

# Eastern West Virginia Community and Technical College

Financial Statements  
Years Ended June 30, 2019 and 2018  
and  
Independent Auditor's Reports



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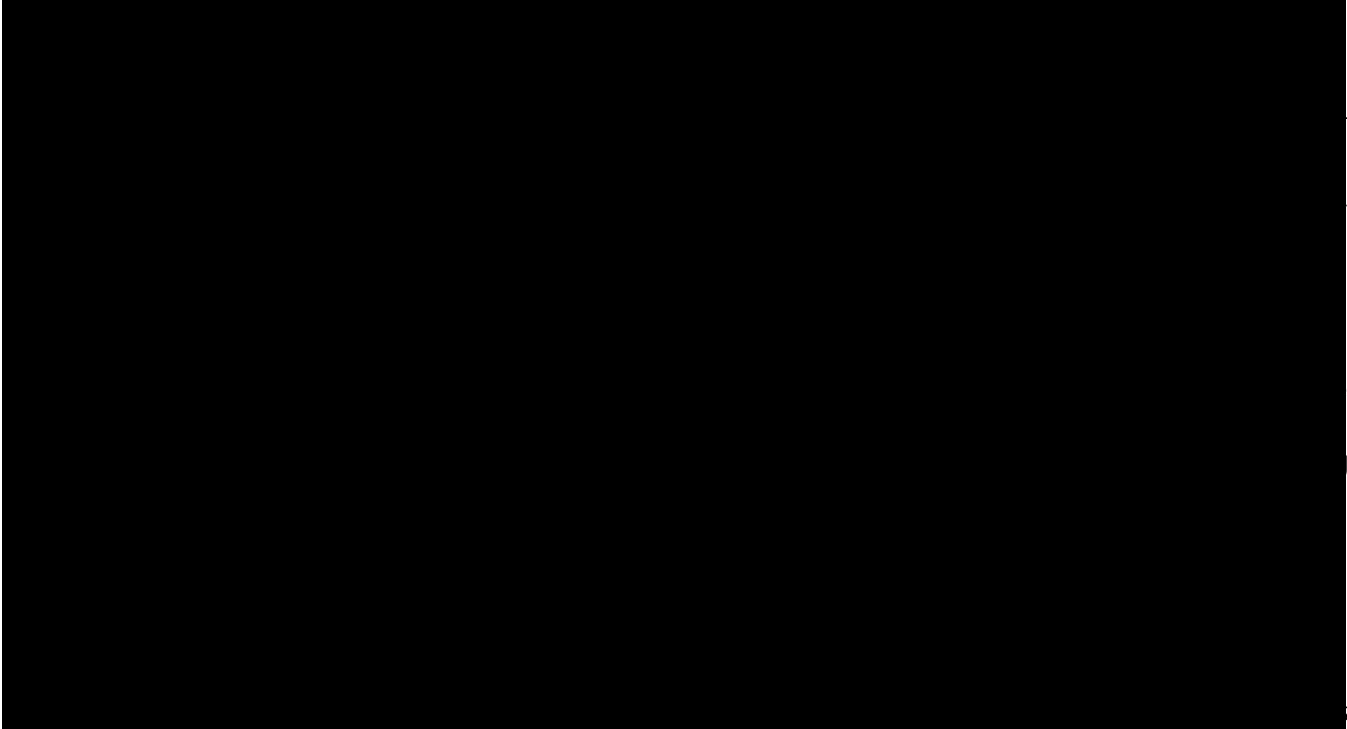
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## INDEPENDENT AUDITOR'S REPORT

Board of Governors



discussion and analysis on pages 5 – 13, the schedule of proportionate share of the net OPEB liability and schedule of OPEB contributions, and related footnote on pages 44 through 46 be presented to supplement the basic financial statements. Such information, 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

MANAGEMENT DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019

### 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 discussion and analysis of Eastern West Virginia Community and Technical College's financial statements provides an overview of the College's financial activities for the fiscal years ended June 30, 2019, 2018 and 2017. 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 emulat











MANAGEMENT DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019

Condensed Schedules of Cash Flows  
Years Ended June 30,

|  | <u>2019</u>    | <u>2018</u>    | <u>2017</u>    |
|--|----------------|----------------|----------------|
| Cash (used in) provided by:                      |                |                |                |
| Operating activities                             | \$ (3,123,033) | \$ (2,198,586) | \$ (3,092,669) |
| Noncapital financing activities                  | 3,125,646      | 2,617,439      | 2,741,712      |
| Capital and related financing activities         | (207,270)      | (630,333)      | (201,609)      |
| Investing activities                             | 34,494         | 22,616         | 17,307         |
| (Decrease) increase in cash and cash equivalents | (170,163)      | (188,864)      | (535,259)      |
| Cash and cash equivalents Beginning of year      | 2,276,505      | 2,465,369      | 3,000,628      |





MANAGEMENT DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019

**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.

|   | <u>2019</u>  | <u>2018</u>  |
|---|--------------|--------------|
| <b>ASSETS AND DEFERRED OUTFLOWS</b>                         |              |              |
| CURRENT ASSETS:   |              |              |
| Cash and cash equivalents                                   | \$ 1,810,189 | \$ 1,980,984 |
| Accounts receivable, net of allowance for doubtful accounts | 1,071,883    | 476,417      |
| Prepaid assets  | <hr/>        |              |

20192018

OPERATING REVENUES:





NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2019 AND 2018

**NOTE 1 ORGANIZATION**

Eastern West Virginia Community and Technical College (the College) is governed by the Eastern West Virginia Community and Technical College Governing Board (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 its 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

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2019 AND 2018

**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

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2019 AND 2018

**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 State Legislature and is subject to oversight by the State Legislature. Fair value and investment income are allocated to participants in the pools based upon the funds that have been invested. The amounts on deposit are available for immediate withdrawal or on the first day of each month for the WV Short Term Bond Pool and, accordingly, are presented as cash and cash equivalents in the accompanying financial statements.

The BTI maintains the Consolidated Fund investment fund, which consists of 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

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2019 AND 2018

**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, building/improvements, construction in progress, furniture and equipment, and books and materials that are part of a catalogued library. Capital assets are stated at cost at the date of acquisition or construction or fair market value at the date of donation in the case of gifts. Depreciation is computed using the straight line method over the estimated useful lives of the assets, generally 50 years for buildings, 7 years for library books and 3 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 (OPEBs)** 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 State Auditor's Office at (304) 251-1000.

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows of Resources



NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2019 AND 2018

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

**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.

**Redesignations** Certain amounts in the 2018 financial statements, as previously presented, have been redesignated to conform with the 2019 presentation. The redesignations had no effect on net position or the change in net position.

**Newly Adopted Statements Issued by the Governmental Accounting Standards Board**

The Governmental Accounting Standards Board has issued Statement No. 83, *Certain Asset Retirement Obligations*, effective for fiscal years beginning after June 15, 2019. The requirements of this Statement will enhance comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain asset retirement obligations (AROs), including obligations that may not have been previously reported. This Statement also will enhance the decision usefulness of the information provided to financial statement users by requiring disclosures related to those AROs. The adoption of GASB Statement No. 83 had no impact on the June 30, 2019 financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, effective for fiscal years beginning after June 15, 2019. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistently provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms associated with debt will be disclosed. As a result, users will have better information to understand the effects of debt on a government's future resource flows. The adoption of GASB Statement No. 88 had no impact on the June 30, 2019 financial statements.

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Statements Issued by the



NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2019 AND 2018

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

The Governmental Accounting Standards Board has also issued Statement No. 91, *Conduit Debt Obligations*, which is effective for fiscal years beginning after December 15, 2020. The requirements of this Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitments issuers extend and the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations. The College has not yet determined the effect that the adoption of GASB Statement No. 91 may have on its

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2019 AND 2018

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

The combined carrying amount of cash in the bank at June 30, 2019 and 2018, was \$258,731 and



NOT TO FINANCIAL STATEMENTS  
YEARENDED JUNE 30, 2019 AND 2018

NOTE 5 CAPITAL ASSET A

the A summary of capital asset transactions for the years ended June 30, 2019 and 2018, is

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 5 CAPITAL ASSETS (Continued)

|                      | 2018 |        |
|----------------------|------|--------|
| Beginning<br>Balance | A    | Ending |

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2019 AND 2018

## NOTE 6 LONG TERM LIABILITIES

A summary of long term obligation transactions for the College for the years ended June 30, 2019 and 2018, is as follows:

|   | 2019                 |                   |                     |                     |                    |
|---|----------------------|-------------------|---------------------|---------------------|--------------------|
|   | Beginning<br>Balance | Additions         | Reductions          | Ending<br>Balance   | Current<br>Portion |
| Accrued compensated absences                  | \$ 111,551           | \$ 10,677         | \$                  | \$ 122,228          | \$ 89,732          |
| Funds due to West Virginia Development Office | 2,419,931            |                   | (686,598)           | 1,733,333           | 66,668             |
| Funds due to HEPC                             | 67,500               |                   | (67,500)            |                     |                    |
| Net other postemployment benefit liability    | <u>722,965</u>       | <u>23,235</u>     | <u>(134,410)</u>    | <u>611,790</u>      |                    |
| Total long term liabilities                   | <u>\$ 3,321,947</u>  | <u>\$ 33,912</u>  | <u>\$ (888,508)</u> | <u>\$ 2,467,351</u> | <u>\$156,400</u>   |
|   | 2018                 |                   |                     |                     |                    |
|   | Beginning<br>Balance | Additions         | Reductions          | Ending<br>Balance   | Current<br>Portion |
| Accrued compensated absences                  | \$ 137,333           | \$                | \$ (25,782)         | \$ 111,551          | \$ 82,793          |
| Funds due to West Virginia Development Office | 2,486,598            |                   | (66,667)            | 2,419,931           | 66,668             |
| Funds due to HEPC                             |                      | 75,000            | (7,500)             | 67,500              | 7,500              |
| Net other postemployment benefit liability    | <u>701,026</u>       | <u>65,137</u>     | <u>(43,198)</u>     | <u>722,965</u>      |                    |
| Total long term liabilities                   | <u>\$ 3,324,957</u>  | <u>\$ 140,137</u> | <u>\$ (143,147)</u> | <u>\$ 3,321,947</u> | <u>\$156,961</u>   |

## NOTE 7 LEASE OBLIGATIONS

Future minimum payments under operating leases, which consist primarily of office equipment, with initial or remaining terms of one year or more, as of June 30, 2019, were as follows:

Year Ending June 30,

2020

\$ 639

Total rent expense for operating leases amounted to \$639 and \$466 for the years ended June 30, 2019 and 2018, respectively.

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2019 AND 2018

**NOTE 8 OTHER POST EMPLOYMENT BENEFITS**

As related to the implementation of GASB 75, following are the College's net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, revenues, and the OPEB expense and expenditures for the fiscal years ended June 30, 2019 and 2018:

|                                   | <u>2019</u> | <u>2018</u> |
|-----------------------------------|-------------|-------------|
| Net OPEB liability                | \$ 611,790  | \$ 722,965  |
| Deferred outflows of resources    | 55,085      | 54,927      |
| Deferred inflows of resources     | 227,439     | 190,367     |
| Revenues                          | 38,649      | 45,585      |
| OPEB expense                      | 23,235      | 65,137      |
| Contributions made by the College | 55,085      | 54,927      |

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

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

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

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.



NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2019 AND 2018

## NOTE 8 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

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, 2019, 2018, and 2017, were \$55,085, \$54,927, and \$60,389, respectively.

The June 30, 2019 OPEB liability for financial reporting purposes was determined by an actuarial valuation as of July 1, 2017 and rolled forward to June 30, 2018. The following actuarial assumptions were used and applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method: Entry age normal.

Asset valuation method: Investments are reported at fair (market) value.

Amortization method: Level percentage of payroll, closed.

Remaining amortization period: 20 years closed as of June 30, 2017.

Investment rate of return: 7.15%, net of OPEB plan investment expense, including inflation.

Healthcare cost trend rates: Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 10.00% for pre and post Medicare, respectively, and gradually

A decreases to an ultimate trend of 4.50%. Excess trend rate of 1.3% and

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2019 AND 2018**NOTE 8 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

The projections of the net OPEB liability are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The projection of the net OPEB liability does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial estimated liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations. However, the preparation and any estimate of future postemployment costs requires consideration of a broad array of complex social and economic events. Future changes in the healthcare reform, changes in reimbursement methodology, the emergence of new and expensive medical procedures and prescription drugs options, changes in the investment rate of return, and other matters increase the level of uncertainty in such estimates.



NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

**Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate.** The following presents the College's proportionate share of the net OPEB liability as of June 30, 2019 and 2018 calculated using the healthcare cost trend rate, as well as what the College's net OPEB liability would

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2019 AND 2018

**NOTE 8 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

For the year ended June 30, 2018, the College recognized OPEB expense of \$65,137. Of this amount, \$19,552 was recognized as the College's proportionate share of OPEB expense and \$45,585 as the amount of OPEB expense attributable to special funding from a non employer contributing entity. The College also recognized revenue of \$45,585 for support provided by the State.

At June 30, 2019 and 2018, deferred outflows of resources and deferred inflows of resources related to OPEB are as follows.

| <u>June 30, 2019</u>   | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows of<br/>Resources</u> |
|--|---|--|
| Differences between expected and actual experience   | \$  | \$ 9,050                                 |
| Changes in proportion and difference between employer contributions and proportionate share of contributions |   | 145,979                                  |
| Net difference between expected and actual investment earnings   |   | 11,324                                   |
| Changes in assumptions   |   | 61,086                                   |
| Contributions after the measurement date   | <u>55,085</u>                             | <u>                    </u>              |
| Total  | <u>\$ 55,085</u>                          | <u>\$ 227,439</u>                        |
|  |   |  |
| <u>June 30, 2018</u>   | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows of<br/>Resources</u> |
| Differences between expected and actual experience   | \$  | \$ 2,421                                 |
| Changes in proportion and difference between employer contributions and proportionate share of contributions |   | 176,407                                  |
| Net difference between expected and actual investment earnings   |   | 11,539                                   |
| Contributions after the measurement date   | <u>54,927</u>                             | <u>                    </u>              |
| Total  | <u>\$ 54,927</u>                          | <u>\$ 190,367</u>                        |

The College will recognize the \$55,085 reported as deferred outflows of resources resulting from OPEB contributions after the measurement date as a reduction of the

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2019 AND 2018

## NOTE 8 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

The College will recognize the \$55,085 reported as deferred outflows of resources resulting from OPEB contributions after the measurement date as a reduction of the net OPEB liability in the year ended June 30, 2020. 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> |
|-----------------------------------|---------------------|
| 2020                              | \$ (68,760)         |
| 2021                              | (68,760)            |
| 2022                              | (68,757)            |
| 2023                              | <u>(21,162)</u>     |
|                                   | <u>\$ (227,439)</u> |

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2019 AND 2018

**NOTE 10– FUNDS DUE TO STATE AGENCIES**

Amounts included in Due to Other State Agencies at June 30, are as follows:

|   | <u>2019</u>      | <u>2018</u>      |
|---|------------------|------------------|
| Department of Health and Human Resources  | \$ 11,924        | \$ 11,372        |
| Department of Administration              | 50               | 151              |
| State Treasurer's Office                  | 3                | 3                |
| Public Employees' Insurance Agency (PEIA) | 344              | 167              |
| Division of Rehabilitation Services       |                  | 3,938            |
| Division of Labor Safety Section          | <u>90</u>        |                  |
|   | <u>\$ 12,411</u> | <u>\$ 15,631</u> |

On September 24, 2013 Eastern entered into a loan agreement with the West Virginia Development

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2019 AND 2018

**NOTE 10– FUNDS DUE TO STATE AGENCIES (CONTINUED)**

Future minimum payments related to the academic wing debt, as of June 30, 2019, are as follows:

| <u>Year Ending June 30,</u> | <u>WVDO</u>         |
|-----------------------------|---------------------|
| 2020                        | \$ 66,668           |
| 2021                        | 66,668              |
| 2022                        | 66,668              |
| 2023                        | 66,668              |
| 2024                        | 66,668              |
| Thereafter                  | 1,399,993           |
|                             | <u>\$ 1,733,333</u> |

**NOTE 11 UNRESTRICTED NET POSITION**

The College did not have any designated unrestricted net position as of June 30, 2019 or 2018.

|   | <u>2019</u>         | <u>2018</u>       |
|---|---------------------|-------------------|
| Total unrestricted net position before OPEB liability | \$ 2,052,003        | \$ 1,643,189      |
| Less OPEB liability                                   | <u>611,790</u>      | <u>722,965</u>    |
|   | <u>\$ 1,440,213</u> | <u>\$ 920,224</u> |

**NOTE 12 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, 2019 and 2018, no employees 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.



NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2019 AND 2018



**NOTE 16 NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS**

The following tables represent operating expenses within both natural and functional classifications for the years ended June 30, 2019 and 2018:

|  | Salaries<br>and Wages | Benefits | Supplies<br>and Other<br>Services | Utilities | Scholarships | Depreciation | Fees<br>Assessed<br>by the<br>Commission | Total |
|--|-----------------------|----------|-----------------------------------|-----------|--------------|--------------|--|-------|
|--|-----------------------|----------|-----------------------------------|-----------|--------------|--------------|--|-------|

EASTERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
 JUNE 30, 2015

Last 10 Fiscal Years\*

|   | <u>2019</u>       | <u>2018</u>       | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> |
|---|-------------------|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Eastern's proportion of the net OPEB liability (asset) (percentage):  | 0.028515865%      | 0.029400918%      |             |             |             |             |             |             |             |             |
| Eastern's proportionate share of the net OPEB liability (asset)   | \$ 611,790        | \$ 722,965        |             |             |             |             |             |             |             |             |
| State's proportionate share of the net OPEB liability (asset)   | <u>126,441</u>    | <u>148,496</u>    |             |             |             |             |             |             |             |             |
| Total proportionate share of the net OPEB liability (asset)   | <u>\$ 738,231</u> | <u>\$ 871,463</u> |             |             |             |             |             |             |             |             |
| Eastern's covered employee payroll  | \$ 1,354,270      | \$ 1,453,970      |             |             |             |             |             |             |             |             |
| Eastern's proportionate share of the net OPEB liability (asset) as a percentage of its covered employee payroll | 45.17%            | 49.72%            |             |             |             |             |             |             |             |             |
| Plan fiduciary net position as a percentage of the total OPEB liability:  | 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.

|  |           |           |      |      |      |      |      |      |      |      |
|--|-----------|-----------|------|------|------|------|------|------|------|------|
|  | 2019      | 2018      | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|  | \$ 55,085 | \$ 54,927 |      |      |      |      |      |      |      |      |

Statutorily required contribution

Contributions in relation to the statutorily required contribution 5

EASTERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
YEARS ENDED JUNE 30, 2019 AND 2018



## **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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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