

WEST LIBERTY UNIVERSITY
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEARS ENDED JUNE 30, 2025 AND 2024



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**WEST LIBERTY UNIVERSITY
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INDEPENDENT AUDITORS' REPORT

Governing Board
West Liberty University
West Liberty, West Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, and the discretely presented component unit of West Liberty University (the University), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audits and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, and the discretely presented component unit of the University, as of June 30, 2025 and 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of West Liberty University Foundation, Inc. (the Foundation), which represent 100% of the assets, 100% of the total net assets, and 100% of operating revenues of the discretely presented component unit as of June 30, 2025 and 2024, and the respective changes in financial position for the years then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Foundation, are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University'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.

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University'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 University'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 audits, 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, the Schedules of Proportionate Share of Other Postemployment Obligations and Contributions, and the Schedules of Proportionate Share of Net Pension Liability and Contributions 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 GAAS, 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 audits 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 October 14, 2025, on our consideration of the University'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 University'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 University's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
October 14, 2025



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CUB 109
WEST LIBERTY, WV 26074-0295

**Management Discussion and Analysis
Fiscal Year 2024 (Unaudited)
Financial Statements**



About West Liberty University

West Liberty University (“WLU” or “University”) is a state supported institution founded in 1837 and is West Virginia’s oldest institution of higher education. Founded as West Liberty Academy, it was privately operated until 1870 when it became West Liberty State Normal School. The name was changed to West Liberty State Teachers College in 1931 and West Liberty State College in 1943. It was approved to become a “University” by the Higher Education Policy Commission in November 2008 and approved by the Board of Governors in May 2009.

West Liberty University is governed by a 12-member Board of Governors that determines, controls, supervises, and manages the financial, business, and educational policies and affairs of the University.

Overview of the Financial Statements and Financial Analysis

The following discussion and analysis of WLU’s financial statements provides an overview of its financial activities for fiscal years 2025 and 2024 with an emphasis on the year ended June 30, 2025 and its required supplementary information prepared in accordance with Governmental Accounting Standards Board (GASB).

The Government Accounting Standards Board (GASB) has revised the financial reporting guidelines for organizations that support government entities, effective for reporting periods beginning after June 15, 2003. Under GASB Statement No. 39, if a private foundation that provides financial support to a public college or university meets specified criteria, the university is required to include the foundation’s financial activities in the university’s financial statements. As a result, the financial statements of the West Liberty University Foundation are discretely presented following the University’s financial statements. The University does not control the resources of the Foundation and therefore, discussion and analysis of this component unit is not included.

There are three financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

Statement of Net Position

The Statement of Net Position presents the Assets (current and non-current) plus deferred outflows of resources, Liabilities (current and non-current) plus deferred inflows of resources, and Net Position (assets plus deferred outflows minus liabilities plus deferred inflows) of WLU as of June 30, 2025 and 2024. Assets denote the resources available to continue the operations of the University. Liabilities indicate how much the University owes vendors, employees, and lenders. Deferred outflows and inflows are a consumption or acquisition of net assets applicable to a future reporting period and Net Position measures the equity or the availability of funds of the University for future periods.

Net position is divided into three major categories. The first category, invested in capital assets, net of related debt, provides equity in the property, plant, and equipment owned by WLU. The next category is restricted net position, which is divided into two categories, nonexpendable (permanently restricted) and expendable. Expendable restricted net position is available for expenditure but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The balances that have

been restricted by the West Virginia Legislature ("Legislature") are within the expendable net position. These restricted activities are fundamental to the normal ongoing operations of WLU and are subject to change by future actions of the Legislature. The final category is unrestricted net position, which is available for expenditure for any lawful purpose of WLU.



Condensed Statements of Net Position (IN THOUSANDS)

ASSETS	2025	2024	2023
Current Assets	\$ 11,815	\$ 16,731	\$ 13,186
Other Noncurrent Assets	210	608	435
Capital Assets - Net	81,818	78,817	76,926
Deferred Outflows	356	200	631
Total Assets and Deferred Outflows	<u>\$ 94,199</u>	<u>\$ 96,356</u>	<u>\$ 91,178</u>
LIABILITIES			
Current Liabilities	\$ 10,031	\$ 9,979	\$ 6,522
Noncurrent Liabilities	13,369	15,561	19,003
Deferred Inflows	371	776	1,420
Total Liabilities and Deferred Inflows	<u>23,771</u>	<u>26,316</u>	<u>26,945</u>
NET POSITION			
Net Investment in Capital Assets	64,610	60,521	57,105
Restricted	96	492	84
Unrestricted	5,722	9,027	7,044
Total Net Position	<u>70,428</u>	<u>70,040</u>	<u>64,233</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 94,199</u>	<u>\$ 96,356</u>	<u>\$ 91,178</u>

A review of the individual asset and liabilities categories that contributed to the overall increase in net position indicates the following:



2025:

Capital assets (net) increased by \$3,001,138 due to the completion of several large projects placed into service in the current year. Cash and cash equivalents decreased by \$2,096,060.

Current liabilities increased by \$52,014, as presented in the Statement of Net Position.

2024:

Capital assets (net) increased by \$1,890,019 due to a large number of projects in construction in progress and a subsequent increase in depreciation and amortization expense. Cash and cash equivalents decreased by \$352,370.

Current Liabilities increased by \$3,457,957 as presented in the Statement of Net Position.

Statement of Revenues, Expenses, and Changes in Net Position

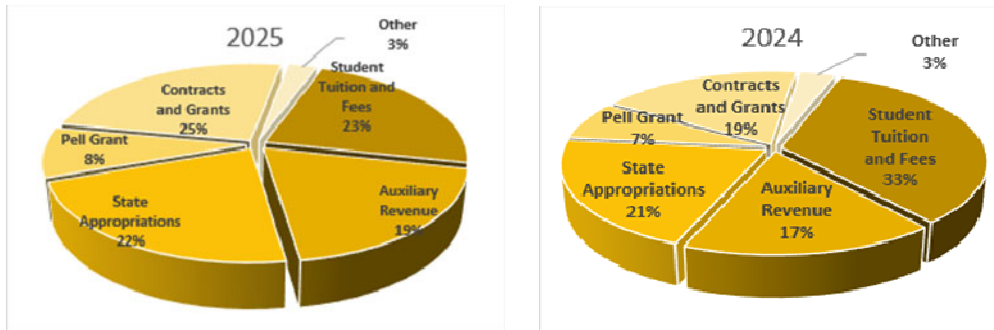
Changes in total net position, as presented on the Statement of Net Position, is based on the activities presented in the Statement of Revenues, Expenses, and Changes in Net Position (SRECNP). The purpose of the SRECNP is to present the revenues earned, both operating and non-operating, and the expenses incurred, operating and non-operating, and any other revenues, expenses, gains and losses earned or incurred by WLU.

Generally speaking, operating revenues are earned for providing goods and services to the various customers and constituencies of WLU. Operating expenses are those expenses incurred to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the WLU mission. Revenues for which goods and services are not provided are reported as non-operating revenues. For example, state appropriations are non-operating revenues because they are provided by the Legislature to WLU without the Legislature directly receiving commensurate goods and services for those revenues. Likewise, Pell grants are reported as non-operating, because of specific guidance in the AICPA industry audit guide.

Condensed Statements of Revenues, Expenses and Changes in Net Position (In Thousands)

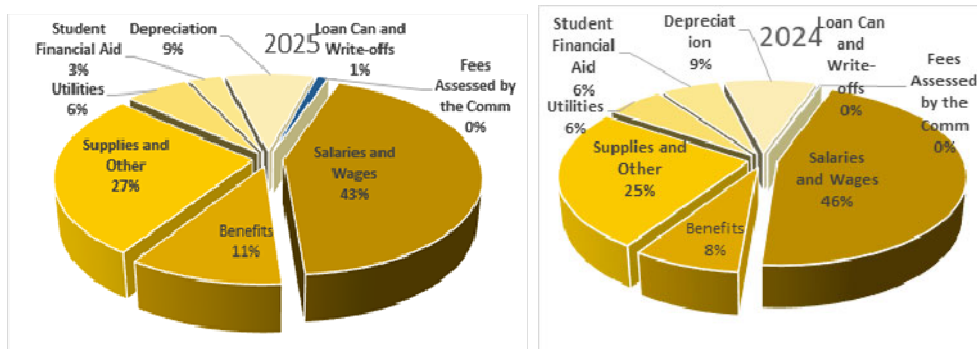
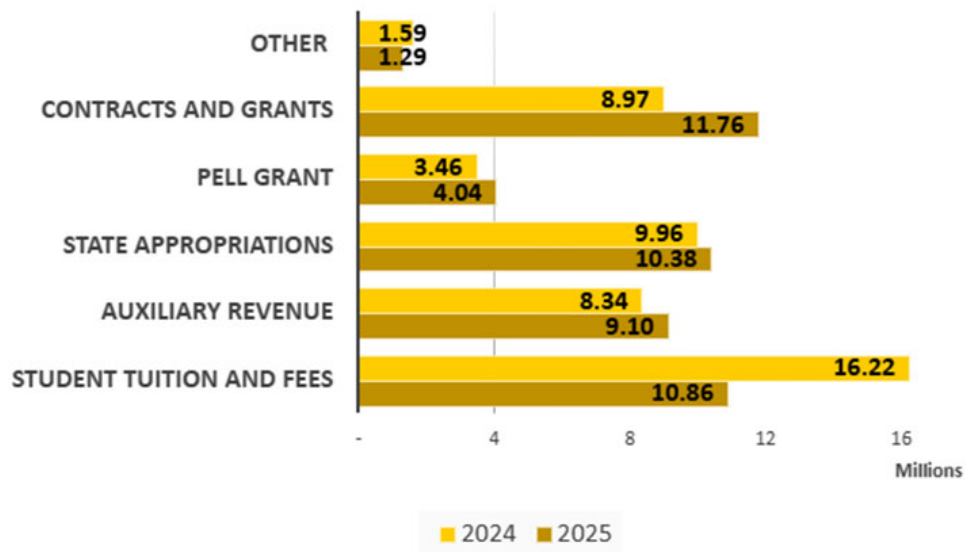
	2025	2024	2023
Operating Revenues	\$ 31,806	\$ 34,393	\$ 30,015
Operating Expenses	46,650	43,672	42,377
Operating Loss	(14,844)	(9,279)	(12,362)
Nonoperating Revenues (Net of Nonoperating Expenses)	15,232	14,879	16,125
INCREASE IN NET POSITION	388	5,600	3,763
CAPITAL PAYMENTS MADE ON BEHALF OF THE UNIVERSITY	-	207	-
INCREASE IN NET POSITION	388	5,807	3,763
Net Position - Beginning of Year	70,040	64,233	60,470
NET POSITION - End of Year	<u>\$ 70,428</u>	<u>\$ 70,040</u>	<u>\$ 64,233</u>

A review of the individual revenue and expense categories that contributed to the overall increase in net position for the years ended June 30, 2025 and 2024 reveals the following:



- Student tuition and fees (net of scholarship allowance) accounted for 23% of WLU's revenues in FY25 and 33% in FY24.
- Contracts and grants increased by \$2,238,290. Contracts and grants account for 25% of revenue for FY25 and 19% in FY24.
- Pell increased to \$4,037,889 in FY25 from \$3,455,758 in FY24.
- The State Appropriations were \$10,380,743 in FY25 and \$9,964,386 in FY24 representing 22% of total revenues.

Revenue Trends



- Salary/wages and employee benefit categories made up 54% of the operating expenses of WLU in FY25 and 54% in FY24. Salary and wages increased \$134,251 from FY24; benefits increased \$1,516,736 from FY24.

Statement of Cash Flows

The Statement of Cash Flows presents detailed information about the cash activities of WLU during the year. The statement is divided into five parts. The first section deals with operating cash flows and shows the net cash used in the operating activities of WLU. The second section reflects cash flows from noncapital financing activities. This section reflects the cash received and spent for non-operating, non-investing, and noncapital financing purposes. The third section deals with cash flows from capital and related financing activities. This section deals with the cash used for the acquisition and construction of capital assets and related items, and related funding received. The fourth section reflects the cash flows from investing activities and shows interest received from investing activities. The fifth section reconciles the net cash used in operating activities to the operating loss reflected in the SRECNP.

Condensed Statements of Cash Flows (IN THOUSANDS)

	2025	2024	2023
CASH PROVIDED BY (USED IN)			
Operating Activities	\$ (10,470)	\$ (8,871)	\$ (11,083)
Noncapital Financing Activities	14,419	13,420	12,679
Capital and Related Financing Activities	(6,440)	(5,583)	(104)
Investing Activities	<u>395</u>	<u>681</u>	<u>340</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,096)	(353)	1,832
Cash and Cash Equivalents - Beginning of Year	<u>11,382</u>	<u>11,735</u>	<u>9,903</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 9,286</u>	<u>\$ 11,382</u>	<u>\$ 11,735</u>

Capital Asset and Debt Administration

2025 Capital:

Capital projects for FY25 which are in progress but not yet completed include a Security Camera Project, Hughes Hall Façade Repairs, Campbell Hall Phase III, Krise Hall Door Replacements, HVAC Deferred Maintenance grant from the State of West Virginia, Softball Facility, and Renovation of the Arnett lab.



2024 Capital:

Capital projects for FY24 which are in progress but not yet completed include HVAC in the library and several roofs including Myers, Krise, and the ASRC using funds allocated through a deferred maintenance grant from the State of West Virginia. Other projects in progress but not yet completed include a grant funded Appalachian Aquatic Conservation Center, softball facility, Campbell Hall Phase II, an arms room in Krise, Hughes Hall façade, renovation of the Arnett lab, and an electrical upgrade in Arnett.

2025 and 2024 Debt:

Principal repayments on bond debt amounted to \$1,759,000 and \$1,871,458 for FY25 and FY24, respectively.

Economic Outlook

National college enrollment has been declining since 2011. Despite this trend the University remains very competitive with four-year educational institutions both regionally and nationally. West Liberty University experienced four straight semesters of enrollment increases prior to FY20. Enrollment has declined from FY24 to FY25.

The University continues to implement cost efficiency strategies and invest in initiatives that will increase retention and enrollment. The University experienced an increase in incoming freshman and transfers for the 2016-2017 and 2017-2018 academic years. Enrollment also increased in the 2018-2019 academic year. Enrollment stabilized in FY20, FY21, FY22, and FY23. Graduate program enrollment has also declined from FY24 to FY25. The University experienced a slight increase in on campus residency from FY24 to FY25. The University continues to broaden its programs of study and continues to seek other revenue sources.

WEST LIBERTY UNIVERSITY
STATEMENTS OF NET POSITION
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS AND DEFERRED OUTFLOWS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 9,286,146	\$ 11,382,206
Accounts Receivable - Net	2,276,835	5,039,097
Loans to Students - Current Portion	77,051	109,060
Prepaid Expenses	2,211	4,560
Inventories	170,039	189,570
Arrears Pay Conversion Receivable - Current Portion	2,994	6,698
Total Current Assets	<u>11,815,276</u>	<u>16,731,191</u>
 NONCURRENT ASSETS		
Cash and Cash Equivalents, Held by Trustee	73,140	74,663
Loans to Students - Net of Allowance of \$521,428 in 2025 and \$548,599 in 2024	51,551	69,537
Arrears Pay Conversion Receivable	35,660	46,706
Capital Assets - Net	81,817,646	78,816,508
Other Post Employment Benefits Asset, Net	49,958	417,471
Total Noncurrent Assets	<u>82,027,955</u>	<u>79,424,885</u>
 Total Assets	93,843,231	96,156,076
 DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Refunding of Debt - Net	19,340	25,951
Deferred Outflows Related to Pension	-	2,133
Deferred Outflows Related to OPEB	336,593	171,935
Total Deferred Outflows of Resources	<u>355,933</u>	<u>200,019</u>
 Total Assets and Deferred Outflows	<u><u>\$ 94,199,164</u></u>	<u><u>\$ 96,356,095</u></u>

See accompanying Notes to Financial Statements.

WEST LIBERTY UNIVERSITY
STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2025 AND 2024

LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	<u>2025</u>	<u>2024</u>
CURRENT LIABILITIES		
Accounts Payable	\$ 2,650,511	\$ 1,143,009
Accrued Liabilities	2,482,723	2,226,295
Unearned Revenues	1,942,837	3,448,231
Compensated Absences - Current Portion	180,253	165,754
Debt Obligation to Commission - Current Portion	187,090	187,147
Leases Payable - Current Portion	264,882	224,871
Subscriptions Payable - Current Portion	103,611	91,826
Notes Payable - Current Portion	200,000	500,000
Bonds Payable - Current Portion	1,923,750	1,759,000
Advances from Federal Sponsors - Current	95,328	232,838
Total Current Liabilities	<u>10,030,985</u>	<u>9,978,971</u>
NONCURRENT LIABILITIES		
Advances from Federal Sponsors	183,931	47,077
Compensated Absences, Net of Current Portion	1,004,317	989,682
Net Pension Liability	-	17,216
Debt Obligation to Commission, Net of Current Portion	196,620	383,710
Leases Payable, Net of Current Portion	1,815,549	1,727,656
Subscriptions Payable, Net of Current Portion	116,468	220,079
Notes Payable - Net of Current Portion	1,200,000	1,400,000
Bonds Payable, Net of Current Portion	8,852,302	10,775,542
Total Noncurrent Liabilities	<u>13,369,187</u>	<u>15,560,962</u>
Total Liabilities	23,400,172	25,539,933
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows Related to OPEB	234,789	604,701
Deferred Inflows Related to Pension	135,773	171,021
Total Deferred Inflows of Resources	<u>370,562</u>	<u>775,722</u>
Total Liabilities and Deferred Inflows	23,770,734	26,315,655
NET POSITION		
Net Investment in Capital Assets	64,610,011	60,520,857
Restricted - Nonexpendable - Other Postemployment Benefits	49,958	417,471
Restricted for - Expendable:		
Scholarships	46,600	74,925
Unrestricted	5,721,861	9,027,187
Total Net Position	<u>70,428,430</u>	<u>70,040,440</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 94,199,164</u>	<u>\$ 96,356,095</u>

See accompanying Notes to Financial Statements.

WEST LIBERTY UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
OPERATING REVENUES		
Student Tuition and Fees - Net of Scholarship Allowance of \$11,587,520 in 2025 and \$7,597,007 in 2024	\$ 10,861,464	\$ 16,223,777
Contracts and Grants:		
Federal	3,426,987	2,198,474
State	7,660,379	6,647,706
Private	673,326	676,222
Auxiliary Enterprise Revenue - Net of Scholarship Allowance of \$3,762,287 in 2025 and \$3,973,148 in 2024	9,103,640	8,340,787
Miscellaneous	80,227	306,456
Total Operating Revenues	<u>31,806,023</u>	<u>34,393,422</u>
OPERATING EXPENSES		
Salaries and Wages	20,127,603	19,993,352
Benefits	4,966,435	3,449,699
Supplies and Other Services	12,658,482	11,011,227
Utilities	2,883,532	2,527,187
Student Financial Aid - Scholarships and Fellowships	1,485,733	2,562,899
Depreciation and Amortization	4,007,714	4,029,591
Bad Debt Expense	520,428	97,630
Total Operating Expenses	<u>46,649,927</u>	<u>43,671,585</u>
OPERATING LOSS	(14,843,904)	(9,278,163)
NONOPERATING REVENUES (EXPENSES)		
State Appropriations	10,380,743	9,964,386
Federal Pell Grants	4,037,889	3,455,758
Investment Income	394,701	639,127
Payments on Behalf of the University	84,581	(297,220)
Interest on Indebtedness	(468,284)	(540,589)
Fees Assessed by the Commission for Debt Service	(17,491)	(17,669)
Other Nonoperating Revenues and Expenses, Net	819,755	1,674,020
Net Nonoperating Revenues	<u>15,231,894</u>	<u>14,877,813</u>
INCREASE BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	387,990	5,599,650
Capital Payments Made on Behalf of University	<u>-</u>	<u>207,229</u>
INCREASE IN NET POSITION	387,990	5,806,879
Net Position - Beginning of Year	<u>70,040,440</u>	<u>64,233,561</u>
NET POSITION - END OF YEAR	<u><u>\$ 70,428,430</u></u>	<u><u>\$ 70,040,440</u></u>

See accompanying Notes to Financial Statements.

WEST LIBERTY UNIVERSITY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Student Tuition and Fees	\$ 8,412,243	\$ 15,838,052
Contracts and Grants	13,546,860	6,845,313
Payments to and on Behalf of Employees	(24,908,757)	(24,242,330)
Payments to Suppliers	(12,528,979)	(10,707,486)
Payments to Utilities	(2,841,395)	(2,673,326)
Payments for Scholarships and Fellowships	(1,485,733)	(2,562,899)
Collection of Loans to Students	49,995	54,987
Auxiliary Enterprise Charges	9,103,640	8,340,787
Fees Assessed by Commission and Other State Agencies	-	(1,827)
Other Receipts - Net	182,484	238,336
William D. Ford Direct Lending Receipts	11,313,239	12,971,000
William D. Ford Direct Lending Payments	(11,313,239)	(12,971,000)
Net Cash Used by Operating Activities	<u>(10,469,642)</u>	<u>(8,870,393)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations	10,380,743	9,964,386
Federal Pell Grants	4,037,889	3,455,758
Net Cash Provided by Noncapital Financing Activities	<u>14,418,632</u>	<u>13,420,144</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchases of Capital Assets	(4,364,567)	(4,310,185)
Principal Paid on Notes Payable	(500,000)	(300,000)
Principal Paid on Debt Obligation to Commission	(187,147)	(177,434)
Principal Paid on Bonds	(1,758,490)	(1,871,458)
Interest Paid on Long-Term Debt	(369,600)	(437,731)
Principal Paid on Lease and Subscription Liabilities	36,078	(251,199)
Interest Paid on Lease and Subscription Liabilities	(99,812)	(103,093)
Other Nonoperating Receipts	819,755	1,674,020
Proceeds from/(Funding of) Restricted Cash and Cash Equivalents	1,523	211,892
Fees Assessed by Commission for Debt Service	(17,491)	(17,669)
Net Cash Used by Capital Financing Activities	<u>(6,439,751)</u>	<u>(5,582,857)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	<u>394,701</u>	<u>680,736</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,096,060)	(352,370)
Cash and Cash Equivalents - Beginning of Year	<u>11,382,206</u>	<u>11,734,576</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 9,286,146</u></u>	<u><u>\$ 11,382,206</u></u>

See accompanying Notes to Financial Statements.

WEST LIBERTY UNIVERSITY
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss	\$ (14,843,904)	\$ (9,278,163)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation and Amortization Expense	4,007,714	4,029,591
Bad Debt Expense	547,599	(97,630)
Payments on Behalf of the University for Employee Benefits	84,581	(89,991)
Effect of Changes in Operating Assets, Deferred Outflows, Liabilities, and Deferred Inflows:		
Accounts Receivable	2,229,413	(3,885,246)
Loans to Students	49,995	54,987
Prepaid Expenses	2,349	(1)
Inventories	19,531	20,399
Accounts Payable	159,797	(174,700)
Due to Commission	-	(1,827)
Accrued Liabilities	264,167	(15,648)
Compensated Absences	29,134	225,673
Other Postemployment Benefits	367,513	(323,613)
Net Pension Liability	(17,216)	(179,367)
Deferred Outflows - Pension	2,133	27,296
Deferred Outflows - OPEB	(164,658)	396,847
Deferred Inflows - Pension	(35,248)	73,095
Deferred Inflows - OPEB	(369,912)	(717,385)
Unearned Revenues	(2,801,974)	1,039,150
Advances from Federal Sponsors	(656)	26,140
Net Cash Used by Operating Activities	<u><u>\$ (10,469,642)</u></u>	<u><u>\$ (8,870,393)</u></u>
NONCASH TRANSACTIONS		
Capital Asset Additions in Accounts Payable and Accrued Liabilities	<u><u>\$ 1,347,705</u></u>	<u><u>\$ 871,656</u></u>
Capital Assets Acquired with Leases and SBITAs	<u><u>\$ 456,503</u></u>	<u><u>\$ 313,327</u></u>

See accompanying Notes to Financial Statements.

WEST LIBERTY UNIVERSITY
WEST LIBERTY UNIVERSITY FOUNDATION, INCORPORATED
COMPONENT UNIT – STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and Cash Equivalents	\$ 125,651	\$ -
Unconditional Promises to Give, Net	32,985	153,043
Accrued Interest and Dividends	7,553	7,553
Investments	29,666,802	25,230,961
Beneficial Interest in Perpetual Trust	2,706,042	2,552,581
Right-of-Use Asset - Operating Leases	-	25,212
Other Assets	<u>69,343</u>	<u>55,920</u>
Total Assets	<u><u>\$ 32,608,376</u></u>	<u><u>\$ 28,025,270</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ -	\$ 48,519
Liability for Charitable Gift Annuities	6,285	6,285
Lease Liability - Operating Leases	<u>-</u>	<u>25,212</u>
Total Liabilities	6,285	80,016
NET ASSETS		
Without Donor Restriction	2,303,024	1,968,721
With Donor Restriction	<u>30,299,067</u>	<u>25,976,533</u>
Total Net Assets	<u><u>32,602,091</u></u>	<u><u>27,945,254</u></u>
Total Liabilities and Net Assets	<u><u>\$ 32,608,376</u></u>	<u><u>\$ 28,025,270</u></u>

See accompanying Notes to Financial Statements.

WEST LIBERTY UNIVERSITY
WEST LIBERTY UNIVERSITY FOUNDATION, INCORPORATED
COMPONENT UNIT – STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Contributions	\$ 142,457	\$ 3,230,090	\$ 3,372,547
In-Kind Contributions	-	10,090	10,090
Investment Income, Net	396,656	2,368,655	2,765,311
Change in Value of Split-Interest Agreements	-	153,461	153,461
Other Income	21,896	165,683	187,579
Net Assets Released from Restriction and Other	1,605,445	(1,605,445)	-
Total Support and Revenues	2,166,454	4,322,534	6,488,988
EXPENSES			
West Liberty University Program Services:			
Scholarships	619,821	-	619,821
Athletic Programs	358,466	-	358,466
Academic Programs	249,153	-	249,153
Capital Improvements	144,203	-	144,203
Other Programs	16,087	-	16,087
Supporting Services:			
General and Administrative	407,733	-	407,733
Fundraising	8,475	-	8,475
Costs of Direct Benefits to Donors	28,213	-	28,213
Total Expenses	1,832,151	-	1,832,151
CHANGES IN NET ASSETS	334,303	4,322,534	4,656,837
Net Assets - Beginning of Year	1,968,721	25,976,533	27,945,254
NET ASSETS - END OF YEAR	<u>\$ 2,303,024</u>	<u>\$ 30,299,067</u>	<u>\$ 32,602,091</u>

See accompanying Notes to Financial Statements.

WEST LIBERTY UNIVERSITY
WEST LIBERTY UNIVERSITY FOUNDATION, INCORPORATED
COMPONENT UNIT – STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Contributions	\$ 125,765	\$ 1,770,398	\$ 1,896,163
In-Kind Contributions	-	9,476	9,476
Investment Income, Net	370,374	2,482,348	2,852,722
Change in Value of Split-Interest Agreements	-	187,820	187,820
Other Income	33,343	147,558	180,901
Net Assets Released from Restriction and Other	1,864,225	(1,864,225)	-
Total Support and Revenues	2,393,707	2,733,375	5,127,082
EXPENSES			
West Liberty University Program Services:			
Scholarships	630,901	-	630,901
Athletic Programs	328,543	-	328,543
Academic Programs	393,672	-	393,672
Capital Improvements	295,829	-	295,829
Other Programs	52,224	-	52,224
Supporting Services:			
General and Administrative	386,918	-	386,918
Fundraising	4,835	-	4,835
Costs of Direct Benefits to Donors	26,472	-	26,472
Total Expenses	2,119,394	-	2,119,394
CHANGES IN NET ASSETS	274,313	2,733,375	3,007,688
Net Assets - Beginning of Year	1,694,408	23,243,158	24,937,566
NET ASSETS - END OF YEAR	<u>\$ 1,968,721</u>	<u>\$ 25,976,533</u>	<u>\$ 27,945,254</u>

See accompanying Notes to Financial Statements.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 ORGANIZATION

West Liberty University (the University) is governed by the West Liberty University Board of Governors (the Board). The Board was established by Senate Bill 653 (S.B. 653).

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

S.B. 653 also created the West Virginia Higher Education Policy Commission (the Commission), which is responsible for developing, gaining consensus around, and overseeing the implementation and development of a higher education public policy agenda.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

A related organization of the University, the West Liberty University Foundation, Incorporated (the Foundation) is part of the University reporting entity under GASB and is included in the accompanying financial statements, as a discretely presented component unit, as the University has no ability to designate management, cannot significantly influence operations of this entity, and is not accountable for the fiscal matters of the Foundation. The Foundation is a private nonprofit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from the GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's audited financial information as it is presented herein (see also Note 19).

Financial Statement Presentation

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

Net Investment in Capital Assets – This represents the University's total investment in capital assets, net of depreciation, capital related deferred inflows and outflows, 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 in which the University is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

The West Virginia State Legislature (the State Legislature), as a regulatory body outside the reporting entity, has restricted the use of certain funds, by Article 10, *Fees and Other Money Collected at State Institutions of Higher Education* of the West Virginia State Code. House Bill 101 passed in March 2004 simplified the tuition and fee restrictions to auxiliaries and capital items. These activities are fundamental to the normal ongoing operations of the institution. These restrictions are subject to change by future actions of the State Legislature.

Restricted Net Position – Nonexpendable – This includes endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income, which may either be expended or added to principal.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

Unrestricted Net Position – This 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 University 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 University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University'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 reported when materials or services are received.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the University considers all highly liquid investments with an original maturity of three months or less, at the time of acquisition, to be cash and cash equivalents. Any cash and cash equivalents escrowed, restricted as noncurrent assets, or in funded reserves have not been included in cash and cash equivalents for the cash flow statement purposes.

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

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (Continued)

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

Allowance for Doubtful Accounts

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

Inventories

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

Noncurrent Cash, Cash Equivalents, and Investments

Cash, cash equivalents, and investments that are (1) externally restricted to make debt service payments, long-term loans to students, or to maintain sinking or reserve funds or (2) to purchase capital or other noncurrent assets, are classified as noncurrent assets in the accompanying statements of net position. Some of these funds may be held by trustees in accordance with the University's debt related trust indentures.

Capital Assets

Capital assets include property, plant, and equipment, books and materials that are part of a catalogued library, and infrastructure assets. Capital assets are stated at cost at the date of acquisition or construction, or acquisition value at the date of donation in the case of gifts. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 20 to 50 years for buildings and infrastructure, 20 years for land improvements, 7 years for library books, and 3 to 12 years for furniture and equipment. The University capitalizes all purchases of library books and uses a capitalization threshold of \$5,000 for other capital assets.

Subscription-Based Information Technology Arrangements (SBITA) Assets

SBITA assets include various software used for educational and administrative purposes for various terms under long-term, noncancelable agreements. SBITA assets are stated at the total amount of payments over the term of the agreement. Amortization is computed using the straight-line method over the term of the agreement. The University uses a capitalization threshold of \$5,000 for SBITA assets.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Unearned Revenues

Revenues for programs or activities to be conducted primarily in the next fiscal year are classified as unearned revenues, including items such as tuition, football ticket sales, orientation fees, room and board. Financial aid and other deposits are separately classified as deposits.

Compensated Absences and Net Other Postemployment Benefits (OPEBs)

GASB provides standards for the measurement, recognition, and display of other postemployment benefit (OPEB) expenditures, assets, deferred outflows of resources, liabilities, and deferred inflows of resources, 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 University was required to participate in this multiple employer cost-sharing plan, the West Virginia Retiree Health Benefit Trust Fund, sponsored by the State. Details regarding this Plan and its stand-alone financial statements can be obtained by contacting West Virginia Public Employees Insurance Agency (PEIA), State Capitol Complex, Building 5, Room 1001, 1900 Kanawha Boulevard East, Charleston, West Virginia 25305-0710 or <http://www.wvpeia.com> (Note 10).

The liability for compensated absences reported in the financial statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that have been used for time off but have not yet been paid in cash or settled through noncash means and certain other types of leave.

The University'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. Full-time employees also earn 1½ sick-leave days for each month of service and are entitled to extend their health or life insurance coverage upon retirement in lieu of accumulated, unpaid sick leave. Generally, two days of accrued sick leave extend health insurance for one month of single coverage and three days extend health insurance for one month of family coverage. For employees hired after 1988 or who were hired before 1988 but did not choose such coverage until after 1988 but before July 1, 2001, the employee shares in the cost of the extended benefit coverage to the extent of 50% of the premium required for the extended coverage. Employees hired July 1, 2001, or later will no longer receive sick-leave credit toward insurance premiums when they retire. Additionally, all retirees have the option to purchase continued coverage regardless of their eligibility for premium credits.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences and Other Postemployment Benefits (OPEBs) (Continued)

Certain faculty employees (generally those with less than a 12-month contract) earn a similar extended health or life insurance coverage retirement benefit based on years of service. Generally, $3\frac{1}{3}$ years of teaching service extend health insurance for one year of single coverage and five years extend health insurance for one year of family coverage. Faculty hired after July 1, 2009, will no longer receive years of service credit toward insurance premiums when they retire. Employees hired after July 1, 2010 receive no health insurance premium subsidy from the University. Two groups of employees hired after July 1, 2010 will not be required to pay the unsubsidized rate: 1) active employees who were originally hired before July 1, 2010, who have a break in service of fewer than two years after July 1, 2010; and 2) retired employees who retired before July 1, 2010, return to active service after July 1, 2010, and then go back into retirement. In those cases, the original hire date will apply.

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

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the West Virginia Teachers' Retirement System (TRS), administered by the West Virginia Consolidated Public Retirement Board (CPRB), and additions to/reductions from the TRS fiduciary net position have been determined on the same basis as they are reported on the TRS financial statements, which can be found at <https://www.wvretirement.com/Publications.html#CAFR>. The Plan schedules of TRS are prepared using the accrual basis of accounting and economic resources measurement focus in accordance with U.S. GAAP as prescribed by GASB. Employer contributions are recognized when due and the employer has a legal requirement to provide the contributions.

The investments are reported at fair value. Detailed information on investment valuation can be found in the TRS financial statements. Management of TRS has made certain estimates and assumptions relating to employer allocation schedules, and actual results could differ (Note 13).

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources, and OPEB expense, information about the fiduciary net position of the State and Police OPEB defined benefit plans (collectively, the Plans) and additions to/deductions from the Plans fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows of Resources

Consumption of net assets by the University that is applicable to a future fiscal year is reported as a deferred outflow of resources on the statement of net position. As of June 30, 2025 and 2024, the University had deferred outflows related to net deferred loss on refunding of debt, pension, and other postemployment benefits.

Deferred Inflows of Resources

An acquisition of net assets by the University that is applicable to a future fiscal year is reported as a deferred inflow of resources on the statement of net position. As of June 30, 2025 and 2024, the University had deferred inflows from pension and other postemployment benefits.

Risk Management

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

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

Settled claims have not exceeded these coverage's for the past three years.

Classification of Revenues

The University 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.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of Revenues (Continued)

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 the sale of capital assets (including natural resources).

Other Revenues – Other revenues consist primarily of grants and gifts for capital purchases.

Use of Restricted Net Position

The University has not adopted a formal policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Generally, the University attempts to utilize restricted net position first when practicable. The University did not have any designated net position funds as of June 30, 2025 and 2024.

Federal Financial Assistance Programs

The University makes loans to students under the Federal Direct Student Loan Program. Under this program, the U.S. Department of Education makes interest subsidized and nonsubsidized loans directly to students, through entities like the University. Direct student loan receivables are not included in the University's statements of net position, as the loans are repayable directly to the U.S. Department of Education. In 2025 and 2024, the University received and disbursed \$11,313,239 and \$12,971,000, 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 University also distributes other student financial assistance funds on behalf of the federal government to students under the Federal Pell Grant, Supplemental Education Opportunity Grant, Academic Competitive Grant, Science Math Access to Retain Talent Grant, Federal Teacher Education Assistance for University and Higher Education Grant, and University Work Study programs and U.S. Department of Education Miscellaneous Funds. The activity of these programs is recorded in the accompanying financial statements. In 2025 and 2024, the University received and disbursed approximately \$4,261,101 and \$3,982,000, 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 accompanying 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 University, and the amount that is paid by students and/or third parties making payments on the student's behalf.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Scholarship Allowances (Continued)

Financial aid to students is reported in the financial statements under the alternative method as prescribed by the National Association of University and University Business Officers. Certain aid such as loans, funds provided to students as awarded by third parties, and Federal Direct Lending is accounted for as a third-party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses, or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on a University basis by allocating the cash payments to students, excluding payments for services, on the ratio of total aid to the aid not considered to be third-party aid.

Government Grants and Contracts

Government grants and contracts normally provide for the recovery of direct and indirect costs, subject to audit. The University 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.

Service Concession Arrangements

The University had service concession arrangements for the operation of the University bookstore and food services. Significant renovations made to University facilities by service concession vendors are capitalized and revenues are deferred and accreted over the life of the contract.

Income Taxes

The University is exempt from income taxes, except for unrelated business income, as a nonprofit organization under federal income tax laws and regulations of the Internal Revenue Service.

Use of Estimates

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

Risks and Uncertainties

Investments, including restricted cash and cash equivalents held in external pools, 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.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standard

In June 2022, GASB issues Statement No. 101, *Compensated Absences*, (GASB 101), effective for reporting periods beginning after December 15, 2023, GASB 101 defines compensated absences and provides a unified model for recognition of a liability and expense for leave that has not been used, provided it meets specified criteria. The University adopted Statement No. 101 during the fiscal year ended June 30, 2025.

GASB Statement No. 102, *Certain Risk Disclosures*, was adopted for the year ended June 30, 2025. This Statement requires disclosures of certain concentrations and constraints that make the government vulnerable to the risk of a substantial impact. This statement had no impact on the University's financial statements.

NOTE 3 CASH AND CASH EQUIVALENTS

The composition of cash and cash equivalents held at June 30, 2025 and 2024 was as follows:

<u>2025</u>	<u>Current</u>	<u>Noncurrent</u>	<u>Total</u>
With State Treasurer	\$ 8,893,038	\$ -	\$ 8,893,038
Held by Trustee Bank	-	73,140	73,140
In Bank	390,468	-	390,468
On Hand	2,640	-	2,640
Total	<u>\$ 9,286,146</u>	<u>\$ 73,140</u>	<u>\$ 9,359,286</u>
<u>2024</u>	<u>Current</u>	<u>Noncurrent</u>	<u>Total</u>
With State Treasurer	\$ 11,308,863	\$ -	\$ 11,308,863
Held by Trustee Bank	-	74,663	74,663
In Bank	70,703	-	70,703
On Hand	2,640	-	2,640
Total	<u>\$ 11,382,206</u>	<u>\$ 74,663</u>	<u>\$ 11,456,869</u>

Cash and cash equivalents with the Trustee Bank include deposits held by the Bond Trustee for the bonds issued in May 2012, March 2013, and September 2018. The University uses WesBanco Bank (the Trustee Bank) as its trustee bank for the bond proceeds. The total amount held by the Trustee Bank on June 30, 2025 and 2024 was \$73,140 and \$74,663, respectively, and was invested in Federated U.S. Treasury Cash Reserves. These funds are rated AAAM by Standard & Poor's and Aaa by Moody's. These funds have neither significant custodial credit risk nor interest rate risk. These funds are neither exposed to a concentration of credit risk nor any foreign currency risk.

The carrying amount of other cash in bank at June 30, 2025 and 2024 was \$393,108 and \$73,343, respectively, as compared with the bank balance of \$393,108 and \$73,343, respectively. The difference in these balances was 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 State's agent. Regarding federal depository insurance, accounts are 100% insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash and cash equivalents in the bank included \$-0- of restricted cash for grants as of June 30, 2025 and 2024.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 3 CASH AND CASH EQUIVALENTS (CONTINUED)

Amounts with the State Treasurer as of June 30, 2025 and 2024 are comprised of two investment pools, the WV Money Market Pool and the WV Short-Term Bond Pool.

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:

	2025		2024	
External Pool	Carrying Value	S & P Rating	Carrying Value	S & P Rating
WV Money Market Pool	\$ 8,641,132	AAAm	\$ 9,635,478	AAAm
WV Short-Term Bond Pool	715,089	Not Rated	682,114	Not Rated
Total	<u>\$ 9,356,221</u>		<u>\$ 10,317,592</u>	

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:

	2025		2024	
External Pool	Carrying Value	WAM (Days)	Carrying Value	WAM (Days)
WV Money Market Pool	<u>\$ 8,641,132</u>	41	<u>\$ 9,635,478</u>	36

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

	2025		2024	
External Pool	Carrying Value	Effective Duration (Days)	Carrying Value	Effective Duration (Days)
WV Short-Term Bond Pool	<u>\$ 715,089</u>	637	<u>\$ 682,114</u>	645

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

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 3 CASH AND CASH EQUIVALENTS (CONTINUED)

Cash and Cash Equivalents in Bank with Trustee

Credit Risk — Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. Cash in bank with Trustee is governed by provisions of the bond agreement.

<u>Investment Type</u>	<u>Carrying Value</u>	
	<u>2025</u>	<u>2024</u>
Federated U.S. Treasury Cash Reserves	<u>\$ 73,140</u>	<u>\$ 74,663</u>

The objective of the money market fund is to increase the current level of income while continuing to maintain liquidity and capital. Assets are invested in high quality, short-term money market instruments.

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 University will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The University does not have a formal custodial credit risk policy.

Interest Rate Risk and Concentration of Credit Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The BTI's investment policy limits investment maturities from potential fair value losses due to increasing interest rates. No more than 5% of the money market fund's total market value may be invested in the obligations of a single issuer, with the exception of the U.S. government and its agencies. The University does not have formal interest rate or concentration of credit risk policies.

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Student Tuition and Fees - Net of Allowance for Doubtful Accounts of \$1,080,054 in 2025 and \$532,455 in 2024	\$ 879,870	\$ 1,753,051
Due from West Virginia Agencies	23,725	36,591
Interest Receivable on State Cash Accounts	-	-
Grants and Contracts Receivable	1,285,022	3,071,846
Other Receivables	88,218	177,609
Total	<u>\$ 2,276,835</u>	<u>\$ 5,039,097</u>

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 5 CAPITAL ASSETS

Capital asset transactions for the years ended June 30, 2025 and 2024 were as follows:

	2025		
	Beginning Balance	Additions	Ending Balance
Capital Assets Not Being Depreciated:			
Land	\$ 701,263	\$ -	\$ 701,263
Construction in Progress	5,693,345	6,225,930	7,027,502
Total Capital Assets Not Being Depreciated	<u>\$ 6,394,608</u>	<u>\$ 6,225,930</u>	<u>\$ 7,728,765</u>
Other Capital Assets:			
Infrastructure	\$ 13,696,750	\$ -	\$ 13,696,750
Buildings	111,161,799	4,972,916	116,134,715
Leasehold Improvements	829,767	-	829,767
Equipment	10,023,689	267,075	10,269,128
Library Books	2,312,263	-	2,312,263
Lease Assets	2,656,085	431,704	2,783,821
Subscription Assets	692,126	-	692,126
Total Other Capital Assets	<u>141,372,479</u>	<u>5,671,695</u>	<u>146,718,570</u>
Less: Accumulated Depreciation for:			
Infrastructure	8,295,226	712,886	9,008,112
Buildings	47,400,367	2,482,357	49,882,724
Leasehold Improvements	826,377	645	827,022
Equipment	8,919,788	350,512	9,248,664
Library Books	2,297,842	4,810	2,302,652
Lease Assets	847,832	328,905	872,769
Subscription Assets	363,147	124,599	487,746
Total Accumulated Depreciation	<u>68,950,579</u>	<u>4,004,714</u>	<u>72,629,689</u>
Other Capital Assets - Net	<u>\$ 72,421,900</u>	<u>\$ 1,666,981</u>	<u>\$ 74,088,881</u>
Capital Asset Summary:			
Capital Assets Not Being Depreciated	\$ 6,394,608	\$ 6,225,930	\$ 7,728,765
Other Capital Assets	<u>141,372,479</u>	<u>5,671,695</u>	<u>146,718,570</u>
Total Cost of Capital Assets	<u>147,767,087</u>	<u>11,897,625</u>	<u>154,447,335</u>
Less: Accumulated Depreciation	<u>68,950,579</u>	<u>4,004,714</u>	<u>72,629,689</u>
Capital Assets - Net	<u>\$ 78,816,508</u>	<u>\$ 7,892,911</u>	<u>\$ 81,817,646</u>

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 5 CAPITAL ASSETS (CONTINUED)

	2024		
	Beginning Balance	Additions	Ending Balance
Capital Assets Not Being Depreciated:			
Land	\$ 701,263	\$ -	\$ 701,263
Construction in Progress	1,259,217	4,796,128	5,693,345
Total Capital Assets Not Being Depreciated	<u>\$ 1,960,480</u>	<u>\$ 4,796,128</u>	<u>\$ 6,394,608</u>
Other Capital Assets:			
Infrastructure	\$ 13,319,250	\$ 15,500	\$ (362,000)
Buildings	110,480,690	681,109	-
Leasehold Improvements	829,767	-	-
Equipment	9,818,007	205,682	-
Library Books	2,312,263	-	-
Lease Assets	2,687,596	-	31,511
Subscription Assets	378,799	313,327	-
Total Other Capital Assets	<u>139,826,372</u>	<u>1,215,618</u>	<u>(330,489)</u>
Less: Accumulated Depreciation for:			
Infrastructure	7,577,909	717,317	-
Buildings	45,015,888	2,384,479	-
Leasehold Improvements	825,732	645	-
Equipment	8,459,574	460,214	-
Library Books	2,290,495	7,347	-
Lease Assets	588,880	290,463	31,511
Subscription Assets	101,885	261,262	-
Total Accumulated Depreciation	<u>64,860,363</u>	<u>4,121,727</u>	<u>31,511</u>
Other Capital Assets - Net	<u>\$ 74,966,009</u>	<u>\$ (2,906,109)</u>	<u>\$ (362,000)</u>
Capital Asset Summary:			
Capital Assets Not Being Depreciated	\$ 1,960,480	\$ 4,796,128	\$ 362,000
Other Capital Assets	<u>139,826,372</u>	<u>1,215,618</u>	<u>(330,489)</u>
Total Cost of Capital Assets	<u>141,786,852</u>	<u>6,011,746</u>	<u>31,511</u>
Less: Accumulated Depreciation	<u>64,860,363</u>	<u>4,121,727</u>	<u>31,511</u>
Capital Assets - Net	<u>\$ 76,926,489</u>	<u>\$ 1,890,019</u>	<u>\$ -</u>

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

The University had construction commitments totaling \$9,058,699 as of June 30, 2025. Depreciation and amortization expense was \$4,007,714 and \$4,029,591 at June 30, 2025 and 2024, respectively.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 6 CHANGES IN LONG-TERM LIABILITIES

Long-term obligation transactions for the University for the years ended June 30, 2025 and 2024 were as follows:

	2025				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds Payable:					
Revenue Bonds Payable	\$ 12,534,542	\$ -	\$ (1,758,490)	\$ 10,776,052	\$ 1,923,750
Notes Payable from Direct Borrowings	1,900,000	-	(500,000)	1,400,000	200,000
Other Long-Term Liabilities:					
Advances from Federal Sponsors	279,915	143,091	(143,747)	279,259	95,328
Compensated Absences	1,155,436	29,134		1,184,570	180,253
Subscriptions Payable	311,905	-	(91,826)	220,079	103,611
Leases Payable	1,952,527	515,975	(388,071)	2,080,431	264,882
Debt Obligation to Commission	570,857	-	(187,147)	383,710	187,090
Total Long-Term Liabilities	<u>\$ 18,705,182</u>	<u>\$ 688,200</u>	<u>\$ (3,069,281)</u>	<u>\$ 16,324,101</u>	<u>\$ 2,954,914</u>
	2024				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds Payable:					
Revenue Bonds Payable	\$ 14,406,000	\$ -	\$ (1,871,458)	\$ 12,534,542	\$ 1,759,000
Notes Payable from Direct Borrowings	2,200,000	-	(300,000)	1,900,000	500,000
Other Long-Term Liabilities:					
Advances from Federal Sponsors	253,775	114,426	(88,286)	279,915	232,838
Compensated Absences	929,763	225,673	-	1,155,436	165,754
Subscriptions Payable	311,359	221,191	(220,645)	311,905	91,826
Leases Payable	2,204,272	-	(251,745)	1,952,527	224,871
Debt Obligation to Commission	748,291	-	(177,434)	570,857	187,147
Total Long-Term Liabilities	<u>\$ 21,053,460</u>	<u>\$ 561,290</u>	<u>\$ (2,909,568)</u>	<u>\$ 18,705,182</u>	<u>\$ 3,161,436</u>

With the adoption of GASB 101, *Compensated Absences*, only the net change in compensated absences is required to be disclosed.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 7 BONDS PAYABLE

Bonds payable at June 30, 2025 and 2024 consisted of the following:

			2025	2024
	Interest	Annual Principal	Principal	Principal
	Rates	Installment Due	Amount	Amount
			Outstanding	Outstanding
Series 2012 Due 2027	2.000-3.250%	\$565,000 - \$785,000	\$ 2,110,000	\$ 2,845,000
Series 2013 Due 2028	1.300-2.680	580,000 - 765,000	2,070,000	2,795,000
Series 2018 Due 2038	3.650	140,302 - 353,000	3,646,052	3,874,542
Series 2021 Due 2036	2.174	180,000 - 365,000	2,950,000	3,020,000
Total			<u>\$ 10,776,052</u>	<u>\$ 12,534,542</u>

The Board of Governors of the University issued bonds on May 1, 2012: the University Revenue Bonds, Series 2012 (the Series 2012 Bonds) for \$10,000,000. The proceeds of the Series 2012 Bonds were used to finance certain capital improvements to the University. The University set up a separate 2012 Capital Fee to be used solely for the payment of the bonds. The University drew the required full principal amount by June 12, 2013. The bond proceeds were expended from the trustee as funds are requested for payments on capital projects that were preapproved by the Board of Governors of the University.

The Board of Governors of the University issued bonds on March 6, 2013: the University Revenue Refunding Bonds, Series 2013 (the Series 2013 Bonds) for \$9,810,000. The proceeds of the Series 2013 Bonds were issued to (1) currently refund in full the outstanding Series 2003A, 2003B, and 2003C Bonds and (2) pay the costs of issuance of the Series 2013 Bonds and related costs. The Auxiliary and Institutional Capital Fees originally set up for the Series 2003A, 2003B, and 2003C Bonds are to be used solely for the payment of the Series 2013 Bonds. This issuance of the Series 2013 Bonds resulted in a loss of \$103,105 (which is reflected as deferred outflows of resources on the statement of net position and being amortized over the shorter of the life of the refunded or refunding debt) and an economic gain of \$2,702,042.

The Board of Governors of the University issued bonds on September 20, 2018: the University Capital Improvement Revenue Bonds, Series 2018 (the Series 2018 Bonds) for \$5,132,000. The proceeds of the Series 2018 Bonds were issued to finance certain capital improvements to the University. The bond proceeds are being expended from the trustee as funds are requested for payments on capital projects that were preapproved by the Board of Governors of the University. As of June 30, 2025, \$5,094,490 had been expended from the bond proceeds for costs of issuance and capital expenditures on the Series 2018 Bonds.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 7 BONDS PAYABLE (CONTINUED)

The Board of Governors of the University issued bonds on May 20, 2021: the University Capital Improvement Revenue Bonds, Series 2021 (the Series 2021 Bonds) for \$3,020,000. The proceeds of the Series 2021 Bonds were issued to finance certain capital improvements to the University. The bond proceeds are being expended from the trustee as funds are requested for payments on capital projects that were preapproved by the Board of Governors of the University. As of June 30, 2025, \$2,986,209 had been expended from the bond proceeds for costs of issuance and capital expenditures on the Series 2021 Bonds. The Series 2021 Bonds are secured by the unspent proceeds being held in escrow by the trustee, which is included in cash and cash equivalents, held by trustee in the accompanying statements of net position. The Series 2021 bonds are also secured by equipment purchased from bond proceeds.

The Bonds are special obligations of the State and are not general obligations or a debt of the State. Neither the credit nor the taxing power of the State is pledged for the payment of the Bonds. The above bond issues are fully insured as to principal and interest by the Federal Guaranty Insurance Company.

A summary of the annual aggregate principal and interest payments for years subsequent to June 30, 2025 is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,923,000	\$ 308,888	\$ 2,231,888
2027	2,002,000	251,215	2,253,215
2028	1,596,000	195,303	1,791,303
2029	485,000	157,096	642,096
2030	500,000	142,641	642,641
2031-2035	3,211,000	420,407	3,631,407
2036-2041	1,059,052	58,524	1,117,576
Total	<u>\$ 10,776,052</u>	<u>\$ 1,534,074</u>	<u>\$ 12,310,126</u>

NOTE 8 LEASE AND SBITA LIABILITIES

The University leases equipment, buildings, and software for various terms under long-term lease and SBITA agreements. The leases and SBITAs expire at various dates through 2033 and provide for renewal option ranging from one year to five years. GASB 87 and GASB 96 require the use of an incremental borrowing rate (IBR) since the discount rates applied against payments are not specified in each of the University's agreements. GASB 87 and 96 defines the incremental borrowing rate as the rate a lessee would pay to borrow the lease/SBITA payment amounts during the lease/SBITA term. The University used the explicit borrowing rate provided by the lenders in the lease agreements for their vehicle and bus fleets. For the buildings and software, the rate was not explicitly stated, and the University used a range of 2.50% - 6.00%, based on rates and information provided by the lender.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 8 LEASE AND SBITA LIABILITIES (CONTINUED)

Future minimum lease payments under the lease agreements at June 30, 2025, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 264,884	\$ 73,020	\$ 337,904
2027	275,432	62,473	337,905
2028	284,148	51,573	335,721
2029	295,422	40,299	335,721
2030	224,126	30,616	254,742
2031-2035	736,419	40,744	777,163
Total	<u>\$ 2,080,431</u>	<u>\$ 298,725</u>	<u>\$ 2,379,156</u>

Future minimum SBITA payments under the agreements at June 30, 2025, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 103,611	\$ 9,123	\$ 112,734
2027	86,305	1,903	88,208
2028	30,163	-	30,163
Total	<u>\$ 220,079</u>	<u>\$ 11,026</u>	<u>\$ 231,105</u>

NOTE 9 NOTES PAYABLE

On March 15, 2020, the University borrowed \$1,000,000 from the West Virginia Higher Education Policy Commission to fund energy and water savings projects on campus. The loan is interest free and matures on March 31, 2025. In September 2020, the University borrowed an additional \$1,000,000. The loan is interest free and matures on March 31, 2031. On January 31, 2023, the University borrowed an additional \$1,000,000. This loan is interest free and matures on July 1, 2033.

Future principal payments on these notes payable as of June 30, 2025 are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 200,000
2027	200,000
2028	200,000
2029	200,000
2030	200,000
Thereafter	400,000
Total	<u>\$ 1,400,000</u>

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS

Employees of the University are enrolled in the West Virginia Other Postemployment Benefit Plan (the OPEB plan) which is administered by the West Virginia Public Employees Insurance Agency (PEIA) and the West Virginia Retiree Health Benefit Trust Fund (the RHBT).

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Following is the University's other postemployment benefits liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, revenues, and other postemployment benefits expense and expenditures for the fiscal years ended June 30, 2025 and 2024 (dollars in thousands):

	2025	2024
Net OPEB (Asset) Liability	\$ (50)	\$ (417)
Deferred Outflows of Resources	\$ 337	\$ 172
Deferred Inflows of Resources	\$ 235	\$ 605
Revenues (Expense)	\$ 85	\$ (301)
OPEB Expense	\$ (83)	\$ (1,362)
Contributions Made by the University	\$ 124	\$ 48

Plan Description

The OPEB plan is a cost-sharing, multiple-employer, defined-benefit other postemployment benefit plan that covers the retirees of State agencies, colleges and universities, county boards of education, and other government entities as set forth in West Virginia Code Section 5-16D-2 (the Code). Plan benefits are established and revised by PEIA and the RHBT with approval of the Finance Board. The Finance Board is comprised of ten members. Finance Board members are appointed by the Governor, serve a term of four years, and are eligible for reappointment. The State Department of Administration secretary serves as Chairman of the Board. Four members represent labor, education, public employees, and public retirees. Four remaining members represent the public-at-large.

Active employees who retire are eligible for PEIA health and life benefits, provided they meet the minimum eligibility requirements of the applicable State retirement system and if their last employer immediately prior to retirement is a participating employer under the Consolidated Public Retirement Board (CPRB) and, as of July 1, 2008 forward, is a participating employer with PEIA. Active employees who, as of July 1, 2008, have 10 years or more of credited service in the CPRB and whose employer at the time of their retirement does participate with CPRB, but does not participate with PEIA will be eligible for PEIA retiree coverage provided: they otherwise meet all criteria under this heading and their employer agrees, in writing, upon a form prescribed by PEIA, that the employer will pay to PEIA the nonparticipating retiree premium on behalf of the retiree or retirees, or that the retiree agrees to pay the entire unsubsidized premium themselves. Employees who participate in non-State retirement systems but that are CPRB system affiliated, contracted, or approved (such as TIAA-CREF and Empower Retirement), or are approved, in writing, by the PEIA Director must, in the case of education employees, meet the minimum eligibility requirements of the State Teachers Retirement System (STRS), and in all other cases meet the minimum eligibility requirements of the Public Employees Retirement System to be eligible for PEIA benefits as a retiree.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Description (Continued)

The financial activities of the OPEB plan are accounted for in the RHBT, a fiduciary fund of the State of West Virginia. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources, and the OPEB expense, the information used is consistent with that reported on the RHBT financial statements. The RHBT audited financial statements and actuarial reports can be found on the PEIA website at www.peia.wv.gov.

Benefits Provided

The OPEB plan provides the following benefits: medical and prescription drug insurance and life insurance. The medical and prescription drug insurance is provided through two options: the self-insured preferred provider benefit plan option, which is primarily for non-Medicare-eligible retirees and spouses; and the external managed care organization option, which is primarily for Medicare-eligible retirees and spouses.

Contributions

Pay as you go premiums (paygo) are established by the 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 active premiums subsidize the retirees' health care. There will be no paygo billed in fiscal year 2024.

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 between July 1, 1997 and 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 vacation leave days into 100% of the required retiree healthcare contribution.
- Members hired from July 1, 1988 to June 30, 2001 may convert sick or vacation leave days into 50% of the required retiree healthcare contribution.

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

Employees hired on or after July 1, 2001 no longer receive sick and/or vacation leave credit toward the required retiree healthcare contribution when they retire. All retirees have the option to purchase continued coverage regardless of their eligibility for premium credits.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Contributions (Continued)

Certain faculty employees (generally those with less than a 12-month contract) earn a similar extended health or life insurance coverage retirement benefit based on years of service. Generally, 3½ years of teaching service extend health insurance coverage for one year of family coverage. Faculty hired after July 1, 2009 no longer receive years of service credit toward insurance premiums when they retire. Faculty hired on or after July 1, 2010 receive no health insurance premium subsidy when they retire. Two groups of employees hired after July 1, 2010 will not be required to pay the unsubsidized rate: 1) active employees who were originally hired before July 1, 2010 who have a break in service of fewer than two years after July 1, 2010; and 2) retired employees who had an original hire date prior to July 1, 2010 may return to active employment. In those cases, the original hire date may apply.

Basis of Allocation

OPEB amounts have been allocated to each contributing employer based on their proportionate share of employer contributions to the RHBT. Effective July 1, 2017, certain employers that met the plan's opt out criteria and chose not to participate in the plan coverage were no longer required to make contributions to the plan. The amounts previously allocated to such employers for the net OPEB liability and related deferred inflows, and deferred outflows are reallocated to the remaining employers participating in the cost sharing plan. The plan reallocates these balances to the remaining active employers based on their proportionate share of contributions made in the period of reallocation.

Assumptions

The June 30, 2025 OPEB liability (asset) for financial reporting purposes was determined by an actuarial valuation as of June 30, 2023, and a measurement date of June 30, 2024. The June 30, 2024 OPEB liability (asset) for financial reporting purposes was determined by an actuarial valuation as of June 30, 2023, 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%.
- Discount rate: 7.40%
- 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 per capita costs of 5.0% for medical and 8.0% for drug, the trends increase over four years to 7.0% and 9.5%, respectively, and then decrease linearly for 5 years until ultimate trend rate of 4.50% reached in plan year 2033.
- Actuarial cost method: Entry age normal cost method.
- Amortization method: Level percentage of payroll over a 20-years.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Assumptions (Continued)

- Mortality rates: Postretirement, Pub-2010 general Healthy Retiree Mortality Tables (100% males, 108% females) projected with MP-2021. Pre-retirement, Pub-2010 general Healthy Retiree Mortality Tables (100% males, 100% females) projected with MP-2021.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

The long-term investment 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 West Virginia Investment Management Board (IMB) and an expected short-term rate of return of 2.75% for assets invested with the WV Board of Treasury Investments (BTI).

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages. The target allocation and estimates of annualized long-term expected real returns assuming a 10-year horizon are summarized below:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
Equity	7.4 %	45.0 %
Fixed Income	3.9	15.0
Private Credit and Income	7.4	06.0
Private Equity	10.0	12.0
Real Estate	7.7	12.0
Hedge Fund	4.5	10.0
Total		<u>100.0 %</u>

Discount rate. The discount rate used to measure the OPEB liability was 7.40%. 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.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Assumptions (Continued)

Sensitivity of the net pension liability to changes in the discount rate.

The following presents the University's proportionate share of the net OPEB liability as of June 30, 2025 and 2024 calculated using the applicable discount rate, as well as what the University's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the applicable rate (dollars in thousands):

	One Percent Decrease	Current Discount Rate	One Percent Increase
	(6.40%) 2025	(7.40%) 2025	(8.40%) 2025
	(6.40%) 2024	(7.40%) 2024	(8.40%) 2024
Net OPEB (Asset) Liability 2025	\$ 218	\$ (50)	\$ (273)
Net OPEB (Asset) Liability 2024	(71)	(417)	(798)

Sensitivity of the net OPEB liability to changes in healthcare cost trend rates.

The following presents the University's proportionate share of the net OPEB liability as of June 30, 2025 and 2024 calculated using the current healthcare cost trend rates, as well as what the University's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates (dollars in thousands):

	One Percent Decrease	Current Healthcare Cost Trend Rates	One Percent Increase
Net OPEB (Asset) Liability 2025	\$ (393)	\$ (50)	\$ 366
Net OPEB (Asset) Liability 2024	(1,063)	(417)	351

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2025 and 2024, the amount recognized as the University's proportionate share of the net OPEB liability (asset) was approximately (\$49,958) and (\$417,471), respectively. At June 30, 2025, the nonemployer contributing entity's (State of West Virginia) portion of the collective net OPEB liability (asset) is (\$156,912) and the total net OPEB liability/(asset) attributable to the University is (\$206,870). At June 30, 2024, the nonemployer contributing entity's (State of West Virginia) portion of the collective net OPEB liability is \$156,912 and the total net OPEB liability attributable to the University is \$49,958.

The allocation percentage assigned to each contributing employer is based on the employer's proportionate share of employer contributions to the RHBT for the fiscal years ended June 30, 2024 and June 30, 2023. Employer contributions are recognized when due. At June 30, 2024, the University's proportion was 0.119986701%, a decrease of 0.143819741% from its proportion of 0.263806442%, calculated as of June 30, 2023.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Assumptions (Continued)

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the years ended June 30, 2025 and 2024, the University recognized OPEB expense of \$(82,476) and \$(1,362,999) respectively. Of this amount, \$(167,057) and \$(1,061,622) for the years ended June 30, 2025 and 2024, respectively, was recognized as the University's proportionate share of the OPEB expense, and \$84,581 and (\$301,378) for the years ended June 30, 2025 and 2024, respectively, as the amount of OPEB expense attributed to special funding. The University also recognized revenue (expense) of \$84,581 and (\$301,378) for the years ended June 30, 2025 and 2024, respectively, for support provided by the State.

At June 30, 2025, deferred outflows of resources and deferred inflows of resources related to OPEB are as follows (dollars in thousands):

	<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	\$ 19	\$ 69
Net Difference Between Projected and Actual Investment Earnings	175	57
Differences Between Expected and Actual Experience	-	50
Changes in Assumptions	19	59
Contributions After the Measurement Date	124	-
Total	<u>\$ 337</u>	<u>\$ 235</u>

The University will recognize the \$124,268 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as a reduction to OPEB expense as follows (dollars in thousands):

<u>Fiscal Year Ended</u>	<u>Amortization</u>
June 30, 2025	\$ (98)
June 30, 2026	(101)
June 30, 2027	80
June 30, 2028	97
Total	<u>\$ (22)</u>

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Assumptions (Continued)

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

At June 30, 2024, deferred outflows of resources and deferred inflows of resources related to OPEB are as follows (dollars in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	\$ 9	\$ 122
Net Difference Between Projected and Actual Investment Earnings	-	7
Differences Between Expected and Actual Experience	-	243
Changes in Assumptions	115	233
Contributions After the Measurement Date	48	-
Total	<u>\$ 172</u>	<u>\$ 605</u>

NOTE 11 UNRESTRICTED NET POSITION

The University did not have any designated unrestricted net position as of June 30, 2025 or 2024.

	2025	2024
Total Unrestricted Net Position Before OPEB Liability	\$ 5,671,903	\$ 8,609,716
Less: OPEB Liability (Asset)	(49,958)	(417,471)
Total Unrestricted Net Position	<u>\$ 5,721,861</u>	<u>\$ 9,027,187</u>

NOTE 12 STATE SYSTEM OF HIGHER EDUCATION INDEBTEDNESS

The University is a State institution of higher education, and the University 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 University'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 Universities, including certain facilities of the University. Financing for these facilities was provided through revenue bonds issued by the former Board of Regents or the former Boards of the University and University Systems (the Boards). These obligations administered by the Commission are the direct and total responsibility of the Commission, as successor to the former Boards.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 12 STATE SYSTEM OF HIGHER EDUCATION INDEBTEDNESS (CONTINUED)

The Commission has the authority to assess each public institution of higher education for payment of debt service on these system bonds. The education and general capital fees (previously tuition and registration fees) of the members of the former State University System are generally pledged as collateral for the Commission's bond indebtedness. Student fees collected by the institution in excess of the debt service allocation are retained by the institution for internal funding of capital projects and maintenance. Although the bonds remain as capital obligation of the Commission, an estimate of the obligation of each institution is reported as a long-term payable by each institution and as a receivable by the Commission, effective as of June 30, 2002.

For the years ended June 30, 2025 and 2024 the debt service allocations assessed were as follows:

	2025	2024
Principal	\$ 187,147	\$ 177,434
Interest	22,105	30,849
Other	17,669	17,513
Total	<u>\$ 226,921</u>	<u>\$ 225,796</u>

NOTE 13 DEFINED BENEFIT PENSION PLAN

Some employees of the University are enrolled in a defined benefit pension plan, the West Virginia Teachers' Retirement System (TRS), which is administered by the West Virginia Consolidated Public Retirement Board (CPRB).

Following is the University's pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, revenues, and the pension expense and expenditures for the fiscal years ended June 30, 2025 and 2024:

	2025	2024
Net Pension Liability	<u>\$ -</u>	<u>\$ 17,216</u>
Deferred Outflows of Resources	<u>\$ -</u>	<u>\$ 2,133</u>
Deferred Inflows of Resources	<u>\$ 135,773</u>	<u>\$ 171,021</u>
Revenues - Payments on Behalf of the University	<u>\$ -</u>	<u>\$ (4,158)</u>
Pension Expense	<u>\$ (50,331)</u>	<u>\$ (72,652)</u>
Contributions Made by WLU	<u>\$ -</u>	<u>\$ -</u>

Plan Description

TRS is a multiple-employer defined-benefit cost sharing public employee retirement system providing retirement benefits as well as death and disability benefits. It covers all full-time employees of the 55 county public school systems in the State of West Virginia (the State) and certain personnel of the 13 State-supported institutions of higher education, State Department of Education and the Higher Education Policy Commission hired prior to July 1, 1991. Employees of the State-supported institutions of higher education and the Higher Education Policy Commission hired after June 30, 1991, are required to participate in the Higher Education Retirement System. TRS closed membership to new hires effective July 1, 1991.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 13 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Description (Continued)

TRS 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 Comprehensive Annual Financial Report. TRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the Plan. A copy of the report may be obtained from the TRS website at <https://www.wvretirement.com/Publications.html#AnnualReport>.

Benefits Provided

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

Contributions

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

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

Employer Contributions: Employers make the following contributions:

The State (including institutions of higher education) contributes:

1. 15% of gross salary of their State-employed members hired prior to July 1, 1991;
2. 7.5% of SAF-covered payroll of members of the TDCRS;
3. a certain percentage of fire insurance premiums paid by State residents; and
4. under WV State code section 18-9-A-6a, beginning in fiscal year 1996, an amount determined by the State Actuary as being needed to eliminate the TRS unfunded liability within 40 years of June 30, 1994. As of the June 30, 2023 and 2022 measurement dates, respectively, the University's proportionate share attributable to this special funding subsidy was \$0 and \$36,232 and is recorded as revenue/(expense).

**WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 13 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions (Continued)

The University's contributions to TRS for the years ended June 30, 2025, 2024, and 2023, were approximately \$-0-, \$-0-, and \$1,237, respectively.

Assumptions

The total pension liabilities for June 30, 2025 and 2024 financial reporting purposes were determined by actuarial valuations as of July 1, 2023 and 2022, respectively, and rolled forward to June 30, 2024 and 2023, respectively. The following actuarial assumptions were used and applied to all periods included in the measurement:

- Actuarial cost method: Entry age normal cost with level percentage of payroll.
- Asset valuation method: Investments are reported at fair value.
- Amortization method and period for contributions: Level dollar, fixed period through fiscal year 2034.
- Investment rate of return of 7.25%, net of pension plan administrative and investment expenses.
- Projected salary increases: Teachers 2.75%-5.90% and Non-Teachers 2.75%–6.50%, based on age.
- Inflation rate of 2.75%.
- Discount rate of 7.25%.
- Mortality rates: Active – based on Pub-2010 General Employee Tables.
- Withdrawal rates: Teachers 7%-35% and Non-Teachers 2.30%-18%.
- Disability rates: 0.004%-0.563%.
- Retirement age: An age-related assumption is used for participants not yet receiving payments.
- Retirement rates: 15%-100%, based on age, after 55.
- Ad hoc cost-of-living increases in pensions are periodically granted by the State Legislature. However, the retirement system makes no automatic provision for such increases.

Experience studies are performed at least once in every five-year period. The most recent experience study covered the period from July 1, 2015 to June 30, 2020. These assumptions will remain in effect for valuation purposes until such time as the CPRB adopts revised assumptions.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 13 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the long-term geometric real rates of return for each major asset class included in TRS' target asset allocation as of June 30, 2024 and June 30, 2023, are summarized below.

2025		
Long-Term		
Expected Real		
Asset Class	Rate of Return	Target Allocation
Domestic Equity	6.5 %	22.5 %
International Equity	9.1	22.5
Core Fixed Income	4.3	15.0
Real Estate	5.8	12.0
Private Equity	9.2	12.0
Private Credit	9.8	6.0
Hedge Funds	4.6	10.0

2024		
Long-Term		
Expected Real		
Asset Class	Rate of Return	Target Allocation
Domestic Equity	6.5 %	27.5 %
International Equity	9.1	27.5
Core Fixed Income	4.3	15.0
Real Estate	5.8	10.0
Private Equity	9.2	10.0
Hedge Funds	4.6	10.0

Discount rate. The discount rate used to measure the total TRS pension liability was 7.25% for fiscal years ending June 30, 2025 and 2024. The projection of cash flows used to determine the discount rate assumed that State contributions will continue to follow the current funding policy. Based on those assumptions, TRS' 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 TRS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the University's proportionate share of the TRS net pension liability as of June 30, 2025 and 2024 calculated using the discount rate of 7.25%, as well as what the University's TRS net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate (dollars in thousands).

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 13 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Assumptions (Continued)

	One Percent Decrease (6.25%)	Current Discount Rate (7.25%)	One Percent Increase (8.25%)
Net Pension Liability 2025	\$ -	\$ -	\$ -
	One Percent Decrease (6.25%)	Current Discount Rate (7.25%)	One Percent Increase (8.25%)
Net Pension Liability 2024	\$ 26	\$ 17	\$ 9

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

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

At June 30, 2025 and 2024, the University's proportionate share of the TRS net pension liability was \$0 and \$51,362. Of this amount, the University recognized \$0 and \$17,216, respectively, as its proportionate share on the Statement of Net Position. The remainder of \$0 and \$34,146, respectively, denotes the University's proportionate share of net pension liability attributable to the special funding provided by the state.

The allocation percentage assigned to each participating employer and nonemployer contributing entity is based on their proportionate share of employer and nonemployer contributions to TRS for each of the fiscal years ended June 30, 2024 and 2023. Employer contributions are recognized when due. At the June 30, 2024 measurement date, the University's proportion was 0.000000%, a decrease of 0.000752% from its proportion of 0.000752%, calculated as of June 30, 2023.

For the years ended June 30, 2025 and 2024, the University recognized TRS pension expense of \$0 and (\$72,652), respectively. Of this amount, \$0 and (\$76,810), respectively was recognized as the University's proportionate share of the TRS (benefit) expense, \$0 and \$4,158 respectively, as the amount of pension expense attributable to special funding from a nonemployer contributing entity and \$-0- and \$-0-, respectively, as the amount of pension expense from a nonemployer contributing entity not attributable to a special funding situation. The University also recognized (revenue)/expense of \$0 and \$4,158, respectively, for support provided by the State.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 13 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

At June 30, 2025, deferred outflows of resources and deferred inflows of resources related to the TRS pension are as follows:

Deferred Outflows and Inflows	2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	\$ -	\$ 135,773
Net Difference Between Projected and Actual Investment Earnings	-	-
Difference Between Projected and Actual Experience	-	-
Changes in Assumptions	-	-
Contributions After Measurement Date	-	-
Total	<u>\$ -</u>	<u>\$ 135,773</u>

The University will recognize the \$-0- reported as deferred outflows of resources resulting from pension contributions after the measurement date as a reduction of the TRS net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in TRS pension expense as follows:

<u>Fiscal Year Ended</u>	<u>Amortization</u>
June 20, 2026	\$ (57,204)
June 20, 2027	(40,016)
June 20, 2028	(38,553)
Total	<u>\$ (135,773)</u>

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 13 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

At June 30, 2024, deferred outflows of resources and deferred inflows of resources related to the TRS pension were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	\$ 475	\$ 170,978
Net Difference Between Projected and Actual Investment Earnings	303	-
Difference Between Projected and Actual Experience	628	43
Changes in Assumptions	727	-
Contributions After Measurement Date	-	-
Total	<u>\$ 2,133</u>	<u>\$ 171,021</u>

Payables to the Pension Plan

The University did not report any amounts payable for normal contributions to the TRS as of June 30, 2025 and 2024.

NOTE 14 RETIREMENT PLANS

Substantially all full-time employees of the University participate in either the West Virginia Teachers' Retirement System (the TRS) or the Teachers' Insurance and Annuities Association – University Retirement Equities Fund (the TIAA-CREF). (See Note 13 for information regarding TRS).

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

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

**WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 14 RETIREMENT PLANS (CONTINUED)

Total contributions to the TIAA-CREF for the years ended June 30, 2025, 2024, and 2023 were \$2,174,889, \$2,117,324, and \$2,180,810, respectively, which consisted of equal contributions from the University and covered employees of \$1,087,445 in 2025, \$1,058,662 in 2024, and \$1,090,405 in 2023.

Total contributions to the Educators Money for the years ended June 30, 2025, 2024, and 2023 were \$10,464, \$38,542, and \$38,932, respectively, which consisted of equal contributions from the University and covered employees of \$5,232 in 2025, \$19,271 in 2024, and \$19,466 in 2023.

The University's total payroll for the years ended June 30, 2025, 2024, and 2023 was \$18,211,273, \$17,965,540 and \$19,337,263, respectively, and total covered employees' salaries in the TIAA-CREF, and Educators Money were \$18,124,076 and \$87,197, respectively, in 2025; \$17,644,359 and \$321,181, respectively, in 2024 \$18,173,417 and \$324,430, respectively, in 2023.

NOTE 15 CONTINGENCIES

The nature of the education industry is such that, from time-to-time, claims will be presented against the University 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 education 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 University would not seriously impact the financial status of the University.

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

The Internal Revenue Code of 1986 establishes rules and regulations for arbitrage rebates. There were no arbitrage rebate liabilities that were recorded in the financial statements as of June 30, 2025 and 2024.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 15 CONTINGENCIES (CONTINUED)

The University owns various buildings that are known to contain asbestos. The University is not required by federal, state, or local law to remove the asbestos from its buildings. The University is required by Federal Environmental, Health, and Safety Regulations to manage the presence of asbestos in its buildings in a safe condition. The University addresses its responsibility to manage the presence of asbestos in its buildings on a case-by-case basis. Significant problems of dangerous asbestos conditions are abated as the condition becomes known. The University also addresses the presence of asbestos as building renovation or demolition projects are undertaken and through asbestos operation and maintenance programs directed at containing, managing, or operating with the asbestos in a safe condition.

NOTE 16 SEGMENT INFORMATION

Under the auspices of the State and the Board of Governors, the University issued revenue bonds to finance certain of its auxiliary enterprise activities and capital improvements. Investors in those bonds rely solely on the revenue generated from new capital fees created for repayment.

Descriptive information for each of the University's segments is shown below:

- a. *The Board of Governors of the University issued University Revenue Refunding Bonds, Series 2013.*

On March 6, 2013, the University issued University Revenue Refunding Bonds, Series 2013, amounting to \$9,810,000. The Series 2013 Bonds were issued to (1) currently refund in full the outstanding Series 2003A, 2003B, and 2003C Bonds and (2) pay the costs of issuance of the Series 2013 Bonds and related costs.

The Series 2013 Bonds outstanding consist of \$2,070,000 Term Bonds as follows:

Principal Amount	Maturity Date	Interest Rate
\$ -	May 1, 2025	2.48%
2,070,000	May 1, 2028	2.68

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 16 SEGMENT INFORMATION (CONTINUED)

- b. The Board of Governors of the University issued University Revenue Bonds, Series 2012.*

On May 1, 2012, the University issued University Revenue Bonds, Series 2012, amounting to \$10,000,000. The Series 2012 Bonds were issued to finance capital improvements.

The Series 2012 Bonds outstanding consist of \$2,110,000 Term Bonds as follows:

Principal Amount	Maturity Date	Interest Rate
\$ -	November 1, 2023	2.75%
2,110,000	November 1, 2027	3.25

- c. The Board of Governors of the University issued University Revenue Bonds, Series 2018.*

On September 20, 2018, the University issued University Revenue Bonds, Series 2018, amounting to \$5,132,000. The Series 2018 Bonds were issued to finance capital improvements.

The Series 2018 Bonds outstanding consist of \$3,646,052 Term Bonds with variable principal payments at an interest rate of 3.65% and matures on June 1, 2038.

- d. The Board of Governors of the University issued University Revenue Bonds, Series 2021.*

On May 20, 2021, the University issued University Revenue Bonds, Series 2021, amounting to \$3,020,000. The Series 2021 Bonds were issued to finance capital improvements.

The Series 2021 Bonds outstanding consist of \$2,950,000 Term Bonds with variable principal payments at an interest rate of 3.65% and matures on May 1, 2036.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 16 SEGMENT INFORMATION (CONTINUED)

	2025			
	WLU Revenue Bond Issue 2021 as of Year Ended June 30, 2025	WLU Revenue Bond Issue 2018 as of Year Ended June 30, 2025	WLU Revenue Refunding Bond 2013 as of Year Ended June 30, 2025	WLU Revenue Bond Issue 2012 as of Year Ended June 30, 2025
Condensed Statements of Net Position				
Assets:				
Current Assets	\$ 135,655	\$ 360,220	\$ 4,143,222	\$ 1,447,345
Noncurrent Assets	3,446,070	4,742,178	7,939,562	7,090,382
Deferred Outflows of Resources	-	-	19,340	-
Total Assets and Deferred Outflows of Resources	<u>\$ 3,581,725</u>	<u>\$ 5,102,398</u>	<u>\$ 12,102,124</u>	<u>\$ 8,537,727</u>
Liabilities:				
Current Liabilities	\$ 185,836	\$ 244,586	\$ 757,246	\$ 862,809
Noncurrent Liabilities	2,770,000	3,407,302	1,325,000	1,350,000
Total Liabilities	<u>2,955,836</u>	<u>3,651,888</u>	<u>2,082,246</u>	<u>2,212,809</u>
Net Position:				
Net Investments in Capital Assets	631,725	(88,429)	6,269,050	7,088,779
Unrestricted	(5,836)	1,538,939	3,750,828	(763,861)
Total Net Position	<u>625,889</u>	<u>1,450,510</u>	<u>10,019,878</u>	<u>6,324,918</u>
Total Liabilities and Net Position	<u>\$ 3,581,725</u>	<u>\$ 5,102,398</u>	<u>\$ 12,102,124</u>	<u>\$ 8,537,727</u>

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 16 SEGMENT INFORMATION (CONTINUED)

	2025			
	WLU Revenue Bond Issue 2021 as of Year Ended June 30, 2025	WLU Revenue Bond Issue 2018 as of Year Ended June 30, 2025	WLU Revenue Refunding Bond 2013 as of Year Ended June 30, 2025	WLU Revenue Bond Issue 2012 as of Year Ended June 30, 2025
Condensed Statements of Revenues, Expenses, and Changes in Net Position				
Operating:				
Operating Revenues	\$ -	\$ -	\$ 1,825,149	\$ 910,801
Net Operating Income	-	-	1,825,149	910,801
Nonoperating:				
Nonoperating Revenues	-	-	-	406
Nonoperating Expenses	(202,930)	(447,389)	(843,325)	(371,178)
Prior Period Adjustment	135,655	358,959	(1,014,975)	-
Net Nonoperating Expense	(67,275)	(88,430)	(1,858,300)	(370,772)
Net Increase in Net Position	(67,275)	(88,430)	(33,151)	540,029
Net Position - Beginning of Year	693,164	1,455,451	9,197,148	5,784,890
Net Position - End of Year	<u>\$ 625,889</u>	<u>\$ 1,367,021</u>	<u>\$ 9,163,997</u>	<u>\$ 6,324,919</u>
Condensed Statements of Cash Flows				
Net Cash Provided by Operating Activities	\$ 65,655	\$ 372,823	\$ 1,825,149	\$ 910,801
Net Cash Provided (Used) by Capital and Related Financing Activities	(135,655)	(360,220)	(2,158,001)	(815,090)
Net Increase (Decrease) in Cash and Cash Equivalents	70,000	(12,603)	(332,852)	95,711
Cash and Cash Equivalents - Beginning of Year	65,655	372,823	5,132,563	1,351,652
Cash and Cash Equivalents - End of Year	<u>\$ 135,655</u>	<u>\$ 360,220</u>	<u>\$ 4,799,711</u>	<u>\$ 1,447,363</u>

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 16 SEGMENT INFORMATION (CONTINUED)

	2024			
	WLU Revenue Bond Issue 2021 as of Year Ended June 30, 2024	WLU Revenue Bond Issue 2018 as of Year Ended June 30, 2024	WLU Revenue Refunding Bond 2013 as of Year Ended June 30, 2024	WLU Revenue Bond Issue 2012 as of Year Ended June 30, 2024
Condensed Statements of Net Position				
Assets:				
Current Assets	\$ 65,655	\$ 372,823	\$ 4,639,097	\$ 1,351,634
Noncurrent Assets	3,647,509	5,046,493	8,195,229	7,365,654
Deferred Outflows of Resources	-	-	25,950	-
Total Assets and Deferred Outflows of Resources	<u>\$ 3,713,164</u>	<u>\$ 5,419,316</u>	<u>\$ 12,860,276</u>	<u>\$ 8,717,288</u>
Liabilities:				
Current Liabilities	\$ 70,000	\$ 234,836	\$ 737,246	\$ 822,398
Noncurrent Liabilities	2,950,000	3,645,542	2,070,000	2,110,000
Total Liabilities	<u>3,020,000</u>	<u>3,880,378</u>	<u>2,807,246</u>	<u>2,932,398</u>
Net Position:				
Net Investments in Capital Assets	693,163	129,539	5,806,327	7,344,319
Unrestricted	1	1,409,399	4,246,703	(1,559,429)
Total Net Position	<u>693,164</u>	<u>1,538,938</u>	<u>10,053,030</u>	<u>5,784,890</u>
Total Liabilities and Net Position	<u>\$ 3,713,164</u>	<u>\$ 5,419,316</u>	<u>\$ 12,860,276</u>	<u>\$ 8,717,288</u>

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 16 SEGMENT INFORMATION (CONTINUED)

	2024			
	WLU Revenue Bond Issue 2021 as of Year Ended June 30, 2024	WLU Revenue Bond Issue 2018 as of Year Ended June 30, 2024	WLU Revenue Refunding Bond 2013 as of Year Ended June 30, 2024	WLU Revenue Bond Issue 2012 as of Year Ended June 30, 2024
Condensed Statements of Revenues, Expenses, and Changes in Net Position				
Operating:				
Operating Revenues	\$ -	\$ -	\$ 1,752,896	\$ 964,534
Net Operating Income	-	-	1,752,896	964,534
Nonoperating:				
Nonoperating Revenues	-	-	-	682
Nonoperating Expenses	197,094	(473,147)	(1,675,062)	(401,660)
Prior Period Adjustment	-	519,703	(855,882)	-
Net Nonoperating Expense	197,094	46,556	(2,530,944)	(400,978)
Net Increase in Net Position	197,094	46,556	(778,048)	563,556
Net Position - Beginning of Year	-	1,408,895	9,975,196	5,221,334
Net Position - End of Year	<u>\$ 197,094</u>	<u>\$ 1,455,451</u>	<u>\$ 9,197,148</u>	<u>\$ 5,784,890</u>
Condensed Statements of Cash Flows				
Net Cash Provided by Operating Activities	\$ -	\$ 378,893	\$ 1,752,896	\$ 964,534
Net Cash Provided (Used) by Capital and Related Financing Activities	65,655	(372,823)	(2,040,532)	(816,980)
Net Increase (Decrease) in Cash and Cash Equivalents	65,655	(6,070)	(287,636)	147,554
Cash and Cash Equivalents - Beginning of Year	-	378,893	5,420,199	1,204,098
Cash and Cash Equivalents - End of Year	<u>\$ 65,655</u>	<u>\$ 372,823</u>	<u>\$ 5,132,563</u>	<u>\$ 1,351,652</u>

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 17 NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

For the years ended June 30, 2025 and 2024, the following tables represent operating expenses within both natural and functional classifications:

2025								
	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation and Amortization	Loan Cancellations and Write-Offs	Total
Instruction	\$ 10,839,927	\$ 2,467,292	\$ 1,186,094	\$ 6,315	\$ -	\$ -	\$ -	\$ 14,499,628
Research	423,232	47,619	560,789	-	-	-	-	1,031,640
Public Service	-	-	-	-	-	-	-	-
Academic Support	1,461,153	336,616	351,105	-	-	-	-	2,148,874
Student Services	1,309,336	407,848	403,377	-	-	-	-	2,120,561
General Institutional Support	2,024,451	568,487	3,813,801	571,368	-	-	-	6,978,107
Operations and Maintenance of Plant	1,345,221	467,640	666,175	1,065,193	-	-	-	3,544,229
Student Financial Aid	-	-	-	-	1,485,733	-	-	1,485,733
Auxiliary Enterprises	2,724,283	670,933	5,677,141	1,240,656	-	-	-	10,313,013
Depreciation	-	-	-	-	-	4,007,714	-	4,007,714
Other	-	-	-	-	-	-	520,428	520,428
Total	<u>\$ 20,127,603</u>	<u>\$ 4,966,435</u>	<u>\$ 12,658,482</u>	<u>\$ 2,883,532</u>	<u>\$ 1,485,733</u>	<u>\$ 4,007,714</u>	<u>\$ 520,428</u>	<u>\$ 46,649,927</u>

2024								
	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation and Amortization	Loan Cancellations and Write-Offs	Total
Instruction	\$ 11,013,455	\$ 1,813,068	\$ 1,201,959	\$ 2,157	\$ -	\$ -	\$ -	\$ 14,030,639
Research	396,303	27,660	831,422	-	-	-	-	1,255,385
Public Service	-	-	-	-	-	-	-	-
Academic Support	1,377,245	249,162	410,241	-	-	-	-	2,036,648
Student Services	1,194,146	259,701	402,842	-	-	-	-	1,856,689
General Institutional Support	2,218,303	325,925	3,117,968	450,975	-	-	-	6,113,171
Operations and Maintenance of Plant	1,281,158	347,075	721,096	944,138	-	-	-	3,293,467
Student Financial Aid	-	-	-	-	2,562,899	-	-	2,562,899
Auxiliary Enterprises	2,512,742	427,108	4,325,699	1,129,917	-	-	-	8,395,466
Depreciation	-	-	-	-	-	4,029,591	-	4,029,591
Other	-	-	-	-	-	-	97,630	97,630
Total	<u>\$ 19,993,352</u>	<u>\$ 3,449,699</u>	<u>\$ 11,011,227</u>	<u>\$ 2,527,187</u>	<u>\$ 2,562,899</u>	<u>\$ 4,029,591</u>	<u>\$ 97,630</u>	<u>\$ 43,671,585</u>

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 18 BALANCES DUE TO OR FROM WEST VIRGINIA STATE AGENCIES

For the years ended June 30, 2025 and 2024, the following table represents amounts due (to) from West Virginia State Agencies:

	2025	2024
Amounts Due to State Agencies:		
West Virginia BRIM	\$ 105,178	\$ -
Other Agencies	6,638	-
Current Liability Due to State Agencies Included in Accounts Payable	111,816	-
Debt Obligation to Higher Education Policy Commission	(383,710)	(570,857)
Notes Payable to Higher Education Policy Commission	(1,400,000)	(1,900,000)
Total Amounts Due to State Agencies	<u>\$ (1,671,894)</u>	<u>\$ (2,470,857)</u>
Amounts Due from State Agencies:		
Higher Education Policy Commission - Interest Receivable	\$ -	\$ -
West Virginia Department of Commerce	23,725	41,609
Division of Natural Resources	-	-
Total Amounts Due from State Agencies	<u>\$ 23,725</u>	<u>\$ 41,609</u>

NOTE 19 COMPONENT UNIT DISCLOSURE

Nature of Activities

The West Liberty University Foundation, Inc. (the Foundation) was formed with the purpose of receiving and administering funds for scientific, educational, athletic, and charitable purposes for the support and benefit of West Liberty University (the University). The oversight of the Foundation is the responsibility of an independently elected Board of Directors who are not otherwise affiliated with the University. The President of the University is a non-voting member of the Board of Directors. While contributions are generally for the benefit and support of the University, the Foundation exercises discretion over the distribution of assets.

During the years ended June 30, 2025 and 2024, the Foundation contributed \$1,387,730 and \$1,701,169, respectively, to the University for scholarships, capital improvements, athletic, academic, and other programs.

The following significant notes have been taken from the Foundation's audited financial statements. A complete set of financial statements can be obtained from the West Liberty University Foundation, Inc.

Summary of Significant Accounting Policies

Basis of Accounting – The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 19 COMPONENT UNIT DISCLOSURE (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Net Assets – The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as net assets without donor restrictions and net assets with donor restrictions.

Net Assets without Donor Restriction – Net assets without donor restriction are resources that are available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into during the course of its operations.

Net Assets with Donor Restriction – Net assets with donor restriction are resources that are restricted by a donor for use for a particular purpose, or in a particular future period. Some donor restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Foundation must continue to use the resources in accordance with the donor's instructions.

The Foundation's unspent contributions are included in this class if the donor limited their use, as are its donor-restricted endowment funds and its beneficial interest in a perpetual charitable trust that is held by a bank trustee.

When a donor's restriction is satisfied, either by using the resources in the manner that is specified by the donor or by the passing of time, the net assets with donor restriction are reclassified as net assets without donor restriction in the Statements of Financial Position and are also reported as net assets released from restriction in the Statements of Activities. Net assets that are restricted for the acquisition of buildings or equipment (or, less commonly, the contribution of those assets directly) are reported as net assets with donor restriction until the specified asset is placed in service by the Foundation, unless the donor provides more specific directions about the period of its use.

Income Taxes – West Liberty Foundation, Inc. is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Foundation has analyzed tax positions taken for filing with the Internal Revenue Service and all state and local jurisdictions where it operates. The Foundation believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Foundation's Statement of Financial Position or Statement of Activities. Accordingly, the Foundation has not recorded any reserves or related accruals for interest and penalties for uncertain tax positions at June 30, 2025. The Foundation believes it is no longer subject to income tax examinations for fiscal years prior to 2022.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 19 COMPONENT UNIT DISCLOSURE (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amount of revenue and expenses during the reporting period, as well as disclosures. Accordingly, actual results could differ from those estimates.

Contributions – The contributions that are received are recorded as increases in net assets without donor restrictions, unless the use of the contributed assets is specifically restricted by the donor. The amounts that are received that are restricted by the donor for use in future periods, or for specific purposes, are reported as increases in net assets with donor restriction. Unconditional promises to give with payments that are due during future years have an implied restriction to be used during the year in which the payment is due and, therefore, are reported as restricted until the payment is due.

The contributions of donated noncash assets are recorded at their fair values during the period in which they are received. Contributions of donated services that create or enhance non-financial assets, or require specialized skills that are provided by the individuals possessing those skills and would typically need to be purchased, if not provided by donation, are recorded at their fair values during the period in which they are received.

Unconditional promises to give that are expected to be collected within one year are recorded at estimated net realizable value. Unconditional promises to give that are expected to be collected during future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed by using the United States bank prime rate in effect at the time that the respective unconditional promise is received. The amortization of the discounts is recognized as additional contribution revenue. Conditional promises to give are not recorded as support until the conditions are substantially met.

Investments – Investments are reported at fair value in the Statements of Financial Position and realized and unrealized gains (losses) are included within investment income, net, in the Statement of Activities. The Foundation operates a pooled investment portfolio for all funds. New funds or additions to existing funds are assigned a share in the investment pool, based upon the amount of cash or the estimated fair value of securities deposited. Income, including realized and unrealized gains (losses), is allocated on a monthly basis.

Investment Income, Net – Investment income, net consists of interest and dividend income and realized and unrealized gains (losses), net of related investment fees. Investment income, net is recorded as without donor restrictions, unless otherwise restricted by the donor.

Cash Surrender Value of Insurance Policies – The Foundation records as an asset the cash surrender value of life insurance policies for which it is the owner and beneficiary. These balances are reflected in other assets in the Statements of Financial Position as of June 30, 2025 and 2024.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 19 COMPONENT UNIT DISCLOSURE (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents – For purposes of the statement of cash flows, the Foundation considers all highly liquid investments that are available for current use, with an initial maturity of three months or less, to be cash equivalents. Money market funds that are included in investments are not considered to be cash equivalents.

Unconditional Promises to Give – Unconditional promises to give are recognized as contributions when the promise is received. Unconditional promises to give that are expected to be collected in less than one year are reported at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using a present value technique that is applied to anticipated cash flows. The amortization of the resulting discount is recognized as additional contribution revenue. The allowance for uncollectible promises to give is determined based upon management's evaluation of the collectability of individual promises. The promises that remain uncollected more than one year after their due dates are written off, unless the donors indicate that payment is merely postponed.

Expense Recognition and Allocation – The cost of providing the Foundation's programs and other activities is summarized below. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Other in-kind supplies and assets of approximately \$10,090 and \$9,476 for the fiscal years ended June 30, 2025 and 2024, respectively, are charged to various program services benefitting from the donated supplies and assets.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but that provide for the overall support and direction of the Foundation. Fundraising costs are expensed as incurred, even though they may result in contributions being received in future years. The Foundation generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which this does occur, such as when the annual report or donor acknowledgements contain requests for contributions, the joint costs have been allocated between fundraising and general and administrative expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as they are incurred.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 19 COMPONENT UNIT DISCLOSURE (CONTINUED)

Summary of Significant Accounting Policies (Continued)

	<u>2025</u>	<u>2024</u>
Program Services:		
Scholarships	\$ 619,821	\$ 630,901
Athletic Programs	358,466	328,543
Academic Programs	249,153	393,672
Capital Improvements	144,203	295,829
Other Programs	16,087	52,224
Total Program Services	<u>1,387,730</u>	<u>1,701,169</u>
Supporting Services:		
Salaries and Benefits	300,624	268,373
Outside Services	25,269	24,362
Occupancy	29,888	29,226
Supplies and Other Expenses	25,502	20,705
Travel and Conferences	2,734	2,860
Hospitality	4,867	5,080
Insurance	6,540	6,256
Service Charges	9,510	8,740
Dues and Registrations	616	711
Other Administrative	2,183	20,335
Total Supporting Services	<u>407,733</u>	<u>386,648</u>
Fundraising	8,475	4,835
Costs of Direct Benefits to Donors:		
Recognition Banquet	13,900	13,853
Golf Scramble	14,313	12,619
Total Costs of Direct Benefits to Donors	<u>28,213</u>	<u>26,472</u>
Total Functional Expenses	<u>\$ 1,832,151</u>	<u>\$ 2,119,124</u>

Unconditional Promises to Give

Unconditional promises to give at June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Receivable in One Year	\$ 32,985	\$ 120,000
Receivable in Two to Five Years	-	35,627
Total Unconditional Promises to Give	32,985	155,627
Less: Discounts to Net Present Value	-	2,584
Net Unconditional Promises to Give	<u>\$ 32,985</u>	<u>\$ 153,043</u>

The discount rate used on long-term pledges was 8.50% and 8.50% for the period ended June 30, 2025 and 2024, respectively.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 19 COMPONENT UNIT DISCLOSURE (CONTINUED)

Unconditional Promises to Give (Continued)

An allowance for uncollectible promises is provided based on management's evaluation of potential uncollectible promises receivable at year-end. At June 30, 2025 and 2024, management determined that all outstanding promises to give are fully collectible.

Leases

In accounting for leases, the Foundation follows the provisions of Financial Accounting Standard Board (FASB) ASC 842, which requires the Foundation to recognize most of its leases on its Statements of Financial Position. In accordance with the provisions of ASC 842, leases are classified by lessees as operating or finance leases at the lease commencement date, with corresponding right-of-use (ROU) assets and lease liabilities recognized on the Statements of Financial Position. An ROU asset represents the Foundation's right to use the underlying asset for the lease term, and the lease liability represents the Foundation's obligation to make lease payments arising from the respective lease. Operating leases result in lease expense, which is recognized on a straight-line basis over the respective lease terms. Finance leases result in expense, segregated between the amortization of the ROU assets and interest on the lease liabilities.

As permitted under ASC 842, the Foundation has elected not to recognize short-term leases, with an initial term of 12 months or less in the Statements of Financial Position; however, short-term lease expense will be recognized in the Statements of Activities on a straight-line basis over the term of the lease. The Foundation has also adopted a \$5,000 capitalization threshold; accordingly, leases that have a present value of future lease payments under \$5,000 will not be recognized in the Statements of Financial Position; however, lease expense will be recognized in the Statements of Activities on a straight-line basis over the term of the lease.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 19 COMPONENT UNIT DISCLOSURE (CONTINUED)

Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2025 and 2024 are:

	2025	2024
Financial Assets:		
Cash and Cash Equivalents (Bank Overdraft)	\$ 125,651	\$ (48,519)
Unconditional Promises to Give, net	32,985	153,043
Investments	29,666,802	25,230,961
Beneficial Interest in Perpetual Trust	2,706,042	2,552,581
Other Assets	76,896	63,473
Total Financial Assets	<u>32,608,376</u>	<u>27,951,539</u>
Less: Financial Assets Held to Meet Donor-Imposed Restrictions:		
Purpose - Restricted Net Assets	(2,877,517)	(1,554,515)
Donor - Restricted Endowment Funds	(24,715,508)	(21,869,437)
Beneficial Interest in Trust	(2,706,042)	(2,552,581)
Less: Financial Assets Not Available Within One Year:		
Unconditional Promises to Give, net	-	(33,043)
Less: Board - Designated Endowment Fund	<u>(684,434)</u>	<u>(630,267)</u>
Amount Available for General Expenditures Within One Year	<u>\$ 1,624,875</u>	<u>\$ 1,311,696</u>

The above table reflects donor-restricted and board-designated endowment funds as unavailable because it is the Foundation's intention to invest those resources for the long-term support of the Foundation. However, in the case of need, the Board of Directors could appropriate resources from its designated endowment fund in the amount of \$684,434.

Investments

The cost and estimated fair values of investments at June 30, 2025 and 2024, are as follows:

	2025		2024	
	Fair Value	Cost	Fair Value	Cost
Money Market Funds	\$ 2,883,948	\$ 2,883,948	\$ 2,418,015	\$ 2,418,015
Corporate Bonds and Notes	5,547,038	5,564,587	4,790,453	5,025,243
U.S. Treasury Obligations	2,491	2,474	1,993	1,975
Equity Securities	18,011,167	13,003,156	15,303,950	10,958,471
Mutual Funds	3,213,211	3,406,990	2,708,051	3,023,811
Alternative Investment Funds	8,947	7,940	8,499	8,183
Total	<u>\$ 29,666,802</u>	<u>\$ 24,869,095</u>	<u>\$ 25,230,961</u>	<u>\$ 21,435,698</u>

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 19 COMPONENT UNIT DISCLOSURE (CONTINUED)

Investments (Continued)

The following schedule summarizes the investment income and its classification in the statement of activities for the years ended June 30, 2025 and 2024.

	June 30, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and Dividends	\$ 111,803	\$ 667,640	\$ 779,443
Realized Gains (Losses)	152,442	910,316	1,062,758
Unrealized Gains (Losses)	142,114	848,645	990,759
Investment Fees	(9,703)	(57,946)	(67,649)
Total	<u>\$ 396,656</u>	<u>\$ 2,368,655</u>	<u>\$ 2,765,311</u>

	June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and Dividends	\$ 84,893	\$ 568,979	\$ 653,872
Realized Gains (Losses)	91,281	611,790	703,071
Unrealized Gains (Losses)	202,020	1,353,995	1,556,015
Investment Fees	(7,820)	(52,416)	(60,236)
Total	<u>\$ 370,374</u>	<u>\$ 2,482,348</u>	<u>\$ 2,852,722</u>

Right-of-Use Assets and Lease Liabilities

In accordance with the provisions of FASB ASU No. 2016-02, leases are classified by lessees as operating or finance leases at the lease commencement date, with corresponding right-of-use (ROU) assets and lease liabilities recognized on the Statement of Financial Position. Operating leases result in lease expense, which is recognized on a straight-line basis over the respective lease terms. Finance leases result in lease expense, segregated between the amortization of the ROU assets and interest on the lease liabilities. The Foundation did not have any finance leases as of June 30, 2025 and 2024, or during the fiscal years ended June 30, 2025 and 2024.

The Foundation leases office space in Wheeling, West Virginia, under an operating lease agreement which commenced on July 1, 2021. This agreement was originally scheduled to expire on July 31, 2023, but was extended for two additional years through July 31, 2025. The ROU asset and lease liability calculations were based on this four-year period, which effectively ended on June 30, 2025. Therefore, there was no remaining ROU asset or lease liability as of that date. In July 2025, the lease was extended on a short-term basis through July 31, 2026. Short-term leases are not recognized in the Statements of Financial Position; however, short-term lease expense is recognized on a straight-line basis over the respective lease term.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 19 COMPONENT UNIT DISCLOSURE (CONTINUED)

Right-of-Use Assets and Lease Liabilities (Continued)

	2025	2024
Operating Lease Expense	\$ 25,488	\$ 25,488
Short-Term Lease Expense	4,400	3,738
Total Lease Expense	<u>\$ 29,888</u>	<u>\$ 29,226</u>
	<u>2025</u>	<u>2024</u>
Supplemental Cash Flow Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows	<u>\$ 25,488</u>	<u>\$ 25,488</u>
Non-Cash Activity:		
Right-of-Use Assets Obtained in Exchange for Lease Liabilities	<u>\$ -</u>	<u>\$ -</u>
Weighted Average Remaining Lease Term	-	1.1 Years
Weighted Average Discount Rate	-	5.25%

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 19 COMPONENT UNIT DISCLOSURE (CONTINUED)

Net Assets with Donor Restrictions

At June 30, 2025, net assets with donor restrictions are available for the following purposes or periods:

	2025	2024
Purpose Restrictions, Available for Spending:		
Scholarships	\$ 916,368	\$ 292,528
Capital Projects	1,618,665	468,880
Other	342,484	793,107
Total Purpose-Restricted Net Assets	<u>2,877,517</u>	<u>1,554,515</u>
Donor Restricted Endowment Funds, Which Must be Appropriated by the Board of Directors Before Use:		
Scholarships	20,723,692	18,160,818
Faculty Travel and Professional Development	603,974	542,522
Library	570,836	537,819
Speakers and Lectures	443,934	421,496
Maintenance	345,853	327,096
Academic Programs	1,076,927	971,340
Athletic Programs	466,669	430,059
Other	483,623	478,287
Total Endowment Funds Managed by the Foundation	<u>24,715,508</u>	<u>21,869,437</u>
Beneficial Interest in Trust for Scholarships	<u>2,706,042</u>	<u>2,552,581</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 30,299,067</u></u>	<u><u>\$ 25,976,533</u></u>

Fair Value Measurements

As required by U.S. GAAP, each financial asset and liability must be identified as having been valued according to a specified level of input. Level I inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date. Fair values that are determined by Level II inputs utilize inputs, other than quoted prices that are included in Level I, that are observable for the asset or liability, either directly or indirectly. Level II inputs include quoted prices for similar assets or liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability. Level III inputs are unobservable inputs for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. In certain cases, the inputs that are used to measure the fair value may fall into different levels of the fair value hierarchy.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 19 COMPONENT UNIT DISCLOSURE (CONTINUED)

Fair Value Measurements (Continued)

In such cases, the level in the fair value hierarchy within which the fair value measurement, in its entirety, falls has been determined based on the lowest level of input that is significant to the fair value measurement, in its entirety. The Foundation's assessment of the significance of a particular input to the fair value measurement, in its entirety, requires judgment and considers factors that are specific to the asset or liability. The Foundation has classified the investments in equity securities and mutual funds as Level I instruments since they comprise assets that are traded on public exchanges with readily determinable fair values and observable market-based inputs. Debt securities are classified as Level II securities and are valued using matrix pricing or other market approaches.

The Foundation's fair value of assets and liabilities reported on the statement of financial position at their fair value as of June 30, 2025 and 2024, are summarized below, by level.

2025	Level 1	Level 2	Level 3	Total
Valued on a Recurring Basis:				
Assets:				
Equity Securities	\$ 18,011,167	\$ -	\$ -	\$ 18,011,167
Debt Securities	-	5,549,529	-	5,549,529
Mutual Funds	3,213,211	-	-	3,213,211
Alternative Investment Funds	8,947	-	-	8,947
Money Market Funds	3,009,599	-	-	3,009,599
Investments and Cash Equivalents at Estimated Fair Value	24,242,924	5,549,529	-	29,792,453
Beneficial Interest in Perpetual Trust	-	-	2,706,042	2,706,042
Liabilities:				
Bank Overdraft	-	-	-	-
Total	<u>\$ 24,242,924</u>	<u>\$ 5,549,529</u>	<u>\$ 2,706,042</u>	<u>\$ 32,498,495</u>
2024	Level 1	Level 2	Level 3	Total
Valued on a Recurring Basis:				
Assets:				
Equity Securities	\$ 15,303,950	\$ -	\$ -	\$ 15,303,950
Debt Securities	-	4,792,446	-	4,792,446
Mutual Funds	2,708,051	-	-	2,708,051
Alternative Investment Funds	8,499	-	-	8,499
Money Market Funds	2,418,015	-	-	2,418,015
Investments and Cash Equivalents at Estimated Fair Value	20,438,515	4,792,446	-	25,230,961
Beneficial Interest in Perpetual Trust	-	-	2,552,581	2,552,581
Liabilities:				
Bank Overdraft	(48,519)	-	-	-
Total	<u>\$ 20,389,996</u>	<u>\$ 4,792,446</u>	<u>\$ 2,552,581</u>	<u>\$ 27,783,542</u>

Fair value of the contribution from the beneficial interest in the perpetual trust is measured by using the fair value of the assets held in the trusts as reported by the trustee as of June 30, 2025. The Foundation considers the measurement of its beneficial interest in the trusts to be a Level 3 measurement within the fair value hierarchy because, even though that measurement is based on the adjusted fair values of the trusts' assets reported by the trustee, the Foundation will never receive those assets or have the ability to direct the trustee to redeem them.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 19 COMPONENT UNIT DISCLOSURE (CONTINUED)

Fair Value Measurements (Continued)

The beneficial interest in perpetual trust (split interest agreement) is valued using unobservable inputs (Level 3) in accordance with the authoritative guidance on fair value measurements. Changes to the beneficial interest in perpetual trust in fiscal year 2025 are as follows:

	2025	2024
Beginning Balance	\$ 2,552,581	\$ 2,364,761
Investment Income for Beneficial Interest in Perpetual Trust	102,079	79,122
Distribution from Beneficial Interest in Perpetual Trust	(102,079)	(79,122)
Net Valuation Gain	153,461	187,820
Total	<u>\$ 2,706,042</u>	<u>\$ 2,552,581</u>

Endowment Funds

Endowment Investments

The Foundation's endowment consists of approximately 130 individual funds that have been established for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, the net assets that are associated with endowment funds, including funds that have been designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the West Virginia Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Foundation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

Investment Return Objectives, Risk Parameters, and Strategies – The Foundation has adopted investment and spending policies, which have been approved by the Board of Directors, for the endowment assets that create the framework for a well-diversified asset mix that can be expected to generate long-term returns at a level of risk suitable to West Liberty University Foundation, Inc.

WEST LIBERTY UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 19 COMPONENT UNIT DISCLOSURE (CONTINUED)

Endowment Funds (Continued)

Endowment Investments (Continued)

Accordingly, the Foundation takes a total return approach regarding endowment assets. The assets are to be invested for the long-term, and a higher short-term volatility in these assets is to be expected and accepted. The total return approach is designed to give the Foundation financial flexibility with regard to ongoing capital structure decisions. The Foundation has a tolerance to accept short-term volatility in the value of the funds in line with the market fluctuations to seek long-term capital growth. The domestic equities of both large and small capitalization, fixed-income, and cash equivalents have been determined to be acceptable vehicles for plan assets. Additional asset classes and style strategies may be incorporated into the investment philosophy in the future.

Spending Policy – The Foundation has a policy for appropriating for distribution up to 4% of the value of the endowment assets including those deemed to be underwater. This amount will be calculated using a rolling three-year moving average of the market value of the funds at fiscal year-end.

	June 30, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	\$ 630,267	\$ 21,869,437	\$ 22,499,704
Contributions	-	1,304,567	1,304,567
Investment Income	108,262	2,343,550	2,451,812
Program Revenue	-	102,801	102,801
Amounts Appropriated for Expenditure	(54,095)	(904,847)	(958,942)
Endowment Net Assets - End of Year	<u>\$ 684,434</u>	<u>\$ 24,715,508</u>	<u>\$ 25,399,942</u>
	June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	\$ 556,448	\$ 19,209,329	\$ 19,765,777
Contributions	-	1,017,436	1,017,436
Investment Income	122,854	2,465,236	2,588,090
Program Revenue	-	79,122	79,122
Amounts Appropriated for Expenditure	(49,035)	(901,686)	(950,721)
Endowment Net Assets - End of Year	<u>\$ 630,267</u>	<u>\$ 21,869,437</u>	<u>\$ 22,499,704</u>

WEST LIBERTY UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND CONTRIBUTIONS
JUNE 30, 2025 AND 2024

Schedule of Proportionate Share of TRS Net Pension Liability

(In Thousands)

Measurement Date	University's Proportionate Share as a Percentage of Net Pension Liability	University's Proportionate Share	State's Proportionate Share	Total Proportionate Share	University's Covered Employee Payroll	University's Proportionate Share as a Percentage of Covered Payroll	University's Plan Fiduciary Net Position as a Percentage of Total Pension Liability
June 30, 2015	0.0189170%	\$ 656	\$ 1,496	\$ 2,152	\$ 574	114.29 %	66.25 %
June 30, 2016	0.0193970%	797	1,518	2,315	501	159	61.42
June 30, 2017	0.0181150%	626	1,384	2,010	500	125	67.85
June 30, 2018	0.0113600%	355	919	1,274	344	103	71.20
June 30, 2019	0.0105380%	314	757	1,070	304	103	72.64
June 30, 2020	0.0106150%	342	743	1,085	295	116	70.89
June 30, 2021	0.0104080%	163	364	526	729	22	86.38
June 30, 2022	0.0076430%	197	438	634	536	37	77.78
June 30, 2023	0.0007520%	17	35	52	21	81	100.05
June 30, 2024	0.0000000%	-	-	-	-	-	-

Schedule of Employer Contributions

(In Thousands)

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
June 30, 2016	\$ 86	\$ 93	\$ (7)	\$ 501	18.56 %
June 30, 2017	75	80	(5)	500	16.00
June 30, 2018	75	75	-	344	21.80
June 30, 2019	50	50	-	304	16.45
June 30, 2020	46	46	-	295	15.59
June 30, 2021	43	43	-	729	5.90
June 30, 2022	32	32	-	536	5.97
June 30, 2023	1	1	-	21	4.76
June 30, 2024	-	-	-	-	-
June 30, 2025	-	-	-	-	-

These schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Required Supplementary Information

Year Ended June 30, 2025

There are no factors that affect trends in the amounts reported, such as a change of benefit terms or assumptions. With six years reported in the required supplementary information, there is no additional information to include in the notes. Information, if necessary, can be obtained from the CPRB Comprehensive Annual Financial Report.

WEST LIBERTY UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF PROPORTIONATE SHARE OF OTHER
POSTEMPLOYMENT OBLIGATIONS AND CONTRIBUTIONS
JUNE 30, 2025 AND 2024

Measurement	University's Proportionate Share as a Percentage of Net OPEB Liability	University's Proportionate Share	State's Proportionate Share	Total Proportionate Share	University's Covered Employee Payroll	University's Proportionate Share as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total OPEB Liability
Date							
June 30, 2017	0.259296877%	\$ 6,376	\$ 1,310	\$ 7,686	\$ 16,257	39.22%	25.10%
June 30, 2018	0.289509047%	\$ 6,211	\$ 1,284	\$ 7,495	\$ 15,398	40.34%	30.98%
June 30, 2019	0.300551085%	4,987	1,020	6,007	16,910	29.49%	39.69%
June 30, 2020	0.295079092%	417	288	706	17,864	2.34%	73.49%
June 30, 2021	0.298188531%	(89)	(17)	(106)	12,979	-0.68%	101.81%
June 30, 2022	0.290760405%	324	111	435	15,543	2.08%	93.59%
June 30, 2023	0.263806442%	(417)	(178)	(595)	18,513	-2.25%	93.59%
June 30, 2024	0.119986701%	(50)	(157)	(207)	17,966	-0.28%	102.19%

Schedule of Employer Contributions
(In Thousands)

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
June 30, 2018	\$ 533	\$ 533	\$ -	\$ 15,398	3.46%
June 30, 2019	592	592	-	\$ 16,910	3.50%
June 30, 2020	619	619	-	17,864	3.47%
June 30, 2021	570	570	-	12,979	4.39%
June 30, 2022	544	544	-	15,543	3.50%
June 30, 2023	342	342	-	18,513	3.50%
June 30, 2024	48	48	-	17,966	0.27%
June 30, 2025	124	124	-	18,124	0.68%

Notes to Required Supplementary Information
For the Year Ended June 30, 2025

There are no factors that affect trends in the amounts reported, such as a change of benefit terms or assumptions. Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the University will present information for only those years for which information is available.

Actuarial methods and assumptions are the same as those used in determining the net OPEB liability.



**INDEPENDENT AUDITORS' 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**

Governing Board
West Liberty University
West Liberty, 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 and the discretely presented component unit of West Liberty University (the University), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated October 14, 2025. Our report includes a reference to other auditors who audited the financial statements of West Liberty University Foundation, Inc. (the Foundation), the University's discretely presented component unit, as described in our report on the University's financial statements. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards* and, accordingly, do not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
October 14, 2025

