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

GLENVILLE STATE UNIVERSITY

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2026 AND 2025

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GLENVILLE STATE UNIVERSITY
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2026 AND 2025

INDEPENDENT AUDITORS' REPORT	**1**
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	**4**
FINANCIAL STATEMENTS	
STATEMENTS OF NET POSITION	**16**
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	**18**
STATEMENTS OF CASH FLOWS	**19**
NOTES TO FINANCIAL STATEMENTS	**21**
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY	**64**
SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS	**65**
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY	**66**
SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS	**67**
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*	**68**
SCHEDULE OF FINDINGS AND RESPONSES	**70**

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INDEPENDENT AUDITORS' REPORT

Board of Governors
Glenville State University
Glenville, 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 Glenville State 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 report of the other auditor, 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, Glenville State University Foundation, Inc. (the Foundation), which represents 100% of the assets, net position, and revenues of the discretely presented component unit as of and for the years ended June 30, 2026 and 2025. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditor.

Basis for Opinions

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

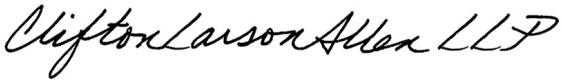
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 the 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 14, 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

King of Prussia, Pennsylvania
October 14, 2026

About Glenville State University

Glenville State University, West Virginia's only centrally located public institution of higher education, was founded in 1872 to provide instruction and practice for common school teachers in the science of education and the art of teaching. In the early years, Glenville Normal was obliged to devote resources almost exclusively to secondary studies due to the absence of high schools in the area. Later, as high schools became more numerous, secondary offerings were gradually reduced and more college courses were developed. On May 1, 1930, the State Board of Education authorized the school to award the Bachelor of Arts in Education Degree, and on March 4, 1931, the Legislature changed the school's name to Glenville State Teachers College. Often referred to as the Lighthouse on the Hill, the school's name was changed to Glenville State College in 1943. This name remained in use for 79 years until the Institution officially achieved University status in 2022.

Glenville State has long surpassed its original mission as a teacher's college, having expanded to prepare students for careers in teaching, business, land resources, music, the liberal arts, the sciences, criminal justice, human services, and now health sciences. However, in deference to its origins as a teacher's college, it seems only fitting that Glenville's initial offerings as a University would be graduate programs in Education. In early Fall 2021, the Higher Learning Commission (HLC) approved Glenville's graduate studies expansion application. This was followed by the Higher Education Policy Commission's (HEPC) approval later that year. This momentous development culminated on February 22, 2022, when both the West Virginia House of Delegates and the State Senate unanimously approved of Glenville's new status as a University, followed the next day by the Governor's signature. Fittingly, that landmark event occurred on the same day that Glenville celebrated its 150th Anniversary. We have been operating as Glenville State University (GSU) since that memorable date.

With an annual enrollment of approximately 1,800 students, the University has a student to faculty ratio of 17 to 1. The University's enrollment is made up of 37% first generation students. 83% of Glenville's students are residents of West Virginia. The University fulfills a commitment to serve students in need as approximately 97% of Glenville's students receive some form of financial aid or scholarship assistance.

GSU offers seven degrees across nine academic units. Program offerings include four master's specializations, over 30 baccalaureate majors, five associate's programs, and three certificate programs. Glenville State is institutionally accredited by the Higher Learning Commission (formerly the North Central Association of Colleges and Schools). Specific degrees within the University are programmatically accredited by the Council for the Accreditation of Educator Preparation and by the Society of American Foresters. As a public university, Glenville State University receives policy oversight from the West Virginia Higher Education Policy Commission. GSU is governed by a local, 12-member Board of Governors, including elected heads of the Student Government Association, the Staff Council, and the faculty, alongside nine lay members appointed by the Governor of West Virginia.

1. Overview of the Financial Statements

Operational Highlights

The Glenville State University Foundation achieved another record-breaking Day of Giving, securing over $1 million in contributions from 1,090 donors—an increase from 1,070 donors the previous year. All funds raised are held by the Foundation to support the long-term advancement and success of the University.

Student enrollment decreased in Fiscal Year 2026 compared with Fiscal Year 2025. Although the decrease, GSU remains committed to affordability and access, and in Fall 2026, it was one of the most affordable four-year institutions among its peer universities in West Virginia, offering the lowest tuition and fees statewide.

In support of campus infrastructure improvements, the State of West Virginia awarded GSU nearly $16 million in deferred maintenance grants. These funds have enabled the University to initiate a series of critical projects aimed at enhancing campus operations and safety. Key initiatives include upgrades to lighting and security systems, modernization of information technology infrastructure, improvements to HVAC systems, structural building repairs, removal of obsolete facilities, and enhancements to campus accessibility.

Glenville State University is preparing to launch its own two-year Associate Degree in Nursing (RN) program, scheduled to begin in Fall 2027. This initiative will provide students within GSU's central West Virginia service region with direct access to high-quality nursing education on campus, addressing a critical need for healthcare professionals and contributing to efforts to mitigate the statewide nursing shortage.

To support the successful implementation of the program, GSU secured approximately $4.5 million in grant funding through the Governor's Office, with allocations of $2.1 million in late FY2022 and early FY2023, $1.6 million in late FY2023, $775,000 in FY2024 and was recently given $5,000,000 for FY2027. These funds have been instrumental in building the infrastructure and resources necessary for program readiness. Additionally, a new $3 million health sciences facility has been constructed within the previously unused space of the WACO Center, further enhancing GSU's capacity to deliver comprehensive healthcare education.

Glenville State University has commenced construction on the $26 million Morris Family Health and Wellness Complex, located at the WACO Center. This cutting-edge facility will serve as the future home of the College of Health Sciences and is slated for completion in fiscal year 2027. Designed to meet the evolving needs of the healthcare industry, the complex will feature advanced laboratories and modern classrooms that support high-impact training and education. Beyond its academic mission, the facility will promote wellness and improve health outcomes in the local community by offering fitness amenities and health education resources to residents, faculty, staff, and students. This strategic investment will play a pivotal role in addressing the nursing shortage—as well as broader healthcare workforce gaps—across West Virginia.

Glenville State University (GSU) continues to advance its graduate program offerings. Currently, GSU offers a Master of Arts in Curriculum and Instruction and in Teaching; a Master of Business Administration with multiple concentrations; and a Master of Science in Criminal Justice. GSU is planning to offer master's programs in Psychology and Health Sciences for Fall 2027 and beyond.

Overview of the Financial Statements and Financial Analysis

Glenville State University (the University) is pleased to present its financial statements for the fiscal years 2026, 2025 and 2024. The following management discussion and analysis provides an overview of the financial position and activities of the University for these years.

There are three financial statements presented: the Statements of Net Position; the Statements of Revenues, Expenses, and Changes in Net Position; and the Statements of Cash Flows. These statements provide both long-term and short-term financial information about the University.

Financial Highlights

Total assets increased year over year while total liabilities decreased, resulting in a 23% increase in total net position. Operating revenues increased by 24.5%, noncapital subsidies increased by 1.3% while nonoperating revenues decreased by 9.9%. This was supplemented by a 5.6% increase in operating expenses and a 2.0% decrease in nonoperating expenses, which still resulted in a positive change in net position for the current year. All bond debt was refinanced in September 2017, as discussed in Note 7 to the financial statements. The University continued receiving significant funding through various operational and research grants.

2. Financial Summary

Net Position

The Statements of Net Position present the assets, liabilities, and net position of the University as of the end of the fiscal years. The purpose of the Statements of Net Position is to present to the readers of the financial statements a fiscal snapshot of the University. The Statements of Net Position present end-of-year data concerning Assets (current and noncurrent), Liabilities (current and noncurrent), and Net Position (Assets minus Liabilities).

The Statements of Net Position provide a way to measure the financial position of the University. It provides a picture of the net position and availability of resources for expenditure by the University. From the data presented, readers of the Statements of Net Position are able to determine the assets available to continue the operations of the University. They are also able to determine how much is owed to employees, vendors and lending institutions.

Net Position is divided into three major categories. The first category, net investment in capital assets, accounts for equity in the property, plant and equipment owned by the University. Title to all property was transferred to the Glenville State University Board of Governors by the Higher Education Policy Commission (HEPC, or the "Commission"), when the HEPC was formed in 2001. The next asset category is restricted, which is divided into two categories: nonexpendable (permanently restricted) and expendable. Expendable restricted resources are available for expenditure but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. Included in restricted expendable resources are balances that have been designated for specific purposes in West Virginia State Code. This category includes auxiliary enterprise balances as well as certain student fee funds that are designated within state code for specific general purposes such as housing operations or library operations. The final category is unrestricted resources, which are available for expenditure for any lawful purpose of the University.

CONDENSED SCHEDULES OF NET POSITION
JUNE 30, 2026, 2025, AND 2024

	2026	2025	2024
Assets:			
Current Assets	$ 3,056,068	$ 4,364,427	$ 4,431,674
Other Noncurrent Assets	23,981,031	10,639,018	5,048,461
Capital Assets, Net	69,771,209	69,921,425	71,998,652
Total Assets	96,808,308	84,924,870	81,478,787
Deferred Outflows of Resources	645,877	361,858	329,137
Total Assets and Deferred Outflows of Resources	$ 97,454,185	$ 85,286,728	$ 81,807,924
Liabilities:			
Current Liabilities	$ 10,903,258	$ 9,702,306	$ 8,033,913
Noncurrent Liabilities	31,794,465	33,147,589	34,542,478
Total Liabilities	42,697,723	42,849,895	42,576,391
Deferred Inflows of Resources	544,885	896,781	1,654,415
Total Liabilities and Deferred Inflows of Resources	43,242,608	43,746,676	44,230,806
Net Position:			
Net Investment in Capital Assets	54,930,461	44,148,541	37,480,791
Restricted - Expendable	3,146,943	3,056,131	3,996,179
Unrestricted	(3,865,827)	(5,664,620)	(3,899,852)
Total Net Position	54,211,577	41,540,052	37,577,118
Total Liabilities and Deferred Inflows of Resources and Net Position	$ 97,454,185	$ 85,286,728	$ 81,807,924

An indicator of short-term financial condition is the ratio of current assets to current liabilities, or current ratio. The current ratio was 0.28, 0.45, and 0.55 as of June 30, 2026, 2025, and 2024, respectively.

Revenues, Expenses, and Changes in Net Position

Changes in total net position, as presented on the Statements of Net Position, are based on the activities presented in the Statements of Revenues, Expenses, and Changes in Net Position (SRECNP). The purpose of the SRECNP is to present the revenues earned, both operating and nonoperating, and the expenses incurred, operating and nonoperating, and any other revenues, expenses, gains and losses of the University.

Operating revenues are earned for providing goods and services to the various customers and constituencies of the University. Operating expenses are incurred to acquire or produce the goods and services provided in return for the operating revenues and to carry out the mission of the University. Revenues for which goods and services are not provided are reported as nonoperating revenues. Nonoperating revenues are primarily from (1) gifts and capital payments on behalf of the University, and (2) investment income.

CONDENSED SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2026, 2025, AND 2024

	2026	2025	2024
Operating:			
Revenues	$ 44,025,274	$ 33,236,346	$ 24,010,998
Expenses	37,863,551	35,715,568	30,547,515
Operating Income (Loss)	6,161,723	(2,479,222)	(6,536,517)
Noncapital Subsidies	7,591,844	7,490,879	7,071,783
Nonoperating:			
Revenues	608,816	675,993	291,180
Expenses	1,690,858	1,724,716	1,750,108
Nonoperating Loss	(1,082,042)	(1,048,723)	(1,458,928)
Increase (Decrease) in Net Position	12,671,525	3,962,934	(923,662)
Net Position - Beginning of Year	41,540,052	37,577,118	38,500,780
Net Position - End of Year	$ 54,211,577	$ 41,540,052	$ 37,577,118

Expenses

The operating expenses of the University by natural classification are as follows:

OPERATING EXPENSES
YEARS ENDED JUNE 30, 2026, 2025, AND 2024

	2026	2025	2024
Salaries and Wages	$ 15,151,992	$ 15,087,360	$ 12,762,811
Benefits	4,221,686	3,517,533	2,329,761
Supplies and Other Services	10,106,389	8,568,311	9,137,884
Utilities	1,692,497	1,582,194	1,351,485
Student Financial Aid - Scholarships and Fellowships	1,740,741	3,807,792	1,964,728
Depreciation and Amortization	4,950,246	2,977,371	3,000,846
Miscellaneous, Net	-	175,007	-
Total Operating Expenses	$ 37,863,551	$ 35,715,568	$ 30,547,515

Cash Flows

The Statements of Cash Flows presents detailed information about the cash activities of the University during the year. These statements assist the users in analyzing the University's ability to generate net cash flows, meet obligations as they come due, and determining its need for external financing.

The Statements of Cash Flows is divided into five 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 noncapital financing activities. This section reflects the cash received and paid for nonoperating, noninvesting, and noncapital financing purposes.

3. Cash flows from capital 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.

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

CONDENSED SCHEDULES OF CASH FLOWS
YEARS ENDED JUNE 30, 2026, 2025, AND 2024

	2026	2025	2024
Cash Provided (Used) by:			
Operating Activities	$ 9,260,612	$ (3,371,294)	$ (3,925,639)
Noncapital Financing Activities	10,735,175	11,277,820	10,460,264
Capital Financing Activities	(20,356,013)	(9,457,029)	(5,449,856)
Investing Activities	246,043	364,633	156,493
Increase (Decrease) in Cash and Cash Equivalents	(114,183)	(1,185,870)	1,241,262
Cash and Cash Equivalents - Beginning of Year	1,592,032	2,777,902	1,536,640
Cash and Cash Equivalents - End of Year	$ 1,477,849	$ 1,592,032	$ 2,777,902

3. Detailed Analyses

Significant Changes in Net Position

2026 Compared to 2025

At June 30, 2026, the University's total net position increased from the previous year by $12,671,525, driven by the positive net results realized for the Fiscal Year. Current cash and cash equivalents decreased by $114,183 due to timing of capital expenditures against revenue received in the prior Fiscal Year. The net pension liability was $19,220 and net OPEB liability was $135,965.

Total capital assets, net, increased by $13,267,142, primarily as a result of construction-in-progress related to the Morris Health and Wellness Complex.

2025 Compared to 2024

At June 30, 2025, the University's total net position increased from the previous year by $3,962,934, driven by the positive net results realized for the Fiscal Year. Current cash and cash equivalents decreased by $1,117,999 due to timing of capital expenditures against revenue received in the prior Fiscal Year. The net pension liability (asset) was $105,595 and net OPEB liability (asset) was $(33,079).

Other noncurrent assets decreased by $1,851,757. Included in noncurrent receivables is $21,248 which represents "No Hardship" advances made to employees as a result of the transition from real time to arrearage pay in 2014.

Net capital assets increased by $2,181,512. Additions in capital assets were $5,197,600, some of which were funded through various grant or other one-time, nonrecurring sources of capital funding, such as deferred maintenance funds.

Significant Changes in Revenues

The major sources of revenue for the University include student tuition and fees, state appropriations, grants and gifts, government grants, auxiliary enterprise (housing and meals primarily) revenues, investment income, and miscellaneous income.

2026 Compared to 2025

- Student tuition and fees (net of scholarship and discount allowance) made up 13.4% of the University's operating revenues and 11.3% of total revenues. Tuition and fee revenues increased $608,359 between years due primarily to the decrease in scholarship allowance, also yielding for a decrease in student enrollment.

- Other revenues such as contracts and grants, auxiliary enterprise, and miscellaneous revenues comprised 72.90% and 58.20% of the University's total revenues in FY 2026 and FY 2025, respectively. FY 2026 grant awards included receipts of $216,428 from the US Department of Education, $1,243,181 from various West Virginia Agency sponsored scholarship programs, and $910,217 in West Virginia Higher Education scholarship programs. Federal revenues, operating, consisted of Pell Grant revenue of $3,143,331 and $3,786,941 in 2026 and 2025, respectively. Pell Grant revenue was moved from non-operating revenue in FY 2025 to operating revenue in FY 2026 due to the implementation of GASB No. 103 in FY 2026.

- State appropriation revenues amounted to $7,591,844 and $7,490,879, 14.50% and 18.00% of total revenues in FY 2026 and FY 2025, respectively. The appropriations are used to pay salaries and benefits in support of University operations.

- The ratio of actual tuition discounts to gross tuition and fees revenues was 30.28% and 24.5% for FY 2026 and FY 2025, respectively. The increase in tuition discounts ratio was mainly due to athletics and housing waivers as well as articulation agreements with various law enforcement and first response agencies. The presentation of Program Revenues and Scholarship Allowances includes actual scholarship or grant-based aid as well as tuition discounts.

2025 Compared to 2024

- Student tuition and fees (net of scholarship and discount allowance) made up 18.9% of the University's operating revenues and 13.6% of total revenues. Tuition and fee revenues decreased $503,749 between years due primarily to the increase in scholarship allowance.

- Other revenues such as contracts and grants, auxiliary enterprise, and miscellaneous revenues comprised 58.20% and 46.11% of the University's total revenues in FY 2025 and FY 2024, respectively. FY 2025 grant awards included receipts of $629,572 from the US Department of Education, $1,693,685 from various West Virginia Agency sponsored scholarship programs, and $2,340,043 in West Virginia Higher Education scholarship programs. Federal revenues, non-operating, consisted of PELL Grant revenue of $3,786,941 and $3,388,481 in 2025 and 2024, respectively. PELL Grants were received and distributed for student financial aid and made up 9.10% of the University's total revenues in FY 2025.

- State appropriation revenues amounted to $7,490,879 and $7,071,783, 18.00% and 24.15% of total revenues in FY 2025 and FY 2024, respectively. The appropriations are used to pay salaries and benefits in support of University operations.

- The ratio of actual tuition discounts to gross tuition and fees revenues was 24.5% and 5.36% for FY 2025 and FY 2024, respectively. The increase in tuition discounts ratio was mainly due to articulation agreements with various law enforcement and first response agencies. The presentation of Program Revenues and Scholarship Allowances includes actual scholarship or grant-based aid as well as tuition discounts.

Significant Changes in Expenses

2026 Compared to 2025

- Salaries and wages, and employee benefits made up 51.2% and 52.1% of the operating expenses of the University in FY 2026 and FY 2025, respectively.

- Utility costs made up 4.4% and 4.0% of operating expenses for FY 2026 and FY 2025.

- Scholarship expenses decreased $2,067,051 or 54.2% from FY 2025. They represented 4.5% and 9.8% of the total operating expenses in FY 2026 and FY 2025, respectively.

- Nonoperating expenses consisted only of interest on indebtedness and fees assessed by the commission for debt service.

2025 Compared to 2024

- Salaries and wages, and employee benefits made up 52.1% and 49.4% of the operating expenses of the University in FY 2025 and FY 2024, respectively.

- Utility costs made up 4.0% and 4.4% of operating expenses for FY 2025 and FY 2024.

- Scholarship expenses increased $1,854,213 or 48% from FY 2024. They represented 9.8% and 6.4% of the total operating expenses in FY 2025 and FY 2024, respectively.

- Nonoperating expenses consisted only of interest on indebtedness and fees assessed by the commission for debt service.

4. Significant Capital Assets and Long-Term Financing Activity

The University had capital asset purchases of $17,854,615, $8,031,098, and $1,428,578, for the years ended June 30, 2026, 2025, and 2024, respectively.

5. Currently Known Facts, Decisions, or Conditions

Economic Outlook

Glenville State University remains committed to executing initiatives and a strategic plan aimed at institutional growth and financial improvement. This mission has been actively pursued throughout Fiscal Year 2026 and continues into the current Fiscal Year 2027, despite the numerous challenges facing higher education. These challenges include a declining population in West Virginia, particularly in the north-central region where GSU is located, decreasing college enrollment rates among high school graduates, significant inflationary pressures and static funding over several years, and difficulties in recruiting and retaining faculty and staff.

Despite these obstacles, GSU continues to meet the heightened expectations of its mission by providing higher education opportunities to first-generation, needs-based, and rural students from Central West Virginia and beyond. The University is determined to address current and past economic challenges through operational efficiencies, savings from bond refinancing, proactively seeking additional funding sources, increasing student enrollment from diverse and expanding populations, and expanding curriculum offerings. These efforts underscore GSU's dedication to its mission and its resilience in the face of adversity.

Glenville's expectations for FY 2026 and beyond are based on:

- The University has a competent, stable leadership team:

    1. President Dr. Mark A. Manchin continues his tenure that began over two years ago. His leadership and innovative energy serve as a catalyst for the overall execution of the University's mission. Dr. Manchin's 40+ years of experience in West Virginia education and government has proven to be an asset to the University. Under his guidance, the University is executing further expansion initiatives.

    2. GSU continues to maintain a stable executive leadership team comprised of highly experienced personnel.

- Several changes have been made in the past year, or are underway, that improve the University's appeal to our current and prospective students as well as serving to positively impact our fiscal situation:

    1. Inflationary pressures continued to persist and the implementation of tuition increases became a necessity. To address this, GSU has chosen to spread an overall increase over multiple years. As such, the University implemented a 2% increase in overall Tuition and Fees in Fiscal Year 2027 and beyond after no increase in Fiscal Year 2026. GSU believes this plan responsibly addresses the situation and will bolster revenues while continuing to be respectful to the financial challenges experienced by our students. GSU will continue to monitor the inflationary pressures and its Board will act as necessary to mitigate the financial landscape.

    2. With nearly $16 million in deferred maintenance funds allocated by the state of West Virginia, GSU is actively undertaking significant infrastructure upgrades. These major improvements will transform the campus over the next two years.

3. In July, 2021, the University renewed its food services contract with Aramark. Among other things, this contract provided various discretionary and incentive funds to the University which are being used to fund scholarships, supplement various budgets, and benefit the bottom line. Additionally, Aramark has executed upon a substantial commitment to invest in capital improvements in the food service facilities. These improvements include the addition of a "We Proudly Serve" Starbucks coffee shop which opened in August and is serving the overall campus community. The other capital improvement is a major renovation of the food service facilities in the Mollohan Center. This includes: a re-design of the Rusty Musket café; the addition of a "Freshens" franchise; a self-serve, convenience store; and a major re-design of the Mollohan's cafeteria. Those physical changes occurred through the Summer and are now in full operation. As a result, GSU's overall food service facilities are now immensely improved, modern, and have been well received by our students and the campus community. GSU expects these facility improvements to be largely beneficial to our recruiting efforts as they present an appeal to our prospective students.

4. With the establishment of the new College of Health Sciences on campus and the development of the College of Health Sciences center at the Waco, which opened in Fall 2024, GSU has made substantial advancements in health sciences education. GSU plans to apply for additional funding to further develop the Nursing and Health Sciences programs. The University is actively proceeding with planning steps to relocate our pre-Nursing and health and human performance programs to other recently renovated physical space at the Waco and on the main campus.

5. The University has successfully completed the implementation of four Graduate Programs, two in Education, one in Business, and one in Criminal Justice. The combined Graduate Programs have increased enrollment year-over-year with the Fall of 24 accounting for over 80 students. Future graduate programs are well under way including a counseling psychology degree.

6. In FY26, numerous academic-related initiatives and memoranda of understanding (MOUs) were continued. These efforts are expected to strengthen partnerships and boost enrollments. Key initiatives include A Facilities Initiative Pilot with the West Virginia Higher Education Policy Commission (WVHEPC). A memorandum of affiliation with Community Care of West Virginia. The West Virginia State Police Law Enforcement Training and Articulation and Academic Credit Agreement. Graduate-level coursework in Autism, and others. These additions reflect GSU's commitment to expanding educational opportunities and fostering collaborative relationships.

7. Given GSU's longstanding history as an education institution, Clark Hall, a prominent building on campus, was remodeled and designated as the central hub for the College of Education.

- In the current Fiscal Year 2027, Glenville State University intends to make progress in reducing our Tuition Discounting rate, consistent with our strategic plan. Enabling these improvements have been: continued increases from the GSU Foundation to offset student aid previously classified as waivers. A generous donation has provided approximately $1 Million which is being deployed directly to the funding of previous waiver classified student aid. GSU expects these initiatives to continue going forward as it executes on further strategies to reduce our overall tuition discounting rates.

- GSU continues to maintain heightened attention to Federal, State, and Private Foundation grants that are available to institutions such as ours. Funding available through grants has been significantly beneficial to GSU in the past, and this continues to be a cornerstone of the Institution's efforts to bolster its fiscal well-being and to fund specific, purpose-driven objectives.

- The University continues to benefit from the Foundation which holds and safeguards the endowment and other monetary assets contributed to it over the years from our numerous Alumni, benefactors, and parties having significant interest in the viability of the institution. The Foundation's benefit to the institution was significantly bolstered in FY2026 through a near-record level of contributions received. As highlighted earlier, the Foundation has already implemented significant increases in scholarship support to our students. The University also benefits from a formal, standing line of credit from the Foundation which is available at any time necessary, especially during the cyclical times of the academic year where cash inflows are often stagnant.

- The University continues to benefit from the bond refinancing executed in September 2017. This refinancing has established a favorable long-term debt structure with an advantageous fixed interest rate, as detailed in footnote 7. This streamlined financial arrangement provides stability for the University and enhances overall cash flows.

Overall, the future and outlook of the University appear optimistic, yet operationally and fiscally challenging. An experienced leadership team, fiscal conservancy, strategic growth initiatives, and an enrollment and retention-driven strategy all bode well for FY 2027 and beyond.

Requests for Information

Requests for information, including questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Chief Financial Officer
Glenville State University
200 High Street
Glenville, West Virginia 26351

GLENVILLE STATE UNIVERSITY
STATEMENTS OF NET POSITION
JUNE 30, 2026 AND 2025

	Primary Government University		Component Unit Foundation	
	2026	2025	2026	2025
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 1,477,849	$ 1,592,032	$ 169,038	$ 1,086,485
Accounts Receivable, Net	1,417,946	2,193,353	-	-
Lease Receivable, Current Portion	160,273	579,042	-	-
Investments, at Fair Value	-	-	28,248,783	25,149,265
Related Party Receivables	-	-	1,408,175	336,131
Prepaid Assets	-	-	400,000	-
Total Current Assets	3,056,068	4,364,427	30,225,996	26,571,881
Noncurrent Assets:				
Cash and Cash Equivalents	3,107,630	2,982,104	-	-
Accounts Receivable, Net of Current Portion	13,729	21,248	-	-
Lease Receivable, Net of Current Portion	-	160,273	-	-
Net Other Postemployment Benefit Asset	-	33,079	-	-
Capital Assets:				
Capital Assets, not Being Depreciated	20,859,672	7,442,314	580,553	580,553
Capital Assets, net of Depreciation	69,771,209	69,921,425	3,810,073	3,889,546
Bequests and Contributions Receivable	-	-	871,530	1,287,754
Land and Other Assets Held for Investment	-	-	291,031	291,031
Total Noncurrent Assets	93,752,240	80,560,443	5,553,187	6,048,884
Total Assets	96,808,308	84,924,870	35,779,183	32,620,765
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Loss on Refunding	194,439	209,113	-	-
Related to Pension Plans	3,354	13,612	-	-
Related to OPEB	448,084	139,133	-	-
Total Deferred Outflows of Resources	645,877	361,858	-	-
Total Assets and Deferred Outflows of Resources	$ 97,454,185	$ 85,286,728	$ 35,779,183	$ 32,620,765

See accompanying Notes to Financial Statements.

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

	Primary Government University		Component Unit Foundation	
	2026	2025	2026	2025
LIABILITIES				
Current Liabilities:				
Accounts Payable	$ 5,303,986	$ 4,129,753	6,822	48,704
Related Party Payables	-	-	-	1,026,204
Organization Funds Held for Others	-	-	77,897	78,460
Accrued Liabilities	2,809,851	2,056,417	-	-
Compensated Absences	1,063,500	1,095,279	-	-
Unearned Revenue, Current Portion	414,059	1,147,653	-	-
Loan Payable, Current Portion	-	-	40,279	38,176
Bonds and Notes Payable, Current Portion	1,234,995	1,192,422	-	-
HEPC Debt Payable, Current Portion	76,867	80,782	-	-
Total Current Liabilities	10,903,258	9,702,306	124,998	1,191,544
Noncurrent Liabilities:				
Unearned Revenue	1,000,000	1,100,000	-	-
Net Other Postemployment Benefits Liability	135,965	-		
Net Pension Liability	19,220	105,595	-	-
Loan Payable	-	-	2,588,885	2,624,770
Bonds, Notes and HEPC Debt Payable	30,639,280	31,941,994	-	-
Total Noncurrent Liabilities	31,794,465	33,147,589	2,588,885	2,624,770
Total Liabilities	42,697,723	42,849,895	2,713,883	3,816,314
DEFERRED INFLOWS OF RESOURCES				
Related to Pension Plans	181,808	213,947	-	-
Related to OPEB	256,017	147,533	-	-
Related to Leases	107,060	535,301	-	-
Total Deferred Inflows of Resources	544,885	896,781	-	-
Total Liabilities and Deferred Inflows of Resources	43,242,608	43,746,676	2,713,883	3,816,314
NET POSITION				
Net Investment In Capital Assets	54,930,461	44,148,541	-	-
Restricted for:				
Loans	40,948	40,948	-	-
Capital Projects	11,207	12,842	-	-
Other Postemployment Benefit	-	33,079	-	-
Debt Service	3,094,788	2,969,262	-	-
Grants, Scholarships and Donor-Designated Charitable Purposes	-	-	29,654,512	25,999,925
Total Restricted	3,146,943	3,056,131	29,654,512	25,999,925
Unrestricted	(3,865,827)	(5,664,620)	3,410,788	2,804,526
Total Net Position	54,211,577	41,540,052	33,065,300	28,804,451
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 97,454,185	$ 85,286,728	$ 35,779,183	$ 32,620,765

See accompanying Notes to Financial Statements.

GLENVILLE STATE UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2026 AND 2025

	Primary Government University		Component Unit Foundation	
	2026	2025	2026	2025
OPERATING REVENUES				
Student Tuition and Fees, Net of Scholarship Allowance of $5,181,600 for 2026 and $6,685,104 for 2025	$ 5,901,608	$ 5,293,249	$ -	$ -
Bequests and Contributions	-	-	7,790,388	4,025,371
Contracts and Grants:	-	-		
Pell Grants	3,143,331	3,786,941	-	-
Federal	1,439,632	370,556	-	-
State	24,904,933	15,329,112	-	-
Private	93,190	135,000	-	-
Sales and Services of Educational Activities	25,416	24,034	-	-
Auxiliary Enterprise Revenue, Net of Scholarship Allowance of $3,043,162 for 2026 and $3,145,931 for 2025	3,860,077	4,203,191	-	-
Miscellaneous Revenue	4,657,087	4,094,263	246,954	280,199
Total Operating Revenues	44,025,274	33,236,346	8,037,342	4,305,570
OPERATING EXPENSES				
Salaries and Wages	15,151,992	15,087,360	250,345	202,175
Benefits	4,221,686	3,517,533	-	-
Supplies and Other Services	10,106,389	8,568,311	-	-
Utilities	1,692,497	1,582,194	-	-
Student Financial Aid - Scholarships and Fellowships	1,740,741	3,807,792	1,092,399	1,001,534
Depreciation and Amortization	4,950,246	2,977,371	202,831	178,474
Expenditures for Benefit of the University	-	-	5,813,477	2,682,250
Miscellaneous, Net	-	175,007	406,472	345,182
Total Operating Expenses	37,863,551	35,715,568	7,765,524	4,409,615
NET OPERATING INCOME (LOSS)	6,161,723	(2,479,222)	271,818	(104,045)
NONCAPITAL SUBSIDIES				
State Appropriations	7,591,844	7,490,879	-	-
OPERATING INCOME AND NONCAPITAL SUBSIDIES	13,753,567	5,011,657	271,818	(104,045)
NONOPERATING REVENUES (EXPENSES)				
Gifts and Capital Payments on Behalf of the University	362,773	311,360	-	-
Investment Income	246,043	364,633	3,989,031	2,779,887
Interest on Indebtedness	(1,593,184)	(1,625,900)	-	-
Fees Assessed by HEPC for Debt Service	(97,674)	(98,816)	-	-
Nonoperating Expenses, Net	(1,082,042)	(1,048,723)	3,989,031	2,779,887
CHANGE IN NET POSITION	12,671,525	3,962,934	4,260,849	2,675,842
Net Position - Beginning of Year	41,540,052	37,577,118	28,804,451	26,128,609
NET POSITION - END OF YEAR	$ 54,211,577	$ 41,540,052	$ 33,065,300	$ 28,804,451

See accompanying Notes to Financial Statements.

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

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Student Tuition and Fees	$ 5,831,504	$ 5,022,887
Contracts and Grants	25,604,161	13,367,649
Payments to and on Behalf of Employees	(18,769,509)	(17,750,201)
Payments to Suppliers	(8,932,156)	(5,582,894)
Payments to Utilities	(1,692,497)	(1,582,194)
Payments for Scholarships and Fellowships	(1,740,741)	(3,818,941)
Collection of Loans to Students	-	-
Sales and Service of Educational Activities	(402,825)	(404,206)
Auxiliary Enterprise Charges	3,860,077	4,203,191
Other Receipts and Payments, Net	5,502,598	3,173,415
William D. Ford Direct Lending Receipts	2,749,070	3,119,386
William D. Ford Direct Lending Payments	(2,749,070)	(3,119,386)
Net Cash Provided (Used) by Operating Activities	9,260,612	(3,371,294)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations	7,591,844	7,490,879
Federal Pell Grants	3,143,331	3,786,941
Net Cash Provided by Noncapital Financing Activities	10,735,175	11,277,820
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchases of Capital Assets	(17,854,615)	(8,031,098)
Debt Service Paid to Commission	(97,674)	(98,816)
Principal Paid on Bonds and Notes Payable	(1,264,056)	(1,223,235)
Interest Paid on Bonds and Notes Payable	(1,593,184)	(1,625,900)
Increase (Decrease) in Noncurrent Cash and Cash Equivalents	(125,526)	1,045,398
Lease Payments Received	579,042	476,622
Net Cash Used by Capital Financing Activities	(20,356,013)	(9,457,029)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	246,043	364,633
DECREASE IN CASH AND CASH EQUIVALENTS	(114,183)	(1,185,870)
Cash and Cash Equivalents - Beginning of Year	1,592,032	2,777,902
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,477,849	$ 1,592,032

See accompanying Notes to Financial Statements.

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

	2026	2025
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Net Operating Income (Loss)	$ 6,161,723	$ (2,479,222)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	4,950,246	2,977,371
Federal Pell Grants	(3,143,331)	(3,786,941)
Changes in Assets and Liabilities:		
Accounts Receivable, Net	782,926	(1,015,032)
Deferred Inflows of Resources - Leases	(428,241)	(428,240)
Accounts Payable	1,174,233	2,974,268
Accrued Liabilities and Due to HEPC	768,108	687,477
Defined Benefit Pension Plan	(108,256)	(120,086)
OPEB	(31,423)	(60,976)
Compensated Absences	(31,779)	347,106
Unearned Revenue	(833,594)	(2,467,019)
Net Cash Provided (Used) by Operating Activities	$ 9,260,612	$ (3,371,294)
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Capital Expenses Paid on Behalf of University	$ 362,773	$ 311,360
Accretion of Bond Discount into Bonds Payable	$ 8,337	$ 8,337

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION

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

Powers and duties of the Board include, but are not limited to, the power to determine, control, supervise, and manage the financial, business, and educational policies and affairs of the institution 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 (HEPC or 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 Standards (GASB), the University has included information from the Glenville State 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 is not directly or indirectly controlled by the University. 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. Third parties dealing with the University, the Board, and the state of West Virginia (or any agency thereof) should not rely upon the financial statements of the Foundation for any purpose without consideration of all the foregoing conditions and limitations.

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 provide a comprehensive, entity-wide perspective of the University's assets, liabilities, net position, revenues, expenses, changes in net position, and cash flows.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Newly Adopted Statements Issued by the Governmental Accounting Standards Board (GASB)

The GASB issued Statement No. 103, *Financial Reporting Model Improvements*, which is effective for fiscal years beginning after June 15, 2025. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI). This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions.

This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows.

This Statement requires that the proprietary fund statement of revenues, expenses, and changes in net position continue to distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses. In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in net position, this Statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses.

This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Newly Adopted Statements Issued by the Governmental Accounting Standards Board (GASB) (Continued)

The implementation of this standard did not have an overall impact on previously reported net position or change in net position. Prior year amounts have been reclassified to conform with the requirements of GASB 103 for comparative purposes. The following prior year financial statement line items are affected by the application of the new accounting principle as follows:

Financial Statement Line Item	As Previously Reported	As Reported Under GASB 103
Operating Revenues		
Pell Grants	$ -	$ 3,786,941
Noncapital Subsidies		
State Appropriations	-	7,490,879
Nonoperating Revenues		
State Appropriations	7,490,879	-
Pell Grants	3,786,941	-

The standard did not impact classifications on the statement of cash flows.

The GASB has also issued Statement No. 104, *Disclosure of Certain Capital Assets*, which is effective for fiscal years beginning after June 15, 2025. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. In the capital assets note, it requires separate disclosure of lease assets (Statement No. 87), intangible right-to-use assets (Statement No. 94) and subscription assets (Statement No. 96), as well as other intangible assets by major class. It also requires disclosure of capital assets held for sale, including their historical cost and accumulated depreciation by major class and the carrying amount of any debt secured by those assets. Adopting the standard had no effect on the University's financial statements because these items were already disclosed separately in the capital assets note.

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 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 Commission, and West Virginia Council for Community and Technical College Education, form the Higher Education Fund of the state. The Higher Education Fund is considered a component unit of the state, and its financial statements are discretely presented in the state's annual comprehensive financial report.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

The accompanying financial statements present all funds under the authority of the University, including its blended component units, Glenville State University Research Corporation (the Research Corporation), which was formed on December 10, 1990, as a nonprofit, nonstock corporation and Glenville State University Housing Corporation (the Housing Corporation), which received tax-exempt status on June 11, 1973, as a nonprofit corporation. 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.

The audited financial statements of the Foundation are presented here as a discrete component unit with the University's financial statements in accordance with GASB. The Foundation is a separate, private, nonprofit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the audited financial information as they are presented herein.

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. The components of net position are classified into four categories according to external donor restrictions or availability of assets for satisfaction of University obligations. The University's components of net position are 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 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, net of related debt.

Restricted – Expendable

This includes resources in which the University is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

Restricted – Nonexpendable

This includes endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. The University does not have any restricted nonexpendable components of net position at either June 30, 2026 or 2025.

Unrestricted

This represents resources derived from student tuition and fees, state appropriations and sales and services of educational activities. These resources are used for transactions relating to the educational and general operations of the University, and may be used at the discretion of the Board of Governors to meet current expenses for any purpose. These resources also include 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 expenditures when materials or services are received. All intercompany accounts and transactions have been eliminated.

Cash and Cash Equivalents

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

Cash and Cash Equivalents (Continued)

The BTI maintains the Consolidated Fund investment fund, which consists of eight investment pools and participant-directed accounts, three of which the Commission may invest in. These pools have been structured as multi-participant variable net 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 report. A copy of that annual report can be obtained from the following address: 1900 Kanawha Blvd. East, Room E-122, Charleston, West Virginia 25305, or http://www.wvbti.com.

Allowance for Doubtful Accounts

It is the University's policy to provide for future losses on uncollectible accounts, contracts, grants and loans receivable based on an evaluation of the underlying 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.

Noncurrent Cash, Cash Equivalents, and Investments

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

Capital Assets

Capital assets include property, plant, and equipment, books and materials that are part of a catalogued library, and infrastructure assets. Capital assets are stated at cost at the date of acquisition or construction, or acquisition value at the date of donation in the case of gifts. Donated capital assets acquired prior to July 1, 2015, are stated at fair value as of the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 20 to 50 years for buildings and infrastructure, 20 years for land improvements, 10 years for nontechnology equipment, and 3 years for furniture and technology equipment. The University's capitalization threshold is $5,000.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

Unearned Revenue

Amounts received as deposits or revenues for programs or activities to be conducted primarily in the next fiscal year are classified as unearned revenue.

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 or 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 U.S. GAAP 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 (see Note 13).

Compensated Absences and Net 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 multiple-employer, 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 financial statements 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 www.peia.wv.gov.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

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

The University's full-time employees earn up to two vacation leave days for each month of service and are entitled to compensation for accumulated, unpaid vacation leave upon termination. Full-time employees also earn 1½ sick leave days for each month of service and are entitled to extend their health or life insurance coverage upon retirement in lieu of accumulated, unpaid sick leave. Generally, two days of accrued sick leave extend health insurance for one month of single coverage, and three days extend health insurance for one month of family coverage. For employees hired after 1988, or who were hired before 1988 but did not choose such coverage until after 1988 but before July 1, 2001, the employee shares in the cost of the extended benefit coverage to the extent of 50% of the premium required for the extended coverage. Employees hired July 1, 2001, or later will not 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 multiple-employer, 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, 3⅓ 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, do not 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 vacation leave or OPEB benefits are recorded as a component of benefits expense in the statements of revenues, expenses, and changes in net position.

Deferred Outflows of Resources

Consumption of net assets by the University that is applicable to a future fiscal year is reported as a deferred outflow of resources on the statement of net position. Deferred outflows consist of the deferred loss on refunding, which is accreted over the periods of the refunding bond issue, and deferred outflows of resources related to pension and OPEB plans.

Deferred Inflows of Resources

An acquisition of net assets by the University that is applicable to a future fiscal year is reported as a deferred inflow of resources on the statement of net position. Deferred inflows consist of those related to pension, OPEB plan and leases.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

Risk Management

The state's Board of Risk and Insurance Management (BRIM) provides general, property, and casualty coverage to the University and its employees.

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.

Classification of Revenues

The University has classified its revenues according to the following criteria:

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

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

Other Revenues – Other revenues consist primarily of nongovernmental grants and gifts.

Use of Restricted Components of 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 resources are available. Generally, the University attempts to utilize restricted resources first when practicable.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

Federal Financial Assistance Programs

The U.S. Department of Education makes interest subsidized and nonsubsidized loans directly to students through the University. Direct student loan receivables are not included in the University's balance sheets, as the loans are repayable directly to the U.S. Department of Education. In 2026 and 2025 the University received and disbursed $2,749,070 and $3,119,386, respectively, under the federal Direct Student Loan Program on behalf of the U.S. Department of Education, which amounts 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, Academic Competitiveness Grant, National Science and Mathematics Access to Retain Talent (SMART) Grant, and Teacher Education Assistance for College and Higher Education (TEACH) Grant, Supplemental Educational Opportunity Grant, and College and Work Study programs. The activity of these programs is recorded in the accompanying financial statements. In 2026 and 2025, the University received and disbursed $3,359,749 and $4,071,913, respectively.

Scholarship and Discount Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship allowances and discounts in the statements of revenues, expenses, and changes in net position. Scholarship and discount allowances are the difference between the stated charge for educational services provided by the University, and the amount that is paid by students and/or third parties on the students' behalf.

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

Government Grants and Contracts

Government grants and contracts normally provide for the recovery of direct and indirect costs, subject to audit. The University recognizes revenue when all eligibility requirements are met.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

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 Internal Revenue Service. Its blended component units are exempt from income taxes as nonprofit organizations.

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 expenditures 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.

NOTE 3 CASH AND CASH EQUIVALENTS

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

	2026		
	Current	Noncurrent	Total
State Treasurer	$ 619,281	$ 12,842	$ 632,123
Trustee	-	3,094,788	3,094,788
Banks	858,568	-	858,568
Total	$ 1,477,849	$ 3,107,630	$ 4,585,479

	2025		
	Current	Noncurrent	Total
State Treasurer	$ 635,368	$ 12,842	$ 648,210
Trustee	-	2,969,262	2,969,262
Banks	956,664	-	956,664
Total	$ 1,592,032	$ 2,982,104	$ 4,574,136

NOTE 3 CASH AND CASH EQUIVALENTS (CONTINUED)

Cash held by the State Treasurer includes $255,252 and $557,239 at June 30, 2026 and 2025, respectively, of restricted cash for grant programs, capital improvements, debt service, and student financial aid, among others.

Funds kept in banks are covered by Federal Deposit Insurance Corporation up to $250,000 or were collateralized by securities held by the state's agent.

Amounts with the State Treasurer as of June 30, 2026 and 2025, are comprised of two investment pools, the WV Money Market Pool and the WV Short Term Bond Pool.

Credit Risk

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

		Carrying Value	
	S&P Rating	2026	2025
External Pool:			
WV Money Market Pool	AAAm	$ 496,000	$ 466,000
WV Short-Term Bond Pool	Not Rated	12,000	11,000

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 funds held by the State Treasurer are subject to interest rate risk. The following table provides information on the weighted-average maturities for the WV Money Market Pool:

	2026	
	Carrying Value	Weighted-Average Maturity
External Pool:		
WV Money Market Pool	$ 496,000	45 Days

	2025	
	Carrying Value	Weighted-Average Maturity
External Pool:		
WV Money Market Pool	$ 466,000	41 Days

NOTE 3 CASH AND CASH EQUIVALENTS (CONTINUED)

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

	2026	
	Carrying Value	Effective Duration
External Pool:		
WV Short Term Bond Pool	$ 12,000	664 Days

	2025	
	Carrying Value	Effective Duration
External Pool:		
WV Short Term Bond Pool	$ 11,000	637 Days

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 described below.

Custodial Credit Risk

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

Concentration of Credit Risk

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

Foreign Currency Risk

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

NOTE 3 CASH AND CASH EQUIVALENTS (CONTINUED)

Cash in Bank with Trustee

	Carrying Value	
	2026	2025
Investment Type:		
Government Money Market Funds	$ 3,094,788	$ 2,969,262

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.

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30:

	2026	2025
Student Tuition and Fees, Net of Allowance for Doubtful Accounts of $6,441,519 for 2026 and $6,112,033 for 2025	$ 903,812	$ 833,708
Other State Agencies	209,184	139,741
Payroll Advance	13,729	21,248
Interest Receivable	22,864	30,016
Lease Receivable	160,273	739,315
Related Party Receivable	-	1,000,000
Other	282,086	189,888
Total	1,591,948	2,953,916
Less: Noncurrent	13,729	181,521
Total	$ 1,578,219	$ 2,772,395

NOTE 5 CAPITAL ASSETS

Capital assets consisted of the following at June 30:

	2026			
	Balance - Beginning of Year	Additions	Reductions	Balance - End of Year
Capital Assets Not being Depreciated:				
Land	$ 1,222,564	$ -	$ -	$ 1,222,564
Construction In Progress	6,219,750	16,213,202	(2,795,844)	19,637,108
Total Capital Assets Not being Depreciated	7,442,314	16,213,202	(2,795,844)	20,859,672
Other Capital Assets:				
Land Improvements	2,263,698	2,554,441	(551,180)	4,266,959
Infrastructure	2,103,041		(353,363)	1,749,678
Buildings	110,963,544	1,373,282	(4,805,755)	107,531,071
Equipment	9,508,387	861,083	(599,422)	9,770,048
Library Books	643,388	2,118	(16)	645,490
Leasehold Improvements	199,219	-	-	199,219
Total Other Capital Assets	125,681,277	4,790,924	(6,309,736)	124,162,465
Less Accumulated Depreciation for:				
Land Improvements	1,842,730	122,382	(443,791)	1,521,321
Infrastructure	1,656,887	44,273	(353,363)	1,347,797
Buildings	44,940,487	2,135,759	(3,107,468)	43,968,778
Equipment	6,529,225	816,159	(595,802)	6,749,582
Library Books	634,836	4,640	(16)	639,460
Leasehold Improvements	155,687	8,631		164,318
Total Accumulated Depreciation	55,759,852	3,131,844	(4,500,440)	54,391,256
Other Capital Assets, Net	69,921,425	1,659,080	(10,810,176)	69,771,209
Total Cost of Capital Assets	133,123,591	21,004,126	(9,105,580)	145,022,137
Less: Accumulated Depreciation	55,759,852	3,131,844	(4,500,440)	54,391,256
Capital Assets, Net	$ 77,363,739	$ 17,872,282	$ (4,605,140)	$ 90,630,881

NOTE 5 CAPITAL ASSETS (CONTINUED)

	2025			
	Balance - Beginning of Year	Additions	Reductions	Balance - End of Year
Capital Assets Not being Depreciated:				
Land	$ 1,222,564	$ -	$ -	$ 1,222,564
Construction In Progress	79,030	6,140,720	-	6,219,750
Total Capital Assets Not being Depreciated	1,301,594	6,140,720	-	7,442,314
Other Capital Assets:				
Land Improvements	2,263,698	-	-	2,263,698
Infrastructure	2,011,866	149,400	(58,225)	2,103,041
Buildings	110,728,872	319,572	(84,900)	110,963,544
Equipment	8,043,351	1,762,944	(297,908)	9,508,387
Library Books	1,693,429	3,207	(1,053,248)	643,388
Leasehold Improvements	199,219	-	-	199,219
Total Other Capital Assets	124,940,435	2,235,123	(1,494,281)	125,681,277
Less Accumulated Depreciation for:				
Land Improvements	1,783,398	59,332	-	1,842,730
Infrastructure	1,672,423	42,689	(58,225)	1,656,887
Buildings	42,841,970	2,163,634	(65,117)	44,940,487
Equipment	6,121,089	706,044	(297,908)	6,529,225
Library Books	1,679,766	8,318	(1,053,248)	634,836
Leasehold Improvements	144,731	10,956	-	155,687
Total Accumulated Depreciation	54,243,377	2,990,973	(1,474,498)	55,759,852
Other Capital Assets, Net	70,697,058	(755,850)	(2,968,779)	69,921,425
Total Cost of Capital Assets	126,242,029	8,375,843	(1,494,281)	133,123,591
Less: Accumulated Depreciation	54,243,377	2,990,973	(1,474,498)	55,759,852
Capital Assets, Net	$ 71,998,652	$ 5,384,870	$ (19,783)	$ 77,363,739

Depreciation expense for the years ended June 30, 2026 and 2025, was $4,950,246 and $2,977,371, respectively.

Buildings include the Waco Center, a portion of which is owned and accounted for by the Foundation. A lease agreement, expiring in 2043, between the University and Foundation specifies that the portion of the Waco Center owned by the Foundation will transfer to the University at the expiration of the lease. The lease is payable in annual installments of $1.

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.

NOTE 6 LONG-TERM LIABILITIES

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

	2026				
	Balance - Beginning of Year	Additions	Reductions	Balance - End of Year	Current Portion
Bonds and Notes Payable:					
Notes Payable	$ 1,350,222	$ -	$ 342,422	$ 1,007,800	$ 349,995
Commission Debt Payable	157,649	-	80,782	76,867	76,867
Improvement and Refunding Revenue Bonds	31,707,327	-	840,852	30,866,475	885,000
Total Bonds and Notes Payable	33,215,198	-	1,264,056	31,951,142	1,311,862
Other Liabilities:					
Compensated Absences*	1,095,279	-	31,779	1,063,500	1,063,500
Net Pension Liability	105,595	-	86,375	19,220	-
Other Postemployment Benefits (Asset) Liability	(33,079)	169,044	-	135,965	-
Total Other Liabilities	1,167,795	169,044	118,154	1,218,685	1,063,500
Total Noncurrent Liabilities	$ 34,382,993	$ 169,044	$ 1,382,210	$ 33,169,827	$ 2,375,362

	2025				
	Balance - Beginning of Year	Additions	Reductions	Balance - End of Year	Current Portion
Bonds and Notes Payable:					
Notes Payable	$ 1,685,299	$ -	$ 335,077	$ 1,350,222	$ 342,422
Commission Debt Payable	234,540	-	76,891	157,649	80,782
Improvement and Refunding Revenue Bonds	32,518,594	-	811,267	31,707,327	850,000
Total Bonds and Notes Payable	34,438,433	-	1,223,235	33,215,198	1,273,204
Other Liabilities:					
Compensated Absences*	748,173	347,106	-	1,095,279	1,095,279
Net Pension Liability	136,014	-	30,419	105,595	-
Other Postemployment Benefits (Asset) Liability	(259,225)	226,146	-	(33,079)	-
Total Other Liabilities	624,962	573,252	30,419	1,167,795	1,095,279
Total Noncurrent Liabilities	$ 35,063,395	$ 573,252	$ 1,253,654	$ 34,382,993	$ 2,368,483

* The change in the compensated absences liability is presented as a net change.

During 2017, the University's blended component unit, the Glenville State University Housing Corporation, Inc., borrowed $400,000 from private individuals, some of whom are members of the University's Board of Governors. The loans incurred interest at a rate of the higher of 4.0% or *The Wall Street Journal* prime rate plus 0.5%. The loans were secured by revenue from rental properties. All of the loans were fully repaid.

In fiscal year 2021, the University secured a 10-year interest-free loan from the HEPC for the purposes of performing several critically needed replacements or improvements to heating and cooling systems on campus. This project will provide much needed reliability, as well as energy and deferred maintenance savings to the University for years to come. The loan will be repaid in equal quarterly payments.

NOTE 7 BONDS PAYABLE

Bonds payable consisted of the following at June 30:

		Principal Amount Outstanding	
	Interest Rate	2026	2025
Improvement and Refunding Revenue Bonds, Series 2017 Matures from June 2022 to June 2047	3.25% to 5.25%	$ 30,930,000	$ 31,780,000
Unamortized Bond Discount		(63,525)	(72,673)
Total Bonds Payable		$ 30,866,475	$ 31,707,327

The Series 2017 Bonds bear interest at the rates shown above payable semiannually on June 1 and December 1 of each year until paid.

The Series 2017 Bond proceeds were used to pay in full the Series 2006 Bonds, Series 2007 Bonds, Series 2009 Bonds, and the 2011 note payable on September 28, 2017. Proceeds were escrowed in sufficient amount to pay in full the Series 2011A Bonds on October 10, 2017. Proceeds of $2,000,000 were deposited in a project fund for future capital improvements. As of June 30, 2019, $2,000,000 had been drawn down to pay for capital projects. In 2019, the University recorded a loss on refunding of $297,157. At June 30, 2026 and 2025, the unamortized loss on refunding was $223,787 and $238,461, respectively.

Future debt service requirements to maturity, as scheduled, for the Series 2017 Bonds at June 30, 2026, are as follows:

Maturity	Principal	Interest	Total
2027	$ 885,000	$ 1,559,100	$ 2,444,100
2028	920,000	1,523,700	2,443,700
2029	965,000	1,482,300	2,447,300
2030	1,005,000	1,438,875	2,443,875
2031	1,050,000	1,393,650	2,443,650
2032 to 2036	6,050,000	6,177,750	12,227,750
2037 to 2041	7,740,000	4,489,725	12,229,725
2042 to 2046	9,990,000	2,236,763	12,226,763
2047	2,325,000	122,063	2,447,063
Total	$ 30,930,000	$ 20,423,926	$ 51,353,926

NOTE 8 NOTES PAYABLE

Notes payable consisted of the following at June 30:

Description	2026	2025
$1,000,000 unsecured promissory note to HEPC, 0.00% interest, quarterly payments of $25,000	$ 500,000	$ 600,000
$3,145,581 promissory note collateralized by first lien on equipment installed in various buildings on campus, 3.10% interest, semiannual payments of $131,907 due through June 2028	507,800	750,222
Total Notes Payable	$ 1,007,800	$ 1,350,222

The University has available a line of credit of $1,000,000 with the Glenville State University Foundation, Inc., bearing interest at 4.0%.

The following is the schedule of future annual minimum payments required under the notes payable as of June 30, 2026:

Year Ending June 30,	Principal	Interest	Total
2027	$ 349,995	$ 13,819	$ 363,814
2028	357,805	6,009	363,814
2029	100,000		100,000
2030	100,000		100,000
2031	100,000		100,000
2030 to 2031			-
Total	$ 1,007,800	$ 19,828	1,027,628
Less: Interest			19,828
Principal			$ 1,007,800

NOTE 9 NET OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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).

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

NOTE 9 NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

	2026	2025
Net OPEB (Asset) Liability	$ 135,965	$ (33,079)
Deferred Outflows of Resources	448,084	139,133
Deferred Inflows of Resources	256,017	147,533
Revenues (Payments on Behalf)	107,870	(103,897)
OPEB Expense	66,118	(29,555)
Contributions Made by the University	51,137	97,772

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 ten 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 (TRS), 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.

The financial activities of the OPEB plan are accounted for in the RHBT, a fiduciary fund of the state of West Virginia. The RHBT audited financial statements and actuarial reports can be found on the PEIA website at www.peia.wv.gov.

NOTE 9 NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

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

Paygo premiums are established by the PEIA Finance Board annually. All participating employers are required by statute to contribute this premium to the RHBT at the established rate for every active policyholder per month. The paygo rates related to the measurement date of June 30, 2024 and 2023 were $34 and $70, respectively.

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

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

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

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

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

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 9 NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Contributions (Continued)

Certain faculty employees (generally those with less than a 12-month contract) earn a similar extended health or life insurance coverage retirement benefit based on years of service. Generally, 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.

The University's contributions to the OPEB plan for the years ended June 30, 2026, 2025, and 2024, were $51,137, $97,772, and $31,423, respectively.

Basis of Allocation

OPEB amounts have been allocated to each contributing employer based on their proportionate share of employer contributions to the RHBT for the fiscal year ended June 30, 2020. Effective July 1, 2017, certain employers that met the plan's opt out criteria and chose not to participate in the plan coverage were no longer required to make contributions to the plan. The amounts previously allocated to such employers for the net OPEB liability and related deferred inflows and deferred outflows are reallocated to the remaining employers participating in the cost sharing plan. The plan reallocates these balances to the remaining active employers based on their proportionate share of contributions made in the period of reallocation.

Assumptions

The net OPEB liability (asset) as of June 30, 2025 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 7.0% medical and 8.0% drug. The trends increase over four years to 9.0% and 9.5%, respectively. The trends then decrease linearly for 5 years until ultimate trend rate of 4.50% is reached in plan year end 2032.

NOTE 9 NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Assumptions (Continued)

- Actuarial cost method: Entry age normal cost method.
- Amortization method: Level percentage of payroll over a 20-year closed period beginning June 30, 2017.
- Wage inflation: 2.75%.
- Retirement age: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2020 actuarial valuation.
- Aging factors: Based on the 2013 SOA Study “Health Care Costs – From Birth to Death”.
- Expenses: Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of the annual expense.
- • Mortality post-retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 100% for males and 108% for females.
- • Mortality pre-retirement: Pub-2010 General Employee Mortality Tables projected with MP-2021 and scaling factors of 100% for males and 100% for females.

The actuarial assumptions used in the June 30, 2023, valuation were based on results of an actuarial experience study for the period from July 1, 2015 to June 30, 2020. The actuarial valuation as of June 30, 2023, reflects updates to the following assumptions which are reviewed at each measurement date: projected capped subsidies, per capital claim costs, healthcare trend rates, coverage and continuance, percentage eligible for tobacco-free premium discount; and retired employee assistance program participation.

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

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

NOTE 9 NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Assumptions (Continued)

As of June 30, 2026 and 2025, the target allocations and estimates of annualized long-term expected returns assuming a 10-year horizon are summarized below:

	2026		2025	
	Target Allocation	Long-Term Expected Real Return	Target Allocation	Long-Term Expected Real Return
Asset Class:				
Equity	45.0%	7.4%	55.0%	7.4%
Fixed Income	15.0	3.9	15.0	3.9
Real Estate	12.0	7.7	10.0	7.2
Hedge Funds	10.0	4.5	10.0	4.5
Private Credit and Income	6.0	7.4	0.0	0.0
Private Equity	12.0	10.0	10.0	10.0
Total	100.0%		100.0%	

Discount Rate

The discount rate used to measure the total OPEB liability (asset) was 7.40% for fiscal years 2026 and 2025. This single discount rate was based on the expected rate of return on OPEB plan investments of 7.40% for those fiscal years. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made in accordance with the prefunding and investment policies. Based on 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 9 NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Assumptions (Continued)

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

The following presents the University's proportionate share of the net OPEB liability (asset) as of June 30, 2026 and 2025 calculated using a discount rate that is one percentage point lower (6.40% in 2026; 6.40% in 2025) or one percentage point higher (8.40% in 2026; 8.40% in 2025) than the current rate (7.40% in 2026; 7.40% in 2025).

	2026		
	1% Decrease (6.40%)	Current Discount Rate (7.40%)	1% Increase (8.40%)
Net OPEB (Asset) Liability	$ 519,323	$ (135,965)	$ (191,284)

	2025		
	1% Decrease (6.40%)	Current Discount Rate (7.40%)	1% Increase (8.40%)
Net OPEB (Asset) Liability	$ 144,621	$ (33,079)	$ (181,070)

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

The following presents the University's proportionate share of the net OPEB 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 (asset) would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current rate.

	2026		
	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB (Asset) Liability	$ (344,861)	$ (135,965)	$ 707,097

	2025		
	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB (Asset) Liability	$ (260,080)	$ (33,079)	$ 242,582

NOTE 9 NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

The June 30, 2025 net OPEB (asset) liability was measured as of June 30, 2024, and the total OPEB (asset) liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to the measurement date of June 30, 2024. The June 30, 2024 net OPEB (asset) liability was measured as of June 30, 2023, and the total OPEB (asset) liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to the measurement date of June 30, 2023.

At June 30, 2026, the University's proportionate share of the net OPEB liability (asset) was $243,835. Of this amount, the University recognized $135,965 as its proportionate share on the statement of net position. The remainder of $107,870 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 $(136,976). Of this amount, the University recognized $(33,079) as its proportionate share on the statement of net position. The remainder of $(103,897) denotes the University's proportionate share of net OPEB liability (asset) attributable to the special funding.

The allocation percentage assigned to each participating employer and non-employer contributing entity is based on its proportionate share of employer and non-employer contributions to 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 0.144177%, an increase of 0.064730% from its proportion of 0.079447% calculated as of June 30, 2024. At the June 30, 2024 measurement date, the University's proportion was 0.079447%, a decrease of 0.084361% from its proportion of 0.163808% calculated as of June 30, 2023.

For the year ended June 30, 2026, the University recognized OPEB expense (offset) of $221,170. Of this amount, $66,118 was recognized as the University's proportionate share of OPEB expense and $155,052 as the amount of OPEB expense attributable to special funding from a non-employer contributing entity. The University also recognized revenue of $155,052 for support provided by the State.

For the year ended June 30, 2025, the University recognized OPEB expense (offset) of $26,449. Of this amount, $(29,555) was recognized as the University's proportionate share of OPEB expense and $56,004 as the amount of OPEB expense attributable to special funding from a non-employer contributing entity. The University also recognized revenue of $56,004 for support provided by the State.

NOTE 9 NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

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

	2026	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 123,743	$ 100,111
Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	6,679	28,542
Change in Assumptions	317,662	28,020
Net Difference between Projected and Actual Investment Earnings	-	99,344
Total	$ 448,084	$ 256,017

	2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 115,220	$ 33,262
Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	11,285	37,469
Change in Assumptions	12,628	39,115
Net Difference between Projected and Actual Investment Earnings	-	37,687
Total	$ 139,133	$ 147,533

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Amortization
2027	$ 185,278
2028	78,702
2029	(42,892)
2030	(29,021)
Total	$ 192,067

NOTE 9 NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

Payables to the OPEB Plan

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

NOTE 10 LEASES

The Glenville State University Housing Corporation as lessor, leased certain facilities to a third party. The agreement began in October 2021 and ends in September 2026, unless cancelled by the tenant. Lease payments are at a monthly fixed rate with normal escalations over the term of the lease. The lease also includes a variable nonlease payment component for meals which is based upon actual daily food costs and meal counts. The Housing Corporation has determined the net present value of lease receipts based on an implicit rate of 14.62% using the fair value of the assets used in the lease with consideration for the residual value at the lease termination date. For the years ended June 30, rental income under leases other than short-term, is summarized as follows:

	2026	2025
Lease Revenue	$ 428,241	$ 428,241
Interest Revenue	64,483	143,141
Total	$ 492,724	$ 571,382

Future minimum lease payments under lease agreements are as follows:

Maturity	Principal	Interest	Total
2027	$ 160,273	$ 3,975	$ 164,248
Total	$ 160,273	$ 3,975	$ 164,248

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 support 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.

NOTE 11 STATE SYSTEM OF HIGHER EDUCATION INDEBTEDNESS (CONTINUED)

The state has chartered the HEPC 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 University and College Systems (the Boards). These obligations administered by HEPC are the direct and total responsibility of HEPC, as successor to the former Boards.

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 HEPC'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 HEPC, an estimate of the obligation of each institution is reported as a long-term payable by each institution and as a receivable by HEPC. The balances at June 30, 2026 and 2025, were $76,867 and $157,649, respectively.

For the years ended June 30, debt service assessed by HEPC was as follows:

	2026	2025
Principal	$ 76,867	$ 76,891
Interest	7,888	9,082
Total	$ 84,755	$ 85,973

In December 2010, HEPC issued $76,865,000 of the State of West Virginia Higher Education Policy Commission Revenue 2010 Series Bonds to fund approved HEPC Bond projects. The University received $11,000,000 of these proceeds, which was used for the construction of the Waco Center, a facility that houses an expanded Land Resources Education Center, a community and campus health care facility, and athletic facilities including administration, dedicated training areas, coaches' offices, and facilities for several indoor spectator sports. HEPC is responsible for repayment of this debt.

NOTE 12 UNRESTRICTED COMPONENTS OF NET POSITION

The unrestricted components of the University's net position is composed of resources as follows:

	2026	2025
Designated for Affiliated Organizations	$ 842,011	$ 793,041
Net OPEB	192,067	(8,400)
Net Pension	(178,454)	(200,335)
Undesignated	(4,721,451)	(6,248,926)
Total	$ (3,865,827)	$ (5,664,620)

NOTE 13 RETIREMENT PLANS

Substantially all eligible full-time employees of the University participate in either the West Virginia State Teachers' Retirement System (TRS) or the Teachers' Insurance and Annuities Association – College Retirement Equities Fund (TIAA-CREF), now known as TIAA. In years past, upon full-time employment, each employee was required to make an irrevocable selection between the TRS and TIAA-CREF. Effective July 1, 1991, the TRS was closed to new participants. Remaining 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 (WVTDCP). Contributions to and participation in this Plan by University employees have not been significant to date.

The University's total payroll for the years ended June 30, 2026, 2025, and 2024 was $15,151,992, $15,087,361, and $12,815,849, respectively; total covered employees' salaries in the TRS and TIAA-CREF were $39,977 and $12,971,212 in 2026, $38,238 and $12,184,635 in 2025, and $141,480 and $11,216,225 in 2024.

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

Defined Benefit Pension Plan

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

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

	2026	2025
Net Pension Liability	$ 19,220	$ 105,595
Deferred Outflows of Resources	3,354	13,612
Deferred Inflows of Resources	181,808	213,947
Revenues	(232)	13,145
Pension Expense	(101,645)	(95,093)
Contributions Made by the University	5,997	5,736

NOTE 13 RETIREMENT PLANS (CONTINUED)

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 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. However, effective July 1, 2005, all new employees hired for the first time are required to participate in TRS.

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 Annual Comprehensive 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 5, 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 defined as the average of the 5 highest fiscal years of earnings during the last 15. Chapter 18, Article 7A, of the West Virginia State Code assigns the authority to establish and amend the provisions of the plan, including contribution rates, to the State Legislature.

Contributions

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

NOTE 13 RETIREMENT PLANS (CONTINUED)

TRS (Continued)

Contributions (Continued)

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

The state (including institutions of higher education) contributes:

- 15% of gross salary of their state-employed members hired prior to July 1, 1991,
- 7.5% of the gross salary of their TRS covered employees hired for the first time after July 1, 2005, and for those TDCRS members who elected to transfer to TRS effective July 1, 2008,
- A certain percentage of fire insurance premiums paid by state residents, and
- Under WV State code section 18-9-A-6a, beginning in fiscal year 1996, an amount determined by the State Actuary as being needed to eliminate the TRS unfunded liability by 2034. As of June 30, 2025 and 2024, respectively, the University's proportionate share attributable to this special funding subsidy was $32,860 and $70,744.

The University's contributions to TRS for the years ended June 30, 2026, 2025, and 2024 were $5,997, $5,736, and $21,169, respectively.

Assumptions

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

- Actuarial cost method: Entry age normal cost with level percentage of payroll.
- Asset valuation method: Investments are reported at fair (market) value.
- Amortization method and period: Level dollar, fixed period over 40 years, from July 1, 1994 through fiscal year 2034.
- Investment rate of return 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%.

NOTE 13 RETIREMENT PLANS (CONTINUED)

TRS (Continued)

Assumptions (Continued)

- Discount rate of 7.25%.
- Mortality rates based on Pub-2010 Mortality Tables.
- Withdrawal rates: Teachers 7.00-35.00% and non-teachers 2.30-18.00%.
- Disability rates: 0.004-0.563%.
- Retirement age: An age-related assumption is used for participants not yet receiving payments.
- Retirement rates: 15% to 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, 2015 to June 30, 2020. 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 a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the long-term arithmetic real rates of return for each major asset class included in TRS' target asset allocation as of June 30, 2024 and 2023, are summarized below.

	2025		2024	
	Target Allocation	Long-Term Expected Real Return	Target Allocation	Long-Term Expected Real Return
Asset Class:				
Domestic Equity	22.5%	6.5%	27.5%	6.5%
International Equity	22.5	9.1	27.5	9.1
Fixed Income	15.0	4.3	15.0	4.3
Real Estate	12.0	5.8	10.0	5.8
Private Equity	12.0	9.2	10.0	9.2
Private Credit	6.0	9.8	0.0	0.0
Hedge Funds	10.0	4.6	10.0	4.6
Total	100.0%		100.0%	

NOTE 13 RETIREMENT PLANS (CONTINUED)

TRS (Continued)

Discount Rate

The discount rate used to measure the total TRS net pension liability was 7.25% for fiscal years 2024 and 2023. 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 net pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the University's proportionate share of the TRS net pension liability as of June 30, 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.

	2026		
	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	$ 38,419	$ 19,220	$ 2,949

	2025		
	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	$ 177,360	$ 105,595	$ 44,989

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

At June 30, 2026, the University's proportionate share of the TRS net pension liability was $50,082. Of this amount, the University recognized $19,220 as its proportionate share on the Statement of Net Position. The remainder of $30,862 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)

At June 30, 2025, the University's proportionate share of the TRS net pension liability was $280,219. Of this amount, the University recognized $105,595 as its proportionate share on the Statement of Net Position. The remainder of $174,624 denotes the University's proportionate share of net pension liability attributable to the special funding.

The allocation percentage assigned to each participating employer and non-employer contributing entity is based on their 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 0.001479%, a decrease of 0.004117% from its proportion of 0.005596% calculated as of June 30, 2024. At the June 30, 2024 measurement date, the University's proportion was 0.005596%, a decrease of 0.000345% from its proportion of 0.005941% calculated as of June 30, 2023.

For the years ended June 30, 2026 and 2025, the University recognized TRS pension expense of $(101,877) and $(81,948), respectively. Of these amounts, $(101,645) and $(95,093), respectively, were recognized as the University's proportionate share of the TRS expense and $(232) and $13,145, respectively, as the amount of pension expense attributable to special funding from a non-employer contributing entity. The University also recognized revenue of $(232) and $13,145, respectively, 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	$ -	$ 176,573
Net Difference Between Projected and Actual Investment Earnings	-	4,172
Differences Between Expected and Actual Experience	3,314	-
Differences in Assumptions	40	1,063
Total	$ 3,354	$ 181,808

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	$ -	$ 203,044
Net Difference Between Projected and Actual Investment Earnings	-	10,903
Differences Between Expected and Actual Experience	10,930	-
Differences in Assumptions	2,682	-
Total	$ 13,612	$ 213,947

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in TRS pension expense as follows:

Year Ending June 30,	Amortization
2027	$ (53,097)
2028	(77,218)
2029	(24,961)
2030	(23,178)
Total	$ (178,454)

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.

NOTE 13 RETIREMENT PLANS (CONTINUED)

Defined Contribution Pension 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 $1,556,546, $1,462,156, and $1,345,948, respectively, which consisted of equal contributions from the University and covered employees in 2026, 2025, and 2024 of $778,273, $731,078, and $672,974, respectively.

NOTE 14 CONTINGENCIES

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

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 Internal Revenue Code of 1986 establishes rules and regulations for arbitrage rebates. There are no arbitrage rebate liabilities that have been recorded in the financial statements as of June 30, 2026 and 2025.

Several of the University properties are known to contain asbestos. The University is not required by federal, state or local law and Federal Environmental, Health and Safety Regulations to remove asbestos from its buildings, but is required to manage the presence of asbestos in a safe manner. The University addresses this responsibility on a case-by-case basis. The University 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 manner.

NOTE 15 RELATED PARTY TRANSACTION

A member of the University's board of governors is also a board member of a private foundation who provided a $1,000,000 grant to the University in fiscal year 2025.

NOTE 16 CONDENSED COMPONENT UNIT INFORMATION

Condensed component unit information for the Glenville State University Housing Corporation and Glenville State University Research Corporation, the University's blended component units for the years ended June 30 are as follows:

CONDENSED SCHEDULES OF NET POSITION

	Glenville State University Housing Corporation		Glenville State University Research Corporation	
	2026	2025	2026	2025
Assets:				
Current Assets	$ 413,041	$ 1,109,746	$ 502,301	$ 159,263
Noncurrent and Capital Assets	1,170,336	1,281,718	572,786	616,666
Total Assets	$ 1,583,377	$ 2,391,464	$ 1,075,087	$ 775,929
Liabilities:				
Current Liabilities	$ 54,581	$ 65,227	$ 1,381,340	$ 35,732
Noncurrent Liabilities		-	-	-
Deferred Inflows	107,060	535,301	-	-
Total Liabilities	161,641	600,528	1,381,340	35,732
Net Position:				
Net Investment In Capital Assets	(902,554)	1,121,425	1,070,905	616,666
Unrestricted	2,324,290	669,511	(1,377,158)	123,531
Total Net Position	1,421,736	1,790,936	(306,253)	740,197
Total Liabilities and Net Position	$ 1,583,377	$ 2,391,464	$ 1,075,087	$ 775,929

CONDENSED SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	Glenville State University Housing Corporation		Glenville State University Research Corporation	
	2026	2025	2026	2025
Operating:				
Revenues	$ 126,979	$ 394,354	$ 2,031,432	$ 202,098
Expenses	496,179	518,042	3,077,882	378,256
Net Operating Loss	(369,200)	(123,688)	(1,046,450)	(176,158)
Noncapital Subsidies	-	-	-	-
Nonoperating:				
Revenues	-	-	-	-
Expenses	-	-	-	-
Net Nonoperating Income	-	-	-	-
Decrease in Net Position	(369,200)	(123,688)	(1,046,450)	(176,158)
Net Position - Beginning of Year	1,790,936	1,914,624	740,197	916,355
Net Position - End of Year	$ 1,421,736	$ 1,790,936	$ (306,253)	$ 740,197

CONDENSED SCHEDULES OF CASH FLOWS

	Glenville State University Housing Corporation		Glenville State University Research Corporation	
	2026	2025	2026	2025
Net Cash from Operating Activities	$ (323,245)	$ (129,750)	$ 276,502	$ (260,539)
Net Cash from Nonoperating Activities	-	-	-	-
Cash and Cash Equivalents - Beginning of Year	439,864	569,614	96,571	357,110
Cash and Cash Equivalents - End of Year	$ 116,619	$ 439,864	373,073	$ 96,571

NOTE 17 NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

For the years ended June 30 the following tables present operating expenses within both natural and functional classifications:

	2026						
	Salaries and Wages	Benefits	Supplies, Services, and Miscellaneous	Utilities	Scholarships and Fellowships	Depreciation	Total
Instruction	$ 5,446,652	$ 1,397,964	$ 655,970	$ -	$ -	$ -	$ 7,500,586
Academic Support	492,413	122,153	208,621	-	-	-	823,187
Student Services	1,511,871	408,342	767,932	-	-	-	2,688,145
General Institutional Support	3,226,516	1,113,282	3,589,766	-	-	-	7,929,564
Operations and Maintenance of Plant	1,588,963	519,026	338,725	1,692,497	-	-	4,139,211
Student Financial Aid	296,990	88,824	65,321	-	1,740,741	-	2,191,876
Auxiliary Enterprises	2,588,587	572,095	4,480,054	-	-	-	7,640,736
Deprecation and Amortization	-	-	-	-	-	4,950,246	4,950,246
Total	$ 15,151,992	$ 4,221,686	$ 10,106,389	$ 1,692,497	$ 1,740,741	$ 4,950,246	$ 37,863,551

	2025						
	Salaries and Wages	Benefits	Supplies, Services, and Miscellaneous	Utilities	Scholarships and Fellowships	Depreciation	Total
Instruction	$ 5,816,836	$ 1,252,821	$ 353,949	$ -	$ -	$ -	$ 7,423,606
Academic Support	1,153,940	331,159	228,778	-	-	-	1,713,877
Student Services	980,031	229,935	443,728	-	-	-	1,653,694
General Institutional Support	3,516,228	795,268	2,271,516	-	-	-	6,583,012
Operations and Maintenance of Plant	1,246,353	398,474	1,206,240	1,582,194	-	-	4,433,261
Student Financial Aid	247,852	69,470	41,573	-	3,807,792	-	4,166,687
Auxiliary Enterprises	2,126,120	440,406	4,197,534	-	-	-	6,764,060
Deprecation and Amortization	-	-	-	-	-	2,977,371	2,977,371
Total	$ 15,087,360	$ 3,517,533	$ 8,743,318	$ 1,582,194	$ 3,807,792	$ 2,977,371	$ 35,715,568

NOTE 18 COMPONENT UNIT DISCLOSURES

The notes taken directly from the audited financial statements of the Foundation that are applicable to GASB presentation and significant to the University are as follows:

A. Liquidity and Availability of Financial Assets

The Foundation's financial assets available for general expenditure within one year after June 30 are as follows:

	2026	2025
Cash and Cash Equivalents	$ 169,038	$ 1,086,485
Investments, at Fair Value	1,289,162	1,150,221
Related Party Receivables	1,408,175	336,131
Total	$ 2,866,375	$ 2,572,837

The Foundation's investments held at year-end are considered available for expenditure based on the Foundation's approved spending policy. Under current policy, the distribution shall be a minimum of 5.0% of the endowment portfolio's average market value on June 30 for the three years immediately preceding the establishment of the distributable amount.

As part of the Foundation's liquidity management, the Foundation has adopted investment and spending policies for assets that support the Foundation's mission and purpose, which are best served over the long term through a flow of interest income and an expanding flow of dividends and capital gains. Achieving these desired ends will help preserve the current purchasing power originating with the Foundation's invested funds, and it will not place at risk the principal value of those funds. The overriding investment objective is to earn a real total rate of return (interest and dividend income, plus realized and unrealized appreciation expressed as a percentage of market value, both adjusted for inflation) averaging at least 5.0% per annum, measured over a three-year to five-year period.

B. Marketable Investments

Investments are stated at estimated fair value in the financial statements. The following is an analysis of the composition of the Foundation's investments at June 30:

	2026	2025
Marketable Investments:		
Cash, Interest-Bearing	$ 853,294	$ 705,443
Mutual Funds	7,632,196	6,182,347
Bonds	4,182,132	3,545,049
Stocks	13,809,668	13,092,837
Alternatives	1,771,493	1,623,589
Total Marketable Investments	$ 28,248,783	$ 25,149,265

NOTE 18 COMPONENT UNIT DISCLOSURES (CONTINUED)

C. Fair Value Measurements

Fair values of assets measured on a recurring basis as of June 30 are as follows:

	2026			
	Level 1	Level 2	Level 3	Fair Value
Investments:				
Total Cash, Interest-Bearing	$ 853,294	$ -	$ -	$ 853,294
U.S. Government Obligations	2,505,680	-	-	2,505,680
Corporate Debt Obligations	-	1,676,452	-	1,676,452
Equity Securities	13,809,668	-	-	13,809,668
Mutual Funds	7,632,196	-	-	7,632,196
Total Investments, at Fair Value	$ 24,800,838	$ 1,676,452	$ -	26,477,290
Alternatives:				
Hedge Fund (NAV)				1,771,493
Total Marketable Investments				$ 28,248,783

	2025			
	Level 1	Level 2	Level 3	Fair Value
Investments:				
Total Cash, Interest-Bearing	$ 705,443	$ -	$ -	$ 705,443
U.S. Government Obligations	1,703,469	-	-	1,703,469
Municipal Obligations	-	148,742	-	148,742
Corporate Debt Obligations	-	1,692,838	-	1,692,838
Equity Securities	13,092,837	-	-	13,092,837
Mutual Funds	6,182,347	-	-	6,182,347
Total Investments, at Fair Value	$ 21,684,096	$ 1,841,580	$ -	23,525,676
Alternatives:				
Hedge Fund (NAV)				1,623,589
Total Marketable Investments				$ 25,149,265

In accordance with the fair value measurements and disclosures guidance, the category, fair value, redemption frequency, and redemption notice period for investments, the fair value of which are estimated using the NAV per share as of June 30 are as follows. There were no unfunded commitments as of June 30, 2026 and 2025.

	Redemption Frequency (If Currently Eligible)	Redemption Notice Period	2026	2025
Alternatives:				
Hedge Funds*	Various	Various	$ 1,771,493	$ 1,623,589

* Funds in this category invest in hedge funds to achieve capital appreciation with limited variability of returns.

NOTE 18 COMPONENT UNIT DISCLOSURES (CONTINUED)

D. Capital Assets

Capital assets consist of the following as of June 30:

	2026	2025
Land Improvements, Nondepreciable	$ 580,553	$ 580,553
Buildings	5,095,222	5,095,222
Office Equipment	38,790	38,790
Vehicles	323,606	270,007
Total	6,038,171	5,984,572
Less: Accumulated Depreciation	(1,647,545)	(1,514,473)
Capital Assets, Net	$ 4,390,626	$ 4,470,099

Depreciation expense for the years ended June 30, 2026 and 2025, was $202,831 and $178,474, respectively.

E. Loan Payable

Loan payable consists of the following as of June 30:

Description	2026	2025
Loan payable to United Bank, Inc. for $2,683,125. Payments are to be made in monthly installments of $15,020 including a fixed interest rate of 5.372% and a maturity of a final balloon payment on November 21, 2034. The loan is collateralized by a first deed-of-trust on Building A located at 921 Mineral Road and the assignment of all lease agreements.	2,629,164	2,662,946
Less: Current Portion of Loan Payable	(40,279)	(38,176)
Net Long-Term Portion	$ 2,588,885	$ 2,624,770

Scheduled principal payments for long-term debt are as follows:

Year Ending June 30,	
2027	$ 40,279
2028	42,496
2029	44,836
2030	47,305
2031	49,910
Thereafter	2,404,338
Total	$ 2,629,164

NOTE 18 COMPONENT UNIT DISCLOSURES (CONTINUED)

F. Related-Party Transactions

The Foundation entered into an operating lease agreement effective November 18, 2009 with Glenville State University for the Alumni House, a 3,780 square feet building located at 213 North Court Street. The lease is receivable in annual installments of $1 and expires on June 30, 2049.

The Foundation entered into an operating lease agreement effective July 1, 2013 with the Glenville State University Board of Governors for 2.74 acres of a 76.2 acre tract. The lease is receivable in annual installments of $1 and expires on September 30, 2054.

The Foundation entered into a lease agreement effective July 1, 2013 with Glenville State University Board of Governors for 9,000 square feet on the first floor and 18,000 square feet of the second floor of the Waco Center's Building A. The lease is receivable in annual installments of $1 and expires on September 30, 2054 at which time the lease provides for the transfer of ownership of Building A to the University.

The Foundation entered into a line of credit agreement effective May 15, 2019 with Glenville State University for up to $1,000,000. The line of credit has an interest rate of 4% per annum. As of June 30, 2026 and 2025, the University owed the Foundation $1,000,000 plus $10,440 of accrued interest and $-0-, respectively, on this line of credit.

As of June 30, 2026 and 2025, the University owed the Foundation $397,735 and $336,131, respectively, for reimbursements on general operating expenses. As of June 30, 2026 and 2025, the Foundation owed the University $-0- and $1,026,204, respectively, for contributions made prior to year-end.

G. Endowment Funds

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

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Funds - June 30, 2024	$ 418,034	$ 19,264,870	$ 19,682,904
Bequest and Contributions	-	1,343,970	1,343,970
Investment Return	50,850	2,443,597	2,494,447
Expenditures	(5,073)	(871,606)	(876,679)
Change to Endowment	-	55,000	55,000
Endowment Funds - June 30, 2025	463,811	22,235,831	22,699,642
Bequest and Contributions	-	548,468	548,468
Investment Return	69,694	3,387,027	3,456,721
Expenditures	(5,645)	(942,696)	(948,341)
Change to Endowment	(10,000)	(358)	(10,358)
Endowment Funds - June 30, 2026	$ 517,860	$ 25,228,272	$ 25,746,132

GLENVILLE STATE UNIVERSITY
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
University's Proportionate Share as a Percentage of Net Pension Liability	0.001479 %	0.005596 %	0.005941 %	0.014922 %	0.020193 %	0.023529 %	0.024200 %	0.030098 %	0.045449 %	0.039778 %
University's Proportionate Share	$ 19,220	$ 105,595	$ 136,014	$ 383,804	$ 315,572	$ 757,855	$ 719,991	$ 939,737	$ 1,570,250	$ 1,634,806
State's Proportionate Share	30,862	174,624	277,761	855,035	705,562	1,646,732	1,738,186	2,434,910	3,472,445	3,113,871
Total Proportionate Share	$ 50,082	$ 280,219	$ 413,775	$ 1,238,839	$ 1,021,134	$ 2,404,587	$ 2,458,177	$ 3,374,647	$ 5,042,695	$ 4,748,677
University's Covered Employee Payroll	$ 39,977	$ 38,238	$ 141,480	$ 208,261	$ 423,045	$ 584,406	$ 650,657	$ 700,282	$ 921,675	$ 907,360
University's Proportionate Share as a Percentage of Covered Payroll	48 %	276 %	96 %	184 %	75 %	130 %	111 %	134 %	170 %	180 %
University's Plan Fiduciary Net Position as a Percentage of Total Pension Liability	89.27 %	84.24 %	80.42 %	77.78 %	86.38 %	70.89 %	72.64 %	71.20 %	67.85 %	65.57 %

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

GLENVILLE STATE UNIVERSITY
SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	$ 6,610	$ 24,995	$ 26,884	$ 72,076	$ 84,273	$ 109,138	$ 104,835	$ 133,576	$ 188,148	$ 166,922
Actual Contribution	6,610	24,995	26,884	72,076	84,273	109,138	104,835	133,576	188,146	154,213
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2	$ 12,709
Covered Payroll	$ 39,977	$ 38,238	$ 141,480	$ 208,261	$ 423,045	$ 584,406	$ 650,657	$ 700,282	$ 921,675	$ 907,360
Actual Contribution as a Percentage of Covered Payroll	16.53 %	65.37 %	19.00 %	34.61 %	19.92 %	18.68 %	16.11 %	19.07 %	20.41 %	17.00 %

GLENVILLE STATE UNIVERSITY
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
LAST TEN FISCAL YEARS*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
University's Proportionate Share as a Percentage of Net OPEB Liability	0.14417717 %	0.07944718 %	0.16380793 %	0.16436527 %	0.18350980 %	0.17736108 %	0.18129702 %	0.18746617 %	0.17441669 %
University's Proportionate Share	$ 135,965	$ (33,079)	$ (259,225)	$ 182,937	$ (54,566)	$ 783,389	$ 3,007,958	$ 4,021,967	$ 4,288,887
State's Proportionate Share	107,870	(103,897)	(110,645)	62,667	(10,744)	173,220	615,562	831,233	880,942
Total Proportionate Share	$ 243,835	$ (136,976)	$ (369,870)	$ 245,604	$ (65,310)	$ 956,609	$ 3,623,520	$ 4,853,200	$ 5,169,829
University's Covered Employee Payroll	$ 2,084,257	$ 1,196,164	$ 2,530,988	$ 2,583,424	$ 3,778,891	$ 3,037,569	$ 3,490,320	$ 3,844,357	$ 3,835,528
University's Proportionate Share as a Percentage of Covered Payroll	6.52 %	(2.77)%	(10.24)%	7.08 %	(1.44)%	25.79 %	86.18 %	104.62 %	111.82 %
University's Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	95.76 %	102.19 %	109.66 %	93.59 %	101.81 %	73.49 %	39.69 %	30.98 %	25.10 %

There are no factors that affect trends in the amounts reported, such as a change of benefit terms or assumptions. With only nine years reported in the required supplementary information, there is no additional information to include in notes. Information, if necessary, can be obtained from the West Virginia Retiree Benefit Health Benefit Trust Fund Audited Schedules of Employer Other Postemployment Benefits Allocations and Other Postemployments Benefits Amounts by Employer.

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

GLENVILLE STATE UNIVERSITY
SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS
LAST TEN FISCAL YEARS*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially Determined Contribution	$ 97,772	$ 31,423	$ 164,275	$ 193,253	$ 326,238	$ 334,645	$ 373,523	$ 373,889	$ 358,249
Actual Contribution	97,772	31,423	164,275	193,253	326,238	334,645	373,523	373,889	358,249
Contribution Deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Employee Payroll	$ 2,084,257	$ 1,196,164	$ 2,530,988	$ 2,583,424	$ 3,778,891	$ 3,037,569	$ 3,490,320	$ 3,844,357	$ 3,835,528
Actual Contribution as a Percentage of Covered Employee Payroll	4.69 %	2.63 %	6.49 %	7.48 %	8.63 %	11.02 %	10.70 %	9.73 %	9.34 %

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

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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
Glenville State University
Glenville, West Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Glenville State University (the University), a component unit of the West Virginia Higher Education 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 14, 2026. Our report includes a reference to other auditors who audited the financial statements of the Glenville State University Foundation, Inc. as described in our report on the University's financial statements. The financial statements of the Glenville State 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 the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2026-001 and 2026-002 that we consider to be material weaknesses.

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Report on Compliance and Other Matters

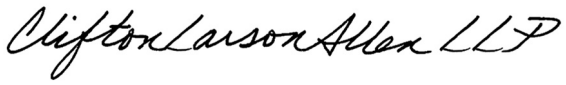
As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Glenville State University's Response to Findings

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

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

King of Prussia, Pennsylvania
October 14, 2026

2026-001

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: Management is unable to provide a complete trial balance from the Oasis system and has to post manual entries to capture certain financial activity not recorded in the general ledger.

Criteria or Specific Requirement: Management's responsibilities include exercising oversight responsibility for significant financial reporting processes, including controls over procedures used to enter transaction totals into the general ledger; initiate, authorize, record and process journal entries into the general ledger; record recurring and nonrecurring adjustments to the financial statements and safeguarding University assets. Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

Effect: By not recording all transactions in one general ledger system, there is an increased likelihood that transactions could be incorrectly omitted from the general ledger.

Cause: Management should ensure all financial activity is under the control of the general ledger.

Recommendation: We recommend the University evaluate its process for capturing all financial activity in the general ledger.

Repeat Finding: This is a repeat finding (2025-001).

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and will evaluate their process for capturing all financial activity in the general ledger.

2026-002

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: Adjustments were needed to capital assets, accounts payable and expense accounts for construction-related activity.

Criteria or Specific Requirement: Management has the responsibility for the accounting treatment of capital asset expenditures. Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

Effect: By not recording certain construction-related activity correctly, and detecting and correcting them timely, the change in net position for the year ended June 30, 2026 was understated by approximately $3,183,000.

Cause: On a periodic basis, management should review and reconcile capital accounts to ensure that all construction-related expenditures get properly recorded.

Recommendation: We recommend that the University evaluate its process for reviewing capital expenditures on construction projects to ensure proper classification.

Repeat Finding: This is a repeat finding (2025-002).

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and will evaluate their process for accounting for construction-related costs in accordance with U.S. GAAP.



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