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# Eastern West Virginia Community and Technical College

Financial Statements  
Years Ended June 30, 2024 and 2023  
and  
Independent Auditor's Reports



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**EASTERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE**  
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## INDEPENDENT AUDITOR'S REPORT

Board of Governors  
Eastern West Virginia Community and Technical College  
Moorefield, West Virginia

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the business-type activities of Eastern West Virginia Community and Technical College (the College), a component unit of the West Virginia Council for Community and Technical College Education, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the College, as of June 30, 2024 and 2023, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

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

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

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

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

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

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

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 13, the schedule of proportionate share of the net OPEB liability (asset), schedule of OPEB contributions, and related footnote on pages 42 through 44 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2024, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.



Charleston, West Virginia

September 26, 2024

**MANAGEMENT DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**Overview of the Financial Statements and Financial Analysis**

The Governmental Accounting Standards Board (GASB) issued directives for presentation of college and university financial statements which were adopted in Fiscal Year 2002 by Eastern West Virginia Community and Technical College (Eastern or the College). The previous reporting format presented financial balances and activities by fund groups. The current format places emphasis on the overall economic resources of the College.

The management's discussion and analysis of the College's financial statements provides an overview of the College's financial activities for the fiscal years ended June 30, 2024, 2023, and 2022. Management has prepared the financial statements and the related footnote disclosures along with this discussion and analysis. Responsibility for the completeness and fairness of this information rests with the College's management.

**Using This Report**

The College's basic financial statements are designed to emulate corporate presentation models whereby all College activities are consolidated into one total. The focus of the Statement of Net Position is to present the College's financial position as of a point in time. This statement combines current financial resources (short-term spendable resources) with capital assets and other long-term resources. The Statement of Revenues, Expenses, and Changes in Net Position emphasizes the change in net position over the year to indicate whether there has been improvement or erosion of the College's financial health.

**The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position**

One of the most important questions asked about the College's finances is, "Is the College as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information on the College as a whole and on its activities in a way that helps answer this question. The relationship between revenues and expenses may be thought of as the College's operating results.

These two statements report the College's net position and the changes that occur in net position during the year. You can think of the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources as one way to measure the College's financial health, or financial position. Over time, increases or decreases in the College's net position is one indicator of whether its financial health is improving or deteriorating.

You will need to consider many other nonfinancial factors, such as the trend in College recruiting, student retention, enrollment growth, academic or workforce programs created or expanded during the year, and the strength of the instructional services, to accurately assess the overall health of the College. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

**MANAGEMENT DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

From the data presented, readers of the Statement of Net Position are able to determine the availability of net position (assets plus deferred outflows minus liabilities minus deferred inflows) for expenditure to continue the operations of the College. They are also able to determine how much the College owes vendors and employees.

Net position is divided into three major categories. The first category, net investment in capital assets, provides the College's equity in buildings, equipment, and land owned by the College. The next net position category is restricted net position, which is divided into two categories, nonexpendable and expendable. Nonexpendable restricted net position is for the Endowment Program where funds are invested and the earnings are available for expenditure but the original investment (corpus) is not. The College does not currently have nonexpendable restricted net position since all funds of this nature would generally be directed to The Eastern West Virginia Community and Technical College Foundation, Inc. Expendable restricted net position is available for expenditure by the College but has a specific purpose (i.e. time or purpose restrictions). The final category is unrestricted net position. Unrestricted net position is available to the College for any lawful purpose of the College.

**Statement of Net Position**

The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the College. The purpose of the Statement of Net Position is to present to the readers of the financial statements a fiscal snapshot of the College. The Statement of Net Position presents end-of-year data concerning assets (current and noncurrent), deferred outflows of resources, liabilities (current and noncurrent), deferred inflows of resources, and net position (assets plus deferred outflows of resources minus liabilities minus deferred inflows of resources). The difference between current and noncurrent assets and liabilities are discussed in the footnotes to the financial statements.

**Condensed Schedules of Net Position  
June 30,**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Assets:</b>			
Current assets	\$ 3,848,913	\$ 3,328,605	\$ 3,466,580
Capital assets	9,911,516	9,880,826	10,103,934
Noncurrent assets	<u>377,943</u>	<u>279,266</u>	<u>272,298</u>
<b>Total assets</b>	<u>14,138,372</u>	<u>13,488,697</u>	<u>13,842,812</u>
<b>Deferred outflows of resources:</b>	23,085	67,986	62,646
<b>Liabilities:</b>			
Current liabilities	919,782	733,320	1,148,722
Noncurrent liabilities	<u>1,422,337</u>	<u>1,507,774</u>	<u>1,526,224</u>
<b>Total liabilities</b>	<u>2,342,119</u>	<u>2,241,094</u>	<u>2,674,946</u>
<b>Deferred inflows of resources:</b>	71,316	143,340	326,491
<b>Net position:</b>			
Net investment in capital assets	8,511,516	8,414,159	8,570,606
Restricted-expendable	340,019	283,785	250,673
Unrestricted	<u>2,896,487</u>	<u>2,474,306</u>	<u>2,082,742</u>
<b>Total net position</b>	<u>\$ 11,748,022</u>	<u>\$ 11,172,250</u>	<u>\$ 10,904,021</u>

MANAGEMENT DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024

## Financial Highlights:

- Assets

Current assets as of June 30, 2024 increased \$520,308 from June 30, 2023. Total current cash increased \$473,986, which includes \$150,166 increase in cash relating to unearned grant funds. Accounts receivable increased \$48,688 from June 30, 2023 to June 30, 2024 primarily due to the timing of grant funded reimbursements.

Capital assets, net of accumulated depreciation increased \$30,690 from June 30, 2023 to June 30, 2024, resulting from capital acquisitions exceeding the overall depreciation for all assets.

- Deferred outflows of resources represents the change in the actuarial assumptions that affected Other Post Employee Benefits (OPEB). This balance decreased by \$44,901 from June 30, 2023.

- Liabilities

Current liabilities as of June 30, 2024 increased by \$186,463 from the previous year. Accounts payable reflected a decrease of \$24,231 from June 30, 2023 to June 30, 2024, while funds due to the Commission/Council and other State agencies increased \$44,740. Accrued liabilities and deposits increased \$22,482 from the previous year. Unearned revenue (grant funds received but not expended) increased by \$150,166 from June 30, 2023 to June 30, 2024. This increase includes additional state grant funds received at year-end but not expended.

Noncurrent (long-term liabilities) includes the long-term portion of both the compensated absences liability and the West Virginia Development Office loan balance. Compensated absences represents the College's liability for employees' annual leave balances in excess of one year's annual leave rate at June 30. A \$9,100 increase in the noncurrent portion of the compensated absences liability, combined with a \$27,870 decrease in the net OPEB liability and a \$66,667 decrease in the West Virginia Development Office loan balance resulted in an overall decrease in noncurrent liabilities of \$85,437 from June 30, 2023 to June 30, 2024.

- Deferred inflows of resources represents change in the actuarial assumptions that affected OPEB. This balance decreased by \$72,024 from June 30, 2023 to June 30, 2024.

- Net position

Net investment in capital assets reflects an increase of \$97,357 between June 30, 2023 and June 30, 2024.

Restricted for - expendable represents the difference between current assets and current liabilities for the capital fee portion of tuition funds. This amount increased \$56,234 between June 30, 2023 and June 30, 2024.

Unrestricted net position increased by \$422,181 as of June 30, 2024 in comparison to June 30, 2023 and is primarily comprised of cash.

In total, net position as of June 30, 2024 increased by \$575,772 from June 30, 2023.



**MANAGEMENT DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**Statement of Revenues, Expenses, and Changes in Net Position**

Changes in total net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. The purpose of the statement is to present the revenues generated and expenses incurred by the College, both operating and nonoperating. In addition, any other revenues, expenses, gains, and losses are also reflected in this financial statement.

*Operating revenues* are generated by providing goods and services to the College's customers and constituencies and in the form of federally-funded and state-funded grants. *Operating expenses* are expenses incurred by the College in order to generate operating revenue and to carry out the mission of the College.

*Nonoperating revenue* is revenue earned for which goods and services are not provided. For example, state appropriations are nonoperating because the West Virginia State Legislature provides them to the College without the West Virginia State Legislature directly receiving commensurate goods and services for those revenues.

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating revenues	\$ 3,113,705	\$ 3,016,400	\$ 2,084,161
Operating expenses	<u>6,120,966</u>	<u>5,979,117</u>	<u>5,324,420</u>
Operating loss	(3,007,261)	(2,962,717)	(3,240,259)
Nonoperating revenues	<u>3,251,730</u>	<u>3,208,851</u>	<u>3,504,526</u>
Change in net position before other revenues, expenses, gains, or losses	244,469	246,134	264,267
Capital gifts, federally funded	-	-	2,730
Donated equipment	5,541	-	8,250
Payments made and expenses incurred on behalf of the College	<u>325,762</u>	<u>22,095</u>	<u>17,925</u>
Change in net position	575,772	268,229	293,172
Net position - beginning of year	<u>11,172,250</u>	<u>10,904,021</u>	<u>10,610,849</u>
Net position - end of year	<u>\$ 11,748,022</u>	<u>\$ 11,172,250</u>	<u>\$ 10,904,021</u>

**MANAGEMENT DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

Financial Highlights:

Operating revenues increased by \$97,305 in fiscal year 2024 as compared to fiscal year 2023. Net tuition and fee revenue increased in 2024 by \$47,591. The College increased the academic tuition rate from \$160 per credit hour to \$172 per credit hour in fiscal year 2024. In addition, academic student headcount returned to pre-COVID levels, thus providing an increase in tuition and fee revenue. The scholarship allowance amount increased \$14,118 in 2024 as compared to 2023. Revenue from grants and contracts reflected an increase of \$15,204 during this period. Grants and contracts are cyclical in nature and cannot be relied upon for sustained revenue from one year to the next.

Operating expenses in fiscal year 2024 increased by \$141,849 from fiscal year 2023. Salaries and wages netted a \$98,924 increase, which includes a 5.34% raise in salaries. Salary raises were primarily funded with state appropriations and grant funds. The PEIA Finance Board implemented an increase in health insurance premiums, which when netted with zero OPEB mandated contributions, resulted in a \$84,070 increase in benefits in fiscal year 2024 from fiscal year 2023. Supplies and other services, student financial aid - scholarships, and depreciation decreased in fiscal year 2024 over 2023.

Nonoperating revenue increased by \$42,879 in fiscal year 2024 as compared to fiscal year 2023. State appropriations increased by \$175,169 in fiscal year 2024 as compared to fiscal year 2023. This increase was designated for employee salary increases and to assist with operating costs due to PEIA premium increases. Fiscal year 2024 COVID-related federal HEERF funding decreased \$292,077 as compared to fiscal year 2023, as fiscal year 2023 was the last fiscal year the College received these federal funds. Investment income increased \$53,466 in fiscal year 2024 as compared to fiscal year 2023.

Payments made and expenses incurred on behalf of the College increased \$303,667 in fiscal year 2024 as compared to fiscal year 2023. This revenue is partially reflective of the allocation of OPEB related to special funding. Also included in the increase is \$216,292 of expenses paid by the Higher Education Policy Commission for the replacement of the College's HVAC system and \$135,625 for two CDL simulators for the CDL program.

The change in net position was \$575,772 for fiscal year 2024.

**MANAGEMENT DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**Statement of Cash Flows**

The final statement presented by the College is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the College during the year. Another way to assess the financial health of a College is to look at the Statement of Cash Flows. Its primary purpose is to provide relevant information about the cash receipts and cash payments of an entity during a period. The Statement of Cash Flows also helps users assess an entity's ability to generate future net cash flows, its ability to meet its obligations as they come due, and its need for external financing. For the year ended June 30, 2024, the net cash used in operating activities (approximately \$2.5 million) indicates that the College used more cash for instructional and administrative costs than it received from sources such as student tuition and certain federal and state grants.

The Statement of Cash Flows is divided into five sections.

The **first section** reflects cash inflows/outflows generated from operating activities. The **second section** reflects cash flows from noncapital financing activities. This section reflects the cash received and spent for nonoperating, noninvesting, and noncapital financing purposes. The **third section** deals with cash flows from capital financing activities. This section deals with the cash used for the acquisition and construction of capital and related items. The **fourth section** reflects the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The **fifth section** reconciles the net cash used to the operating loss reflected on the Statement of Revenues, Expenses, and Changes in Net Position.

**Condensed Schedules of Cash Flows  
Years Ended June 30,**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Cash provided by (used in):			
Operating activities	\$ (2,477,851)	\$ (2,698,934)	\$ (3,907,729)
Noncapital financing activities	3,107,181	3,102,870	3,494,825
Capital financing activities	(245,929)	(304,755)	(344,867)
Investing activities	144,158	81,179	10,798
Change in cash and cash equivalents	527,559	180,360	(746,973)
Cash and cash equivalents - beginning of year	3,424,298	3,243,938	3,990,911
Cash and cash equivalents - end of year	<u>\$ 3,951,857</u>	<u>\$ 3,424,298</u>	<u>\$ 3,243,938</u>

**Financial Highlights:**

Cash flows used in operating activities decreased \$221,083 in fiscal year 2024 from the previous year. Affecting this change is a \$263,964 increase in cash flow from grants and contracts as well as a \$74,448 decrease in cash flows for payments to and on behalf of employees. The change is also affected by a \$52,014 decrease in cash flows from student tuition and fees.

Cash flows provided by noncapital financing activities increased by \$4,311 in fiscal year 2024 as compared to fiscal year 2023.

**MANAGEMENT DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

Cash flows used in capital financing activities decreased in fiscal year 2024 from fiscal year 2023 by \$58,826.

Cash flows provided by investing activities increased in fiscal year 2024 from fiscal year 2023 by \$62,979. This increase was due to earning interest on investments.

Overall cash increased by \$527,559 in fiscal year 2024.

### **Capital Activity**

The College purchased a new chiller system for the main campus in March of 2024 with deferred maintenance funds provided by the state in the amount of \$216,000. The Higher Education Policy Commission administered these funds.

The College has a remaining balance in deferred maintenance funds and plans to upgrade some of the HVAC units at the technology center, which are in very poor condition. The College also has to repair the HVAC unit that provides heating and cooling to the IT server rooms, the science lab, and science office in the estimated amount of \$10,000.

The College installed an access road leading to the Ag Tech area of the main campus to improve pick up and access for the PHP Food Producers Program.

The College was awarded a \$1.4 million Congressional Directed Spending appropriation for its heavy equipment operators program. Part of that funding, once received, will be used to purchase additional land (around 24 acres surrounding the college main campus) at a cost of approximately \$425,000. That land will provide space to operate the heavy equipment program.

### **Economic Outlook**

Nationally, college enrollment has been declining due to a decrease in the number of high school graduates and students opting for the workforce over higher education. This enrollment decline is projected to worsen in 2025. However, the College has experienced a resurgence in enrollment, with the fall of 2023 surpassing that of 2022, marking the highest enrollment since 2017. Fall 2023 saw a total enrollment of 580 students, with early entrance programs doubling their enrollment compared to fall 2022. Furthermore, the introduction of two new academic programs/pathways in the fall of 2024 is expected to have a positive impact on enrollment.

**MANAGEMENT DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

The College will introduce a fully online cybersecurity/cybercrimes degree program in the fall of 2024. A new LPN to RN hybrid degree nursing program will begin in the spring of 2025. In addition, a new industry-level solar installation certificate course was introduced in the fall of 2023. The College secured grants totaling \$700,000 to support the launch of these programs, including solar, cybersecurity, hospitality and tourism, and LPN to RN programs. Moreover, the College received a \$316,230 grant to initiate a new hybrid tourism and hospitality academic certificate program, also set to commence in the fall of 2024.

The College has achieved many of its strategic plan targets and goals while adhering to the established timelines. For the first time, a 3-year financial plan was developed by the institution, and the College has been successful in expanding program offerings while maintaining cost-effectiveness. Administrative streamlining led to the consolidation of two dean positions into one Vice President position, reducing administrative costs. The college also eliminated the Dean of Continuing Education and Advancement position and created a grants management position while consolidating the workforce and continuing education department with the Ag Innovation department. The College's Foundation and fundraising arm have increased the number of student scholarships and raised record-breaking amounts at the annual farm-to-table fundraising event. The Foundation also held a special recognition for a large donation to name the new nursing simulation lab on the main campus.

The College's president and administration continually assess cost structures, program viability, and ways to minimize overhead while ensuring efficiency. Collaborative efforts with three other community colleges are underway to establish articulation pathways that facilitate seamless student transfers with maximum credit transfer. Overall, the College's outlook demonstrates ongoing growth and efforts to organize the institution efficiently for maximum effectiveness.

### **Contacting the College's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of Eastern West Virginia Community and Technical College and to show the College's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chief Financial Officer at Eastern West Virginia Community and Technical College, 316 Eastern Drive, Moorefield, West Virginia 26836 or call (304) 434-8000.

**EASTERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2024 AND 2023**

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	<b>2024</b>	<b>2023</b>
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 3,622,689	\$ 3,148,703
Accounts receivable, net of allowance for doubtful accounts	226,224	177,536
Prepaid assets	-	2,366
Total current assets	3,848,913	3,328,605
<b>NONCURRENT ASSETS:</b>		
Cash and cash equivalents	329,168	275,595
Other noncurrent assets	5,147	3,671
Net OPEB asset	43,628	-
Capital assets, net of accumulated depreciation	9,911,516	9,880,826
Total noncurrent assets	10,289,459	10,160,092
Total assets	14,138,372	13,488,697
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Total deferred outflows of resources	23,085	67,986
<b>TOTAL</b>	<b>\$ 14,161,457</b>	<b>\$ 13,556,683</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 86,259	\$ 110,490
Amount due to the Commission/Council	62,168	13,462
Amount due to other State agencies	595	4,561
Accrued liabilities and deposits	114,263	91,781
Compensated absences - current portion	137,921	144,615
Funds due to West Virginia Development Office - current portion	66,668	66,668
Unearned revenue	451,908	301,742
Total current liabilities	919,782	733,319
<b>NONCURRENT LIABILITIES:</b>		
Compensated absences	89,005	79,905
Net OPEB liability	-	27,870
Funds due to West Virginia Development Office	1,333,332	1,399,999
Total noncurrent liabilities	1,422,337	1,507,774
Total liabilities	2,342,119	2,241,093
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Total deferred inflows of resources	71,316	143,340
<b>NET POSITION:</b>		
Net investment in capital assets	8,511,516	8,414,159
Restricted for - expendable	340,019	283,785
Unrestricted	2,896,487	2,474,306
Total net position	11,748,022	11,172,250
<b>TOTAL</b>	<b>\$ 14,161,457</b>	<b>\$ 13,556,683</b>

The Accompanying Notes Are An Integral  
Part Of These Financial Statements

**EASTERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

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	<u>2024</u>	<u>2023</u>
<b>OPERATING REVENUES:</b>		
Student tuition and fees - net of scholarship allowance of \$252,414 and \$238,296 in 2024 and 2023, respectively	\$ 1,043,889	\$ 996,298
Contracts and grants:		
Federal	457,436	506,494
State	1,406,325	1,355,587
Private	81,970	68,446
Miscellaneous	124,085	89,575
	<u>3,113,705</u>	<u>3,016,400</u>
<b>OPERATING EXPENSES:</b>		
Salaries and wages	2,506,207	2,407,283
Benefits	433,143	349,073
Supplies and other services	2,139,837	2,152,474
Utilities	102,759	107,188
Student financial aid - scholarships	415,258	422,423
Depreciation	511,370	528,918
Fees assessed by the Commission for operations	12,392	11,758
	<u>6,120,966</u>	<u>5,979,117</u>
<b>OPERATING LOSS</b>	<u>(3,007,261)</u>	<u>(2,962,717)</u>
<b>NONOPERATING REVENUES:</b>		
State appropriations	2,439,509	2,264,340
Federal HEERF revenues	-	292,077
Federal Pell grants	652,002	524,809
Federal SEOG grants	15,670	21,644
Contributions	-	8,998
Investment income	144,549	91,083
Gain on disposal of capital assets	-	5,900
	<u>3,251,730</u>	<u>3,208,851</u>
<b>CHANGE IN NET POSITION BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES</b>	244,469	246,134
<b>DONATED EQUIPMENT</b>	5,541	-
<b>PAYMENTS MADE AND EXPENSES INCURRED ON BEHALF OF THE COLLEGE</b>	<u>325,762</u>	<u>22,095</u>
<b>CHANGE IN NET POSITION</b>	575,772	268,229
<b>NET POSITION - Beginning of year</b>	<u>11,172,250</u>	<u>10,904,021</u>
<b>NET POSITION - End of year</b>	<u>\$ 11,748,022</u>	<u>\$ 11,172,250</u>

The Accompanying Notes Are An Integral  
Part Of These Financial Statements

**EASTERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Student tuition and fees	\$ 1,025,342	\$ 1,077,356
Contracts and grants	2,114,854	1,850,890
Payments to and on behalf of employees	(3,046,055)	(2,971,607)
Payments to suppliers	(2,165,668)	(2,203,779)
Payments to utilities	(102,759)	(107,188)
Payments for scholarships	(415,258)	(422,423)
Fees assessed by the Commission	(12,392)	(11,758)
Other receipts, net	124,085	89,575
	<u>(2,477,851)</u>	<u>(2,698,934)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
State appropriations	2,439,509	2,264,340
Federal HEERF revenues	-	292,077
Federal Pell grants	652,002	524,809
Federal SEOG grants	15,670	21,644
Federal Direct Loan Program - direct lending receipts	211,653	177,644
Federal Direct Loan Program - direct lending payments	(211,653)	(177,644)
	<u>3,107,181</u>	<u>3,102,870</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</b>		
Repayment of loan from West Virginia Development Office	(66,667)	(66,666)
Purchases of capital assets	(179,262)	(243,989)
Proceeds from disposal of capital assets	-	5,900
	<u>(245,929)</u>	<u>(304,755)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Investment income	144,158	81,179
	<u>144,158</u>	<u>81,179</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>527,559</b>	<b>180,360</b>
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	<b>3,424,298</b>	<b>3,243,938</b>
<b>CASH AND CASH EQUIVALENTS - End of year</b>	<b>\$ 3,951,857</b>	<b>\$ 3,424,298</b>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:</b>		
Operating loss	\$ (3,007,261)	\$ (2,962,717)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	511,370	528,918
OPEB expense - special funding situation	(31,496)	(30,729)
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Accounts receivable, net	(48,296)	314,388
Prepaid expenses	2,366	(1,957)
Other noncurrent assets	(1,476)	-
Deferred outflows of resources	44,901	(5,340)
Accounts payable	(24,231)	(50,094)
Amount due to the Commission/Council	48,706	8,434
Amount due to other State agencies	(3,966)	746
Accrued liabilities and deposits	22,482	(72,244)
Compensated absences	2,406	39,502
Net OPEB asset/liability	(71,498)	36,711
Unearned revenue	150,166	(321,401)
Deferred inflows of resources	(72,024)	(183,151)
	<u>\$ (2,477,851)</u>	<u>\$ (2,698,934)</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:</b>		
Cash and cash equivalents classified as current	\$ 3,622,689	\$ 3,148,703
Cash and cash equivalents classified as noncurrent	329,168	275,595
	<u>\$ 3,951,857</u>	<u>\$ 3,424,298</u>

The Accompanying Notes Are An Integral  
Part Of These Financial Statements



**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

**NOTE 1 - ORGANIZATION**

Eastern West Virginia Community and Technical College (the College) is governed by the Eastern West Virginia Community and Technical College Board of Governors (the Board). The Board was established by Senate Bill 448.

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

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

The accompanying financial statements present all funds under the authority of the College. The basic criterion for inclusion in the accompanying financial statements is the exercise of oversight responsibility derived from the College's ability to significantly influence operations and accountability for fiscal matters of related entities. A related foundation and another affiliate of the College are not part of the College reporting entity and are not included in the accompanying financial statements since the College has no ability to designate management, cannot significantly influence operations of these entities, and is not accountable for the fiscal matters of these entities under GASB.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

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

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

*Net investment in capital assets* - This represents the College's total investment in capital assets, net of 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 the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

*Restricted net position - nonexpendable* - This includes endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. The College does not have any restricted nonexpendable net position at June 30, 2024 or 2023.

*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 College, and may be used at the discretion of the Board to meet current expenses for any purpose.

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

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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2024 AND 2023**

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

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

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

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

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

**Allowance for Doubtful Accounts** - It is the College's policy to provide for future losses on uncollectible accounts, contracts, and grants receivable based on an evaluation of the underlying account, contract, and grant balances; the historical collectibility experienced by the College on such balances; and such other factors that, in the College's judgment, require consideration in estimating doubtful accounts.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

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

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

**Capital Assets** - Capital assets include land, buildings/improvements, construction in progress, and furniture and equipment. Capital assets are stated at cost at the date of acquisition or construction or fair market value at the date of donation in the case of gifts. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings and three to 10 years for furniture and equipment. The College's capitalization threshold is \$1,000.

**Unearned Revenue** - Revenues for programs or activities to be conducted primarily in the next fiscal year are classified as unearned revenue.

**Compensated Absences and Other Postemployment Benefits (OPEB)** - GASB provides for the measurement, recognition, and display of OPEB expenditures, assets, and liabilities, including applicable note disclosures and required supplementary information. During fiscal year 2006, House Bill No. 4654 was established to create a trust fund for postemployment benefits for the State. Effective July 1, 2007, the College 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 the West Virginia Public Employees Insurance Agency (PEIA), 601 57<sup>th</sup> Street SE, Charleston, West Virginia 25304 or <https://peia.wv.gov>.

GASB requires entities to accrue for employees' rights to receive compensation for vacation leave, or payments in lieu of accrued vacation or sick leave, as such benefits are earned and payment becomes probable. The College's full-time employees earn up to two vacation leave days for each month of service and are entitled to compensation for accumulated, unpaid vacation leave upon termination.

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 the West Virginia Retiree Health Benefit Trust Fund (RHBT). For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 7 for further discussion.

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

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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2024 AND 2023**

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

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

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

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

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

**Classification of Revenues** - The College has classified its revenues according to the following criteria:

*Operating revenues* - Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances; (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances; (3) most federal, state, local, and nongovernmental grants and contracts; and (4) sales and services of educational activities.

*Nonoperating revenues* - Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenues that are defined as nonoperating revenues by GASB, such as state appropriations, federal Pell grants, investment income, and sale of capital assets (including natural resources).

*Other revenues* - Other revenues consist primarily of capital grants and gifts and payments made on behalf of the College.

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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2024 AND 2023**

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

**Federal Financial Assistance Programs** - Federal Direct Student Loan receivables are not included in the College's statements of net position, as the loans are repayable directly to the U.S. Department of Education. During the years ended June, 30 2024 and 2023, the College received and disbursed approximately \$212,000 and \$178,000, respectively, under the Federal Direct Student Loan Program on behalf of the U.S. Department of Education, which is not included as revenue and expense on the statements of revenues, expenses, and changes in net position.

The College also distributes other student financial assistance funds on behalf of the federal government to students under the federal Pell Grant and Supplemental Educational Opportunity Grant programs. The activity of these programs is recorded in the accompanying financial statements. During the years ended June 30, 2024 and 2023, the College received and disbursed approximately \$668,000 and \$546,000, respectively, under these federal student aid programs.

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

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

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2024 AND 2023**

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

**Newly Adopted Statements Issued by GASB**

The College implemented GASB Statement No. 100, *Accounting Changes and Error Corrections- an Amendment of GASB Statement No. 62*, which is effective for fiscal years beginning after June 15, 2023. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. Those changes include things like: certain changes in accounting principles, certain changes in estimates that result from a justified or preferable change in measurement or new methodology. This Statement requires that changes in accounting principles and error corrections be reported retroactively by restating prior periods; changes to or within the reporting entity be reported by adjusting beginning balances of the current period; and changes in accounting estimates be reported prospectively by recognizing the change in the current period. If the change in accounting principle is the result of a new pronouncement, the requirements only apply absent specific transition guidance in the pronouncement. Under this Standard, it is also necessary to display the total adjustment to beginning net position, fund balance, or fund net position on the face of the financial statements, by reporting unit. This Statement also specifies both qualitative and quantitative disclosure requirements. Lastly, this Statement provides guidance for if and how these changes should be reflected in required supplementary information and supplementary information. The adoption of this Statement did not have a significant impact on the financial statements.

**Recent Statements Issued by GASB**

GASB has issued Statement No. 101, *Compensated Absences*, which is effective for fiscal years beginning after December 15, 2023. This Statement modifies the criteria requiring a liability for compensated absences to be recognized. Under this Statement, a liability must be recognized for leave that has not been used, or leave that has been used but not yet paid in cash or settled through noncash means. Furthermore, the liability for leave that has not been used is recognized if the leave is attributed to services already rendered, that accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. If the leave is considered more likely than not to be settled through conversion to a defined benefit postemployment benefit, it should not be included in the liability for compensated absences. This Statement also specifies certain types of benefits where the liability is not recognized until leave commences or where the liability is not recognized until the leave is used. The Statement also provides guidance for measuring the liability and modifies the disclosure requirements allowing for disclosure of only the net change in the liability, and no longer requiring disclosure of which governmental funds have been used to liquidate the liabilities. The College has not yet determined the effect that the adoption of GASB Statement No. 101 may have on its financial statements.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

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

GASB has also issued Statement No. 102, *Certain Risk Disclosures*, which is effective for fiscal years beginning after June 15, 2024. The objective of this statement is to provide financial statement users with information about risks due to concentrations or constraints common in a governmental environment. The Standard requires an assessment of whether any concentrations or constraints increase the government's vulnerability to significant impacts, and whether events associated with concentrations and/or constraints have occurred or are more likely than not to occur within one year of issuance of the financial statements. Further, additional detailed disclosures may be required in certain situations. The College has not yet determined the effect that the adoption of GASB Statement No. 102 may have on its financial statements.

GASB has also issued 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 Statement aims to improve financial reporting. It clarifies that management's discussion and analysis should be limited to only topics in the existing sections and stresses that the detailed analyses section should provide clear explanation of why balances or results changed rather than simply presenting the amounts of the change. The descriptions of unusual or infrequent items will make it clearer which items need to be separately reported. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from government to government, to improve comparability. The changes to presentation of major component unit information and budgetary comparison information are also geared towards enhancing comparability. The College has not yet determined the effect that the adoption of GASB Statement No. 103 may have on its financial statements.



**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

**NOTE 3 - CASH AND CASH EQUIVALENTS**

The composition of cash and cash equivalents at June 30, 2024 and 2023, is as follows:

	2024		
	Current	Noncurrent	Total
Cash on deposit with the Treasurer/BTI	\$ 3,373,256	\$ 329,168	\$ 3,702,424
Cash in bank	249,133	-	249,133
Cash on hand	300	-	300
	<u>\$ 3,622,689</u>	<u>\$ 329,168</u>	<u>\$ 3,951,857</u>

  

	2023		
	Current	Noncurrent	Total
Cash on deposit with the Treasurer/BTI	\$ 2,908,143	\$ 275,595	\$ 3,183,738
Cash in bank	240,260	-	240,260
Cash on hand	300	-	300
	<u>\$ 3,148,703</u>	<u>\$ 275,595</u>	<u>\$ 3,424,298</u>

Cash held by the Treasurer includes \$329,168 and \$275,595 of restricted cash at June 30, 2024 and 2023, respectively.

The combined carrying amount of cash in the bank at June 30, 2024 and 2023, was \$249,133 and \$240,260, respectively, as compared with the combined bank balance of \$258,309 and \$253,143 for the years ended June 30, 2024 and 2023, respectively. The difference is primarily caused by outstanding checks and items in transit. The bank balances were covered by federal depository insurance as noted below or were collateralized by securities held by the State's agent. Regarding federal depository insurance, accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

Amounts with the State Treasurer were \$3,702,424 and \$3,183,738 as of June 30, 2024 and 2023, respectively. Of these amounts, \$2,638,260 and \$2,737,051 were invested in the WV Money Market Pool and the WV Short Term Bond Pool as of June 30, 2024 and 2023, respectively. The remainder of the cash held with the State Treasurer was not invested as of June 30, 2024 and 2023.

NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED JUNE 30, 2024 AND 2023

**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:

External Pool	2024		2023	
	Carrying Value	S & P Rating	Carrying Value	S & P Rating
WV Money Market Pool	\$ 2,578,470	AAAm	\$ 2,674,979	AAAm
WV Short Term Bond Pool	\$ 59,790	Not Rated	\$ 62,072	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:

External Pool	2024		2023	
	Carrying Value	WAM (Days)	Carrying Value	WAM (Days)
WV Money Market Pool	\$ 2,578,470	36	\$ 2,674,979	29

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

External Pool	2024		2023	
	Carrying Value	Effective Duration (Days)	Carrying Value	Effective Duration (Days)
WV Short Term Bond Pool	\$ 59,790	645	\$ 62,072	609

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

*Custodial Credit Risk* - Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the College will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Repurchase agreements are required to be collateralized by at least 102% of their value, and the collateral is held in the name of BTI. The BTI or its agent does not release cash or securities until the counterparty delivers its side of the transaction.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

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

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

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

**NOTE 4 - ACCOUNTS RECEIVABLE**

Accounts receivable as of June 30, 2024 and 2023, are as follows:

	<u>2024</u>	<u>2023</u>
Student tuition and fees, net of allowance for doubtful of \$533,546 and \$488,637 in 2024 and 2023, respectively.	\$ 68,882	\$ 52,177
Amount due from the Commission/Council	99,631	71,393
Amount due from the federal government	42,760	13,011
Other accounts receivable	<u>14,951</u>	<u>40,955</u>
	<u>\$ 226,224</u>	<u>\$ 177,536</u>

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

**NOTE 5 - CAPITAL ASSETS**

A summary of capital asset transactions for the College for the years ended June 30, 2024 and 2023, is as follows:

	2024			Ending Balance
	Beginning Balance	Additions	Reductions	
Capital assets not being depreciated:				
Land	\$ 230,517	\$ -	\$ -	\$ 230,517
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets not being depreciated	<u>\$ 230,517</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 230,517</u>
Other capital assets:				
Building/improvements	\$11,799,066	\$ 476,522	\$ -	\$12,275,588
Equipment	<u>4,596,796</u>	<u>65,538</u>	<u>-</u>	<u>4,662,334</u>
Total other capital assets	<u>16,395,862</u>	<u>542,060</u>	<u>-</u>	<u>16,937,922</u>
Less accumulated depreciation for:				
Building/improvements	3,009,003	306,643	-	3,315,646
Equipment	<u>3,736,550</u>	<u>204,727</u>	<u>-</u>	<u>3,941,277</u>
Total accumulated depreciation	<u>6,745,553</u>	<u>511,370</u>	<u>-</u>	<u>7,256,923</u>
Other capital assets, net	<u>\$ 9,650,309</u>	<u>\$ 30,690</u>	<u>\$ -</u>	<u>\$ 9,680,999</u>
Capital asset summary:				
Capital assets not being depreciated	\$ 230,517	\$ -	\$ -	\$ 230,517
Other capital assets	<u>16,395,862</u>	<u>542,060</u>	<u>-</u>	<u>16,937,922</u>
Total cost of capital assets	16,626,379	542,060	-	17,168,439
Less accumulated depreciation	<u>6,745,553</u>	<u>511,370</u>	<u>-</u>	<u>7,256,923</u>
Capital assets, net	<u>\$ 9,880,826</u>	<u>\$ 30,690</u>	<u>\$ -</u>	<u>\$ 9,911,516</u>

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

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

	2023			Ending Balance
	Beginning Balance	Additions	Reductions	
Capital assets not being depreciated:				
Land	\$ 230,517	\$ -	\$ -	\$ 230,517
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets not being depreciated	<u>\$ 230,517</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 230,517</u>
Other capital assets:				
Building/improvements	\$11,775,018	\$ 24,048	\$ -	\$11,799,066
Equipment	<u>4,335,034</u>	<u>281,762</u>	<u>20,000</u>	<u>4,596,796</u>
Total other capital assets	<u>16,110,052</u>	<u>305,810</u>	<u>20,000</u>	<u>16,395,862</u>
Less accumulated depreciation for:				
Building/improvements	2,728,497	280,506	-	3,009,003
Equipment	<u>3,508,138</u>	<u>248,412</u>	<u>20,000</u>	<u>3,736,550</u>
Total accumulated depreciation	<u>6,236,635</u>	<u>528,918</u>	<u>20,000</u>	<u>6,745,553</u>
Other capital assets, net	<u>\$ 9,873,417</u>	<u>\$ (223,108)</u>	<u>\$ -</u>	<u>\$ 9,650,309</u>
Capital asset summary:				
Capital assets not being depreciated	\$ 230,517	\$ -	\$ -	\$ 230,517
Other capital assets	<u>16,110,052</u>	<u>305,810</u>	<u>20,000</u>	<u>16,395,862</u>
Total cost of capital assets	16,340,569	305,810	20,000	16,626,379
Less accumulated depreciation	<u>6,236,635</u>	<u>528,918</u>	<u>20,000</u>	<u>6,745,553</u>
Capital assets, net	<u>\$10,103,934</u>	<u>\$ (223,108)</u>	<u>\$ -</u>	<u>\$ 9,880,826</u>

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

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2024 AND 2023

**NOTE 6 - LONG-TERM LIABILITIES**

A summary of long-term obligation transactions for the College for the years ended June 30, 2024 and 2023, is as follows:

	2024				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	\$ 224,520	\$ 2,406	\$ -	\$ 226,926	\$ 137,921
Funds due to West Virginia Development Office	<u>1,466,667</u>	<u>-</u>	<u>66,667</u>	<u>1,400,000</u>	<u>66,668</u>
Total long-term liabilities	<u>\$ 1,691,187</u>	<u>\$ 2,406</u>	<u>\$ 66,667</u>	<u>\$ 1,626,926</u>	<u>\$ 204,589</u>
	2023				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	\$ 185,018	\$ 39,502	\$ -	\$ 224,520	\$ 144,615
Funds due to West Virginia Development Office	<u>1,533,333</u>	<u>-</u>	<u>66,666</u>	<u>1,466,667</u>	<u>66,668</u>
Total long-term liabilities	<u>\$ 1,718,351</u>	<u>\$ 39,502</u>	<u>\$ 66,666</u>	<u>\$ 1,691,187</u>	<u>\$ 211,283</u>

**NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS**

As related to GASB 75, following are the College’s net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, revenues, and the OPEB expense and expenditures for the fiscal years ended June 30, 2024 and 2023:

	2024	2023
Net OPEB liability (asset)	\$ (43,628)	\$ 27,870
Deferred outflows of resources	23,085	67,986
Deferred inflows of resources	71,316	143,340
Revenues	(31,496)	(30,729)
OPEB expense	(129,529)	(154,050)
Contributions made by the College	1,390	28,450

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2024 AND 2023**

**NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)*****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.

The Plan's fiduciary net position has been determined on the same basis used by the Plan. The RHBT is accounted for as a fiduciary fund, and its financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with GAAP for fiduciary funds as prescribed or permitted by the GASB. The primary sources of revenue are plan members and employer contributions. Members' contributions are recognized in the period in which the contributions are due. Employer contributions and related receivables to the trust are recognized pursuant to a formal commitment from the employer or statutory or contractual requirement, when there is a reasonable expectation of collection. Benefits and refunds are recognized when due and payable.

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

***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

NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED JUNE 30, 2024 AND 2023

**NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

***Contributions***

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

Paygo premiums are established by the PEIA Finance Board annually. All participating employers are required by statute to contribute this premium to the RHBT at the established rate for every active policyholder per month. The paygo rates related to the measurement date of June 30, 2023 and 2022 were:

	July 2022-June 2023 <u>2023</u>	February 2022-June 2022 <u>2022</u>	July 2021-January 2022 <u>2022</u>
Paygo premium	\$ 70	\$ 48	\$ 116

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

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

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

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

The College’s contributions to the OPEB plan for the years ended June 30, 2024, 2023, and 2022, were \$1,390, \$28,450, and \$29,441, respectively.



**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2024 AND 2023**

**NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)*****Assumptions***

The June 30, 2024 OPEB liability (asset) for financial reporting purposes was determined by an actuarial valuation as of June 30, 2022 and a measurement date of June 30, 2023. The following actuarial assumptions were used and applied to all periods included in the measurement, unless otherwise specified:

- Inflation rate: 2.50%.
- Salary increase: Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation.
- Investment rate of return: 7.40%, net of OPEB plan investment expense, including inflation.
- Healthcare cost trend rates: Trend rate for pre-Medicare and Medicare per capita costs of 7.0% medical and 8.0% drug. The trends increase over four years to 9.0% and 9.5%, respectively. The trends then decrease linearly for 5 years until ultimate trend rate of 4.50% is reached in plan year end 2032.
- Actuarial cost method: Entry age normal cost method.
- Amortization method: Level percentage of payroll over a 20-year closed period as of June 30, 2017.
- Wage inflation: 2.75%.
- Retirement age: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2020 actuarial valuation.
- Aging factors: Based on the 2013 SOA Study "Health Care Costs – From Birth to Death".
- Expenses: Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of the annual expense.
- Mortality post retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 100% for males and 108% for females.
- Mortality pre-retirement: Pub-2010 General Employee Mortality Tables projected with MP-2021 and scaling factors of 100% for males and 100% for females.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

The actuarial valuation as of June 30, 2022, reflects updates to the following assumptions, which are reviewed at each measurement date:

- Per capita claim costs;
- Healthcare trend rates;
- Aging factors; and
- Participation rates

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

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

**NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

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

The target allocation and estimates of annualized long-term expected returns assuming a 10-year horizon as of June 30, 2023 and 2022 are summarized below:

June 30, 2023		
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%	7.2%
Hedge funds	10.0%	4.5%
June 30, 2022		
Asset Class	Target Allocation	Long-term Expected Real Return
Global equity	55.0%	4.8%
Core plus fixed income	15.0%	2.1%
Core real estate	10.0%	4.1%
Hedge funds	10.0%	2.4%
Private equity	10.0%	6.8%

**Single discount rate.** The discount rate used to measure the total OPEB liability (asset) was 7.40% and 6.65% for fiscal years 2024 and 2023, respectively. This single discount rate was based on the expected rate of return on OPEB plan investments of 7.40% and 6.65% 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).

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2024 AND 2023

**NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Sensitivity of the net OPEB liability (asset) to changes in the discount rate.** The following presents the College’s proportionate share of the net OPEB liability (asset) as of June 30, 2024 and 2023 calculated using a discount rate that is one percentage point lower (6.40% in 2024; 5.65% in 2023) or one percentage point higher (8.40% in 2024; 7.65% in 2023) than the current rate (7.40% in 2024; 6.65% in 2023).

Net OPEB liability (asset)	1% Decrease	Current Discount Rate	1% Increase
2024	\$ (7,382)	\$ (43,628)	\$ (83,381)
2023	71,636	27,870	(9,677)

**Sensitivity of the net OPEB liability (asset) to changes in the healthcare cost trend rate.** The following presents the College’s proportionate share of the net OPEB liability (asset) as of June 30, 2024 and 2023 calculated using the healthcare cost trend rate, as well as what the College’s net OPEB liability (asset) would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current rate.

Net OPEB liability (asset)	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
2024	\$ (111,139)	\$ (43,628)	\$ 36,655
2023	(15,845)	27,870	79,596

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

The June 30, 2024 net OPEB liability (asset) was measured as of June 30, 2023, and the total OPEB liability (asset) was determined by an actuarial valuation as of June 30, 2022, rolled forward to the measurement date of June 30, 2023. The June 30, 2023 net OPEB liability (asset) was measured as of June 30, 2022, and the total OPEB liability (asset) was determined by an actuarial valuation as of June 30, 2021, rolled forward to the measurement date of June 30, 2022.

At June 30, 2024, the College’s proportionate share of the net OPEB liability (asset) was \$(62,250). Of this amount, the College recognized \$(43,628) as its proportionate share on the statement of net position. The remainder of \$(18,622) denotes the College’s proportionate share of net OPEB liability (asset) attributable to the special funding.

At June 30, 2023, the College’s proportionate share of the net OPEB liability (asset) was \$37,417. Of this amount, the College recognized \$27,870 as its proportionate share on the statement of net position. The remainder of \$9,547 denotes the College’s proportionate share of net OPEB liability (asset) attributable to the special funding.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

**NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

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, 2023 and 2022. Employer contributions are recognized when due. At the June 30, 2023 measurement date, the College's proportion was 0.028%, an increase of 0.003% from its proportion of 0.025% calculated as of June 30, 2022. At the June 30, 2022 measurement date, the College's proportion was 0.025%, a decrease of 0.005% from its proportion of 0.030% calculated as of June 30, 2021.

For the year ended June 30, 2024, the College recognized OPEB expense of \$(129,529). Of this amount, \$(98,033) was recognized as the College's proportionate share of OPEB expense and \$(31,496) as the amount of OPEB expense attributable to special funding from a non-employer contributing entity. The College also recognized revenue of \$(31,496) for support provided by the State.

For the year ended June 30, 2023, the College recognized OPEB expense of \$(154,050). Of this amount, \$(123,321) was recognized as the College's proportionate share of OPEB expense and \$(30,729) as the amount of OPEB expense attributable to special funding from a non-employer contributing entity. The College also recognized revenue of \$(30,729) for support provided by the State.

At June 30, 2024 and 2023, deferred outflows of resources and deferred inflows of resources related to OPEB are as follows.

<u>June 30, 2024</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion and difference between employer contributions and proportionate share of contributions	\$ 9,665	\$ 20,852
Net difference between projected and actual investment earnings	-	727
Changes in assumptions	12,030	24,341
Differences between expected and actual non-investment experience	-	25,396
Contributions after the measurement date	<u>1,390</u>	<u>-</u>
Total	<u>\$ 23,085</u>	<u>\$ 71,316</u>

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

<u>June 30, 2023</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion and difference between employer contributions and proportionate share of contributions	\$ 17,337	\$ 36,781
Net difference between projected and actual investment earnings	4,326	-
Changes in assumptions	17,873	70,812
Differences between expected and actual non-investment experience	-	35,554
Reallocation of opt-out employer change in proportionate share	-	193
Contributions after the measurement date	<u>28,450</u>	<u>-</u>
	<u>\$ 67,986</u>	<u>\$ 143,340</u>

The College will recognize the \$1,390 reported as deferred outflows of resources resulting from OPEB contributions after the measurement date as a reduction (increase) of the net OPEB liability (asset) in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Amortization</u>
2025	\$ (25,568)
2026	(23,398)
2027	933
2028	<u>(1,588)</u>
	<u>\$ (49,621)</u>

***Payables to the OPEB Plan***

The College did not report any amounts payable for normal contributions to the OPEB plan as of June 30, 2024 and 2023.

NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED JUNE 30, 2024 AND 2023

**NOTE 8 - STATE SYSTEM OF HIGHER EDUCATION INDEBTEDNESS**

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

The State has chartered the Commission with the responsibility to construct or renovate, finance, and maintain various academic and other facilities of the State’s universities and colleges.

**NOTE 9 - FUNDS DUE TO STATE AGENCIES**

Amounts due to other State agencies at June 30, are as follows:

	2024	2023
Department of Administration	\$ 36	\$ 131
State Treasurer's Office	135	13
PEIA	216	-
WVNET	143	4,355
Office of the WV Attorney General	65	62
	\$ 595	\$ 4,561

The financial assistance agreement with the West Virginia Development Office (WVDO) in 2014 was for \$2,000,000 to construct an academic wing at the College's campus in Moorefield, West Virginia. The College 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, 2024, a total of \$1,400,000 is outstanding on this agreement. The total amount of loan payments made for the years ended June 30, 2024 and 2023 was \$66,667 and \$66,666, respectively.

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2024 AND 2023

**NOTE 9 - FUNDS DUE TO STATE AGENCIES (CONTINUED)**

Future minimum payments related to the academic wing debt, as of June 30, 2024, are as follows:

<u>Year Ending June 30,</u>	<u>WVDO</u>
2025	\$ 66,668
2026	66,667
2027	66,667
2028	66,667
2029	66,667
Thereafter	1,066,664
	<u>\$ 1,400,000</u>

**NOTE 10 - RETIREMENT PLANS**

Substantially all full-time employees of the College participate in the Teachers’ Insurance and Annuities Association — College Retirement Equities Fund (TIAA-CREF).

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. As of June 30, 2024 and 2023, no employees of the College were enrolled in Educators Money.

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

Total contributions to TIAA-CREF for the years ended June 30, 2024, 2023, and 2022, were \$244,294, \$237,834, and \$196,006, respectively, which consisted of contributions of \$122,147, \$118,917, and \$98,003 for 2024, 2023, and 2022, respectively, from both the College and covered employees.

The College’s total payroll for the years ended June 30, 2024, 2023, and 2022, was \$2,445,238, \$2,400,028, and \$2,046,111, respectively; total covered employees’ salaries in TIAA-CREF were \$2,034,531, \$1,980,309, and \$1,632,612, in 2024, 2023, and 2022, respectively.

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2024 AND 2023**

**NOTE 11 - FOUNDATION (UNAUDITED)**

The Eastern West Virginia Community and Technical College Foundation, Inc. (the Foundation), which was incorporated in fiscal year 2001, is a separate nonprofit organization incorporated in the State and has as its purpose “to support, encourage and assist in the development and growth of the College, to render service and assistance to the College, and through it to the citizens of the State of West Virginia.” Oversight of the Foundation is the responsibility of a separate and independently elected Board of Directors, not otherwise affiliated with the College. In carrying out its responsibilities, the Board of Directors of the Foundation employs management, forms policy, and maintains fiscal accountability over funds administered by the Foundation. Accordingly, the financial statements of the Foundation are not included in the accompanying financial statements because they are not controlled by the College and because they are not significant.

The Foundation’s net assets totaled \$3,069 and \$39,169 at June 30, 2024 and 2023, respectively. The Foundation’s net assets include amounts restricted by donors to use for specific projects or departments of the College and its affiliated organizations. Contributions to the Foundation, which are not reflected in the accompanying financial statements, totaled \$53,411 and \$67,877 for the years ended June 30, 2024 and 2023, respectively. Contributions made to the College totaled \$14,302 and \$0 for the years ended June 30, 2024 and 2023, respectively.

**NOTE 12 - AFFILIATED ORGANIZATION**

The College has an affiliation agreement with Eastern Workforce Opportunity Regional Center and Services (Eastern WORCS). Although Eastern WORCS has been created “to foster and support applied research and workforce development” at the College, it is a separate nonprofit organization incorporated in the State of West Virginia. Oversight of Eastern WORCS is the responsibility of a separate and independently elected Board of Directors. Accordingly, the financial statements of Eastern WORCS are not included in the accompanying financial statements because the economic resources held by Eastern WORCS do not entirely or almost entirely benefit the College. No contributions were made to the College during either of the years ended June 30, 2024 or 2023.

**NOTE 13 - CONTINGENCIES**

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

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



**EASTERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2024 AND 2023**

**NOTE 14 - NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS**

The following tables represent operating expenses within both natural and functional classifications for the years ended June 30, 2024 and 2023:

	2024							Total
	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships	Depreciation	Fees Assessed by the Commission	
Instruction	\$ 699,191	\$ 144,872	\$ 385,423	\$ -	\$ -	\$ -	\$ -	\$ 1,229,486
Academic support	799,796	164,705	602,774	10,254	-	-	-	1,577,529
Student services	283,862	73,278	96,771	-	-	-	-	453,911
General institutional support	681,425	29,537	372,025	-	-	-	-	1,082,987
Operations and maintenance of plant	41,933	20,751	47,868	92,505	-	-	-	203,057
Student financial aid	-	-	634,976	-	415,258	-	-	1,050,234
Depreciation	-	-	-	-	-	511,370	-	511,370
Other	-	-	-	-	-	-	12,392	12,392
<b>Total</b>	<b>\$ 2,506,207</b>	<b>\$ 433,143</b>	<b>\$ 2,139,837</b>	<b>\$ 102,759</b>	<b>\$ 415,258</b>	<b>\$ 511,370</b>	<b>\$ 12,392</b>	<b>\$ 6,120,966</b>

  

	2023							Total
	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships	Depreciation	Fees Assessed by the Commission	
Instruction	\$ 616,920	\$ 126,594	\$ 377,004	\$ -	\$ -	\$ -	\$ -	\$ 1,120,518
Academic support	730,154	133,319	476,411	11,063	-	-	-	1,350,947
Student services	284,965	77,265	102,649	-	-	-	-	464,879
General institutional support	734,846	(9,619)	467,711	-	-	-	-	1,192,938
Operations and maintenance of plant	40,398	21,514	120,024	96,125	-	-	-	278,061
Student financial aid	-	-	608,675	-	422,423	-	-	1,031,098
Depreciation	-	-	-	-	-	528,918	-	528,918
Other	-	-	-	-	-	-	11,758	11,758
<b>Total</b>	<b>\$ 2,407,283</b>	<b>\$ 349,073</b>	<b>\$ 2,152,474</b>	<b>\$ 107,188</b>	<b>\$ 422,423</b>	<b>\$ 528,918</b>	<b>\$ 11,758</b>	<b>\$ 5,979,117</b>

**EASTERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)  
JUNE 30, 2024**

Last 10 Fiscal Years\*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Eastern's proportion of the net OPEB liability (asset) (percentage)	0.027569201%	0.025040576%	0.029732350%	0.029474125%	0.026736631%	0.028515865%	0.029400918%			
Eastern's proportionate share of the net OPEB liability (asset)	\$ (43,628)	\$ 27,870	\$ (8,841)	\$ 130,185	\$ 443,596	\$ 611,790	\$ 722,965			
State's proportionate share of the net OPEB liability (asset)	<u>(18,622)</u>	<u>9,547</u>	<u>(1,741)</u>	<u>28,786</u>	<u>90,780</u>	<u>126,441</u>	<u>148,498</u>			
Total proportionate share of the net OPEB liability (asset)	<u>\$ (62,250)</u>	<u>\$ 37,417</u>	<u>\$ (10,582)</u>	<u>\$ 158,971</u>	<u>\$ 534,376</u>	<u>\$ 738,231</u>	<u>\$ 871,463</u>			
Eastern's covered-employee payroll	\$ 1,750,169	\$ 1,410,240	\$ 1,399,402	\$ 1,440,860	\$ 1,306,804	\$ 1,354,270	\$ 1,453,976			
Eastern's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	2.49%	-1.98%	0.63%	9.04%	33.95%	45.17%	49.72%			
Plan fiduciary net position as a percentage of the total OPEB liability	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, Eastern should present information for those years for which information is available.

**EASTERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF OPEB CONTRIBUTIONS  
JUNE 30, 2024**

Last 10 Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$ 1,390	\$ 28,450	\$ 29,441	\$ 55,179	\$ 56,970	\$ 55,085	\$ 54,927			
Contributions in relation to the statutorily required contribution	<u>(1,390)</u>	<u>(28,450)</u>	<u>(29,441)</u>	<u>(55,179)</u>	<u>(56,970)</u>	<u>(55,085)</u>	<u>(54,927)</u>			
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			
Eastern's covered-employee payroll	\$ 1,757,396	\$ 1,750,169	\$ 1,410,240	\$ 1,399,402	\$ 1,440,860	\$ 1,306,804	\$ 1,354,270			
Contributions as a percentage of covered-employee payroll	0.08%	1.63%	2.09%	3.94%	3.95%	4.22%	4.06%			

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

**EASTERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

**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.

	<b>Inflation Rate</b>	<b>Salary Increases</b>	<b>Wage Inflation Rate</b>	<b>Investment Rate of Return &amp; Discount Rate</b>	<b>Mortality</b>	<b>Retirement Age</b>	<b>Aging Factors</b>	<b>Expenses</b>	<b>Healthcare Cost Trend Rates</b>
<b>2023</b>	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.
<b>2022</b>	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.
<b>2021</b>	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.
<b>2020</b>	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.
<b>2019</b>	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.
<b>2018</b>	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.
<b>2017</b>	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.

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

Board of Governors  
Eastern West Virginia Community and Technical College  
Moorefield, 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 Eastern West Virginia Community and Technical College (the College), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated September 26, 2024.

**Report on Internal Control over Financial Reporting**

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

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

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453 Suncrest Towne Centre Drive  
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The Somerville Building  
501 5th Avenue  
Suite 1  
Huntington, WV 25701

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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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2024-001 that we consider to be a significant deficiency.

### **Report On Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses.

### **The College's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the College's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The College's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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  
September 26, 2024

<b>2024-001</b>	<b>SEGREGATION OF DUTIES (PRIOR YEAR FINDING 2023-001 AND 2022-01)</b>
<b>Criteria:</b>	Management of the College is responsible for establishing an internal control structure that reduces to an acceptable level the risk of errors and fraud occurring and not being detected. An integral part of an internal control structure is effective segregation of duties, which involves assigning responsibilities for authorizing transactions, recording transactions, and maintaining custody of assets to different individuals, thus reducing the risk of errors or fraud occurring and not being detected.
<b>Condition:</b>	As noted during previous audits, due to vacancies in the finance office staffing throughout fiscal year 2024, the Chief Financial Officer assumed multiple roles in the preparation of financial data. The vacancies have affected the internal control process by prohibiting separation in the custody of assets and by not allowing for separate preparer and reviewer of finance office transactions and work papers.
<b>Context:</b>	Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses of the College are approximately \$14.1 million, \$23 thousand, \$2.3 million, \$71 thousand, \$11.7 million, \$6.4 million, and \$6.1 million, respectively.
<b>Cause:</b>	The purpose of segregating duties is to prevent fraud and errors from occurring or detect and correct errors before causing financial misstatements. In order for internal controls to be effective, there must be a division of duties between those who perform accounting procedures or control activities and those who handle assets. The College is unable to properly segregate duties to vacancies.
<b>Effect:</b>	Transactions and work papers are not being reviewed and approved according to procedures. Individuals are maintaining custody of assets and recording transactions for those assets, which does not follow established procedures. It is less likely that errors will be prevented or detected and corrected in a timely manner without controls in place.
<b>Recommendation:</b>	We recommend the College hire additional full-time staff, hire a third-party service provider, or cross-train others within the College to prepare or review financial transactions to alleviate the multiple roles the Chief Financial Officer must assume while positions remain vacant. This will provide a control to aid in preventing, detecting, and correcting possible misstatements.
<b>Views of Responsible Officials:</b>	<i>We agree with the findings and will take the necessary corrective actions as noted in the corrective action plan attached.</i>

September 26, 2024

West Virginia Council for Community and Technical College Education

Eastern West Virginia Community and Technical College respectfully submits the following corrective action plan for the year ended June 30, 2024.

Name and address of independent public accounting firm: Suttle & Stalnaker, PLLC, 1411 Virginia Street, East, Suite 100, Charleston, WV 25301

Audit Period: Year ended June 30, 2024

The finding from the September 26, 2024 schedule of findings and responses is discussed below. The finding is numbered consistently with the number assigned in the schedule.

**FINDING-FINANCIAL STATEMENT AUDIT  
2024-001 – SEGREGATION OF DUTIES**

Recommendation:

We recommend the College hire additional full-time staff, hire a third-party service provider, or cross-train others within the College to prepare or review financial transactions to alleviate the multiple roles the Chief Financial Officer must assume while positions remain vacant. This will provide a control to aid in preventing, detecting, and correcting possible misstatements.

Action Taken:

In November 2023, the college outsourced accounting responsibilities on a trial basis to an external CPA firm in an attempt to alleviate the excessive workload placed upon the Chief Financial Officer (CFO). It was determined that the return to an in-house accounting position would better fulfill the accounting needs of the college. Therefore, an accountant was hired in July 2024.

If the West Virginia Council for Community and Technical College Education has questions regarding this plan, please call Trina Branson, CFO at 304-434-8000.

Sincerely,



Trina Branson, CFO