COLLABORATORS | COACHES | ADVOCATES | MENTORS
FRIENDS | VOLUNTEERS | REGULARS | DINERS | VISITORS
CPAs | CONSULTANTS | WEALTH ADVISORS | *NEIGHBORS*
COLLABORATORS | COACHES | ADVOCATES | MENTORS |
CONNOISSEURS | CUSTOMERS | TEACHERS |
| VOLUNTEERS |

CONCORD UNIVERSITY

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2026 AND 2025

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CONCORD UNIVERSITY
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INDEPENDENT AUDITORS' REPORT

Board of Governors
Concord University
Athens, West Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit of Concord University (the University), a component unit of the West Virginia Higher Education Fund, as of and for the years ended June 30, 2026 and 2025, 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 reports of other auditors, the accompanying 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, 2026 and 2025, 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 the discretely presented component unit, the Concord University Foundation, Inc. (Foundation), which represents 100% of the assets, net assets, and revenues of the discretely presented component unit as of and for the years ended June 30, 2026 and 2025, or the blended component unit, Concord University Research and Development Corporation (Corporation), whose statements reflect total assets, net position, and revenues constituting 2% of the assets, 2% of the net position, and 1% of the revenue of the University as of June 30, 2026 and 3% of the assets, 2% of the net position, and 2% of the revenue of the University as of June 30, 2025. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for the Foundation and Corporation, are based solely on the reports 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 audits. 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 discretely presented component unit, Concord University Foundation, Inc., were not audited in accordance with *Government Auditing Standards.*

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Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the Schedules of Proportionate Share of Net Pension Liability and Contributions and Schedules of Proportionate Share of Net OPEB 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 12, 2026, 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

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
October 12, 2026

Introduction

Concord University (the University), is pleased to present its financial statements for the years ended June 30, 2026 and 2025. The University's financial statements are presented in the format required by the Governmental Accounting Standards Board (GASB).

The University has two component units. The Concord University Foundation (Foundation) is a private nonprofit organization. The Concord University Research and Development Corporation (Corporation) is presented as a blended component entity of the University.

Financial Highlights

In fiscal year 2026, the University's enrollment increased by 2.64% for total full-time fall enrollment of 1,670. Total net position increased by 18.26% for the year. Net investment in capital assets increased by 18.64% while unrestricted net position increased by 139.76%. Total gross tuition and fee revenue increased by 13.75% with a 4.5% tuition and fee increase effective for the year ended June 30, 2026. State appropriated funding increased 6.95% from the fiscal year ended June 30, 2025.

Concord University is pleased to present the following Management Discussion and Analysis for Fiscal Year 2026. In this year, the University implemented GASB Statement No. 103, which required changes to the Management Discussion and Analysis.

Overview of the Financial Statements

The three statements reporting the financial results of the University are the statements of net position, the statements of revenues, expenses, and changes in net position; and the statements of cash flows. Each of these statements is discussed below.

Statement of Net Position

The statement of net position presents the Assets (current and noncurrent), Deferred Outflows of Resources, Liabilities (current and noncurrent), Deferred Inflows of Resources, and Net Position (assets and deferred outflows of resources minus liabilities and deferred inflows of resources) of the University as of the end of the fiscal year. Assets denote the resources available to continue the operations of the University. Liabilities indicate how much the University owes vendors, employees, and lenders. Net Position provides a way to measure the financial position of the University.

The statement of net position is similar to a balance sheet in format. It presents information about the resources available to the University and claims against those resources. Both resources and claims are classified in a format that segregates assets that are not or are not intended to be available within the next year for operations, and liabilities, which are not expected to be due within the next year.

Net position is displayed in three major categories:

1. *Net investment in capital assets*. This category represents the University's total investment in capital assets; net of outstanding debt obligations related to those capital assets. To the extent 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.

Statement of Net Position (Continued)

2. *Restricted net position*. This category includes net position of which use is restricted either due to externally imposed constraints or because of restrictions imposed by law. They are further divided into two additional components – expendable and nonexpendable. Expendable restricted net position includes resources which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. Nonexpendable restricted net position 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.

3. *Unrestricted net position*. This category represents the resources derived primarily from tuition and fees, state appropriations, and sales and services of educational activities that are not restricted. These resources are used for transactions related to educational and general operations of the University.

Condensed Statements of Net Position
June 30, 2026, 2025, and 2024

An indicator of the short-term financial health of the University is the ratio of current assets to current liabilities (current ratio). The current ratio was 1.33 to 1 and 1.30 to 1 as of June 30, 2026 and 2025, respectively. These indicate that the University has sufficient available resources to meet its obligations.

	2026	2025	2024	Change FY 26-FY 25
Assets:				
Current Assets	$ 12,832,885	$ 16,813,208	$ 17,051,567	-23.67%
Noncurrent Assets	2,478,910	2,566,165	3,210,576	-3.40%
Capital Assets, Net	72,912,850	68,707,469	60,986,193	6.12%
Total Assets	88,224,645	88,086,842	81,248,336	0.16%
Deferred Outflows of Resources	816,418	458,655	232,951	78.00%
Total Assets and Deferred Outflows of Resources	89,041,063	88,545,497	81,481,287	0.56%
Liabilities:				
Current Liabilities	9,657,942	12,907,553	13,923,756	-25.18%
Noncurrent Liabilities	13,475,497	14,031,030	15,105,870	-3.96%
Total Liabilities	23,133,439	26,938,583	29,029,626	-14.13%
Deferred Inflows of Resources	416,322	275,496	589,490	51.12%
Net Position:				
Net Investment in Capital Assets	59,119,712	53,960,522	45,482,193	9.56%
Restricted:				
Nonexpendable	2,424,736	2,488,911	2,833,586	-2.58%
Expendable	2,944,160	2,808,698	2,681,641	4.82%
Unrestricted Net Position (Deficit)	1,002,694	2,073,287	864,751	-51.64%
Total Net Position	$ 65,491,302	$ 61,331,418	$ 51,862,171	6.78%

Statement of Net Position (Continued)

For fiscal year ending June 30, 2026, significant changes included decreases in current assets as well as current liabilities primarily relating to the Wooddell hall Renovation project as well as the deferred maintenance program. Capital assets also increased for this reason. In addition, the university liquidated its' Perkins loan program, and an increase in the OPEB liability. Other changes include an increase in the allowance for doubtful accounts (bed debts), an increase of the number of days of Summer Term 2 revenue deferred into fiscal year ending June 30, 2027, and decreases in indirect grant revenue inside the blended component unit, the Research and Development Corporation.

For fiscal year ending June 30, 2025, significant changes on the statement of net position was a decrease in noncurrent assets, an increase in capital assets, and a decrease in liabilities. This is due to cash outflows due to the deferred maintenance program which will be discussed in the Capital Assets section, and reductions in the Perkins loan program. The OPEB asset also decreased due to valuation changes. Current liabilities decreased due to a reduction in unearned revenue relating to the deferred maintenance program and increases in other liabilities relating to accounts payable and accrued compensated absences due to the implementation of GASB 101 requiring recognition of sick leave balances.

Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position presents revenues of the University (operating and nonoperating), the expenses of the University (operating and nonoperating), and any other revenues, expenses, gains, and losses of the University for the years ended June 30, 2026 and June 30, 2025. GASB defined nonoperating revenues as Subsidies received and provided, Contributions to permanent and term endowments, Revenues and expenses related to financing, Resources from disposing capital assets and inventory, and Investment income and expenses. Other revenue and expenses are operating. The utilization of capital assets is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life as an operating expense.

Statement of Revenues, Expenses, and Changes in Net Position (Continued)

Condensed Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2026, 2025, and 2024

	2026	2025	2024	Change FY 26-FY 25
Operating Revenues	$ 34,327,926	$ 36,370,264	$ 32,834,893	-5.62%
Operating Expenses	49,957,433	48,966,353	43,606,423	2.02%
Operating Loss	(15,629,507)	(12,596,089)	(10,771,530)	24.08%
Noncapital Subsidies	12,630,579	12,794,241	11,989,201	-1.28%
Nonoperating Revenues	7,158,812	9,271,095	1,559,503	-22.78%
Change in Net Position	4,159,884	9,469,247	2,777,174	-56.07%
Net Position - Beginning of Year	61,331,418	51,862,171	49,084,997	18.26%
Net Position - End of Year	$ 65,491,302	$ 61,331,418	$ 51,862,171	6.78%

For fiscal year ending June 30, 2026, significant changes on the Statement of Revenues, Expenses, and Changes in Net Position were a decrease in operating revenues, primarily due to a reduction in grant revenues relating to student financial aid by the State, a reduction in state appropriations, and an increase in the operating loss, primarily due to an increase in depreciation expense and utilities. Benefit costs also increased due to a health insurance premium increase of 14% by PEIA.

For fiscal year ending June 30, 2025, significant changes on the Statement of Revenues, Expenses, and Changes in Net Position include increased financial aid given by the State, an increase in state appropriations, and less adjustments required for the OPEB and TRS liability. Student aid also increased, which positively affected enrollment and the scholarship discount.

Statements of Cash Flows

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

The statement of cash flows is divided into four parts:

1. *Cash Flows from Operating Activities*. This section shows the net cash used by the operating activities of the University.

2. *Cash Flows from Non-Capital Financing Activities*. This section reflects the cash received and paid for nonoperating, noninverting, and noncapital financing purposes.

3. *Cash Flows from Capital and Related Financing Activities*. This section includes cash used for the acquisition and construction of capital and related items.

4. *Cash Flows from Investing Activities*. This section shows the purchases, proceeds, and interest received from investing activities.

Reconciliation of net cash used to the operating loss. This part provides a schedule that reconciles the accrual-based operating loss and net cash flow used in operating activities.

Condensed Statements of Cash Flows
Years Ended June 30, 2026, 2025, and 2024

	2026	2025	2024	Change FY 26-FY 25
Cash Provided (Used) by:				
Operating Activities	$ (16,456,255)	$ (15,729,793)	$ (7,992,791)	-4.62%
Noncapital Financing Activities	16,279,986	17,093,035	15,920,666	-4.76%
Capital Financing Related Activities	(2,527,130)	(4,434,881)	(3,506,473)	43.02%
Investing Activities	991,053	987,007	1,015,728	0.41%
Increase (Decrease) in Cash	(1,712,346)	(2,084,632)	5,437,130	17.86%
Cash - Beginning of Year	7,473,780	9,558,412	4,121,282	-21.81%
Cash - End of Year	$ 5,761,434	$ 7,473,780	$ 9,558,412	-22.91%

The University cash decreased for the year ended June 30, 2026 by approximately $2.1 million, primarily due to the spending of deferred grant revenue for the Wooddell Hall Renovation project as well as spending deferred nursing support funds.

The University cash decreased for the year ended June 30, 2025 by approximately $5.4 million, primarily due to the deferred maintenance grant program, other deferred grants for projects, and other operational changes of the University.

Capital Asset and Long-Term Financing

The University's capital assets continue to increase due to support from the State Government, Federal Government, as well as the Foundation for deferred maintenance and the Wooddell Hall project. The Foundation supported the Woodlyn & Earl Kendrick Athletic Practice Facility which also increased the assets of the university. The increases in capital assets also increased depreciation expense.

The University has one major debt issue outstanding, the 2014 indenture to renovate the towers complex. In addition, the University from time to time acquires leases of equipment that are subject to capitalization as well as Subscription Based IT arrangements for various software to support the institution.

Currently Known Facts, Decisions, and Conditions

The University continues to monitor and evaluate known conditions and decisions that are expected to have a significant effect on its future financial position and results of operations.

Enrollment. Fall 2025 enrollment totaled 1,975 students, representing a 1.6 percent increase from Fall 2024 enrollment of 1,943 students. Of the Fall 2025 total, 1,683 students were undergraduate students and 337 were graduate students. Excluding 110 dual-enrollment students, enrollment totaled 1,865 students. The University continues to monitor enrollment trends and the composition of its student population as significant factors affecting tuition and fee revenues, state funding, auxiliary operations, and the University's overall financial position.

Preliminary, fiscal year ending June 30, 2027, enrollment information indicates continued improvement to enrollment levels. Management will continue to evaluate the impact of enrollment trends, including changes in undergraduate and graduate enrollment and dual-enrollment participation on tuition and fee revenues, and other sources of operating revenues.

State and Federal Funding and Capital Projects. The University expects additional deferred maintenance funding from the State of approximately $3.385 million, as well as approximately $7.5 million in federal funding, to support completion of the Wooddell Building as the Center for Rural Healthcare Workforce Solutions. These funds, if received as anticipated, will support significant capital improvements and development of the facilities intended to expand the University's capacity to support rural healthcare workforce development. The timing and use of these funds will affect the University's capital assets, cash flows, and future operating requirements.

Operating Budget and Financial Planning. The University continues to monitor its operating budget and financial position in response to changes in enrollment, revenues, expenditures, and available resources. Management is evaluating opportunities to increase net revenue per student while maintaining the University's commitment to access and affordability. These effects include monitoring tuition and fee revenues, enrollment, auxiliary operations, personnel costs, and other significant recurring operating expenditures.

Management will continue to monitor enrollment, liquidity, governmental and federal funding, capital requirements, operating revenues and expenditures, and other known financial conditions as it develops future budgets and evaluates their potential effect on the University's financial position and results of operations.

CONCORD UNIVERSITY
STATEMENTS OF NET POSITION
JUNE 30, 2026 AND 2025

ASSETS	Primary Government 2026	Primary Government 2025	Component Unit 2026	Component Unit 2025
CURRENT ASSETS				
Cash and Cash Equivalents	$ 5,761,434	$ 7,473,780	$ 615,544	$ 517,743
Due from the Commission	361,198	2,206,400	-	-
Accounts Receivable, Net of Allowance for Doubtful Accounts of $1,309,444 and $908,628, Respectively	1,958,686	3,021,710	196,656	226,228
Due from Other Agencies	327,480	149,708	-	-
Amount Held at Foundation	2,952,553	2,634,045	-	-
Amount Held at Foundation - Other	1,277,894	1,123,538	-	-
Loans to Students - Current Portion	-	1,551	-	-
Prepaid Expenses	183,525	193,690	3,033	-
Inventories	10,115	8,786	2,432	2,432
Total Current Assets	12,832,885	16,813,208	817,665	746,403
NONCURRENT ASSETS				
Restricted Cash	-	-	554,957	814,705
Amount Held at Foundation - Permanent Endowments	2,424,736	2,424,736	73,008,389	65,264,466
Loans to Students, Net of Allowance	-	6,200	-	-
No Hardship Pay Adjustment	54,174	71,054	-	-
Other Post Employment Benefits Asset	-	64,175	-	-
Capital Assets Not Being Depreciated or Amortized	804,709	9,241,951	-	-
Capital Assets, Net of Accumulated Depreciation and Amortization	72,108,141	59,465,518	-	-
Total Noncurrent Assets	75,391,760	71,273,634	73,563,346	66,079,171
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflow - Pension Related	42,630	50,004	-	-
Deferred Outflow - OPEB Related	773,788	408,651	-	-
Total Deferred Outflows	816,418	458,655	-	-
Total Assets and Deferred Outflows	$ 89,041,063	$ 88,545,497	$ 74,381,011	$ 66,825,574

See accompanying Notes to Financial Statements.

CONCORD UNIVERSITY
STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2026 AND 2025

	Primary Government		Component Unit	
	2026	2025	2026	2025
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION				
CURRENT LIABILITIES				
Accounts Payable	$ 1,476,227	$ 3,124,399	$ 7,443,057	$ 6,977,832
Accrued Liabilities	2,507,096	2,149,556	-	-
Due to Other State Agencies	27,013	40,994	-	-
Unearned Revenue	3,176,261	5,313,920	-	-
Compensated Absences	1,278,491	1,176,229	-	-
Deposits	46,083	41,942	-	-
Debt Obligation Due to Commission	110,000	110,000	-	-
Leases and Other Contractual Liabilities	541,771	470,513	-	-
Bonds Payable	495,000	480,000	-	-
Total Current Liabilities	9,657,942	12,907,553	7,443,057	6,977,832
NONCURRENT LIABILITIES				
Advances from Federal Sponsors	-	6,577	-	-
Leases and Other Contractual Liabilities	532,588	636,268	-	-
Compensated Absences	535,747	536,489	-	-
Other Postemployment Benefit Liability	209,343	-	-	-
Debt Obligation Due to Commission	110,000	220,000	-	-
Net Pension Liability	84,041	130,276	-	-
Bonds Payable, Net of Bonds Premium	12,003,778	12,501,420	-	-
Total Noncurrent Liabilities	13,475,497	14,031,030	-	-
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows - Pension Related	36,615	50,022	-	-
Deferred Inflows - OPEB Related	379,707	225,474	-	-
Total Deferred Inflows of Resources	416,322	275,496	-	-
NET POSITION				
Net Investment in Capital Assets	59,119,712	53,960,522	-	-
Restricted for - Nonexpendable - Permanent Endowments	2,424,736	2,424,736	39,021,516	35,842,369
Restricted for - Nonexpendable - Other Post Employment Benefits	-	64,175	-	-
Restricted for - Expendable - Loans	-	182,795	-	-
Restricted for - Expendable - Other	2,944,160	2,625,903	26,920,643	23,066,746
Unrestricted Net Position	1,002,694	2,073,287	995,795	938,627
Total Net Position	65,491,302	61,331,418	66,937,954	59,847,742
Total Liabilities, Deferred Inflows, and Net Position	$ 89,041,063	$ 88,545,497	$ 74,381,011	$ 66,825,574

See accompanying Notes to Financial Statements.

CONCORD UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
JUNE 30, 2026 AND 2025

	Primary Government		Component Unit	
	2026	2025	2026	2025
OPERATING REVENUES				
Student Tuition and Fees, Net of Scholarship Allowance of $14,621,581 and $14,440,422 in 2026 and 2025, Respectively	$ 6,704,569	$ 7,045,595	-	-
Contract and Grants:				
Pell Grant	5,257,883	5,194,149	-	-
Federal	6,864,011	7,327,160	-	-
State	5,219,507	8,613,292	-	-
Private	1,185,017	1,130,266	181,286	155,881
Sales and Services of Educational Activities	1,250	1,973	-	-
Auxiliary Enterprise Revenue, Net of Scholarship Allowance of $2,436,001 and $2,936,523 in 2026 and 2025, Respectively	8,157,126	6,213,297	-	-
Other Operating Revenues	938,563	844,532	124,438	111,494
Total Operating Revenues	34,327,926	36,370,264	305,724	267,375
OPERATING EXPENSES				
Salaries and Wages	22,767,632	21,830,940	-	-
Benefits	5,986,860	5,224,666	-	-
Supplies and Other Services	14,482,174	14,518,913	2,630,847	1,391,144
Utilities	1,900,652	1,738,520	-	-
Student Financial Aid, Scholarships and Fellowships	793,517	1,872,762	1,219,415	1,005,960
Depreciation and Amortization	3,941,136	3,721,593	-	195
Other Operating Expenses	85,462	58,959	-	-
Total Operating Expenses	49,957,433	48,966,353	3,850,262	2,397,299
OPERATING LOSS	(15,629,507)	(12,596,089)	(3,544,538)	(2,129,924)
NONCAPITAL SUBSIDES				
State Appropriations	11,494,967	11,946,787	-	-
Payments (Refunds) on Behalf of University	237,718	123,719	-	-
Contributions for Scholarships	897,894	723,735	-	-
Total Noncapital Subsidies	12,630,579	12,794,241	-	-
OPERATING INCOME (LOSS) AND NONCAPITAL SUBSIDIES	(2,998,928)	198,152	(3,544,538)	(2,129,924)
OTHER NONOPERATING REVENUES (EXPENSES)				
Contributions to Permanent and Term Endowments	-	-	2,454,551	6,144,600
Financing related Revenues and Expenses	(13,951)	(13,868)	-	-
Gain/Loss on Sale of Capital Assets and Inventory	(11,761)	3,183	-	-
Investment Income, Net of Investment Expenses	991,053	987,007	8,180,199	6,339,517
Interest of Indebtedness	(597,249)	(614,559)	-	-
Capital Grants, Appropriations, and Gifts	6,790,720	8,909,332	-	(682,140)
Total Other Nonoperating Revenues (Expenses)	7,158,812	9,271,095	10,634,750	11,801,977
INCREASE IN NET POSITION	4,159,884	9,469,247	7,090,212	9,672,053
Net Position - Beginning of Year	61,331,418	51,862,171	59,847,742	50,175,689
NET POSITION - END OF YEAR	$ 65,491,302	$ 61,331,418	$ 66,937,954	$ 59,847,742

See accompanying Notes to Financial Statements.

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

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Student Tuition and Fees	$ 21,598,977	$ 20,962,226
Contracts and Grants	13,104,540	15,626,367
Payments to and on Behalf of Employees	(28,107,181)	(27,175,101)
Payments to Suppliers	(14,841,533)	(14,751,390)
Payments to Utilities	(1,900,650)	(1,738,519)
Payments for Scholarships and Fellowships	(15,415,098)	(16,086,654)
Collection of Loans to Students	7,751	373,476
Sales and Services of Educational Activities	1,250	1,973
Auxiliary Enterprise Receipts	8,157,126	6,213,297
Other Receipts (Payments), Net	938,563	844,532
Federal Student Loan Program - Direct Lending Receipts	10,805,264	8,110,492
Federal Student Loan Program - Direct Lending Payments	(10,805,264)	(8,110,492)
Net Cash Used by Operating Activities	(16,456,255)	(15,729,793)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations	11,494,967	11,946,787
Federal Pell Grants	5,257,883	5,194,149
Change in Amounts Held by Foundation	(472,864)	(266,088)
Other Nonoperating	-	218,187
Net Cash Provided by Noncapital Financing Activities	16,279,986	17,093,035
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Capital Grants and Gifts Received	6,790,720	8,909,332
Proceeds from Sale of Assets	-	7,897
Lease Principal Paid	(66,128)	(335,282)
Obligations Interest Paid	(47,853)	(47,186)
Payments on SBITAs	(549,469)	(723,724)
Purchases of Capital Assets	(7,539,819)	(11,175,433)
Principal Payments on Debt Obligations Due to Commission	(110,000)	(110,000)
Bond Principal/Premium Paid	(482,642)	(467,641)
Bond Interest Paid	(507,988)	(478,976)
Fees Assessed by Commission	(13,951)	(13,868)
Net Cash Used by Capital Financing Activities	(2,527,130)	(4,434,881)
CASH FROM INVESTING ACTIVITIES		
Investment Income	991,053	987,007
DECREASE IN CASH AND CASH EQUIVALENTS	(1,712,346)	(2,084,632)
Cash and Cash Equivalents - Beginning of Year	7,473,780	9,558,412
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 5,761,434	$ 7,473,780

See accompanying Notes to Financial Statements.

CONCORD UNIVERSITY
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss	$ (15,629,507)	$ (12,596,089)
Adjustments to Reconcile Net Operating Loss to Net Cash Used by Operating Activities:		
Depreciation and Amortization Expense	3,941,136	3,721,593
Expenses Paid (Refunds Received) on Behalf of the University	237,718	(91,285)
Pell Grants	(5,257,883)	(5,194,149)
Effects of Net Changes in Assets, Deferred Outflows of Resources (DOR), Liabilities, and Deferred Inflows of Resources (DIR):		
Scholarship Contributions from Foundation and HEAPS	897,894	727,980
Accounts Receivables, Net	1,063,024	393,287
Loans to Students, Net	7,751	373,476
Prepaid Expenses	10,165	(30,497)
Inventories	(1,329)	5,015
Due from Other Agencies	(177,772)	160,429
Due from the Commission	1,845,202	(2,184,206)
No Hardship Pay Adjustment	16,880	2,047
Accounts Payable	(1,648,172)	1,690,007
Accrued Liabilities	280,848	(217,342)
Student Deposits	4,141	(699)
Due to Other State Agencies	(13,981)	(21,185)
Unearned Revenue	(2,137,659)	(2,333,911)
Compensated Absences	101,520	406,794
Advances from Federal Sponsors	(6,577)	(321,349)
Pension Liability and Related DOR and DIR	(52,268)	(63,593)
Other Postemployment Benefits Liability and Related DOR and DIR	62,614	(156,116)
Net Cash Used by Operating Activities	$ (16,456,255)	$ (15,729,793)
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS		
Capital Assets Acquired Through Leases and SBITAs	$ 760,471	$ 384,857

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION

Concord University (formerly Concord College) (the University) is governed by the Concord University Board of Governors (the Board). The Board was established by Senate Bill 653 (S.B. 653).

The 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 institutions under its jurisdiction, the duty to develop a master plan for the institution, the power to prescribe the specific functions and institution's budget request, the duty to review at least every five years all academic programs offered at the institution, 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.

As a requirement of Governmental Accounting Standards Board (GASB) standards, the University has included information from the Concord University Foundation, Inc. (the Foundation).

Although the University benefits from the activities of the Foundation, the Foundation is independent of the University in all respects. The Foundation has its own separate, independent Board of Directors. Moreover, the assets of the Foundation are the exclusive property of the Foundation and do not belong to the University. The University is not accountable for, and does not have ownership of, any of the financial and capital resources of the Foundation. The University does not have the power or authority to, mortgage, pledge, or encumber the assets of the Foundation. The Board of Directors of the Foundation is entitled to make all decisions regarding the business and affairs of the Foundation, including, without limitation, distributions made to the University. Under state law, neither the principal nor income generated by the assets of the Foundation can be taken into consideration in determining the amount of state-appropriated funds allocated to the University.

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 as prescribed by GASB. 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity

The University is a blended component unit of the West Virginia Higher Education Fund and 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 State institutions of higher education, the West Virginia Council of Community and Technical Colleges, and the Commission (which includes West Virginia Network for Educational Telecomputing), 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.

The accompanying financial statements present all funds under the authority of the University, including its blended component unit, Concord University Research and Development Corporation (the Research Corporation), which was formed on July 28, 1999 as a nonprofit, nonstock corporation. The Research Corporation is included on the Blended Method as defined by GASB.

The audited financial statements of the Concord University Foundation are discretely presented herein with the College's financial statements for the fiscal years ended June 30, 2026 and 2025. The Foundation is a private nonprofit organization. Although the University does not control the timing or amount of receipts from the Foundation, the majority of the resources or income thereon, which the Foundation holds and invests, is restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of the University, the Foundation is considered to be a component unit of the University and is therefore discretely presented with the University's financial statements in accordance with GASB.

The basic criterion for inclusion in the accompanying financial statements is the exercise of oversight responsibility derived from the University's ability to significantly influence operations and accountability for fiscal matters of related entities. A related Alumni Association of the University is not part of the University reporting entity and is not included in the accompanying financial statements, 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 Alumni Association under GASB.

Financial Statement Presentation

GASB establishes standards for external financial reporting for public colleges 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 and outstanding debt obligations and leases 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

- *Restricted Net Position — Expendable* – This includes resources in which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

  The West Virginia Legislature, as a regulatory body outside the reporting entity, has restricted the use of certain funds by Article 10, *Fees and Other Money Collected at State Institutions of Higher Education of the West Virginia Code*. House Bill 101 passed in March 2004 simplified the tuition and fee structure and removed the restrictions but included designations associated with 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 West Virginia Legislature.

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

- *Unrestricted Net Position* – Unrestricted net position represents resources derived from student tuition and fees, State appropriations, and sales and services of educational activities. These resources are used for transactions relating to the educational and general operations of the University and may be used at the discretion of the Board of Governors to meet current expenses for any purpose. These resources also include resources of auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty, and staff.

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 when materials or services are received. All interfund accounts and transactions have been eliminated.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the statement of net position, the University considers all highly liquid investments with an original maturity of three months or less at the time of purchase to be cash equivalents.

The University maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The University has not experienced any losses in such accounts. The University believes that the bank is creditworthy and that it is not exposed to any significant credit risk on cash and cash equivalents.

Cash and cash equivalents balances on deposit with the state of West Virginia Treasurer's Office (the treasurer) and deposits with the state's Board of Risk and Insurance Management (BRIM) escrow account are deposited into the West Virginia Money Market Pool with the West Virginia Board of Treasury Investments (BTI). The BTI is directed by the state treasurer to invest the funds in specific external investment pools in accordance with West Virginia code, policies set by the BTI, and by provisions of bond indentures and trust agreements, when applicable. Balances in the investment pools are recorded at fair value or amortized cost which approximates fair value. Fair value is determined by a third-party pricing service based on asset portfolio pricing models and other sources, in accordance with GASB guidance. 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 West Virginnia Short-Term Bond Pool and, accordingly, are presented as cash and cash equivalents in the accompanying financial statements.

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

Cash in bank accounts includes deposits in the Insured Cash Sweep (ICS) program.

Cash with bond trustee is invested in U.S. Treasury Notes and government backed Money Market funds.

Cash and cash equivalents also include cash on hand.

Investments

The University's investments are managed by the Foundation.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (Continued)

Under accounting principles generally accepted in the United States of America, a fair value hierarchy has been established that prioritizes the inputs to valuation techniques. The hierarchy, as defined below, gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

Level 1 – is defined as observable inputs such as quoted prices in active markets for identical assets. Level 1 assets held by the University include a certificate of deposit.

Level 2 – is defined as observable inputs other than Level 1 prices. These include quoted prices for similar assets or liabilities in an active market, quoted prices for identical assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets.

Level 3 – is defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. The University does not have Level 3 assets.

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

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, (2) to purchase capital or other noncurrent assets or settle long-term liabilities, or (3) permanently restricted net position are classified as a noncurrent asset in the statements of net position.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

No Hardship Pay Adjustment

The state placed all employees on deferred pay effective October 1, 2014. This represents payment provided to employees who were moved from current pay to arrears pay. Since there were employees who were never on deferred pay, the University was required to make a "no hardship pay adjustment" and treat these employees as if they have already had their deferred pay paid to them. This amount will be deducted from each employee's last paycheck when they leave state employment.

Capital Assets

Capital assets include property, plant, equipment, books, and materials that are part of a catalogued library, right-to-use assets, 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 15 to 50 years for buildings and infrastructure, 20 years for land improvements and library books, and 3 to 10 years for furniture and equipment. The University's capitalization threshold is $5,000. The accompanying financial statements reflect all adjustments required by GASB.

Lease Right to Use Assets and Subscription Based Information Technology Arrangement (SBITA) assets are initially measured as the sum of the present value of payments expected to be made during the contractual term, payments associated with the contract made to the vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any vendor incentives received form the vendor at the commencement of the term. Lease and SBITA assets are amortized in a systematic and rational manner over the shorter of the contractual term or the useful life of the underlying assets.

Unearned Revenue

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

Compensated Absences and Other Postemployment Benefits (OPEB)

GASB provides for the measurement, recognition, and display of OPEB expenditures, assets, and liabilities, including applicable note disclosures and required supplementary information. During fiscal year 2006, House Bill No. 4654 was established to create a trust fund for postemployment benefits for the state. The University is required to participate in this multiemployer, cost-sharing plan, the West Virginia Retiree Health Benefit Trust Fund, sponsored by the state of West Virginia. Details regarding this plan and its stand-alone financials can be obtained by contacting the 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 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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, accumulated 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 has 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 1.5 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. This liability is now provided for under the multiemployer, cost-sharing plan sponsored by the state.

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, 3-1/3 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 in 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 accounting principles generally accepted in the United States of America as prescribed by GASB. Employer contributions are recognized when due and the employer has a legal requirement to provide the contributions. Investments are reported at fair value. Detailed information on investment valuation can be found in the TRS financial statements. Management of TRS has made certain estimates and assumptions relating to employer allocation schedules, and actual results could differ (Note 13).

Deferred Inflows and Outflows of Resources

In addition to assets and liabilities, the statements of net position report separate sections of deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period which will not be recognized as an outflow of resources until that time. Deferred inflows of resources represent an acquisition of net assets that applies to a future period which will not be recognized as an inflow of resources until that time.

Deferred charges for defined benefit plans result from the difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension/OPEB plan investments, changes in the state's proportion of expenses and liabilities to the pension/OPEB as a whole, differences between the University's pension/OPEB contributions and its proportionate share of contributions, and the University's pension/OPEB contributions subsequent to the pension/OPEB valuation measurement date.

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 may be 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risk Management (Continued)

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 West Virginia Public Employees Insurance Agency (PEIA) and a third-party insurer, 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 insurer, the University has transferred its risks related to health, life, prescription drug coverage, and job-related injuries.

West Virginia had a single private insurance company, BrickStreet Insurance, which provides workers' compensation coverage to all employers in the state. Other private insurance companies began to offer coverage to private-sector employers beginning July 1, 2009 and to government employers July 1, 2010. Nearly every employer in the state who has a payroll must have coverage. The cost of all coverage is paid by the employers. BrickStreet retains the risk related to the compensation of injured employees under the program.

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, including Pell grants and (4) sales and services of educational activities.

- *Noncapital Subsidies* – The University reports State Appropriations, Payments on Behalf of the University, and Scholarship Contributions as noncapital subsidies.

- *Nonoperating Revenues* – Nonoperating revenues include activities that have the characteristics of nonexchange transactions and meet the definition of a nonoperating revenue established by GASB 103. These include financing revenues, capital gifts and grants, endowment contributions, and investment income.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Federal Financial Assistance Programs

The University makes loans to students under the Federal Direct Loan Program. Federal Direct loans are not included as receivable on the University's statements of net position as the loans are repayable directly to the U.S. Department of Education. The University made awards of approximately $10.3 million and $8.1 million in 2026 and 2025, respectively, under the Federal Direct Loan Program of the U.S. Department of Education, which are 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 Educational Opportunity Grant, and College Work Study programs. The activity of these programs is recorded in the accompanying financial statements. In 2026 and 2025, the University received and disbursed approximately $5.75 million and $5.5 million, respectively, under these federal student aid programs.

Scholarship Allowances

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

For Fiscal Year 2024, based on new guidance issued by the National Association of College and University Business Officers (NACUBO), the university changed methods to Example A of NACUBO advisory AR-2023-01. This method allocates the discount using student level detail by term in order to calculate the discount.

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.

Income Taxes

The University is exempt from income taxes, except for unrelated business income, as a governmental instrumentality under federal income tax laws and regulations of the IRS as described in Section 115 of the Internal Revenue Code (IRC).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash Flows

Any cash and cash equivalents escrowed, restricted for noncurrent assets, or in funded reserves have not been included as cash and cash equivalents for the purpose of the statements of cash flows.

Use of Estimates

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

Risk and Uncertainties

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

Adoption of New Accounting Standards

Effective for the year ended June 30, 2026, the University adopted Statement No. 103, *Financial Reporting Model Improvements*, issued by the Governmental Accounting Standards Board (GASB). The standard modernizes the foundational government financial reporting framework originally established by GASB Statement No. 34. The standard enhances the clarity, consistency, and analytical depth of state and local government financial reports. The University's financial statements contain various updates to the management discussion and analysis, the statement of net position, and the statement of revenues, expenses, and changes in net assets due to the adoption of GASB 103.

Prior year amounts have been reclassified to conform to the current year presentation under GASB 103. These reclassifications had no effect on previously reported net position or change in net position. The following prior year financial statement line items are affected by the application of the new accounting principle as follows:

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standards (Continued)

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, (GASB 104), effective for reporting periods beginning after June 15, 2025. GASB 104 requires entity's to provide detailed information about capital assets in notes to financial statements. This statement did not have a significant impact on the University's financial statements.

Financial Statement Line Item	As Previously Recorded	As Reported Under GASB 103
Operating Revenues		
Pell Grant	$ -	$ 5,194,149
Private	1,854,001	1,130,266
Noncapital Subsidies		
State Appropriations	-	11,946,787
Contributions for Scholarships	-	723,735
Payments on Behalf of the University	-	123,719
Nonoperating Revenues (Expenses)		
State Appropriations	11,946,787	-
Pell Grants	5,194,149	-
Payments on Behalf of the University	123,719	-

NOTE 3 CASH AND CASH EQUIVALENTS

The composition of cash and cash equivalents was held as follows:

	2026	2025
Cash on Deposit with the State Treasurer's Office/BTI	$ 3,347,300	$ 5,027,180
Cash in Bank	2,414,134	2,446,600
Total	$ 5,761,434	$ 7,473,780

Cash held by the state treasurer includes $3,347,300 and $5,027,180 at June 30, 2026 and 2025, respectively, of cash for sponsored projects, loans, and other purposes. Remaining cash equivalents primarily relate to amounts held in money markets. The carrying amount of cash in bank at June 30, 2026 and 2025 is different than that with the bank primarily due to outstanding checks and items in transit.

NOTE 3 CASH AND CASH EQUIVALENTS (CONTINUED)

The bank balances were covered by federal depository insurance as noted below or were collateralized by securities held by the state's agent. Regarding federal depository insurance, interest-bearing accounts are insured by the Federal Deposit Insurance Corporation up to $250,000.

Amounts with the state treasurer as of June 30, 2026 and 2025, are comprised of three investment pools: the West Virginia Money Market Pool, the West Virginia Government Money Market Pool, and the West Virginia 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 and does not agree to the information shown in the previous table. The difference is primarily caused by outstanding checks and items in transit:

	2026		2025	
	Carry Value	S&P Rating	Carry Value	S&P Rating
WV Money Market Pool	$ 2,633,447	AAAm	$ 3,614,722	AAAm
WV Government Money Market Pool	16	AAAm	16	AAAm
WV Short-Term Bond Pool	61,651	Not Rated	84,945	Not Rated
Total	$ 2,695,114		$ 3,699,683	

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 West Virginia Short-Term Bond Pool.

Money Market Pool and the West Virginia Government Money Market Pool and the Weighted Average Maturity (WAM):

	2026		2025	
	Carry Value	WAM (Days)	Carry Value	WAM (Days)
WV Money Market Pool	$ 2,633,447	46	$ 3,614,722	41
WV Government Money Market Pool	16	45	16	26

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

	2026		2025	
External Pool	Carry Value	Effective Duration	Carry Value	Effective Duration
WV Short-Term Bond Pool	$ 61,651	664	$ 84,945	637

NOTE 3 CASH AND CASH EQUIVALENTS (CONTINUED)

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

Cash 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.

	Carrying Value	
Investment Type	2026	2025
Money Market Fund	$ 45	$ 26

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.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The University'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.

Foreign Currency Risk

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

NOTE 4 INVESTMENTS

The University categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The University had the following recurring fair value measurements comprised of investments at June 30, 2026 and 2025.

NOTE 4 INVESTMENTS (CONTINUED)

The following amounts are a summary of the inputs used in determining the fair values of financial assets and liabilities measured at fair value on a recurring basis as of June 30:

	2026			
		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Amounts Held at Foundation	$ 6,655,183	$ -	$ 6,655,183	$ -

	2025			
		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Amounts Held at Foundation	$ 6,182,319	$ -	$ 6,182,319	$ -

The University's investments held by the Foundation classified in Level 2 of the fair value hierarchy are valued at quoted prices for the underlying assets which are considered to be similar assets in active markets. For additional information related to types of investments, custodial credit risk, investment policies, external investment pools, restrictions, and limitations, see Note 16 to the financial statements which contains the investment disclosures of the Concord University Foundation, which holds the amounts on behalf of the University.

NOTE 5 ACCOUNTS RECEIVABLE

Accounts receivable were as follows at June 30:

	2026	2025
Student Tuition and Fees, Net of Allowance for Doubtful Accounts of $1,309,444 and $908,628, Respectively	$ 881,618	$ 1,273,552
Grants and Contracts Receivable	702,760	1,646,887
Other Accounts Receivable, Net of Allowance for Doubtful Accounts of $-0- and $-0-, Respectively	374,308	101,271
Total	$ 1,958,686	$ 3,021,710

NOTE 6 CAPITAL ASSETS

The following is a summary of capital asset transactions for the University for the years ended June 30:

	2026				
	Beginning Balance	Additions	Reductions	Transfers	Ending Balance
Capital Assets not Being Depreciated or Amortized:					
Land	$ 383,025	$ -	$ -	$ -	$ 383,025
Construction in Progress	8,858,926	169,830	-	(8,607,072)	421,684
Total Capital Assets not Being Depreciated or Amortized	$ 9,241,951	$ 169,830	$ -	$ (8,607,072)	$ 804,709
Capital Assets Being Depreciated and Amortized:					
Land Improvements	$ 4,435,871	$ 67,574	$ -	$ -	$ 4,503,445
Buildings	99,572,358	6,772,582	-	8,607,072	114,952,012
Equipment	11,942,562	375,617	(113,432)	-	12,204,747
Software	426,852	-	-	-	426,852
Library Books	2,123,042	-	-	-	2,123,042
Right of Use Assets	204,012	93,275	(12,956)	-	284,331
SBITAs	2,882,766	667,196	(1,431,124)	-	2,118,838
Total Other Capital Assets	121,587,463	7,976,244	(1,557,512)	8,607,072	136,613,267
Less: Accumulated Depreciation and Amortization for:					
Land Improvements	(3,213,379)	(213,219)	-	-	(3,426,598)
Buildings	(46,874,009)	(2,090,759)	-	-	(48,964,768)
Equipment	(9,190,246)	(792,065)	113,876	-	(9,868,435)
Software	(353,583)	(6,203)	-	-	(359,786)
Library Books	(676,176)	(25,268)	-	-	(701,444)
Right of Use Assets	(59,351)	(70,188)	12,956	-	(116,583)
SBITAs	(1,755,201)	(743,435)	1,431,124	-	(1,067,512)
Total Accumulated Depreciation and Amortization	(62,121,945)	(3,941,137)	1,557,956	-	(64,505,126)
Capital Assets Being Depreciated and Amortized, Net	$ 59,465,518	$ 4,035,107	$ 444	$ 8,607,072	$ 72,108,141
Capital Asset Summary:					
Capital Assets not Being Depreciated or Amortized	$ 9,241,951	$ 169,830	$ -	$ (8,607,072)	$ 804,709
Other Capital Assets	121,587,463	7,976,244	(1,557,512)	8,607,072	136,613,267
Total Cost of Capital Assets	130,829,414	8,146,074	(1,557,512)	-	137,417,976
Less: Accumulated Depreciation and Amortization	(62,121,945)	(3,941,137)	1,557,956	-	(64,505,126)
Capital Assets, Net	$ 68,707,469	$ 4,204,937	$ 444	$ -	$ 72,912,850

NOTE 6 CAPITAL ASSETS (CONTINUED)

	2025				
	Beginning Balance	Additions	Reductions	Transfers	Ending Balance
Capital Assets not Being Depreciated or Amortized:					
Land	$ 383,025	$ -	$ -	$ -	$ 383,025
Construction in Progress	1,004,487	8,019,383	-	(164,944)	8,858,926
Total Capital Assets not Being Depreciated or Amortized	$ 1,387,512	$ 8,019,383	$ -	$ (164,944)	$ 9,241,951
Capital Assets Being Depreciated and Amortized:					
Land Improvements	$ 4,386,971	$ 48,900	$ -	$ -	$ 4,435,871
Buildings	97,255,837	2,326,521	(10,000)	-	99,572,358
Equipment	11,220,441	669,457	(112,280)	164,944	11,942,562
Software	426,852	-	-	-	426,852
Library Books	2,123,042	-	-	-	2,123,042
Right of Use Assets	104,464	104,824	(5,276)	-	204,012
SBITAs	3,298,384	280,033	(695,651)	-	2,882,766
Total Other Capital Assets	118,815,991	3,429,735	(823,207)	164,944	121,587,463
Less: Accumulated Depreciation and Amortization for:					
Land Improvements	(2,999,998)	(213,381)	-	-	(3,213,379)
Buildings	(45,082,730)	(1,801,279)	10,000	-	(46,874,009)
Equipment	(8,538,492)	(764,033)	112,279	-	(9,190,246)
Software	(347,380)	(6,203)	-	-	(353,583)
Library Books	(650,908)	(25,268)	-	-	(676,176)
Right of Use Assets	(19,774)	(44,853)	5,276	-	(59,351)
SBITAs	(1,578,028)	(870,821)	693,648	-	(1,755,201)
Total Accumulated Depreciation and Amortization	(59,217,310)	(3,725,838)	821,203	-	(62,121,945)
Capital Assets Being Depreciated and Amortized, Net	$ 59,598,681	$ (296,103)	$ (2,004)	$ 164,944	$ 59,465,518
Capital Asset Summary:					
Capital Assets not Being Depreciated or Amortized	$ 1,387,512	$ 8,019,383	$ -	$ (164,944)	$ 9,241,951
Other Capital Assets	118,815,991	3,429,735	(823,207)	164,944	121,587,463
Total Cost of Capital Assets	120,203,503	11,449,118	(823,207)	-	130,829,414
Less: Accumulated Depreciation and Amortization	(59,217,310)	(3,725,838)	821,203	-	(62,121,945)
Capital Assets, Net	$ 60,986,193	$ 7,723,280	$ (2,004)	$ -	$ 68,707,469

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

Depreciation expense was $3,941,137 and $3,725,838 at June 30, 2026 and 2025, respectively.

NOTE 7 LONG-TERM LIABILITIES

The following is a summary of long-term obligation transactions for the University for the years ended June 30:

	2026				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Advances from Federal Sponsors	$ 6,577	$ -	$ (6,577)	$ -	$ -
Lease Liabilities including Financed Purchase	144,236	93,276	(66,128)	171,384	60,391
Subscription Liabilities	962,545	489,899	(549,469)	902,975	481,380
Compensated Absences	1,712,718	101,520	-	1,814,238	1,278,490
Net Pension Liability	130,276	-	(46,235)	84,041	-
Other Postemployment Benefits Liability (Asset)	(64,175)	273,518	-	209,343	-
Debt Obligation Due to the Commission	330,000	-	(110,000)	220,000	110,000
Bonds Payable	12,931,233	-	(480,000)	12,451,233	495,000
Bond Premium	50,187	-	(2,642)	47,545	-
Total Long-Term Liabilities	$ 16,203,597	$ 958,213	$ (1,261,051)	$ 15,900,759	$ 2,425,261

	2025				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Advances from Federal Sponsors	$ 327,926	$ -	$ (321,349)	$ 6,577	$ -
Lease Liabilities including Financed Purchase	380,644	98,874	(335,282)	144,236	41,956
Subscription Liabilities	1,505,565	180,704	(723,724)	962,545	428,557
Compensated Absences	1,305,924	406,794	-	1,712,718	-
Net Pension Liability	154,962	-	(24,686)	130,276	-
Other Postemployment Benefits Liability (Asset)	(408,850)	344,675	-	(64,175)	-
Debt Obligation Due to the Commission	440,000	-	(110,000)	330,000	110,000
Bonds Payable	13,396,233	-	(465,000)	12,931,233	480,000
Bond Premium	52,828	-	(2,641)	50,187	-
Total Long-Term Liabilities	$ 17,155,232	$ 1,031,047	$ (1,982,682)	$ 16,203,597	$ 1,060,513

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

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Bonds Payable

Bonds payable at June 30 are summarized as follows:

	Interest Rates	Annual Principal Installments	2026 Principal Outstanding
Revenue Bonds, 2014 Series, due through 2044	2.25% - 5.00%	$320,000 - 950,000	$ 12,451,233
Add Unamortized Bond Premium			47,545
Total			$ 12,498,778
Current			$ 495,000
Noncurrent			12,003,778
Total			$ 12,498,778

	Interest Rates	Annual Principal Installments	2025 Principal Outstanding
Revenue Bonds, 2014 Series, due through 2044	2.25% - 5.00%	$320,000 - 950,000	$ 12,931,233
Add Unamortized Bond Premium			50,187
Total			$ 12,981,420
Current			$ 480,000
Noncurrent			12,501,420
Total			$ 12,981,420

On December 1, 2014, the University issued Revenue Bonds, Series 2014 (Series 2014 Bonds) amounting to $16,460,000. The Series 2014 Bonds were issued to (1) finance the costs to plan, design, remodel, improve, and equip certain dormitory facilities on its main campus, (2) pay capitalized interest on the Series 2014 Bonds through December 1, 2015, (3) reimburse certain previously incurred expenditures related to the project, and (4) pay the costs of issuance of the Series 2014 Bonds and related costs.

The Series 2014 Bonds are special, self-liquidating obligations of the University and are secured by and payable solely from certain pledged revenues held under the Bond Indenture (the Indenture). The Series 2014 Bonds shall not be deemed to be general obligations or debts of the state within the meaning of the Constitution of the State; neither the credit nor the taxing power of the state is pledged for the payment of the Series 2014 Bonds.

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Bonds Payable (Continued)

The Series 2014 Bonds are special, self-liquidating obligations of the University and are secured by and payable solely from certain pledged revenues held under the Bond Indenture (the Indenture). The Series 2014 Bonds shall not be deemed to be general obligations or debts of the state within the meaning of the Constitution of the State; neither the credit nor the taxing power of the state is pledged for the payment of the Series 2014 Bonds.

The Series 2014 Bond covenants require that the schedules of rent, charges, and fees shall at all times produce pledged revenues from the auxiliary facilities sufficient to pay operating expenses and, when combined with other monies legally available to be used for such purposes (as prescribed in the Indenture), to make the prescribed payments into the funds and accounts created hereunder, and that such schedule or schedules of rents, charges, and fees, that shall be revised from time to time to provide for all reasonable operating expenses and leave net revenues, when combined with other monies legally available to be used for such purposes, each year equal at least 100% of the maximum annual debt service. For the year ended June 30, 2026, the University had gross revenues that approximated 299% of the maximum annual debt service.

The Series 2014 Bonds mature on June 1 of each year starting June 1, 2017 and continuing through June 1, 2029, on June 1, 2035, on June 1, 2039, and on June 1, 2044. Annual payments made starting after June 1, 2029 are deposited into a sinking fund and are subject to mandatory redemption prior to maturity on June 1, 2035, June 1, 2039, and June 1, 2044.

During the year ended June 30, 2026, the University paid $480,000 in principal payments and $507,988 in bond interest expense.

Future debt service requirements to maturity for the Series 2014 Bonds at June 30, 2026, are as follows excluding unamortized premium of $50,187.

Year Ending June 30,	Principal	Interest	Total
2027	$ 495,000	$ 492,388	$ 987,388
2028	510,000	475,063	985,063
2029	530,000	457,213	987,213
2030	545,000	438,000	983,000
2031	570,000	416,000	986,000
2032-2036	3,200,000	1,721,000	4,921,000
2037-2041	3,900,000	1,027,000	4,927,000
2042-2044	2,701,233	221,800	2,923,033
Total	$ 12,451,233	$ 5,248,463	$ 17,699,696

Debt Obligation Due to the Commission

The University borrowed $550,0000 from the West Virginia Higer Education Policy Commission on March 1, 2023. The loan accrues no interest and principal payments of $110,000 per annum are due over each of the next five years.

NOTE 8 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).

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 year ended June 30:

	2026	2025
Net OPEB (Asset) Liability	$ 209,343	$ (64,175)
Deferred Outflows of Resources	773,788	408,651
Deferred Inflows of Resources	379,707	225,474
Revenues (expenses)	238,732	107,502
OPEB Expense	390,938	97,778
Employer Contributions	85,804	146,396

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 nine 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.

NOTE 8 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 pension liability, deferred outflows and inflows, and pension expense, the information 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.

Members who 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.

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Contributions (Contributions)

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, 3-1/3 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 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.

Assumptions

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

- Inflation rate: 2.50%.
- Salary increase: Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation.
- Investment rate of return: 7.40%, net of OPEB plan investment expense, including inflation.
- Healthcare cost trend rates: Trend rate for pre-Medicare and Medicare per capita costs of 5.0% 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% is reached in plan year-end 2034 (2033 for FY25).
- Actuarial cost method: Entry age normal cost method.
- Amortization method: Level percentage of payroll over a 20-year closed period beginning June 30, 2017.
- Wage inflation: 2.75%. for PERS and 3.25% for Troopers
- Retirement age: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2020 actuarial valuation.
- Aging factors: Based on the 2013 SOA Study “Health Care Costs – From Birth to Death”.
- Expenses: Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of the annual expense.
- Mortality postretirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 100% for males and 108% for females.
- Mortality pre-retirement: Pub-2010 General Employee Mortality Tables projected with MP-2021 and scaling factors of 100% males for males and 100% for females.

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Assumptions (Continued)

The actuarial assumptions used in the June 30, 2024 and 2023 valuations 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). Long-term pre-funding assets are invested with the IMB. The strategic asset allocation consists of 45% equity, 15% fixed income, 6% private credit and income, 12% private equity, 10% hedge fund, and 12% real estate invested. Short-term assets used to pay current year benefits and expenses are invested with the BTI.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and by adding expected inflation. Best estimates for all periods presented of the long-term geometric rates for each major asset class 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	6.0
Private Equity	10.0	12.0
Real Estate	7.7	12.0
Hedge Funds	4.5	10.0
Total		100.0 %

Discount Rate The discount rate used to measure the OPEB liability was 7.40%. The projections of cash flows used to determine the discount rate assumed that RHBT contributions will be made at a rates equal to the actuarially determined contribution rates, in accordance with prefunding and investment policies. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability (asset).

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Assumptions (Continued)

Sensitivity of the Net OPEB (Asset) Liability to Changes in the Discount Rate

The following presents the University's proportionate share of the net OPEB liability as of June 30, 2026 and 2025 calculated using the discount rate, as well as what the College'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 discount rate for the year (dollars in thousands):

	1% Decrease 6.40%	Current Discount Rate 7.40%	1% Increase 8.40%
Net OPEB Liability (Asset) - June 30, 2026	$ 799,597	$ 209,343	$ (294,518)
Net OPEB Liability (Asset) - June 30, 2025	$ 280,577	$ (64,175)	$ (351,291)

Sensitivity of the Net OPEB (Asset) Liability to Changes in the Healthcare Cost Trend Rate

The following presents the University's proportionate share of the net OPEB (asset) liability as of June 30, 2026 and 2025, calculated using the healthcare cost trend rate, as well as what the University's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability (Asset) - June 30, 2026	$ (530,979)	$ 209,343	$ 1,088,710
Net OPEB Liability (Asset) - June 30, 2025	$ (504,576)	$ (64,175)	$ 470,630

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

The June 30, 2026 net OPEB liability (asset) was measured as of June 30, 2025, and the total OPEB liability (asset) was determined by an actuarial valuation as of June 30, 2024, rolled forward to the measurement date of June 30, 2025. The June 30, 2025 net OPEB liability (asset) was measured as of June 30, 2024, and the total OPEB liability (asset) was determined by an actuarial valuation as of June 30, 2023, rolled forward to the measurement date of June 30, 2024.

At June 30, 2026, the University's proportionate share of the net OPEB liability (asset) was $355,069. Of this amount, the University recognized $209,343 as its proportionate share on the statement of net position. The remainder of $125,726 denotes the University's proportionate share of net OPEB liability (asset) attributable to the special funding.

At June 30, 2025, the University's proportionate share of the net OPEB liability (asset) was $(265,740). Of this amount, the University recognized $(64,175) as its proportionate share on the statement of net position. The remainder of $(201,565) denotes the University's proportionate share of net OPEB liability (asset) attributable to the special funding.

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

The allocation percentage assigned to each participating employer and non-employer contributing entity is based on its proportionate share of employer and non-employer contributions to OPEB for each of the fiscal years ended June 30, 2025 and 2024. Employer contributions are recognized when due. At the June 30, 2025 measurement date, the University's proportion was 0.221988067%, an increase of 0.067854013% from its proportion of 0.154134054% calculated as of June 30, 2024. At the June 30, 2024 measurement date, the University's proportion was 0.154134054%, a decrease of 0.104224522% from its proportion of 0.258358576% calculated as of June 30, 2023.

For the year ended June 30, 2026, the University's recognized OPEB expense of $390,938. Of this amount, $152,206 was recognized as the University's proportionate share of OPEB expense and $238,732 as the amount of OPEB expense attributable to special funding from a non-employer contributing entity. The University also recognized revenue of $238,732 for support provided by the State.

For the year ended June 30, 2025, the University's recognized OPEB expense of $97,778. Of this amount, $(9,724) was recognized as the University's proportionate share of OPEB expense and $107,502 as the amount of OPEB expense attributable to special funding from a non-employer contributing entity. The University also recognized revenue of $107,502 for support provided by the State.

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

	2026	
	Outflows of Resources	Inflows of Resources
Differences Between Expected and Actual Experience	$ 190,525	$ 152,959
Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	8,358	29,466
Changes in Assumptions	489,101	43,142
Net Difference Between Projected and Actual Investment Earnings	-	154,140
Contributions After the Measurement Date	85,804	-
Total	$ 773,788	$ 379,707

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

	2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 223,536	$ 64,532
Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	14,219	11,940
Changes in Assumptions	24,500	75,886
Net Difference Between Projected and Actual Investment Earnings	-	73,116
Contributions After the Measurement Date	146,396	-
Total	$ 408,651	$ 225,474

The University will recognize the $85,804 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, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Amortization
2027	$ 311,437
2028	102,748
2029	(65,181)
2030	(40,726)
Total	$ 308,278

NOTE 9 RIGHT OF USE LEASES AND FINANCED PURCHASES

The University leases equipment for various terms under long-term, noncancelable lease agreements. The leases require fixed monthly or quarterly payments, expire at various dates through 2029, and bear interest at rates ranging from 5.00%-6.50%.

Leases that provide for the transfer of title to the University at the end of the lease term are accounted for as financed purchases. Interest expense recognized on these leases for the fiscal years ended June 30, 2026 and 2025 totaled approximately $-0- and $6,300, respectively.

NOTE 9 RIGHT OF USE LEASES AND FINANCED PURCHASES (CONTINUED)

The following schedule provides future minimum principal and interest payments to maturity for financed purchases and right of use leases.

Fiscal Year Ending June 30,	Financed Purchases Principal	Financed Purchases Interest
2027	$ 60,391	$ 11,194
2028	60,463	6,478
2029	47,663	1,938
2030	2,867	-
Total	$ 171,384	$ 19,610

NOTE 10 SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The Entity has entered into subscription based-information technology arrangements (SBITAs) for various software licenses and an arrangement with Helios Energy, LLC for lighting services technology. The SBITA arrangements expire at various dates through 2026 and provide for renewal options. The University determined interest rates for its SBITA arrangements by using its estimated incremental borrowing rate as of the date of the SBITA agreement. Liabilities are discounted at interest rates ranging from 6.5% -9.15%.

The future subscription payments under SBITA agreements are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Payments
2027	$ 481,380	$ 54,560	$ 535,940
2028	187,371	26,601	213,972
2029	184,212	14,691	198,903
2030	50,012	2,889	52,901
Total Future Payments	$ 902,975	$ 98,741	$ 1,001,716

NOTE 11 STATE SYSTEM OF HIGHER EDUCATION INDEBTEDNESS

The University is a state institution of higher education, and the University receives a state appropriation to help 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 colleges, 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 College and College Systems (the Boards). These obligations administered by the Commission are the direct and total responsibility of the Commission, as successor to the former Boards.

NOTE 11 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 tuition and registration fees of the members of the former state university system are generally pledged as collateral for the Commission's bond indebtedness. Student fees collected by the institution in excess of the debt service allocation are retained by the institution for internal funding of capital projects and maintenance. Although the bonds remain as a capital obligation of the Commission, an estimate of the obligation of each institution is reported as a long-term payable by each institution and as a receivable by the Commission.

NOTE 12 UNRESTRICTED NET POSITION

The University did not have any designated unrestricted net position as of June 30.

	2026	2025
Total Unrestricted Net Position and Temporarily Restricted Expendable Net Position Before OPEB (Asset) Liability	$ 793,351	$ 2,137,462
Less: OPEB (Asset) Liability	209,343	(64,175)
Total Unrestricted Net Position (Deficit)	$ 1,002,694	$ 2,073,287

NOTE 13 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-College Retirement Equities Fund (the TIAA-CREF). Previously, upon fulltime employment, all employees were required to make an irrevocable selection between the TRS and TIAA-CREF. Effective July 1, 1991, the TRS was closed to new participants. Current participants in the TRS are permitted to make a one-time election to cease their participation in that plan and commence contributions to the West Virginia Teachers' Defined Contribution Plan. Contributions to and participation in the West Virginia Teachers' Defined Contribution Plan by University employees have not been significant to date.

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).

NOTE 13 RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan (Continued)

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 respectively:

	2026	2025
Net Pension Liability	$ 84,041	$ 130,276
Deferred Outflows of Resources	42,630	50,004
Deferred Inflow of Resources	36,615	50,022
Revenues	1,014	16,217
Employer Contributions	15,655	15,408

TRS

Plan Description

TRS is a multiemployer 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.

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#CAFR.

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.

NOTE 13 RETIREMENT PLANS (CONTINUED)

TRS (Continued)

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. 15% of School Aid Formula (SAF) covered payroll of county-employed members;
3. 7.5% of SAF-covered payroll of members of the Teachers Defined Contribution Retirement System (TDCRS);
4. A certain percentage of fire insurance premiums paid by State residents; and
5. Under West Virginia 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 June 30, 2025 and 2024, the University's proportionate share attributable to this special funding subsidy was $0 and $16,217, respectively.

The University's contributions to TRS for the years ended June 30, 2026, 2025 and 2024, were $15,655, $15,408, and $15,145, respectively.

Assumptions

The total pension liabilities for financial reporting purposes were determined by actuarial valuations as of July 1, 2024 and 2023 and rolled forward to June 30, 2025 and 2024, respectively.

NOTE 13 RETIREMENT PLANS (CONTINUED)

TRS (Continued)

Assumptions (Continued)

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: Level dollar, fixed period over 40 years, from July 1, 1994 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 nonteachers 2.75-6.50%, based on age.
- Inflation rate of 2.75%.
- Discount rate of 7.25%.
- Mortality rates based on Pub-2010 Mortality Tables, headcount-weighted, projected with Scale MP-2019
- Withdrawal rates: Teachers 1.90-31.50% and non-teachers 2.50%-18%.
- Disability rates: 0.000%-0.507%.
- Retirement age: An age-related assumption is used for participants not yet receiving payments.
- Retirement rates: 15%–100%
- *Ad hoc* cost-of-living increases in pensions are periodically granted by the State Legislature. However, the retirement system makes no automatic provision for such increases.

Experience studies are performed at least once in every five-year period. The most recent experience study covered the period from July 1, 2019 to June 30, 2024. These assumptions will remain in effect for valuation purposes until such time as the CPRB adopts revised assumptions.

The long-term expected rate of return on pension plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

NOTE 13 RETIREMENT PLANS (CONTINUED)

TRS (Continued)

Assumptions (Continued)

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, 2026 is summarized below.

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
Domestic Equity	5.3 %	22.5 %
International Equity	6.7	22.5
Fixed Income	4.3	15.0
Real Estate	7.2	12.0
Private Equity	8.0	12.0
Private Credit	8.2	6.0
Hedge Funds	5.0	10.0

Best estimates of the long-term arithmetic real rates of return for each major asset class included in TRS' target asset allocation as of June 30, 2025, is summarized below:

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

The discount rate used to measure the total TRS pension liability was 7.25% for fiscal years 2026 and 2025. The projection of cash flows used to determine the discount rate assumed that State contributions will continue to follow the current funding policy. Based on those assumptions, 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.

NOTE 13 RETIREMENT PLANS (CONTINUED)

TRS (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 TRS net pension liability as of June 30, 2026 and 2025 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).

	1% Decrease 6.25%	Current Rate 7.25%	1% Increase 8.25%
Net Pension Liability - June 30, 2026	$ 167	$ 84	$ 13
Net Pension Liability - June 30, 2025	$ 219	$ 130	$ 56

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

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

At June 30, 2026, the University's proportionate share of the TRS net pension liability was $219,017. Of this amount, the University recognized $84,041 as its proportionate share on the statement of net position. The remainder of $134,976 denotes the University's proportionate share of net pension liability attributable to the special funding.

At June 30, 2025, the University's proportionate share of the TRS net pension liability was $345,713. Of this amount, the University recognized $130,276 as its proportionate share on the statement of net position. The remainder of $215,437 denotes the University's proportionate share of net pension liability attributable to the special funding.

NOTE 13 RETIREMENT PLANS (CONTINUED)

TRS (Continued)

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

The allocation percentage assigned to each participating employer and non-employer contributing entity is based on its proportionate share of employer and non-employer contributions to TRS for each of the fiscal years ended June 30, 2025 and 2024. Employer contributions are recognized when due. At the June 30, 2025 measurement date, the University's proportion was 0.006467%, a decrease of -0.000437 % from its proportion of 0.006904% calculated as of June 30, 2024. At the June 30, 2024 measurement date, the University's proportion was 0.006904%, an increase of 0.000276% from its proportion of 0.006628% calculated as of June 30, 2023.

For the year ended June 30, 2026, the University recognized TRS pension expense of $3,285. Of this amount, $2,271 was recognized as the University's proportionate share of the TRS expense and $1,014 as the amount of pension expense attributable to special funding from a non-employer contributing entity. The University also recognized revenue of $1,014 for support provided by the State.

For the year ended June 30, 2025, the University recognized TRS pension expense of $(16,277). Of this amount, $(34,494) was recognized as the University's proportionate share of the TRS expense and $16,217 as the amount of pension expense attributable to special funding from a non-employer contributing entity. The University also recognized revenue of $16,217 for support provided by the State.

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

	2026	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	$ 12,308	$ 13,726
Difference Between Expected and Actual Experience	-	-
Net Difference Between Projected and Actual Investment Earnings	14,492	18,240
	-	-
Changes in Assumptions	175	4,649
Contributions After the Measurement Date	15,655	-
Total	$ 42,630	$ 36,615

NOTE 13 RETIREMENT PLANS (CONTINUED)

TRS (Continued)

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

	2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	$ 17,802	$ 36,571
Difference Between Expected and Actual Experience	13,485	-
Net Difference Between Projected and Actual Investment Earnings	-	13,451
Changes in Assumptions	3,309	-
Contributions After the Measurement Date	15,408	-
Total	$ 50,004	$ 50,022

The University will recognize the $15,655 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, 2027. 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 (dollars in thousands):

Fiscal Year Ending June 30,	Amortization
2027	$ 8,151
2028	(4,329)
2029	(6,520)
2030	(6,942)
Total	$ (9,640)

Payables to the Pension Plan

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

Defined Contribution Benefit Plan

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

Total contributions to the TIAA-CREF for the years ended June 30, 2026, 2025, and 2024, were $2,346,601, $2,302,811, and $2,156,584, respectively, which consisted of contributions of $1,173,300, $1,151,405, and $1,078,292 from the University and $1,173,300, $1,151,405, and $1,078,292 from the covered employees, respectively.

NOTE 13 RETIREMENT PLANS (CONTINUED)

Defined Contribution Benefit Plan (Continued)

The University's total payroll for the years ended June 30, 2026, 2025, and 2024, was $21,739,488, $21,015,965, and $19,664,043, respectively. Total covered employees' salaries in the TRS and TIAA-CREF were $19,540,871 and $15,654, $19,190,082 and $15,407 , and $17,970,962 and $100,964, respectively, in 2026, 2025, and 2024.

NOTE 14 AMOUNT HELD AT FOUNDATION

The amount held at the Foundation represents funds transferred from the Eminent Scholars and Marsh Permanent Endowment funds to the Concord University Foundation, Inc. for the purpose of investing these funds. The Eminent Scholar funds may be used to fund the academic division chair positions as decided by the University. The Marsh Endowment was a gift of a permanent endowment in the amount of $2.7 million from Dr. Joseph Marsh to completely restore to its original specifications and conditions the Casavant Freres pipe organ and the practice organ, as well as maintain the organs and carillon donated by Dr. Marsh in 1979. The endowment earnings will also be used to hire instructors for the pipe organ and the Carillion bells. The principal of the endowment may be used to fund the cost of the repairs.

NOTE 15 CONCORD UNIVERSITY RESEARCH AND DEVELOPMENT CORPORATION

Concord University Research and Development Corporation (the Research Corporation) is a blended component unit of the University. Based on the Research Corporation's audited financial statements as of June 30, 2026 and 2025, condensed financial statements can be found below. The statements are shown under FASB but have been converted to GASB for inclusion.

NOTE 15 CONCORD UNIVERSITY RESEARCH AND DEVELOPMENT CORPORATION (CONTINUED)

Concord University Research and Development Corporation
Condensed Statements of Financial Position
June 30, 2026 and 2025

	2026	2025
ASSETS		
Cash and Cash Equivalents	$ 1,871,036	$ 1,954,548
Grants Receivable	105,462	268,648
Accounts Receivable, Net of Allowance	21,296	21,838
Related Party Receivables	24,857	42,888
Other Current Assets	-	-
Net Investment in Sales Type Lease, Current	-	-
Total Current Assets	2,022,651	2,287,922
Capital Assets, Net	65,216	72,364
Net Investment in Sales Type Lease	-	-
Total Assets	$ 2,087,867	$ 2,360,286
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 57,595	$ 55,966
Refundable Advances and Unearned Revenue	314,922	331,316
Related Party Payables	-	33,772
Amounts Held on Behalf of Others	590,466	612,738
Total Liabilities	962,983	1,033,792
NET ASSETS		
Without Donor Restrictions	1,124,884	1,326,494
Total Liabilities and Net Assets	$ 2,087,867	$ 2,360,286

NOTE 15 CONCORD UNIVERSITY RESEARCH AND DEVELOPMENT CORPORATION (CONTINUED)

Concord University Research and Development Corporation
Condensed Statements of Activities
Years Ended June 30, 2026 and 2025

	2026	2025
REVENUES		
Grants	$ 427,168	$ 611,147
Other	308,281	420,471
Total Revenues Without Donor Restriction	735,449	1,031,618
EXPENSES		
Program Services	396,732	461,213
Support Services	540,327	479,587
Total Expenses Without Donor Restrictions	937,059	940,800
Donations to Concord University Foundation	-	-
Loss on Sale of Property and Equipment	-	(140,502)
CHANGE IN NET ASSETS WITH DONOR RESTRICTION RESTRICTION	(201,610)	(49,684)
Net Assets - Beginning of Year	1,326,494	1,376,178
NET ASSETS - END OF YEAR	$ 1,124,884	$ 1,326,494

Complete financial statements for the Research Corporation can be obtained from the Executive Director, Concord University Research and Development Corporation, PO Box 1000, Athens, West Virginia 24712.

NOTE 16 FOUNDATION

The Foundation is a separate nonprofit organization incorporated in the state and has as its purpose, ". . . to aid, strengthen and further in every proper and useful way, the work and services of the University and its affiliated nonprofit organizations . . ." Oversight of the Foundation is the responsibility of a separate and independently elected Board of Directors, not otherwise affiliated with the University. In carrying out its responsibilities, the Board of Directors of the Foundation employs management, forms policy, and maintains fiscal accountability over funds administered by the Foundation. Although the University does not control the timing or amount of receipts from the Foundation, the majority of resources or income thereon that the Foundation holds and invests is restricted to the activities of the University by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University and is therefore discretely presented with the University's financial statements.

NOTE 16 FOUNDATION (CONTINUED)

Based on the Foundation's audited financial statements as of June 30, 2026 and 2025, the Foundation's net assets (including unrealized gains) totaled $66,937,954 and $59,847,742, respectively. Complete financial statements for the Foundation can be obtained from Executive Director of the Concord University Foundation, Inc at PO BOX 1405; Athens, West Virginia 24712.

During the years ended June 30, 2026 and 2025, the Foundation contributed approximately $3,203,524 and $1,004,263, respectively, to the University for scholarships and other student support.

The following are significant disclosures taken directly from the Foundation's financial statements:

Investments

Investments at June 30 consisted of the following:

	2026		2025	
Government Obligations	$ 21,400,363	29%	$ 17,778,082	27%
Corporate Equities	3,940	0%	2,590	0%
Mutual Funds:				
Diversifying Asset	38,607,429	53%	38,868,981	60%
Money Markets	1,581,348	2%	3,902,553	6%
Limited Partnerships	10,310,548	14%	3,798,655	6%
Mineral Rights and Other	3,203	0%	3,203	0%
Funds Held In Trust by Others	1,101,558	2%	910,402	1%
Total	$ 73,008,389	100%	$ 65,264,466	100%

Mutual bond funds are concentrated in bonds and government obligations consisting principally of obligations of the U.S. treasury and agencies. Mutual stock funds, common stock securities, and corporate equities are concentrated in large cap sectors and are diversified, with no significant industry concentrations.

At June 30, 2025, the Foundation had a transfer of $2,600,000 in transit from money market to a new alternative investment. This amount was disclosed as money market as of June 30, 2025.

Fair Value Hierarchy

Level 1 – Fair values are based on unadjusted quoted prices in active markets for identical assets or liabilities that management has the ability to access at the measurement date.

NOTE 16 FOUNDATION (CONTINUED)

Investments (Continued)

Fair Value Hierarchy (Continued)

Level 2 – Fair values are based on inputs other than quoted prices in Level 1 that are either for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that were observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Fair values are based on unobservable inputs for the asset or liability where there is little, if any, market activity for the asset or liability at the measurement date.

The following is a summary of the inputs used in determining the fair values of financial assets and liabilities measured at fair value on a recurring basis as of June 30:

	2026				
	Fair Value	Level 1	Level 2	Level 3	NAV*
Recurring Fair Value Measurements:					
Government Obligations	$ 21,400,363	$ 21,400,363	$ -	$ -	$ -
Corporate Equities	3,940	3,940	-	-	-
Mutual Funds-Diversifying Asset	38,607,429	38,607,429	-	-	-
Money Markets	1,581,348	1,581,348	-	-	-
Limited Partnerships	10,310,548	-	-	-	10,310,548
Total	71,903,628	61,593,080	-	-	10,310,548
Funds Held in Trust by Others	1,101,558	-	1,101,558	-	-
Nonrecurring Fair Value Measurements:					
Mineral Rights and Other	3,203	-	3,203	-	-
Total Financial Assets	$ 73,008,389	$ 61,593,080	$ 1,104,761	$ -	$ 10,310,548

NOTE 16 FOUNDATION (CONTINUED)

Investments (Continued)

	2025				
	Fair Value	Level 1	Level 2	Level 3	NAV*
Recurring Fair Value Measurements:					
Government Obligations	$ 17,778,082	$ 17,778,082	$ -	$ -	$ -
Corporate Equities	2,590	2,590	-	-	-
Mutual Funds- Diversifying Asset	38,868,981	38,868,981	-	-	-
Money Markets	3,902,553	3,902,553	-	-	-
Limited Partnerships	3,798,655	-	-	-	3,798,655
Total	64,350,861	60,552,206	-	-	3,798,655
Funds Held in Trust by Others	910,402	-	910,402	-	-
Nonrecurring Fair Value Measurements:					
Mineral Rights and Other	3,203	-	3,203	-	-
Total Financial Assets	$ 65,264,466	$ 60,552,206	$ 913,605	$ -	$ 3,798,655

*Certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the financial statements

Endowment

Endowment net assets consisted of the following at June 30:

	2026	2025
Donor Restricted Endowment Funds	$ 60,598,682	$ 53,121,128
Board-Designated Endowment Funds	76,206	71,968
Total	$ 60,674,888	$ 53,193,096

Change in endowment net assets for the years ended June 30, are as follows:

NOTE 16 FOUNDATION (CONTINUED)

Endowment (Continued)

	2026	2025
Endowment Net Assets, Beginning	$ 53,193,096	$ 45,356,064
Investment Return		
Investment Income	982,446	1,083,969
Realized and Unrealized Gains (Losses)	6,228,862	4,428,062
Total Investment Return	7,211,308	5,512,031
Contributions	2,058,416	3,589,411
Appropriations for Expenditures	(1,787,932)	(1,264,410)
Endowment Net Assets, Ending	$ 60,674,888	$ 53,193,096

NOTE 17 CONTINGENCIES

The nature of the educational industry is such that, from time-to-time, claims will be presented against colleges on account of alleged negligence, acts of discrimination, breach of contract or disagreements arising from the interpretation of laws or regulations. While some of these claims may be for substantial amounts, they are not unusual in the ordinary course of providing educational services in a higher education system. Management is not aware of any claims that would impact seriously on 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 University owns various buildings which 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 under 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 conditions.

NOTE 18 FUNCTIONAL CLASSIFICATION OF NATURAL EXPENSES

These tables represent operating expenses within both natural and functional classifications for the years ended June 30:

	2026							
	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation and Amortization	Loan Cancellations and Write-Offs	Total
Instruction	$ 9,966,752	$ 2,616,500	$ 562,565	$ 120	$ 105,713	$ -	$ -	$ 13,251,650
Research	223,077	45,410	277,196	-	-	-	-	545,683
Public Service	1,186,396	291,889	3,696,854	-	355,810	-	-	5,530,949
Academic Support	1,041,992	280,098	30,821	-	-	-	-	1,352,911
Student Services	2,496,936	651,958	859,994	-	-	-	-	4,008,888
General Institutional Support	3,871,036	1,017,058	1,759,303	81,826	-	-	-	6,729,223
Operations and Maintenance of Plant	594,770	186,110	928,694	715,562	-	-	-	2,425,136
Student Financial Aid	-	-	-	-	331,994	-	-	331,994
Auxiliary Enterprises	3,386,673	897,837	6,366,747	1,103,144	-	-	-	11,754,401
Depreciation and Amortization	-	-	-	-	-	3,941,136	-	3,941,136
Other	-	-	-	-	-	-	85,462	85,462
Total	$ 22,767,632	$ 5,986,860	$ 14,482,174	$ 1,900,652	$ 793,517	$ 3,941,136	$ 85,462	$ 49,957,433

	2025							
	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation and Amortization	Loan Cancellations and Write-Offs	Total
Instruction	$ 8,934,478	$ 2,134,769	$ 763,770	$ -	$ 25,337	$ -	$ -	$ 11,858,354
Research	331,916	81,301	330,162	-	-	-	-	743,379
Public Service	1,419,637	256,318	3,579,169	-	474,164	-	-	5,729,288
Academic Support	1,530,089	363,840	601,933	-	-	-	-	2,495,862
Student Services	2,109,233	514,236	705,418	-	1,000	-	-	3,329,887
General Institutional Support	3,686,895	908,368	1,701,833	77,398	11,393	-	-	6,385,887
Operations and Maintenance of Plant	562,843	164,544	786,802	747,256	-	-	-	2,261,445
Student Financial Aid	-	-	25,365	-	1,360,868	-	-	1,386,233
Auxiliary Enterprises	3,255,849	801,290	6,024,461	913,866	-	-	-	10,995,466
Depreciation and Amortization	-	-	-	-	-	3,721,593	-	3,721,593
Other	-	-	-	-	-	-	58,959	58,959
Total	$ 21,830,940	$ 5,224,666	$ 14,518,913	$ 1,738,520	$ 1,872,762	$ 3,721,593	$ 58,959	$ 48,966,353

CONCORD UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND CONTRIBUTIONS
FOR THE 10 YEARS ENDED JUNE 30, 2026

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, 2025	0.006467%	$ 84	$ 135	$ 219	$ 104	0.81	89.27%
June 30, 2024	0.006904	130	215	345	102	1.27	84.24
June 30, 2023	0.006628	152	310	462	100	2	80.42
June 30, 2022	0.005648	145	324	469	109	133	77.78
June 30, 2021	0.006704	105	234	339	153	222	86.38
June 30, 2020	0.010790	348	755	1,103	201	173	70.89
June 30, 2019	0.013635	406	979	1,385	297	137	72.64
June 30, 2018	0.015786	493	1,277	1,770	485	102	71.20
June 30, 2017	0.026241	907	2,005	2,912	720	126	67.85
June 30, 2016	0.035737	1,469	2,798	4,267	760	193	61.42
June 30, 2015	0.033051	1,145	2,660	3,805	1,102	104	66.25

Schedule of Employer Contributions (In Thousands)

Measurement Date	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
June 30, 2025	$ 25	$ 15	$ 10	$ 104	14.42%
June 30, 2024	30	15	15	102	15.00
June 30, 2023	27	15	12	100	15.60
June 30, 2022	23	17	6	109	15.60
June 30, 2021	28	23	5	153	18.34
June 30, 2020	45	30	15	201	14.93
June 30, 2019	66	45	21	297	15.15
June 30, 2018	70	108	(38)	485	22.27
June 30, 2017	109	107	2	720	14.86
June 30, 2016	139	134	5	760	17.63
June 30, 2015	150	150	-	1,102	13.61

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

Notes to Required Supplementary Information For the Year Ended June 30, 2026

There are no factors that affect trends in the amounts reported, such as change in benefit terms or assumptions. Information, if necessary, can be obtained from the CPRB Comprehensive Annual Financial Report.

CONCORD UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULES OF PROPORTIONATE SHARE OF OPEB LIABILITY AND CONTRIBUTIONS
FOR THE 9 YEARS ENDED JUNE 30, 2026

Schedule of Proportionate Share of Net OPEB Liability (In Thousands)

Measurement Date	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	University's Plan Fiduciary Net Position as a Percentage of Total OPEB Liability
June 30, 2025	0.221988067	$ 209	$ 125	$ 334	$ 12,782	1.64%	95.76%
June 30, 2024	0.154134054	(64)	(202)	(266)	12,807	-0.50	102.19
June 30, 2023	0.258358576	(409)	(174)	(583)	15,160	-2.70	109.66
June 30, 2022	0.258220737	287	98	385	11,048	2.60	93.59
June 30, 2021	0.264317597	(79)	(15)	(94)	9,619	-0.01	101.81
June 30, 2020	0.261638868	1,156	256	1,412	9,290	12.44	73.49
June 30, 2019	0.260772065	4,327	885	5,212	9,657	44.81	39.69
June 30, 2018	0.262111930	5,626	1,163	6,789	9,183	12.66	30.98
June 30, 2017	0.254863297	6,267	1,287	7,554	9,147	14.07	25.10

Schedule of Employer Contributions (In Thousands)

Measurement Date	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a Percentage of Covered Payroll
June 30, 2025	$ 43	$ 85	$ (42)	$ 12,782	0.66%
June 30, 2024	43	146	(103)	12,807	1.14
June 30, 2023	86	61	25	15,160	0.4
June 30, 2022	64	259	(195)	11,048	0.02
June 30, 2021	155	303	(148)	9,619	0.03
June 30, 2020	506	482	24	9,290	5.19
June 30, 2019	537	506	31	9,657	5.24
June 30, 2018	532	432	100	9,183	4.70
June 30, 2017	573	432	141	9,147	4.72

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

Notes to Required Supplementary Information For the Year Ended June 30, 2026

There are no factors that affect trends in the amounts reported, such as change in benefit terms or assumptions. Information, if necessary, can be obtained from peia.wv.gov.

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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*

Board of Governors
Concord University
Athens, 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 Concord University (the University), a component unit of the West Virginia Higher Education Policy Fund, as of and for the year ended June 30, 2026, 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 12, 2026. Our report includes a reference to other auditors who audited the financial statements of the Concord University Foundation, Inc. and the Concord University Research and Development Corporation, as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by the auditors of the Concord University Research and Development Corporation. The financial statements of the Concord University Foundation, Inc. were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Concord 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 Concord University's internal control. Accordingly, we do not express an opinion on the effectiveness of Concord 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.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 Concord 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
October 12, 2026



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