33,359,668
Other noncurrent assets	-	-	1,894,501	1,515,299	-	66,907	3,476,707
Total noncurrent assets	1,323,178	3,326,287	5,044,392	10,917,680	51,096,483	5,383,203	77,091,223
TOTAL	$ 1,871,584	$ 3,600,648	$ 5,348,264	$ 11,115,720	$ 55,049,224	$ 5,932,674	$ 82,918,114
LIABILITIES AND NET POSITION							
CURRENT LIABILITIES:							
Accounts payable	$ 59,792	$ 10,539	$ 209,000	$ 11,769	$ 453,447	$ 25,223	$ 769,770
Accrued liabilities	-	-	23,000	-	194,723	-	217,723
Note payable - current portion	-	-	-	-	5,000,000	-	5,000,000
Other current liabilities	-	13,445	-	7,522	47,154	-	68,121
Total current liabilities	59,792	23,984	232,000	19,291	5,695,324	25,223	6,055,614
NONCURRENT LIABILITIES:							
Note payable	-	-	-	-	6,473,334	-	6,473,334
Total noncurrent liabilities	-	-	-	-	6,473,334	-	6,473,334
Total liabilities	59,792	23,984	232,000	19,291	12,168,658	25,223	12,528,948
NET POSITION:							
Net investment in capital assets	-	-	-	-	21,886,334	-	21,886,334
Restricted for - nonexpendable	535,000	732,844	2,560,457	1,478,376	5,277,552	818,927	11,403,156
Restricted for - expendable - capital projects	-	966,759	120,259	211,837	-	-	1,298,855
Restricted for - expendable - scholarships	472,033	925,457	249,146	5,993,361	-	2,776,003	10,416,000
Restricted for - expendable - other	464,513	668,704	2,001,869	2,101,651	13,998,921	1,438,343	20,674,001
Unrestricted	340,246	282,900	184,533	1,311,204	1,717,759	874,178	4,710,820
Total net position	1,811,792	3,576,664	5,116,264	11,096,429	42,880,566	5,907,451	70,389,166
TOTAL	$ 1,871,584	$ 3,600,648	$ 5,348,264	$ 11,115,720	$ 55,049,224	$ 5,932,674	$ 82,918,114

The accompanying notes are an integral part of these financial statements.

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS

	JUNE 30, 2025					DECEMBER 31, 2024	
	Blue Ridge Community and Technical College Foundation, Inc.	BridgeValley Community & Technical College Foundation, Inc.	New River Community and Technical College Foundation, Inc.	West Virginia Northern Community College Foundation, Inc.	WVU at Parkersburg Foundation, Inc.	Southern West Virginia Community and Technical College Foundation, Inc.	Total
ASSETS							
CURRENT ASSETS:							
Cash and cash equivalents	$ 725,910	$ 185,664	$ 178,245	$ 77,663	$ 315,132	$ 519,030	$ 2,001,644
Accounts receivable, net	13,000	-	73,000	100	100,000	-	186,100
Other current assets	6,723	14,022	-	30,707	2,014	11,173	64,639
Total current assets	745,633	199,686	251,245	108,470	417,146	530,203	2,252,383
NONCURRENT ASSETS:							
Investments	1,164,981	2,891,945	2,476,926	7,627,935	16,082,520	4,658,737	34,903,044
Capital assets, net	-	-	-	-	20,369,230	-	20,369,230
Other noncurrent assets	-	-	1,701,691	1,353,021	-	254,781	3,309,493
Total noncurrent assets	1,164,981	2,891,945	4,178,617	8,980,956	36,451,750	4,913,518	58,581,767
TOTAL	$ 1,910,614	$ 3,091,631	$ 4,429,862	$ 9,089,426	$ 36,868,896	$ 5,443,721	$ 60,834,150
LIABILITIES AND NET POSITION							
CURRENT LIABILITIES:							
Accounts payable	$ 1,855	$ 7,575	$ 149,500	$ 10,376	$ 3,435,371	$ 5,345	$ 3,610,022
Accrued liabilities	-	-	20,000	-	-	-	20,000
Note payable - current portion	-	-	-	-	-	-	-
Other current liabilities	-	10,927	-	-	96,453	-	107,380
Total current liabilities	1,855	18,502	169,500	10,376	3,531,824	5,345	3,737,402
NONCURRENT LIABILITIES:							
Note payable	-	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-	-	-
Total liabilities	1,855	18,502	169,500	10,376	3,531,824	5,345	3,737,402
NET POSITION:							
Net investment in capital assets	-	-	-	-	20,369,230	-	20,369,230
Restricted for - nonexpendable	535,000	732,844	2,253,456	1,405,967	5,227,522	718,926	10,873,715
Restricted for - expendable - capital projects	-	967,290	122,275	182,509	-	-	1,272,074
Restricted for - expendable - scholarships	726,844	666,343	246,554	5,041,145	-	2,562,535	9,243,421
Restricted for - expendable - other	354,762	503,096	1,519,562	1,293,157	6,363,041	1,307,367	11,340,985
Unrestricted	292,153	203,556	118,515	1,156,272	1,377,279	849,548	3,997,323
Total net position	1,908,759	3,073,129	4,260,362	9,079,050	33,337,072	5,438,376	57,096,748
TOTAL	$ 1,910,614	$ 3,091,631	$ 4,429,862	$ 9,089,426	$ 36,868,896	$ 5,443,721	$ 60,834,150

The accompanying notes are an integral part of these financial statements.

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2026 AND 2025

	West Virginia Council for Community and Technical College Education		Total Discretely Presented Component Units	
	2026	2025	2026	2025
OPERATING REVENUES:				
Student tuition and fees, net of scholarship allowance of $37,025,684 and $34,540,069 in 2026 and 2025, respectively	$ 30,294,541	$ 29,472,933	$ -	$ -
Gifts and contributions	-	-	3,586,540	2,703,977
Contracts and grants:				
Federal Pell grant	34,894,137	36,691,211	-	-
Federal	11,216,916	17,680,677	-	-
State	20,847,098	23,841,364	-	-
Private	4,232,076	3,847,339	-	175,000
State appropriations - financial aid	383,546	3,708,787	-	-
Sales and services of educational activities	1,577,530	1,476,159	44,979	10,649
Auxiliary enterprise revenue, net of scholarship allowance of $583,725 and $311,411 in 2026 and 2025, respectively	1,777,107	1,193,628	-	-
Other operating revenue	2,358,623	2,642,259	525,440	246,931
Total operating revenues	107,581,574	120,554,357	4,156,959	3,136,557
OPERATING EXPENSES:				
Salaries and wages	86,709,291	85,456,595	298,043	246,134
Benefits	23,445,105	21,848,403	58,016	59,450
Supplies and other services	43,655,455	39,919,675	1,007,645	637,393
Utilities	4,514,096	4,354,279	-	-
Student financial aid - scholarships and fellowships	15,091,446	27,473,804	929,262	783,858
Depreciation and amortization	14,452,948	14,374,338	982,502	77,486
Loan cancellations and write-offs	176,759	259,204	-	-
Other operating expenses	-	-	1,191,925	852,481
Total operating expenses	188,045,100	193,686,298	4,467,393	2,656,802
OPERATING (LOSS) INCOME	(80,463,526)	(73,131,941)	(310,434)	479,755

The Accompanying Notes Are An Integral
Part Of These Combined Financial Statements

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (Continued)
YEARS ENDED JUNE 30, 2026 AND 2025

	West Virginia Council for Community and Technical College Education		Total Discretely Presented Component Units	
	2026	2025	2026	2025
NONCAPITAL SUBSIDIES:				
State appropriations	88,141,589	87,739,001	-	-
Payments made and expenses incurred on behalf of the Council	892,208	143,894	-	-
Other noncapital subsidies	360,613	197,201	-	-
Total noncapital subsidies	89,394,410	88,080,096	-	-
OPERATING (LOSS) INCOME AND NONCAPITAL SUBSIDIES	8,930,884	14,948,155	(310,434)	479,755
OTHER NONOPERATING REVENUES (EXPENSES):				
Investment income	4,005,098	4,442,643	5,618,567	3,508,273
Fees assessed by the Commission	(45,184)	(49,515)	-	-
Capital grants, appropriations, and gifts	4,952,037	7,869,614	8,250,000	5,000,000
Capital payments made on behalf of the Council and Institutions	532,603	326,771	-	-
Payments to WVU-P Foundation	(7,000,000)	(5,000,000)	-	-
Other nonoperating revenues (expenses)	(664,746)	(3,392,711)	(265,715)	-
Total other nonoperating revenues (expenses)	1,779,808	4,196,802	13,602,852	8,508,273
CHANGE IN NET POSITION	10,710,692	19,144,957	13,292,418	8,988,028
NET POSITION - Beginning of year	346,873,596	327,728,639	57,096,748	48,108,720
NET POSITION - End of year	$ 357,584,288	$ 346,873,596	$ 70,389,166	$ 57,096,748

The Accompanying Notes Are An Integral
Part Of These Combined Financial Statements

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS

	YEAR ENDED JUNE 30, 2026					YEAR ENDED DECEMBER 31, 2025	
	Blue Ridge Community and Technical College Foundation, Inc.	BridgeValley Community & Technical College Foundation, Inc.	New River Community and Technical College Foundation, Inc.	West Virginia Northern Community College Foundation, Inc.	WVU at Parkersburg Foundation, Inc.	Southern West Virginia Community and Technical College Foundation, Inc.	Total
OPERATING REVENUES:							
Gifts and contributions	$ 338,453	$ 221,412	$ 551,172	$ 767,002	$ 1,469,854	$ 238,647	$ 3,586,540
Private grants	-	-	-	-	-	-	-
Sales and services of educational activities	-	44,979	-	-	-	-	44,979
Other operating revenue	995	11,527	73,791	-	255,195	183,932	525,440
Total operating revenues	339,448	277,918	624,963	767,002	1,725,049	422,579	4,156,959
OPERATING EXPENSES:							
Salaries and wages	-	-	64,955	-	49,156	183,932	298,043
Benefits	-	-	58,016	-	-	-	58,016
Supplies and other services	1,316	110,979	140,266	-	477,178	277,906	1,007,645
Student financial aid - scholarships and fellowships	250,437	21,938	211,776	48,232	215,526	181,353	929,262
Depreciation and amortization	-	-	-	-	982,502	-	982,502
Other operating expenses	350,824	-	-	254,851	586,250	-	1,191,925
Total operating expenses	602,577	132,917	475,013	303,083	2,310,612	643,191	4,467,393
OPERATING (LOSS) INCOME	(263,129)	145,001	149,950	463,919	(585,563)	(220,612)	(310,434)
NONOPERATING REVENUES (EXPENSES):							
Investment income, net	166,162	358,534	705,952	1,553,460	2,144,772	689,687	5,618,567
Capital grants, appropriations, and gifts	-	-	-	-	8,250,000	-	8,250,000
Other nonoperating revenues (expenses)	-	-	-	-	(265,715)	-	(265,715)
Total nonoperating revenues	166,162	358,534	705,952	1,553,460	10,129,057	689,687	13,602,852
CHANGE IN NET POSITION	(96,967)	503,535	855,902	2,017,379	9,543,494	469,075	13,292,418
NET POSITION - Beginning of year	1,908,759	3,073,129	4,260,362	9,079,050	33,337,072	5,438,376	57,096,748
NET POSITION - End of year	$ 1,811,792	$ 3,576,664	$ 5,116,264	$ 11,096,429	$ 42,880,566	$ 5,907,451	$ 70,389,166

The accompanying notes are an integral part of these financial statements.

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS

	YEAR ENDED JUNE 30, 2025					YEAR ENDED DECEMBER 31, 2024	
	Blue Ridge Community and Technical College Foundation, Inc.	BridgeValley Community & Technical College Foundation, Inc.	New River Community and Technical College Foundation, Inc.	West Virginia Northern Community College Foundation, Inc.	WVU at Parkersburg Foundation, Inc.	Southern West Virginia Community and Technical College Foundation, Inc.	Total
OPERATING REVENUES:							
Gifts and contributions	$ 234,376	$ 216,599	$ 226,649	$ 213,397	$ 1,197,652	$ 615,304	$ 2,703,977
Private grants	175,000	-	-	-	-	-	175,000
Sales and services of educational activities	-	10,649	-	-	-	-	10,649
Other operating revenue	840	6,865	84,305	-	18,000	136,921	246,931
Total operating revenues	410,216	234,113	310,954	213,397	1,215,652	752,225	3,136,557
OPERATING EXPENSES:							
Salaries and wages	-	-	64,213	-	45,000	136,921	246,134
Benefits	-	-	59,450	-	-	-	59,450
Supplies and other services	918	146,916	98,032	-	61,744	329,783	637,393
Student financial aid - scholarships and fellowships	296,402	13,608	125,180	95,599	147,291	105,778	783,858
Depreciation and amortization	-	-	-	-	77,486	-	77,486
Other operating expenses	145,839	-	-	253,909	452,733	-	852,481
Total operating expenses	443,159	160,524	346,875	349,508	784,254	572,482	2,656,802
OPERATING (LOSS) INCOME	(32,943)	73,589	(35,921)	(136,111)	431,398	179,743	479,755
NONOPERATING REVENUES (EXPENSES):							
Investment income, net	133,469	273,150	359,292	595,313	1,554,156	592,893	3,508,273
Capital grants, appropriations, and gifts	-	-	-	-	5,000,000	-	5,000,000
Other nonoperating revenues (expenses)	-	-	-	-	-	-	-
Total nonoperating revenues	133,469	273,150	359,292	595,313	6,554,156	592,893	8,508,273
CHANGE IN NET POSITION	100,526	346,739	323,371	459,202	6,985,554	772,636	8,988,028
NET POSITION - Beginning of year	1,808,233	2,726,390	3,936,991	8,619,848	26,351,518	4,665,740	48,108,720
NET POSITION - End of year	$ 1,908,759	$ 3,073,129	$ 4,260,362	$ 9,079,050	$ 33,337,072	$ 5,438,376	$ 57,096,748

The accompanying notes are an integral part of these financial statements.

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Student tuition and fees	$ 31,666,076	$ 30,009,190
Contracts and grants	28,153,262	45,735,190
Payments to and on behalf of employees	(108,945,493)	(105,967,056)
Payments to suppliers	(43,459,999)	(39,437,006)
Payments to utilities	(4,495,411)	(4,393,187)
Payments for scholarships and fellowships	(18,500,018)	(31,566,746)
Auxiliary enterprise charges	1,777,391	1,606,116
Sales and service educational activities	1,564,192	1,066,159
Other receipts, net	1,803,267	2,593,400
Net cash used in operating activities	(110,436,733)	(100,353,940)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State appropriations	85,747,155	81,612,073
State appropriations - financial aid	2,874,421	321,768
Federal Pell grant	34,894,138	36,787,524
Federal SEOG grant	20,552	20,159
Federal student loan program - direct lending receipts	16,940,679	14,781,087
Federal student loan program - direct lending payments	(16,940,679)	(14,781,087)
Payments to Fairmont State	(1,500,000)	(1,500,000)
Other payments, net	399,652	(23,098)
Net cash provided by noncapital financing activities	122,435,918	117,218,426
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Capital grants, appropriations, and gifts	920,864	801,571
Purchases of capital assets	(15,655,123)	(15,482,861)
Proceeds from sale of capital assets	54,363	1,100,825
Debt service assessed for debt service and reserves	(240,545)	(240,617)
Principal paid on capital debt and leases/SBITAs	(1,965,418)	(1,495,978)
Interest paid on capital debt and leases/SBITAs	(69,219)	(25,916)
Other payments, net	(107,689)	(95,646)
Transfers to WVU-P Foundation	(7,000,000)	(5,000,000)
Net cash used in capital financing activities	(24,062,767)	(20,438,622)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on investments	4,064,446	4,454,026
Net cash provided by investing activities	4,064,446	4,454,026
CHANGE IN CASH AND CASH EQUIVALENTS	(7,999,136)	879,890
CASH AND CASH EQUIVALENTS - Beginning of year	137,277,227	136,397,337
CASH AND CASH EQUIVALENTS - End of year	$ 129,278,091	$ 137,277,227

The Accompanying Notes Are An Integral
Part Of These Combined Financial Statements

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
STATEMENTS OF CASH FLOWS (Continued)
YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN		
OPERATING ACTIVITIES:		
Operating loss	$ (80,463,526)	$ (73,131,941)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Pell grants	(34,894,137)	(36,691,211)
SEOG grants	(20,552)	(20,159)
State appropriations - financial aid	(2,874,421)	(321,768)
Depreciation and amortization	14,452,947	14,374,338
Pension expense - special funding situation	726	46,529
OPEB expense - special funding situation	891,482	97,365
Changes in assets and liabilities:		
Accounts receivable, net/amounts due from the Commission	(339,465)	(1,946,229)
Net other postemployment benefits asset	602,804	572,670
Deferred outflows of resources	(1,151,764)	(160,349)
Accounts payable/amounts due to the Commission	(1,467,919)	(2,369,241)
Accrued liabilities	(237,722)	592,475
Net other postemployment benefits liability	394,008	-
Compensated absences	163,417	1,089,323
Unearned revenue and deposits	(5,527,772)	(1,976,443)
Net pension liability	(128,184)	(147,569)
Deferred inflows of resources	414,801	(1,462,139)
Other	(251,456)	1,100,409
Net cash used in operating activities	$ (110,436,733)	$ (100,353,940)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT		
OF NET POSITION:		
Cash and cash equivalents classified as current	$ 126,054,579	$ 134,495,307
Cash and cash equivalents classified as noncurrent	3,223,512	2,781,920
	$ 129,278,091	$ 137,277,227
NONCASH TRANSACTIONS:		
Capital asset additions in accounts payable or retainage	$ 47,622	$ 599,107
Sale of capital assets in accounts receivable	$ -	$ 1,270
Capital assets acquired through contributions or donations	$ 4,952,037	$ 7,869,614
Capital payments made and expenses incurred on behalf of the Council	$ 532,603	$ 326,771
Donations	$ 100,842	$ 26,000
Right-to-use lease assets acquired through outstanding leases	$ 4,198,818	$ 1,467,958
Right-to-use subscription assets acquired through outstanding SBITAs	$ 1,058,839	$ 205,056

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2026 AND 2025

NOTE 1 - ORGANIZATION

The West Virginia Council for Community and Technical College Education (the Council) is comprised of the following:

Blue Ridge Community and Technical College (Blue Ridge)
BridgeValley Community and Technical College (BridgeValley)
Eastern West Virginia Community and Technical College (Eastern)
Mountwest Community and Technical College (Mountwest)
New River Community and Technical College (New River)
Pierpont Community and Technical College (Pierpont)
Southern West Virginia Community and Technical College (Southern)
West Virginia Council for Community and Technical College Education (administrative unit)
West Virginia Northern Community College (Northern)
West Virginia University at Parkersburg (WVU at Parkersburg)

The Council is a part of the West Virginia Higher Education Fund. The Council (two-year education) and the West Virginia Higher Education Policy Commission (the Commission) (four-year and post-graduate education) collectively comprise the West Virginia Higher Education Fund. The Council and the Commission were legislatively created under Senate Bill No. 448 and Senate Bill No. 653, respectively. Senate Bill No. 448, which was enacted in March 2004, requires a separate audit of the Council.

The Council is responsible for developing, overseeing, and advancing the State of West Virginia's (the State) public policy agenda as it relates to community and technical college education. The Council is comprised of 13 persons appointed by the Governor with the advice and consent of the Senate.

Each institution within the Council is governed by its own Governing Board, which is responsible for the general determination, control, supervision, and management of the financial business and educational policies and affairs of its institution. Certain administrative services are provided by the Commission to the Council at no charge.

During fiscal year 2008, House Bill No. 3215 was passed, 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. Effective July 1, 2008, WVU at Parkersburg and the administratively linked community and technical colleges of Fairmont State University, Marshall University, West Virginia State University, and West Virginia University (the Universities) established their own Boards of Governors. Except for Fairmont State University (Fairmont) and Pierpont, which were granted an extension to be effective January 1, 2010, the newly established Boards of Governors and the Boards of Governors of the Universities jointly agreed on a division of assets and liabilities of the Universities as required.

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

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2026 AND 2025

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The accompanying financial statements present all entities under the authority of the Council under GASB.

The basic criterion for inclusion in the accompanying financial statements is the exercise of oversight responsibility derived from the Council's ability to significantly influence operations and accountability for fiscal matters of related entities. Related foundations and other affiliates of the Council are not part of the Council's reporting entity and are not included in the accompanying financial statements as the Council has no ability to designate management, cannot significantly influence operations of these entities, and is not accountable for the fiscal matters of the foundations and other affiliates under GASB blended component unit requirements.

The Council applies GASB discretely presented component unit requirements. As a result, the financial statements of certain component units as first presented in the Component Units - Statements of Financial Position are discretely presented here with the Council's financial statements. The discretely presented component units included here are separate private nonprofit organizations affiliated with a respective institution and are required to be reported under GASB. These discretely presented component unit organizations report under Financial Accounting Standards Board (FASB) standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The discretely presented component units consist of foundations that meet the criteria for inclusion under GASB discretely presented component unit requirements.

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

- *Net investment in capital assets* - This represents the Council'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 which the Council is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

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

- *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.

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

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2026 AND 2025

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The BTI maintains the Consolidated Fund investment fund, which consists of nine investment pools and participant-directed accounts, three of which the Council may invest in. These pools have been structured as multiparticipant variable net asset funds to reduce risk and offer investment liquidity diversification to the Consolidated Fund participants. Consolidated 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, WV 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 the Council's policy to provide for future losses on uncollectible accounts, contracts, grants, and loans receivable based on an evaluation of the underlying account, contract, grant, and loan balances, the historical collectibility experienced by the Council on such balances, and other factors, which, in the Council's judgment, require consideration in estimating doubtful accounts.

Amounts with Affiliates - The current amounts due to/from affiliates, including the Commission and institutions of the Commission, are noninterest bearing and payable on demand.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Debt service obligations payable to the Commission and its institutions bear interest and have scheduled maturities. Notes payable to the Commission are noninterest bearing.

Inventories - Inventories are stated at the lower of cost or market, cost being determined on the first-in, first-out method.

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

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

Capital Assets - Capital assets include property, plant, and equipment, books and materials that are part of a catalogued library, and infrastructure assets. Capital assets are stated at cost at the date of acquisition or construction, or at fair market value at the date of donation in the case of gifts. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 20 to 50 years for buildings and infrastructure, 20 years for land improvements, 7 to 20 years for library assets, and 3 to 10 years for furniture and equipment.

Capital assets also include intangible right-to-use lease and 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 term or the estimated useful life of the underlying asset, unless the lease or subscription-based information technology arrangement (SBITA) contains a purchase option.

Unearned Revenue and Deposits - Cash received for programs or activities to be conducted primarily in the next fiscal year is classified as unearned revenue, including items such as orientation fees and room and board. 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 benefits (OPEB) expenditures, assets, and liabilities, including applicable note disclosures and required supplementary information. During fiscal year 2006, House Bill No. 4654 was established to create a trust fund for postemployment benefits for the State. Effective July 1, 2007, the Council was 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 West Virginia Public Employees Insurance Agency (PEIA), 601 57th Street SE, Charleston, WV 25304 or https://peia.wv.gov.

GASB requires entities to accrue for employees' rights to receive compensation for vacation and/or sick leave that has been earned, accumulated, and is anticipated to be used, paid out, or otherwise settled using current pay rates. The Council's full-time employees earn up to two vacation leave days for each month of service and are entitled to compensation for accumulated, unpaid vacation leave upon termination. The Council'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.

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by 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 10 for further discussion.

The estimated expense and expense incurred for compensated absences or OPEB 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 the West Virginia Teachers' Retirement System (STRS), administered by the West Virginia Consolidated Public Retirement Board (CPRB), and additions to/reductions from the STRS fiduciary net position have been determined on the same basis as they are reported in the STRS financial statements, which can be found at https://www.wvretirement.com/Publications.html. The plan schedules of STRS are prepared using the accrual basis of accounting and economic resources measurement focus in accordance with U.S. GAAP as prescribed by GASB. Employer contributions are recognized when due and when the employer has a legal requirement to provide the contributions. Investments are reported at fair value. Detailed information on investment valuation can be found in the STRS financial statements. Management of STRS has made certain estimates and assumptions relating to employer allocation schedules, and actual results could differ (see Note 13).

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

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

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

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

In addition, through its participation in PEIA and a third-party insurer, the Council 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 insurer, the Council has transferred its risks related to health insurance, life insurance, prescription drug coverage, and job-related injuries.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2026 AND 2025

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Noncapital subsidies - Subsidies are nonexchange 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 (loss). They include items such as state appropriations, noncapital grants and gifts, and contributions for the provision of scholarships.

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

Use of Restricted Net Position - The Council has not adopted a formal policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Generally, the Council attempts to utilize restricted net position first when practicable. Certain community and technical colleges (CTCs) have adopted a policy to utilize restricted net position first.

Federal Financial Assistance Programs - The Council makes loans to students under the Federal Direct Student Loan Program. Under this program, the U.S. Department of Education makes interest-subsidized and unsubsidized loans directly to students through the institutions within the Council. Direct student loans receivable are not included in the Council's statements of net position. In 2026 and 2025, the Council received and disbursed, or awarded, approximately $16,900,000 and $14,800,000 respectively, under the Direct Student Loan Program, which are not included as revenue and expense on the statements of revenues, expenses, and changes in net position.

The Council also distributes other student financial assistance funds on behalf of the federal government to students under the Federal Pell Grant, Supplemental Educational Opportunity Grant, and College Work Study programs. The activity of these programs is recorded in the accompanying financial statements. In 2026 and 2025, the Council received and disbursed approximately $36,100,000 and $37,700,000, respectively, under these federal student aid programs.

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

Certain aid, such as loans, funds provided to students as awards 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.

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2026 AND 2025

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Cash Flows - Any cash and cash equivalents, 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 generally accepted accounting principles 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 materially 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 - The Council implemented GASB Statement No. 103, *Financial Reporting Model Improvements*, which is effective for fiscal years beginning after June 15, 2025. The focus of the improvements is to the presentation of (1) management's discussion and analysis; (2) unusual or infrequent items; (3) proprietary fund statement of revenues, expenses, and changes in net position; (4) major component unit information; and (5) budgetary comparison information. The primary impacts of adopting Statement No. 103 are:

Presentation of subsidies - The Council 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 statements of revenues, expenses, and changes in net position.

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

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

In accordance with the transitional provisions of Statement No. 103, the financial statements for the fiscal year ended June 30, 2025 have been retroactively restated to conform to the new presentation model. This implementation required a reclassification of certain financial statement lines but did not alter total ending net position for the prior period.

The effects of this restatement on the Council's fiscal year 2025 statement of revenues, expenses, and changes in net position are summarized below:

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2026 AND 2025

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

From the Statement of Revenues, Expenses, and Changes in Net Position	As Previously Reported	As Restated
OPERATING REVENUES:		
Federal Pell grant	$ -	$ 36,691,211
State contracts and grants	27,550,151	23,841,364
State appropriations - financial aid	-	3,708,787
NONCAPITAL SUBSIDIES:		
State appropriations	-	87,739,001
Payments made on behalf of the College	-	143,894
Other	-	197,201
OTHER NONOPERATING REVENUES (EXPENSES):		
State appropriations	87,739,001	-
Federal Pell grants	36,691,211	-
Federal HEERF grants	8,123	-
Capital grants, appropriations, and gifts	-	7,869,614
Capital payments made on behalf of the Council and Institutions	-	326,771
Payments to WVU-P Foundation		(5,000,000)
Other nonoperating revenues (expenses)	(3,203,633)	(3,392,711)
OTHER		
Payments made on behalf of the Council and Institutions	143,894	-
Capital grants and gifts	854,658	-
Donated capital assets	7,014,956	-
Capital payments made on behalf of the Council and Institutions	326,771	-
Payments to WVU-P Foundation	(5,000,000)	-

The Council also implemented 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 this Statement did not have a significant impact on the Council's financial statements.

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2026 AND 2025

NOTE 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. The Council has not yet determined the effect that the adoption of GASB Statement No. 105 may have on its financial statements.

Reclassification of Prior Year Statements - Certain items previously reported have been reclassified to conform to the current year's presentation. The reclassifications had no effect on the change in net position or total net position.

NOTE 3 - CASH AND CASH EQUIVALENTS

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

	2026		
	Current	Noncurrent	Total
State Treasurer	$ 124,776,842	$ 3,223,512	$ 128,000,354
Banks	1,244,374	-	1,244,374
On hand	33,363	-	33,363
	$ 126,054,579	$ 3,223,512	$ 129,278,091

	2025		
	Current	Noncurrent	Total
State Treasurer	$ 132,291,363	$ 2,781,920	$ 135,073,283
Banks	2,192,689	-	2,192,689
On hand	11,255	-	11,255
	$ 134,495,307	$ 2,781,920	$ 137,277,227

Amounts held by the State Treasurer and Trustee include $5,108,001 and $5,907,151 of restricted cash at June 30, 2026 and 2025, respectively.

The carrying amount of cash in the bank at June 30, 2026 and 2025, was $1,244,374 and $2,192,689 respectively, as compared with the bank balance of $1,524,489 and $2,865,472, respectively. The difference is primarily caused by outstanding checks and items in transit. The bank balances were covered by federal depository insurance as noted below or were collateralized by securities held by the State's agent. Regarding federal depository insurance, accounts are secured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000.

Amounts with the State Treasurer were $128,000,354 and $135,073,283 as of June 30, 2026 and 2025, respectively. Of these amounts, $102,917,285 and $99,261,618 were invested in the WV Money Market Pool and the WV Short Term Bond Pool as of June 30, 2026 and 2025, respectively. The remainder of the cash held with the State Treasurer was not invested at June 30, 2026 and 2025.

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2026 AND 2025

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

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

	2026		2025	
External Pool	Carrying Value	S & P Rating	Carrying Value	S & P Rating
WV Money Market Pool	$ 100,563,010	AAAm	$ 96,982,546	AAAm
WV Short Term Bond Pool	2,354,275	Not Rated	2,279,072	Not Rated

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

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

	2026		2025	
External Pool	Carrying Value	WAM (Days)	Carrying Value	WAM (Days)
WV Money Market Pool	$ 100,563,010	46	$ 96,982,546	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	$ 2,354,275	664	$ 2,279,072	637

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

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

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

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

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2026 AND 2025

NOTE 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 $12,907,593 and $11,509,812 in 2026 and 2025, respectively	$ 3,083,919	$ 3,496,598
Grants and contracts receivable, no allowance necessary	3,527,042	2,495,926
Lease receivable, current	8,819	8,832
Other	4,287,384	2,782,825
	$ 10,907,164	$ 8,784,181

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2026 AND 2025

NOTE 5 - CAPITAL ASSETS

A summary of capital assets transactions for the Council at June 30, 2026 and 2025, is as follows:

	2026			
	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Land	$ 14,070,874	$ 529,400	$ -	$ 14,600,274
Construction in progress	7,167,276	11,053,878	8,648,487	9,572,667
Total capital assets not being depreciated	$ 21,238,150	$ 11,583,278	$ 8,648,487	$ 24,172,941
Other capital assets being depreciated:				
Land improvements	$ 3,781,906	$ -	$ -	$ 3,781,906
Infrastructure	6,090,710	-	-	6,090,710
Buildings	296,060,317	12,227,934	1,423,209	306,865,042
Equipment	72,136,529	5,217,433	1,100,435	76,253,527
Software	644,695	-	-	644,695
Library books	7,223,698	72,648	34,338	7,262,008
Total other capital assets being depreciated	385,937,855	17,518,015	2,557,982	400,897,888
Lease assets being amortized:				
Building space	8,216,463	4,126,557	66,325	12,276,695
Equipment	294,337	156,818	31,828	419,327
Total lease assets being amortized	8,510,800	4,283,375	98,153	12,696,022
Subscription assets being amortized	1,744,022	1,032,647	369,542	2,407,127
Less accumulated depreciation for:				
Land improvements	2,677,879	163,447	-	2,841,326
Infrastructure	4,211,107	220,653	-	4,431,760
Buildings	111,340,820	7,060,682	812,888	117,588,614
Equipment	49,687,219	5,359,609	1,012,475	54,034,353
Software	542,850	50,727	-	593,577
Library books	6,886,100	109,423	34,338	6,961,185
Total accumulated depreciation	175,345,975	12,964,541	1,859,701	186,450,815
Less accumulated amortization for lease and subscription assets:				
Building space	2,336,338	1,049,619	20,607	3,365,350
Equipment	198,388	87,164	75,628	209,924
Subscription assets	1,170,375	729,920	504,029	1,396,266
Total accumulated amortization	3,705,101	1,866,703	600,264	4,971,540
Other capital assets, lease assets, and subscription assets, net	$217,141,601	$ 8,002,793	$ 565,712	$224,578,682
Capital asset summary:				
Capital assets not being depreciated	$ 21,238,150	$ 11,583,278	$ 8,648,487	$ 24,172,941
Other capital assets	385,937,855	17,518,015	2,557,982	400,897,888
Lease assets	8,510,800	4,283,375	98,153	12,696,022
Subscription assets	1,744,022	1,032,647	369,542	2,407,127
Total cost of capital assets	417,430,827	34,417,315	11,674,164	440,173,978
Less accumulated depreciation and amortization	179,051,076	14,831,244	2,459,965	191,422,355
Capital assets, net	$238,379,751	$ 19,586,071	$ 9,214,199	$248,751,623

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2026 AND 2025

NOTE 5 - CAPITAL ASSETS (Continued)

	2025			
	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Land	$ 12,738,324	$ 1,332,550	$ -	$ 14,070,874
Construction in progress	2,018,286	7,314,302	2,165,312	7,167,276
Total capital assets not being depreciated	$ 14,756,610	$ 8,646,852	$ 2,165,312	$ 21,238,150
Other capital assets being depreciated:				
Land improvements	$ 3,728,887	$ 53,019	$ -	$ 3,781,906
Infrastructure	6,083,345	7,365	-	6,090,710
Buildings	294,739,020	8,587,751	7,266,454	296,060,317
Equipment	64,120,759	8,762,226	746,456	72,136,529
Software	644,695	-	-	644,695
Library books	7,143,191	103,804	23,297	7,223,698
Total other capital assets being depreciated	376,459,897	17,514,165	8,036,207	385,937,855
Lease assets being amortized:				
Building space	7,160,688	1,470,911	415,136	8,216,463
Equipment	225,758	93,579	25,000	294,337
Total lease assets being amortized	7,386,446	1,564,490	440,136	8,510,800
Subscription assets being amortized	1,588,414	270,212	114,604	1,744,022
Less accumulated depreciation for:				
Land improvements	2,514,022	163,857	-	2,677,879
Infrastructure	3,989,720	221,387	-	4,211,107
Buildings	107,286,534	7,032,354	2,978,068	111,340,820
Equipment	45,058,131	5,358,616	729,528	49,687,219
Software	492,123	50,727	-	542,850
Library books	6,796,164	113,233	23,297	6,886,100
Total accumulated depreciation	166,136,694	12,940,174	3,730,893	175,345,975
Less accumulated amortization for lease and subscription assets:				
Building space	1,815,496	935,978	415,136	2,336,338
Equipment	167,723	55,665	25,000	198,388
Subscription assets	834,634	442,521	106,780	1,170,375
Total accumulated amortization	2,817,853	1,434,164	546,916	3,705,101
Other capital assets, lease assets, and subscription assets, net	$216,480,210	$ 4,974,529	$ 4,313,138	$217,141,601
Capital asset summary:				
Capital assets not being depreciated	$ 14,756,610	$ 8,646,852	$ 2,165,312	$ 21,238,150
Other capital assets	376,459,897	17,514,165	8,036,207	385,937,855
Lease assets	7,386,446	1,564,490	440,136	8,510,800
Subscription assets	1,588,414	270,212	114,604	1,744,022
Total cost of capital assets	400,191,367	27,995,719	10,756,259	417,430,827
Less accumulated depreciation and amortization	168,954,547	14,374,338	4,277,809	179,051,076
Capital assets, net	$231,236,820	$ 13,621,381	$ 6,478,450	$238,379,751

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NOTE 5 - CAPITAL ASSETS (Continued)

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

Title for certain real property is with the Commission.

The Council had no construction commitments as of June 30, 2026.

NOTE 6 - LONG-TERM LIABILITIES

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

	2026				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Lease liability	$ 6,298,148	$ 4,283,376	$ 1,041,974	$ 9,539,550	$ 1,307,607
Subscription liability	461,699	1,181,654	826,991	816,362	468,149
Other debt service obligations	633,595	-	308,843	324,752	324,752
Due to Fairmont State	10,500,000	-	1,500,000	9,000,000	1,500,000
Funds due to West Virginia Development Office	1,333,333	-	66,666	1,266,667	66,668
Compensated absences	6,153,287	368,880	205,463	6,316,704	5,703,745
Total long-term liabilities	$ 25,380,062	$ 5,833,910	$ 3,949,937	$ 27,264,035	$ 9,370,921

	2025				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Lease liability	$ 5,611,211	$ 1,561,010	$ 874,073	$ 6,298,148	$ 909,958
Subscription liability	616,657	46,475	201,433	461,699	354,452
Other debt service obligations	950,069	-	316,474	633,595	308,843
Due to Fairmont State	12,000,000	-	1,500,000	10,500,000	1,500,000
Funds due to West Virginia Development Office	1,400,000	-	66,667	1,333,333	66,668
Compensated absences	5,063,964	1,089,323	-	6,153,287	5,561,275
Total long-term liabilities	$ 25,641,901	$ 2,696,808	$ 2,958,647	$ 25,380,062	$ 8,701,196

At June 30, 2026 and 2025, debt service obligations include amounts due to the Commission of $324,752 and $633,595, respectively.

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
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NOTE 7 - LEASES

Lessor - During the fiscal years ending June 30, 2026 and 2025, the Council, as lessor, leased classroom and office space to a third-party under a noncancelable lease agreement. The lease income and interest income for the years ended June 30, 2026 and 2025 are as follows:

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

Lessee - The Council leases building space and equipment for various terms under long-term, noncancelable lease agreements. The leases have interest rates ranging from 0.42% to 8.50% and expire at various dates through fiscal year 2043.

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

Fiscal Year Ended June 30,	Principal	Interest	Total Payments
2027	$ 1,307,607	$ 347,457	$ 1,655,064
2028	1,182,742	299,489	1,482,231
2029	1,082,728	259,040	1,341,768
2030	1,108,324	222,012	1,330,336
2031	1,121,652	183,956	1,305,608
2032 - 2036	3,303,376	459,521	3,762,897
2037 - 2041	277,824	130,176	408,000
2042 - 2043	155,297	14,703	170,000
Total	$ 9,539,550	$ 1,916,354	$ 11,455,904

NOTE 8 - SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The Council has entered into SBITAs with various terms under long-term, noncancelable agreements. The SBITAs have interest rates ranging from 0.33% to 8.50% and expire at various dates through fiscal year 2028.

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	$ 468,149	$ 35,582	$ 503,731
2028	271,368	16,401	287,769
2029	37,201	4,625	41,826
2030	39,644	1,224	40,868
Total	$ 816,362	$ 57,832	$ 874,194

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NOTE 9 - WEST VIRGINIA DEVELOPMENT OFFICE OBLIGATION

Eastern entered into a financial assistance agreement with the West Virginia Development Office (WVDO) in 2014 for $2,000,000 to construct an academic wing at Eastern's campus in Moorefield, West Virginia. Eastern will remit payments of $16,667 each quarter beginning on September 30, 2015 until the debt is paid in full. The debt will be due in total on June 30, 2045. As of June 30, 2026, a total of $1,266,667 is outstanding on this agreement. The total amount of loan payments made for each of the years ended June 30, 2026 and 2025 were $66,666 and $66,667, respectively.

Future minimum payments related to the academic wing debt, as of June 30, 2026, were as follows:

Year Ending June 30,	
2027	$ 66,668
2028	66,667
2029	66,667
2030	66,667
2031	66,667
Thereafter	933,331
	$ 1,266,667

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS

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

	2026	2025
Net OPEB liability (asset)	$ 783,994	$ (212,818)
Deferred outflows of resources	2,860,784	1,650,425
Deferred inflows of resources	1,496,680	1,017,820
Revenues	894,900	271,558
OPEB expense	1,433,207	458,930
Contributions made by the Council and Institutions	267,327	515,417

Plan Description

The West Virginia Other Postemployment Benefit (OPEB) Plan (the Plan) is a cost-sharing, multiple 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.

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
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NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Benefits Provided

The Plan provides the following benefits:

- Medical and prescription drug insurance
- Life insurance

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

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

Contributions

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

Paygo premiums are established by the PEIA Finance Board annually. All participating employers are required by statute to contribute this premium to the RHBT at the established rate for every active policyholder per month. In fiscal year 2025, there were no subsidization of retiree healthcare from paygo premiums and PEIA active employers were not billed paygo. The prior year paygo rate for fiscal years 2024 was $70 per active health policy per month.

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

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

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

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

The Council's contributions to the OPEB plan for the years ended June 30, 2026, 2025, and 2024 were $267,327, $515,417, and $198,464, respectively

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Assumptions

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

- Inflation rate: 2.50%.
- Salary increase: Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation.
- Investment rate of return: 7.40%, net of OPEB plan investment expense, including inflation.
- Healthcare cost trend rates: Trend rate for pre-Medicare and Medicare per capita costs of 5.0% medical and 8.0% drug. The trends increase over four years to 7.0% and 9.5%, respectfully. The trends then decrease linearly for 5 years until ultimate trend rate of 4.50% is reached in plan year 2034.
- Actuarial cost method: Entry age normal cost method.
- Amortization method: Level percentage of payroll over a 20-year closed period beginning June 30, 2017.
- Wage inflation: 2.75%.
- Retirement age: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2020 actuarial valuation.
- Aging factors: Based on the 2013 SOA Study “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 to June 30, 2020.

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

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

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

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NOTE 10 - 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 the Council'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	$ 2,812,128	$ 783,994	$ (1,035,977)
2025	929,080	(212,818)	(1,162,912)

Sensitivity of the net OPEB liability (asset) to changes in the healthcare cost trend rate. The following presents the Council's proportionate share of the net OPEB liability (asset) as of June 30, 2026 and 2025 calculated using the healthcare cost trend rate, as well as what the Council'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	$ (1,867,257)	$ 783,994	$ 3,828,730
2025	(1,672,684)	(212,818)	1,540,398

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.

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NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

At June 30, 2026, the Council's proportionate share of the net OPEB liability (asset) was $1,406,647. Of this amount, the Council recognized $783,994 as its proportionate share on the statement of net position. The remainder of $622,653 denotes the Council's proportionate share of net OPEB liability (asset) attributable to the special funding situation.

At June 30, 2025, the Council's proportionate share of the net OPEB liability (asset) was $(780,600). Of this amount, the Council recognized $(212,818) as its proportionate share on the statement of net position. The remainder of $(567,782) denotes the Council'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, the Council's proportion was 0.831822174%, an increase of 0.320454149% from its proportion of 0.511368025% calculated as of June 30, 2024. At the June 30, 2024 measurement date, the Council's proportion was 0.511368025%, a decrease of 0.485543580% from its proportion of 0.996911605% calculated as of June 30, 2023.

For the year ended June 30, 2026, the Council recognized OPEB expense of $1,433,207. Of this amount, $538,307 was recognized as the Council's proportionate share of OPEB expense and $894,900 as the amount of OPEB expense attributable to special funding from a non-employer contributing entity. The Council also recognized revenue of $894,900 for support provided by the State.

For the year ended June 30, 2025 the Council recognized OPEB expense of $458,930. Of this amount, $187,372 was recognized as the Council's proportionate share of OPEB expense and $271,558 as the amount of OPEB expense attributable to special funding from a non-employer contributing entity. The Council also recognized revenue of $271,558 for support provided by the State.

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

June 30, 2026	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 714,177	$ 577,238
Changes in proportion and differences between employer contributions and proportionate share of contributions	46,414	183,728
Net difference between projected and actual investment earnings	-	573,739
Changes in assumptions	1,832,866	161,975
Contributions after the measurement date	267,327	-
Total	$ 2,860,784	$ 1,496,680

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NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

June 30, 2025	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 740,647	$ 213,719
Changes in proportion and differences between employer contributions and proportionate share of contributions	312,583	310,388
Net difference between projected and actual investment earnings	-	242,365
Changes in assumptions	81,778	251,348
Contributions after the measurement date	515,417	-
Total	$ 1,650,425	$ 1,017,820

The Council will recognize the $267,327 reported as deferred outflows of resources resulting from OPEB contributions after the measurement date as a reduction of the net OPEB liability (asset) in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended June 30,	Amortization
2027	$ 941,992
2028	466,504
2029	(163,802)
2030	(147,917)
	$ 1,096,777

Payables to the OPEB Plan

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

NOTE 11 - SYSTEM BONDS PAYABLE

The Council receives State appropriations to finance its operations. In addition, it is subject to the legislative and administrative mandates of State government. Those mandates affect various aspects of the Council'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 within the Council. Financing for these facilities was provided through revenue bonds issued by various former Board of Regents or various former Boards of the University and College Systems (the Boards). These obligations administered by the Commission are the direct and total responsibility of the Municipal Bond Commission, as successor to the former Boards.

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NOTE 11 - SYSTEM BONDS PAYABLE (Continued)

The Municipal Bond Commission has the authority to assess each public institution of the Council 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 capital obligation of the Commission, an estimate of the obligation of each institution was reported as a long-term payable by each institution and as a receivable by the Commission. During 2026 and 2025, the Council paid $324,752 and $308,843, respectively, to the Commission against the debt obligation.

For the years ended June 30, 2026 and 2025, debt service assessed is as follows:

	2026	2025
Principal	$ 324,752	$ 308,843
Interest	16,238	31,694
Other	37,150	36,210
	$ 378,140	$ 376,747

NOTE 12 - COMMUNITY AND TECHNICAL COLLEGES IMPROVEMENT REVENUE BONDS

On December 8, 2009, the Commission, on behalf of the Council, issued $78,295,000 of Community and Technical Colleges Improvement Revenue Bonds, 2009 Series A (2009 Bonds). The proceeds of the 2009 Bonds will be used to finance the acquisition, construction, equipping, or improvement of community and technical college facilities in West Virginia and pay issuance costs of $295,000. The interest rate on the 2009 Bonds ranges from 2.5% to 5.0% and the due dates commence July 1, 2010 and end July 1, 2028. State Lottery proceeds of a maximum of $5,000,000 per year will be used to repay the debt, which has a maximum annual debt service of $4,999,750. In addition, pursuant to Section 18(j)(1) of the Lottery Act, the Commission has granted a third-in-party lien, for the benefit of the bondholders, on the proceeds of the State Lottery Fund, up to a maximum of $7,500,000 annually.

NOTE 13 - RETIREMENT PLANS

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

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

DEFINED BENEFIT PENSION PLAN

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

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
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NOTE 13 - RETIREMENT PLANS (Continued)

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

STRS	2026	2025
Net pension liability	$ 279,867	$ 408,051
Deferred outflows of resources	145,024	203,619
Deferred inflows of resources	224,238	288,551
Revenues	726	46,529
Pension expense	(6,365)	11,514
Contributions made by the Council and Institutions	66,616	83,902

Plan Description

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

Benefits Provided

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

Contributions

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

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

NOTE 13 - RETIREMENT PLANS (Continued)

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

- 15% of gross salary of their State-employed members hired prior to July 1, 1991;
- 7.5% of the gross salary of their 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, the Council's proportionate share attributable to this special funding subsidy was $726 and $46,529, respectively.

The Council's contributions to STRS for the years ended June 30, 2026, 2025, and 2024, were $66,616, $83,902, and $81,644, respectively.

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: 7.25%, net of pension plan administrative and investment expenses.
- Projected salary increases: Teachers 2.75-5.90% and non-teachers 2.75-6.50%, based on age.
- Inflation rate: 2.75%.
- Discount rate: 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.

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NOTE 13 - RETIREMENT PLANS (Continued)

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
2026	$ 563,466	$ 279,867	$ 42,960
2025	685,573	408,051	173,716

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

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

NOTE 13 - RETIREMENT PLANS (Continued)

At June 30, 2026, the Council's proportionate share of the STRS net pension liability was $729,722. Of this amount, the Council recognized $279,867 as its proportionate share on the statement of net position. The remainder of $449,855 denotes the Council's proportionate share of net pension liability attributable to the special funding.

At June 30, 2025, the Council's proportionate share of the STRS net pension liability was $1,083,251. Of this amount, the Council recognized $408,051 as its proportionate share on the statement of net position. The remainder of $675,200 denotes the Council's proportionate share of net pension liability attributable to the special funding.

The allocation percentage assigned to each participating employer and non-employer contributing entity is based on its proportionate share of employer and non-employer contributions to STRS for each of the fiscal years ended June 30, 2025 and 2024. Employer contributions are recognized when due. At the June 30, 2025 measurement date, the Council's proportion was 0.021562%, a decrease of 0.000085% from its proportion of 0.021647% calculated as of June 30, 2024. At the June 30, 2024 measurement date, the Council's proportion was 0.021647%, a decrease of 0.002608% from its proportion of 0.024255% calculated as of June 30, 2023.

For the year ended June 30, 2026, the Council recognized STRS pension expense of $(6,365). Of this amount, $(7,091) was recognized as the Council's proportionate share of the STRS expense and $726 as the amount of pension expense attributable to special funding from a non-employer contributing entity. The Council also recognized revenue of $726 for support provided by the State.

For the year ended June 30, 2025, the Council recognized STRS pension expense of $11,514. Of this amount, $(35,015) was recognized as the Council's proportionate share of the STRS expense and $46,529 as the amount of pension expense attributable to special funding from a non-employer contributing entity. The Council also recognized revenue of $46,529 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	$ 48,534	$ -
Changes in proportion and difference between employer contributions and proportionate share of contributions	29,372	147,637
Changes in assumptions	502	15,323
Net difference between projected and actual investment earnings	-	61,278
Contributions after the measurement date	66,616	-
Total	$ 145,024	$ 224,238

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NOTE 13 - RETIREMENT PLANS (Continued)

June 30, 2025	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 42,130	$ -
Changes in proportion and difference between employer contributions and proportionate share of contributions	66,721	246,512
Changes in assumptions	10,866	-
Net difference between projected and actual investment earnings	-	42,039
Contributions after the measurement date	83,902	-
Total	$ 203,619	$ 288,551

The Council will recognize the $66,616 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, 2026. 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	$ (14,437)
2028	(73,195)
2029	(39,721)
2030	(18,477)
	$ (145,830)

Payables to the Pension Plan

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

DEFINED CONTRIBUTION PLANS

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

Total contributions to the TIAA-CREF for the years ended June 30, 2026, 2025, and 2024 were approximately $9,200,000, $9,000,000, and $8,600,000, which consisted of approximately $4,600,000, $4,500,000, and $4,300,000, respectively, from both the Council and the covered employees.

Total contributions to the Educators Money for the years ended June 30, 2026, 2025, and 2024 were approximately $0, $5,150, and $38,000, which consisted of approximately $0, $2,575, and $19,000, respectively, from both the Council and the covered employees.

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2026 AND 2025

NOTE 13 - RETIREMENT PLANS (Continued)

The Council's total payroll for the years ended June 30, 2026, 2025, and 2024 was approximately $86,709,000, $85,457,000, and $82,207,000, respectively, and total covered employees' salaries in TIAA-CREF and Educators Money were approximately $76,107,000 and $0, respectively, in 2026, approximately $74,679,000 and $43,000, respectively, in 2025, and approximately $71,798,000 and $310,000, respectively, in 2024.

NOTE 14 - FOUNDATIONS

Various foundations have been established as separate nonprofit organizations incorporated in the State having as their purpose "… to aid, strengthen and further in every proper and useful way, the work and services of the (individual institutions within the Council), and their affiliated nonprofit organizations…" Oversight of the foundations is the responsibility of separate and independently-elected Boards of Directors not otherwise affiliated with the Council. In carrying out their responsibilities, the Boards of Directors of the foundations employ management, form policy, and maintain fiscal accountability over funds administered by the foundations. Accordingly, the financial statements of the foundations are not included in the accompanying financial statements under the blended component unit requirements. However, the foundations are considered component units of the individual Institutions and, therefore, are discretely presented with the Institution's financial statements and the Council's financial statements in accordance with GASB discretely present component unit requirements.

Complete financial statements for any discretely presented component unit foundation can be obtained by contacting the Business Office of the Council at 2001 Union Carbide Drive, Building 2000, South Charleston, West Virginia 25303.

NOTE 15 - AFFILIATED ORGANIZATIONS AND OTHER STATE AGENCIES

The Council has various separately-incorporated affiliated organizations, including alumni and other associations. Oversight responsibility for these organizations rests with independent boards and management not otherwise affiliated with the Council. Accordingly, the financial statements of these organizations are not included in the accompanying financial statements under the blended component unit requirements. They are also not included in the accompanying financial statements under the discretely presented component unit requirement as they are not significant or have dual purpose (i.e., not entirely or almost entirely for the benefit of the Council).

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

	2026	2025
Due from:		
Bluefield State University	$ 275,649	$ 76,703
Department of Administration	7,026	-
Department of Education	6,996	6,572
Departments of Health, Health Facilities, and Human Services	-	5,396
Division of Rehabilitation Services	4,232	4,111
Division of Corrections and Rehabilitation	35,565	-
Division of Highways	-	35,109
National Guard	6,280	1,265
WV Virtual Academy	1,200	600
	$ 336,948	$ 129,756

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NOTES TO FINANCIAL STATEMENTS
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NOTE 15 - AFFILIATED ORGANIZATIONS AND OTHER STATE AGENCIES (Continued)

	2026	2025
Due to:		
Attorney General	$ 1,812	$ 614
Charter School Board	914	488
Department of Administration	23,317	5,656
Departments of Health, Health Facilities, and Human Services	24,071	3,055
Division of Labor	-	90
Office of Technology	185	141
PEIA/RHBT	5,681	7,944
State Treasurer's Office	5,972	8,155
Tax Department	2,376	1,397
Workforce West Virginia	-	21,669
WV ERP Board	54,337	-
WVNET	3,207	79,811
West Virginia University	100	33,866
	$ 121,972	$ 162,886

NOTE 16 - RELATED PARTY TRANSACTIONS

Pierpont's 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.

NOTE 17 - CONTINGENCIES AND COMMITMENTS

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

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

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

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2026 AND 2025

NOTE 17 - CONTINGENCIES AND COMMITMENTS (Continued)

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

NOTE 18 - COMPONENT UNITS' DISCLOSURES

Each of the discretely presented component units included here is presented as of its respective fiscal year end - June 30, 2026 and 2025 for Blue Ridge Community and Technical College Foundation, Inc.; BridgeValley Community & Technical College Foundation, Inc.; New River Community and Technical College Foundation, Inc.; West Virginia Northern Community College Foundation, Inc.; and WVU at Parkersburg Foundation, Inc.; and December 31, 2025 and 2024 for Southern West Virginia Community and Technical College Foundation, Inc. For simplification, certain disclosures present all year end dates as of June 30. See separately issued component unit financial statements for full disclosures. The following are the significant notes related to the financial statements of the discretely presented component units:

ORGANIZATION AND NATURE OF OPERATIONS

The Foundations are nonprofit organizations incorporated in the State of West Virginia. The primary purpose of the Foundations is to provide assistance and support for the students, facilities, and programs of their respective institutions.

SUMMARY OF ACCOUNTING POLICIES

Investments - The component units account for their investments in accordance with accounting principles generally accepted in the United States of America. As such, investments are valued at fair value in the statements of net position. Unrealized gains and losses are included in the changes in net position. See separately issued component unit financial statements for respective fair value disclosures.

Property and equipment - Property and equipment are recorded at cost, if purchased, or estimated fair value, if donated. The component units compute depreciation on the straight-line method over the estimated useful lives of the respective assets, which range from 3 to 7 years for equipment, 15 years for building improvements, and 30 years for buildings. Useful lives are revised when a change in life expectancy becomes apparent. No depreciation is recorded for assets acquired but not yet placed in service.

Maintenance and repairs are expensed as incurred while major additions and improvements are capitalized. Gains or losses on dispositions of fixed assets are included in current operations as realized.

Contributions - Contributions, including unconditional promises to give, are recognized as revenue and recorded at their fair market values on the date of such gifts. The component units report contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires - that is, when a stipulated time restriction ends or purpose restriction is accomplished – restricted net position is reclassified to unrestricted net position.

Endowments - See separately issued component unit financial statements for endowment-related disclosures.

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2026 AND 2025

NOTE 18 - COMPONENT UNITS' DISCLOSURES (Continued)

INVESTMENTS

Investments are stated at estimated fair value in the component unit financial statements. The following is an analysis of the composition of the component units' investments:

	JUNE 30, 2026					DECEMBER 31, 2025	
	Blue Ridge Community and Technical College Foundation, Inc.	BridgeValley Community & Technical College Foundation, Inc.	New River Community and Technical College Foundation, Inc.	West Virginia Northern Community College Foundation, Inc.	WVU at Parkersburg Foundation, Inc.	Southern West Virginia Community and Technical College Foundation, Inc.	Total
Cash and temporary investments	$ -	98,071	$ -	$ 802,724	$ 529,960	$ 310,870	$ 1,741,625
U.S. Government securities	-	274,246	-	-	-	-	274,246
Corporate and municipal bonds and notes	95,071	798,513	991,791	493,415	-	-	2,378,790
Equity securities and mutual funds	1,228,107	2,155,457	2,103,793	8,103,105	17,206,855	4,943,366	35,740,683
Other	-	-	54,307	3,137	-	62,060	119,504
Total investments	$ 1,323,178	$ 3,326,287	$ 3,149,891	$ 9,402,381	$ 17,736,815	$ 5,316,296	$ 40,254,848

	JUNE 30, 2025					DECEMBER 31, 2024	
	Blue Ridge Community and Technical College Foundation, Inc.	BridgeValley Community & Technical College Foundation, Inc.	New River Community and Technical College Foundation, Inc.	West Virginia Northern Community College Foundation, Inc.	WVU at Parkersburg Foundation, Inc.	Southern West Virginia Community and Technical College Foundation, Inc.	Total
Cash and temporary investments	$ -	107,673	$ -	$ 698,149	$ -	$ 272,011	$ 1,077,833
U.S. Government securities	-	451,448	-	48,447	-	-	499,895
Corporate and municipal bonds and notes	75,767	707,530	832,207	429,821	2,211,592	-	4,256,917
Equity securities and mutual funds	1,089,214	1,625,294	1,555,312	6,446,623	13,786,742	4,386,726	28,889,911
Other	-	-	89,407	4,895	84,186	-	178,488
Total investments	$ 1,164,981	$ 2,891,945	$ 2,476,926	$ 7,627,935	$ 16,082,520	$ 4,658,737	$ 34,903,044

FAIR VALUE MEASUREMENTS

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

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NOTE 18 - COMPONENT UNITS' DISCLOSURES (Continued)

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

In accordance with this guidance, the component units group financial assets generally measured at fair value in three levels, based on markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

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

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

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

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

		Fair Value Measurements at Reporting Date Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and temporary investments	$ 1,741,625	$ 1,741,625	$ -	$ -
U.S. Government securities	274,246	-	274,246	-
Corporate and municipal bonds and notes	2,378,790	95,071	2,283,719	-
Equity securities and mutual funds	35,740,683	35,557,683	183,000	-
Other	119,504	-	119,504	-
Total investments	$ 40,254,848	$ 37,394,379	$ 2,860,469	$ -

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NOTE 18 - COMPONENT UNITS' DISCLOSURES (Continued)

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

		Fair Value Measurements at Reporting Date Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and temporary investments	$ 1,077,833	$ 1,077,833	$ -	$ -
U.S. Government securities	499,895	-	499,895	-
Corporate and municipal bonds and notes	4,256,917	75,767	4,181,150	-
Equity securities and mutual funds	28,889,911	25,193,302	3,696,609	-
Other	178,488	-	178,488	-
Total investments	$ 34,903,044	$ 26,346,902	$ 8,556,142	$ -

PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	June 30,	
	2026	2025
Land	$ 1,312,072	$ 1,319,266
Land improvements	4,312,757	21,273
Buildings	3,716,005	3,968,619
Building improvements	23,173,158	-
Construction in progress	1,332,085	15,506,617
Furniture	495,489	96,565
Machinery and equipment	563,495	19,781
Total	34,905,061	20,932,121
Less accumulated depreciation	(1,545,393)	(562,891)
Property and equipment, net	$ 33,359,668	$ 20,369,230

Depreciation expense for each of the years ended June 30, 2026 and 2025 was $982,502 and $77,486, respectively.

NOTE PAYABLE

On July 21, 2025, WVU-P Foundation entered into a construction loan agreement to borrow up to $13,500,000 with a maturity date of July 15, 2028. The loan bears interest at a variable rate equal to the Secured Overnight Financing Rate (SOFR) plus a 3.00% margin, with a floor rate of 5.00%. As of June 30, 2026, the effective interest rate was 6.67%. The loan is collateralized by certain real estate owned by the Foundation with a net book value of $31,184,351 at June 30, 2026.

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NOTE 18 - COMPONENT UNITS' DISCLOSURES (Continued)

Interest-only payments are due quarterly, beginning October 15, 2025. The loan requires principal reduction payments of $5,000,000 on or before July 21, 2026 and July 21, 2027. The remaining principal balance, along with any accrued interest and outstanding fees, is due in a final payment on the maturity date. As of June 30, 2026, the outstanding principal balance was $11,540,400.

Future maturities of the note payable are as follows:

Fiscal Year Ended June 30,	Amortization
2027	$ 5,000,000
2028	5,000,000
2029	1,540,400
	$ 11,540,400

NOTE 19 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 14, 2026, the date the financial statements were available to be issued. No significant subsequent events requiring adjustment to or disclosure in the financial statements were noted.

NOTE 20 - NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

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

2026	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation and Amortization	Loan Cancellations and Write-Offs	Total
Instruction	$ 47,291,520	$ 11,976,805	$ 18,515,999	$ 285,696	$ -	$ -	$ -	$ 78,070,020
Public service	938,241	166,311	367,245	-	-	-	-	1,471,797
Academic support	3,522,032	983,209	2,536,674	144,052	-	-	-	7,185,967
Student services	9,952,588	2,809,055	2,569,002	33,022	3,250	-	-	15,366,917
General institutional support	20,439,961	6,047,517	12,635,808	446,606	210	-	-	39,570,102
Operations and maintenance of plant	3,992,954	1,349,749	6,615,138	3,593,275	-	-	-	15,551,116
Total education and general	86,137,296	23,332,646	43,239,866	4,502,651	3,460	-	-	157,215,919
Student financial aid	103,402	68	-	-	15,087,986	-	-	15,191,456
Auxiliary enterprises	468,593	112,391	165,589	11,445	-	-	-	758,018
Depreciation and amortization	-	-	-	-	-	14,452,948	-	14,452,948
Loan cancellations and write-offs	-	-	-	-	-	-	176,759	176,759
Other	-	-	250,000	-	-	-	-	250,000
Total	$ 86,709,291	$ 23,445,105	$ 43,655,455	$ 4,514,096	$ 15,091,446	$ 14,452,948	$ 176,759	$ 188,045,100

2025	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation and Amortization	Loan Cancellations and Write-Offs	Total
Instruction	$ 45,857,490	$ 11,116,074	$ 16,277,199	$ 296,520	$ -	$ -	$ -	$ 73,547,283
Public service	1,015,572	183,150	590,025	-	-	-	-	1,788,747
Academic support	3,636,087	931,381	2,020,201	140,068	-	-	-	6,727,737
Student services	10,359,638	2,810,501	2,482,732	32,608	3,500	-	-	15,688,979
General institutional support	19,892,612	5,418,631	13,833,341	414,170	155,787	-	-	39,714,541
Operations and maintenance of plant	4,164,263	1,289,696	4,315,793	3,460,365	-	-	-	13,230,117
Total education and general	84,925,662	21,749,433	39,519,291	4,343,731	159,287	-	-	150,697,404
Student financial aid	108,974	188	-	-	27,314,517	-	-	27,423,679
Auxiliary enterprises	421,959	98,782	150,384	10,548	-	-	-	681,673
Depreciation and amortization	-	-	-	-	-	14,374,338	-	14,374,338
Loan cancellations and write-offs	-	-	-	-	-	-	259,204	259,204
Other	-	-	250,000	-	-	-	-	250,000
Total	$ 85,456,595	$ 21,848,403	$ 39,919,675	$ 4,354,279	$ 27,473,804	$ 14,374,338	$ 259,204	$ 193,686,298

REQUIRED SUPPLEMENTARY INFORMATION

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
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
Council's proportion of the net pension liability (asset) (percentage)	0.021562%	0.021647%	0.024255%	0.029432%	0.036316%	0.035333%	0.035101%	0.036060%	0.053070%	0.069243%
Council's proportionate share of the net pension liability (asset)	$ 279,867	$ 408,051	$ 555,620	$ 756,630	$ 567,391	$ 1,138,511	$ 1,044,138	$ 1,125,483	$ 1,833,140	$ 2,845,650
State's proportionate share of the net pension liability (asset)	449,855	675,200	1,133,977	1,685,947	1,505,484	2,472,522	2,349,139	2,733,095	4,054,762	5,419,987
Total proportionate share of the net pension liability (asset)	$ 729,722	$ 1,083,251	$ 1,689,597	$ 2,442,577	$ 2,072,875	$ 3,611,033	$ 3,393,277	$ 3,858,578	$ 5,887,902	$ 8,265,637
Council's covered payroll	$ 539,284	$ 583,245	$ 685,597	$ 717,471	$ 931,603	$ 866,998	$ 949,668	$ 993,840	$ 1,332,895	$ 1,680,669
Council's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	51.90%	69.96%	81.04%	105.46%	60.90%	131.32%	109.95%	113.25%	137.53%	169.32%
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).

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
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	$ 66,616	$ 83,902	$ 81,644	$ 100,149	$ 116,700	$ 144,496	$ 150,225	$ 152,544	$ 164,441	$ 220,166
Contributions in relation to the contractually required contribution	(66,616)	(83,902)	(81,644)	(100,149)	(116,700)	(144,496)	(150,225)	(152,544)	(164,441)	(220,166)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Council's covered payroll	$ 422,816	$ 593,284	$ 572,245	$ 670,597	$ 733,973	$ 923,603	$ 940,998	$ 989,968	$ 1,037,540	$ 1,355,895
Contributions as a percentage of covered payroll	15.76%	14.14%	14.27%	14.93%	15.90%	15.64%	15.96%	15.41%	15.85%	16.24%

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
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
Council's proportion of the net OPEB liability (asset) (percentage)	0.723864063%	0.511368025%	0.996911605%	1.042156468%	1.004683338%	1.169309099%	1.206275389%	1.200161177%	1.123661118%	
Council's proportionate share of the net OPEB liability (asset)	$ 783,994	$ (212,818)	$ (1,577,020)	$ 1,159,514	$ (298,783)	$ 4,737,892	$ 19,420,459	$ 25,439,133	$ 27,438,774	
State's proportionate share of the net OPEB liability (asset)	622,653	(567,782)	(587,779)	397,545	(59,060)	1,645,175	4,095,925	5,328,744	5,675,315	
Total proportionate share of the net OPEB liability (asset)	$ 1,406,647	$ (780,600)	$ (2,164,799)	$ 1,557,059	$ (357,843)	$ 6,383,067	$ 23,516,384	$ 30,767,877	$ 33,114,089	
Council's covered-employee payroll	$ 46,527,410	$ 45,066,556	$ 46,431,409	$ 41,925,441	$ 44,867,893	$ 41,507,754	$ 40,735,131	$ 39,515,549	$ 38,215,263	
Council's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	1.69%	-0.47%	-3.40%	2.77%	-0.67%	11.41%	47.67%	64.38%	71.80%	
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, the Council should present information for those years for which information is available.

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
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	$ 267,327	$ 515,417	$ 198,464	$ 985,219	$ 1,280,123	$ 2,154,765	$ 2,278,530	$ 2,133,133	$ 2,343,858	
Contributions in relation to the statutorily required contribution	(267,327)	(515,417)	(198,464)	(985,219)	(1,280,123)	(2,154,765)	(2,278,530)	(2,133,133)	(2,343,858)	
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Council's covered-employee payroll	$ 47,736,400	$ 45,237,480	$ 46,559,495	$ 43,230,699	$ 47,589,210	$ 42,257,004	$ 42,049,469	$ 39,922,479	$ 38,107,414	
Contributions as a percentage of covered-employee payroll	0.56%	1.14%	0.43%	2.28%	2.69%	5.10%	5.42%	5.34%	6.15%	

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

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION
YEARS ENDED JUNE 30, 2026 AND 2025

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

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

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION
YEARS ENDED JUNE 30, 2026 AND 2025

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

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION
YEARS ENDED JUNE 30, 2026 AND 2025

	Inflation	Salary Increases	Investment Rate of Return	Mortality	Discount Rate
2021	2.75%	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 2.75 to 5.90%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 2.75 to 6.50%.	7.25%, net of pension plan investment expense, including inflation.	Active: Pub-2010, General Employees table, headcount weighted, projected generationally with scale MP-2019. Retired: Healthy males – 100% of Pub-2010 General Retiree Male table, headcount weighted, projected generationally with scale MP-2019; Retired healthy females – 112% of Pub-2010 General Retiree Female table, headcount weighted, projected generationally with scale MP-2019; Disabled males – 107% of Pub-2010 General/Teacher Disabled Male table, headcount weighted, projected generationally with scale MP-2019; Disabled females – 113% of Pub-2010 General/Teacher Disabled Female table, headcount weighted, projected generationally with scale MP-2019.	7.25%
2020	3.0%	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.16%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.75%.	7.5%, net of pension plan investment expense, including inflation.	Active: Pub-2010, General Employees table, headcount weighted, projected generationally with scale MP-2019. Retired healthy males – 108% of Pub-2010 General Retiree Male table, headcount weighted, projected generationally with scale MP-2019; Retired healthy females – 112% of Pub-2010 General Retiree Female table, headcount weighted, projected generationally with scale MP-2019; Disabled males – 107% of Pub-2010 General/Teacher Disabled Male table, headcount weighted, projected generationally with scale MP-2019; Disabled females – 113% of Pub-2010 General/Teacher Disabled Female table, headcount weighted, projected generationally with scale MP-2019.	7.50%
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%

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
NOTES 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.

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - OPEB
YEARS ENDED JUNE 30, 2026 AND 2025

Actuarial Changes Other Postemployment Benefits Plan

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

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

WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION
NOTES 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*

West Virginia Council for Community and Technical College Education
Charleston, West Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the West Virginia Council for Community and Technical College Education (the Council), a component unit of the West Virginia Higher Education Policy Commission, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Council's financial statements, and have issued our report thereon dated October 14, 2026. Our report includes a reference to other auditors who audited the financial statements of Blue Ridge Community and Technical College, Mountwest Community and Technical College, West Virginia Northern Community College, West Virginia University at Parkersburg, and all discretely presented component units except New River Community and Technical College Foundation, Inc. and WVU at Parkersburg Foundation, Inc., as described in our report on the Council's financial statements. The discretely presented component units' financial statements were not audited in accordance with *Government Auditing Standards*. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council'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 identity deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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



Charleston, West Virginia
October 14, 2026